



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

Date: Tuesday, 29 March 2022
Time: 9am
Venue: Virtual meeting via Zoom

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	Cameron McIntosh
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.

Health and safety – emergency procedures

Toilets – The toilets are located outside of the chamber, directly down the hall on the right.

Evacuation – Should there be an evacuation for any reason please exit down the stairwell to the assembly point, which is the entrance to the carpark on Spey Street. Please do not use the lift.

Earthquake – Drop, cover and hold applies in this situation and, if necessary, once the shaking has stopped we will evacuate down the stairwell without using the lift, meeting again in the carpark on Spey Street.

Phones – Please turn your mobile devices to silent mode.

Recording - These proceedings are being recorded for the purpose of live video, both live streaming and downloading. By remaining in this meeting, you are consenting to being filmed for viewing by the public.

Covid QR code – Please remember to scan the Covid Tracer QR code.

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1 Apologies

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

2 Leave of absence

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

3 Conflict of Interest

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

4 Public Forum

Notification to speak is required by 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 meetings of 25 January 2022 and 22 February 2022



Council OPEN MINUTES

Minutes of a meeting of Council held by Virtual meeting via Zoom (digital technology) on Tuesday, 25 January 2022 at 9.02am. (9.02am – 10.12am)

PRESENT

Mayor	Mayor Gary Tong
Deputy Mayor	Ebel Kremer
Councillors	Don Byars
	John Douglas (9.07am – 10.12am)
	Paul Duffy
	Bruce Ford
	Darren Frazer
	George Harpur
	Julie Keast
	Christine Menzies
	Karyn Owen
	Margie Ruddenklau
	Rob Scott

APOLOGIES

Councillor Douglas (for lateness)

IN ATTENDANCE

Chief executive	Cameron McIntosh
Committee advisor	Fiona Dunlop

1 Apologies

There was an apology for lateness from Councillor Douglas.

Resolution

Moved Mayor Tong, seconded Cr Kremer and resolved:

That Council accept the apology.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

Maree Wilks addressed the meeting regarding a project she is working on which is about multicultures living in Southland from then to now.

(During public forum Councillor Douglas joined the meeting at 9.07am.)

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Council Minutes

Resolution

Moved Mayor Tong, seconded Cr Ruddenklau and resolved:

That Council confirms the minutes of the meeting held on 17 December 2021 as a true and correct record of that meeting.

Reports - Policy and Strategy

7.1 Proposal for new Northern pool rate (Mossburn and Northern Southland pools)

Record No: R/21/12/64536

Finance development co-ordinator – Nicole Taylor and Community partnership leader – Kelly Tagg were in attendance for this item.

The officers advised that the purpose of the report was for Council to approve a request from the Northern community board to support the proposal to establish a new pool rate.

Council noted that the proposal included:

- (a) establishing a fund to provide annual funding assistance to the two pools in the board area to which pool committees can apply for funding
- (b) setting the initial amount of financial assistance to be collected for the pool fund at \$17,825 (including GST) in 2022/2023
- (c) consulting on two options for collecting the pool funds through a new separate targeted pool rate based on either:
 - (i) the entire Northern Community Board area where all properties in this area pay the same fixed amount (\$19.29) per separately used or inhabited part of a rating unit; or
 - (ii) a combined Five Rivers hall, Lumsden hall and Mossburn hall rating area where all properties in this area pay the same fixed amount (\$24.28) per separately used or inhabited part of a rating unit.

Resolution

Moved Cr Scott, seconded Cr Frazer and resolved:

That the Council:

- a) **receives the report titled “Proposal for new Northern pool rate (Mossburn and Northern Southland pools)” dated 18 January 2022.**
- 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) subject to community consultation, **support the Northern Community Board’s** proposal to establish a new separate targeted pool rate for the pool funding based on either:

- (i) the entire Northern Community Board area where all properties in this area pay the same fixed amount per amount per separately used or inhabited part of a rating unit (SUIP); or
- (ii) a combined Five Rivers hall, Lumsden hall and Mossburn hall rating area where all properties in this area pay the same fixed amount per separately used or inhabited part of a rating unit (SUIP).

Reports - Operational Matters

8.1 Financial Report for the period ended 30 November 2021

Record No: R/22/1/161

Graduate accountant – Brie Lepper was in attendance for this item.

Miss Lepper advised that the purpose of the report was to provide Council with an overview of the financial results for the five months to 30 November 2021 by the seven activity groups of Council, as well as the financial position, and the statement of cash flows as at 30 November 2021.

Resolution

Moved Cr Douglas, seconded Cr Duffy and resolved:

That the Council:

- a) **receives the report titled “Financial Report for the period ended 30 November 2021” dated 18 January 2022.**

8.2 Open spaces project

Record No: R/21/11/63646

Graduate planner – Bridget Elliot was in attendance for this item.

Miss Elliott advised that the purpose of the report was to seek approval of Council for the proposed delivery plan to spend \$5.4 million tagged for open spaces projects in the 2018 Long Term Plan.

Council noted that various documents had been produced that set direction and assess priorities in open spaces in the District including the Open Spaces Strategy 2014 and Open Space Priority Settings 2017.

Miss Elliott further advised that there had been engagement with community boards, Youth Council and online with communities in the Southland district, to assess 2021 priorities in order to develop a delivery plan for the spend that will provide communities with a treasured network of open spaces that celebrates, can be appreciated and enjoyed by current and future generations.

Council also noted that the 2021 delivery plan is split into three key areas: activation and management, strategic district projects and the community open space project fund.

Resolution

Moved Cr Keast, seconded Cr Kremer recommendations a to c and d with an addition (as indicated) and resolved

That the Council:

- a) **receives the report titled “Open spaces project” dated 18 January 2022.**
- b) determines that this matter or decision be recognised as not significant in terms of section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) agrees to approve the delivery plan for the open spaces project and report quarterly to the Services and Assets Committee on progress.

8.3 Winton and Te Anau office project financial update

Record No: R/21/11/62898

Community facilities manager – Mark Day was in attendance for this item.

Mr Day advised that the purpose of the report was to provide Council with a financial update on the Winton office/ library and Te Anau office refurbishments.

Resolution

Moved Cr Kremer, seconded Cr Harpur and resolved:

That the Council:

- a) **receives the report titled “Winton and Te Anau office project financial update” dated 18 January 2022.**
- 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.

8.4 John Street (Winton) upgrade and Te Anau footpath renewals unbudgeted expenditure

Record No: R/21/12/66849

Roading engineer – Ben Whelan was in attendance for this item.

Mr Whelan advised that the purpose of this report was to request unbudgeted expenditure for the Winton - John Street footpath and carpark upgrade as well as the 2021/2022 Te Anau - footpath renewals.

Council noted that the appropriate community boards (Oreti and Fiordland) considered reports in December 2021 and recommended to Council to approve the unbudgeted expenditures of \$45,000 (including \$15,000 contingency) and \$40,456 respectively.

Resolution

Moved Cr Frazer, seconded Cr Scott and resolved:

That Council:

- a) **receives the report titled “John Street (Winton) upgrade and Te Anau footpath renewals unbudgeted expenditure” dated 18 January 2022.**
- 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 \$45,000 to complete the current scope for the John Street footpath and parking project to be funded from the Winton property sales reserve.
- e) approves the unbudgeted expenditure of \$40,456 to complete the 2021/2022 Te Anau footpath renewals to be funded from the Te Anau general reserve.

The meeting concluded at 10.12am.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A
MEETING OF THE COUNCIL HELD ON TUESDAY 25
JANUARY 2022.

DATE:.....

CHAIRPERSON:.....



