



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

Date: Thursday, 27 August 2020
Time: 9am
Meeting Room: Council Chamber
Venue: 15 Forth Street
Invercargill

Council Agenda OPEN

MEMBERSHIP

Mayor	Mayor Gary Tong
Deputy Mayor	Ebel Kremer
Councillors	Don Byars
	John Douglas
	Paul Duffy
	Bruce Ford
	Darren Frazer
	George Harpur
	Julie Keast
	Christine Menzies
	Karyn Owen
	Margie Ruddenklau
	Rob Scott

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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C10.4 Appointment of Great South Board of Directors

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 12noon at least one clear day 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, 22 July 2020

Submissions Received on Draft Keeping of Animals, Poultry and Bees Bylaw

Record No: R/20/7/29242
Author: Robyn Rout, Policy Analyst
Approved by: Fran Mikulicic, Group Manager Environmental Services

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to provide information to councillors on the feedback that was received through submissions on the draft Keeping of Animals, Poultry and Bees Bylaw (the draft bylaw).

Executive Summary

- 2 On 4 March 2020, Council endorsed a statement of proposal, which included the draft bylaw, for public consultation. A copy of the proposal is included with this report as Attachment A. Submissions were accepted between 12 March and 13 April 2020. As the consultation period ended up being when New Zealand was responding to Covid-19, Council determined to re-open the draft bylaw for submissions at its 20 May 2020 meeting. The second formal consultation period took place from 17 June to 8 July 2020.
- 3 Eight submissions were received on the draft bylaw during the consultation periods. These are presented with this report in a submission booklet included as Attachment B. None of the submitters wished to speak to Council about this matter.
- 4 Submitters gave feedback on a broad range of issues relating to keeping animals. Topics that generated the most feedback were the proposed permit system and provisions allowing Council to restrict the number and location of bee hives.
- 5 At the Council meeting on 29 September 2020, staff are proposing to present the draft bylaw to Council for it to deliberate and adopt.

Recommendation

That Council:

- a) **Receives the report titled “Submissions Received on Draft Keeping of Animals, Poultry and Bees Bylaw” dated 19 August 2020.**
- 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) **Receives all the written submissions on the draft Keeping of Animals, Poultry and Bees Bylaw.**
- e) **Notes that on 4 March 2020, Council determined:**
 - i. **pursuant to section 155(1) of the Local Government Act 2002 that a bylaw is the most appropriate way of addressing nuisance and health and safety problems associated with keeping animals in the District**
 - ii. **pursuant to section 155(2)(a) of the Local Government Act 2002, that the draft Keeping of Animals, Poultry and Bees Bylaw is the most appropriate form of bylaw**
 - iii. **pursuant to section 155(2)(b) of the Local Government Act 2002, that the draft Keeping of Animals, Poultry and Bees Bylaw does not give rise to any implications under the New Zealand Bill of Rights Act 1990.**

Background

Current bylaw

- 6 The current bylaw contains rules about cats and various animals, such as pigs, horses, poultry and cattle. Provisions in the bylaw include where animals can be kept, how they can be kept, how many are permitted, and provisions relating to animal noise. The bylaw does not have any rules about dogs (these are in Council’s Dog Control Bylaw). The current bylaw was adopted by Council on 30 June 2010 and is due to be reviewed.
- 7 The current bylaw states that people can keep animals not otherwise permitted by the bylaw if they seek a consent from Council under the Resource Management Act 1991 (RMA). The bylaw also states that Council can, in any particular case or cases, by resolution, dispense with rules in the bylaw. Council has been granting dispensations to individuals to allow them to keep animals not permitted by the bylaw. People apply for a dispensation, and if the applicant’s neighbours give their consent and an animal control officer believes it is appropriate, a dispensation is given under delegated authority held by the chief executive or the group manager of Environmental Services.

Formal dispensation for Ohai

- 8 In 2012, the Ohai Community Development Area Subcommittee (CDA) requested that a dispensation be made to allow farm animals to be kept in the urban zone in Ohai. On 27 June 2012, Council adopted a formal dispensation for Ohai that allows people in the Ohai urban zone to keep farm animals (such as horses, cattle etc) if:
- the animals are confined to the property
 - the owner/occupier has given approval for the animals to be kept
 - the animals don't damage neighbouring fences or property.

Developing the draft bylaw

- 9 Staff sought feedback on the current bylaw from a variety of sources. Feedback was sought from Council staff and external feedback was sought through various means such as letters, Facebook posts, emails to community board members, and discussions with members of the public. The feedback received was used to develop the draft bylaw.
- 10 On 12 February, staff obtained feedback from the Regulatory and Consents Committee on the draft bylaw and the dispensation for Ohai. The committee recommend that Council endorse the draft bylaw for public consultation. The committee also gave feedback that it supported revoking the formal dispensation for Ohai, and having a permit system used across the District.
- 11 On 4 March 2020, Council made three determinations relating to the draft bylaw. Determinations are a required step in the process to make a bylaw. Council determined, as is required by section 155 of the Local Government Act 2002 (the Act), that:
- a bylaw is the most appropriate way of addressing nuisance and health and safety problems associated with keeping animals in the District
 - the draft bylaw is the most appropriate form of bylaw
 - the draft bylaw does not give rise to any implications under the New Zealand Bill of Rights Act 1990.
- 12 Council also endorsed the draft bylaw, and released the statement of proposal for public consultation in accordance with the Special Consultative Procedure, from 12 March to 13 April 2020. On 20 May 2020, Council amended the statement of proposal on the draft bylaw, to allow for a further three-week consultation period. This amendment was made as New Zealand's response to Covid-19 fell in the middle of the first consultation period, and Council wanted to ensure there was a reasonable opportunity for people to present their views on the draft bylaw. The second consultation period took place from 17 June to 8 July 2020.
- 13 The draft bylaw contains some general rules that aim to prevent nuisance, health and safety issues, the polluting of water ways, and animal related noise. Specific sections in the bylaw also provide:
- rules outlining animals that aren't permitted in urban zones
 - rules about keeping poultry in urban zones
 - rules about keeping animals in industrial zones

- rules about pigs
 - provisions about placing limits on the number of cats
 - provisions about placing limits on keeping bees
 - information about buildings for animals
 - how to get a permit
 - dispensing power
 - information about enforcement
 - information about penalties.
- 14 When Council adopts a new bylaw, it may decide to revoke the dispensation for Ohai and require people in Ohai to use the proposed permit system. If the dispensation for Ohai is going to be revoked, Council staff would work with Ohai residents to identify the best way to transition to the permit system. Council may re-issue permits for these residents under the proposed bylaw, at no cost to the resident; provided there is compliance with conditions in the current Ohai dispensation.
- 15 If Council adopts the draft bylaw, Council may treat dispensations that have already been granted to particular individuals (allowing people to keep an animal that would not otherwise be permitted under the current bylaw), as a permit under the draft bylaw. This would mean that the individuals who already have a dispensation, would not need to apply for a permit.

Issues

- 16 Eight submissions were received on the draft bylaw. All of the submissions are presented in the submission booklet included with this report as Attachment B.
- 17 One submitter supported all of the provisions in the draft bylaw, five supported some of the provisions and two submitters didn't support any of the provisions in the draft bylaw.
- 18 In the draft bylaw, it is proposed to have the same rules in all urban areas in the District. In the submission form, staff queried whether submitters supported having consistent rules. Four of the submitters thought there should be different rules in different urban areas in the District. Two submitters supported having consistent rules in urban areas, and two submitters weren't sure whether or not the rules should be the same in all urban areas.

19 A synopsis of the written feedback Council received on the draft bylaw, is outlined below.

Topic	Feedback
Animals not permitted in urban zones (Part 5 of the draft bylaw)	<ul style="list-style-type: none"> - sheep should be limited to five sheep - some urban areas are very close to rural areas, so it makes no sense to have different rules on keeping animals, in these urban areas - goats should be allowed in urban areas if they're secure/properly cared for.
Restrictions on keeping poultry (Parts 5 and 6 of the draft bylaw)	<ul style="list-style-type: none"> - satisfied with the restrictions on poultry, but would like clarification on enforcement/monitoring - some urban areas are very close to rural areas, so it makes no sense to have different rules on keeping poultry, in these urban areas - the requirement to keep poultry 10 meters from a residential building may limit some people from keeping poultry, and the 10 meter distance seems arbitrary
Rules about keeping pigs (Parts 5 to 7 of the draft bylaw)	<ul style="list-style-type: none"> - pigs should not be allowed in any urban area, and permits should not be issued allowing pigs in urban areas
Provisions allowing Council to restrict the number of cats (Part 7 of the draft bylaw)	<ul style="list-style-type: none"> - if a limit is to be set it should be for three cats, not the five suggested. The cats should also be neutered - support for this provision - restrict cats to two, must be neutered, microchipped and have collars
Provisions allowing Council to restrict the number and location of hives (Part 7 of the draft bylaw)	<ul style="list-style-type: none"> - amend the draft bylaw so if conflict arises between the beekeeper and neighbours/the public - a suitably experienced person be consulted with and involved in the mediation process - no need for restrictions on Stewart Island - as bees travel, the location of hives has little impact on their 'nuisance' issues - if Council does receive a complaint about a hive, it should consider other people's views about the hive (in addition to the complainant) before it acts - bees provide an important function of pollination - any provision that can limit the use/placement of bee hives is a backward step - hives will be naturally limited within an urban area due to the supply of food source.
Obtaining a permit - part 8 of the draft bylaw	<ul style="list-style-type: none"> - it should be compulsory for Council to visit the premises and seek approval from neighbours, when it goes through the process of issuing a permit - the draft bylaw should include that all apiary sites must be registered with Assure Quality. There is no need for further permits through SDC - opposition to requiring more permits to be issued

Topic	Feedback
	<ul style="list-style-type: none"> - the extra resources and funding required to establish and maintain a permit system is expensive and unnecessary - the permit system would be a bit arbitrary as in rural Southland, urban zoned properties are adjacent to farm land, consequently similar properties would have different requirements to keep animals - requiring owners to seek a permit when animals are not causing an issue, is creating a burden when there isn't a perceived problem - having no limit on the number of sheep, but not allowing one goat, seems arbitrary/inconsistent - this is another way for local government to raise funds - the requirement to get a permit to keep animals on vacant land would lead to excessive bureaucracy and cost.
General feedback	<ul style="list-style-type: none"> - when the bylaw is adopted it should be circulated to real estate agents so they are familiar with the rules - members of the public should be reminded to contact Council if they have concerns about the keeping of animals - a community board was keen to know who has permits in their area if possible - in rural towns with surrounding farms and empty sections, people should be allowed to keep small numbers of animals in the empty sections for the purpose of keeping the grass short.
Ohai dispensation	<ul style="list-style-type: none"> - the existing dispensation has worked well and is appropriate. It should be maintained and potentially expanded to other areas - towns such as Ohai are unique due to their placement within rural areas, and it makes no sense to impose urban rules and a permit system to keep certain animals, in towns of that nature.

Factors to Consider

Legal and Statutory Requirements

20 Under section 146 of the Local Government Act 2002 (the LGA), Council has the specific bylaw making power to regulate the keeping of animals, poultry and bees. Under section 145, bylaws can only be made for one of the following purposes:

- to protect the public from nuisance
- to protect, promote, and maintain public health and safety
- to minimise the potential for offensive behaviour in public places.

- 21 Council has undertaken consultation on the draft bylaw in accordance with the special consultative procedure outlined in section 83 and 86 of the LGA. The proposal was made widely available and people were encouraged to give their feedback by Council placing advertisements in the Advocate/the Southland Express, placing posters in Council's offices/libraries, making Facebook posts, and having the proposal on Council's website and on the Southland App. People could also access a submission form electronically.

Community Views

- 22 A summary of the community views captured through the formal consultation process on the draft bylaw has been outlined in the issues section of this report. The full submission booklet is also attached.
- 23 A summary of the community views captured through the preliminary consultation process are outlined in the report to Council on 4 March 2020. This report can be accessed by elected members on Council's hub, and by the public on Council's website.
- 24 Under Section 78 of the LGA, Council must, when deciding how to proceed, consider the views and preferences of persons likely to be affected by, or to have an interest in, the matter.
- 25 There is not a requirement to agree with the submitters, but Council must consider the views that have been expressed, with an open mind.

Costs and Funding

- 26 The costs associated with reviewing the bylaw include staff time and advertising. The draft bylaw does not propose any significant changes to operational practice within the environmental health team. Costs will be met within existing budgets.
- 27 In accordance with the 2020-2021 Annual Plan, people have to pay \$322 when they apply for a permit/dispensation to keep an animal that would not otherwise be permitted by the draft bylaw. The charge covers the cost of staff processing the application. The charge was \$292.50 in the 2019-2020 Annual Plan.

Policy Implications

- 28 The draft bylaw proposes small changes to the current bylaw, including:
- to how people get approval to keep animals not permitted by the bylaw
 - making it an offence to kill animals or process meat in a way that is, or is likely to become, a nuisance, dangerous, offensive or injurious to health
 - not allowing people to keep llamas alpacas, emus, swans, chamois and thar on private land in an urban zone.
- 29 It is also proposed to remove the formal dispensation for people in the Ohai urban zone.
- 30 In regards to enforcing the provisions in the draft bylaw, staff are proposing to continue dealing with issues as complaints are received. This means that the current approach of not proactively monitoring the bylaw for compliance, will continue.

- 31 Council has a vision of ‘one community, offering endless opportunities’. On this basis, the draft bylaw has been drafted to not be too restrictive, and to allow, where appropriate, people to have the opportunity to keep the animals and enjoy the lifestyle they want.

Analysis

Assessment of Significance

- 32 Staff have assessed receiving submissions on the draft bylaw as not significant in accordance with the LGA and Council’s Significance and Engagement Policy.

Recommended Option

- 33 Staff recommend Council proceed with the only practical option available to it - to receive the written submissions on the draft Keeping of Animals, Poultry and Bees Bylaw. The advantage of this option is so Council can consider community views on this matter, and to comply with the special consultative procedure requirements in the LGA. There are no known disadvantages associated with this option.

Next Steps

- 34 Staff will present issues and options to Council for deliberation on 29 September 2020. Staff will also present, at this meeting, the draft bylaw for adoption.
- 35 There is a requirement to review this bylaw within ten years of it being adopted, so if the draft bylaw is adopted in September 2020, a subsequent review will need to be completed in 2030.

Attachments

- A Statement of proposal on draft Keeping of Animals, Poultry and Bees [↓](#)
- B Submission Booklet - submissions on draft Keeping of Animals, Poultry and Bees Bylaw [↓](#)



Draft Keeping of Animals, Poultry and Bees Bylaw

Statement of Proposal – March 2020

1. Introduction

Southland District Council is reviewing its Keeping of Animals, Poultry and Bees Bylaw. This bylaw contains rules about keeping animals such as pigs, horses, poultry, cats and cattle, and about animal noise. This bylaw does not have any rules about dogs. Rules about dogs are in Council's Dog Control Bylaw.

To get information to help develop the draft bylaw, Council has sought feedback from a number of community groups and had discussions with a number of people in the District. Feedback identified that the currently bylaw is working quite well, and that no significant changes to the current bylaw are needed.

2. What is proposed?

The draft bylaw is included with this proposal as Attachment A.

The draft bylaw contains some general rules that aim to prevent nuisance, health and safety issues, the polluting of water ways, and animal related noise. The draft bylaw also has specific sections that provide:

- rules about keeping animals in areas that are zoned 'urban'
 - animals that aren't permitted in urban zones
 - restrictions on poultry
- rules about keeping animals in areas that are zoned 'industrial'
 - rules about pigs
 - restrictions on poultry
- provisions that relate to specific issues, including
 - restrictions on pigs and pigsties
 - that Council can impose a limit on the number of cats in specific circumstances
 - that Council can impose conditions on the number and location of beehives in specific circumstances
 - information about buildings for animals
- how to get a permit (to keep animals not otherwise permitted by the bylaw)
- dispensing power - that Council can forgo rules in the bylaw, in particular circumstances
- information about enforcement
- information about penalties.

The draft bylaw is similar to the current bylaw. Some of the changes that have been made, and the reason for the change, are:

PROPOSED CHANGE	WHAT IS IN THE CURRENT BYLAW	REASON FOR THE PROPOSED CHANGE
To have sections outlining the general rules that apply to everyone, the rules for urban zones, the rules for industrial zones, and other specific rules	In some sections, it is not clear where the rules apply (for example, which zone)	Clarity, readability

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To include a general rules section that states it is an offence to keep animals in a way that causes nuisance, health and safety issues, the polluting of water ways, or animal related noise	There is a section on animal related noise. There is no general rules section	To clearly identify the rules that apply to everyone. Clarity, readability
A permit system is proposed for people who want to keep an animal that is not permitted by the bylaw	The current bylaw refers to obsolete provisions in an outdated District Plan. It also states that to keep animals outside the bylaw, people have to get a consent under the Resource Management Act 1991. The current bylaw gives Council the authority to grant dispensations	The proposed permit system is similar to the dispensation system currently being used, which has been working well. Compared to getting a consent under the Resource Management Act 1991, a permit system has a simpler application process, is less expensive for applicants and is not subject to appeals
To include an appendix that lists the towns that have an urban zone, and to state in the definitions section where industrial zones are. The draft bylaw also includes some guidance on how to find the relevant parts of the District Plan	Refers to urban and industrial areas in the District Plan, but gives no practical guidance on the towns that have the zones, or how to view them	For ease of use. Staff are not proposing to include all of the relevant maps with the bylaw, as these maps may change before the bylaw is due to be reviewed
Making it an offence to kill animals or process meat in a way that is, or is likely to become, a nuisance, dangerous, offensive or injurious to health	Does not include any rules about killing animals or processing meat	To help prevent nuisance and health and safety issues
Not including different rules for Ohai in the draft bylaw	The current bylaw applies to all areas in the District, but a formal dispensation has been granted for the Ohai urban zone	To create consistency across the District. Staff believe the bylaw would become too complex and confusing if different rules were introduced for different towns. The permit system will allow people to keep animals not permitted by the bylaw
Including a specific list of animals that are prohibited, and removing the term 'beast of burden'. There is a change that llamas, alpacas, emus, swans, chamois and tahr would be prohibited in areas in an urban zone.	Does not permit horses or other beast of burden, cattle, goats, deer or ostriches in the urban zone.	To help prevent nuisance and health and safety issues.

In 2012, Council adopted a formal dispensation for Ohai that allows people in the Ohai urban zone to keep farm animals (such as horses, cattle, etc) in specific circumstances. When Council adopts a new bylaw, it may revoke the dispensation for Ohai and require people in Ohai to use the proposed permit system. If the dispensation for Ohai is going to be revoked, Council staff would work with Ohai residents to identify the best way to transition to the permit system. Council may re-issue permits for these residents under the proposed bylaw, at no cost to the resident; provided there is compliance with conditions in the current Ohai dispensation.

If Council adopts the draft bylaw, Council may treat dispensations that have already been granted to particular individuals (allowing people to keep an animal that would not otherwise be permitted under the current bylaw), as a permit under the draft bylaw. This would mean that the individuals who already have a dispensation, would not need to apply for a permit.

3. Reason for the Proposal

The key reasons for this proposal are:

- to protect the public from nuisance and to protect, promote and maintain public health and safety
- the current bylaw has been in place for nearly 10 years and legislation requires Council to review the bylaw
- to encourage people to give feedback on the draft bylaw
- to let people know how they can give feedback.

4. How to have your say

Council encourages any person or organisation with an interest in the draft bylaw to consider it and to give feedback.

Submissions will be accepted from 8am on 12 March 2020 and must be received **no later than 5pm on 13 April 2020**. There will also be a subsequent consultation period for three weeks, when New Zealand is in COVID-19 alert level two or lower. Submissions can be made online at <https://www.southlanddc.govt.nz/my-council/-/have-your-say/>

All submissions must state the submitter's name and their contact details. If you need help submitting please contact Council at 0800 732 732, or call in to one of Council's offices. Submitters should indicate in their written submission whether they would like to be heard on this matter. All written submissions made to Council will be acknowledged and made available to the public.

Council intends to convene a hearing, at which any party who wishes to do so can present their submission in person. Oral submissions will be heard in a Council meeting which is open to the public. If you indicate you would like to be heard in your written submission, Council staff will get in touch with you to arrange a time at the hearing. If you have any special requirements when appearing at the hearing (eg video conferencing or using sign language) please let us know.

If you indicate in your written submission that you do not want to be heard and then you change your mind, please get in touch with Council staff and we will try and accommodate you at the hearing.

5. Timetable for consultation

The dates below outline the timetable for the consultation process. Any changes to these dates will be publically advised on Council's Facebook page and website.

DATE	ACTIVITY
4 March 2020	Council adopt the proposal for consultation
12 March 2020	Consultation period begins (8am)
13 April 2020	Consultation period ends (5pm)
date TBC	Subsequent three week consultation period
date TBC	Oral submissions heard by Council (at Council offices, 15 Forth St, Invercargill)
date TBC	Council deliberate on this matter and adopt the draft bylaw
date TBC	Keeping of Animals, Poultry and Bees Bylaw comes into force

6. Options

The following options have been considered regarding how Council could proceed, after it has undertaken the consultation process:

Option 1 – adopt the draft bylaw

Option 2 – adopt an amended bylaw. This may include:

- changes to the types and numbers of animals permitted or how animals must be kept, across the District
- having different rules for different areas in the District (for example, it is possible Council may receive feedback that a particular community wants more liberal or restrictive rules for that community. If this occurred, Council may consider incorporating those rules into the bylaw)

Option 3 – retain the status quo (the current bylaw)

Analysis of Options

Option 1 – adopt the draft bylaw

Advantages	Disadvantages
<ul style="list-style-type: none"> • easy to read and to use • does not refer to the outdated District Plan, so brings the bylaw up-to-date • gives more clarity on where urban and industrial zones are • helps ensure people do not keep animals in a way that causes nuisance and health and safety issues • is not overly prescriptive • allows Council to take action when necessary • reasonably similar to the bylaws adopted by ICC and GDC, which makes it easier for people to know what the rules are likely to be. 	<ul style="list-style-type: none"> • people may know the current dispensation system and take time to adjust to the new permit system • a more prescriptive bylaw may better prevent nuisance and health and safety issues • may not be supported by some people in the District.

Option 2 – adopt an amended bylaw

Advantages	Disadvantages
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<ul style="list-style-type: none"> • an amended bylaw may better reflect community/stakeholder views • an amended bylaw may better prevent nuisance and health and safety issues. 	<ul style="list-style-type: none"> • an amended bylaw may not be as consistent and easy to use • an amended bylaw may not be as effective at preventing nuisance and health and safety issues. • may not be supported by some people in the District.
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Option 3 – retain the status quo

Advantages	Disadvantages
<ul style="list-style-type: none"> • people may be familiar with the current bylaw, and know how the dispensation system works • helps ensure people do not keep animals in a way that causes nuisance and health and safety issues • is not overly prescriptive • allows Council to take action when necessary • reasonably similar to the bylaws adopted by ICC and GDC, which makes it easier for people to know what the rules are likely to be. 	<ul style="list-style-type: none"> • not as easy to read or use • refers to the outdated District Plan • does not help clarify where there are urban and industrial zones • a revised bylaw may better prevent nuisance and health and safety issues • may not be supported by some people in the District.

7. Determinations

Council has made the following determinations in relation to the draft bylaw.

Most appropriate way of addressing the perceived problem – Council resolved that having a bylaw is the most appropriate way to address the nuisance and health and safety issues associated with keeping animals.

Most appropriate form of bylaw – Council resolved that the draft bylaw is the most appropriate form of bylaw. The draft bylaw has been drafted so that is easy to read and to use. Staff believe the draft bylaw is only creating necessary rules, and that it is not overly restrictive. The provisions in the bylaw allow Council to take action when nuisance and health and safety issues do arise. The bylaw has been made in recognition that many towns in the District are quite rural in nature.

Does not give rise to any implications under the New Zealand Bill of Rights Act 1990 - The New Zealand Bill of Rights Act 1990 grants certain civil and political rights to people in New Zealand. Council resolved that the provisions of the draft bylaw do not unreasonably interfere with any of the rights given pursuant to this act.

8. Legal rights and requirements

Council is required to consult on the draft bylaw in accordance with sections 83 and 86 of the Local Government Act 2002 (LGA). Council will satisfy these legal requirements. Council will also abide by the principles of consultation outlined in section 82 of the LGA.

9. Making an effective submission

Written submissions can take any form (eg online form, email, letter). An effective submission references the clause(s) of the draft bylaw you wish to submit on, states why the clause or change is supported or not supported and states what change to the clause or limit is sought.

Submissions on matters outside the scope of the draft bylaw won't be considered by Council as part of this bylaw review process.

Attachment A

Southland District Council

The Keeping of Animals, Poultry and Bees Bylaw

DRAFT

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Document Revision

Date	Amendment	Amended by	Approved by	Approval date

1. Commencement

This bylaw shall come into force in the district on XX June 2020. This bylaw has been reviewed and adopted by a resolution passed at a meeting of Council held on XX.

2. Purpose

This bylaw is to:

- help protect people in the District from nuisance, and
- help protect, promote, and maintain the health and safety of people in the District.

3. Definitions

Council	means Southland District Council
District	means the area within the territorial boundary of Council
Industrial zone	means specific areas classified as 'industrial' under Council's operative District Plan. These areas can be located by selecting the 'District Plan' on Council's website (https://www.southlanddc.govt.nz/), and by viewing the 'District Plan maps'. There are industrial zones in Oban, Te Anau, Winton and in Riverton/Aparima
Nuisance	shall have the meaning assigned to it by the Health Act 1956
Poultry	includes chickens, geese, pheasants, pigeons, peafowl, ducks, quails and domestic fowl of all descriptions
Urban zone	means specific areas classified as 'urban' under Council's operative District Plan. These areas can be located by selecting 'District Plan' on Council's website, and by viewing the 'District Plan maps'. A list of the townships that have an urban zone, is included with this bylaw as Appendix A

4. General rules

It is an offence to keep animals, kill animals, or process meat in a way that is, or is likely to become, a nuisance, dangerous, offensive or injurious to health.

It is an offence to keep animals in a way that is, or is likely to pollute any fresh or coastal water as defined in the Resource Management Act 1991.

It is an offence to keep any noisy animal, bird, poultry or fowl, which is, or is likely to become, a nuisance to residents in the neighbourhood.

5. Rules for urban zone

Animals not allowed in an urban zone unless a permit is obtained

It is an offence to keep the following animals (including their young) on private land in an urban zone without obtaining a permit from Council:

- alpacas
- cattle/bison/buffalo
- deer
- donkeys/mules
- goats/chamois/tahr
- horses/ponies
- llamas
- ostriches/emus
- pigs
- swans.

Restrictions on poultry

It is an offence to keep more than 10 poultry (that are over six months of age) on private land in an urban zone, without obtaining a permit from Council.

It is also an offence to keep poultry on private land in an urban zone, without obtaining a permit from Council, unless they are housed and contained appropriately. Poultry are housed and contained appropriately when:

- they are in a properly constructed house covered in with a rainproof roof
- the poultry house has a floor made of solid wood, concrete, or another appropriate material, with a surrounding nib wall where a poultry run shall be attached
- the poultry house/poultry run keep the poultry contained
- both the poultry house and any poultry run are least 10 metres from any dwelling, factory, or wholly/partially occupied building
- the poultry house and poultry run are at least two meters from any boundary not separated by a solid fence
- the poultry house and poultry run are clean and in good condition, and free from any offensive smell, overflow or vermin.

Additional information on keeping animals in an urban zone

There are no restrictions on keeping cats or bee hives on private land in an urban zone, unless specific restrictions have been imposed by Council.

There are no restrictions on the number of sheep that may be kept on private land in an urban zone.

6. Rules for industrial zone

Animals not allowed in industrial zone unless a permit is obtained

It is an offence to keep any pigs on land in an industrial zone without obtaining a permit from Council.

Restrictions on poultry

The same restrictions apply to keeping poultry in an industrial zone, as apply in an urban zone. These restrictions are outlined in section 5 of this bylaw.

7. Other specific rules

Pigs

It is an offence to build or allow any pigsty to remain, or any pigs to be at large or to range, at a less distance than 50 meters from a:

- dwelling
- wholly or partly occupied building
- street or public place
- place used for the preparation, storage, or sale of food for human consumption
- boundary of any adjoining property.

Cats

Council may impose a limit on the number of cats that may be kept on a private land (a limit being not more than five) where:

- Council has received a complaint about the number of cats kept on private land, and
- Council considers cats are being kept in a way that is, or is likely to become, a nuisance, offensive or injurious to health, and
- the person keeping the cats fails to comply with any reasonable request of the officer to abate or prevent the nuisance or health concern.

It is an offence to not comply with any limit imposed by Council, on the number of cats that may be kept.

Bees

Council may impose conditions limiting the number and location of hives on private land where:

- Council observes or receives a complaint that bees are being kept in a way that is, or is likely to become, a nuisance, dangerous, offensive or injurious to health, and
- Council has consulted with the complainant(s) (where possible), and
- Council has consulted with the person keeping the bees (where possible), and
- Council has requested the person keeping the bees to keep them in way that is not, or is not likely to become, a nuisance, dangerous, offensive or injurious to health (this may include specific requests such as moving a hive), and
- the person keeping the bees has failed to comply with Council's request.

Council may seek advice from experts in the keeping of bees through this process.

It is an offence not to comply with conditions imposed by Council, limiting the number and location of hives on private land.

Buildings for animals

Where animals are kept in a building, any required resource consent must be obtained. The building must also be properly constructed in accordance with the New Zealand Building Code, and appropriate building consent obtained where the proposed building is not exempt from the need of a building consent under Schedule 1 of the Building Act 2004.

8. Permits

To obtain a permit, please complete the 'Permit to Keep an Animal form' that is available on Council's website under 'Apply For It' and then under 'Environmental Health'.

To determine whether a permit should be granted, a Council staff member may choose to:

- seek further information from the applicant
- visit the premises to assess whether keeping the animal/s is appropriate
- require the applicant to seek approval from their neighbours.

If an application is successful, a written permit will be issued to the applicant by post or e-mail. The permit may include conditions about how the animal is kept. It is an offence to not comply with any conditions imposed by a permit.

9. Dispensing Power

It shall be lawful for Council in any particular case or cases, by resolution, to dispense with any of the foregoing requirements of this bylaw.

10. Enforcement

In addition to enforcing the provisions in this bylaw, Council may elect to take action relating to animals, poultry and bees under the Health Act 1956 or the Resource Management Act 1991.

11. Penalties

Every person who commits a breach of this bylaw is liable to a fine not exceeding \$20,000.

Appendix A - List of the townships that have an urban zone

- Balfour
- Browns
- Colac Bay/Oraka
- Edendale
- Lumsden
- Manapouri
- Mossburn
- Nightcaps
- Oban/Rakiura
- Ohai
- Otautau
- Riversdale
- Riverton/Aparima
- Te Anau
- Tokanui
- Tuatapere
- Waikaia
- Wallacetown
- Winton
- Wyndham



Submission booklet – draft Keeping of Animals, Poultry and Bees Bylaw

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Enter publish date

Southland District Council
Te Rohe Pōtae o Murihiku

PO Box 903
15 Forth Street
Invercargill 9840

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Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

#1

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, March 12, 2020 11:40:42 AM
Last Modified: Thursday, March 12, 2020 11:52:33 AM
Time Spent: 00:11:51
IP Address:

Page 1

Q1

Name and contact information - Please provide your name and contract information.

Name	Helen Daymond
Address	
City/Town	Ohai
ZIP/Postal Code	9635
Country	New Zealand
Email Address	
Phone Number	

Q2

I support all the provisions in the draft bylaw

Support or oppose - Please indicate your view about the draft bylaw.

Q3

Respondent skipped this question

Suggested changes - Please indicate in the appropriate space below, any changes you suggest

Q4

Yes

Do you think all areas that are zoned 'urban' should have the same rules (there is a list of the towns that are zoned as urban in Appendix A of the draft bylaw)?

Q5

Respondent skipped this question

Other feedback - Please provide any other feedback you may have in the space provided below.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

Q6

No, I would not like to make an oral submission.

Making an oral submission at a hearing - In addition to making a written submission, would you like to make an oral submission to Council (at a hearing on this matter)?

Q7

Respondent skipped this question

Uploads - Please attach any files here.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

#2

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, March 12, 2020 12:08:54 PM
Last Modified: Thursday, March 12, 2020 12:11:13 PM
Time Spent: 00:02:18
IP Address:

Page 1

Q1

Name and contact information - Please provide your name and contact information.

Name	Toumas Rahl
Address	
City/Town	Invercargill
ZIP/Postal Code	9180
Email Address	
Phone Number	

Q2

I support some of the provisions in the draft bylaw

Support or oppose - Please indicate your view about the draft bylaw.

Q3

Suggested changes - Please indicate in the appropriate space below, any changes you suggest

Animals not allowed to be kept in an urban zone - part 5 of the draft bylaw	I think Goats should be allowed provided that they are secure and properly cared for.
Provisions allowing Council to restrict the number of cats - part 7 of the draft bylaw	Definitely restrict cats. No more than 2. Must be Neutered and chipped with collars.

Q4

No

Do you think all areas that are zoned 'urban' should have the same rules (there is a list of the towns that are zoned as urban in Appendix A of the draft bylaw)?

Page 3 of 19

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

Q5

Other feedback - Please provide any other feedback you may have in the space provided below.

Small rural towns with surrounding farms and empty sections should be allowed to keep small numbers of animals on said empty sections for the purpose of keeping grass short.

Q6

No, I would not like to make an oral submission.

Making an oral submission at a hearing - In addition to making a written submission, would you like to make an oral submission to Council (at a hearing on this matter)?

Q7

Respondent skipped this question

Uploads - Please attach any files here.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

#3

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Thursday, March 12, 2020 8:14:37 PM
Last Modified: Thursday, March 12, 2020 8:17:13 PM
Time Spent: 00:02:35
IP Address:

Page 1

Q1

Name and contact information - Please provide your name and contract information.

Name	Ivan Snyman
Address	
City/Town	Invercargill
State/Province	Southlan
ZIP/Postal Code	9812
Country	Nz
Email Address	
Phone Number	

Q2

I do not support any of the provisions in the draft bylaw

Support or oppose - Please indicate your view about the draft bylaw.

Q3

Respondent skipped this question

Suggested changes - Please indicate in the appropriate space below, any changes you suggest

Q4

No

Do you think all areas that are zoned 'urban' should have the same rules (there is a list of the towns that are zoned as urban in Appendix A of the draft bylaw)?

Q5

Respondent skipped this question

Other feedback - Please provide any other feedback you may have in the space provided below.

Page 5 of 19

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

Q6

No, I would not like to make an oral submission.

Making an oral submission at a hearing - In addition to making a written submission, would you like to make an oral submission to Council (at a hearing on this matter)?

Q7

Respondent skipped this question

Uploads - Please attach any files here.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

#4

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, March 13, 2020 5:19:13 PM
Last Modified: Friday, March 13, 2020 5:38:39 PM
Time Spent: 00:19:25
IP Address:

Page 1

Q1

Name and contact information - Please provide your name and contract information.

Name	Jeffrey Arthur
Address	
City/Town	Te Anau
State/Province	Southland
ZIP/Postal Code	9600
Country	NZ
Email Address	
Phone Number	

Q2

I do not support any of the provisions in the draft bylaw

Support or oppose - Please indicate your view about the draft bylaw.

Q3

Suggested changes - Please indicate in the appropriate space below, any changes you suggest

Provisions allowing Council to restrict the number and location of hives - part 7 of the draft bylaw	Hives will be naturally limited within an urban area. Due to the supply of food source.
Obtaining a permit - part 8 of the draft bylaw	Just another way for local government to raise funds.

Q4

No

Do you think all areas that are zoned 'urban' should have the same rules (there is a list of the towns that are zoned as urban in Appendix A of the draft bylaw)?

Page 7 of 19

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

Q5

Other feedback - Please provide any other feedback you may have in the space provided below.