Council

OPEN MINUTES

Minutes of a meeting of Council held as a Virtual meeting via Zoom on Tuesday, 22 February 2022 at 9am. (9am - 10.34am, 10.50am – 12.30pm (PE 11.45am – 12.30pm))

PRESENT

Mayor	Mayor Gary Tong
Deputy Mayor	Ebel Kremer
Councillors	Don Byars
	John Douglas
	Paul Duffy
	Bruce Ford
	Darren Frazer (9am – 12.15pm)
	George Harpur
	Julie Keast
	Christine Menzies
	Karyn Owen
	Margie Ruddenklau
	Rob Scott

APOLOGIES

Cr Frazer (early departure)

IN ATTENDANCE

Chief executive - Cameron McIntosh
Committee advisor/Customer support partner - Lagi Kuresa

1 Apologies

There was an apology for an early departure from Cr Frazer.

Moved Cr Owen, seconded Cr Keast and resolved:

That Council accept the apology.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

There was no public forum.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Council Minutes

The minutes of the meeting of 25 January 2022 were not confirmed at the meeting.

Reports - Policy and Strategy

7.1 Draft Stewart Island/Rakiura visitor levy bylaw and policy - consultation

Record No: R/22/2/2958

Senior policy analyst – Carrie Williams was in attendance for this item.

Ms Williams advised that the purpose of the report was to present the draft Stewart Island/Rakiura visitor levy policy, the draft Stewart Island/Rakiura visitor levy bylaw and an associated Statement of Proposal, for Council to endorse for consultation.

Resolution

Moved Cr Duffy, seconded Cr Owen and resolved:

That the Council:

- a) **receives the report titled “Draft Stewart Island/Rakiura visitor levy bylaw and policy - consultation” dated 14 February 2022.**
- 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) determines pursuant to section 155(1) of the Local Government Act 2002 that a bylaw is the most appropriate way of addressing the funding problems faced by Stewart Island/Rakiura.
- e) determines pursuant to section 155(2)(a) of the Local Government Act 2002 that the draft Stewart Island/Rakiura Visitor Levy Bylaw is the most appropriate form of bylaw.
- f) determines pursuant to section 155(2)(b) of the Local Government Act 2002, that the draft Stewart Island/Rakiura Visitor Levy Bylaw does not give rise to any implications under the New Zealand Bill of Rights Act 1990.
- g) endorses the recommendation from the Community and Strategy Committee that the amount of levy and revenue collected should be \$15.00 (including GST).
- h) endorses and releases the Statement of Proposal outlined in attachment A (that includes the draft Stewart Island/Rakiura Visitor Levy Bylaw and draft Stewart Island/Rakiura Visitor Levy Policy) for consultation in accordance with the Special Consultative Procedure outlined in sections 83, 86 and 87 of the Local Government Act 2002, from 8am 1 March to 5pm 1 April 2022.
- i) determines that it has followed the requirements of section 80 of the Local Government Act 2002 (which must be followed when making decisions inconsistent with policy), regarding the proposal to consult on an increase to the visitor levy quantum in accordance with the Special Consultative Procedure, but not via the Annual Plan process.
- j) endorses Council working with approved operators and levy funding recipients on an ongoing basis, to increase community and visitor understanding of the Stewart Island/Rakiura visitor levy.

7.2 Community Board requests for review of two Council bylaws outside scheduled review cycle

Record No: R/22/2/3439

Strategy and policy manager – Michelle Fowler-Stevenson was in attendance for this item.

Mrs Fowler-Stevenson advised that the purpose of the report was to request that Council consider resolutions from the Stewart Island/Rakiura Community Board and the Fiordland Community Board that request that Council bring forward its review of the Roding bylaw and the Dog Control bylaw respectively.

Resolution

Moved Cr Frazer, seconded Cr Douglas and resolved:

That the Council:

- a) **receives the report titled “Community Board requests for review of two Council bylaws outside scheduled review cycle” dated 17 February 2022.**
- 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) agree that the Roding bylaw review be brought forward to the end of 2022, with the intention of adoption of a revised bylaw by the end of 2023.
- e) agree to maintain the Dog Control bylaw schedule, so that formal review of this bylaw is in 2025, and to not undertake an amendment or review in 2022.

7.3 South District Council Submission - Exposure Draft Natural and Built Environment Bill

Record No: R/22/2/4105

Resource management planner – Margaret Ferguson was in attendance for this item.

Ms Fergusson advised that the purpose of the report was for Council to approve the Southland District Council submission to the Resource Management Act Reform.

Resolution

Moved Cr Scott, seconded Cr Menzies and resolved:

That the Council:

- a) receives **the report titled “Southland District Council Submission – Exposure Draft Natural and Built Environments Bill.**

- b) determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) agrees to give delegated authority to the General Manager of Infrastructure and Environmental Services to incorporate comments and feedback from Te Ao Marama into the attached submission.
- e) agrees to approve the submission on the exposure draft Natural and Built Environments Bill (attached as attachment A to the officers report).

7.4 Draft significant forecasting assumptions for the 2022/2023 Annual Plan

Record No: R/22/2/4337

Corporate performance lead – Jason Domigan and Project Accountant – Emma Strong were in attendance for this item.

Mr Domigan advised that the purpose of the report was for the review and adoption the draft significant forecasting assumptions to be used to support the 2022/2023 Annual Plan, which will be adopted in June 2022.

Resolution

Moved Cr Douglas, seconded Cr Kremer and resolved:

That the Council:

- a) **Receives the report titled “Draft significant forecasting assumptions for the 2022/2023 Annual Plan” dated 17 February 2022.**
- 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) Adopt the significant forecasting assumptions from the Long Term Plan 2021-2031 (attachment A of **the officer’s report**) including the proposed change below:

- i) Increase the interest rates on borrowing from 2% to 3%.

7.5 Three-yearly District revaluation

Record No: R/22/2/4465

Finance development coordinator – Nicole Taylor was in attendance for this item.

Miss Taylor advised that the purpose of the report was to advise Council of the latest District valuation undertaken by Quotable Value Limited.

Resolution

Moved Mayor Tong, seconded Cr Ruddenklau and resolved:

That the Council:

- a) **receives the report titled “Three-yearly District revaluation” dated 15 February 2022.**

Reports - Operational Matters

8.1 Mokoreta Redan Centennial Memorial Hall - transfer of ownership

Record No: R/21/12/67027

Property advisor – Theresa Cavanagh was in attendance for this item.

Ms Cavanagh advised that the purpose of the report was for Council approval to transfer ownership of the Mokoreta Redan Hall property from Council to the Mokoreta Redan Centennial Hall Society Incorporated.

Council noted that the Waihopai Toetoe Community Board at their meeting on 14 December 2021 recommended to Council that the ownership of the land and building associated with the Mokoreta Redan Hall (Lot 1 DP 5491 held in SL211/41) be transferred to the Mokoreta Redan Centennial Hall Society Incorporated for \$1.

Resolution

Moved Cr Menzies, seconded Cr Harpur and resolved:

That the Council:

- a) **receives the report titled “Mokoreta Redan Centennial Memorial Hall - transfer of ownership” dated 3 February 2022.**
- 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 Mokoreta Hall property, being Lot 1 DP 5491 held in SL211/41, to the Mokoreta Redan Centennial Hall Society Incorporated for \$1.
- e) Agrees that the chief executive be given delegated authority to enter into an Agreement for Sale and Purchase with Mokoreta Redan Centennial Hall Society Incorporated.

8.2 Management report

Record No: R/22/1/119

Chief executive – Cameron McIntosh was in attendance for this item.

Resolution

Moved Mayor Tong, seconded Cr Menzies and resolved:

That Council:

- a) **Receives the report titled “Management report” dated 17 February 2022.**

(The meeting adjourned for morning tea at 10.34am and resumed at 10.50am.)

8.3 Closure of Fortrose hall and declaring the building to be surplus to requirements and to be disposed of by way of removal or demolition

Record No: R/22/1/2503

Property services manager – Kevin McNaught was in attendance for this item.

Mr McNaught advised that the purpose of the report was for the meeting to consider the community request to close the Fortrose hall and for the building to be disposed of by either removal or demolition.

Resolution

Moved Cr Duffy, seconded Cr Kremer and resolved:

That the Council:

- a) **receives the report titled “Closure of Fortrose hall and declaring the building to be surplus to requirements and to be disposed of by way of removal or demolition” dated 4 February 2022.**
- b) determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.

- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) agrees that the Fortrose Hall be closed for public use at a date decided by the Group Manager programme delivery
- e) determines that the Fortrose hall building is surplus to requirements and is to be disposed of by way of removal or demolition and that the Chief Executive be delegated authority to determine the method and price as well as enter into the relevant agreements or contracts.
- f) determines that any future development plans for the site by Council only be finalised after consulting with the Fortrose community.

8.4 Financial Report for the period to 31 December 2021

Record No: R/22/2/3317

Financial Accountant – Sheree Marrah was in attendance for this item.

Miss Lepper advised that the purpose of the report was to provide Council with an overview of the financial results for the six months to 31 December 2021 by the seven activity groups of Council, as well as the financial position, and the statement of cash flows as at 31 December 2021.

Council noted that a key point in the report was that at 31 December 2021, Council was in breach of its Investment and Liability Management Policy. This policy requires that Council can invest no more than \$10 million with one bank. At 31 December 2021 Council had \$12.5 million invested/on call with BNZ.

As a result of the policy requirements, officers had brought the breach to the attention of Council.

Resolution

Moved Mayor Tong, seconded Cr Frazer and resolved:

That the Council:

- a) **Receives the report titled “Financial Report for the period to 31 December 2021” dated 16 February 2022.**
- b) Notes and accepts the risks associated with the breach of the investment and liability management policy.

8.5 Building solutions team - unbudgeted expenditure request

Record No: R/22/2/4788

Manager building solutions – Julie Conradi was in attendance for this item.

Mrs Conradi advised that the purpose of the report was to ensure that sufficient capacity is available in the building solutions team to continue delivering a legislative compliant level of service into the future and respond to increasing consenting volumes and the intention to continue as planned with an incremental fee increase of 5% for the financial year 2022/2023 period to further align fees with the cost of doing business and reduce reliance on Council to subsidise these costs.

Council noted that staff are asking for unbudgeted expenditure rather than seeking approval through the 2022/2023 Annual Plan so that recruitment processes can commence sooner rather than having to wait for the Annual Plan approval in June 2022. If recruitment is successful, any additional salary costs up until 30 June 2022 can be met from existing budget underspends as a result of vacancies and recruitment timing.

Resolution

Moved Cr Duffy, seconded Cr Kremer recommendations a to f and a new g (as indicated) and resolved:

That the Council:

- a) **receives the report titled “Building solutions team - unbudgeted expenditure request” dated 17 February 2022.**
- 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 the intent to increase fees by 5% through the 2022/2023 Annual Plan process to better align fees with the cost of doing business.
- e) Approves unbudgeted expenditure of \$375,000 for the 2022/2023 financial year to be funded by increased fee revenue \$181,162, increase in rates funding \$75,000 and an increase in use of the district ops reserve \$118,838.
- f) Requests staff incorporate the approved unbudgeted expenditure in resolution (e) into the 2022/2023 Annual Plan.

new(g) requests that management provide detailed quarterly financial information on unbudgeted expenses for future rates.

Public Excluded

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

Resolution

Moved Mayor Tong, seconded Cr Scott and resolved:

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

C10.1 Great South - Statement of Intent 2022/2023

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
Great South - Statement of Intent 2022/2023	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. s7(2)(i) - the withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

The public were excluded at 11.45am.

(Cr Frazer left the meeting at 12.15pm.)

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting concluded at 12.30pm.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A
MEETING OF THE COUNCIL HELD ON TUESDAY 22
FEBRUARY 2022.

DATE:.....

CHAIRPERSON:.....

Around the Mountains Cycle Trail Trust - Update

Record no: R/22/3/10847

Author: Fiona Dunlop, Committee advisor

Approved by: Fran Mikulicic, Group manager democracy and community

☐ Decision

☐ Recommendation

☒ Information

Update

- 1 The Chair of the Trust – Nic Wills will be present to update Council on the Trust.

Recommendation

That the Council:

- a) **receives the report titled “Around the Mountains Cycle Trail Trust - Update” dated 21 March 2022.**
- b) agrees to thank the Trust for their update.

Attachments

There are no attachments for this report.

Progress report on Annual Plan 2022/2023

Record No: R/22/3/7756

Author: Jason Domigan, Corporate performance lead

Approved by: Fran Mikulicic, Group manager democracy and community

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is that Council resolve to proceed with the Annual Plan without undertaking formal consultation based on information provided within the report.
- 2 The report also seeks to provide an update to Council on the progress of the Annual Plan 2022/2023.

Executive summary

- 3 The Annual Plan process ensures that planned community initiatives, projects, revenue and financing for the upcoming financial year align with the Long Term Plan (LTP) overall strategic vision. Where extraordinary projects or changes to the level of service are needed outside of the LTP process, the Annual Plan provides an opportunity to consider these to ensure the on-going needs of the community are met.
- 4 The Annual Plan 2022/2023 is for year two of the LTP 2021-2031, and the project plan provides a clear timetable of key tasks and milestones to ensure that the Annual Plan is ready for approval by 30 June 2022.
- 5 Staff have discussed with councillors the potential Annual Plan changes and whether formal consultation should be undertaken. As a result, councillors suggested that it was important to share information with the community regarding the Annual Plan 2022/2023 in early 2022, and at that time the general view was it would not be necessary for formal consultation to be undertaken.
- 6 On 11 February 2022, the Finance and Assurance Committee endorsed the project plan for the Annual Plan 2022/23. The Committee also resolved to recommend to Council that formal consultation on the Annual Plan not be undertaken due to no significant or material differences from year two of the 2021/2031 Long Term Plan being indicated at that time and for Annual Plan information be communicated to the community through First Edition.
- 7 This report outlines two options for consideration by Council; to approve the updated project plan and note the provision of a community information approach for the Annual Plan, or to make amendments to the proposed project plan.
- 8 Staff recommend that the Council adopts the project plan and provide the community with the information as detailed. On this basis, formal consultation for the Annual Plan 2022/2023 would not be undertaken.

Recommendation

That the Council:

- a) **Receives the report titled “Progress report on Annual Plan 2022/2023” dated 23 March 2022.**
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Agrees to the updated Annual Plan 2022/2023 project plan subject to any amendments at this meeting.
- e) Notes that on 11 February 2022, the Finance and Assurance Committee recommended to Council that formal consultation on the Annual Plan not be undertaken due to no significant or material differences from year two of the 2021/2031 Long Term Plan and for Annual Plan information be communicated to the community through First Edition.
- f) Agrees that formal consultation on the Annual Plan not be undertaken due to no significant or material differences from year two of the Long Term Plan 2021-2031.
- g) Requests that staff communicate Annual Plan information through the April and **August 2022 editions of Council’s publication First Edition** in addition to its normal channels.