Bee hives are required to be registered with a national body at a cost. You are implying a further cost to hobby beekeepers.

Q6

No, I would not like to make an oral submission.

Making an oral submission at a hearing - In addition to making a written submission, would you like to make an oral submission to Council (at a hearing on this matter)?

Q7

Respondent skipped this question

Uploads - Please attach any files here.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

#5

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, April 08, 2020 11:37:12 AM
Last Modified: Wednesday, April 08, 2020 12:34:59 PM
Time Spent: 00:57:47
IP Address:

Page 1

Q1

Name and contact information - Please provide your name and contract information.

Name	Stuart Thomson
Address	
City/Town	Ohai
ZIP/Postal Code	9635
Country	New Zealand
Email Address	
Phone Number	

Q2

I support some of the provisions in the draft bylaw

Support or oppose - Please indicate your view about the draft bylaw.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

Q3

Suggested changes - Please indicate in the appropriate space below, any changes you suggest

General rules - part 4 of the draft bylaw

Animals not allowed to be kept in an urban zone - part 5 of the draft bylaw

No issues

I believe this section is too difficult or impractical to enforce. For example, in the township of Ohai, it would lead to not permitting a cow/goat/horse on one side of a fence but permitted on the other side of the fence. With the current 'Urban' zone, very few private land situations are more than 1-200 metres from farmland. As such, any 'nuisance' issues are unlikely to be greater on one side of a fence vs another side of the same fence. As a resident in Ohai, I can think of numerous examples of goats, cows, sheep etc being on vacant land that adjoins farmland that would require numerous permits for each situation. This would lead to excessive bureaucracy and costs to establish and maintain a permit system. I would also add the old saying of, "if it ain't broke, don't fix it".

Restrictions on keeping poultry - parts 5 and 6 of the draft bylaw

As a resident of Ohai, there are times when early morning roosters can be annoying however, it is my belief that moving the chooks to the 'other side of a fence' (rural land) won't address any minor inconvenience. This being a rural, quiet town, sound carries a significant distance and animals can be heard of a significant distance. In relation to the suggested 10 metre clearance from a residential building, this rule would have the effect of limiting a number of properties from having a chook house, depending on the randomness of where the house is located on the section. I would have sufficient clear space but my daughter would not. This seems arbitrary for the sake of a few metres.

Rules about keeping pigs - parts 6 and 7 of the draft bylaw

Provisions allowing Council to restrict the number of cats - part 7 of the draft bylaw

No issues

I support this provision but would add that there are a significant number of apparently abandoned cats in Ohai.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

Provisions allowing Council to restrict the number and location of hives - part 7 of the draft bylaw

I do not support this provision based on similar issues to part 5. In Ohai, you could again have the situation where it is not permitted to have bee hives on one side of a fence but is permitted on the other side of the fence. As bees forage for up to 1-5 km, the location of hives has little impact on their 'nuisance' issues. Further, when a bee hive swarms, the resulting swarm can travel 1-2 km meaning that at any point, a swarm can establish itself in a hollow log or similar without consulting the Ohai urban zone. Further, it seems contrary to popular practice in other Council locations (Auckland) where you don't need a permit to keep bees. Although the draft bylaw is not preventing keeping bees on private land, the implication is that the Council could do so following a complaint. I am aware on a neighboring township where bees are not permitted due, in part, to complaints from one resident and other residents wish there were more bees. In relation to Ohai, and other rural townships, bees provide an important function of pollination, not just of urban gardens but farmland surrounding these rural towns. It seems any provision which can limit the use/placement of bee hives is a backward step.

Obtaining a permit - part 8 of the draft bylaw

I do not support the changes that result in requiring more permits to be issued, particularly in rural townships such as Ohai, Nightcaps, etc, for the reasons already indicated. If this draft bylaw passes, the extra resources required to establish and maintain a permit system is expensive and unnecessary. As indicated above, in Ohai, it would result in my neighbor having to apply for a permit to keep several cows, the Council to investigate it and issue or not, the permit when, literally, on the other side of the fence there are dozens of cows. My friend in Birchwood with a bee hive, could, if there was a complaint, be required to remove/relocate his hive when the farmer on the other side of the fence could locate 10-20 hives. Further there are a number of property owners in Ohai who have a goat or 2 on their private land with no issues. It is creating a problem that doesn't need fixing to require them to obtain a permit, even at no cost to them. There is still a cost to Council and ultimately the ratepayers, to investigate, determine suitability and if acceptable, issue a permit, then be required to ensure ongoing compliance with the permit when, literally metres away, there are hundreds of sheep and cattle and potentially goats and deer that do not require a permit. Further, it seems somewhat bizarre that my neighbors cannot have a few goats but there is no limit to the number of sheep he could keep there. I know which I would prefer. 1 goat or 50 sheep. Let me think about that.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

Q4

No

Do you think all areas that are zoned 'urban' should have the same rules (there is a list of the towns that are zoned as urban in Appendix A of the draft bylaw)?

Q5

Other feedback - Please provide any other feedback you may have in the space provided below.

As I have indicated above, in townships such as Ohai, the existing 'dispensation' has worked well and is appropriate. Towns such as this are unique in their placement within the rural areas and to implement the farcical situation of requiring a permit for something that is permitted only feet away on an adjoining property would appear to be a backward step in administration and managing of costs. Most of the issues I have raised above could be addressed by the maintaining of separate rules/standards for rural towns such as Ohai and Nightcaps. The argument that it is more costly/difficult to have separate rules for unique townships, if applied to the whole of Council would mean that perhaps the whole Southland District Council should be abolished and be combined with other Councils to make the rules more uniform. No one would suggest that Southland is not unique compared with say, Auckland or Invercargill yet this draft bylaw is suggesting that it is unnecessary to have unique rules for towns within the District. I would encourage you to maintain the Ohai special status and consider expanding it to include similar areas such as Nightcaps.

Q6

No, I would not like to make an oral submission.

Making an oral submission at a hearing - In addition to making a written submission, would you like to make an oral submission to Council (at a hearing on this matter)?

Q7

Respondent skipped this question

Uploads - Please attach any files here.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

#6

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, June 17, 2020 9:30:05 AM
Last Modified: Wednesday, June 17, 2020 9:38:08 AM
Time Spent: 00:08:02
IP Address: [REDACTED]

Page 1

Q1

Name and contact information - Please provide your name and contact information.

Name	Sandra
Company	Stewart Island Honey
Address	[REDACTED]
Address 2	[REDACTED]
City/Town	Stewart Island
ZIP/Postal Code	9846
Country	Nz
Email Address	[REDACTED]

Q2

I support some of the provisions in the draft bylaw

Support or oppose - Please indicate your view about the draft bylaw.

Q3

Suggested changes - Please indicate in the appropriate space below, any changes you suggest

Provisions allowing Council to restrict the number and location of hives - part 7 of the draft bylaw	No need for restrictions here on Stewart Island. Can't put hives in National Park so have to be kept close to town. No complains so far with 30 hives around town.
--	--

Q4

Unsure

Do you think all areas that are zoned 'urban' should have the same rules (there is a list of the towns that are zoned as urban in Appendix A of the draft bylaw)?

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

Q5

Other feedback - Please provide any other feedback you may have in the space provided below.

None

Q6

No, I would not like to make an oral submission.

Making an oral submission at a hearing - In addition to making a written submission, would you like to make an oral submission to Council (at a hearing on this matter)?

Q7

Respondent skipped this question

Uploads - Please attach any files here.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

#7

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Tuesday, June 23, 2020 10:12:25 AM
Last Modified: Tuesday, June 23, 2020 10:33:44 AM
Time Spent: 00:21:18
IP Address:

Page 1

Q1

Name and contact information - Please provide your name and contract information.

Name	Sonya Crook
Company	Natural Honey NZ Ltd
Address	
Address 2	Waikiwi
City/Town	Invercargill
State/Province	Southland
ZIP/Postal Code	9843
Country	NZ
Email Address	
Phone Number	

Q2

I support some of the provisions in the draft bylaw

Support or oppose - Please indicate your view about the draft bylaw.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

Q3

Suggested changes - Please indicate in the appropriate space below, any changes you suggest

Provisions allowing Council to restrict the number and location of hives - part 7 of the draft bylaw

Amend the draft to include - In the event of a conflict between the beekeeper and neighbours or the public - That either a registered commercial beekeeper or registered beekeeper of similar experience to a commercial beekeeper be consulted with and involved in the mediation process. The purpose to ensure that bee welfare is considered and to help mediate a remedy before hives are relocated or removed from the property.

Obtaining a permit - part 8 of the draft bylaw

It is a requirement that all beekeepers in NZ be registered as well all apiary sites through Assure Quality. To include provision in the bee bylaw that all apiary sites must be registered with Assure Quality would be sufficient as a bylaw requirement to the keeping of bees in Southland. There is no need for further permits through SDC.

Q4

Unsure

Do you think all areas that are zoned 'urban' should have the same rules (there is a list of the towns that are zoned as urban in Appendix A of the draft bylaw)?

Q5

Respondent skipped this question

Other feedback - Please provide any other feedback you may have in the space provided below.

Q6

No, I would not like to make an oral submission.

Making an oral submission at a hearing - In addition to making a written submission, would you like to make an oral submission to Council (at a hearing on this matter)?

Q7

Respondent skipped this question

Uploads - Please attach any files here.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

#8

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Wednesday, July 08, 2020 4:32:43 PM
Last Modified: Wednesday, July 08, 2020 4:53:27 PM
Time Spent: 00:20:43
IP Address:

Page 1

Q1

Name and contact information - Please provide your name and contract information.

Name	Andre Bekhuis
Company	Wallace Takitimu Community Board
Address	
City/Town	Otautau
State/Province	Southland
ZIP/Postal Code	9610
Country	New Zealand
Email Address	
Phone Number	

Q2

I support some of the provisions in the draft bylaw

Support or oppose - Please indicate your view about the draft bylaw.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

Q3

Suggested changes - Please indicate in the appropriate space below, any changes you suggest

General rules - part 4 of the draft bylaw	No changes necessary.
Animals not allowed to be kept in an urban zone - part 5 of the draft bylaw	Would like to see a limit set on the number of sheep able to be kept on a property in an urban zone. Suggest a rate of no more than 5 sheep/acre.
Restrictions on keeping poultry - parts 5 and 6 of the draft bylaw	Satisfied with the restrictions as set out in the draft bylaw but the Board would like clarification on how this will be enforced/monitored.
Rules about keeping pigs - parts 6 and 7 of the draft bylaw	The Board does not wish for pigs to be allowed in any urban area and does not want them to be eligible to be kept with a permit either.
Provisions allowing Council to restrict the number of cats - part 7 of the draft bylaw	The Board would prefer that if a limit is to be set it should be a three cats, not the five suggested and that the cats should also be neutered. number of cats
Provisions allowing Council to restrict the number and location of hives - part 7 of the draft bylaw	The Board is not opposed to the conditions in the draft bylaw but would like further clarification about how this will be enforced/monitored.
Obtaining a permit - part 8 of the draft bylaw	The draft bylaw states that staff "may" be required to visit the premises and that staff "may" have to seek approval from their neighbours. The Board suggests these aspects of the permit approval process should be compulsory.

Q4

Yes

Do you think all areas that are zoned 'urban' should have the same rules (there is a list of the towns that are zoned as urban in Appendix A of the draft bylaw)?

Q5

Other feedback - Please provide any other feedback you may have in the space provided below.

Once the revised bylaw is updated the Board would like to see this being widely circulated - especially to real estate agents so they are aware of Council's position with the regards to keeping of animals in urban areas.

The Board also suggest that members of the public be reminded they are able to report issues relating to animal nuisance to Council and also to contact Council if they are concerned that animals are being kept without a permit.

The Board would also be interested to know who have permits in their area if possible.

Make a submission on the Draft Keeping of Animals, Poultry and Bees Bylaw

Q6

No, I would not like to make an oral submission.

Making an oral submission at a hearing - In addition to making a written submission, would you like to make an oral submission to Council (at a hearing on this matter)?

Q7

Respondent skipped this question

Uploads - Please attach any files here.

Transfer of Ownership - Waianiwa Hall

Record No: R/19/9/21472
Author: Theresa Cavanagh, Property Advisor
Approved by: Matt Russell, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 To seek Council approval to transfer ownership of the Waianiwa Hall from Council to the Waianiwa Centennial Hall Incorporated (Society) as per the Society's request.

Executive Summary

- 2 In May 2019, Council received a letter from the Society requesting that the *'transfer of land title be completed which would have the Waianiwā Centennial Hall Incorporated as the landowner'*.
- 3 The land for the hall was gifted to the Southland County Council in 1957. Council ownership was a requirement from the Centennial Association in order to receive a subsidy, which helped partially fund the building of the hall.
- 4 The Society also raised a portion of the funds to construct the hall. The Society are well established and have managed the hall on a day to day basis since it was built over 60 years ago.
- 5 The Oreti Community Board at their meeting on 3rd August 2020, *'recommends to Council that the ownership of the land and building associated with the Waianiwa Hall (Lot 1 DP 5281 held in SL197/105) is transferred to the Waianiwā Centennial Hall Incorporated for \$1.'*

Recommendation

That the Council:

- a) **Receives the report titled “Transfer of Ownership - Waianiwa Hall” dated 19 August 2020.**
- 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) **Resolves to transfer the Waianiwa Hall property, being Lot 1 DP 5281 held in SL197/105, to the Waianiwa Centennial Hall Incorporated for \$1.**
- e) **Agrees that the Chief Executive be given delegated authority to enter into an Agreement for Sale and Purchase with Waianiwa Centennial Hall Incorporated.**

Background

- 6 The Waianiwa Hall is located at 268 Argyle Otahuti Road (Lot 1 DP 5281 held in SL197/105). The land is owned by Council and the hall is managed by the Waianiwa Centennial Hall Incorporated (Society). Legal advice confirms that there is no agreement in place regarding the ownership of the building and therefore *‘the hall and the additions to it are the property of the Council by reason of its ownership of the land on which they are built.’*
- 7 Waianiwa Hall was gifted to Council by Messrs DA & M Hamilton in 1957. A subsidy was received from the Southland Centennial Association to go towards the building of the hall. The Society was established at the same time and they raised funds to complete the build. A condition of the subsidy was that it went towards a project on land vested in Council.
- 8 The Society have undertaken ongoing management of the hall since it was built with financial support from a Hall Levy (since 1985).
- 9 The Society and Council have had ongoing discussions about the transfer of the property to the Society since 2015. A letter from the Society received 7 May 2019 requested the *‘transfer of land title be completed which would have the Waianiwa Centennial Hall Incorporated as the landowner’*.
- 10 This property would have likely been in the Society’s ownership from the beginning, if the subsidy criteria had not required the property to be in Council ownership. The Society are well established and have managed the hall since it was built over 60 years ago. They also raised a portion of the funds in the 1950s to construct the hall.

Issues

- 11 There are no issues identified at this point.

Factors to Consider

Legal and Statutory Requirements

- 12 Section 42 of the PWA governs the disposal of land no longer required for public work. This states that the local authority may dispose of land by way of a private treaty provided the rights of the former owner have been considered. Council's Chief Executive under his statutory authority of the PWA 1981 has received and approved a report that determined that offer back to the former owners is not required.
- 13 As a result of the Chief Executive's determination, Council can now consider the request from the Society.

Community Views

- 14 The views of the Community Board are considered to represent those of the wider community. Note that the Society has requested this action following a public meeting they held on 11 March 2019 where it was resolved they would like to take over the governance of the hall.

Costs and Funding

- 15 The Society's 2019 Financial Statement has been sighted by Council and there are no concerns.
- 16 There will be standard legal costs to effect the transfer.
- 17 If the transfer is approved by Council, this facility will then be considered a non-Council Hall and as such will continue to collect the hall rate and the funds will be transferred to them, as happens with many non-Council halls in the district.
- 18 The book value of the Waianiwa Hall Assets included in Council's Fixed Asset Register at 30 June 2019 was \$40,319. This comprised of land (\$4,500), buildings (\$21,774) and improvements (\$14,045). Staff are aware that the Society's Fixed Asset Register also includes an amount for the building that has been on their books since the building was constructed.
- 19 The 'improvements' value of \$14,045 stated above on Council's Balance Sheet is for a kitchen upgrade. This value is not on the Society's balance sheet but they funded the works which went through Council's books. This creates some confusion but the transfer to the Society will merge and simplify the Balance Sheets.
- 20 The transfer of these assets to the Society will result in a book loss on sale for Council of \$40,319 however this may vary depending on when settlement occurs.

Policy Implications

- 21 None identified at this stage.

Analysis

Options Considered

- 22 Resolve to approve/decline the transfer.

Analysis of Options

Option 1 – Approve Transfer of the Waianiwa Hall property to the Waianiwa Centennial Hall Incorporated

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Allows the community, through a formal society, to own and manage an asset they:<ul style="list-style-type: none">- raised a portion of funds to construct in the 1950s.- have managed for a significant period of time.	<ul style="list-style-type: none">• None identified by Council

Option 2 – Decline Transfer of the Waianiwa Hall property to the Waianiwa Centennial Hall Incorporated

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• No advantage to Council in retaining the asset when a local community, through a formal society, is willing to own and operate the hall.	<ul style="list-style-type: none">• Council may invoke a negative reaction from the Waianiwa community by retaining ownership of assets that they have actively funded and taken pride in

Assessment of Significance

- 23 Not significant.

Recommended Option

- 24 Option 1 – Approve Transfer of the Waianiwa Hall property to Waianiwa Centennial Hall Incorporated

Next Steps

- 25 Notify the Society of the decision and complete transfer.

Attachments



- A Waianiwa Hall Map [↗](#)
B Record of Title [↗](#)

Waianiwa Hall



Waianiwa Hall

Record of Title

	<h1 style="margin: 0;">RECORD OF TITLE</h1> <h2 style="margin: 0;">UNDER LAND TRANSFER ACT 2017</h2> <h3 style="margin: 0;">FREEHOLD</h3> <h4 style="margin: 0;">Search Copy</h4>							
<p>Identifier</p> <p>Land Registration District</p> <p>Date Issued</p>	<p>SL197/105</p> <p>Southland</p> <p>11 November 1957</p>							
<p>Prior References</p>	<p>SL170/111</p>							
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<p>Interests</p>								
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Unbudgeted Expenditure - Ulva Island Wharf Renewal

Record No: R/20/7/28451
Author: Mark Day, Community Facilities Manager
Approved by: Matt Russell, Group Manager Services and Assets

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to request unbudgeted expenditure of \$340,000 towards the renewal of the Ulva Island wharf which is estimated to cost \$600,000. The currently budgeted amount for this project is \$260,000.

Executive summary

- 2 In 2014, Council commissioned a report on all of the Stewart Island wharves and jetties. The subsequent Emtech report identified the Ulva Island wharf as requiring immediate remedial work to ensure the structure was fit for purpose for the next summer season. However, this was under the provision that the wharf replacement planning and construction continue to be a priority on the basis that any further maintenance expenditure may be uneconomical or any benefits short lived. This work was carried out as per the report's recommendation.
- 3 Council staff have been working with the Stewart Island/Rakiura Community Board, the previous Stewart Island Jetties Subcommittee and the public to investigate options for its replacement.
- 4 This process has taken longer than expected due to the level of consultation with the community and stakeholders and determining the design, scope, location and costs associated with the replacement wharf.
- 5 The total estimated cost of this project is \$600,000. Within the Annual Plan 2020/2021, the Ulva Island jetty is budgeted at \$160,000 with a further \$100,000 that was budgeted in 2019/2020 and is proposed to be carried forward as part of the end of year financial process.
- 6 Up to 30 June 2020, the Ulva Island wharf rebuild has been granted \$380,000 from the Stewart Island Rakiura visitor levy. After costs to date and interest accrued the balance of the monies, \$307,945 is sitting in the Stewart Island wharf replacement – Ulva Island reserve.
- 7 The Stewart Island Rakiura Community Board considered a report in relation to the replacement of the Ulva Island wharf at their meeting on 29 June 2020 and resolved as follows:
 - a) Recommends to Council the approval of unbudgeted expenditure of \$400,000 toward the renewal of the Ulva Island Wharf, subject to a signed memorandum of understanding between the Hunter family and the Department of Conservation, guaranteeing access for a minimum of 20 years.
 - b) Recommends to Council that the unbudgeted expenditure in d) above be funded by the Stewart Island/Rakiura Visitor levy, a loan or any other funding options.

- c) Approves that the raising of the existing causeway be included in the 2021 – 2031 Long Term Plan as a project for investigation and construction towards beginning of the LTP period, on the proviso that an agreement be reached with the Hunter family.

Recommendation

That Council:

- a) **Receives the report titled “Unbudgeted Expenditure - Ulva Island Wharf Renewal” dated 19 August 2020.**
- 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 unbudgeted expenditure of \$340,000 toward the renewal of the Ulva Island Wharf, subject to a signed memorandum of understanding between the Hunter family and the Department of Conservation, guaranteeing access for a minimum of 20 years.**
- e) **Approves the unbudgeted expenditure be funded by the Stewart Island/Rakiura visitor levy, a loan or any other funding options.**
- f) **Approves that the raising of the existing causeway be included in the 2021 – 2031 Long Term Plan as a project for investigation and construction towards the beginning of the Long Term Plan period, on the proviso that an agreement be reached with the Hunter family.**

Background

- 8 In 2014, Council commissioned a report on all of the Stewart Island wharves and jetties. The subsequent Emtech report identified the Ulva Island wharf as requiring immediate remedial work to make the structure fit for purpose for the next summer season. However, this was under the provision that the wharf be replaced with a new structure.
- 9 The report also recommended that it was in Southland District Council’s best interest to investigate options for the facility and the site at Ulva Island, as any further maintenance expenditure may be uneconomical or any benefits short lived.
- 10 Council staff have been working with the Stewart Island/Rakiura Community Board, the previous Stewart Island Jetties Subcommittee, stakeholders and the public to investigate options for its replacement.

- 11 This process has taken longer than expected due to the level of consultation with the community and stakeholders and determining the design, scope, location and costs associated with the replacement wharf.
- 12 The Stewart Island/Rakiura Community Board have made a recommendation to Council for unbudgeted expenditure for the replacement of the Ulva Island wharf in its current location.
- 13 The Ulva Island Jetty is currently located in Post Office Bay. The jetty accesses Ulva Island onto private land owned by the Hunter Family. A Memorandum of Understanding (MOU) is in place between the Department of Conservation (DOC) and the Hunter Family enabling visitors to the Island to transition from the jetty onto the Island across this privately-owned land. The existing MOU expires in 2020, however it is currently in the process of being renewed for 20 years.
- 14 In September 2019, the Stewart Island/Rakiura Community Board was presented with a briefing paper about the progress of the Coastal Infrastructure Application.
- 15 As a result of the meeting, Council staff and the local Councillor visited Ulva Island to look at alternative locations for a wharf.
- 16 Subsequently WSP (formerly OPUS) were engaged to prepare a business case on the options for the replacement of the Ulva Island wharf.
- 17 In the interim, Council staff, together with members of the Stewart Island\Rakiura Community Board and members of the Stewart Island Jetties Subcommittee visited Ulva Island to look at potential alternative locations for the Ulva Island wharf.
- 18 The subsequent business case was then presented at a workshop with the new Stewart Island\Rakiura Community Board and members of the Stewart Island Jetties Subcommittee.
- 19 At this workshop, the Stewart Island/Rakiura Community Board indicated that their preferred location option was in its current location in Post Office Bay. The Business Case identified the replacement of the structure in its current location to cost in the order of ~\$1.3M. This scope included a larger footprint, the replacement and extension of the existing causeway with some additional onshore infrastructure. However, it was subsequently noted that the current Memorandum of Understanding between DOC and the Hunter family was coming to an end in 2020, and if DOC was unable to reach a new extended agreement with the Hunter family then the preferred new location for the jetty would be at Bathing Bay (the adjacent bay to the west).
- 20 A subsequent meeting with Department of Conservation (DOC) and the Hunter family representatives indicated that the existing Post Office Bay was the preferred location by these parties as long as it was constructed within the existing footprint.
- 21 It was also proposed that raising the height of the causeway should be looked at as a second phase of the project to be undertaken at a later date but included in the 2021 – 2031 Long Term Plan.
- 22 As it is expected that the new wharf will be erected within the existing footprint the existing consent will need to be reviewed and there may be additional conditions placed on the consent.
- 23 As a result of the process outlined above, Council staff now have a clear mandate that the Ulva Island wharf is to be replaced in its current location and within the same footprint. Based on this, staff have obtained a new concept design and cost estimate to replace the wharf.

Issues

- 24 The current Ulva Island wharf accesses onto private land that is owned by the Hunter Family Trust.
- 25 The current management agreement between the Department of Conservation and the Hunter Family Trust runs out in 2020. This is currently in the process of being renewed for a further 20 years.
- 26 The wharf was identified in 2014 as not being fit for purpose and the remedial work that was undertaken was not a long-term solution. A renewal of this structure is overdue.
- 27 The ability of the community to fund maintenance and renewals of the water structures on the island has been an issue for a number of years.
- 28 There are a number of pieces of work that need to be undertaken to enable the project to proceed. These include:
- the existing resource consent will need to be reviewed and potentially a subsequent application to amend lodged with Environment Southland
 - A detailed design will be need to be commissioned
 - A sea bed assessment will need to be undertaken.

Factors to consider

Legal and statutory requirements

- 29 The existing resource consent will need to be reviewed and potentially an application lodged with Environment Southland to explicitly provide for user fees.
- 30 Building consents will be required for work associated with this project.

Community views

- 31 In September 2017, SDC engaged Connecting People Ltd (Sandra James) to carry out a community leadership planning process to engage the Stewart Island community in a discussion about its future and to develop a plan.
- 32 A report, Stewart Island Rakiura Community planning report was delivered in March 2018, which outlines key strategic goals for the island, findings from the engagement undertaken, as well as recommendations.
- 33 This process involved face-to-face meetings with key stakeholders, a community engagement fete, drop-in sessions, community workshops, a meeting with young people, and a session with a group of students at the school, attendance at a Stewart Island Promotions Association (SIPA) meeting as well as a community and stakeholder survey.
- 34 The wharves were seen as essential for Stewart Island confirming findings from an earlier consultation report. Key stakeholders confirmed that wharves were critical for doing business, working and living on Stewart Island Rakiura.

- 35 It was identified that there was an urgent need for the Golden Bay and Ulva Island wharves to be replaced as soon as practicable and an ongoing maintenance schedule and funding solution be put in place for all remaining wharves.
- 36 Further community discussions will be required throughout the design and project phases.
- 37 We recognise that this will be an important project that requires engagement with iwi, the community and interested stakeholders. We have initiated this and will work through the appropriate Council process.

Costs and funding

Estimated costs and current budgets

- 38 Council currently has indicative costs based on the current concept plans and scope for a replacement wharf at Post Office Bay, Ulva Island. The estimated cost of the total project is \$600,000 with wharf construction estimated to cost in the order of \$500,000 and allowing up to a maximum of \$100,000 to cover the cost of the detailed design, a sea bed survey and resource consent requirements.
- 39 It is important to note that the \$600,000 is still an estimate based on costings from WSP and a peer review from WT Partnership. Staff may still need to come back to Council if the tendered cost is higher than the estimate.

Monies received from the visitor levy to date

- 40 To 30 June 2020, \$380,000 has been received from the Stewart Island visitors levy, \$20,000 in 2015, \$80,000 in 2016, \$80,000 in 2017, \$100,000 in 2019 and \$100,000 in June 2020. The monies received less any costs to date incurred in relation to the project have been put into the Stewart Island Wharf replacement Ulva Island reserve. The current balance of the reserve including interest allocated is \$307,945.

Unbudgeted expenditure request and funding sources

- 41 Given the above, staff are seeking approval for unbudgeted expenditure of up to \$340,000 (\$600,000 estimated cost less \$260,000 currently budgeted).
- 42 Overall the project is budgeted to cost \$600,000, offsetting this will be \$307,945 from the reserve funds held, leaving \$292,055 to fund. Funding would principally come from three sources, other reserves held, further requests on the Stewart Island visitor levy or local rates.
- 43 In regards to other reserves held, the community board has a general Stewart Island jetties reserve that is made up from the balance of licence fees and contributions from the township towards the ongoing costs of the wharves on Stewart Island, this reserve is projected to have \$77,268 at the end of 2020. They also have general reserves of approximately \$187,000.
- 44 As at 30 June 2020, the Stewart Island Visitors levy fund was fully granted. Funding will continue to be received from visitors, however the way COVID-19 will impact on the future level of funding received is yet to be understood. The Stewart Island/Rakiura Visitor Levy policy that came into effect on 1 July 2019, gives the ability for the committee to commit to regular annual grants for community owned infrastructure up to 10 years. Based on this, Council may decide to take out a loan to fund the jetty for up to 10 years and then seek to get commitment

from the levy committee to meet the annual repayment of the loan. Of course the request for this funding needs to be considered as part of the overall future infrastructure funding needs and other funding requests. For every \$100,000 of loan monies taken out over 10 years at the current interest rate of 4.65% the annual repayment would be \$12,562.

- 45 Funding the balance could also be from a loan for up to 25 years, with the annual repayment met from the Stewart Island/Rakiura Community Board local rate. For every \$100,000 of loan monies taken out over 25 years at the current interest rate of 4.65%, the repayment would be \$6,786 which would be a further \$13.91 on the local rate of Stewart Island ratepayers. The 2020/21 Stewart Island local rate is \$266.14(incl GST).

Ongoing funding and costs

- 46 The Stewart Island/Rakiura Community Board will need to make an allowance in their budget for ongoing maintenance of the new structure. There is currently no allowance for maintenance in the existing budget.
- 47 It is deemed appropriate that a jetty fee be set to cover the annual operational costs. This fee will be recommended by the Stewart Island Community Board as part of the relevant budget setting process.

Policy implications

- 48 The project has been included in the Long Term Plan, however there was insufficient budget approved to complete the project as scoped. This report seeks approval for the additional unbudgeted expenditure.

Analysis

Options considered

- 49 **Option one – approves the unbudgeted expenditure of \$340,000 towards the renewal of the Ulva Island Jetty**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Council staff can progress the project.	<ul style="list-style-type: none">• repayment of loan will depend on future visitor levy grant applications and/or local rates input, neither of which are committed at this stage.

- 50 **Option two – does not approve the unbudgeted expenditure, deciding instead to close and demolish the existing Jetty**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Avoids costs that are not yet funded.	<ul style="list-style-type: none">• the existing wharf will need to be closed and dismantled.

Assessment of significance

- 51 The assessment of significance needs to be carried out in accordance with Council's Significance and Engagement Policy. The Significance and Engagement Policy requires consideration of the impact on social, economic or cultural wellbeing of the region and consequences for people who are likely to be particularly affected or interested. This decision is not considered significant.

Recommended option

- 52 Option one – approves the unbudgeted expenditure of \$340,000 towards the renewal of the Ulva Island wharf.

Next steps

- 53 Provided the report is approved by Council, detailed design will commence along with a consent application.
- 54 Council staff will discuss with the Stewart Island Rakiura Visitor Levy committee to look at options for providing funding to service a loan.

Attachments

- A Business Case - Ulva Island wharf [↓](#)
- B Ulva Island Wharf Location Diagram - 6-VN101.00_S010(A) [↓](#)
- C Ulva Island Wharf Concept Design - 6-VN101.00_S011(A) [↓](#)



Business Case

Ulva Island Wharf

Author:

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Document Revision

Date	Amendment	Amended by	Approved by	Approval date

1. Project justification

1.1 Description of the current state

Ulva Island is approximately 260 hectares and is located within Paterson Inlet at Stewart Island/Rakiura. The Island is part of the Rakiura National Park. Approximately 8 hectares of Ulva Island is privately owned by the Hunter Family. Ulva Island has a predator free status and is a highly regarded bird sanctuary which is a very popular tourist destination.

The only means of access to Ulva Island is by boat and a wharf is located at Post Office Bay for berthing. The wharf is utilised by recreational boat users, the Hunter Family, Department of Conservation, commercial ferry/water taxi operators and cruise ship excursions. Regular ferry/water taxi trips travel between Golden Bay and Post Office Bay. Cruise ship excursions access Ulva Island by either utilising the local ferry/water taxi services or berthing at the Post Office Bay wharf with their smaller tender boats.

The landward end of the Post Office Bay wharf is located upon the Hunter Family property and all visitors to Ulva Island must cross over their property to access the Department of Conservation reserve land. The Hunter Family have been very accommodating allowing visitor access across their land however it has been causing them concern for some time and the increase in visitors is exacerbating this.

The wharf at Ulva Island is constructed of hardwood timber and has reached the end of its useful life with significant and ongoing repairs required to keep the wharf operational. The current wharf and causeway access to the shore is inundated during spring high water tides.

1.1.1 Current provision of services

The Post Office Bay Wharf at Ulva Island is owned and operated by the Southland District Council and an annual wharf levy of \$1,350 (including GST) is charged to commercial operators for the use of all Southland District Council owned Stewart Island wharves. This is currently under review and may change in the future.

The main wharf at Halfmoon Bay and the Golden Bay wharves are not included in this arrangement however, as they are not owned by the Southland District Council.

There is currently no cap on the number of visitors to Ulva Island. The limiting factor to the number of visitors is the amount of accommodation that is available on Stewart Island itself.

1.1.2 Alignment to current strategies

This project will assist SDC to achieve the following Strategic Priorities as outlined in the Long Term Plan;

- Provide appropriate infrastructure / services.

Investment in the Ulva Island Wharf replacement and the implementation of a long term maintenance plan will ensure that this key piece of infrastructure is cost effectively and efficiently managed over the long-term.

The wharf replacement provides the opportunity to mitigate the risks of sea level rise by lifting the wharf deck height.

- Make informed decisions

The Stewart Island Community has been fully engaged via the Stewart Island Community Board and the Jetties Committee. This has given the Southland District Council important feedback on the options for access to Ula Island best suited to the community. This engagement and collaboration will continue providing open channels of communication.

- More people

The development of the Ulva Island Wharf will improve the visitor experience, and support and help to improve the current visitor experience. This improved infrastructure will support the attraction of more people to Rakiura and Southland.

This project also supports the following other SDC strategies

- Supports and promotes Cruise ship visits and stopovers within the region. The wharf improvement will be beneficial to the cruise ship excursion experience.

This project aligns with the following regional or national strategies and priorities

- Providing tourism infrastructure
- Improved visitor experience

1.1.3 Status of project in LTP/AP

This project was signalled in the Long Term Plan (LTP) 2018-2028. A budget of \$260,000 was allowed with the project due to be delivered in 2019/2020.

The option identified in the LTP was for full replacement in a similar location and alignment as the current wharf.

A full replacement wharf design has been under development for the full replacement of the wharf structure in a similar alignment to the current wharf within Post Office Bay. Design drawings and concepts have been produced and the construction cost for the replacement wharf is estimated at \$1,346,000¹. Additional funding will be required.

During further development of this option the Southland District Council has been made aware of new concerns and requirements of the Hunter Family with the location of the wharf due to increasing visitor numbers. The Hunter Family concerns are a risk to the suitability of the current site.

Alternative sites for the wharf have been investigated and this will affect the current project in the LTP. If the Community Board chooses to change the location of the wharf then a new project will need to be identified in the LTP and the money that has been set aside for the existing project transferred to the new project.

¹ WT Partnership Wharf Estimates Ulva Island & Golden Bay for Southland District Council 28/06/2019

1.2 Investment objectives

The current wharf at Post Office Bay, Ulva Island has reached the end of its working life and significant and on-going maintenance is required to keep the wharf in a serviceable state.

Investment in a new wharf will;

- Reduce ongoing costs by providing full replacement of the wharf. Continued maintenance and upgrading of the current wharf on an “as required” basis is an expensive process due to the numerous mobilisations of contractors to carry out the works as every part of the wharf is replaced. Full replacement will provide a cost-effective solution as multiple mobilisations are not required.
- Improve the accessibility to the wharf. Additional berthage and stairs will allow more than one vessel to unload/load passengers concurrently. The stair access from boat to wharf deck will be improved by providing wider steps.
- Remove risk of failure and allow on-going certification. The wharf has been inspected and identified as requiring replacement. The replacement of the wharf will remove the risk of potential failure. The replacement will also allow the requirements of annual engineering inspections and certification of the wharf to be met.
- Provide resilience to sea level rise. The replacement wharf deck height will be increased to provide a buffer to predicted sea level rise.
- Remove risk of private property owner concerns. The replacement wharf can be located so that it lands directly upon Department of Conservation estate.
- Arrange a formal agreement between the Southland District Council and the Department of Conservation. A formal memorandum of understanding may be required from the Department of Conservation to formalise the access to Ulva Island.

2. Options analysis

2.1 Identify long-list options

The Ulva Island Wharf is at the end of its working life. Continuing to maintain the wharf is not considered viable as the costs of maintenance and the extent of the items that required replacement make full replacement more practical.

The following options have been identified;

Options identified	Brief description
1. Status Quo/Do nothing	Leave the wharf in its current condition and carry out no maintenance
2. Maintain the current wharf	Continue to maintain the current wharf.
3. Sale/Gift	Sell or gift the wharf to the Hunter family or other users.
4. Remove wharf and no replacement	Remove the wharf to eliminate all hazards. Do not provide a replacement wharf.
5. Replacement wharf at Post Office Bay (Current Location)	Remove the current wharf and replace the current wharf with a similar wharf in a similar location but take the opportunity to raise the deck level and provide additional berthing.
6. Replacement at Sydney Cove	Remove the current wharf and construct a replacement wharf at the southern end of Sydney Cove.
7. Replacement at Bathing Bay	Remove the current wharf and construct a replacement wharf at Bathing Bay.

The location for options 6 and 7 are shown in figures 1 and 2 below.

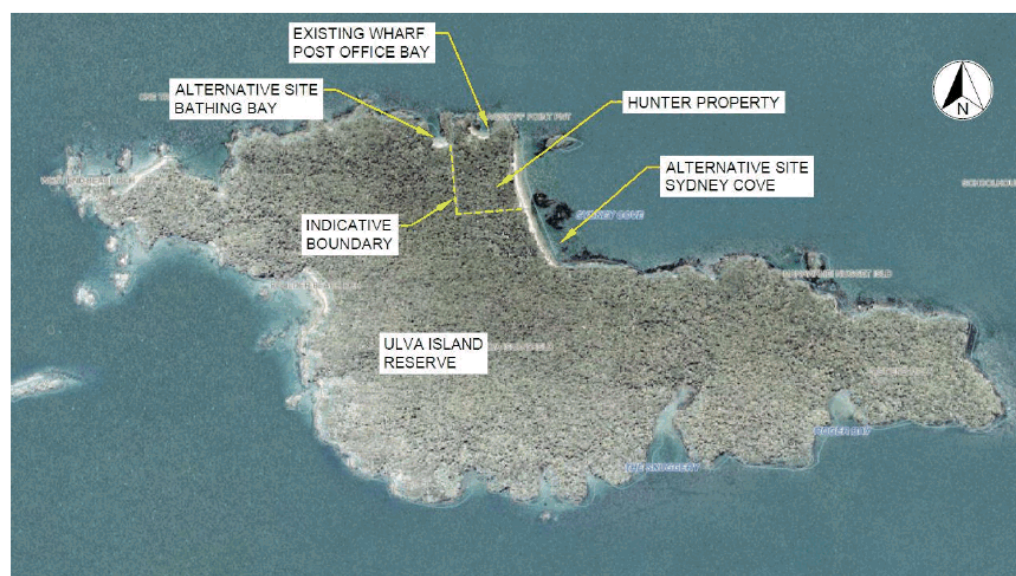


Figure 1 Ulva Island



Figure 2 Post Office Bay and Bathing Bay - Detail

2.2 Options analysis

- **Option 1 – Status Quo/Do nothing**
The Status Quo option is to leave the wharf in its current condition and to carry out no works. This option will allow the wharf to continue to deteriorate with the wharf becoming a hazard. There are significant risks in leaving the wharf with no replacement or maintenance plan. This is considered unacceptable with respect to Council's Health and Safety obligations.
- **Options 2 – Maintain the current wharf**
Maintaining the existing wharf will require significant and on-going works. Maintenance works will be required on an on-going basis as re-piling and timber member replacement are necessary until all the wharf materials are effectively replaced over a long-time period with numerous mobilisations of materials and equipment. There will be no allowance for sea level rise or any improvements in utility of the wharf such as greater length or additional stairways. The current wharf becomes inundated at spring high tides and this along with the large ongoing maintenance costs make this option unfavourable.
- **Option 3 – Sale/Gift**
The wharf could be sold or gifted to the Hunter Family or other users. The Southland District Council would absolve itself of any responsibility or costs for the wharf. This option may be difficult to enact due to the number of parties involved and/or the public/political nature of the asset. Any alternative ownership arrangements taken with the Ulva Island Wharf need to consider how this may affect the other Stewart Island wharves. The current Community ownership model is beneficial.
- **Option 4 – Remove wharf and no replacement**
The wharf could be removed with no replacement provided. This would absolve the SDC of any future costs however the removal of an existing highly used and what is considered a critical asset by the Stewart Island Community would not be received favourably. It is expected that a wharf would still be necessary, and a privately-owned wharf would likely be required.
- **Option 5 - Replacement Wharf at Post Office Bay – current location**
Removal of the current wharf and replacement at a similar location to the current wharf. Any replacement wharf should include allowances for sea level rise and greater utility with additional access stairways and berthage. The access causeway will also require works to allow for sea level rise. The landward end of the Post Office Bay location requires permission for access by the private land owner – the Hunter family. The Hunter family are becoming increasingly concerned by the number of people gaining access from the wharf to the reserve land via their property. The Hunter family could potentially deny access across their land in the future.
- **Option 6 - Replacement wharf at Sydney Cove**
Remove the current wharf and construct a replacement wharf at an alternative location. A possible location identified for a replacement wharf is at the southern end of Sydney Cove. Sydney Cove is the first bay toward the east of Post Office Bay. This location will provide direct access from the wharf to the Ulva Island Department of Conservation managed land. Some additional walkway access to the existing walking tracks will be required.
Boat access across Paterson Inlet from Golden Bay would only be slightly longer than to the current wharf location. Sydney Cove has an easterly aspect which provides shelter from the

prevailing south westerly winds however Sydney Cove is exposed to easterly winds and swells from the open ocean. A wharf located at Sydney Cove would not be usable in a strong easterly wind and the subsequent swell. A strong easterly wind is not uncommon and when they do occur can last for several days. There is also a marine reserve at Sydney Cove which may make resource consent more difficult to obtain.

- Option 7 - Replacement wharf at Bathing Bay
Remove the current wharf and construct a replacement wharf at an alternative location. A possible location identified for a replacement wharf is at the bay described as Bathing Bay. Bathing Bay is the first bay toward the west of Post Office Bay. This location will have an almost identical boat travel distance across Paterson Inlet from Golden Bay to the current wharf location. If the wharf landing is located on the south or west side of Bathing Bay, then it will provide direct access from the wharf to the Ulva Island Department of Conservation managed land. Some additional walkway access to the existing walking tracks will be required. Bathing Bay has a northerly aspect very similar to Post Office Bay with headlands on the east and west sides providing shelter from all winds directions apart from those of a northerly aspect. The eastern headland also provides shelter from any easterly swells. The use of the wharf during strong winds would provide very similar working conditions as the current wharf.

2.3 Preferred option

The preferred option is Option 7 “Replacement wharf at Bathing Bay” for the following reasons;

- A replacement wharf is required at Ulva Island as maintenance of the existing wharf will eventually require the replacement of all wharf materials. Full replacement is the most cost-effective option.
- Ulva Island is a popular visitor destination and providing no wharf access to Ulva Island will be detrimental to the visitor experience. The number of parties involved in using the wharf make a privately-owned wharf difficult to achieve and a community ownership model is preferred.
- Replacement allows resilience to be designed into the new wharf with allowance for sea level rise, and additional berthage and stair way access.
- There is no cost premium for selecting an alternative site to the current wharf as the wharf size, construction method, and ground conditions are similar.
- Bathing Bay provides direct access to the Ulva Island Reserve removing the risk of any future issues or negotiations required to retain public access across the Hunter family property, although some additional walkway access to the existing walking tracks will be required. The Bathing Bay site provides shelter from most wind directions and will offer very similar working conditions to the current Post Office Bay site. Other sites do not provide sufficient shelter.
- The travel distance across Paterson Inlet from Golden Bay remains effectively unchanged.
- The construction will not be constrained by the tourist season.
- The existing wharf at Post Office bay will be able to be used while the new wharf is being constructed so there will be no impact on commercial users.

3. Financial case

3.1 Estimate

The Southland District Council commissioned WT Partnership Infrastructure to provide a cost estimate for the replacement of the Ulva Island Wharf.

The WTP budget estimate for the works is \$1,346,000.00. This estimate included the proposed causeway replacement and on shore infrastructure. The cost associated with the proposed option would need to be reviewed based on an appropriate design for the new location.

This figure excludes GST and all costs to date. Professional fees and a contingency of 15% are included. A copy of the WTP Budget estimate is included in the appendices.

3.2 Overall affordability and funding

The LTP identifies some funding for this project however, based on the above cost estimates, this will not be sufficient to cover the full cost of replacing the existing structure regardless of location. The Community have a number of options in terms of funding the cost of replacement.

1. Increase rates
2. Borrowed funds
3. Apply for external funding
4. District funding
5. A combination of the above

The decision on the funding model will come back to affordability and the ability of the community to cover the cost of their portion of the project cost.

The costs associated with maintenance and depreciation will need to be allowed for in the overall cost of the project.

4. Procurement overview

4.1 Procurement approach

The proposed method of procurement for the replacement Ulva Island Wharf is to confirm and finalise the construction cost estimate through Early Contractor Involvement (ECI) followed by negotiations to finalise a Contract to deliver the project.

Upon the completion of the wharf design it is proposed that indicative pricing from a suitably experienced and pre-qualified contractor be obtained. This would not be in a competitive tender environment.

Carrying out a traditional tender process is not recommended for this project. The isolated site will limit the interest from contractors of sufficient scale and experience to complete this project successfully.

It is considered that ECI will be the most accurate way to finalise the budget construction costs for this project. In the ECI process the contractor becomes a key member of the project delivery team at an early stage, which will be beneficial to this project. An experienced contractor will be invaluable to the project when introduced at this stage in the design process as they can provide a worthwhile influence on the final detailed design and associated cost saving initiatives.

The ECI pricing will allow the project scope of works to be finalised, matching the works to the available budget. A reasonable contingency amount will be in place to cover any unforeseen costs.

At the completion of the ECI pricing it may be beneficial to continue working with the same contractor to negotiate the construction contract. This will allow free and open discussion between the Contractor, the design engineers and the Southland District Council which will assist in mitigating risk and minimise any price omissions.

A project construction programme will be formulated and agreed between all parties as part of the contract negotiations.

5. Management case

5.1 Project delivery

After completion of the design and when a contract is in place along with a confirmed construction programme the financial performance and construction timeframes will be closely managed and tracked by the project management team. The project management team will report, and be accountable, to the governance team.

The Project Delivery Team controlling construction of the Ulva Island replacement wharf will consist of the following parties;

Governance team

- Southland District Council Projects Team
- Project Manager – external consultant
- User group representative (optional)

Project Management team

- Project Manager – external consultant
- Contract Manager – Contractor
- Contract Foreman – Contractors representative based on site.

The contractor will be play a key role in the Project delivery team.

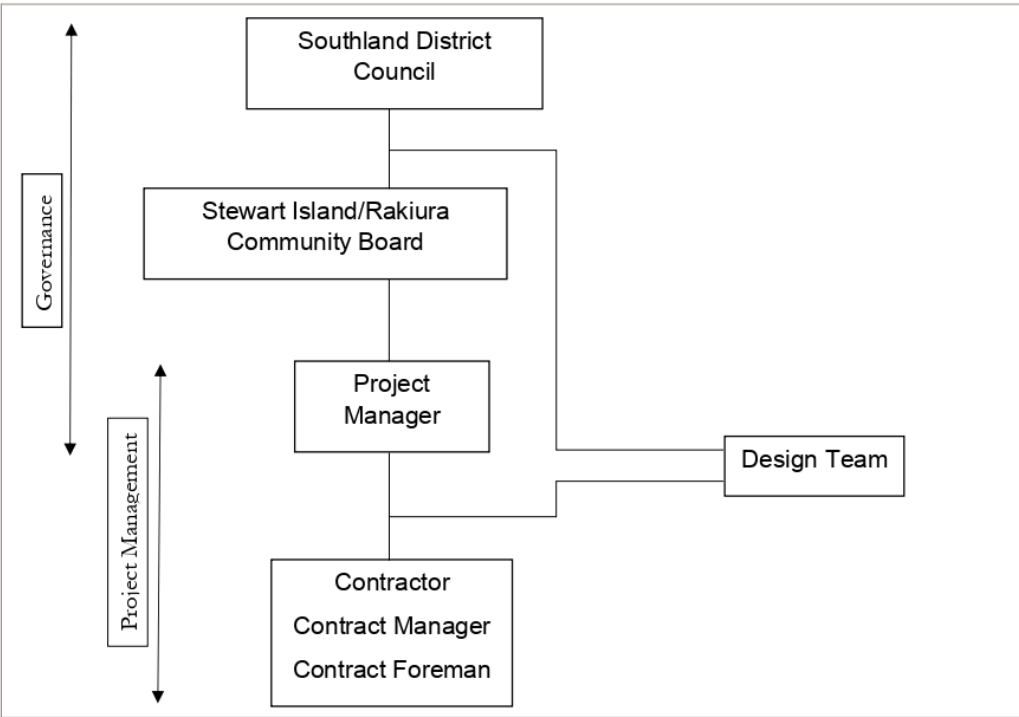


Figure 3 Project delivery organisation chart

5.2 Operational Management

Under the current structure for this activity the Manager of Community Facilities will be responsible for the operational management of the structure.

6. Approval of Business Case

PROJECT SPONSOR

...../...../.....

Signature

Date

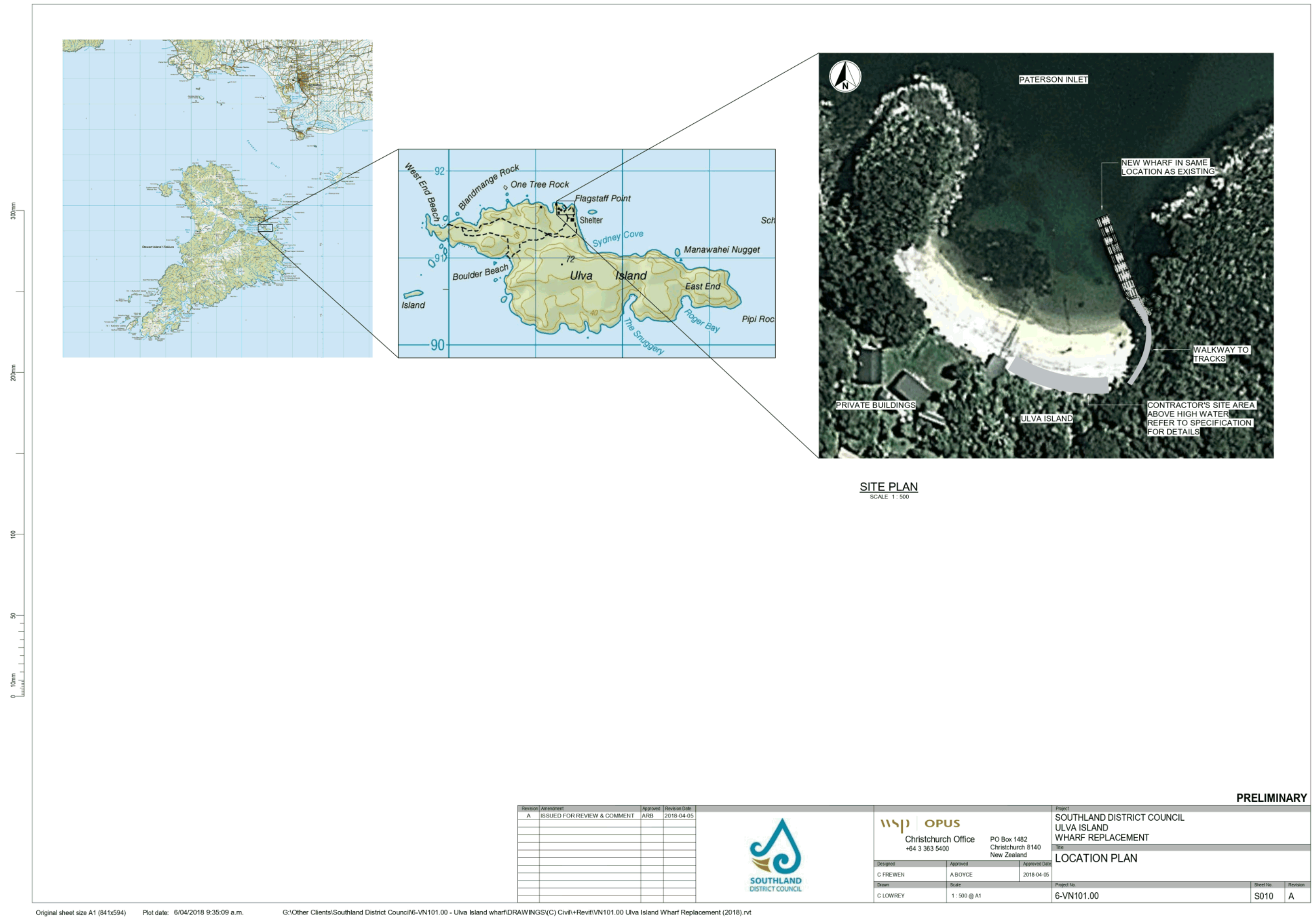
PROJECT MANAGER

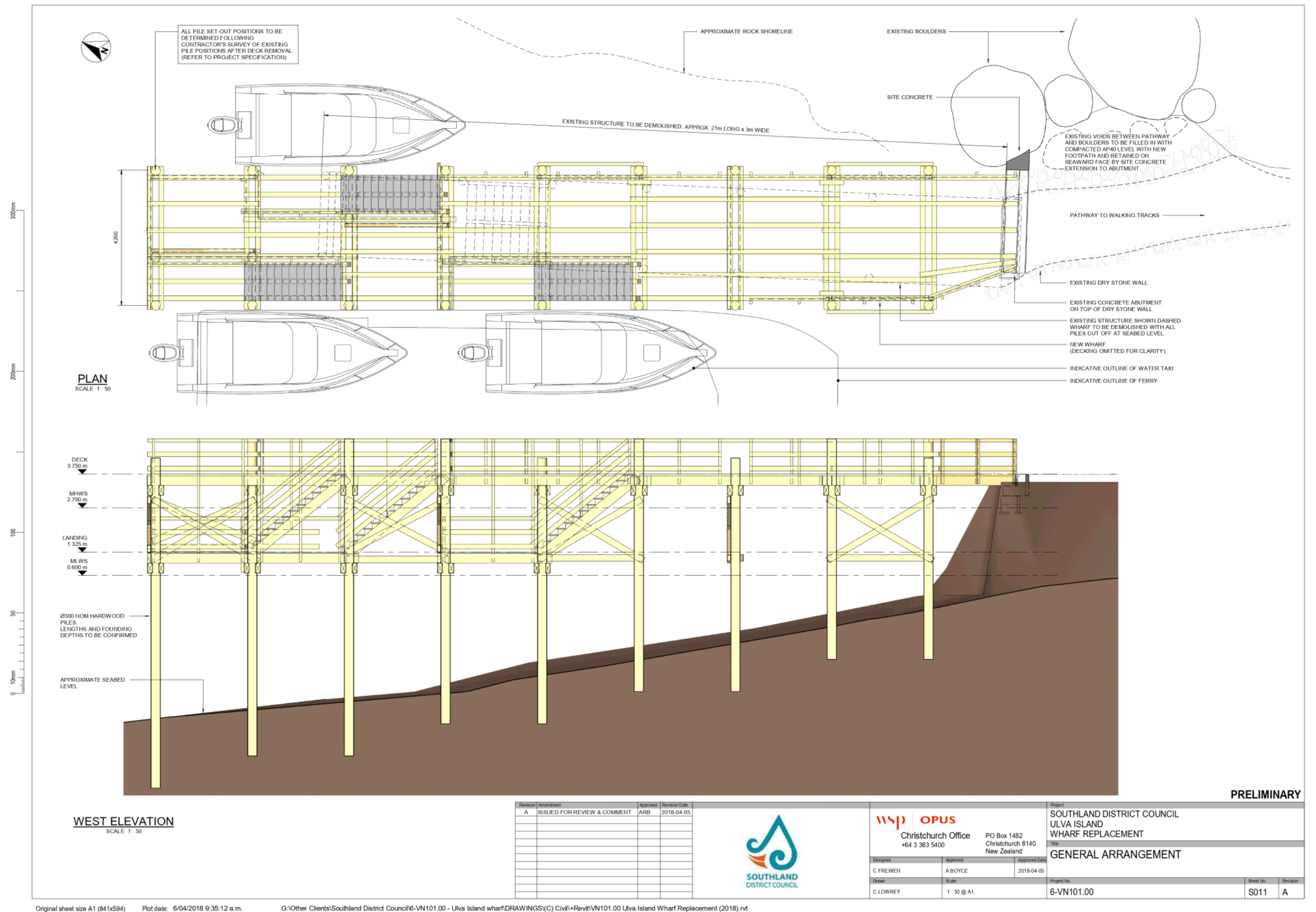
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Signature

Date

A. Appendix A – WTP Estimate





Monthly Financial Report - June 2020

Record No: R/20/7/29591
Author: Lesley Smith, Management Accountant
Approved by: Anne Robson, Chief Financial Officer

☐ Decision ☐ Recommendation ☒ Information

Summary

1. The purpose of this report is to provide Council with an overview of the draft financial results to 30th June 2020 by the nine activity groups of Council, as well as the draft financial position, and the draft statement of cash flows.
2. This report summarises Council's draft financial results for the year to 30 June 2020.

Recommendation

That the Council:

- a) **Receives the report titled "Monthly Financial Report - June 2020" dated 21 August 2020.**

Attachments

- A Monthly Financial Report June 2020 [↓](#)



Monthly financial report

June 2020

Southland District Council
Te Rohe Pōtae o Murihiku

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Invercargill 9840

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Executive summary

1. This monthly financial report summarises Council's draft financial results for the year to 30 June 2020.
2. The monthly financial report summary consolidates the business units within each of Council's groups of activities.
3. The monthly financial report includes:
 - year to date (YTD) actuals, which are the actual costs incurred
 - year to date (YTD) projection, which is based on the full year projection and is a combination of the Annual Plan and carry forwards, and forecasting from October and February
 - year to date (YTD) budget, which is based on the full year Annual Plan budget with adjustments for phasing of budgets
 - full year (FY) budget, which is the Annual Plan budget figures
 - full year (FY) projection, which is the Annual Plan budget figures plus the carry forward, and forecast adjustments.
4. Phasing of budgets occurs in the first two months of the financial year, at forecasting and when one-off costs have actually occurred. This should reduce the number of variance explanations due to timing.
5. Where phasing of budgets has not occurred, one twelfth of annual budgeted cost is used to calculate the monthly budget.
6. Southland District Council summary reports use a materiality threshold to measure, monitor and report on financial performance and position of Council. The materiality threshold adopted by Council, together with the annual budget for 2019/2020 is variances more or less than 10% of the original adopted budget and greater than \$10,000 in value.
7. This report is based on the draft June result prior to the year end process being undertaken. Year end adjustments to be processed include internal interest, income in advance, forestry revaluation, depreciation adjustment based on actual and revaluations.
8. Report contents:
 - A. Council monthly summary
 - B. Council summary report - income and expenditure and commentary
 - C. statement of comprehensive income
 - D. statement of financial position and movement commentary
 - E. statement of cash flows.

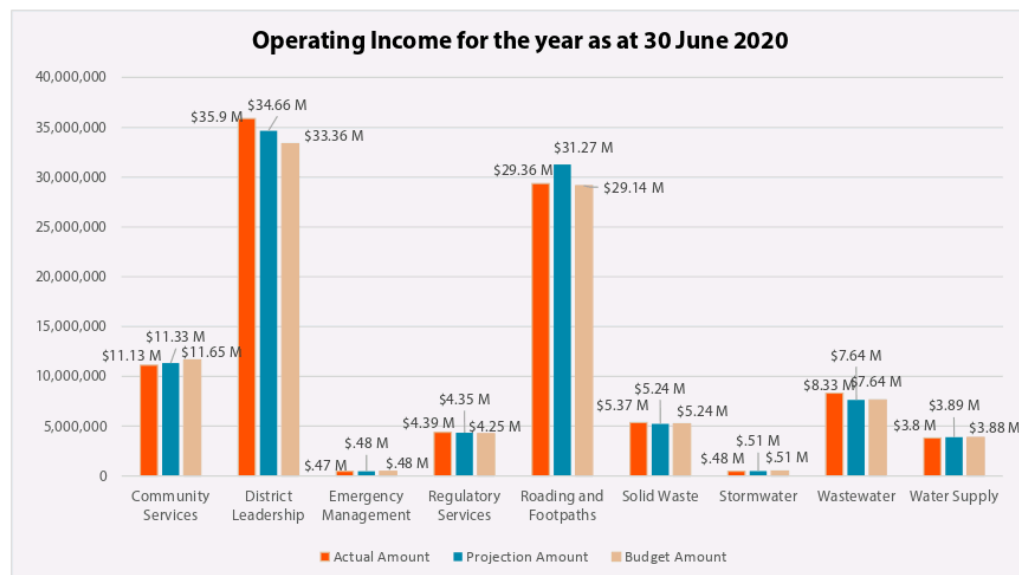
Abbreviation Explanation

Abbreviation	Description
AP	Annual Plan
CAPEX	Capital Expenditure
ELT	Executive Leadership Team
FYB	Full Year Budget
GDC	Gore District Council
GIS	Geographic Information System
GMSE	GeoMedia Smart Client
GST	Goods and Services Tax
ICC	Invercargill City Council
LED	Light Emitting Diode
LTP	Long Term Plan
ME	Month End
NZTA	New Zealand Transport Authority
SDC	Southland District Council
SIESA	Stewart Island Electricity Supply Authority
YE	Year End
YTD	Year To Date
YTD Variance	Comparison of actual results compared to YTD budget
\$M	Millions of dollars

Council monthly summary

Income

Operating income is in line with projection YTD (\$99.2 million actual vs \$99.4 million projected).



Total operating income is in line with projection.

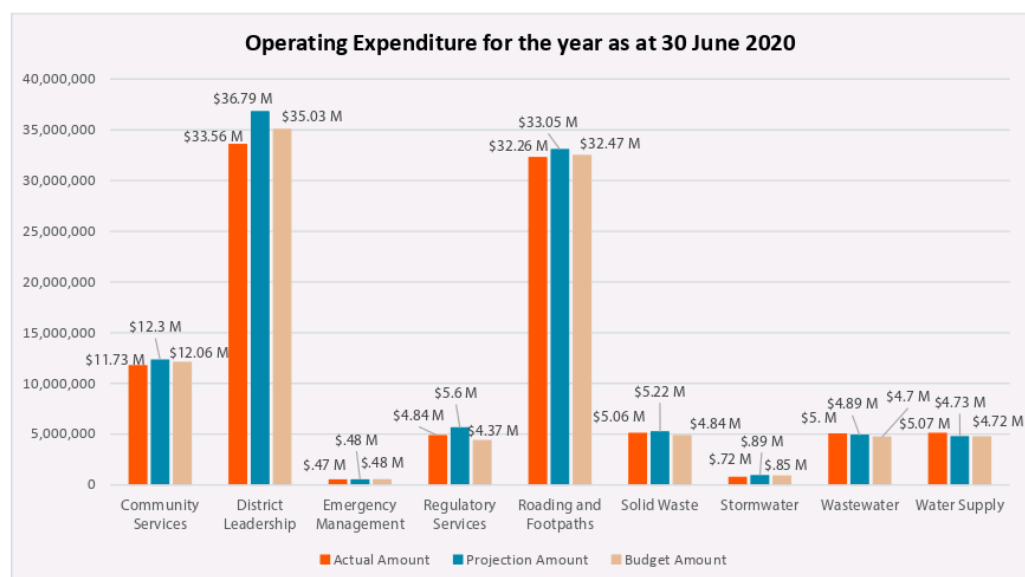
District Leadership income is \$1,236,576 (4%) above projection. Council invoiced \$2 million of funding from MBIE for the Milford Sound Opportunities project in the 2019/20 financial year as per the funding contract. Costs to 30th June 2020 were approximately \$1.15 million, the additional revenue will be treated as income in advance in the Annual Report.

Rooding and footpaths are \$1,902,861 (6%) under projection, predominately due to NZTA income being \$1.56 million under projection, due to the timing of works, particularly capital works.

Wastewater is \$686,850 (9%) over projection. In line with the MBIE agreement Council has invoiced them \$4 million for the Te Anau wastewater project. Due to the timing of work being completed \$1 million has been received in the current financial year which has been budgeted for in 2020/21. This is offset currently by the \$343,000 of projected income from development contributions which will be processed as part of the year end balancing up.

Expenditure

Operating expenditure is \$5.2 million (5%) under projection for the YTD (\$98.7 million actual vs \$103.9 million projection).



- **Community services** is \$570,098 (5%) under projected spend.
 - **Cemeteries** are \$90,139 (26%) under projection, while most budgets are under spent the largest item is interment costs at \$15,740, due to less interments occurring than budgeted. Also included in this underspend are \$28,000 of new beams which are budgeted under operational expenditure but have been incurred under capital expenditure. Operational maintenance budgets are also underspent.
 - **Community Centres** are under budget by \$97,280 (14%). This is an increase of 10% over last month. This is due to the Mokoreta hall painting project not being done due to on-going negotiations with the hall committee about the future of the hall and waiting for the supply of materials to complete a water connection project at the Clifden hall. The cost of the new windows at the Dipton hall were shown as a maintenance project and have been moved to capital.
 - **Council Facilities** are over projection by \$437,720 (21%). Costs for the Invercargill office are \$86,000 over projection. This is mainly due to the fit out of the leased Council offices, Council approved this unbudgeted expenditure after the February forecasting report. Included is a cost for abandoned land sales \$126,000, which is offset by income of the same value. The Holt Park camping ground had a budget carry forward in capital expenditure at the start of the year of \$204,000. A report was presented to Council on the 20th of September detailing the structural issues faced by the project and requesting that the camping ground be demolished instead. The demolition costs of \$80,000 resulted in the operational spend being over budget, but this is offset by and underspend in the capital budget line.
 - **Library services** are \$160,065 (9%) under projection. Covid-19 and the closure of the Winton library are the main reasons for this.

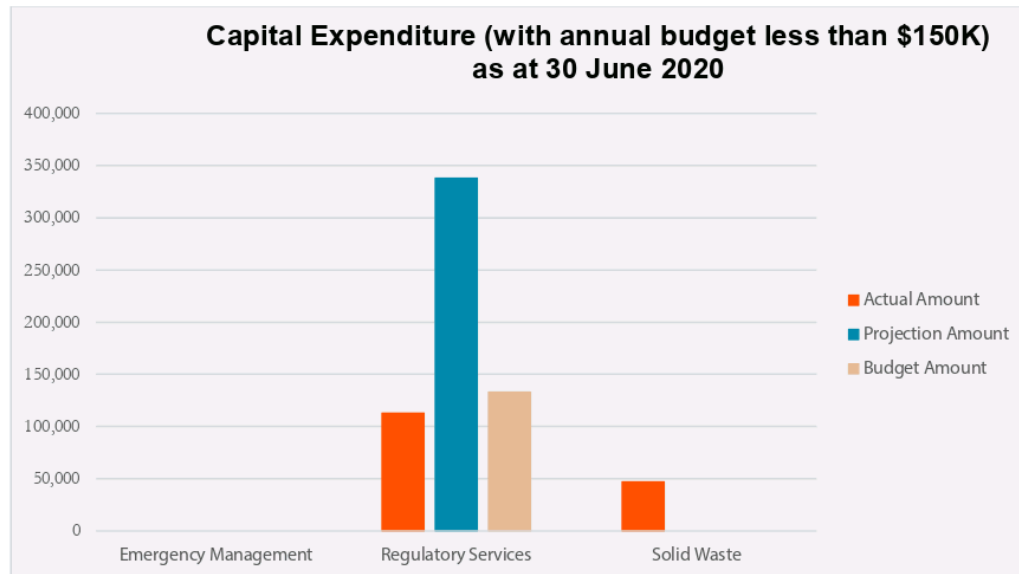
- **Parks and Reserves** are \$334,994 (14%) under projection. The variance relates to a number of projects that were delayed due to Covid-19. There has been an underspend in the open spaces consultants budget of \$27,000 which is being carried forward to the 2020/21 financial year.
- **SIESA** is \$174,365 (15%) under projection. Fuel costs are \$75,000 lower than projection due to fuel price decreases. Maintenance is \$43,000 lower than projection and depreciation is \$66,000 lower than projection as a result of less capital work being completed than planned.
- **Te Anau Airports** \$99,909 (21%) under projection. This is mainly due to the decision to defer the work associated with CAA compliance in view of business operations post Covid-19.
- **District leadership** is \$3,229,380 (9%) under projection spend due to the following:
 - **Forestry** is \$1,871,670 (50%) under projection. \$228,000 of this variance is due to silviculture activities being deferred due to Covid-19. The projection also includes a devaluation of \$1.6 million for the year for changes in the forest stock. The actual valuation yet to be processed has resulted in a revaluation of \$360,000. The two biggest factors causing the change in the valuation are growth (\$1.3 million) and prices (\$1.0 million).
 - **Investments – Operating Account** is \$1,100,042 (96%) under projection. The year end journal for internal interest on reserves is yet to be processed.
 - **Council and councillors** are \$177,045 (16%) under projection. Training and strategic retreat costs are below budget. The budget set aside for the joint Council project in the removal of the Ouvea mix will be carried over to the next financial year.
 - **Communications and engagement** are \$137,302 (12%) under projection. Expenditure across the business unit remain under projection at year end due to Covid-19 restrictions and projects being postponed. Radio and newspaper advertising costs are slightly over budget at year end because of extra radio spending for closures around Covid-19.
 - **Governance** is \$128,005 (19%) under projection. Operating expenditure is below projection due to vacancies throughout the year resulting in lower than anticipated staff costs. Expenditure relating to training, office consumables and advertising have also been lower than projected.
 - **Milford Opportunities Project** is \$317,377 (40%) higher than projection. As reported under the income section, a grant has been received to offset this expense and the additional revenue will be treated as income in advance awaiting costs in the 2020/21 financial year.
- **Regulatory Services** are \$765,979 (14%) under projection. The biggest variances being approximately \$434,000 less in resource management and approximately \$250,000 less in building than projected. Within building regulation, monies budgeted for demolition costs, software, legal costs and motor vehicle lease were not required. Training and accommodation were less than expected due to Covid-19. Within resource management the underspend compared to projection was mostly due to a timing issue for the policy review work and the length of time to fill resource consent team vacancies.
- **Roading and footpaths** are \$787,829 (2%) under projection spend due to the following:
 - **Roading – district wide administration**, is currently \$423,000 under the projected spend.

Improvements to time tracking systems compared to when the budget was developed has seen the contribution from NZTA for wages increase, this variance is \$312,000. \$59,000 will also be carried forward to next year to pay our final share of costs relating to the Pyramid Bridge renewal.