Background

- 9 The purpose of the Annual Plan is to:
 - a) contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and
 - b) identify any variation from the financial statements and funding impact statement included in the local authority’s long-term plan in respect of the year; and
 - c) provide integrated decision making and co-ordination of the resources of the local authority; and
 - d) contribute to the accountability of the local authority to the community.
- 10 There are occasions where extraordinary projects or changes to the level of service may be needed outside of the LTP process. The Annual Plan is an opportunity to raise these variances to ensure that the on-going needs of the community are being met.

Annual Plan consultation issues

- 11 Staff have identified the following key variations to the LTP in this annual plan to be considered in terms of significant or material differences.

Waka Kotahi Funding

- 12 During the LTP, Council consulted on an increased roading and bridging programme in order to continue to provide existing levels of service across our roading network over the next 10 years. The first three years of this works programme proposed approximately \$100 million in work to be completed with 52% funded by Waka Kotahi and 48% funded from rates. Support for and against the increases was reasonably even across the submissions however very few submitters wanted to see decreases in levels of service. Council deliberated to undertake the proposed programme of work outlined given the vital nature of the network to our communities.
- 13 Following Council's deliberations on the LTP, Council was subsequently informed by Waka Kotahi that the full programme of works is unable to be funded in the first three years of the plan. As a result, some of the programmed works for the first 3 years was moved to begin in 2024.
- 14 In August 2021, Waka Kotahi advised Council of its three year funding in the National Land Transport Plan. The result was an overall increase to the roading programme of approximately \$5 million compared to budgets adopted in June for the first three years of the LTP.
- 15 Following this, staff have redeveloped the roading programme for the first three years of the LTP. What this effectively means for year two of the Long Term Plan is an additional \$965,614 needs to be funded from rates.
- 16 To offset this, staff are proposing to bring forward from year four of the Long Term Plan, the \$1 million from the strategic asset reserve to use in the 2022/2023 year. Due to the changes in the roading programme outlined above, \$1 million of the strategic asset reserve was moved from year one of the LTP into year four of the LTP to offset the increase in the roading programme.
- 17 As stated above, both road rehabilitations and bridges were key issues highlighted through the formal consultation process on the LTP. Council has a good understanding of the community views through that feedback and has been able to utilise the use of \$1 million of the strategic asset reserve to offset the impact on rates for this year. As a result, staff believe the additional Waka Kotahi funding is not considered to be a significant or material difference from the content of year two of the LTP.

Extensions to existing targeted rates

- 18 As part of the development of the Annual Plan 2022/23, staff have noted the extensions of targeted rates relating to pools and community halls as detailed below.

Northern swimming pool rates

- 19 The Northern Community Boards is considering a proposal to provide funding assistance to two pools in their area (Mossburn and Northern Southland in Lumsden). The board is considering two different options for how the funding could be collected (via a new rate across the whole

board area or a part of the board area) and are planning to seek feedback from their community on the proposal. This separate consultation would help to ensure that the community has an opportunity to provide feedback. Once the board has sought feedback from their community on this issue they will consider that feedback before making any recommendations to Council about the rate.

Tuturau Hall

- 20 The Waihopai Toetoe Community Board are also working with the Tuturau Hall Committee to investigate an option to extend the Tuturau hall rating boundary. While staff are currently working through this process with the community board, at this stage, given the small number of properties likely to be affected and the level of the rate (currently \$47.37 in 2021/22), staff are not of the view that separate consultation will be required.

Curio Bay Wastewater

- 21 The Council agenda for this meeting also includes a report from staff on extending the district wastewater rating boundary (used to define which properties pay the targeted wastewater rate in the Annual Plan) to include properties connected to the Curio Bay wastewater treatment plant (at the Recreation Reserve and Porpoise Bay subdivision). The costs for the treatment plant are currently funded as part of the Recreation Reserve budget (funded from the General rate). However, as the plant is now taking waste from properties outside of the reserve, the plant is likely to be now considered to be a district wastewater scheme and properties connected should be charged the district-wide targeted wastewater rate.

Implications on rating

- 22 The year ahead is going to be another significant one for Council, as the programme to step up our delivery of capital projects, and to replace and maintain more of our infrastructure, which was forecast in our Long Term Plan 2021-2031 (LTP).
- 23 Council is budgeting on an average rate increase across the district of 9.22% in 2022/2023. The main drivers for this were the increase in interest rate, biodiversity staff, toilets, waste management, election year costs for representation, staff wages and training, sewerage maintenance, loans and depreciation, additional Waka Kotahi funding for roading, water maintenance and loans, sewerage maintenance and inspections, wheelie bins recycling and waste disposal, and local loans, maintenance and mowing.
- 24 Council indicated in the LTP that the increase would be an average 8.31% in year two of the 10-year plan. Although there have been minor movements across activities, the key reason for the increase from what was projected in the LTP is the need to increase the interest rates payable on loans from 2% to 3% to complete our capital works projects.
- 25 Council indicated in its assumptions for the LTP that there was a risk that interest rates would change and it noted the potential impact on rates, unfortunately this has now occurred and it is a cost that the public will understand needs to be recovered.
- 26 It is important to note that the figure of 9.22% is an average only. In real terms rates rises will vary across the district depending on a wide range of factors, including the services households receive and how their rating value has changed compared with other properties.

Stewart Island/Rakiura Visitor Levy

- 27 Council is currently in the process of reviewing the Stewart Island/Rakiura Visitor Levy (SIVL) amount. Changing the quantum of the levy requires that both the current policy and bylaw be formally reviewed.
- 28 This issue is additional to the Annual Plan process and requires community consultation to seek community views as part of that review process. The SIVL policy requires that consultation be included as part of an LTP or Annual Plan process in order to achieve efficiency.
- 29 As a result, individual consultation on the SIVL using the special consultative procedure (SCP) is currently being carried out as outlined by section 83 of the LGA. The outcomes of this consultation will be incorporated into the Annual Plan for adoption in June 2022.

Significance and Engagement Policy

- 30 Council's Significance and Engagement Policy provides guidance on when an issue is significant and if consultation should occur. The purpose of the policy is:
- to enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, decisions or matters; and
 - to provide clarity about how and when communities can expect to be engaged in decisions about different issues, proposals, decisions or matters; and
 - to inform Council, from the beginning of a decision-making process about
 - the extent of any public engagement that is expected before a particular decision is made; and
 - the form or type of engagement required.
- 31 The policy states the general approach of following a three-step process to inform decision making

Step 1 - Determine significance - Council will use particular factors to decide if a matter is of higher or lower significance. This part of the policy also gives guidance on what to do if a matter is of high significance.

Step 2 - Identify community views - Council will determine what it knows about community views and identify if there is a need for more information.

Step 3 - Deciding on an approach to community engagement - the level of significance and what Council wants to know about community views will guide Council on an appropriate level of engagement, and how and when to engage. This part of the policy provides clarity on how and when communities can expect to be engaged in different issues. It also identifies how Council will respond to community preferences about engagement.

- 32 The Annual Plan 2022/2023 variations were assessed against the measurements for consultation within the significance and engagement policy and it is staff view that there are no significant variations that would result in the need for formal consultation being undertaken.