- **Roading – district wide** is \$356,000 under projected costs
 - Overall operating expenditure is slightly under year two of the three year plan for general works. Originally we spoke to Council about \$3 million being required for February flood repair work with \$2million budgeted in 2019/20 and \$1million in 2020/21. It is now estimated that the full budget will not be required but it is still planned that we carry forward the unused portion in this year \$492,000 to 2020/21 to add onto the \$1 million allowed for in that years Annual Plan. The reason it is now estimated to be less than budgeted is due to some works being less than what was originally expected and savings on gravel sourced at no cost. It is also looking unlikely that the enhanced funding rate from NZTA will be triggered.
 - Unsealed pavement maintenance is \$85,000 over projected costs, as more spot repairs were required than projected.
 - Network and asset management are \$136,000 under projected spend mainly related to the conclusion of the structures professional services contract. This work will continue in the new financial year.
 - Environmental maintenance continues to remain ahead of budget (\$101,000). This covers activities such as ice gritting and snow clearing which can be hard to predict.
- **Stormwater** is \$166,894 (19%) under projection due to limited reactive maintenance being undertaken, however this is offset by the resource consent costs that have come through for seventeen towns across the district. Monitoring costs for these consents will be incurred moving forward and further maintenance will be undertaken as required. Further work (including consent monitoring) was deferred as a result of the Covid-19 lockdown.

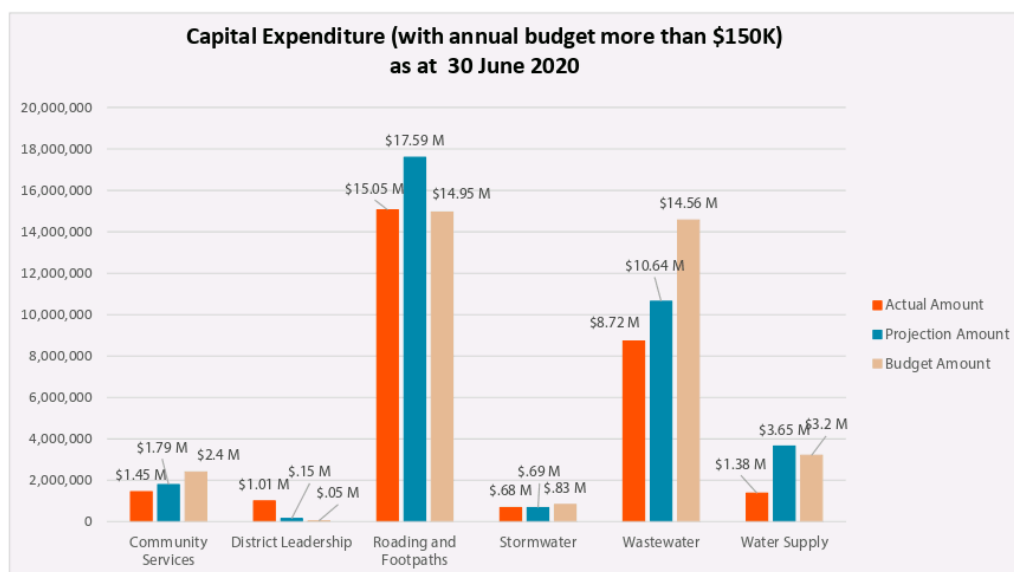
Capital expenditure (CAPEX)

Capital expenditure is \$6.4M (18%) under projection year to date (\$28.5M actual vs \$34.9M projection).



Solid waste is \$46,913 (100%) over projection due to the additional wheelie bins that have been supplied this year. This cost is being met from wheelie bin recoveries.

Regulatory Services is \$123,000 under projection. The GoGet project has been completed during the year for \$110,000 less than projected. As part of the year end process this capital expenditure has been transferred to Information Management.



Community Services are \$348,216 (19%) under projection. The main variance is public conveniences which are underspent by \$274,000, which is largely due to the project at Athol not proceeding due to a temporary alternative solution being found. The Monkey Island public conveniences project has been delayed while awaiting finalisation of the land exchange for this project. The Wyndham public convenience project was not started as there was insufficient time due to delays caused by Covid-19 lockdown. These projects will be carried forward to the 2020/21 financial year.

District Leadership is \$852,808 (553%) above projection.

- **Forestry** is \$1.6 million above the projection, as reported above the projection included a forestry devaluation of \$1.6 million. The actual valuation resulted in a revaluation of \$360,000. This has been processed at year end and is not included in the above result.
- **Information Management** is \$524,371 under projection. \$150,000 of the variance relates to hardware renewal programme delayed due to Covid-19 disruption. \$316,000 relates to the core systems project, current work continues to deliver RM8 and Pathway Integration, IPS and Pathway integration. The underspends in this area will be carried forward to 2020/21.

Roading and footpaths are \$2,537,262 (14%) under projection.

- **Roading - district wide** is \$1,775,893 (11%) under projection
 - Work and NZTA funding not completed this year will be transferred through to the third year of the NZTA funding cycle. Items of interest are bridges and reseals, with work already programmed/in completion. There is currently no expectation that the funds available through the three year cycle will not be utilised.
 - Pavement rehabilitation is \$960,000 ahead of projected costs due to a larger programme. It is anticipated that underspends in other activities will be utilised to offset the larger programme along with a reduction in the 2020/21 programme for this activity.

- The bridge renewal programme is \$551,000 behind on forecast, though not as far as behind as initially expected following the delay of the start of construction due to Covid-19.
- Structures component replacement was \$296,000 ahead of budget due to increase in works programme.
- Sealed road levels of service are \$233,000 under project spend due to timing of finalising land legislation of the Alternative Coast Route Project. Council is still waiting a number of invoices from landowners to finalise this project, some of these have been received in July and the remainder will be followed up by council staff to assist with completing this process.
- Sealed road resurfacing is \$752,000 under projected spend due to a reduced programme as a result of Covid-19. Asphalt resurfacing planned for June could not be completed either as originally anticipated with work getting carried into the 2020/21 season.
- Traffic services renewal remains \$183,000 under projected spend. Due to the challenging year the full works programme could not be completed (83% achieved).
- Minor improvement works is \$797,000 under projected spend due to the delays with the seal widening project along Fortrose Otara Road, these costs will now be incurred during the 2020/21 construction season.
- **Streetworks** is \$540,236 (56%) under projection which is predominantly made up of three footpath projects that have been delayed with Covid-19. Contracts have been awarded however limited physical works have been completed along with \$130,000 of kerb and channel work in Riverton that is currently on hold until a longer-term decision around storm water systems is determined.
- **Around the Mountain Cycle Trail** is \$180,000 under projected spend, and will be carried forward to 2020/21 with associated funding. The works to be completed are in relation to bringing the trail up to NZ Cycle Trail standard. Generally this work has been deferred until the remedial works associated with the February floods have been completed.

Wastewater is \$1,918,413 (18%) under projection. \$840,000 of this is due to the delay in construction associated with the Te Anau wastewater project. Practical completion of the pipeline occurred on 30 June. No physical work has been undertaken on the disposal field or treatment options. There are three wastewater projects that are with consultants for design and technical advice for approximately \$192,000 which will be carried forward to the 2020/21 financial year. There are two projects (seals and arms to both trickling filters in Ohai and security fencing around 5 sites) that have been delayed due to Covid-19, these are expected to be completed by the end of the calendar year. The cost of these projects is \$244,000 and will be carried forward to 2020/21. The Riversdale Treatment upgrade project has \$190,000 of under projected spend, this project has been handed over to the property team for land acquisition negotiations. We are not carrying forward this amount into the next financial year as there are already budgets for this project in 2020/21.

Water supply is \$2,271,969 (62%) under projection. Investigation was required into the Otatau service pipes (\$330,000 under budget) to ensure they were at the same depth as the intended water project and this has caused a delay to the expected completion date which is now expected to be 18 July. No work has commenced on the Te Anau Watermain project (\$909,000) which will mean a full carry forward to the 2020/21 financial year. The business case for the multi-year upgrade for additional UV disinfection at Riverton is being worked through, with no physical work being undertaken this year, \$250,000 will be carried forward to 2020/21. The request for proposal is being drafted for the upgrade to the Manapouri water treatment plant with turbidity being monitored, there will be \$300,000 carried forward to 2020/21. The Lumsden watermain project is still on hold and due to commence again in July.

Council summary report

Southland District Council Financial Summary
for the period ending 30 June 2020

Operating Income									
	YTD					FYB			
	Actual Amount	Projection Amount	Budget Amount	Variance	Var %	Projection Amount	Budget Amount	Variance	Var %
Community Services	11,128,460	11,333,072	11,649,509	(204,612)	(2%)	11,333,072	11,649,509	316,437	3%
District Leadership	35,895,950	34,659,374	33,357,610	1,236,576	4%	34,659,374	33,357,610	(1,301,764)	(4%)
Emergency Management	467,195	481,829	481,829	(14,634)	(3%)	481,829	481,829	0	0%
Regulatory Services	4,391,758	4,354,889	4,252,321	36,869	1%	4,354,889	4,252,321	(102,568)	(2%)
Roading and Footpaths	29,363,294	31,266,155	29,143,773	(1,902,861)	(6%)	31,266,155	29,143,773	(2,122,382)	(7%)
Solid Waste	5,367,936	5,242,541	5,242,541	125,395	2%	5,242,541	5,242,541	0	0%
Stormwater	481,852	508,193	508,192	(26,341)	(5%)	508,193	508,192	(0)	(0%)
Wastewater	8,329,770	7,642,920	7,642,920	686,850	9%	7,642,920	7,642,920	0	0%
Water Supply	3,803,678	3,888,463	3,888,463	(84,785)	(2%)	3,888,463	3,888,463	(5,000)	(0%)
Total	\$99,229,892	\$99,377,436	\$96,162,158	(147,544)	0%	\$99,377,436	\$96,162,158	(3,215,277)	(3%)
Operating Expenditure									
	YTD					FYB			
	Actual Amount	Projection Amount	Budget Amount	Variance	Var %	Projection Amount	Budget Amount	Variance	Var %
Community Services	11,731,301	12,301,399	12,060,483	(570,098)	(5%)	12,301,399	12,060,483	(240,916)	(2%)
District Leadership	33,559,145	36,788,525	35,029,140	(3,229,380)	(9%)	36,788,525	35,029,140	(1,759,385)	(5%)
Emergency Management	467,198	481,829	481,829	(14,631)	(3%)	481,829	481,829	0	0%
Regulatory Services	4,838,816	5,604,795	4,365,134	(765,979)	(14%)	5,604,795	4,365,134	(1,239,661)	(22%)
Roading and Footpaths	32,258,581	33,046,410	32,474,106	(787,829)	(2%)	33,046,410	32,474,106	(572,304)	(2%)
Solid Waste	5,062,840	5,222,015	4,841,070	(159,175)	(3%)	5,222,015	4,841,070	(380,945)	(7%)
Stormwater	723,026	889,920	849,921	(166,894)	(19%)	889,920	849,921	(39,999)	(4%)
Wastewater	5,001,372	4,890,358	4,696,217	111,014	2%	4,890,358	4,696,217	(194,141)	(4%)
Water Supply	5,073,795	4,730,280	4,717,760	343,515	7%	4,730,280	4,717,760	(12,520)	(0%)
Total	\$98,716,073	\$103,955,531	\$99,515,660	(5,239,458)	(5%)	\$103,955,531	\$99,515,660	(4,439,871)	(4%)
Net Surplus/Deficit	\$513,819	(\$4,578,095)	(\$3,353,501)	5,091,914	5%	(\$4,578,095)	(\$3,353,501)	1,224,594	1%
Capital Expenditure									
	YTD					FYB			
	Actual Amount	Projection Amount	Budget Amount	Variance	Var %	Projection Amount	Budget Amount	Variance	Var %
Community Services	1,446,287	1,794,503	2,396,220	(348,216)	(19%)	1,794,503	2,396,220	601,717	34%
District Leadership	1,006,997	154,189	49,693	852,808	553%	154,189	49,693	(104,496)	(68%)
Emergency Management	-	-	-	0	0%	-	-	0	0%
Regulatory Services	112,865	337,861	132,861	(224,996)	0%	337,861	132,861	(205,000)	(61%)
Roading and Footpaths	15,054,806	17,592,068	14,945,146	(2,537,262)	(14%)	17,592,068	14,945,146	(2,646,922)	(15%)
Solid Waste	46,913	-	46,913	-	-	-	-	0	-
Stormwater	683,384	685,999	832,507	(2,615)	(0%)	685,999	832,507	146,508	21%
Wastewater	8,723,036	10,641,449	14,560,046	(1,918,413)	(18%)	10,641,449	14,560,046	3,918,597	37%
Water Supply	1,377,078	3,649,047	3,204,787	(2,271,970)	(62%)	3,649,047	3,204,787	(444,260)	(12%)
Total	\$28,451,365	\$34,855,117	\$36,121,260	(6,403,752)	(18%)	\$34,855,117	\$36,121,260	1,266,143	4%

Activities reporting under Groups listed:

COMMUNITY SERVICES	DISTRICT LEADERSHIP	REGULATORY SERVICES
Community Assistance	Representation and Advocacy	Building Control
Parks and Reserves	Community Development	Resource Management
Cemeteries	District Support	Animal Control
Community Facilities	Corporate Support	Environmental Health
Community Groups	Forestry	
Library Services		
Public Toilets		
Airports		
Electricity Supply		

Statement of comprehensive income

Statement of Comprehensive Revenue and Expenses for the period ending 30 June 2020					
	YTD			FYB	
	Actual Amount	Projection Amount	Budget Amount	Projection Amount	Budget Amount
Revenue					
Rates Revenue	48,320,125	48,411,466	48,411,466	48,411,466	48,411,466
Other Revenue	8,991,368	8,731,742	8,372,470	8,731,742	8,372,470
Interest and Dividends	308,257	68,170	68,170	68,170	68,170
NZ Transport Agency Funding	13,956,048	15,270,788	13,129,323	15,270,788	13,129,323
Grants and Subsidies	6,859,667	4,761,011	4,170,975	4,761,011	4,170,975
Other gains/losses	287,048	(1,407,317)	(1,447,317)	(1,407,317)	(1,447,317)
Vested Assets	112,000	0	0	0	0
Development and financial contributions	200,715	383,899	368,155	383,899	368,155
	79,035,227	76,219,759	73,073,242	76,219,759	73,073,242
Expenditure					
Employee Benefit Expense	14,600,993	13,949,788	13,387,725	13,949,788	13,387,725
Depreciation and Amortisation	23,088,438	23,183,233	23,183,233	23,183,233	23,183,233
Finance Costs	22,815	22,000	22,000	22,000	22,000
Other Council Expenditure	40,809,163	43,642,832	39,833,786	43,642,832	39,833,786
	78,521,408	80,797,854	76,426,743	80,797,854	76,426,743
Total Comprehensive Income	513,819	(4,578,095)	(3,353,501)	(4,578,095)	(3,353,501)

Note:

The revenue and expenditure in the comprehensive income statement does not reconcile to the total income and total expenditure reported in Council summary report on page 10 due to the elimination of the internal transactions. However, the net surplus/deficit (as per Council summary report) matches the total comprehensive income (as per the statement of comprehensive income).

The presentation of the statement of comprehensive income aligns with Council's annual report. The annual report is based on national approved accounting standards. These standards require us to eliminate internal transactions. Council is also required to report by activities. A number of Council functions relate to a number of activities, eg finance. To share these costs, an internal transaction is generated between the finance business unit and the activity business units. Within the annual report, Council also prepare activity funding impact statements. These statements are prepared under the Financial Reporting and Prudence Regulations 2014. This regulation requires internal charges and overheads recovered be disclosed separately. Council summary report is a summary of what these activity funding impact statements will disclose for income and expenditure at year end.

Note the result reported is the draft for the full year to 30 June 2020 as year end adjustments were still being processed at the time the report was generated.

Statement of financial position

Council's draft financial position as at 30 June 2020 is detailed below. The balance sheet below only includes Southland District Council and SIESA financials. This means that the balance sheet for 30 June 2019 differs from the published annual report which includes Venture Southland financials.

SOUTHLAND DISTRICT COUNCIL STATEMENT OF FINANCIAL POSITION as at 30 June 2020

	Actual 30-Jun-20	Actual 30-Jun-19
Equity		
Retained Earnings	719,161,272	718,647,453
Asset Revaluation Reserves	822,120,037	822,120,037
Other Reserves	42,546,133	42,546,133
Share Revaluation	2,666,473	2,666,473
	1,586,493,918	1,585,980,097
Represented by:		
Current Assets		
Cash and Cash Equivalents	11,896,788	14,911,330
Trade and Other Receivables	11,785,519	11,123,195
Inventories	126,512	129,402
Other Financial Assets	1,320,201	1,508,271
Property, Plant and Equipment	-	-
	25,129,020	27,672,199
Non-Current Assets		
Property, Plant and Equipment	1,562,673,388	1,556,700,350
Intangible Assets	2,313,374	2,565,313
Forestry Assets	11,900,000	11,900,000
Internal Loans	29,621,358	31,315,988
Work in Progress	405,878	772,054
Investment in Associates	970,321	314,495
Other Financial Assets	302,105	302,608
	1,608,186,425	1,603,870,809
TOTAL ASSETS	1,633,315,446	1,631,543,007
Current Liabilities		
Trade and Other Payables	10,000,249	8,358,955
Contract Retentions and Deposits	534,114	451,905
Employee Benefit Liabilities	1,999,489	1,583,186
Development and Financial Contributions	2,131,777	2,112,712
Borrowings	2,500,000	1,700,000
Provisions	14,000	14,000
	17,179,629	14,220,759
Non-Current Liabilities		
Employment Benefit Liabilities	18,631	18,010
Provisions	1,910	8,152
Internal Loans - Liability	29,621,358	31,315,988
	29,641,899	31,342,151
TOTAL LIABILITIES	46,821,527	45,562,909
NET ASSETS	1,586,493,918	1,585,980,097

Statement of cash flows

Statement of Cashflows for the year ended June 2020

	2019/2020	YTD Actual
Cash Flows from Operating Activities		
Receipts from rates		48,150,592
Receipts from other revenue (including NZTA)		28,342,509
Cash receipts from Interest and Dividends		308,257
Payment to Suppliers		(38,761,551)
Payment to Employees		(14,184,070)
Interest Paid		(22,815)
GST General Ledger (net)		870,342
Net Cash Inflow (Outflow) from Operating Activities		24,703,265
Cash Flows from Investing Activities		
Receipts from sale of PPE		287,048
(Increase)/Decrease Other Financial Assets		(467,252)
Purchase of property, plant and equipment		(28,589,542)
Purchase of Forestry Assets		-
Purchase of Intangible Assets		251,939
Net Cash Inflow (Outflow) from Investing Activities		(28,517,807)
Cash Flows from Financing Activities		
Increase/(Decrease) Term Loans		800,000
Increase/(Decrease) Finance Leases		-
Net Cash Inflow (Outflow) from Financing Activities		800,000
Net Increase/(Decrease) in Cash and Cash Equivalents		(3,014,542)
Cash and Cash Equivalents at the beginning of the year		14,911,330
Cash and Cash Equivalents at the end of June		11,896,788

Cash and cash equivalents and other financial assets

1. At 30 June 2020, Council had \$8M invested in three term deposits with maturities as shown in the table below. Note the interest rates received in May and June for short-term deposits are lower than those previously received.

SDC Investments - Term Deposits				
Bank	Amount	Interest Rate	Date Invested	Maturity Date
WPC	\$ 3,000,000	1.22%	19-May-20	17-Jul-20
ANZ	\$ 3,000,000	0.53%	2-Jun-20	17-Jul-20
WPC	\$ 2,000,000	1.16%	2-Jun-20	19-Aug-20
Total	\$ 8,000,000			

2. At 30 June 2020, SIESA had \$1.57M invested in five term deposits as follows:

SIESA Investments - Term Deposits				
Bank	Amount	Interest Rate	Date Invested	Maturity Date
BNZ	\$ 370,000	2.66%	2-Mar-20	2-Sep-20
BNZ	\$ 200,000	2.06%	4-May-20	4-Nov-20
BNZ	\$ 350,000	2.81%	23-Jan-20	23-Jul-20
BNZ	\$ 350,000	2.44%	23-Apr-20	25-Jan-21
BNZ	\$ 300,000	3.23%	6-May-19	6-Jul-20
Total	\$ 1,570,000			

3. Funds on call at 30 June 2020:

Funds on Call				
	Amount	Bank	Account	Interest Rate
SDC	\$ 2,894,207	BNZ	Funds on Call	0.10%
	\$ 10,000	BNZ	Operating Bank Acc	1.00%
	\$ 532,558	BNZ	Restricted Funds Acc	2.90%
SIESA	\$ 139,264	BNZ	Funds on Call	2.90%

Council's Investment and Liability Policy states that Council can invest no more than \$10M with one bank. Investments and funds on call, comply with the SDC Investment Policy.

4. Reconciliation to Statement of Financial Position:

	Amount
Cash and Cash Equivalents	
Note 1 - SDC Investments	\$ 8,000,000
Note 2 - SIESA Investments	\$ 1,570,000
Note 3 - Funds on Call	\$ 3,494,747
Total Cash and cash equivalents	\$ 13,064,747
Add Other Financial Assets	
Cash on Hand	\$ 2,041
Loan Advances - Developers Contributions	\$ 2,105
Loans - Community	\$ 37,108
Civic Assurance Shares	\$ 21,534
Milford Sound Tourism Shares	\$ 391,558
Total Other Financial Assets	\$ 454,347
Total Cash and cash equivalents and other financial assets	\$ 13,519,094
Per the Statement of Financial Position	
Cash & Cash Equivalents	\$ 11,896,788
Other Financial Assets - Current Assets	\$ 1,320,201
Other Financial Assets - Non Current Assets	\$ 302,105
Total per Statement of Financial Position	\$ 13,519,094

School Speed Limit Strategy

Record No: R/20/7/28586
Author: Ben Whelan, Roading Engineer
Approved by: Matt Russell, Group Manager Services and Assets

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to outline the proposed strategy for carrying out reviews, design and construction of speed reduction infrastructure around Southland District Council (SDC) controlled school speed zones, including an option for an accelerated program for rural schools zones.

Executive Summary

- 2 During the Southland District Council Speed Limits Bylaw consultation, Council heard a verbal submission regarding reducing the speed around school zones throughout the District with emphasis on schools within rural areas. Council staff determined that a blanket speed reduction would not provide the full benefits, and proposed a more holistic approach to the speed management.
- 3 This approach will align with the government's Road to Zero target of reducing speed outside schools by 2030 (40/30km/h urban and 60km/h rural) with 40% to be completed by 2024.
- 4 Staff are proposing two options on how this can be achieved. The first option and staff recommendation is for the first round of reviews (the 11 rural schools within Council's network) to be undertaken in year one of next Long Term Plan (LTP) with the physical works to be carried out during year 2 and 3 of the LTP 2021/2031.
- 5 This will allow for a funding bid of this work to be including as part of the 2021- 24 National Land Transport Program.
- 6 The second option is to implement an accelerated program for the review, design and construction of speed reduction infrastructure at the 11 rural schools within Council's network.
- 7 This accelerated program will include the review and design to be carried out in the current financial year and the construction work to commence in 2021/2022 (year one of the LTP).
- 8 Should the second option be Council's preferred option, then staff recommend \$100,000 of unbudgeted expenditure in the form of a loan, to undertake the first round of reviews and designs within this financial year in readiness for construction in year 1 of the next LTP.
- 9 Currently the \$100,000 will require 100% funding from Council as this work has not been allowed for within current budgets. However, the transportation team will pursue Waka Kotahi NZ Transport Agency for funding assistance, but there are currently no guarantees on this.
- 10 Urban schools will be included as part of the 2021/2031 LTP from year two. These remaining schools will be done in alignment with the national government's Road to Zero target of all school to be completed by 2030.

Recommendation

That the Council:

- a) **Receives the report titled “School Speed Limit Strategy” dated 19 August 2020.**
- 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 school speed limit strategy.**
- e) **Agrees to endorse one of the following options :**
 - i. **Option 1 –that Council adopt the strategy but wait until Year One of the next Long Term Plan (2021-2031) to commence the speed management reviews and associated works; or**
 - ii. **Option 2 – that Council agrees to accelerate the program for rural schools within the Southland District Council roading network and approves the required unbudgeted expenditure of \$100,000 to be funded by a 30 year loan.**

Background

- 11 During the Southland District Council Speed Limits Bylaw consultation Council heard a verbal submission from Well South. The submission was focused around reducing the speed around school zones throughout the Southland District with emphasis on schools within rural areas.
- 12 During the process of bylaw review, Council transport staff emphasised that a blanket speed reduction would not provide the full benefits, and proposed a more holistic approach to the speed management. This will demonstrate Councils commitment to the government’s Road to Zero strategy, specifically the objective to ‘improve road safety in our cities and regions through infrastructure and speed management’.

Road to Zero

- 13 The Road to Zero Strategy articulates the national government’s vision, as well as targets for 2030. Part of this action plan includes that all schools will have a reduced speed by 2030 (40/30 km/h Urban and 60km/h Rural) with 40% to be completed by 2024. However, Council indicated their desire to be proactive.
- 14 Infrastructure and speed management is one of five key focus areas in the governments Road to Zero Strategy. These include:
 - infrastructure improvements and speed management
 - vehicle safety

- work-related road travel
 - road user choices
 - system management
- 15 The infrastructure improvements and speed management is supported by four key actions in the Tackling Unsafe Speeds Programme. These include:
- invest in safety treatments and infrastructure improvements
 - introduce a new approach to tackling unsafe speeds
 - review infrastructure standards and guidelines
 - enhance safety and accessibility of footpaths, bike lanes and cycle ways
- 16 The Tackling Unsafe Speeds Programme aims to establish a more streamlined and coordinated process for speed management, move towards a more transparent and effective approach to speed enforcement and reducing speed in the highest risk areas and around schools. There will not be blanket reductions to default speed limits. This is a reflection of the proposed holistic approach to speed management.
- 17 In 2016 (across NZ) there were 102 minor injuries involving school aged children (5-17) within 250m of a school, 23 serious injuries and no fatalities. While this data shows there are not a large number of road safety-related incidents around schools (compared with other parts of the roading network), the reduction of speed reduces the risk/consequences. The roading environment outside schools can often be complex and varies from school to school.
- 18 Children and young people are particularly vulnerable to high travel speeds, as many children are not equipped to understand and manage the associated risks. The introduction of safer speed limits around schools are focused on ensuring the roading environment around schools is safer for children. More generally, this is expected to improve community liability by improving perceptions of safety and increasing the willingness of parents and children to make greater use of active modes of transport

Proposed Strategy

Review Process

- 19 Although the main driver of this review is to assess the required infrastructure needed to reduce speeds within the school zones, this review will take the opportunity to assess:
- traffic speed
 - traffic and pedestrian movements
 - pick up and drop off locations and crash history
 - other concerns raised by the stakeholders
- 20 For this review stakeholders from each school will be engaged and encouraged to help Council develop a suitable solution. These may include the School Principal, Board of Trustees, Ministry of Education, Waka Kotahi NZ Transport Agency, Police, Road Safety Southland and Well South. Possible solutions for each school may include:
- traffic calming
 - promote safer traffic and pedestrian movements

- Safer drop off and pick up zones
- Reduce traffic congestion as school (encourage active transport/car pulling)

21 From this review/consultation, construction drawing will be produced ready for construction once funding is made available.

Scope

- 22 Currently there are 41 schools situated within the Southland District Council area, with 37 of these within the SDC roading network. Out of the 37 schools within the SDC roading network, 11 are situated within rural speed zones >60km/h.
- 23 It is the staff recommendation that the 11 schools situated in rural speed zones be assessed first in year one of the new LTP (2021/22) with the urban schools subsequently reviewed during the remainder of the 2021/2031 LTP from year two, to align with the government's Road to Zero target of all school speed management reviews to be completed by 2030 (40% by 2024)
- 24 Staff have also considered an option to implement an accelerated program. This would include the review and design of the 11 rural zoned schools to be carried out in the current 2020/21 financial year and the construction in 2021/22 (year one of the LTP).

Costs and Funding

- 25 Initial estimates for carrying out the required review, design and construction works of the required speed reduction infrastructure for all 37 schools within the SDC roading network are as follows:

Aspect	SDC portion	Waka Kotahi NZ Transport Agency subsidy (51% FAR)	Total
Review and design	\$180,810	\$188,190	\$369,000
Speed signs	\$878,570	\$914,430	\$1,793,000
Traffic calming	\$273,861	\$285,039	\$558,900
Total	\$1,315,601	\$1,369,299	\$2,720,900

This table does not include the cost of staff time or include work required within the State Highway network.

- 26 The initial estimate to carry out the review, design and construction for the rural schools is \$865,600. With a 51% Waka Kotahi NZ Transport Agency subsidy the SDC share equates to \$424,144.
- 27 If Council want to accelerate the work and in order to allow staff to be prepared to construct within year one of the 2021/2031 LTP staff request \$100,000 of unbudgeted expenditure funded by way of a loan, to undertake the first round of reviews and designs within the current financial year (2020/21).
- 28 Currently this will be required to be funded 100% from Council as this has currently not been budgeted for. However, the transportation team will pursue Waka Kotahi NZ Transport Agency for funding assistance but this is not guaranteed.

- 29 Funding of the \$100,000 through a 30 year loan results in additional rates of \$6,199 (excluding GST) being required per annum. This is an extra 0.05% on the current roading rates or 0.01% of the total rates included in the Annual Plan 2020/2021.

Factors to Consider

Legal and Statutory Requirements

- 30 All speed limit changes will require to meet the “2017 Speed Limit Setting Rule” and Waka Kotahi NZ Transport Agency guidelines lines and traffic notes.

Policy Implications

- 31 All speed limit changes will require amendments to the current Speed Limit Bylaw. Currently the required consultation process for amending the school zone speed limits is unknown. The assumption has also been made that an accelerated program would not require full public consultation as any changes would align with national government’s Road to Zero targets.

Analysis of Options

Option 1 – Adopt the strategy but wait until first year of 2021-31 LTP for implementation

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">no early investment required and can be budget as part of the 2031 Long Term Plan.Waka Kotahi NZ Transport Agency funding can be applied for as part of the next round of National Land Transport programme (2021-24).	<ul style="list-style-type: none">higher risk speed limits outside school will remain for additional time

Option 2 – Adopt the proposed strategy and accelerated program

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">fast tracks the review and construction of speed reduction infrastructure for rural schools with higher risk speed limits	<ul style="list-style-type: none">early investment required (unbudgeted expenditure) with the risk of SDC having to provide 100% funding.

Recommended Option

- 32 Staff recommend Option 1, to adopt the proposed School Speed Limit Infrastructure Strategy with the goal to implement the strategy from year 1 of the 2021-2031 LTP.

Attachments

There are no attachments for this report.

Unbudgeted Expenditure for the Refurbishment of the Winton Office/Library

Record No: R/20/8/32167
Author: Mark Day, Community Facilities Manager
Approved by: Matt Russell, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 The purpose of the report is to seek approval of unbudgeted expenditure of \$1,314,918 for the refurbishment of the Winton Office and Library in Wemyss Street to be funded from a combination of existing residual property budgets in the 2020/2021 financial year and a loan fund portion commencing in the 2021/2022 financial year.

Executive Summary

- 2 In March 2019, the Winton Library was closed due to the presence of toxigenic mould within the confines of the office and library operational area.
- 3 Immediate action was taken to remove all staff members and relocate them to the adjacent Memorial Hall and more recently again to the RSA building on Great North Road in Winton.
- 4 Subsequent investigative works were undertaken to determine the extent of the mould and the potential remedial plan.
- 5 This required invasive investigations that necessitated the removal of wall linings, ceiling panels and floor coverings.
- 6 Once this work was completed contractors were engaged to return the space to a mould free environment. This status was achieved in October 2019.
- 7 Council staff then started scoping the work that would be required to return the building to a useable state.
- 8 The focus has been to develop a concept that raises the performance of library and council services to today's standards whilst providing capacity and flexibility into the future.
- 9 Further, the concept has been designed to enable the closure of the Brandon Street storage site in order to integrate this site into Wemyss Street. This would serve to reduce the operating costs and enable this funding to be transferred to loan servicing for the capital loan thereby reducing the impact on ratepayers moving forward.

Recommendation

That the Council:

- a) **Receives the report titled “Unbudgeted Expenditure for the Refurbishment of the Winton Office/Library” dated 19 August 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves unbudgeted expenditure of \$1,314,918 for the refurbishment of the Winton Office and Library in Wemyss Street.**
- e) **Agrees that the \$1,314,918 is to be funded from a combination of residual property budgets from the 2020/2021 Annual Plan totalling \$500,000, and 30-year loan funding of \$814,918.**

Background

- 10 In March 2019, the Winton Library was closed due to the presence of toxigenic mould within the confines of the office and library operational area.
- 11 At this time staff were originally relocated to the Winton Memorial hall as an interim solution. This was only seen as a short term solution and once it became apparent that considerable work would be required to return the office/library to a safe working environment staff and the service operation were moved to the RSA hall as a longer term option.
- 12 Following two comprehensive air quality assessment tests conducted over the last six weeks, it was confirmed water ingress was present and the visible presence of toxigenic mould was found.
- 13 To understand the extent of the toxigenic mould, a selected area of wall linings and ceiling tiles were removed to enable a comprehensive site water damage and toxigenic mould survey to be completed. In conjunction with these works, all library books and valuables were packaged, protected and stored onsite and all porous furnishings disposed of.
- 14 Once the invasive investigation works were completed Council staff scoped the work that would be required to return the building to a useable state. Staff have also taken the opportunity to assess options for bringing the building up to modern day library standards whilst providing additional capacity and flexibility for the future. The proposed scope has been costed by a quantity surveyor.

Issues

- 15 In addition to delays caused by Covid-19, there are a number of issues that staff have considered as part of the scope development as follows:

Seismic capacity of the building

- 16 The seismic capacity of the building was assessed as part of the scoping and assessment exercise and it was determined that the building currently meets 70% of NBS. Further, with reasonably minimal structural improvements the facility is able to achieve 100%. As such, this work has been incorporated into the scope.

Water ingress

- 17 Through the course of the mould investigation it was found that water ingress has been an issue over a number of years with patch repairs intermittently undertaken. In order to properly address this issue a revision to the roofline has been proposed as part of the construction scope.

Future capacity needs and flexibility of space

- 18 As part of the concept development staff and the designer have been cognisant of the need to ensure that flexibility of space is considered and integrated. This has been considered both in terms of the layout and design of the space and the furniture, fixtures and fittings selected for the fit out. For example, the layout of the community room has included an external exit and adjacent ablutions for use outside of library hours. Further, the new shelving as part of the fitout is mobile and able to be moved around the space creating opportunities to use the space in different ways. With regards to the integration of the Brandon St stock, this has been identified for an area with a separate entrance to the building that could be utilised to house more staff in future if the need arises.

Joinery, HVAC, cabling infrastructure

- 19 In order to ensure the office is both fit for purpose and future-proofed, as part of the scope upgrading all joinery to double glazing has been integrated. Further, the HVAC system is proposed for replacement, as is the electrical and data cabling in order to ensure capacity requirements are met.

General refurbishment requirements

- 20 As part of the scope for the project general refurbishment has been considered given the age and condition of the building. This scope is made up of; lighting, suspended ceiling, bathroom / kitchen fitout, carpets and paint. It is pragmatic to address these refurbishment elements as part of the broader scope.

Brandon Street implications

- 21 There is a storage and stock turnover site on Brandon Street in Winton. This site is leased rather than owned and costs the Council approximately \$35k in operational costs each year. As part of the project scope the integration of this facility, its staff and functions has been considered. This enables these annual operational costs to be redirected to loan funding.

Wider office network implications and Local Govt reform potential

- 22 It has been considered important to ensure flexibility and future capacity as part of the scope for the Winton Library and Office given some of the broader unknowns for both local government in general and the Invercargill Office requirements. Local Government is working through a

three-waters reform process that has the potential to result in these functions and associated staff being removed from the organisation. If this is the case there would be an impact on the size and scale of office requirements for SDC.

- 23 Further, the recent DSA completed as part of the Invercargill Office business case determined that parts of the existing facility perform at less than 15% NBS. As such, the organisation is in the process of moving some staff out of this facility across two additional leased facilities in Invercargill. These sites have been leased for a 5-year period. Until greater clarity is obtained as to the future requirements for organisation in terms of office scale and location, it is not considered prudent to invest significantly in additional facilities. Staff will use the time in the coming years to better understand the reform implications and determine the longer term needs for the organisation and Southland District communities in terms of office space and library services.

Solutions

- 24 The Winton office and library facility is one of Councils main hubs in the district. Staff consider that any decision on its future needs to be based on future proofing the delivery of services to the community. There are a number of options that are possible to return the facility to a useable state. Careful consideration has been given to the issues identified above in determining the recommended option.
- 25 The Options identified below have been considered:

Option 1 - Like for like refurbishment with existing office furniture and fittings

- 26 This option involves minimal building performance and improvement changes and would utilise much of the existing furniture and fittings (not contaminated). The cost for this option is estimated at \$500k.

Option 2 - Like for like refurbishment with new office furniture and fittings

- 27 This option involves minimal building performance and improvement changes, but involves a new fit-out with modern furniture and fittings. The cost for this option is estimated at \$800k.

Option 3 – Office improvements with extensive refurbishment and fit-out

- 28 This is the recommended option and involves both building performance and improvement amendments as described above in a bid to ensure longer term flexibility and capacity for the site. This option also involves a new fit-out with modern furniture and fittings with the integration of the Brandon Street site also. The cost for this option is estimated at \$1.3M.

Option 4 - New purpose built building on existing or new site

- 29 This option has not been costed as part of the quantity surveying function for the project. However, based on recent comparable estimates for both land area required and construction, the cost for this option is estimated at \$2.5M.

Factors to Consider

Legal and Statutory Requirements

- 30 Given the Health and Safety risk associated with the toxic mould, all employees and members of the public were removed from the Council facility at 2 Wemyss Street with a quarantine established. There are no other legal and statutory requirements considered worthwhile noting at this point.

Community Views

- 31 The office\library continues to operate out of the temporary facility established in the RSA hall Building on Great North Road. The proposed concept and subsequent recommendation has been workshopped with the Oreti Community Board recently and was met with support. Wider community engagement on the proposed option is planned following Council decision-making in association with this report.
- 32 Consideration was given to delaying progress and integrating engagement on options for the office and library into the 2021 LTP. However, it was considered that the community have been without the facility for long enough, given the mould clearance, DSA and Covid-19 delays.

Costs and Funding

- 33 The Quantity Surveyor has provided a detailed estimate of the recommended option:

Option 3 – Office improvements with extensive refurbishment and fit-out

Phase One	Work completed to date	\$96,980
Phase Two	Detailed design and delivery coordination	\$99,000
Phase Three	Construction	\$846,918
Phase Four	Fit out	\$369,000
	Remaining Works Total (Phases 2-4)	\$1,314,898

- 34 The work completed to date identified as Phase One included building works, decontamination and relocation costs. This unbudgeted expenditure was approved in a report to Council on 24 July 2019 (R/19/7/13362). This leaves a total of \$1,314,918 to be funded. This will be funded from a number of sources.
- 35 Given the timing of delivery and available residual budgets from other programmed works for the 2020/2021 financial year, it is proposed to undertake detailed design and construction works up to a value of \$500,000 in the 2020/2021 financial year. These are the Winton office/library entranceway refurbishment \$102,000, Te Anau office refurbishment \$100,000 and the Invercargill office move and fit out \$300,000.
- 36 The remaining \$814,898 is proposed to be funded via a 30-year loan at an annual repayment cost of \$50,915.56.

- 37 As identified above, Council currently pays \$25,087 to operate out of the Brandon Street building. This is made up of \$12,000 per annum for the rental of the building and the associated budgeted operational costs of \$13,087. It is envisaged that this would be used to cover a portion of the loan repayment.

Policy Implications

- 38 None identified.

Analysis

Options Considered

- 39 Option One: Like for like refurbishment with existing office furniture and fittings
- 40 Option Two: Like for like refurbishment with new office furniture and fittings
- 41 Option Three: Office improvements with extensive refurbishment and fit-out
- 42 Option Four: New purpose built building on existing or new site

Analysis of Options.

Option 1 – Like for like refurbishment with existing office furniture and fittings

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Reduced overall cost of the project• Potentially project can be completed sooner	<ul style="list-style-type: none">• No improvement to community space• Office furniture and fittings will need to be replaced within 1 – 2 years• Space for visiting customer facing staff, such as Environmental Health or Building Solutions, would be limited and restrictive with no customer meeting room available• Continued operational costs associated with provision of service across two sites• Library programming restricted by lack of community room• Lack of operational efficiency• No disabled access• Inflexible space without potential to expand with increased demand• Compromised library programming due to lack of community room

Option 2 – Like for like refurbishment with new office furniture and fittings

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Reduced overall cost of the project • Office furniture and fittings will not need to be replaced for a number of years • Potentially project can be completed sooner 	<ul style="list-style-type: none"> • No improvement to community space • Space for visiting customer facing staff, such as Environmental Health or Building Solutions, would be limited and restrictive with no customer meeting room available • Library programming restricted by lack of community room • Continued operational costs associated with provision of service across two sites • Lack of operational efficiency and inflexibility of space • Compromised library programming due to lack of community room • No disabled access

Option 3 – Office improvements with extensive refurbishment and fit-out

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Fit for purpose facility with a 100% NBS rating • Provides flexibility of the space to meet in increase in demand in the future • Operational efficiency of all staff on one site • Operational savings from exiting the offsite facility provide a funding source for loan repayments • Capacity to provide workspaces for visiting customer facing staff such as, Environmental Health or Building Solutions, and able to provide customer meeting space • Disabled access provided 	<ul style="list-style-type: none"> • Additional unbudgeted costs over and above options one and two • Higher cost could justify moving to option four

Option 4 – New purpose built building on existing or new site

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Provision of a multi-purpose facility which is purpose built• Increased level of service• Potential for more council staff and services to operate from the site• Partnership opportunity available	<ul style="list-style-type: none">• Potentially higher costs than have been discussed in this report• Acquisition of a suitable building site• Length of time to complete the project

Assessment of Significance

- 43 The assessment of significance needs to be carried out in accordance with Council's Significance and Engagement Policy. The Significance and Engagement Policy requires consideration of the impact on social, economic or cultural wellbeing of the region and consequences for people who are likely to be particularly affected or interested. This decision is not considered significant.

Recommended Option

- 44 Option 3 – Office improvements with extensive refurbishment and fit-out

Next Steps

- 45 Finalise the design and obtain consents prior to starting construction.

Attachments

There are no attachments for this report.

Management Report

Record No: R/20/8/31656
Author: Steve Ruru, Chief Executive
Approved by: Steve Ruru, Chief Executive

☐ Decision

☐ Recommendation

☒ Information

Chief Executive

Three Waters

1. In late June 2020, the Department of Internal Affairs, advised councils that central government was undertaking a major programme of water service provision reform. In short, government is looking to establish a small number of publicly owned multi-regional entities to take over the delivery of the water services currently delivered by local government.
2. To support the first stages of the reform programme and support local authorities to provide immediate post Covid-19 economic stimulus, rather than reduce their three waters capital works programmes the government announced, in July 2020, a \$761 million funding package. This funding is to be made available on the condition that the local authority 'sign up' to the national Memorandum of Understanding, which contains a 'moral' commitment to working through the reform programme. Councils are required to make a decision on whether they are prepared to enter into the Memorandum of Understanding by 31 August 2020.
3. The stimulus funding has been split into two, with 50% being allocated directly to local authorities and the remaining 50% allocated at the regional level. The regional funding will only be made available if two-thirds of the local authorities in a region 'sign-up' to the allocation and if the councils within each region can agree on how the funding is to be allocated. The local authorities are required to have made a decision on the allocation of the regional funding and provide a delivery plan for approval by Crown Infrastructure Partners by 30 September 2020.
4. Now that the first phase of the reform programme is nearing completion the focus of the steering committee is turning towards progressing development of the policy work that needs to be progressed in relation to design of the proposed new entities, governance and accountability arrangements, the approach to aggregation, future operating models and transitional arrangements for the transfer of water and wastewater services from local authorities to the new entities.
5. In parallel with the work required on the future management of water services consideration is also being given to how work might best be advanced to look at the future role and functions of local government within the broader four wellbeings context.

Water Services Bill

6. The Water Services Bill has recently been introduced to Parliament and, as at the time of writing this report, was awaiting its first reading before being referred to a select committee.
7. The bill contains the details of the new drinking water regulatory system, the role and functions of Taumata Arowai and establishes the statutory powers that it needs to regulate drinking water safety and have oversight of the delivery of wastewater and stormwater services. As such it is of significance to both territorial and regional local authorities.
8. Key features of the new bill include:
 - that all drinking water supplies, other than standalone single households, meet the drinking water standards
 - that suppliers must ensure that there is sufficient quantity of water available to meet the ordinary needs of consumers
 - have a drinking water safety plan
 - imposes duties on officers and employees to maintain professional standards similar to those required under the Health and Safety Act
 - requirements for both suppliers and regional councils to proactively manage and protect water supply sources
 - allows for the setting, by Taumata Arowai, of environmental performance measures for wastewater and stormwater discharges which local authorities and other scheme operators must report against
 - require territorial local authorities to assess, every three years the access that their communities have to drinking water and then provide assistance to any private suppliers who are failing to meet the appropriate standards
 - creation of a monitoring and regulatory compliance framework to enable Taumata Arowai to perform its new functions as a regulatory agency.
9. The bill places a number of additional obligations on councils, both as operators of water, wastewater and stormwater services but also in relation to the need to complete assessments of private supplies. These new requirements will need to be resourced if they are to be completed to an appropriate standard.

Resource Management Reform

10. In 2019 the government appointed an independent review panel, led by the Hon Tony Randerson QC, to undertake a comprehensive review of the resource management system. The review had a dual focus on improving outcomes for the natural environment and improving urban and other development outcomes.
11. In November 2019 the panel released an issues and options paper (<https://www.mfe.govt.nz/sites/default/files/media/RMA/comprehensive-review-of-the-resource-management-system-opportunities-for-change-issues-and-options-paper.pdf>) outlining what they saw as being the key issues that need to be considered in the review process.

12. In late July the panel released its report (New Directions for Resource Management in New Zealand) to government, which is now available on the Ministry for the Environment's website (<https://www.mfe.govt.nz/rmreview>).
13. The report recommends the repeal of the Resource Management Act 1991 (RMA) and its replacement with two new pieces of legislation being a Natural and Built Environments Act (NBEA) and a Strategic Planning Act.
14. The focus of the Natural and Built Environments Act would be on enhancing the quality of the environment and on achieving positive outcomes to support the wellbeing of present and future generations. This would include recognition of the concept of Te Mana o te Taiao which refers to the importance of maintaining the health of our natural resources, such as air, water and soil, and their capacity to sustain life. This new focus would be achieved through a system designed to deliver specified outcomes, targets and limits for both the natural and built environments.
15. Significant changes to processes are recommended including stronger national direction and the introduction of combined plans, which would replace the current planning mechanisms, including district plans, for each region.
16. The Strategic Planning Act would set long-term strategic goals and facilitate the integration of legislative functions across the resource management system. These would include functions exercised under the new Natural and Built Environments Act, the Local Government Act, the Land Transport Management Act and the Climate Change Response Act.
17. The Act would also be designed to integrate land use planning with the provision of infrastructure and associated funding and investment through a requirement to develop regional spatial plans.
18. While outside the scope of the review panel's work it has also recommended that there is a need for reform of the current system of local government. It suggests that maintaining the existing number of local authorities is difficult to justify and that there should be a rationalisation of the sector based on regions.

National Climate Change Risk Assessment

19. The government has recently released the National Climate Change Risk Assessment Arotakenga Tūraru mō te Huringa Ahuarangi o Aotearoa.
20. A copy of the report is available on the Ministry for the Environment's website (<https://www.mfe.govt.nz/publications/climate-change/national-climate-change-risk-assessment-new-zealand-main-report>).
21. The risk assessment identifies 43 priority risks that might arise from climate change across five areas (ie natural environment, human, economy, built environment and governance). It also identifies the 10 most significant risks, which are outlined in Table 1 below that require urgent action in the next six years.

Table 1: New Zealand's 10 most significant climate change risks, based on urgency

Domain	Risk	Rating	
		Consequence	Urgency (44–94)
Natural environment	Risks to coastal ecosystems, including the intertidal zone, estuaries, dunes, coastal lakes and wetlands, due to ongoing sea-level rise and extreme weather events.	Major	78
	Risks to indigenous ecosystems and species from the enhanced spread, survival and establishment of invasive species due to climate change.	Major	73
Human	Risks to social cohesion and community wellbeing from displacement of individuals, families and communities due to climate change impacts.	Extreme	88
	Risks of exacerbating existing inequities and creating new and additional inequities due to differential distribution of climate change impacts.	Extreme	85
Economy	Risks to governments from economic costs associated with lost productivity, disaster relief expenditure and unfunded contingent liabilities due to extreme events and ongoing, gradual changes.	Extreme	90
	Risks to the financial system from instability due to extreme weather events and ongoing, gradual changes.	Major	83
Built environment	Risk to potable water supplies (availability and quality) due to changes in rainfall, temperature, drought, extreme weather events and ongoing sea-level rise.	Extreme	93
	Risks to buildings due to extreme weather events, drought, increased fire weather and ongoing sea-level rise.	Extreme	90
Governance	Risk of maladaptation ¹ across all domains due to practices, processes and tools that do not account for uncertainty and change over long timeframes.	Extreme	83
	Risk that climate change impacts across all domains will be exacerbated because current institutional arrangements are not fit for adaptation. Institutional arrangements include legislative and decision-making frameworks, coordination within and across levels of government, and funding mechanisms.	Extreme	80

¹ Maladaptation refers to actions that may lead to increased risk of adverse climate-related outcomes, including via increased greenhouse gas emissions, increased vulnerability to climate change, or diminished welfare, now or in the future. Maladaptation is usually an unintended consequence (IPCC, 2018)

22. The assessment will be used to assist with the development of a national climate change adaptation plan, which will outline how the government intend responding to the identified risks. There is also an expectation that the assessment will be used by local authorities to assess and also put in place plans to assist with the management of risks affecting local communities.

People and Capability

23. Health, safety and wellness continues to be a focus within Council. In July 2020, Southland District Council undertook a high level assessment and review of Council's approach to the management of health and safety. This included a review of Council's governance framework, strategic plan and performance measures and targets. It also included a thin slice review of the health and safety management system targeting risk management, incident management, worker engagement, contractor management and injury management.
24. Council staff have received a copy of the final report and the outcome of this will be presented in a workshop with the Finance and Assurance committee. Any opportunities identified as part of this gap analysis will be incorporated into the 2020/21 implementation plan.
25. Council continues to manage the risk and transmission of Covid-19. Council continues to invest in additional PPE gear to ensure we can continue to provide our essential services regardless of alert level changes.
26. We are currently reviewing multiple policies and guidelines to support our staff's health, safety and wellbeing. Updates include working from home guidelines, harassment and bullying, smoke-free work environment and PPE policies. Alongside our policies we are also updating toolkits and guides.

Environmental Services

Group Managers Update

27. Emergency Management Southland are gearing up again to deal with the Covid change in alert levels.
28. There is increased pressure in moving the Rakiura Museum collection as the old building has been sold. As such the Roving Museum Officer has been transferring the fragile marine collections to the new Rakiura Museum. Whilst doing so she photographed and posted this work onto the Facebook page which received 1400 views, link below
<https://www.facebook.com/RovingMuseumOfficer>
29. Lotteries and community trust compactable shelving units were installed at Switzers (Waikaia) museum and archives/photographs transferred into the space.
30. Hopefully, Covid-19 level changes will not interrupt the completion of the cloak workshop at Te Hikoi and transfer of collections to the new Rakiura museum.
31. Predator Free Rakiura is making good progress exploring options for a formal governance structure having started a series of workshops on the topic.

Building Solutions

32. The volume of work received by Council continues to exceed the volume of work able to be completed. Examples of this include 102 building consent applications received in July, a 10% higher volume than this time last year and 120 requests for service received in July, 72% higher volume than this time last year.

33. Compliance to statutory timeframes for building consent processing is a challenge at present due to the increased volumes, impacts of Covid-19 and the February floods. Steps are being taken to address the issues in a more sustainable way.

Environmental Health

34. The team is continuing to implement the new Datacom software that will enable food business verifications to be completed on a tablet in the field.
35. At their recent meeting the Regulatory and Consents Committee received a report on freedom camping in the Catlins. One of the resolutions was to remove the Weirs Beach site from apps, and staff will proceed with that.
36. Staff will prepare a report to Council for its meeting on 29 September for a minor amendment to the Freedom Camping Bylaw, to move the existing freedom camping site to the new sealed area.

Animal Control

37. June and July are the busy periods for dog control, with dog registration time. The focus has been on online registrations this year. August through to October are the time when those that have not re-registered are followed up.
38. A downwards trend in the number of attacks each year continues, with 31 reported attacks, down from 37 the previous year.

Resource Management

39. Covid-19 has not noticeably affected incoming workloads. Incoming resource consent applications remain consistent with the same period in 2019. There has also been a vacancy within the team which has impacted on getting consents issued within timeframes.
40. Dark Skies Plan Change for Rakiura – the decision on this plan change was released on 6 August and there is now a 20 day appeal period in which submitters can appeal Council's decision. If no appeals are received the plan change will be made operative by Council.
41. Up until the alert level 4 restrictions coming into force, ongoing policy focused work was occurring on the regional work streams for Climate Change, Biodiversity, Landscapes and Natural Character. In the national space, Covid-19 has delayed some anticipated national direction. Particularly the national policy statements on highly productive land and indigenous biodiversity have been delayed and it is anticipated that they will now be released in April 2021.
42. Council has endorsed a report to bring forward the review of the landscapes section of the District Plan. Work is now underway to understand the unique nature of Southland's landscapes, cultural values and local areas of significance. There are a number of pieces of work that will inform a review and also a number of conversations with communities and land owners. It is anticipated that a plan change will be notified in the middle of 2021.
43. Council was part of the TA reference group providing feedback to the Ministry for the Environment on the proposed National Policy Statement on Indigenous Biodiversity and the proposed New Zealand Biodiversity Strategy. Consultation on the NPS for Indigenous Biodiversity closed in March 2020. Council submitted stating that in Council's opinion, achieving the requirements of the statement will require a significant body of work identifying potentially Significant Natural Areas, mapping them and revising rules within the District Plan to protect and enhance them.

44. It is anticipated that there will be a significant cost associated with this work. There is estimated to be 1.7 million hectares of potentially significant biodiversity which equates to 57% of our District. Approximately 94,000 hectares of this area is indicated to be on private land. Council has provided input into the LGNZ submission and is one of the case study councils forming part of that submission. It was anticipated that the National Policy Statement will likely be gazetted prior to the general election in September but this has been delayed until approximately February 2021.
45. Resource consent data for previous few months:
- May – 28 applications received, 16 decisions issued.
 - June – 21 applications received, 26 decisions issued.
 - July - 27 applications received, 28 decisions issued.

Community and Futures

Catlins Partnership Group

46. The group is representative of stakeholders with interest in the Catlins area. Stakeholders involved are Great South, Clutha Development, Clutha District Council, Southland District Council, Waihopai Toetoe Community Board, Department of Conservation, Awarua Runanga, South Catlins Charitable Trust and Catlins Coast Inc.
47. The purpose of the group is to ensure a collaborative and cross boundary approach is agreed by all. It is an opportunity for Great South and Clutha Development to provide updates on the Catlins Partnership Plan and for others to share issues and provide updates. Further information about the partnership is being provided to the community and strategy meeting on 9 September.

Stewart Island Rakiura Visitor Numbers

48. Visitor numbers to the island decreased by 9,053 in the April to May period compared to the previous corresponding period. This represents a \$45,265 loss of revenue to the Stewart Island Visitor Levy Fund.
49. It's pleasing to note that numbers increased in the June and July period compared to the previous corresponding period.
50. The Department of Conservation also reports that bookings for the Rakiura track season are 64% higher than for the previous corresponding period, with 90% of bookings coming from Kiwi's.

COIN South Visit to Stewart Island/Rakiura

51. At the invitation of Future Rakiura, COIN South held a meeting and a drop in opportunity for islanders to seek assistance that may be available for existing business and others looking to launch businesses. This was extremely well supported and COIN South report they are working with a number of islanders.
52. The community partnership team is working with COIN South to offer this to other areas of the District as well as a return visit to Stewart Island Rakiura.

Leadership Academy

53. Community partnership leaders, Karen Purdue and Kelly Tagg are progressing work to deliver the leadership academy across Southland District over the next 12 months with Commerce South.

Southland Food Tourism Strategy

54. Great South is working on a strategy to attract people to the Southland region by telling our story of unique experiences and connecting people to our place through our food. Community partnership leader Karen Purdue attended the initial meeting with EAT NZ and other stakeholders who are contracted to lead the project.

Dark Sky Ambassador Training

55. Community partnership leader Karen Purdue has been working with Great South to provide training on Stewart Island Rakiura around opportunities with the dark sky reserve.
56. The training is similar to a programme delivered on Aotea Great Barrier Island. It is aimed at helping an absolute beginner to become confident in being able to plan and provide basic stargazing experiences using reasonably affordable tools and to handle basic night sky related questions. This training on Aotea Great Barrier Island resulted in the creation of four new astro-tourism businesses being started by operators new to dark skies.
57. It is planned this training will take place in the next school holidays. The curriculum covers theoretical background on astronomy, training on dark skies/astro tourism ideas and hands-on training with a Dobsonian telescope at night.
58. The training is provided by John Drummond, past president of the Royal NZ Astronomical Society and Nalayini Davies (MSc in Astronomy), a member of the International Dark-Sky Association.
59. Great South will also be providing tourism training which covers potential product opportunities and examples related to dark skies, how to promote yourself and to connect with visitors.

Community Meetings to Launch Community Partnership Fund

60. Several of the community boards have held, or are in the process of holding community meetings to launch the Community Partnership Fund to their local communities. These meetings have met with a positive response from our communities and have been well attended.

Welcoming Communities

61. Following the transfer of the Welcoming Communities Programme from Great South to Southland District Council, staff have been working on delivering a number of initiatives in this space. A video has been made featuring a number of staff who were born outside of New Zealand sharing their story on how they ended up in Southland. This video has been posted on Council's facebook page which has received a positive reception.
62. Staff are also partnering with the Southland Multicultural Council to run events in Southland District. The first of these are "meet and greet" events (events are currently being planned for Lumsden and Winton with other locations also in the pipeline) which will involve connecting with newcomers to build relationships and to get a sense of how they are finding life in Southland District. These events will include food and we also hope to provide transportation to the event

to those who may need it. Everyone is welcome at these events and we hope our community boards will attend and use this an opportunity to further enhance their relationships in the community. From these initial meet and greet events we hope it will assist us in gaining a better understanding of our migrant residents and the support they need to become fully integrated and included in our communities.

Food Security Network Meeting and Expanded Welfare Co-Ordination Group Meetings

63. Two of Council's community partnership leaders attended a recent meeting at Emergency Management Southland to discuss food security response planning. Representatives from Public Health South, the Invercargill Licensing Trust, Salvation Army, Council and Emergency Management Southland were in attendance.
64. Issues around securing food in an emergency situation were discussed as well as learnings from the recent Covid-19 lockdown. Some of the learnings were around providing resources and recipes on how to cook and prepare food items that were included in the food parcels and also ensuring families have adequate kitchen utensils such as peelers, can openers and graters.
65. The importance of having up to date information about local food banks (particularly those based in the District), community gardens, food foraging opportunities and having culturally appropriate food options available was also discussed.
66. An expanded welfare coordination group meeting has been planned for 25 August at Emergency Management Southland. The purpose is to hold a Covid-19 debrief and planning session for future emergencies. Invitations have been sent to the likes of community funders, iwi, health services providers and local government departments.

Strategy and Policy

67. Council have finished formal consultation on the draft Keeping of Animals, Poultry and Bees Bylaw. Submissions will be presented to Council on 27 August 2020. The next step will be for staff to present the draft bylaw for adoption.
68. Council are still reviewing the charging method for non-recreational jetty usage on Stewart Island/Rakiura. On 5 August 2020 the Services and Assets Committee recommended to Council that the charging method should be a base fee with an additional charge based on vessel tonnage. This recommendation was subject to there being further consultation with and feedback sought from the Stewart Island/Rakiura Community Board. Staff are going to discuss the charging options with the Stewart Island/Rakiura Community Board in the next month, and then seek a decision from Council in October 2020, on the charging method to be included and consulted on in the draft Long Term Plan.
69. Staff have been revising the Procurement Policy and developing a draft Procurement Manual. Staff are intending to take the draft procurement documents to the Finance and Assurance Committee in September 2020.
70. Review of a suite of policies that will inform the Long Term Plan is underway. This includes the Revenue and Finance Policy, the Policy on Development and Financial Contributions, the Remission and Postponement of Rates Policy and the Significance and Engagement Policy. It is

intended that draft policies will be presented to committees in September and to Council in October. The formal consultation period for these policies is planned for November.

71. Staff are also working on the asset management, risk management and community assistance policies.
72. The Annual Report period is now underway and due to be completed by 21 October 2020. The Finance and Assurance Committee meeting on 11 September will review the draft Annual Report 2019/2020 prior to its release to Audit NZ.
73. The Long Term Plan is moving into a key development phase as Council workshops are held to discuss the key issues facing the District. Activity management plan discussions will lead the first workshop alongside the key policy development that informs this process. Council will then provide guidance to staff in order to develop key issues and options for the second workshop in September that will form the basis of the LTP consultation document. During early September, another round of community board workshops are occurring to further discuss levels of service and funding options.

Services and Assets

Group Managers Update

74. The team has been very busy over this last period getting delivery underway for this financial year. The three waters reform announcement and subsequent workshop has also created additional work and significant additional spend requirements that were not anticipated until recently. The team is working to identify appropriate projects to accelerate from LTP 2021.
75. In preparation for LTP 2021 the team has been working to produce the Activity Management Plans (AMP) and works programmes with subsequent operational and capital works budgets for the next 10 years. In addition to this, the team has been preparing the material for Council, the nine community board workshops and the necessary reporting. This has all been completed on top of regular workloads and operational activity continuity detailed below.

Stewart Island Electrical Supply Authority (SIESA)

76. The current SIESA management agreement with PowerNet has been extended until 30 September 2020 to facilitate negotiation and approval of a renewed agreement. Negotiation meetings have continued including joint discussions with TerraCat to explore an alternative delivery structure in relation to the management of the generating plant. Assessment of the current plant is underway with a view to exploring the possibility of reducing operator requirements.
77. Progress on securing either of the two preferred sites for the wind power project has faced setbacks. The airstrip site is ruled out at this stage due to strong objections from the flight operator, supported by the community board chair. The alternative Mamaku headland site is not supported by the landowner who has contrasting ecological goals for the site. However, the landowner has not ruled out this site yet and discussions are continuing.
78. A proposal for a replacement generator has been provided by PowerNet with supply prices obtained from three suppliers. Further work is being done on understanding whole of life costs

for the various options and this is being co-ordinated with the renewal of the management and service agreement as well as AMP development.

Forestry (IFS)

79. The full year 2020/21 harvesting programme is due to commence out of Waikaia Block 4. The crop age is 30 years and estimated tonnes are 19,000 tonnes with a forecast return of \$933,000.
80. A valuation report has recently been completed including a site visit. The outcome has been a \$360,000 revaluation against a budgeted devaluation of \$1,570,000. This is primarily due to market price and growth changes.
81. The Ardlussa Community Board has initiated a discussion about establishing mountain bike trails within the Waikaia forest. Their vision was presented at a recent board meeting and the next step is to outline an approach as to how this vision would take shape.

Around the Mountains Cycle Trail

82. Two applications have been approved by MBIE which cover funding of repairs relating to the February flood event (\$379,793) and funding of the cycle trail manager position (\$45,000).
83. The contract for repairs to the trail, associated with the February flood event, has been awarded to The Roding Company, with a contract period of eight weeks.

Te Anau Manapouri Airport

84. A consultant has prepared a 10 year maintenance works programme which indicates \$1.3 million of pavement rehabilitation capital spending need over financial years 21/22 and 22/23.
85. Maintenance spending need of \$192,000 is indicated for the 20/21 year and includes items such as patch repairs and cracked sealing.
86. The community board will need to be engaged with, particularly regarding the heavy duty renewals required over the LTP and an engagement/consultation approach needs to be discussed/developed in the first instance.

Property

87. Property disposals of the Ohai Bowling Club building and the Hokonui hall properties are underway as well as the disposal of the former Stewart Island museum imminent.
88. Finalising the updated landowner consent for the coastal route boundary adjustments and payment of compensations is also almost complete. Once this is done the legalisation Gazette Notice can be issued. The documents to complete the land transactions for the road deviation at Ringaringa have been lodged at LINZ for registration.

Te Anau Wastewater Discharge Project

89. Following Council resolutions from the 23 October 2018 meeting, when it was resolved to proceed with a sub-surface drip irrigation as disposal route, 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.

90. Work on the pipeline element has now been completed with practical completion issued in July.
91. Work is also continuing on detailed design of MF plant and SDI field following Council approval to award contracts to Downer and Fulton Hogan respectively. These designs will undergo further HAZOP and value engineering to further optimise scope with work anticipated to get underway at both sites in September.

Land and Water Plan Implementation

92. Environment Southland released their proposed Land and Water Plan in 2017.
93. 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. The basis of Council's appeal, is largely around the 'non-complying' activity status on wastewater discharges to water.
94. A further hearing was held in mid-June 2020 where evidence was presented on additional information that the courts required Environment Southland to provide based on their interpretation of a number of key principles underpinning the plan. Agreement has now been reached on all outstanding appeals related to the objectives and policies with a further hearing planned to cover all outstanding appeals. At this stage the timing of this is not known.

Project Delivery Team (PDT)

95. All 2020/21 projects are now loaded into CAMMS and a works programme will now be prepared for the year ahead.
96. All next LTP projects have been loaded into CAMMS.
97. TAWW project is now well underway with both packages out for contract signing.
98. The bridge works programme is processing very well with seven completed already.
99. The next wave of projects is also due to start with regional footpaths, pond fencing and Te Anau watermain renewals all starting in August.
100. Presentations are underway with the community boards on project set ups and the role of the PDT.

Community Facilities

101. The community facilities team has been focused on getting all of the maintenance and capital projects and financials entered into CAMMS and the Fulcrum budget application to support the development of the Long Term Plan.
102. The mowing tenders for the three western Southland community board areas have been received and are in the process of being approved by the respective community boards. Direct negotiations have started with the remaining incumbent contractors.
103. This is the culmination of a big piece of work under the guise of the Section 17A review for community facilities which also includes the mowing and gardening contracts.
104. Activity management planning is progressing with the draft plans due to be completed by the end of June. These have been presented to ELT and are being updated to include additional comments from the meeting before being presented to Council.

105. This is a busy time of the year with a lot of conflicting deadlines that have added to the existing pressures staff are experiencing from the level of change that is currently happening.

National Land Transport Plan

106. The transport team is still waiting on the release of the final Government Policy Statement on land transport 2021 (GPS) to ensure activity plans and funding application align with the GPS strategic direction.
107. Work is also currently underway on the Regional Land Transport Plan. Otago and Southland Regional Transport Committees (the RTCs) collaboratively developed the Otago Southland Regional Land Transport Plans (RLTP).
108. The purpose of this Regional Land Transport Plan (RLTP) is to be the primary document guiding integrated land transport planning and investment within the combined Otago and Southland regions (the region).
109. Southland District Council provides representation on the Regional Transport Committee through the Services and Assets Committee chairperson being Council's elected representative.

District Wide Roading Programme

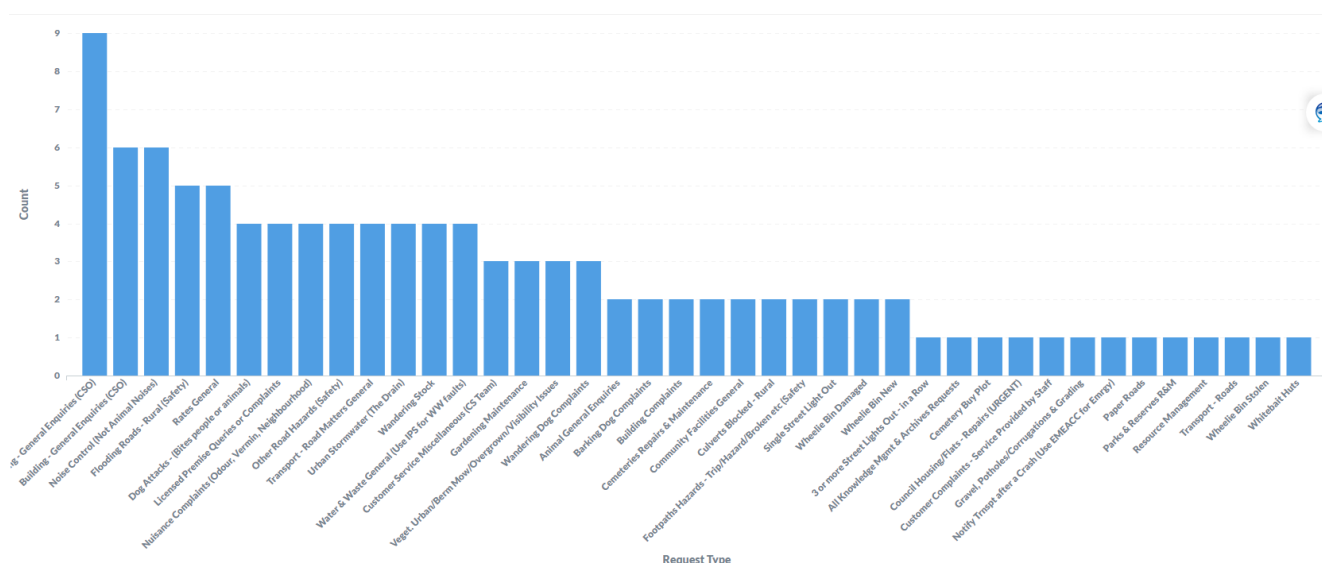
110. Tender has commenced for the 2020/21 pavement renewals work which the first tender closing in mid-August.
111. The new Speed Limit Bylaw has also come into effect as of 12 August 2020 with new speed limit signs being installed across the District.

Customer Delivery

Customer Support

112. We answered 4,109 calls in the month of July, with an average wait time for our customers of 23 seconds. There are still 2,167 dogs needing to be registered and the penalty letters have just gone out so we are expecting an increase in calls over the next week or two.
113. Rates inquiries have kept us quite busy both at reception and over the phone and training is well on the way to ensure all of the team can help our customers complete their rate rebate forms.

Graph showing request for service resolved outside service level



Libraries

114. The school holiday programme was a great success this month, with dozens of kids from across the District coming out to construct some amazing sock puppets from a wide variety of materials.
115. Staff attended the first Southlib Consortium meeting since February in Alexandra to discuss common concerns and share experiences and lessons learned from the recent Covid-19 lockdown.
116. The library staff were able to raise over \$350 for the Southland Charity Hospital's buy a brick campaign. The whole town of Winton put in a major effort to celebrate Blair Vining's dream.
117. Central government, by way of the National Library of New Zealand, has released the details of the \$58 million being directed to support libraries across New Zealand. The Southland District libraries has had its online databases, provided through the DIA's EPIC consortium, fees waived and we are awaiting to hear back in regards to our expression of interest in gaining additional funding to second new staff to support our library service.

Knowledge Management

118. Over the month of July the team lodged 29 LIM applications and issued 35. While LIM numbers continue to be lower than previous years they have trended up in the last three months. Property file requests continue to be high with 179 (an average of eight requests per working day) requests processed in July. We have noticed a new trend over the previous two months with a high demand for requests on Mondays, both from individuals and real estate agents.
119. The classification review has now been completed with work now turning to disposal schedules and a review of the network drives. The number of archives research requests continue to keep staff busy.