Annual Plan consultation

- 33 Local authorities must consult with the public during the Annual Plan process if the Annual Plan includes significant or material differences from the content of the LTP for the financial year to which the proposed Annual Plan relates as outlined in the Local Government Act (LGA).
- 34 If Council considers it has significant or material differences then the LGA provides guidance on what the consultation document needs to include to explain any differences such as:
- significant or material variations or departures from the financial statements or funding impact statement,
 - significant new spending proposals; and
 - a decision to delay or not proceed with a significant project.
- 35 To understand if there are any significant or material differences, Council staff have considered any proposed variances for the Annual Plan against year two of the LTP in terms of guidance provided in the LGA. Staff do not consider there to be significant or material variations or departures from the financial statements or funding impact statement, significant new spending proposals or decisions to delay or not proceed with significant projects.
- 36 In addition, staff have also considered the Annual Plan 2022/2023 variations were assessed against the measurements for consultation within the significance and engagement policy and do not identify any significant variations that would result in the need for formal consultation being undertaken
- 37 Council has proposed to undertake targeted consultation on two pool rates for the Ardlussa and Northern Community Boards and on the Stewart Island Visitor Levy (SIVL) as outlined in the issues section above.
- 38 As a result, staff are recommending that considering the key issues above result in no significant or material changes from year two of the proposed LTP, Council continue on with the Annual Plan process without undertaking formal consultation but does inform the public about the key changes, the reasons for those changes and the impact of revaluations on rates.

Community information approach

- 39 It is important that Council keeps communities updated and informed on what is proposed through the Annual Plan process and this can be achieved outside of a formal consultation process.
- 40 Council can still consider providing information through other non-legislative channels to provide an appropriate level of information to communities on the key information in the Annual Plan, such as Council's publication First Edition, and social media platforms.

Annual Plan project plan

- 41 Staff are seeking confirmation of the updated project plan for the Annual Plan 2022/2023 to ensure it is adopted within the legislative timeframe prior to 1 July 2022. The key dates are outlined in the table below:

KEY MILESTONE	DATE
MARCH	
Finance and Assurance Committee meeting - forecasting approvals	28 March 2022
Council meeting - progress report on the Annual Plan (including proposed consultation approach and updated timetable) - forecasting approvals	29 March 2022
Press release regarding Annual Plan process	29 March 2022
APRIL	
Communication plan - Annual Plan updates information via First Edition - any other platforms (eg website, Facebook etc)	April 2022
JUNE	
Finance and Assurance meeting to recommend adoption of Annual Plan - includes final draft annual plan	8 June 2022
Council meeting - adoption Annual Plan	21 June 2022
Website version available	22 June 2022
JULY -AUGUST	
Rates notices go out	July 2022
Annual Plan information via First Edition	August 2022

Factors to consider

Legal and statutory requirements

- 42 The Annual Plan 2022/2023 is a requirement of the Local Government Act 2002 and is also closely aligned with the Local Government (2002) Rating Act.
- 43 The requirements for undertaking an Annual Plan are outlined in Section 95 of the Local Government Act 2002 including that a local authority must consult consistent with Section 82 before adopting an Annual Plan. However, Section 2A states that this does not apply if the proposed Annual Plan does not include significant or material differences from the content of the Long Term Plan for the financial year to which the proposed annual plan relates. As outlined in the report above, staff have assessed the variances for the Annual Plan against year two of the LTP as not being significant or material and therefore recommend that no formal consultation on the Annual Plan 2022/2023 is required.
- 44 Staff have also reviewed the significance and material thresholds of the Annual Plan variances in relation to the Council's Significance and Engagement Policy and view there are no significant variations that would result in the need for formal consultation being undertaken.

Community views

- 45 The issues identified in the above variations/issues table have either been consulted on through specific targeted consultation or are part of future engagement and consultation through this year. Community and Council's stakeholders will be informed about the plan variances and the reasons for them through an update document which will be incorporated into the Council publication – First Edition, and available online and in the area offices.

Costs and funding

- 46 All costs associated with the Annual Plan 2022/2023 are factored into existing budgets. It is not anticipated that any unbudgeted expenditure will be required.

Policy implications

- 47 Given there are no significant or material differences for the Annual Plan 2022/2023 from year two of the LTP, it is considered to be consistent with Councils current Financial and Infrastructure Strategies and other supporting policies. At this stage it is not anticipated that any policies will be amended as part of the Annual Plan process.

Analysis

Options considered

- 48 There are two options considered in this report:
- 49 Option 1 - to approve the project plan and adopt the community information approach for the Annual Plan 2022/2023.
- 33 Option 2 - to make amendments to the project plan and proposed community information approach for the Annual Plan 2022/2023.

Analysis of options

Option 1 – To approve the project plan and adopt the community information approach for the Annual Plan 2022/2023.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• staff can proceed with the work required for the document as planned and begin producing the Annual Plan update document.• provides a streamlined Annual Plan process.• complies with statutory requirements for Council to complete an Annual Plan	<ul style="list-style-type: none">• once Council has accepted the project plan there will be no time to make further changes to the project plan and undertake formal consultation at a later date, without compromising Council's ability to meet legislative timeframes.

Option 2 - to make amendments to the project plan and proposed community information approach for the Annual Plan 2022/2023.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• staff could incorporate the changes into the project plan and community information approach	<ul style="list-style-type: none">• any changes could result in greater administrative complexity and a potential delay with the approval of the Annual Plan

Assessment of significance

- 34 This report is not considered significant under Council's Significance and Engagement Policy.

Recommended option

- 35 The recommended option is Option 1 - to approve the project plan and adopt the community information approach for the Annual Plan 2022/2023.

Next Steps

- 36 Staff will prepare a draft Annual Plan updates document for information purposes and follow the proposed project plan timeframes.

Attachments

There are no attachments for this report.

Fund Manager Appointment Process

Record no: R/22/3/11178
Author: Anne Robson, Chief financial officer
Approved by: Cameron McIntosh, Chief executive

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 To consider and agree the shortlisted managed balanced funds to be sent requests for proposal.
- 2 To consider and agree the next steps in the appointment of a fund manager.

Executive summary

- 3 The Investment Policy outlines how Council will manage its investments, including what Council will invest in, and how investment risk will be assessed and managed.
- 4 It notes a low risk approach to its treasury investments used for working capital and restricted reserves. It accepts a moderate risk approach to investing general reserves to maintain capital and provide a return for offsetting rates through the ability to invest in an existing New Zealand managed balanced fund. It also retains the ability of Council to internally borrow against these reserves, if it chooses to do so.
- 5 Typically balanced funds have an equal allocation of income (cash on call, term deposits, Australasian and International bonds) and growth (property, Australasian and international equities, Infrastructure) assets to ensure some investment income and capital growth is achieved
- 6 Further to Councils request to progress its investment approach, staff have approached its investment advisor PwC, to assist Council in appointing a fund manager(s).
- 7 This report is proposing that PwC send requests for proposal to six shortlisted fund managers. In recommending the six funds, PwC used the Lipper fund universe (previously known as Thomson Reuters), to apply a series of search criteria to establish the balanced fund peer group. To this PwC then applied Councils investment objectives and reviewed the fund managers approach to responsible investing and environmental, social and governance (ESG) pledges, as well as considering the returns over the last five to ten years.
- 8 As a result, PwC have shortlisted for Councils consideration
 - Milford Balanced
 - ANZ Investment Funds – Balanced Growth
 - AMP Capital Ethical Leaders Balanced
 - ASB Investment Funds – Balanced
 - Westpac Active Balanced trust
 - QuayStreet Unit Trusts – Balanced
- 9 All the funds are well diversified across multiple asset classes and jurisdictions. During high inflation periods, as per our current macroeconomic environment, investment in property and infrastructure is likely to be a good hedge against equities. The fund managers are all signatories

to UNPRI. All funds exclude tobacco production and military weapons. Milford and QuayStreet invest directly in domestic and international equities and bonds. The other fund managers invest in underlying fund managers based domestically and offshore.

- 10 It is recommended that after the requests for proposal are sent that PwC evaluate the responses in terms of best practice evaluation criteria including people and organisation, governance and controls, investment process, fees and expenses and reporting. Further to this, Council staff then produce a report to the next Finance & Assurance meeting outlining the recommendations of PwC as well as inviting the top four fund managers to speak to the committee in order for a recommendation of the fund manager (s) to be made to Council.
- 11 Under the Investment policy only Council has the delegated authority to appoint a fund manager and agree the amount invested.
- 12 This report has been to the Finance and Assurance Committee meeting on 28th March 2022, an update will be given to Council on the discussion and any changes to recommendations to Council.

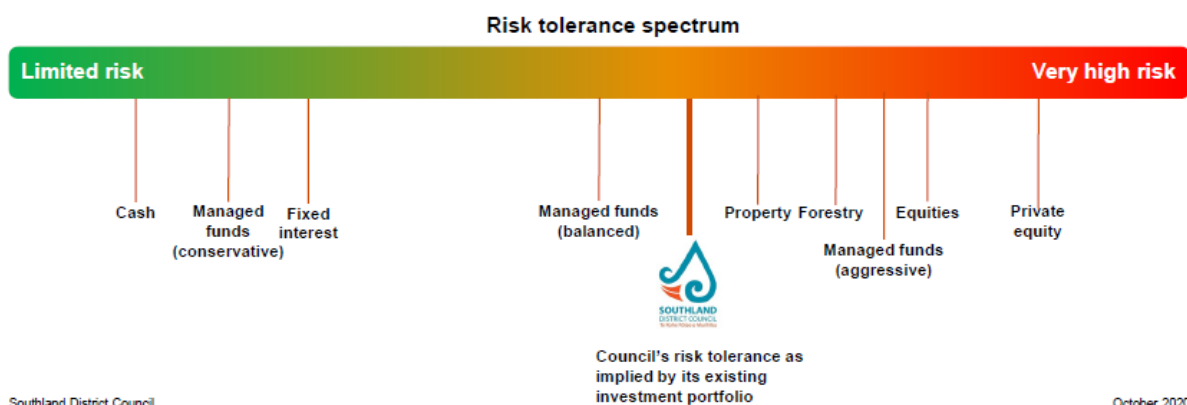
Recommendation

That the Council:

- a) **receives the report titled “Fund Manager Appointment Process” dated 23 March 2022.**
- b) determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Agrees to PwC sending request for proposal letters to the following fund managers:
 - Milford Balanced
 - ANZ Investment Funds – Balanced Growth
 - AMP Capital Ethical Leaders Balanced
 - ASB Investment Funds – Balanced
 - Westpac Active Balanced Trust
 - Quaystreet Unit Trusts - Balanced
- e) Agrees that PwC evaluate the request for proposals received in order to recommend to Council the top four fund managers, in doing so it requests PwC to use best practice weighted evaluation criteria in order to complete this analysis
- f) Agrees that the top four fund managers from the evaluation process be asked to present to the Finance and Assurance committee at its next meeting, leading to a recommendation by the Finance and Assurance committee to Council of its recommended fund manager(s).

Background

- 13 To put investment risk into perspective, as part of developing the Investment Policy, PwC presented the below table which plotted the different asset classes by their overall risk. Overall risk is based around qualities including capital protection, volatility, liquidity and capital growth. The table below notes Council’s current risk tolerance implied by its existing investment portfolio



- 14 Based on the questions and the discussions held, PwC assessed Council's risk tolerance as moderate. From a range of suitable asset classes a balanced managed fund was identified as having the traits most likely aligned with Council's investment objectives and requirements from its reserve investments. PwC have recommended based on the likely size of Council's investment that an existing managed fund be used although it noted that Council could hire its own investment manager. Examples of existing managed balanced funds indicate five year gross returns of around 5% to 7%.
- 15 Council's Investment Policy outlines how it will manage its investments, including what Council will invest in, and how investment risk will be assessed and managed.
- 16 Overall this policy acknowledges and allows for Council to maximise its returns on funds held whilst considering its risk profile. It notes a low risk approach to its treasury investments used for working capital and restricted reserves. It accepts a moderate risk approach to investing general reserves to maintain capital and provide a return for offsetting rates through the ability to invest in an existing New Zealand managed balanced fund. It also retains the ability of Council to internally borrow against these reserves, if it chooses to do so. Typically balanced funds have an equal allocation of income (cash on call, term deposits, Australasian and International bonds) and growth (property, Australasian and international equities, Infrastructure) assets to ensure some investment income and capital growth is achieved.
- 17 This report is working towards the appointment of a Council fund manager by recommending to Council the shortlisted fund managers to be sent a request for proposal.
- 18 Further to Council's request, staff approached its investment advisor, to assist Council in appointing a fund manager(s).
- 19 At Council's last meeting, a workshop was held with PwC and Councillors to answer any questions and work through the potential fund managers and the approach to a shortlisting process.
- 20 This report is proposing a request for proposal be sent to six shortlisted fund managers.
- 21 In arriving at the shortlist, Council's Investment advisor undertook the following steps:
 - Council's investment objectives as noted in the policy section were considered. They were also all screened in regards to their responsible investing and environmental, social and governance (ESG) pledges. An ESG rating measures a company's exposure to long-term environmental, social, and governance risks. These risks involving issues such as energy efficiency, worker safety, and board independence have financial implications. But they are often not highlighted during traditional financial reviews.

- Using the Lipper fund universe (previously known as Thomson Reuters), they applied the following search criteria to establish the balanced fund peer group.
- Domiciled in New Zealand
- Active funds
- Funds with no leverage
- At least a 5 year track record
- Lipper Global Classification equal to 'Mixed Assets NZD balanced' (indicatively classified as 60% equities, 40% bonds) or Mixed Asset Others Flexible (funds self classify as Balanced)
- AUM > \$40 mil NZD
 - The funds were then plotted for returns over a five and ten year basis.

22 As a result, the highest six were shortlisted. They are:

- Milford Balanced
- ANZ Investment Funds – Balanced Growth
- AMP Capital Ethical Leaders Balanced
- ASB Investment Funds – Balanced
- Westpac Active Balanced trust
- QuayStreet Unit Trusts - Balanced

23 All the funds are well diversified across multiple asset classes and jurisdictions. During high inflation periods, as per our current macroeconomic environment, investment in property and infrastructure is likely to be a good hedge against equities.

24 The fund managers are all signatories to UNPRI (a United Nations supported international network of investors working together to implement its six aspirational principles). These are

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

25 All funds exclude tobacco production and military weapons. They all seem to have some approach to integrated ESG investing which is widely recognised to increase return and decrease risk.

26 Milford and QuayStreet invest directly in domestic and international equities and bonds. The other fund managers invest in underlying fund managers based domestically and offshore. Investing direct, especially offshore, is likely to allow for improved targeted engagement and stewardship around ESG qualities. This could lead to better client outcomes.

27 The funds are all liquid with a maximum lock-up period of 10 days.

Issues

- 28 Councils Investment Policy, notes the need to select a fund manager if it wishes to invest its reserves in a balanced fund.
- 29 As part of this report, Council needs to consider the steps it wishes to undertake to appoint a fund manager.
- 30 Further to the Council workshop, this report proposes that request for proposals be sent to six potential fund managers as noted above.
- 31 Council then needs to consider the next steps. It is proposed that PwC,
- evaluate the request for proposals received against key weighted criteria. This criteria would examine, governance and controls, people and organisation, investment process, fees and expenses and reporting. PwC have sent the attached request for proposal process PowerPoint which on page three provides more details about the criteria and weightings for the committees consideration.
 - Advise Council staff of the result of the evaluation process so that a report can be prepared for the Finance & Assurance meeting in June 2022. As part of discussing the report it is proposed that the four top candidates be asked to present. The committee would then recommend to Council the preferred candidate or candidates. The committee may also wish at this stage to recommend an amount to invest.
- 32 A report would then be presented to Council recommending and requesting approval of the appointment of a fund manager or managers including any amount proposed by the Finance and Assurance committee.