Business Solutions

120. July was another busy month with the team continuing to support staff in a new mixed working environment. There were a number of resourcing challenges during the month which resulted in an increase in the number of backlog tickets.

Service Desk: 1 May 2020 – 31 May 2020

Summary

782 ▲ 2.49% RECEIVED TICKETS	770 ▲ 9.53% RESOLVED TICKETS	429 ▲ 1.42% BACKLOG TICKETS	13:17 ▼ 25.13% AVERAGE RESPONSE TIME (IN HRS)	16:20 ▼ 25.13% AVERAGE FIRST RESPONSE TIME (IN HRS)	54:47 ▼ 2.09% AVERAGE RESOLUTION TIME (IN HRS)
1.4 ▲ 5.74% AVERAGE CUSTOMER INTERACTIONS	0.8 AVERAGE AGENT INTERACTIONS	188 ▲ 42.42% NUM. OF REOPENS	63 ▲ 34.04% NUM. OF REASSIGNS	76.2% ▼ 7.92% SLA %	71.2% ▼ 4.52% FCR %

121. Deployment of new laptops continued in July but was impacted by the high number of service desk calls and a lack of resources.
122. Training for the ION integration software was completed and the team started working on the first integration between IPS and Pathway. The initial analysis of the data in IPS compared to Pathway showed that we will need to perform data cleansing in IPS before the integration can be enabled.
123. Pathway application was upgraded successfully from 3.10.008 to 3.10.017 in our development environment. This means that we can start testing the new functionality in preparation for releasing to staff. The upgrade is a significant step forward in allowing us to start using the new UX web environment.
124. We attempted to go live with the new firewalls but discovered an issue in the Spark network that required them to do a more in-depth investigation of their configuration. It was also discovered that the SDC network configuration relied on network routing at Invercargill City Council (ICC). A new plan has been developed and is waiting for confirmation from ICC.

Recommendation

That the Council:

- a) **Receives the report titled “Management Report” dated 18 August 2020.**

Attachments

There are no attachments for this report.

2022 Electoral System

Record No: R/20/7/30808
Author: Melissa Brook, Governance and Democracy Manager
Approved by: Rex Capil, Group Manager Community and Futures

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of the report is to obtain decisions on three matters for the 2022 local elections. Decisions are required on which electoral system should be used, Māori wards, and the review of representation arrangements.

Executive Summary

- 2 Council has the opportunity to review the electoral system used for the 2022 Triennial General Election. Regardless of the decision made by Council, public notice of the right of five percent of electors to petition for a poll on the electoral system must be given by 19 September 2020.
- 3 The two electoral systems available for use in local body elections are First Past the Post (FPP) or Single Transferable Vote (STV). FPP has been used for Southland District Council elections in previous trienniums.
- 4 Council also has the opportunity to review the introduction of a Māori ward and if a review of its representation arrangements should be undertaken. Council is not required to undertake either of these reviews for the 2022 election.
- 5 The following dates apply to the 2022 elections:
 - the statutory deadline for a resolution on whether to change the electoral system from First Past the Post to Single Transferable Vote is 12 September 2020
 - the statutory deadline for a resolution to establish a Māori ward is 23 November 2020
 - if Council wishes to conduct a review of representation arrangements for the 2022 elections it must give public notice of its first proposal by 8 September 2021.

Recommendation

That Council:

- a) **Receives the report titled “2022 Electoral System” dated 19 August 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Notes that the statutory deadline for resolving to change the electoral system for the 2022 local elections from First Past the Post to Single Transferable Vote is 12 September 2020.**
- e) **Confirms the use of the First Past the Post electoral system for the 2022 Local Triennial General Election and any associated election.**
- f) **Notes that Public Notice under section 28(1) of the Local Electoral Act 2001 will be given on Council’s decision and of the right of five percent of electors to demand a poll on the future electoral system.**
- g) **Notes that the statutory deadline for resolving to establish a Māori ward for the 2022 local elections is 23 November 2020.**
- h) **Agrees that as the need to establish a Māori ward was considered and reviewed prior to the 2019 elections, no further action be taken for the 2022 elections.**
- i) **Notes that there is the opportunity to review representation arrangements for the 2022 elections, but there is no requirement to do this until the 2025 elections.**
- j) **Agrees that no further action be taken to review representation arrangements for the 2022 elections.**

Background

Decisions leading up to the 2019 elections

- 6 On 6 September 2017, Council resolved to continue the First Past the Post voting system (rather than Single Transferable Vote).
- 7 On 18 October 2017, Council considered the opportunity to establish a Māori ward for the 2019 elections and resolved to take no action to establish a Māori ward as part of the representation arrangements for Southland District.
- 8 On 20 April 2018, Council resolved its initial representation review, following significant preliminary consultation through the community governance review project. Following submissions and amendments to the proposal, on 11 July 2018, Council adopted its final representation proposal. This proposal was appealed with the Local Government Commission’s

determination being released on 7 March 2019. This process established the representation arrangements for the 2019 elections.

Issues

Electoral System

- 9 The Local Electoral Act 2001 (the Act) provides for two electoral systems, First Past the Post (FPP) and Single Transferable Vote (STV). The Council **may** resolve to change its electoral system if it does so prior to 12 September two years prior to a triennial general election. A change takes effect for the next two triennial elections and then continues until it is changed again.
- 10 Council **must** also, by 19 September two years prior to a triennial general election, give public notice of the right of five percent of electors to petition for a poll on the electoral system, regardless of whether the system is changed by Council. The result of the poll is binding for the following two triennial general elections and associated by-elections.
- 11 An electoral officer must conduct a poll within 89 days of receiving notice from the chief executive of the receipt of a valid demand. If the poll is held by 21 May in the year before an election, the poll takes effect at the election and is effective for two triennial general elections and associated by-elections.
- 12 A local authority may itself decide to conduct a poll. A valid request for a poll would require approximately 1,000 signatures of Southland District Council electors. Undertaking the stand-alone poll would cost approximately \$55,000 (GST excl) which is not included within the current budget.

First Past the Post

- 13 Under the FPP electoral system, the candidate with the most votes wins. This is a very simple method of electing candidates and is widely used throughout the world. It was used in New Zealand for parliamentary elections up until the introduction of MMP (Mixed Member Proportional) in 1996. Although FPP is very simple, some commentators have argued that the result of an FPP election may not always reflect the wishes of the majority of voters. The following examples shows how results of FPP elections may vary. When one candidate has a clear majority of votes, it can be seen that the majority of people did support the winning candidate:

	Number of votes	Percentage of votes
Candidate one	140	70%
Candidate two	20	10%
Candidate three	20	10%
Candidate four	20	10%
	Total votes = 200	Total votes = 100%

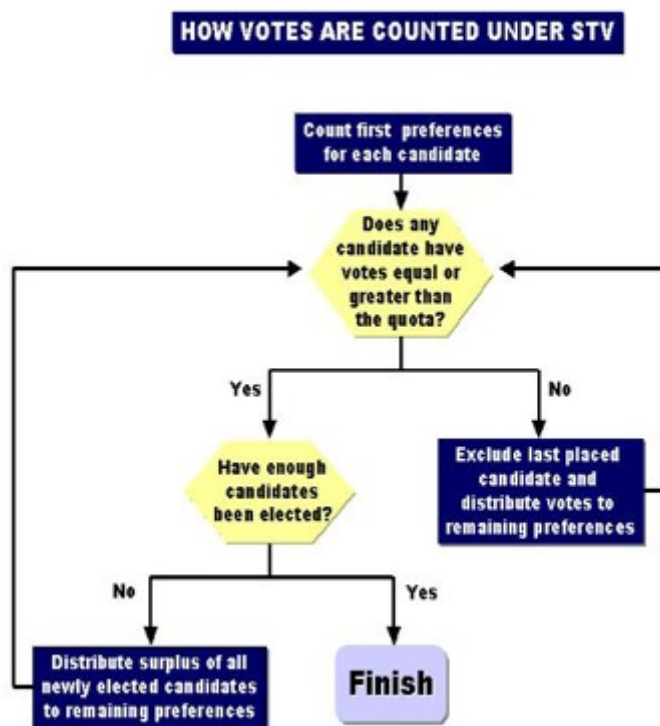
- 14 In the example above, the winning candidate received 70% of the total votes. However, the winning candidate might receive more votes than any other one candidate, but receive fewer votes than the other candidates put together:

	Number of votes	Percentage of votes
Candidate one	80	40%
Candidate two	60	30%
Candidate three	40	20%
Candidate four	20	10%
	Total votes = 200	Total votes = 100%

- 15 In the option above, the winning candidate received 40% of the total votes, the other candidates received 60% of votes. It could be said that the election result did not reflect the wishes of the majority. Some commentators have also argued that even when where the winning candidate gets the majority of the votes, many people's votes are "wasted".
- 16 The advantages of retaining the FPP system are:
- voters are used to this system for local government elections and it has also been used by Environment Southland for the Regional Council elections in previous years. (Environment Southland is also receiving a report on the electoral systems at its August meeting)
 - it is easier than STV to understand how votes are counted and therefore less likely to discourage voting
 - results can be announced earlier. STV requires all votes to be in and all iterations completed. STV results are not announced until the day following election day at the earliest.

Single Transferable Vote

- 17 Under a STV electoral system, voters rank candidates in their order of preference. You would write "1" next to the name of your favourite candidate, "2" next to your second favourite candidate and so on. You can rank as many or as few candidates as you wish. STV means that you have one vote, but can indicate your preferences for all of the candidates and it can be transferred if your most preferred candidate is so popular that they do not need all their votes or is not popular at all with other voters.
- 18 The number of vacancies and votes determines the quota a candidate must reach to be elected. The formula for deciding the quota is total number of valid votes, divided by the number of vacancies plus one. This process is illustrated in the diagram below:



- 19 Candidates must reach a set number (quota) of votes in order to be elected. By numbering your preferences you are saying, “The candidate I most want to represent me on Council is Julia Roberts. She’s my number one choice – but if she gets more votes than the quota, then part of my vote is to be transferred to my second choice, Tom Hanks, and maybe this will help to get him elected. On the other hand, if Julia has so little support that she can’t possibly be elected, transfer my vote to Tom.”
- 20 The advantages of moving to the STV system are:
- the electoral system for Southland District Council and the SDHB would be the same (although Environment Southland have traditionally used FPP)
 - STV is a proportional representation system which may provide an outcome that is more representative of the community.
- 21 In the 2019 elections only 10 of the 67 territorial authorities used STV voting as the electoral system. The remainder used FPP.

Māori Ward

- 22 The Department of Internal Affairs outlines that Māori wards may be established for cities and Districts and Māori constituencies may be established for regions. Similar to the Māori parliamentary seats, these Māori wards and constituencies establish areas where only those on the Māori Parliamentary electoral roll votes for the representatives. They sit alongside the general wards and constituencies which also cover the whole city, District or region. Those voting in Māori wards and constituencies receive the same number of votes as anyone else.

- 23 Māori wards and constituencies may be established through one of the following processes:
- a council may resolve to establish Māori wards or constituencies. If so, a poll on the issue must be held if five percent of the electors of the city, district or region request it
 - a council may decide to hold a poll on whether or not there should be Māori wards or constituencies
 - a poll on whether there should be Māori wards or constituencies must be held if requested by a petition signed by five percent of the electors of the city, district or region.

The result of any such poll is binding on the council for at least two triennial elections.

- 24 The Act establishes the method by which the number of Māori wards for a District shall be calculated. On current statistics and with a total council of between nine and 12 members, plus the mayor, Southland District Council would be entitled to one councillor elected from a Māori ward. If the total number of members was to reduce to eight or below, there would be no Māori ward member.

- 25 At any time a petition signed by five percent of the electors of Southland District Council can request a poll on whether there should be a Māori ward in Southland District. Such a petition has not been received. Staff consider that an appropriate approach is to continue to work in partnership with the appropriate representatives of Mana Whenua of Murihiku and Te Rūnanga o Ngāi Tahu to understand the position of Māori in Southland District on the topic of establishing a Māori ward, and if desirable or beneficial to include this option, with the necessary statutory processes, in the review of representation arrangements required for the 2025 elections.

Review of representation arrangements

- 26 A review of representation arrangements was conducted for the 2019 elections and Council's proposed changes were by and large approved by the Local Government Commission. There is a legislative requirement to conduct reviews at least every six years. There is no requirement to conduct a review for the 2022 elections.
- 27 Staff consider that, in view of the significant work undertaken as part of the community governance review project and the relatively substantial amendments to the representation arrangements that were established for the 2019 elections, a review should not be undertaken at this time.

Factors to Consider

Legal and Statutory Requirements

- 28 Section 27 of the Act gives Council the opportunity to resolve its electoral system for the 2019 election. This report is giving Council that opportunity.
- 29 Schedule 1A of the Act contains the provisions relating to Māori wards. The implications of these provisions are included in paragraphs 20 to 22 above.

Community Views

- 30 Section 28 of the Act provides that Council must give public notice of the right to demand a poll on the electoral system to be used. Public notice will be given prior to 19 September as required by the Act.

- 31 As included in paragraph 25 above, at any time a petition signed by five percent of the electors of Southland District Council can request a poll on whether there should be a Māori ward in Southland District.

Costs and Funding

- 32 There will be cost implications if a valid poll request is received. Undertaking the stand-alone poll would cost approximately \$55,000 (excl GST), which is not included within the current budget.

Policy Implications

- 33 There are no policy implications.

Analysis

Options Considered

- 34 Four options have been considered for the determination of the electoral system to be used in the 2022 triennial general elections. No matter which option Council chooses to pursue, public notice of the opportunity to demand a poll on the electoral system will be given before 19 September 2020.

Analysis of Options

Option 1 – Do nothing – FPP remains the electoral system

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">cost for the process remains aligned with budget	<ul style="list-style-type: none">Council has not made a decision on the electoral system

Option 2 – Confirm FPP by passing a resolution to that effect

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">consistent with previous Council resolutions on the electoral systempublic are clear on Council's preference of electoral systemcost for the process remains aligned with budget	<ul style="list-style-type: none">No disadvantages have been identified.

Option 3 – Change electoral system from FPP to STV

Advantages	Disadvantages
<ul style="list-style-type: none">No advantages identified.	<ul style="list-style-type: none">increase in cost as public education on the STV system will be required

(Note the advantages and disadvantages of each electoral system is included in the body of the report – the box above outlines the advantages/ disadvantages of a change to the system.)

Option 4 – Hold a poll on the electoral system

Advantages	Disadvantages
<ul style="list-style-type: none">the public determines the electoral system	<ul style="list-style-type: none">unbudgeted cost of approximately \$55,000 (excl GST) with a significant probability that the outcome of the poll will be continuation of FPP as no public demand for a poll in prior years

Assessment of Significance

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

Recommended Option

- 36 Option 2, confirm First Past the Post by passing a resolution to that effect, is the recommended option.

Next Steps

- 37 If the recommendations are agreed staff will make arrangements for public notice to be given on the right to demand a poll by 19 September 2020.

Attachments

There are no attachments for this report.

Three Waters Reform

Record No: R/20/7/29251
Author: Matt Russell, Group Manager Services and Assets
Approved by: Steve Ruru, Chief Executive

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 To seek a decision as to whether Council is prepared to become a signatory to the Memorandum of Understanding (MoU) with the Crown in relation to the three waters reform programme.

Executive Summary

- 2 In July 2020, the government announced a \$761 million funding package to provide post Covid-19 stimulus to improve three waters infrastructure, support a three- year programme of reform of local government water service delivery arrangements (reform programme), and support the establishment of Taumata Arowai, the new waters services regulator. This package replaces the applications that local authorities made to the shovel ready funding process.
- 3 The reform programme is needed as current service delivery models are simply not sustainable into the future given:
 - the significant financial challenges facing water service providers and communities in the future particularly in the wastewater and stormwater services
 - the significant increases in regulatory standards that will apply in the future and the need to ensure that there is a very high level of compliance, which will the roll of the new regulatory agencies, with these standards.
- 4 A joint central/local government Three Waters Steering Committee has been established to provide oversight and guidance the reform programme, and to assist in engaging with local government, iwi/Māori, and other water sector stakeholders on options and proposals.
- 5 The reform programme is designed to support economic recovery, and address persistent systemic issues facing the three waters sector, through a combination of:
 - stimulating investment to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance
 - reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term.
- 6 Initial funding from the stimulus package will be made available to those councils that agree to participate in the first stage of the reform programme, through a Memorandum of Understanding (MoU), Funding Agreement and approved Delivery Plan. The MoU must be signed by the end of August 2020, with the Funding Agreement and Delivery Plan submitted and approved by the end of September 2020.

- 7 It is proposed that Council ‘opts in’ to the first stage of the reform programme. In so doing this report also seeks that a delegation be given to the chief executive to finalise the regional funding with the other Southland councils, execute the agreements with the Crown and then proceed with development of a procurement plan and awarding of contracts in accordance with that plan.

Recommendation

That the Council:

- a) **Receives the report titled “Three Waters Reform” dated 19 August 2020.**
- b) **Determines that this matter or decision be recognised as 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) **Council acknowledges the challenges that exist in the three waters sector and that there is merit in exploring opportunities to improve the delivery of three waters services, including within Southland District, in accordance with the objectives for the three waters reform programme set out in the Memorandum of Understanding (Attachment A).**
- e) **Agree to enter into the Memorandum of Understanding (Appendix A) and Funding Agreement (Attachment B) with the Crown and delegate authority to the chief executive to finalise and execute the documents noting that this decision needs to be made by 31 August 2020.**
- f) **Agree to nominate the chief executive as the primary point of communication for the purposes of the MoU and reform programme – as referred to on page 6 of the MoU.**
- g) **Agree to delegate decisions about the allocation of regional funding between the different territorial authorities to the chief executive noting that participation by two-thirds of territorial authorities within the Southland region is required before local authorities within the region can access the regional allocation and that it will be important that agreement is achieved between the three territorial authorities quickly given the need for the Delivery Plan to be submitted by 30 September 2020.**
- h) **Note that participation in this initial stage is to be undertaken in good faith, but this is a non-binding approach, and the Council can opt out of the reform process at the end of the term of the agreement (as provided for on page 5 of the MoU).**
- i) **Note that the Council has been allocated \$7.02 million of funding, which will be received as a grant as soon as practicable once the signed MoU and Funding Agreement are returned to the Department of Internal Affairs, and a Delivery Plan has been supplied and approved (as described on page 5 of the MoU).**
- j) **Note that the Delivery Plan must show that the funding is to be applied to operating and/or capital expenditure relating to three waters infrastructure and service delivery, and which:**

- **supports economic recovery through job creation; and**
 - **maintains, increases, and/or accelerates investment in core water infrastructure renewal and maintenance.**
- k) Approve the broad allocation of three waters stimulus funding to the packages of work as outlined in Attachment E and in so doing notes that the funding needs to be spent before 31 March 2022.**
- l) Delegate authority to the chief executive to approve and submit a final delivery plan to Crown Infrastructure Partners for approval.**
- m) Delegate authority to the chief executive to finalise and execute the final Service Delivery Plan.**
- n) Approve unbudgeted expenditure of upto \$14.04 million noting that the final value of the works to be funded will be dependent upon confirmation of the proportion of regional funding allocated to Council.**
- o) Agree that the unbudgeted expenditure should be funded by way of the grant provided by government as part of the three waters reform programme.**
- p) Delegates authority to the chief executive to approve the procurement plan and the negotiation and award of contracts for these works.**

Background

- 8 Over the past three years central and local government have been reviewing the regulation and supply arrangements for delivery of three waters services (ie water, wastewater and stormwater) across New Zealand. The review process acknowledges the challenges facing the sector, including funding pressures, rising environmental standards, climate change, seasonal pressure from tourism, and the recommendations from the inquiry into the Havelock North water supply contamination incident in 2016.
- 9 The government inquiry into Havelock North drinking water identified widespread, systemic failure of suppliers to meet the standards required for the safe supply of drinking water to the public. It made a number of urgent and longer-term recommendations to address these significant systemic and regulatory failures.
- 10 The government's three waters review highlighted that, in many parts of the country, communities cannot be confident that drinking water is safe, or that good environmental outcomes are being achieved. This work also raised concerns about the regulation, sustainability, capacity and capability of a system with a large number of localised providers, many of which are funded by relatively small populations.
- 11 The regulatory components of this work are well progressed with the development of new legislation and the creation of Taumata Arowai, the new, independent water services regulator. This new Crown entity is currently being built, and will become responsible for drinking water regulation once a separate Water Services Bill, which is currently before Parliament, is passed (anticipated mid 2021).
- 12 Following decisions on the shape of the proposed regulatory changes to be made the three waters review team at the Department of Internal Affairs (DIA) had been working through options for

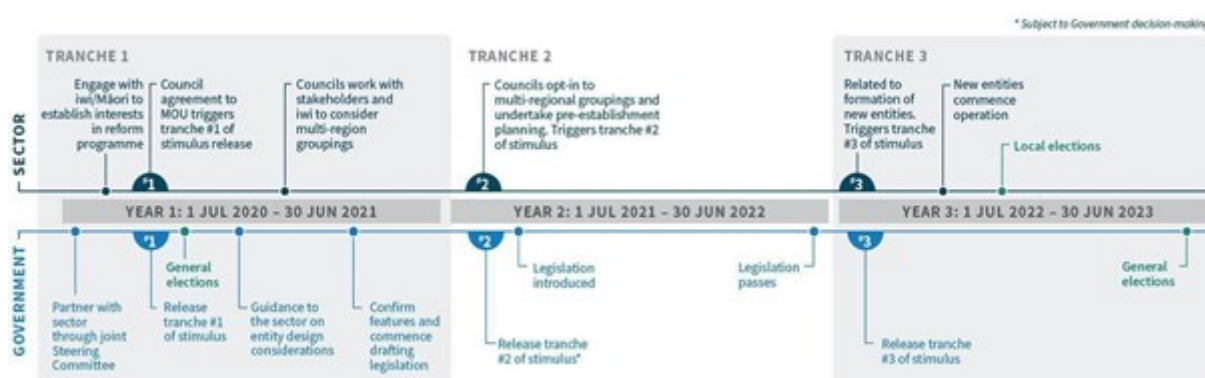
considering how to best address the affordability and capability challenges facing the three waters sector. This work contributed to Cabinet making decisions in January 2020, to:

- explore options for moving towards regional and multi-regional models for service delivery
- agreeing that any structural changes to service delivery arrangements should be made on a voluntary basis
- agreeing to set a one year deadline (i.e. by the end of 2020) to monitor the level of progress being made.

- 13 Following the onset of Covid-19, central government have reviewed the approach being followed to three waters reform. This review has in part been driven by a number of factors including:
 - a risk that a number of local authorities may look to defer operating and capital expenditure in an attempt to manage rate increases in a post Covid-19 environment
 - the desirability of creating a broader economic stimulus for local economies in a post Covid-19 environment.
- 14 This process led, in July 2020, to the government announcing a funding package of \$761 million to provide immediate post Covid-19 stimulus to local authorities to maintain and improve three waters (drinking water, wastewater, stormwater) infrastructure, and to support the reform of local government water services delivery arrangements.
- 15 In moving into this environment the government has indicated that its starting intention is public multi-regional models for water service delivery to realise the benefits of scale for communities and reflect neighbouring catchments and communities of interest. There is a preference that entities will be in shared ownership of local authorities. Design of the proposed new arrangements will be informed by discussion with the local government sector.
- 16 There is a shared understanding that a partnership approach between central and local government will best support the wider community interests, and ensure that any transition to new service delivery arrangements is well managed and as smooth as possible. This has led to the formation of a joint three waters steering committee to provide oversight and guidance on three waters services delivery and infrastructure reform.
- 17 While addressing the regulatory issues, both central and local government acknowledge that there are broader challenges facing local government water services and infrastructure, and the communities that fund and rely on these services. There has been underinvestment in three waters infrastructure in parts of the local government sector, persistent affordability challenges, and additional investment required to meet the improvement required in freshwater outcomes.
- 18 The steering committee has been convened to ensure that the perspectives, interests and expertise of both central and local government, and of communities throughout New Zealand, are accommodated as reform progresses. This will include periods of engagement with the local government sector, details of which will be provided soon.

Objectives and Timing of the Reform Programme

- 19 The following objectives will underpin the reform programme and creation of a new aggregated water services delivery model:
- significantly improving the safety and quality of drinking water services, and the environmental performance of wastewater and stormwater systems (which are crucial to good public health and wellbeing, and achieving good environmental outcomes)
 - ensuring all New Zealanders have equitable access to affordable three waters services
 - improving the coordination of resources, planning, and unlocking strategic opportunities to consider New Zealand's infrastructure and environmental needs at a larger scale
 - increasing the resilience of three waters service provision to both short and long-term risks and events, particularly.
- 20 Government has agreed that new multi-regional models for water service delivery will need to include the following safeguards:
- mechanisms that provide for continued public ownership of water infrastructure, and protect against privatisation
 - mechanisms that provide for community input and local service delivery.
- 21 An indicative timetable for the full reform programme is provided below. While this is subject to change as the reforms progress, and subject to future government budget decisions, it provides an overview of the longer-term reform pathway.



Stage 1 of the Reform Programme

- 22 The initial stage of the reform programme involves three core elements:
- Memorandum of Understanding (Attachment A)
 - Funding Agreement (Attachment B)
 - Delivery Plan (Attachment C).
- 23 Initial funding will be made available to those councils that sign the MoU, and associated Funding Agreement, and provide a Delivery Plan. Council should only agree to enter into the MOU if it agrees with the need for reform and the overall reform objectives.
- 24 This initial funding will be provided in two components: a direct allocation to individual councils, and a regional allocation. The participating councils in each region are required to agree an approach to distributing the regional allocation. The steering committee has recommended

retention of the allocation model using for the direction allocation to individual councils as a default.

- 25 The MoU is the ‘opt in’ to the first stage of the reform and stimulus programme. The MoU needs to be signed and submitted by the end of August 2020. The Funding Agreement and Delivery Plan need to be submitted by the end of September 2020, to access the stimulus funding.
- 26 Councils that do not opt in by the end August 2020 deadline will not receive a share of the stimulus funding. Councils will still be able to opt in to the reform programme at a later date, but will not have access to the initial funding package, retrospectively.

Memorandum of Understanding

- 27 A MoU has been developed by the steering group, for each council to enter into with the Crown. This is a standardised document, which cannot be amended or modified by either party.
- 28 Signing the MoU commits councils to:
- engage in the first stage of the reform programme – including a willingness to accept the reform objectives and the core design features set out in the MoU
 - the principles of working together with central government and the steering committee
 - work with neighbouring councils to consider the creation of multi-regional entities
 - share information and analysis on their three waters assets and service delivery arrangements.
- 29 At this point, this is a voluntary, non-binding commitment. It does not require councils to commit to future phases of the reform programme, to transfer their assets and/or liabilities, or establish new water entities.
- 30 The MoU is effective from the date of agreement until 30 June 2021, unless terminated by agreement or by replacement with another document relating to the reform programme.

Funding Agreement

- 31 This Council has been allocated \$7.03 million by the Crown, if it opts in to the reform programme. A further \$11.15 million has been allocated to the region to agree an appropriate distribution between participating councils. This funding will be provided as a grant, which does not need to be repaid if Council does not ultimately commit to reform at later stages of the process. The funding must be expended by 31 March 2021.
- 32 There are several options for how the regional funding could be allocated between councils. The joint central-local government Three Waters Steering Committee preferred approach is to apply the same formula used to calculate the direct allocations (applying a 75% weighting for population and a 25% weighting for land area, excluding national parks).
- 33 It is recommended that Council delegates authority to the chief executive to agree an appropriate allocation with other participating councils and in so doing have regard to the importance of having wider regional buy-in to the reform programme, any works that could be advanced that would be of wider benefit to the region as a whole as well as the recommendation from the steering committee.

- 34 The Funding Agreement is one of the mechanisms for accessing the funding package. Like the MoU, it is a standardised document, for agreement between each council and the Crown. It cannot be amended.
- 35 The Funding Agreement guides the release and use of funding. It sets out:
- the funding amount allocated to the council
 - funding conditions
 - public accountability requirements, including the Public Finance Act
 - reporting milestones.
- 36 While there is some local flexibility around how the funding can be applied, the government has indicated that this investment is intended to support economic recovery, enable improvements in water service delivery, and progress the service delivery reform programme.
- 37 The Funding Agreement will be supplemented by a Delivery Plan, which is the document that sets out how the grant funding is to be applied by Council.

Delivery Plan

- 38 The Delivery Plan is the other mechanism for accessing the funding package.
- 39 This Delivery Plan must show that the funding allocation is to be applied to operating and/or capital expenditure relating to three waters infrastructure and service delivery, and which:
- supports economic recovery through job creation
 - maintains, increases, and/or accelerates investment in core water infrastructure renewal and maintenance.
- 40 The Delivery Plan is a short-form template, which sets out:
- a summary of the works to be funded, including location, estimated associated costs, and expected benefits/outcomes
 - the number of people to be employed in these works
 - an assessment of how the works support the reform objectives in the MoU
 - reporting obligations.
- 41 The Delivery Plan will be supplied to Crown Infrastructure Partners (and other organisations as agreed between the Council and Crown), for review and approval. Crown Infrastructure Partners will monitor progress against the Delivery Plan, to ensure spending has been undertaken in accordance with public sector financial management requirements.
- 42 Staff are progressing development of a proposed works programme for using this funding. Attached (Attachment E) is a copy of the broad categories to which the funding is proposed to be allocated. There could obviously, be some movement, depending on the final allocation of regional funding.
- 43 A key consideration in preparing the delivery plan has been the ability to deliver committed works within the required timeframe (i.e. before 31 March 2022) whilst maximising the benefits derived. As such, like for like renewals and asset condition assessment programmes feature heavily.

- 44 Further, there is a focus on the regional collaboration work and the need to gather the necessary information to inform decision-making moving forward. Council is well positioned to leverage the collaboration efforts established to date through the Otago/Southland Water Collaboration forum. Future tranche funding has also been considered as a key driver for regional collaboration efforts. It is anticipated that regional collaboration will better position Council to access future tranche funding.
- 45 In order to ensure Council is best placed to submit the delivery plan for approval, receive the funding and get underway with the works as soon as possible, staff are seeking the delegated authority to be provided to the chief executive to finalise the detail behind the proposed prioritised delivery plan and then too also proceed to develop a procurement plan and award contracts for the works once the delivery plan has been approved by Crown Infrastructure Partners.
- 46 As the regional allocation share has not yet been finalised with Gore District Council and Invercargill City Council, the indicative delivery plan has the potential to reduce in line with the prioritisation indications provided.

Issues

- 47 Council needs to decide whether it will 'opt in' to stage 1 of the three waters reform programme.
- 48 While a decision to 'opt in' at this stage is non-binding, in that it does not commit Council to agreeing to the transfer of its water and wastewater assets and service delivery, it shouldn't do so unless it agrees in principle to the need for reform, the overall objectives that have been set and key features of the proposed reform model.

Factors to Consider

Southland District Position

- 49 From a Southland District perspective Council signalled through the 2018 LTP that it has a number of challenging infrastructure renewal and upgrade issues looming, particularly as the standards to which the services need to be delivered continue to increase. The deficits that currently exist are a reflection of previous decisions over a prolonged period of time to 'sweat the asset' and not maintain a level of investment in asset renewals that was consistent with the 'wearing down' of these assets.
- 50 The extent of the issues facing the District has become clearer since 2018 as work has been progressed to better understand the issues that exist, the increases in standards to which services will need to be delivered in the future and the potential options for addressing these deficits.
- 51 Council will need to make a number of challenging prioritisation decisions and increased debt and rating decisions as part of the upcoming 2021 LTP process about how it might best address the infrastructure deficit issues that do exist. These are critical to ensuring that Council can continue to deliver its services to the appropriate level, whilst also meeting the increased standards that are being expected. What is clear is that there will be a need for a significant increase in debt and rates to fund the necessary renewals programme.

Legal and Statutory Requirements

- 52 Under section 97 of the Local Government Act 2002, local authorities are not allowed to transfer the ownership or control of a strategic asset unless it is explicitly provided for in the long term plan.
- 53 At this stage of the reform process Council is not being asked to agree to the transfer of the ownership or control of three waters assets and services. Rather it would be agreeing to investigate the benefits of exploring and co-designing a multi-region service delivery model in conjunction with central government. A final decision on whether to transfer the ownership and control of these assets will come in a subsequent phase of the reforms and will require an amendment to the LTP, under current legislation.

Community Views

- 54 Council sought feedback on the infrastructure challenges that it faces through the 2018 LTP consultation process. As part of that, and other subsequent engagement processes, the community have made it clear that it expects Council to provide an appropriate level of service and therefore confront the resourcing challenges that do exist.
- 55 Against the above background it is reasonable for Council to conclude that a good proportion of the community would expect it to consider/explore alternative service delivery models in looking at how it might address the issues that exist in relation to its different categories of infrastructure services and whether alternative models might increase the overall 'level of service' that is ultimately delivered to the community.
- 56 It can also be expected, however, that there will be sections of the community who would be concerned about, for example, the loss of local control and 'centralisation' that a multi-regional service delivery model might bring. These are issues that will be considered further as part of the ongoing work programme with central government and by Council consulting further with its local community about the reform programme as part of the 2021 LTP consultation programme.
- 57 A legal opinion by Simpson Grierson, commissioned by SOLGM on behalf of the Steering Committee, advises that the MoU does not contain any explicit triggers for consultation under the Local Government Act 2002 (refer to appendix D).

Costs and Funding

- 58 Council has been allocated \$7.03 million by the Crown, if it opts in to the reform programme. A further \$11.15 million has been allocated to the Southland region to agree an appropriate distribution between participating councils. The steering committee has recommended that the formula (ie 75% population and 25% size of the district excluding national parks) be used as the 'default' approach for allocating the regional contribution. The use of this approach does, however, need to be agreed to by the other councils within the region that also decide to 'opt – in'.
- 59 This funding will be provided as a grant, which does not need to be repaid if Council does not ultimately commit to reform at later stages of the process. It will also need to be spent by 31 March 2022, hence, there is a 'tight' window within which the funding is available.

Policy Implications

- 60 The significance and engagement policy classifies Council's water, wastewater and stormwater assets as strategic assets. As such there will be a need for the LTP to be amended to provide for the transfer of control before Council can make a formal decision to agree to such a transfer. This may occur during phase 2 of the reform programme but not at this stage.

Analysis

Options Considered

- 61 The options considered are for Council to agree to 'opt-in' to stage one of the three waters reform programme and in so doing agree to enter into the memorandum of understanding with the Crown (option 1). This option means that this Council will be able to access the stimulus funding being provided by government and also remain actively involved in the reforms.
- 62 Under option 2, do nothing, Council would not agree to opt in at this stage but would be able to reconsider its position during subsequent stages of the reform programme.

Analysis of Options

Option 1 – Agree to opt in to reform programme

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Allows Council to be actively involved in the stage one reform programme including considering the merits of the proposed multi-regional service delivery model• By participating Council will be in a better position to evaluate the merits of the proposed new model relative to any other options that might be available• It is preferable to be part of a proactive process rather than reactively adapting to change• Council can access the stage one stimulus funding and use it to create additional economic activity as part of the Covid-19 recovery effort• Will help reduce the short to medium term costs to ratepayers of asset renewals.	<ul style="list-style-type: none">• There is an expectation, albeit that there is no absolute obligation that Council will also move into the subsequent stages.

Option 2 – Do nothing

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Council can review its options at a later stage of the process once further information about the nature of the reforms and what they will mean for different local authorities becomes available• Council has no ‘commitment’ to be involved in the future stages of the reform programme.	<ul style="list-style-type: none">• Council will not be able to access the stage one stimulus funding• Costs of asset renewal works that would otherwise have been completed will now fall to ratepayers• Council will need to do further work to ensure that it can fully fund the upgrading and renewal of assets to meet new standards in the future.