Factors to consider

Legal and statutory requirements

- 33 The Local Government Act 2002 requires Council to adopt an Investment Policy. Council adopted this on the 14 April 2021.
- 34 Section 14 of the Local Government Act 2002,
- section 1(g) requires ‘a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets’ and
 - section 1(h) notes that ‘in taking a sustainable development approach, a local authority should take into account, iii) the reasonably foreseeable needs of future generations’

Community views

- 35 Included in the proposal to participate in the Local Government Funding Agency, Council noted its desire to externally borrow its current internal loans used to fund capital programmes.
- 36 It outlined that this meant that cash reserves that are currently being used to fund these internal loans would instead be available for investing.

37 It further indicated that Council was currently reviewing its Investment and Liability policy and had indicated a desire to broaden the policy to allow for investments in managed funds.

38 Overall, the public would generally support prudent and effective management, a balanced investment/risk profile, and to maintain appropriate procedures, controls and reporting.

Costs and funding

39 Council had reserves totalling \$41 million at the 30 June 2021.

Policy implications

40 The Investment Policy outlines Council's investment objectives which are:

- provide a framework for the prudent and effective management of investments
- ensure that investments are managed in accordance with current governing legislation and Council's strategic and commercial objectives
- manage investments in a sustainable and equitable way, having regard to current and future generations
- recognise the community ownership of these assets and the need for a balanced investment/risk profile.
- ensure Council assets are managed prudently and adequately safeguarded
- safeguard Council's financial market investments by establishing and regularly reviewing investment parameters and ensuring all investment activities are carried out within these parameters
- maximise interest income on treasury investments, within a prudent level of investment risk. Council recognises that as a responsible public authority any treasury investments that it does hold should be of relatively low risk. It also recognises that lower risk generally means lower returns
- maintain and increase the real capital value of the external managed funds
- ensure funds are available to meet Council's needs
- maintain professional relationships with the Council's bankers, financial market participants, fund managers, trustees and other stakeholders
- regularly review the performance and creditworthiness of all investments
- maintain procedures and controls and provide timely and accurate financial and management information.

41 The investment policy allows for both treasury investments and externally managed funds. Both of which can be used to invest general reserves, trust funds and special funds.

42 Treasury investments, can be held as call and term deposits, bank certificates of deposit, treasury bills, government bonds, Local Government Funding Agency bonds/floating rate notes/commercial paper/borrower notes. The term of which is not to exceed one year

- 43 It notes, the Council maintains treasury investments to:
- invest surplus cash and working capital funds
 - achieve the desired level of returns within acceptable risk parameters
 - invest amounts allocated to general reserves, trust funds and special funds.
- 44 In regards to externally managed funds, Council has a medium to long-term investment horizon as it seeks to manage investments in a sustainable and equitable way, having regard to both current and future generations of ratepayers. It would do so by purchasing in a NZD managed fund or funds.
- 45 The rationale for holding the investment is to:
- maintain, protect and increase the real capital value of the principal amount invested. Real capital value is the value that has been adjusted for the effect of inflation
 - diversify the investment of Council's general reserves
 - maintain liquidity and access to cash if needed
 - obtain annual cash income to subsidise rates revenue.
- 46 Where practical, investments will be made considering the ethical practices of the investment entity. Council's intention for the Funds is to avoid direct involvement with industries that have a negative impact on society and the environment. This includes:
- alcohol
 - tobacco
 - military/weapons
 - labour practices.
- 47 To mitigate risk, Council has a preference to invest in externally managed funds that are managed by a suitably qualified fund manager(s) within the below criteria.

Council's risk profile is considered moderate for financial investment purposes and therefore seeks to invest in a 'balanced' managed fund where there is a mix of capital growth and income asset types. Council will buy units in an established externally managed fund but could appoint its own investment manager.

The strategic asset allocation and tactical ranges are provided in the following table:

Allocation	Benchmark %	Ranges %
Total growth assets	50%	40-60%
Total income assets	50%	40-60%

Growth assets include approved asset types; listed domestic and international equities and listed property shares. Income assets include asset types such as; cash, term deposits, domestic and international floating and fixed rate debt securities. Any other asset types must be approved by Council before any investment is made. Investments may be hedged back to NZD.

- 57 Under the Investment Policy, only Council has the delegated authority to approve selection of an external managed fund and the amount placed with the fund(s).

Analysis

Options considered

- 58 Send request for proposal letters to the shortlisted fund managers or not

Analysis of Options

Option 1 – Send request for proposal letters to the shortlisted fund managers

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Council can proceed with the direction it has set as part of the Long Term Plan• This process only seeks interest from the shortlisted parties and will allow Council to make the relevant enquiry of the fund managers before making a final selection	<ul style="list-style-type: none">• None noted

Option 2 – Do not send request for proposal letters to the shortlisted fund managers

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• If Council requires additional information or at this stage is requiring a different approach it allows for this to occur.	<ul style="list-style-type: none">• Council has relied on a differential from the interest it plans to earn compared to the interest it has to pay on borrowings. Council will need to reconsider the impact on budgets if bank investments are the only source of funding.

Assessment of significance

- 59 This is not deemed significant in terms of Councils significance and engagement policy.

Recommended option

- 60 Send request for proposal letters to the shortlisted fund managers

Next steps

- 61 If Council, agrees with the recommendation to request a proposal from the selected shortlisted fund managers. Council staff will engage with its consultant to send the requests out.
- 62 After requests have been received from the fund managers, they will be asked to present to Council
- 63 After hearing from the fund managers a report will be prepared for Council to consider and approve a fund manager(s).

Attachments

- A Southland District Council - RFP Process [↓](#)

Southland District Council - RFP Process


pwc



Timetable

Distribution of and responses to Investment Management proposals are captured by our digital diligence tool. Answers are flagged and scored following an assessment by our team, and clarification from investment managers sought where required. The top four investment managers which are most suited to the client's needs are presented as a shortlist.* In person meetings are arranged with the shortlisted managers, after which the client selects its preferred manager(s).

	Event	Date (2022)
1	RFP distribution to bidders	Friday 1 April
2	Clarification questions	Between 1 April and 6 May
3	Proposal due date	Friday 6 May
4	PwC completes review of proposals received	Thursday 26 May
5	Notification of shortlisted bidders	Tuesday 31 May
6	Presentations and meetings with shortlisted managers	Thursday 2 & Friday 3 June
7	Anticipated date of decision as to successful manager(s)	Friday 10 June

* Full findings are available for review if required.

Assessment Framework

We evaluate managers against key criteria, each assigned a bespoke weighting according to the investor's circumstances. Our criteria examine: Governance and Controls, People and Organisation, Investment Process, Fees and Expenses and Reporting.

The **Investment Process**, such as asset allocation decisions, is one of the main drivers of portfolio returns and accounts for the majority of a diversified portfolio's volatility over time. However, the strongest indicators of *sustained, repeatable* performance are also captured by the criterion listed under the pillars **People and Organisation** and **Governance and Controls**. Therefore, we assign the majority weighting to these sections of our RFP. In our experience, these top three pillars are interlinked, with shortcomings in any one pillar often manifesting itself in another.

While high **Fees and Expenses** can erode real returns and thus it is important to minimise fees, fees are not the driver of returns. In addition, increased regulation around fee transparency and competition in the investment management industry has reduced fee variation between investment managers. Similarly, **Reporting** does not drive returns, as it is the communication of how the manager invests. In addition, PwC provides an independent monitoring and reporting service, so is able to improve the quality of the investment managers' own reporting.