Assessment of Significance

- 63 A decision to transfer water and wastewater assets to a new multi-regional water delivery entity will be a significant decision and one that needs to be provided for in the adopted LTP, before Council can make such a decision.
- 64 The decision that Council needs to make at this stage, however, relates to whether Council should ‘opt-in’ to the three waters reform programme and agree to work with central government to co-design a potential new multi-regional operating model. Final decisions on the exact nature of the model, whether it will proceed and whether Council should be part of the new entities will be made at a later stage of the process. Council will still be able to ‘opt-out’ should it determine that the new model will not deliver significant benefit for Southland District.
- 65 A decision to opt-in to tranche 1 also means that Council will gain access to up to \$14 million of additional funding to advance three waters improvement works over the next eighteen months. A \$14 million increase in three waters operational and capital expenditure that is currently unbudgeted, over that timeframe represents a sizeable investment and one that is of some significance. It is also expenditure that can be used to address a number of the infrastructure deficits that currently exist in the three waters activities.
- 66 While it can be argued that Council is doing no more than agreeing to explore the benefits of being involved in the three waters programme staff are of the view that when this aspect of the proposal is combined with the additional level of unbudgeted expenditure that it is reasonable to conclude that a decision in accordance with the recommendations in this report would constitute a significant decision. As such Council needs to ensure, in accordance with section 76 (3)(b) that it has appropriately observed the decision-making requirements of the Local Government Act 2002.

Recommended Option

- 67 It is recommended that Council adopt option 1 and agree to opt in to stage one of the three waters reform programme.

Next Steps

- 68 Staff will execute the Memorandum of Understanding, Funding Agreement and provide Crown Infrastructure Partners with a proposed Service Delivery Plan. Once approved they will then proceed with development of a procurement plan and the awarding of contracts in accordance with that plan.

Attachments

- A Three Waters - Memorandum of Understanding [↓](#)
- B Three Waters - Funding Agreement [↓](#)
- C Three Waters - Service Delivery Plan [↓](#)
- D Simpson Grierson Advice [↓](#)
- E Three Waters - Stimulus Funding Programme [↓](#)

Memorandum of Understanding

Three Waters Services Reform

Between the Sovereign in right of New Zealand acting by and through the Department of Internal Affairs and

PURPOSE

This Memorandum of Understanding (Memorandum) sets out the principles and objectives that the Parties agree will underpin their ongoing relationship to support the improvement in three waters service delivery for communities with the aim of realising significant public health, environmental, economic, and other benefits over the medium to long term. It describes, in general terms, the key features of the proposed reform programme and the Government funding arrangements that will support investment in three waters infrastructure as part of the COVID 19 economic recovery.

BACKGROUND

Over the past three years central and local government have been considering solutions to challenges facing the regulation and delivery of three water services. This has seen the development of new legislation to create Taumata Arowai, the new Water Services Regulator, to oversee and enforce a new drinking water regulatory framework, with an additional oversight role for wastewater and stormwater networks.

While addressing the regulatory issues, both central and local government acknowledge that there are broader challenges facing the delivery of water services and infrastructure, and the communities that fund and rely on these services. There has been regulatory failure, underinvestment in three waters infrastructure in parts of the country, and persistent affordability challenges, and additional investment is required to increase public confidence in the safety of drinking water and to improve freshwater outcomes. Furthermore, investment in water service delivery infrastructure is a critical component of a collective response to climate change and increasing resilience of local communities.

The Parties to this Memorandum consider it is timely to apply targeted infrastructure stimulus investment to enable improvements to water service delivery, progress reform in partnership, and ensure the period of economic recovery following COVID-19 supports a transition to a productive, sustainable economy. Additional funding will be subject to Government decision-making and reliant on the Parties demonstrating substantive progress against the reform objectives. The quantum, timing, conditions, and any other information relating to future funding will be advised at the appropriate time but will likely comprise additional tranches of funding and more specific agreement to key reform milestones.

The reform process and stimulus funding, proposed by Government, is designed to support economic recovery post COVID-19 and address persistent systemic issues facing the three waters sector, through a combination of:

- stimulating investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance; and
- reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term.

There is a shared understanding that a partnership approach will best support the wider community and ensure that the transition to any eventual new arrangements is well managed and as smooth as possible. This requires undertaking the reform in a manner that enables local government to continue and, where possible, enhance delivery of its broad “wellbeing mandates” under the Local Government Act 2002, while recognising the potential impacts that changes to three waters service delivery may have on the role and functions of territorial authorities.

PRINCIPLES FOR WORKING TOGETHER

The Parties shall promote a relationship in their dealings with each other, and other Parties related to the three waters services reform, based on:

- mutual trust and respect; and
- openness, promptness, consistency and fairness in all dealings and communication including through adopting a no-surprises approach to any matters or dealings related to the reform programme; and
- non-adversarial dealings and constructive problem-solving approaches; and
- working co-operatively and helpfully to facilitate the other Parties perform their roles; and
- openly sharing information and analysis undertaken to date on the state of the system for delivering three waters services and the quality of the asset base.

This Memorandum is intended to be non-binding in so far as it does not give rise to legally enforceable obligations between the Parties.

REFORM OBJECTIVES AND CORE DESIGN FEATURES

By agreeing to this Memorandum, the Parties agree to work constructively together to support the objectives of the three waters service delivery reform programme.

The Parties agree that the following objectives will underpin the reform programme and inform the development of reform options/proposals:

- significantly improving the safety and quality of drinking water services, and the environmental performance of drinking water and wastewater systems (which are crucial to good public health and wellbeing, and achieving good environmental outcomes);
- ensuring all New Zealanders have equitable access to affordable three waters services;
- improving the coordination of resources, planning, and unlocking strategic opportunities to consider New Zealand's infrastructure and environmental needs at a larger scale;
- increasing the resilience of three waters service provision to both short- and long-term risks and events, particularly climate change and natural hazards;
- moving the supply of three waters services to a more financially sustainable footing, and addressing the affordability and capability challenges faced by small suppliers and councils;
- improving transparency about, and accountability for, the delivery and costs of three waters services, including the ability to benchmark the performance of service providers; and
- undertaking the reform in a manner that enables local government to further enhance the way in which it can deliver on its broader "wellbeing mandates" as set out in the Local Government Act 2002.

In addition to these objectives, the Parties recognise that any consideration of changes to, or new models for, water service delivery arrangements must include the following fundamental requirements and safeguards:

- mechanisms that provide for continued public ownership of water service delivery infrastructure, and protect against privatisation; and
- mechanisms that provide for the exercise of ownership rights in water services entities that consider the interests and wellbeing of local communities, and which provide for local service delivery.

The Parties also recognise the reform programme will give rise to rights and interests under the Treaty of Waitangi and both Parties acknowledge the role of the Treaty partner. This includes maintaining Treaty settlement obligations and other statutory rights including under the Resource Management Act 1991 and the Local Government Act 2002. The outcome of discussions with iwi/Māori will inform design of appropriate mechanisms to reflect Treaty interests. This will include clarity of roles and responsibilities.

The Parties agree to work together to identify an approach to service delivery reform that incorporates the objectives and safeguards noted above, and considers the following design features as a minimum:

- water service delivery entities, that are:
 - of significant scale (most likely multi-regional) to enable benefits from aggregation to be achieved over the medium to long-term;
 - asset owning entities, with balance sheet separation to support improved access to capital, alternative funding instruments and improved balance sheet strength; and
 - structured as statutory entities with appropriate and relevant commercial disciplines and competency-based boards;
- delivery of drinking water and wastewater services as a priority, with the ability to extend to stormwater service provision only where effective and efficient to do so; and
- publicly owned entities, with a preference for collective council ownership;
- mechanisms for enabling communities to provide input in relation to the new entities.

The Parties acknowledge that work will also be undertaken to develop a regulatory framework, including mechanisms to protect the interests of consumers.

FUNDING ARRANGEMENTS

The Government has indicated its intention to provide funding to stimulate investment to enable improvements in water service delivery, support economic recovery and progress Three Waters Services Reform. The quantum of funding available for the Council (and each participating Council) will be notified by Government prior to signing this Memorandum.

Funding will be provided as soon as practicable following agreement to this Memorandum and the associated Funding Agreement and Delivery Plan. The Delivery Plan will need to show that the funding is to be applied to operating or capital expenditure on three waters service delivery (with the mix to be determined by the Council) that:

- supports economic recovery through job creation; and
- maintains, increases and/or accelerates investment in core water infrastructure renewals and maintenance.¹

The Delivery Plan will be based on a simple template and will include a summary of projects, relevant milestones, costs, location of physical works, number of people employed in works, reporting milestones and an assessment of how it supports the reform objectives set out in this Memorandum.

The Delivery Plan will be supplied to Crown Infrastructure Partners, and other organisations as agreed between the Parties, who will monitor progress of application of funding against the Delivery Plan to ensure spending has been undertaken consistent with public sector financial management requirements.

Agreement to this Memorandum and associated Funding Agreement and Delivery Plan are required prior to the release of Government funding. The Council will have the right to choose whether or not they wish to continue to participate in the reform programme beyond the term of the Memorandum.

FUTURE AGREEMENTS

The Parties may choose to enter other agreements that support the reform programme. These agreements will be expected to set out the terms on which the Council will partner with other councils to deliver on the reform objectives and core design features, and will include key reform milestones and detailed plans for transition to and establishment of new three waters service delivery entities.

PROGRAMME MANAGEMENT

The Government will establish a programme management office and the Council will be able to access funding support to participate in the reform process.

The Government will provide further guidance on the approach to programme support, central and regional support functions and activities and criteria for determining eligibility for funding support. This guidance will also include the specifics of any information required to progress the reform that may be related to asset quality, asset value, costs, and funding arrangements.

TERM

This Memorandum is effective from the date of agreement until 30 June 2021 unless terminated by agreement or by replacement with another agreement related to the reform programme.

¹ Maintains previously planned investment that may have otherwise deferred as a result of COVID-19.

INTERACTIONS, MONITORING, INFORMATION AND RECORDS

The Parties nominate the following representatives to act as the primary point of communication for the purposes of this Memorandum and any other purpose related to the reform programme.

Government's representative	Territorial Authority's representative
<p>Allan Prangnell</p> <p>threewaters@dia.govt.nz</p> <p>CC. Chief Legal Advisor</p> <p>Legal.notices@dia.govt.nz</p>	

It is the responsibility of these representatives to:

- work collaboratively to support the reform objectives;
- keep both Parties fully informed;
- act as a first point of reference between Parties and as liaison persons for external contacts; and
- communicate between Parties on matters that arise that may be of interest to either party.

If the contact person changes in either organisation, the other party's contact person must be informed of the new contact person immediately and there should be an efficient transition to ensure the momentum of the reform process is not undermined.

CONFIDENTIALITY

Neither of the Parties is to disclose, directly or indirectly, any confidential information received from the other party to any third party without written consent from the other party, unless required by processes under the Official Information Act 1982 or the Local Government Official Information and Meetings Act 1987 (whichever applies), or under a Parliamentary process- such as following a Parliamentary question, in which case the relevant party is to inform the other party prior to disclosure. Protocols will be established to enable exchange information between Councils where that is consistent with progressing reform objectives.

DISPUTE RESOLUTION

Any dispute concerning the subject matter of this document is to be settled by full and frank discussion and negotiation between the Parties.

.....
SIGNED by The Sovereign in right of New Zealand acting by and through the Chief Executive of the Department of Internal Affairs	SIGNED by
Date	on behalf of
	Date

	SIGNED by
	on behalf of
	Date
	Witness signature

	Witness name
	Witness occupation
	Witness address
	Date

FUNDING AGREEMENT

BETWEEN

DEPARTMENT OF INTERNAL AFFAIRS

AND

[NAME OF RECIPIENT]

FOR

THREE WATERS SERVICES REFORMS

AGREEMENT

The parties (identified below in Part 1) agree to be bound by the terms and conditions of this Agreement, as set out below in Part 1 (Key Details), Part 2 (General Terms), Part 3 (Definitions and Construction) and the Schedule (Payment Request).

PART 1: KEY DETAILS

- | | | |
|---|-----------------------------|--|
| 1 | Parties | <p>The Sovereign in right of New Zealand, acting by and through the Chief Executive of the Department of Internal Affairs (DIA)</p> <p>[NAME OF RECIPIENT] (Recipient)</p> |
| 2 | Background | <p>The New Zealand Government is undertaking a reform programme for “Three Waters” (drinking water, wastewater and stormwater) service delivery for communities (Three Waters Reform Programme). In conjunction with the Three Waters Reform Programme, the New Zealand Government is investing in water service delivery. The investment’s objectives are to:</p> <ol style="list-style-type: none"> 1. improve the safety and quality of drinking water services, and the environmental performance of drinking water and wastewater systems, by maintaining, increasing or accelerating investment in core water infrastructure renewals and maintenance; and 2. support New Zealand’s economic recovery from the COVID-19 pandemic through job creation, by enabling investment to continue at a time when council revenues are uncertain and they face immediate cashflow challenges. <p>The New Zealand Government has mandated DIA to manage the provision of Government funding to local authorities to support investment in water infrastructure that supports its public health and environmental management objectives. Provision of such funding supports the objectives of the reform programme, by creating positive momentum toward reform of delivery arrangements for drinking water and wastewater services and infrastructure (with stormwater as a secondary priority).</p> <p>The New Zealand Government has also mandated Crown Infrastructure Partners Limited (CIP) to assist in managing such funding by undertaking a monitoring role.</p> <p>The Recipient is a territorial authority with statutory responsibility for delivering Three Waters services within its own district or city. The Recipient will work collaboratively with the New Zealand Government in connection with the Three Waters Reform Programme.</p> <p>DIA has agreed to contribute funding to the Recipient on the terms and conditions of this Agreement (Agreement).</p> <p>Key details of this Agreement are set out in this Part 1. The full terms and conditions are set out in Part 2. Defined terms and rules of interpretation are set out in Part 3.</p> |
| 3 | Conditions Precedent | <p>No Funding is payable under this Agreement until DIA has confirmed to the Recipient in writing that it has received, and found, in its sole discretion, to be satisfactory to it in form and substance, the following documents and evidence:</p> <ol style="list-style-type: none"> 1. This Agreement, duly executed by the Recipient by 30 September 2020. 2. The Memorandum of Understanding, duly executed by the Recipient by 31 August 2020. |

3. The final Delivery Plan prepared by the Recipient, in a form approved by DIA and duly executed by the Recipient by 31 October 2020.

A draft of the Delivery Plan must be submitted by no later than 30 September 2020 to threewaters@dia.govt.nz (copied to the Monitor) for review and comment by DIA (and/or the Monitor as its nominee).

Once DIA (or the Monitor) responds to the draft Delivery Plan, the Recipient must promptly engage with DIA (or the Monitor), seek to resolve such comments, and submit a final Delivery Plan for DIA's approval.

The Recipient is responsible for the content of the Delivery Plan and approval by DIA for the purposes of this Agreement shall not impose any obligations on DIA in respect of the Delivery Plan other than as expressly set out in this Agreement.

These conditions precedent must either be satisfied (in the opinion of DIA) or waived by DIA (at its sole discretion) by 31 October 2020, unless a later date is agreed otherwise in writing with DIA. In the event that they are not satisfied or waived within that time, DIA may notify the Recipient that this Agreement has not come into effect and is null and void.

- | | | |
|---|--|--|
| 4 | Expenditure Programme(s) | The Recipient may only use the Funding to complete the expenditure programme(s) described in the Delivery Plan (each an Expenditure Programme). |
| 5 | Expenditure Programme Milestones and Completion Dates | The Recipient is to complete the Expenditure Programme Milestones set out in the Delivery Plan to the satisfaction of DIA by the Completion Dates set out therein. |
| 6 | End Date | The End Date is 31 March 2022, or such later date determined by DIA in its discretion. |
| 7 | Funding | <p>The total Funding available under this Agreement is up to NZ\$[INSERT HERE] plus GST (if any). This is the Total Maximum Amount Payable.</p> <p>The first instalment of Funding under this Agreement is subject to satisfaction of the Conditions Precedent set out in Item 3 above and receipt of a duly completed Payment Request in accordance with clause 1 of Part 2.</p> <p>The balance of the Funding under this Agreement will be paid in instalments as specified in the Delivery Plan, subject to satisfaction of the conditions set out below and the other terms and conditions of this Agreement.</p> <p>Each instalment of Funding under this Agreement, following payment of the first instalment, is subject to:</p> <ul style="list-style-type: none">(a) Receipt of a duly completed Payment Request in accordance with clause 1 of Part 2.(b) The Expenditure Programme(s) having commenced no later than 31 March 2021.(c) DIA receiving and being satisfied with the quarterly reports specified in the Key Details, together with the other information required in this Agreement.(d) No Termination Event, or event entitling DIA to suspend funding under this Agreement, subsisting.(e) Any further conditions relating to that instalment of Funding as specified in the Delivery Plan. |

The first Payment Request may be submitted upon the Commencement Date

occurring. Each subsequent Payment Request may only be submitted at the same time as submission of a quarterly report in accordance with item 8 (Reporting) of the Key Details, and no more than one such Payment Request may be submitted in any Quarter, except (in each case) to the extent agreed by DIA in its sole discretion.

8 Reporting

The Recipient will provide DIA (copied to the Monitor) with quarterly reports by the 10th Business Day following the end of each Quarter, with effect from the Commencement Date. Each quarterly report must include the information set out below, in the standard reporting form specified by DIA.

The Recipient will also provide DIA (copied to the Monitor) with a final report by the 10th Business Day following the date on which the Expenditure Programme(s) are completed. The final report must include the information set out below, in the standard reporting form specified by DIA.

Each report is to be in form and substance satisfactory to DIA in its sole discretion.

Each quarterly report must include the following information:

- (a) Description and analysis of actual progress of the Expenditure Programme(s) against planned progress for the relevant Quarter;
- (b) A summary of expenditure, actual against budgeted (including underspend and cash float), for the relevant Quarter;
- (c) Plans for the next Quarter;
- (d) Forecast cashflows and forecast of the costs to complete the Expenditure Programme(s);
- (e) Any major risks arising or expected to arise with the Expenditure Programme(s), costs or performance of this Agreement, together with actual or proposed mitigations for those risks (including, where the actual Expenditure Programme(s) costs are forecast to exceed budgeted costs, how the shortfall is to be funded);
- (f) A summary of the number of jobs created, actual against expected, through people employed in the Expenditure Programme(s);
- (g) Any specific reporting requirements set out in the Delivery Plan; and
- (h) Any other information that is notified by DIA in writing to the Recipient.

The final report must include the following information:

- (a) Description and analysis of completion of the Expenditure Programme(s) against the original programme;
- (b) A summary of expenditure, actual against budgeted (including underspend), for the full Expenditure Programme(s);
- (c) Detail of the Recipient's proposed next steps;
- (d) An update on media, marketing and communication activities for the Expenditure Programme(s);
- (e) A summary of the number of jobs created, actual against expected, through people employed in the Expenditure Programme(s);
- (f) Any specific reporting requirements set out in the Delivery Plan; and
- (g) Any other information that is notified by DIA in writing to the Recipient.

9 Special Terms

[None] / [*Special terms to be added*]

10	Recipient's Bank Account	[xx-xxxx-xxxxxxxx-xxx]	
11	Representative	DIA's Representative: Name: Allan Prangnell Email: threewaters@dia.govt.nz	Recipient's Representative: Name: [name] Email: [email]
12	Address for Notices	To DIA: Three Waters Reform Level 7, 45 Pipitea Street Wellington 6011 Attention: Allan Prangnell Email: threewaters@dia.govt.nz , with a copy to legalnotices@dia.govt.nz To the Monitor: Attention: Anthony Wilson Email: 3waters@crowinfrastructure.govt.nz	To the Recipient: [address] Attention: [name] Email: [email]
SIGNATURES		SIGNED by the SOVEREIGN IN RIGHT OF NEW ZEALAND acting by and through the Chief Executive of the Department of Internal Affairs or his or her authorised delegate: _____ Name: Position: Date:	SIGNED for and on behalf of [RECIPIENT NAME] by the person(s) named below, being a person(s) duly authorised to enter into obligations on behalf of the Recipient: _____ Name: Position: Date: _____ Name: Position: Date:

END OF PART 1

PART 2: GENERAL TERMS

1 FUNDING

- 1.1 DIA must pay the Funding (up to the "Total Maximum Amount Payable" specified in the Key Details) to the Recipient, subject to the terms of this Agreement. Unless stated otherwise in this Agreement, the Recipient may only claim the Funding to the extent necessary to cover Eligible Costs that have been or will be incurred by the Recipient, and the Recipient must use the Funding solely on Eligible Costs.
- 1.2 The Recipient must submit a Payment Request to threewaters@dia.govt.nz and copying in DIA's Representative and the Monitor on completion of one or more Expenditure Programme Milestones specified in the Delivery Plan. Such Payment Request must be submitted at the time specified in, and otherwise in accordance with, item 7 (Funding) in the Key Details.
- 1.3 Each Payment Request is to be signed by the Chief Executive and an authorised signatory of the Recipient and must be in the form set out in the Schedule and include the confirmations set out therein, and must include:
- (a) the amount of Funding requested, which must not exceed the aggregate maximum Funding instalment amounts set out in the Delivery Plan for the Expenditure Programme Milestone(s) to which that Payment Request relates; and
 - (b) contain any other information required by DIA.
- 1.4 Once DIA has reviewed the Payment Request and the information enclosed with it, it will request the Recipient to provide (and the Recipient will provide) a valid GST invoice complying with the Goods and Services Tax Act 1985.
- 1.5 DIA is not required to pay any Funding in respect of a Payment Request:
- (a) if any Expenditure Programme Milestone(s) have not been completed by the relevant "Completion Date" specified in the Delivery Plan;
 - (b) if any reports specified in the Key Details have not been provided or are not in form and substance satisfactory to DIA in its sole discretion;
 - (c) if the Conditions specified in Item 7 of the Key Details relating to that instalment have not been satisfied;
 - (d) if payment will result in the Funding exceeding the "Total Maximum Amount Payable" specified in the Key Details;
 - (e) if this Agreement has expired or been terminated; and/or
 - (f) while the Recipient is in breach of this Agreement.
- For the avoidance of doubt, DIA's obligation to make Funding available under this Agreement is strictly subject to clause 6.2.
- 1.6 Subject to the terms of this Agreement, DIA must pay each valid Payment Request by the 20th day of the month after the month the GST invoice referred to in clause 1.4 is dated, and if such day is not a Business Day, on the next Business Day. DIA will pay the Funding to the Bank Account of the Recipient specified in Item 10 of the Key Details.

1.7 The Funding made available under this Agreement comprises grant funding and does not comprise an equity investment or loan. It is only repayable in the specific circumstances set out in this Agreement.

1.8 DIA may, at its discretion, notify the Recipient in writing that it wishes to enter into a GST Offset Agreement in connection with the payment of GST on any Funding. The Recipient must, where applicable, take all such steps as are reasonably required to achieve that GST offset in accordance with the Goods and Services Tax Act 1985.

2 RECIPIENT'S RESPONSIBILITIES

Standards and compliance with laws

2.1 The Recipient must comply with all applicable laws, regulations, rules and professional codes of conduct or practice.

Expenditure Programme(s) and Contractors

2.2 The Recipient must not, without DIA's prior written consent, make any Material Variation to the Expenditure Programme(s) (including its description and scope) as set out in the Delivery Plan.

2.3 The Recipient must ensure that the Expenditure Programme(s) are carried out:

- (a) promptly with due diligence, care and skill, and in a manner that meets or exceeds Best Industry Practice;
- (b) by appropriately trained, qualified, experienced and supervised persons; and
- (c) in accordance with any directions of DIA, notified by DIA in writing from time to time.

2.4 The Recipient must use reasonable endeavours to ensure that the Expenditure Programme Milestones are completed by the relevant "Completion Date" specified in the Delivery Plan.

2.5 The Recipient is responsible for the acts and omissions of any contractors and subcontractors.

2.6 The Recipient must ensure (and will procure that the head contractor when engaging with any other contractor ensures) that all agreements it enters into with any contractors or any other party in connection with the Expenditure Programme(s) are on an "arm's length" basis, provide value-for-money and do not give rise to any Conflict of Interest. The Recipient must provide DIA with reasonable evidence of compliance with this clause 2.6 in response to any request by DIA from time to time.

Information Undertakings

2.7 The Recipient must provide DIA with the reports specified in the Key Details, in accordance with the timeframes and reporting requirements set out in the Key Details.

2.8 The Recipient must provide DIA with any other information about the Expenditure Programme(s) requested by DIA within the timeframe set out in the request.

2.9 The Recipient must promptly notify DIA if:

- (a) the Recipient (or any of its personnel or contractors) becomes aware of, or subject to, a Conflict of Interest; or
- (b) the Recipient becomes aware of any matter that could reasonably be expected to have an adverse effect on an Expenditure Programme and any related programme, or result in a Termination Event or a breach of any term of this Agreement by the Recipient,

and if requested by DIA must promptly provide DIA with its plan to mitigate and manage such Conflict of Interest or such matter.

- 2.10 The Recipient must not at any time do anything that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of DIA or the New Zealand Government. The Recipient must keep DIA informed of any matter known to the Recipient which could reasonably be expected to have such an effect.
- 2.11 The parties acknowledge and agree that CIP (or any other Monitor) may, to the extent directed by DIA, undertake a reviewing and monitoring role under this Agreement, including by:
- (a) reviewing and confirming satisfaction with the Delivery Plan and with the reports specified in the Key Details;
 - (b) seeking, reviewing and confirming satisfaction with further information from the Recipient; and
 - (c) making recommendations to DIA and the New Zealand Government in respect of the Funding and the Agreement.

The Recipient agrees that all its communications and correspondence under this Agreement may be made with DIA or, to the extent directed by DIA, the Monitor.

Funding, records and auditors

- 2.12 The Recipient must receive and manage all Funding in accordance with good financial management and accounting practices and to a high standard that demonstrates appropriate use of public funds.
- 2.13 The Recipient must keep full and accurate records (including accounting records) of the Expenditure Programme(s) and retain them for at least 7 years after the last payment of Funding under this Agreement. The Recipient must permit DIA (or any auditor nominated by DIA) to inspect all records relating to the Expenditure Programme(s) and must allow DIA and/or the auditor access to the Recipient's premises, systems and personnel for the purposes of this inspection. DIA shall bear any third party costs arising from such inspection, unless the inspection reveals a breach of this Agreement, in which case the Recipient shall bear such costs.

Reform

- 2.14 The Recipient agrees to work constructively together with DIA and the New Zealand Government to support the objectives of the Three Waters Reform Programme pursuant to the Memorandum of Understanding. The parties acknowledge that the undertaking set out in this clause 2.14 is intended to be non-binding.

3 INTELLECTUAL PROPERTY

- 3.1 DIA acknowledges that the Recipient and its licensors own all pre-existing intellectual property which they contribute to the Expenditure Programme(s), and all new intellectual property which they create in the course of the Expenditure Programme(s).
- 3.2 The Recipient grants an irrevocable, perpetual, royalty-free, sub-licensable licence to DIA and the Monitor to use all reports, documents, information and other materials created or provided by the Recipient to DIA or the Monitor under or in connection with the Expenditure Programme(s) and this Agreement.
- 3.3 The Recipient warrants that it has obtained (or will obtain, prior to creation of each relevant work) all rights and permissions necessary to enable the grant and exercise of the licence in clause 3.2 without infringing the intellectual property rights of any third party.

4 TERM AND TERMINATION

- 4.1 This Agreement will be effective on and from the Commencement Date, which will be the latest to occur of:
- (a) the date this Agreement has been signed by both parties; and
 - (b) the date on which DIA has provided written notice to the Recipient that the Conditions Precedent specified in the Key Details have either been satisfied (in the opinion of DIA) or waived by DIA (at its sole discretion).
- 4.2 This Agreement will remain in force until the End Date, unless terminated in accordance with this Agreement.
- 4.3 DIA can terminate this Agreement with immediate effect, by giving notice to the Recipient, at any time:
- (a) while DIA reasonably considers that the Recipient has become or is likely to become insolvent;
 - (b) while the Recipient is subject to the appointment of a liquidator, receiver, manager or similar person in respect of any of its assets or a Crown Manager or Commission is appointed in respect of the Recipient under Part 10 of the Local Government Act 2002;
 - (c) if the Expenditure Programme(s) have not commenced by 31 March 2021; or
 - (d) while any one or more of the follow events or circumstances remains unremedied:
 - (i) the Recipient is materially in breach of any obligation, or a condition or warranty, under this Agreement;
 - (ii) the Recipient has provided DIA with information in connection with or under this Agreement that (whether intentionally or not) is materially incorrect or misleading, and/or omits material information;
 - (iii) DIA reasonably considers that this Agreement or an Expenditure Programme has caused, or may cause, DIA and/or the New Zealand Government to breach any legal obligations (including its international trade obligations);
 - (iv) the Recipient abandons an Expenditure Programme;

- (v) the Recipient is involved in any intentional or reckless conduct which, in the opinion of DIA, has damaged or could damage the reputation, good standing or goodwill of DIA or the New Zealand Government, or is involved in any material misrepresentation or any fraud;
 - (vi) the Recipient (or any of its personnel or contractors) is subject to a Conflict of Interest which cannot be managed to DIA's satisfaction; or
 - (vii) any change in law, regulations or other circumstances materially affects DIA's ability to perform its obligations under this Agreement.
- 4.4 However, where DIA considers that a Termination Event set out in clause 4.3(d) can be remedied, DIA must give notice to the Recipient requesting a remedy, and must not exercise its right of termination unless the relevant event remains unremedied for at least 14 days (or any longer period agreed with the Recipient) after that notice has been provided by DIA.
- 4.5 On expiry or termination of this Agreement, where the aggregate of (a) the total Funding paid under this Agreement and (b) any other money received or allocated by the Recipient, in each case to carry out an Expenditure Programme, exceeds the amount required to perform the Expenditure Programme, the Recipient must upon request refund to DIA the excess amount.
- 4.6 At any time DIA may recover the amount of any Funding that has been spent or used other than in accordance with this Agreement, or not applied to Eligible Costs by the End Date, together with interest on all such amounts calculated at 10% per annum from the date of the mispending to the date the money is repaid.
- 4.7 Clauses 1.5, 2.1, 2.12, 2.13, 3, 4, 5, 6, 7, 8, 9, 10 and 11 survive expiry or termination of this Agreement, along with any other parts of this Agreement necessary to give effect to those provisions. Expiry or termination of this Agreement does not affect any accrued rights, including any rights in respect of a breach of this Agreement or Termination Event that occurred before expiry or termination.

5 WARRANTIES AND UNDERTAKINGS

- 5.1 The Recipient warrants that, in the course of its activities in connection with the Expenditure Programme(s), it will not infringe any intellectual property or other rights of any contractor or any other third party.
- 5.2 The Recipient warrants that, as at the date of this Agreement:
- (a) It has full power and authority to enter into and perform its obligations under this Agreement which, when executed, will constitute binding obligations on it in accordance with this Agreement's terms, and it has complied with the Local Government Act 2002 in entering into this Agreement;
 - (b) the Recipient is solvent and is not subject to the appointment of a liquidator, receiver, manager or similar person in respect of any of its assets or to the appointment of a Crown Manager or Commission under Part 10 of the Local Government Act 2002;
 - (c) all information and representations disclosed or made to DIA by the Recipient in connection with this Agreement are true and correct, do not omit any material matter, and are not likely to mislead or deceive DIA as to any material matter;

- (d) it has disclosed to DIA all matters known to the Recipient (relating to the Expenditure Programme(s), the Recipient or its personnel) that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of DIA or the New Zealand Government; and
- (e) it is not aware of any material information that has not been disclosed to DIA which may, if disclosed, materially adversely affect the decision of DIA whether to provide the Funding.

5.3 The Recipient warrants that:

- (a) the Funding has been or will be applied solely to Eligible Costs; and
- (b) the Expenditure Programme(s) will take into account the parties' shared intention to:
 - (i) support economic recovery through job creation; and
 - (ii) maintain, increase and/or accelerate investment in core water infrastructure renewals and maintenance,

and such warranty will be deemed to be repeated continuously so long as this Agreement remains in effect by reference to the facts and circumstances then existing.

5.4 DIA warrants that, as at the date of this Agreement, it has full power and authority to enter into and perform its obligations under this Agreement which, when executed, will constitute binding obligations on it in accordance with this Agreement's terms.

5.5 The Recipient acknowledges that DIA has entered into this Agreement in reliance on these warranties and undertakings.

5.6 The Recipient acknowledges and agrees that DIA has made no warranty or representation that any funding or financial support is or will be available to the Recipient in respect of the Expenditure Programme(s), other than the Funding.

6 LIABILITY

6.1 The maximum liability of DIA under or in connection with this Agreement, whether arising in contract, tort (including negligence) or otherwise, is limited to the total amount of Funding paid or payable under this Agreement.

6.2 The Recipient undertakes to pay any and all cost overruns of the Expenditure Programme(s) and any funding shortfall, and DIA and the New Zealand Government have no obligations or responsibility whatsoever in respect of such cost overruns and funding shortfall and accept no financial risk in the Expenditure Programme(s).

6.3 DIA is not liable for any claim under or in connection with this Agreement or the Expenditure Programme(s), whether arising in contract, tort (including negligence) or otherwise, where such claim is or relates to any loss of profit, loss of revenue, loss of use, loss of reputation, loss of goodwill, loss of opportunity (in each case whether direct, indirect or consequential) or any other indirect, consequential or incidental loss or damages of any kind whatsoever.

7 CONFIDENTIALITY

- 7.1 Subject to clause 7.2 and 7.3, each party must keep the other party's Confidential Information in confidence, and must use or disclose that Confidential Information only to the extent necessary to perform its obligations, and/or take the intended benefit of its rights, under this Agreement. However, this will not prohibit:
- (a) either party from using or disclosing any information with the written prior consent of the other party;
 - (b) use or disclosure of information that has become generally known to the public other than through a breach of this Agreement;
 - (c) either party from disclosing information to its personnel, contractors or advisors with a need to know, so long as the relevant personnel, contractors and advisors use the information solely to enable that party to perform its obligations and/or take the intended benefit of its rights under this Agreement, and so long as they are informed of the confidential nature of the information and, in the case of the Recipient, the Recipient receives an acknowledgement from its personnel, contractors or advisors that they acknowledge, and must comply with, the confidentiality obligations in this Agreement as if they were party to it;
 - (d) disclosure required by any law, or any compulsory order or requirement issued pursuant to any law; or
 - (e) DIA from using or disclosing to any party any documents, reports or information received in relation to this Agreement, provided that prior to any such disclosure DIA removes all information that is commercially sensitive to the Recipient from the relevant work.
- 7.2 The Recipient acknowledges and agrees that nothing in this Agreement restricts DIA's ability to:
- (a) discuss, and provide all information in respect of, any matters concerning the Recipient, the Expenditure Programme(s) or this Agreement with any Minister of the Crown, the Monitor, any other government agency or any of their respective advisors;
 - (b) meet its obligations under any constitutional or parliamentary convention (or other obligation at law) of or in relation to the New Zealand Parliament, the New Zealand House of Representatives or any of its Committees, any Minister of the Crown, or the New Zealand Auditor-General, including any obligations under the Cabinet Manual including the "no surprises" principle; and
 - (c) publicise and report on the awarding of the Funding, including the Recipient's and any of its contractor's names, the amount and duration of the Funding and a brief description of the Expenditure Programme(s), on websites; in media releases; general announcements and annual reports.
- 7.3 The Recipient acknowledges that:
- (a) the contents of this Agreement (including the Delivery Plan); and
 - (b) information provided to DIA and the Monitor (including the reports specified in the Key Details),

may be official information in terms of the Official Information Act 1982 and, in line with the purpose and principles of the Official Information Act 1982, this Agreement and such information may be released to the public unless there is good reason under the Official Information Act 1982 to withhold it.

- 7.4 DIA acknowledges that the Recipient is subject to the Local Government Official Information and Meetings Act 1987 and that its confidentiality obligations under this clause 7 are subject to its compliance with that Act.

8 MEDIA AND COMMUNICATIONS

- 8.1 Before making any media statements or press releases (including social media posts) regarding this Agreement and/or DIA's involvement with the Expenditure Programme(s), the Recipient will consult with DIA, and will obtain DIA's prior approval to any such statements or releases.
- 8.2 The Recipient will refer any enquiries from the media or any other person about the terms or performance of this Agreement to DIA's Representative.
- 8.3 The Recipient will acknowledge the New Zealand Government as a source of funding in all publications (including any digital presence) and publicity regarding the Expenditure Programme(s) in accordance with funding acknowledgement guidelines agreed with DIA. The Recipient must obtain DIA's approval of the form and wording of the acknowledgement prior to including the acknowledgement in the publication or publicity (as the case may be).
- 8.4 The Recipient does not have the right to enter into any commitment, contract or agreement on behalf of DIA or any associated body, or to make any public statement or comment on behalf of DIA or the New Zealand Government.
- 8.5 All correspondence with DIA under this clause 8 must be directed to DIA's Representative and copied to threewaters@dia.govt.nz and the Monitor.

9 DISPUTES

- 9.1 In the event of any dispute, controversy or claim arising out of or in connection with this Agreement, or in relation to any question regarding its existence, breach, termination or invalidity (in each case, a **Dispute**), either party may give written notice to the other specifying the nature of the Dispute and requesting discussions under this clause 9 (**Dispute Notice**). As soon as reasonably practicable following receipt of a Dispute Notice, the parties must meet (in person, or by audio or video conference) and endeavour to resolve the Dispute by discussion, negotiation and agreement.
- 9.2 If the matter cannot be amicably settled within 20 Business Days after the date of the Dispute Notice then, at the request in writing of either party, the matter in respect of which the Dispute has arisen must be submitted, together with a report describing the nature of such matter, to the Representatives (or, if no such Representatives have been appointed, the respective Chief Executives of the parties) (together the **Dispute Representatives**).
- 9.3 Within 20 Business Days after the receipt of a request under clause 9.2, one individual (who does not act in his or her professional capacity as legal counsel for either party) selected by each of the Dispute Representatives, must make a presentation of no longer than 30 minutes to each of the Dispute Representatives (which may be by telephone or remotely), who will then attempt in good faith to reach a common decision within a half-day. The decision of the Dispute Representatives is binding on the parties.

- 9.4 In the case of a Dispute, if the Dispute Representatives have not met within 20 Business Days of receiving a request in accordance with clause 9.2, or if they fail to reach a common decision within the stated time period, either party may by notice in writing to the other party refer the Dispute to be referred to mediation before a single mediator appointed by the parties. Each party will bear its own costs of mediation and the costs of the mediator will be divided evenly between the parties.
- 9.5 If the parties are unable to agree on the appointment of a mediator within 5 Business Days of the notice requiring the Dispute to be referred to mediation, a mediator may be appointed at the request of any party by the Arbitrators' and Mediators' Institute of New Zealand Inc.
- 9.6 If the Dispute is not resolved within 20 Business Days of referral to mediation, the parties may commence court proceedings without further participation in any mediation.
- 9.7 Nothing in this clause 9 will prevent either party from seeking urgent interim relief from a court (or other tribunal) of competent jurisdiction.

10 REPRESENTATIVES

- 10.1 All matters or enquiries regarding this Agreement must be directed to each party's Representative (set out in the Key Details).
- 10.2 Each party may from time to time change the person designated as its Representative on 10 Business Days' written notice to the other Party. Any such change will also take effect as a change of the relevant Representative for the purposes of the Memorandum of Understanding.

11 GENERAL

- 11.1 Each notice or other communication given under this Agreement (each a **notice**) must be in writing and delivered personally or sent by post or email to the address of the relevant party set out in the Key Details or to any other address from time to time designated for that purpose by at least 10 Business Days' prior written notice to the other party. A notice under this Agreement is deemed to be received if:
- (a) **Delivery:** delivered personally, when delivered;
 - (b) **Post:** posted, 5 Business Days after posting or, in the case of international post, 7 Business Days after posting; and
 - (c) **Email:** sent by email:
 - (i) If sent between the hours of 9am and 5pm (local time) on a Business Day, at the time of transmission; or
 - (ii) If subclause (i) does not apply, at 9am (local time) on the Business Day most immediately after the time of sending,provided that an email is not deemed received unless (if receipt is disputed) the party giving notice produces a printed copy of the email which evidences that the email was sent to the email address of the party given notice.
- 11.2 The Recipient agrees to execute and deliver any documents and to do all things as may be required by DIA to obtain the full benefit of this Agreement according to its true intent.

- 11.3 No legal partnership, employer-employee, principal-agent or joint venture relationship is created or evidenced by this Agreement.
- 11.4 This Agreement constitutes the sole and entire understanding with respect to the subject matter hereof and supersedes all prior discussions, representations and understandings, written or oral.
- 11.5 No amendment to this Agreement will be effective unless agreed in writing and signed by both parties.
- 11.6 The Recipient may not assign or transfer any of its contractual rights or obligations under this Agreement, except with DIA's prior written approval.
- 11.7 DIA may assign or transfer any of its contractual rights or obligations under this Agreement without the Recipient's prior approval. DIA may at any time disclose to a proposed assignee or transferee any information which relates to, or was provided in connection with, the Recipient, the Expenditure Programme(s) or this Agreement.
- 11.8 No failure, delay or indulgence by any party in exercising any power or right conferred on that party by this Agreement shall operate as a waiver. A single exercise of any of those powers or rights does not preclude further exercises of those powers or rights or the exercise of any other powers or rights.
- 11.9 The exercise by a party of any express right set out in this Agreement is without prejudice to any other rights, powers or remedies available to a party in contract, at law or in equity, including any rights, powers or remedies which would be available if the express rights were not set out in this Agreement.
- 11.10 This Agreement is not intended to confer any benefit on or create any obligation enforceable at the suit of any person not a party to this Agreement.
- 11.11 Any provision of this Agreement that is invalid or unenforceable will be deemed deleted, and will not affect the other provisions of this Agreement, all of which remain in force to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provision.
- 11.12 This Agreement is to be governed by the laws of New Zealand, and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand.
- 11.13 This Agreement may be executed in any number of counterparts (including duly electronically signed, scanned and emailed copies). So long as each party has received a counterpart signed by each of the other parties, the counterparts together shall constitute a binding and enforceable agreement. This Agreement is intended to constitute a binding and enforceable agreement in accordance with its terms.

END OF PART 2

PART 3: DEFINITIONS AND CONSTRUCTION

Defined terms

In this Agreement, unless the context requires otherwise, terms defined in the Agreement have the meaning set out therein and:

Authorisation means:

- (a) any consent, authorisation, registration, filing, lodgement, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a governmental agency or required by any law (including any consent under the Resource Management Act 1991); or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a governmental agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

Best Industry Practice means that degree of skill, care and foresight and operating practice that would reasonably and ordinarily be expected of a skilled and competent supplier of services engaged in the same type of undertaking as that of the Recipient or any contractors (as applicable) under the same or similar circumstances as those contemplated by this Agreement.

Business Day means any day other than a Saturday, Sunday or public holiday within the meaning of section 44 of the Holidays Act 2003.

Commencement Date has the meaning given in clause 4.1 of Part 2.

Completion Date is the date that the relevant Expenditure Programme Milestone is to be completed by the Recipient, described in the Delivery Plan, and includes any amendment to the date which may be agreed in writing (including by email but only when DIA's Representative expressly confirms in writing

that they have received approval of the change from the correct DIA delegation holder) between the parties from time to time.

Conditions means the conditions to the payment of a Funding instalment as specified in Item 7 of the Key Details.

Confidential Information of a party (Owner), means any information in the possession or control of another party (Holder) that:

- (a) was originally acquired by the Holder in connection with this Agreement through disclosures made by or at the request of the Owner; and/or
- (b) was originally acquired by the Holder in connection with this Agreement through any access to, or viewing, inspection or evaluation of, the premises, facilities, documents, systems or other assets owned or controlled by the Owner; and/or
- (c) is derived from information of a kind described in paragraph (a) or (b) above;

but excludes any information which the Holder can show:

- (d) was lawfully acquired by the Holder, entirely independently of its activities in connection with this Agreement, and is free of any other obligation of confidence owed to the Owner; and/or
- (e) has been independently developed by the Holder without reference to the Owner's Confidential Information, and without breaching any other obligation of confidence owed to the Owner.

Notwithstanding the foregoing, the terms of this Agreement (excluding the Delivery Plan) are not Confidential Information.

Conflict of Interest means any matter, circumstance, interest or activity of the Recipient, its personnel or contractors, or any other person with whom the Recipient has a relationship that:

- (a) conflicts with:
 - (i) the obligations of the Recipient (or its personnel or contractors) to DIA under this Agreement; or
 - (ii) the interests of the Recipient in relation to this Agreement and/or the procuring of the Expenditure Programme(s); or
- (b) otherwise impairs or might appear to impair the ability of the Recipient (or any of its personnel or contractors) to diligently and independently carry out the Expenditure Programme(s) in accordance with this Agreement.

Delivery Plan means the delivery plan setting out the scope of the Expenditure Programme(s) to which Funding is to be applied, based on the template provided by and in the form approved by DIA and executed by DIA and the Recipient.

Eligible Costs means the actual costs that have been or will be reasonably incurred by the Recipient on or after the Commencement Date and no later than the End Date to deliver an Expenditure Programme in accordance with the Delivery Plan.

Expenditure Programme Milestone means, in respect of an Expenditure Programme, a milestone for that Expenditure Programme, as set out in the Delivery Plan.

Funding means the funding or any part of the funding (as the context requires) payable by DIA to the Recipient in accordance with the terms of this Agreement, as described in the Key Details.

GST Offset Agreement means a deed of assignment between DIA as Assignor and the Recipient as Assignee providing for the offset of the amount of GST in accordance with the Goods and Services Tax Act 1985.

Key Details means Part 1 of this Agreement.

Memorandum of Understanding means the memorandum of understanding relating to Three Waters Services Reform between DIA

and the Recipient, in the form provided by DIA.

Material Variation means, in respect of an Expenditure Programme, any variation which on its own or together with any other variation or variations results in, or is likely to result in the budgeted expenditure (taking into account all variations) being exceeded or an Expenditure Programme being materially delayed, or any variation that materially amends the scope, specifications or function of an Expenditure Programme.

Monitor means CIP, or any other entity appointed by DIA in its sole discretion to assist in managing the Funding by undertaking a monitoring role.

Payment Request means a request submitted to DIA by the Recipient seeking payment of Funding substantially in the form set out in the Schedule to this Agreement.

Quarter means a financial quarter, being a three monthly period ending on 30 June, 30 September, 31 December or 31 March.

Termination Event means any one or more of the events or circumstances set out in clause 4.3.

Construction

In the construction of this Agreement, unless the context requires otherwise:

Currency: a reference to any monetary amount is to New Zealand currency;

Defined Terms: words or phrases appearing in this Agreement with capitalised initial letters are defined terms and have the meanings given to them in this Agreement;

Documents: a reference to any document, including this Agreement, includes a reference to that document as amended or replaced from time to time;

Inclusions: a reference to "includes" is a reference to "includes without limitation", and "include", "included" and "including" have corresponding meanings;

Joint and Several Liability: any provision of this Agreement to be performed or observed by two or more persons binds those persons jointly and severally;

Parties: a reference to a party to this Agreement or any other document includes that party's personal representatives/successors and permitted assigns;

Person: a reference to a person includes a corporation sole and also a body of persons, whether corporate or unincorporate;

Precedence : if there is any conflict between the different parts of this Agreement, then unless specifically stated otherwise, the Key Details will prevail over Part 2, and Part 2 will prevail over the Delivery Plan;

Precedence with Memorandum of Understanding: if there is any conflict

between this Agreement and the Memorandum of Understanding, then unless specifically stated otherwise, this Agreement will prevail;

Related Terms: where a word or expression is defined in this Agreement, other parts of speech and grammatical forms of that word or expression have corresponding meanings;

Statutes and Regulations: a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations;

Writing: a reference to "written" or "in writing" includes email and any commonly used electronic document format such as .DOC or .PDF.

END OF PART 3

SCHEDULE: PAYMENT REQUEST

To: DEPARTMENT OF INTERNAL AFFAIRS

Dated: [•]

PAYMENT REQUEST

1. We refer to the Funding Agreement dated [•] 2020 between [•] as recipient (**Recipient**) and the Department of Internal Affairs (**DIA**) (the **Agreement**). Terms defined in the Agreement have the same meaning in this Payment Request.
2. This is a Payment Request for the purpose of clauses 1.2 and 1.3 of the Agreement.
3. Each of the Expenditure Programme Milestones that have been completed are:

[insert description of each of Expenditure Programme Milestones completed, including the date of completion]
4. The amount of Funding requested is \$[•] plus GST if any.
5. The Funding requested in this Payment Request has been or will be required to meet the Eligible Costs.
6. We enclose with this Payment Request:
 - (a) a breakdown / total transaction listing of total Eligible Costs that have been or will be incurred to deliver the completed Expenditure Programme Milestone(s);
 - (b) the conditions to the applicable Expenditure Programme Milestone(s) as set out in the Funding Agreement and the Delivery Plan;
 - (c) a quarterly report; and **Note: (c) is not applicable for the first Payment Request, or where DIA has agreed under item 7 of the Key Terms that a Payment Request does not need to be provided alongside a quarterly report*
 - (d) any other reasonable information or evidence requested by DIA or the Monitor in relation to Eligible Costs that have been incurred or will be incurred.
7. We confirm that:
 - (a) no Termination Event is subsisting; and
 - (b) each of the warranties set out in the Agreement are correct as at the date of this Payment Request.

By and on behalf of the Recipient by

NAME OF RECIPIENT

Chief Executive

Authorised Officer



THREE WATERS STIMULUS GRANT DELIVERY PLAN

Instructions for completion: A single Delivery Plan is to be completed for the full Expenditure Programme. Territorial Authorities may elect to provide appendices providing further detail of specific elements of the proposed expenditure programme.

The draft Delivery Plan must be submitted by the Territorial Authority as soon as possible and in any event by no later than 30 September 2020 to threewaters@dia.govt.nz, with a copy to 3waters@crowinfrastructure.govt.nz. The Delivery Plan will be assessed by the Department of Internal Affairs and Crown Infrastructure Partners Limited, who may elect to provide feedback and require further detail, additions or alterations. A revised version of the Delivery Plan, incorporating all agreed changes, must be submitted for approval thereafter, with the final Delivery Plan to be in an approved form by 31 October 2020.

Where the Department of Internal Affairs requires additional reporting or other assurance based on a specific Delivery Plan, this will be included in section 17 below following the Department of Internal Affairs/Crown Infrastructure Partners Limited review. Section 17 will form part of the Delivery Plan. All figures in this Delivery Plan should be GST exclusive.

Capitalised terms in this Delivery Plan have the meaning given to them in the Funding Agreement, where applicable.

Territorial Authority information

1. Programme Title:	<input type="text"/>
2. Territorial Authority:	<input type="text"/>
3. Total Maximum Amount Payable (NZ\$M):	\$ <input type="text"/>
4. Organisation Lead Contact:	
Name:	<input type="text"/>
Position:	<input type="text"/>
Email:	<input type="text"/>

Expenditure Programme overview

5. Please provide a brief description of the expenditure programme to be undertaken:

6. Location/address of the programme:
(if this is a series of investments, please identify each location where relevant)

7. What is the **total** estimated cost of the programme (NZ\$M)?

8. If the total estimated cost exceeds the Total Maximum Amount Payable, please specify the funding source(s) and amount(s):

Funding Source	Amount (NZ\$M)
	\$
	\$
Total	\$

9. Please provide a high-level breakdown of the expenditure programme including a cost schedule identifying estimated costs for each major component:

10. What is the expected number of people employed, and net jobs created through the expenditure programme? How has this been estimated?

Expenditure Programme commencement

11. Please describe the initial activity to be undertaken on expenditure programme commencement:

Expenditure Programme completion

12. Please outline below the high-level plan that will ensure the expenditure programme is completed by 31 March 2022 (these should largely mirror the milestones below):

Expenditure Programme funding status

13. Please indicate below the expenditure programme funding status:

Included in LTP	Y/N	Amounts NZ\$	Year
Included in Annual Plan 2020/21	Y/N	Amounts NZ\$	N/A
Not funded in any plan	Y/N	Amounts NZ\$	Year
Was funded but COVID-19 deferred	Y/N	Amounts NZ\$	Year
Is any Territorial Authority co-funding being contributed?	Y/N	Amounts NZ\$	Year

14. Please set out the key milestones of the expenditure programme to be undertaken, and for each milestone the planned completion date and budget:¹

	Expenditure Programme Milestone (including a description of how the milestone is identified)	Completion Date	Maximum Funding instalment amount (NZ\$) ²	Budgeted costs to complete the expenditure programme (NZ\$)	[DIA USE ONLY] Funding Conditions
1.	Commencement Date occurring under the Funding Agreement	31 October 2020 (or such date agreed otherwise in writing with DIA under the Funding Agreement)	NZ\$[INSERT HERE] [Note: this is to be 50% of the Total Maximum Amount Payable]	Nil	
2.	[Commencement of expenditure programme]	[date] [To be no later than 31 March 2021]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
3.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
4.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
5.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
6.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
7.	[Completion of expenditure programme]	[date] [To be no later than 31 March 2022]	NZ\$[INSERT HERE]] ³	NZ\$[INSERT HERE]	
	TOTAL		[Must be less or equal to Total Maximum Amount Payable]	[Must be equal to the total estimated cost of the expenditure programme]	

¹ All figures should be GST exclusive.

² You may choose to determine each maximum Funding instalment amount for a milestone on the basis of seeking funds either for application towards costs incurred for that milestone, or for application towards costs to be incurred for the following milestone.

³ The final Payment Request needs to be submitted with the quarterly report for the period ending 31 December 2021.

15. Briefly outline the final expected outcomes/objectives of the expenditure programme:

16. Briefly outline an assessment of how the expenditure programme supports the reform objectives set out in the Memorandum of Understanding relating to Three Waters Services Reform between you and the Sovereign in Right of New Zealand acting by and through the Minister of Local Government:

DIA USE ONLY

17. Additional requirements in respect of the Funding Agreement (such as specific reporting requirements):

The parties acknowledge and agree that this is the agreed Delivery Plan.

SIGNATURES

SIGNED by the **SOVEREIGN IN RIGHT OF NEW ZEALAND** acting by and through the Chief Executive of the Department of Internal Affairs or his or her authorised delegate:

Name:

Position:

Date:

SIGNED for and on behalf of

by the person(s) named below, being a person(s) duly authorised to enter into obligations on behalf of that territorial authority:

Name:

Position:

Date:

Name:

Position:

Date:

COMMERCIAL IN-CONFIDENCE

Page 4 of 4



Our advice

Prepared for SOLGM
Prepared by Jonathan Salter and Lizzy Wiessing
Date 31 July 2020

PRIVILEGED AND CONFIDENTIAL

Three waters services reform MOU - no explicit triggers for consultation before territorial authorities sign

- | | |
|-------------------|--|
| Background | <ol style="list-style-type: none">1. You have asked us to prepare advice to be circulated to territorial authorities with the draft memorandum of understanding for three water services reform (MOU).2. Our advice proceeds on the presumption that councils will enter into the MOU after their annual plan for 2020/21 has been adopted. |
| Question | <ol style="list-style-type: none">3. Do territorial authorities need to consult their community before entering into the MOU? |
| Answer | <ol style="list-style-type: none">4. Generally, no. There are no explicit triggers for consultation before entering into the MOU. The decision to enter into it is of course subject to the general requirements relating to decision-making in Part 6 of the Local Government Act 2002 (LGA 02). If councils consider they do not have a reasonable understanding of community views in relation to the commitments arising from the MOU then they could choose to consult their communities about the decision. We expect this will be the exception not the norm.5. Certain choices made subsequently as to what projects to advance or steps to take might trigger consultation requirements at that time. |

Our reasons

		Page
Summary	<ul style="list-style-type: none"> The obligations assumed on upon entry into the MOU do not trigger any explicit requirements to consult in the LGA 02. 2 The decision is subject to the general requirements relating to decision-making in Part 6 of the LGA 02, meaning local authorities may choose to consult. 3 Subsequent decisions relating to either the reform or projects/funding aspects may trigger consultation requirements at that time. 3-4 	
The obligations assumed upon entry into the MOU have no explicit consultation triggers	<ol style="list-style-type: none"> The key commitment in the MOU is to working constructively together to support the objectives of the the three waters service delivery reform programme (page 3). The MOU contains objectives that will underpin the reform programme and inform the development of reform options/proposals and core reform design features (pages 3 and 4). We refer to this as the reform commitment. It is fundamental to the reform commitment that there is acknowledgement by both parties to the MOU that there are challenges facing the delivery of water services and infrastructure and the communities that fund and rely on those services, that are in need of solutions. These challenges are set out in summary form in the Background section. This section also makes it clear that the reform process and stimulus funding proposed by government is designed to support economic recovery post COVID-19 and address persistent systemic issues facing the three waters sector through a combination of: <ul style="list-style-type: none"> Stimulation investment, to assist economic recovery through job creation and maintain investment in water infrastructure renewals and maintenance; and Reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term. The Background refers to a shared understanding that a partnership approach will best support the wider community and ensure that the transition to any eventual new arrangements is well managed and as smooth as possible. This partnership approach is set out more fully in the section "Principles for Working Together" as a relationship based on mutual trust and respect, openness, non-adversarial dealings and constructive problem-solving, co-operation and information sharing. As principles to underpin dealings between local authorities and the Crown, these are uncontroversial. 	

-
9. The reform objectives which “inform the development of reform options/proposals” are similarly self-evident with the possible exception of the objective of:

“Improving the co-ordination of resources, planning, and unlocking strategic opportunities to consider New Zealand’s infrastructure and environmental needs at a larger scale.”

10. This is offset to some extent by the objective of “undertaking the reform in a manner that enables local government to further enhance the way in which it can deliver on its broader “wellbeing mandates” as set out in the Local Government Act 2002.”
11. The parties to the MOU agree to consider minimum design features which include water service delivery entities of significant scale (most likely multi-regional) to enable benefits from aggregation to be achieved over the medium to long-term, structured as statutory entities.
12. Funding from central government to councils is available in three tranches. Tranche one funding will be provided following entry into the MOU and agreement to an associated funding agreement and delivery plan. The delivery plan will need to show that the funding is to be applied to opex or capex that supports economic recovery through job creation and maintains, increases or accelerates investment in core water infrastructure renewals and maintenance (page 5). The funding cannot be applied to projects already in a council’s annual plan. We refer to this as the projects commitment.
13. The MOU is effective from the date of signing until 30 June 2021, unless terminated earlier or extended.
14. Neither the reform commitment nor projects commitments bind councils to specific three waters projects. Rather, councils are committing to participate in a reform process looking at changes to three waters delivery and identify possible projects that are eligible for funding. The obligations are exploratory/investigative in nature.
15. The MOU cannot, and does not, supplant the planning, accountability and associated consultation obligations of local authorities in the LGA 02. These continue to apply when there is a relevant trigger.
16. Decisions on three waters projects are the likely outcome of the reform process and funding provided, after participation in the process, after entry into the MOU. The consultation can be undertaken at that time.

The decision to enter the MOU is subject to the Part 6 LGA 02 decision-making obligations –

-
17. Whether or not to enter into the MOU will be at councils’ discretion. As a decision, the decision will be subject to the general decision-making obligations in Part 6 of the LGA 02.
18. The Part 6 LGA 02 obligations include the section 78 obligation to consider the views and preferences of interested and affected
-

these do not strongly indicate that consultation is required

persons when making this decision, and determine whether consultation is needed or appropriate in order to identify those views and preferences.

19. This determination as to extent of compliance with section 78 will be a judgement for each council to make under section 79, and will depend in part on the particular council's significance and engagement policy (**SEP**), and its 2020/21 annual plan and current LTP.
20. The availability of Crown funding for core water infrastructure (at an amount disclosed before the MOU is entered into) is a unique opportunity to relieve local funding pressures that councils might reasonably expect their communities to support. The associated commitment to cooperate in a consideration of structural water reform is a subject on which councils may have limited understanding of community views. However, the exploratory/investigative nature of the reform commitment and the express provision in the MOU that it does not give rise to legally enforceable obligations, suggest the ready application of section 79(2) as a justification for not undertaking specific community engagement at this time.
21. Councils should check out of an abundance of caution that their SEP does not indicate a need to consult before entering the MOU. We expect it to be very unlikely that many policies will indicate consultation is required, including because of the nature of the obligations assumed upon entry into the MOU and that the decision is not irrevocable. Also potentially relevant is that the timeframes imposed by central government do not permit sufficient time to consult.
22. If councils enter into the MOU, they may want to consult subsequently on whether to continue their support of reform. LTP consultation in 2021 would be the obvious opportunity, and would provide timely information about whether to participate in tranche two.

Consultation triggers for decisions on three waters reform (post entry into the MOU)

23. Some specific LGA 02 consultation triggers that may be relevant to decisions on three waters reform (after participation in the reform process in the MOU) are:
 - 23.1 **Section 56** – councils must consult before becoming a shareholder in a council controlled organisation (**CCO**). If the reformed service delivery approach leads to councils being shareholders in new multi-regional providers (which seem likely to be CCOs), then section 56 may be triggered.
 - 23.2 **Section 97(1)(b)** – if the reformed delivery approach amounts to a "decision to transfer the ownership or control of a strategic asset to or from the local authority", then it would be necessary to amend the council's LTP to explicitly provide for this decision, which requires consultation under section 93E. Water network assets are almost always listed as a strategic asset in SEPs.

Consultation triggers for decisions on three waters projects (post entry into the MOU)

23.3 **Section 137(3)(a)** – councils must consult before entering into a “joint arrangement”, which is an arrangement between a council and another party “for the purpose of providing water services or any aspect of a water service”. This trigger may be remote, particularly if central government in providing funding is not also seeking to provide any aspect of a water service.¹

24. One specific consultation trigger that needs to be considered is section 97(1)(a) of the LGA 02. If the projects being funded would significantly alter levels of service for three waters activities, then it would be necessary to amend the council's LTP to explicitly provide for this decision, which requires consultation under section 93E.
25. It will depend on particular councils' LTPs, but this trigger can likely be avoided by councils selecting appropriate projects. (This was generally achieved by councils as they responded to the impacts of COVID-19 during the annual plan process for 2020/21).
26. Leaving aside section 97(1)(a), section 78 will still be relevant. It should be reasonably safe for councils to not consult to address section 78 where projects are brought forward from future work programmes and the combined effect of these projects is not a significant or material variation from the 2020/21 annual plan or LTP.
27. As to whether the combined effect of projects brought forward is a significant or material variation from the 2020/21 annual plan or LTP will depend on the degree to which the projects are already provided for in the annual plan or LTP and what, if any, financial impact there may be on the particular council. If projects are already provided for in the infrastructure strategy (in the LTP) and they can be entirely funded from central government (meaning no negative financial impact on the council), it seems very unlikely that there will be a significant or material variation from the annual plan or LTP of any consequence to the community. On this basis, consultation is unlikely to be indicated.
28. Strictly, the provision of central government funding could create a material change to revenue commitments (even if it is downward rather than upward) that reflect in a change to financial statements included in an annual plan, that, given the degree of change, could be expected to be consulted on before being adopted. Councils encountered similar issues in preparing their annual plans to respond to COVID-19 where different funding sources (for example borrowing or reserve funds) have had to be employed from what was anticipated. These decisions tended to be made without further consultation if the council assessed that it did not affect levels of service with reference to section 97 or was within the scope of rate change consulted on. In the current circumstances, we consider that the fact that the change is not detrimental lessens the risk of not consulting and (having occurred after the annual plan has been

¹ Section 17A requires periodic reviews of service delivery, but this section in itself does not contain a trigger for consultation.

adopted) makes it something that is duly reported on in the annual report and treated as an operating surplus.

29. We note that councils are not absolutely bound by their plans or policies (under sections 96 and 80), but this does not remove the need to assess whether consultation is appropriate when departing from them. Consistency with plans and policies is often a criterion for significance in SEPs. Where consultation does not occur, relevant statutory compliance will likely include disclosure in the annual report, and perhaps resolving in accordance with section 80 (where the departure from the annual plan is significant).

**Please call or
email to discuss
any aspect of this
advice**

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Proposed Crown Infrastructure Three Waters Reform Projects 2020 to 2022

WASTEWATER ASSETS					
CAMMS CODE	ACTIVITY	SCHEME	DESCRIPTION / COMMENTARY	SDC Allocation	Regional Allocation
10478	Wastewater	Te Anau	Caswell Road Upgrade	\$ 1,000,000.00	
10067	Wastewater	Te Anau	Wastewater Upgrade	\$ 2,000,000.00	
10024	Wastewater	Stewart Island	Disposal Field Upgrade		\$ 300,000.00
10470	Wastewater	Riverton	Extend sewer to Princess & Carrol Streets		\$ 100,000.00
10487	Wastewater	Winton	Stormwater infiltration project		\$ 590,000.00
Sub Total				\$ 3,000,000.00	\$ 990,000.00

STORMWATER ASSETS					
CAMMS CODE	ACTIVITY	SCHEME	DESCRIPTION / COMMENTARY	SDC Allocation	Regional Allocation
N/A	Stormwater	Waianiwa	Renewal and Upgrade of stormwater main along Waiaia Oporo Rd	\$ 400,000.00	
N/A	Stormwater	Riverton	Towack St Upgrade		\$ 200,000.00
10437	Stormwater	Orepuki	Upgrade stormwater main to main road		\$ 240,000.00
10444	Stormwater	Te Anau	Stormwater improvements to Mokonui Street / Towncentre junction		\$ 100,000.00
10431	Stormwater	Edendale/Wyndham	Investigate, Design and renewal of SW mains and manholes		\$ 1,130,000.00
10442	Stormwater	Stewart Island	Stormwater improvement Town Centre and Ayr Street		\$ 150,000.00
Sub Total				\$ 400,000.00	\$ 1,820,000.00

WATER SUPPLY ASSETS					
CAMMS CODE	ACTIVITY	SCHEME	DESCRIPTION / COMMENTARY	SDC Allocation	Regional Allocation
N/A	Water Supply	District Wide	Water safety plans for various schemes	\$ 150,000.00	
10240	Water Supply	Curio Bay	Upgrade water treatment at Curio Bay, including cartage in the interim	\$ 70,000.00	
10517	Water Supply	District Wide	Replacement of AC Pipe at end of useful life	\$ 1,930,000.00	\$ 1,930,000.00
N/A	Water Supply	District Wide	Instrumentation and automation to meet compliance with NZDWS across all plants	\$ 150,000.00	\$ 150,000.00
N/A	Water Supply	District Wide	Community grants for upgrade of water treatment at public facilities		\$ 500,000.00
Sub Total				\$ 2,300,000.00	\$ 2,580,000.00

MISCELLANEOUS ASSETS MANAGEMENT					
CAMMS CODE	ACTIVITY	SCHEME	DESCRIPTION / COMMENTARY	SDC Allocation	Regional Allocation
N/A	Various	District Wide	Condition and performance assessment of piped assets - CCTV, cleaning and review - catchment assessment/capacity assessment - minor repairs for enabling	\$ 750,000.00	\$ 750,000.00
N/A	Various	District Wide	Regional collaboration allocation		\$ 600,000.00
Sub Total				\$ 750,000.00	\$ 1,350,000.00

LTP Year	Comments	Meters	Board Area	Method	Delivery/QA
1 & 2 (50/50)	Requires replacement and upgrade of 800m of 225mm sewer main. Relevant rates are around \$1300/m inclusive of everything	800m	Fiordland	Design build, as alignment exists just needs upgraded	EXTERNAL
1	Contribution towards ongoing works		Fiordland	N/A	N/A
1 & 2 (50/50)	Design work being completed now and likely to fall under minor cappel	N/A	Stewart Island	Minor cappel intended	Joe
2	Project identified through Councillor and included in LTP	400m (pumped line)	Aparima	Design Build	PDT
1 & 3	Physical works allowances for remedial work discovered through I&I project	unknown	Oreti	Design Build	EXTERNAL

LTP Year	Comments	Meters	Board Area	Method	Delivery/QA
N/A	Project was identified last month through liaison with roading team. Stimulus funding seems like an ideal source of funds as the area is not currently rated for stormwater as the infrastructure hadn't been identified previously.	500m	Aparima	Full design required, WSP were approached for OOS only last week	EXTERNAL
N/A	Unsure of scope here.	?	Aparima	presume Full design required	EXTERNAL
2	Ongoing coastal erosion issue which was included in the LTP cycle by SW asset manager, the idea was to renew the SW main on the opposite grade and have the discharge back through to the other side of town to a well formed gully. Avoiding the coastal discharge all together	300m	Tuatapere	Full design required	EXTERNAL
1	Project has been identified and scoped for some time due to ongoing flooding issue at Mokonui Street/Town Center intersection	30m	Fiordland	Negotiate with contractors, scope and design known	Joe
3 & 4	Based on relevant rates we could achieve around 850m of stormwater main/manhole/connection renewal with this figure (which also has \$1.03M for years 5 and 6 of the LTP)	850m approx	Waihopai ToeToe	Full design required	EXTERNAL
1	Project has been identified through Councillor liaising with SW asset manager and included in the LTP cycle. Ayr Street is the priority however - if funds are limited	150m approx if \$\$ avail.	Stewart Island	Full design required	EXTERNAL

LTP Year	Comments	Meters	Board Area	Method	Delivery/QA
N/A	PDP are completing water safety plans for us currently at roughly \$15k per plan	N/A	N/A	PDP to continue	Bevan/Paul/Joe
N/A	Design and landowner agreement has been completed while water carrying still continues	N/A	Waihopai ToeToe	Minor cappel intended	Bill
1 to 3	At current relevant rates for 100mm replacement we could estimate around 3000m for a \$1.4M allowance. Could easily identify 1000m packages for Otautau, Riverton, Tuatapere, Lumsden, Te Anau, Eastern Bush (3000m through green fields)	3000m	District Wide	Design build	EXTERNAL
N/A	Upgrade and addition of new instrumentation at water treatment plants for compliance with NZDWS. To include turbidity meters, depolox analysiers, auto valving	N/A	District Wide	Minor cappel intended	Bevan/Joe
N/A	Outsourcing assessment and audit to Great South? Collaboration possibility with ICC and GDC	N/A	District Wide	Great South?	EXTERNAL

LTP Year	Comments	Meters	Board Area	Method	Delivery/QA
N/A	Based on \$30/m for CCTV&clean and \$10/m for review/assess/input then this is 12.5km per \$500,000. Project could also include for consultant review/recommendations of existing CCTV which has not yet been reviewed	12500 (x2 if tranche 2 included)	District Wide	To market for pricing. Target areas identified by Asset Managers/Contracts Manager	Asset Managers plus EXTERNAL
N/A	As per agreed through Southland/Otago Mayoral forum	N/A	District Wide	N/A	EXTERNAL

	SDC Allocation	Regional Allocation
Tranche Sub Totals	\$ 6,450,000.00	\$ 6,740,000.00
Design/Delivery/QA allowance (10%)	\$ 645,000.00	\$ 674,000.00

Sub Totals	\$ 7,095,000.00	\$ 7,414,000.00
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TOTAL	\$ 14,509,000.00
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Priority Breakdown	
\$	4,270,000.00
\$	1,230,000.00
\$	1,240,000.00
Total Check	\$ 6,740,000.00

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 Road Structural Inspection Services Contract 20/02

C10.2 Building Solutions - Unbudgeted Expenditure Request

C10.3 Milford Sound Tourism Directorship

C10.4 Appointment of Great South Board of Directors

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
Road Structural Inspection Services Contract 20/02	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.
Building Solutions - Unbudgeted Expenditure Request	s7(2)(d) - The withholding of the information is necessary to avoid prejudice to measures protecting the health and safety of members of the public. 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.
Milford Sound Tourism Directorship	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	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.
Appointment of Great South Board of Directors	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	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.