Criterion	Relative weight	Mgr 1	Mgr 2	Mgr 3	Mgr 4	Mgr 5	Mgr 6	Mgr 7
People and organisation: Ownership structure, investment beliefs, corporate culture, historical track record. Key individuals and investment team remuneration, support and function.	20%							
Governance and controls: Risk management functions at all levels of the organisation; efficiency of tools used to monitor portfolio risk.	20%							
Investment process: Investment philosophy/style, asset allocation, fund selection/security selection, risk management, ESG integration, past investment performance analysis, currency management.	40%							
Fees and expenses: Fees, lock-up periods, gating provisions, against industry standards and prior experience.	10%							
Reporting: Functionality, timeliness and accessibility of information, extent of in-depth analysis available.	10%							
Summary assessment		Exclude	Consider	Proceed	Proceed	Exclude	Exclude	Proceed



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Coastguard building on recreation reserve, Riverton

Record no: R/22/3/6986
Author: Theresa Cavanagh, Property advisor
Approved by: Nick Hamlin, Group manager programme delivery

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 To provide consent, under delegated authority from the Minister of Conservation, to the issuing of a lease to Riverton Coast Guard Incorporated for buildings (existing and proposed) on Taramea Bay Recreation Reserve.

Executive summary

- 2 The Riverton Coast Guard Incorporated occupy a site located on the Taramea Bay Recreation Reserve which currently contains a building, parking and a boat ramp.
- 3 The coastguard proposes to build a new building, adjacent to the existing building, to house a new rescue vessel and tractor. This will allow the coastguard to have their boat in an easily accessible launch location and therefore more able to respond to emergencies in a faster timeframe.
- 4 The Reserves Act 1977 does not directly provide for this activity within the recreation reserve classification. However, there is scope within s73(1) which allows the consideration of a lease *'where any recreation reserve or any part of such a reserve is not for the time being required for the purpose for which it was classified, or where the Minister considers it in the public interest...'*
- 5 The proposed building is to be located within the current parking area and therefore within the perimeter of the existing site occupied by the coastguard. This reserve has a public access way along the coast but this localised area is not currently, and is not proposed to be, used for recreation purposes.
- 6 However, the most relevant part of this clause is *'where the Minister considers it in the public interest...'* as a coastguard is considered to be an essential service to the community.
- 7 Section 73(1) further states that *'leases of the reserve or of any part thereof may be granted by the administering body with the prior consent of the Minister in cases where the reserve is vested in such a body.'*
- 8 In July 2013, the Minister of Conservation delegated the powers of s73(1) of the reserves act to local authorities. Therefore the *'prior consent of the Minister'*, has been delegated to Council.
- 9 This report seeks prior consent from Council, as a delegate of the Minister, to authorise Council as the administering body to issue a lease to the Riverton Coast Guard Inc.

Recommendation

That the Council:

- a) **Receives the report titled “Coastguard building on recreation reserve, Riverton”** dated 23 March 2022.
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Agrees that pursuant to Section 73(1) of the Reserves Act 1977 acting under delegated authority from the Minister of Conservation, consent to the Southland District Council granting a lease over Section 38 Block II Jacobs River Hundred to the Riverton Coast Guard Incorporated for buildings (existing and proposed).

Background

- 10 The Riverton Coast Guard Incorporated occupy a site located on the Taramea Bay Recreation Reserve which currently contains a building, parking and a boat ramp.
- 11 The coastguard proposes to build a new building, adjacent to the existing building, to house a new rescue vessel and tractor. This will allow the coastguard to have their boat in an easily accessible launch location and therefore more able to respond to emergencies in a faster timeframe.
- 12 The Reserves Act 1977 does not directly provide for this activity within the recreation reserve classification. However, there is scope within s73(1) which allows the consideration of a lease *‘where any recreation reserve or any part of such a reserve is not for the time being required for the purpose for which it was classified, or where the Minister considers it in the public interest...’*
- 13 The proposed building is to be located within the current parking area and therefore within the perimeter of the existing site occupied by the coastguard. This reserve has a public access way along the coast but this localised area is not currently, and is not proposed to be, used for recreation purposes.
- 14 However, the most relevant part of this clause is *‘where the Minister considers it in the public interest...’* as a coastguard is considered to be an essential service to the community.
- 15 Section 73(1) further states that *‘leases of the reserve or of any part thereof may be granted by the administering body with the prior consent of the Minister in cases where the reserve is vested in such a body.’*
- 16 In July 2013, the Minister of Conservation signed an *‘Instrument of Delegation for Territorial Authorities’* which delegated the powers, functions and duties of a number of clauses in the reserves act, from the Minister to local authorities. This enables local authorities to make certain decisions that had previously required approval from the Minister.

- 17 Section 73(1) was included in this instrument and therefore the '*prior consent of the Minister*', has been delegated to Council. The letter attached to the instrument states that the delegation of the Minister's powers must be retained by Council and not sub delegated to staff.

Issues

- 18 Public access is available by way of an existing walkway along the coast between the existing building and the sea. It will be a condition of the lease that public access will be maintained at all times, except for health and safety reasons, i.e. when the coastguard is responding to an emergency.

Factors to consider

Legal and statutory requirements

- 19 This reserve is vested in trust in the Southland District Council. Vesting means that the reserve is owned by Council but with reversionary rights to the Crown.
- 20 In trust means that Council is able to grant leases but must administer the reserve for the purposes it was classified. In this case, recreation. However, as per above, s73(1) provides for issuing leases for non-recreational activities when it is in the public interest. Therefore, as Council has been given the delegation to provide the *prior consent* of the Minister, no formal consultation with the Department of Conservation is required.
- 21 Despite this, the Department of Conservation was informally consulted regarding the use of s73(1) in this instance. They confirmed they were not opposed to the location of a building on the recreation reserve to house a boat and tractor as they also see the coastguard as an essential service.
- 22 The term of leases permitted under s73(1) generally do not exceed 33 years with no rights of renewal. As the term is under 50 years, it is not considered to be a disposal under the Ngai Tahu Claims Settlement Act 1998 and the right of first refusal is not therefore required. However, given the permanent nature of the building, the intention to grant a lease will be highlighted to Ngai Tahu.

Community views

- 23 The Oraka Aparima Community Board have been consulted informally and via an email dated 2 March 2022, have confirmed that they are in agreement with the proposal, and any further confirmation regarding the lease can go through the Chair.
- 24 Section 73(4) of the reserves act requires any lease that is proposed to be granted under this section of the act to be publicly notified. This will allow the community to provide feedback on the proposal.
- 25 Local runanga have received preliminary information along with the application and have been invited to provide comment, which has not yet been received. They will also have an opportunity to make a submission through public notification.

Costs and funding

- 26 No costs will be incurred by Council.

Policy implications

- 27 The coastguard building (existing and proposed) is located on Section 38 Block II Jacobs River Hundred. This area is included in the Taramea Bay Recreation Reserve Management Plan which acknowledges the coastguard building as a facility on the reserve.

Analysis

Options considered

- 28 The options are to consent to the lease being granted or not.

Analysis of options

Option 1 – grant consent

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">enables this essential service to better serve the community.	<ul style="list-style-type: none">the use of recreation reserve for non recreational purposes, although no plans are in place for the use of this area for anything other than the coastguard.

Option 2 – decline consent

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">enables this area to be used for recreational purposes in the future.	<ul style="list-style-type: none">limits the service that the coastguard provides to the community.

Assessment of significance

- 29 This is not considered significant

Recommended option

- 30 Option 1 – grant consent.

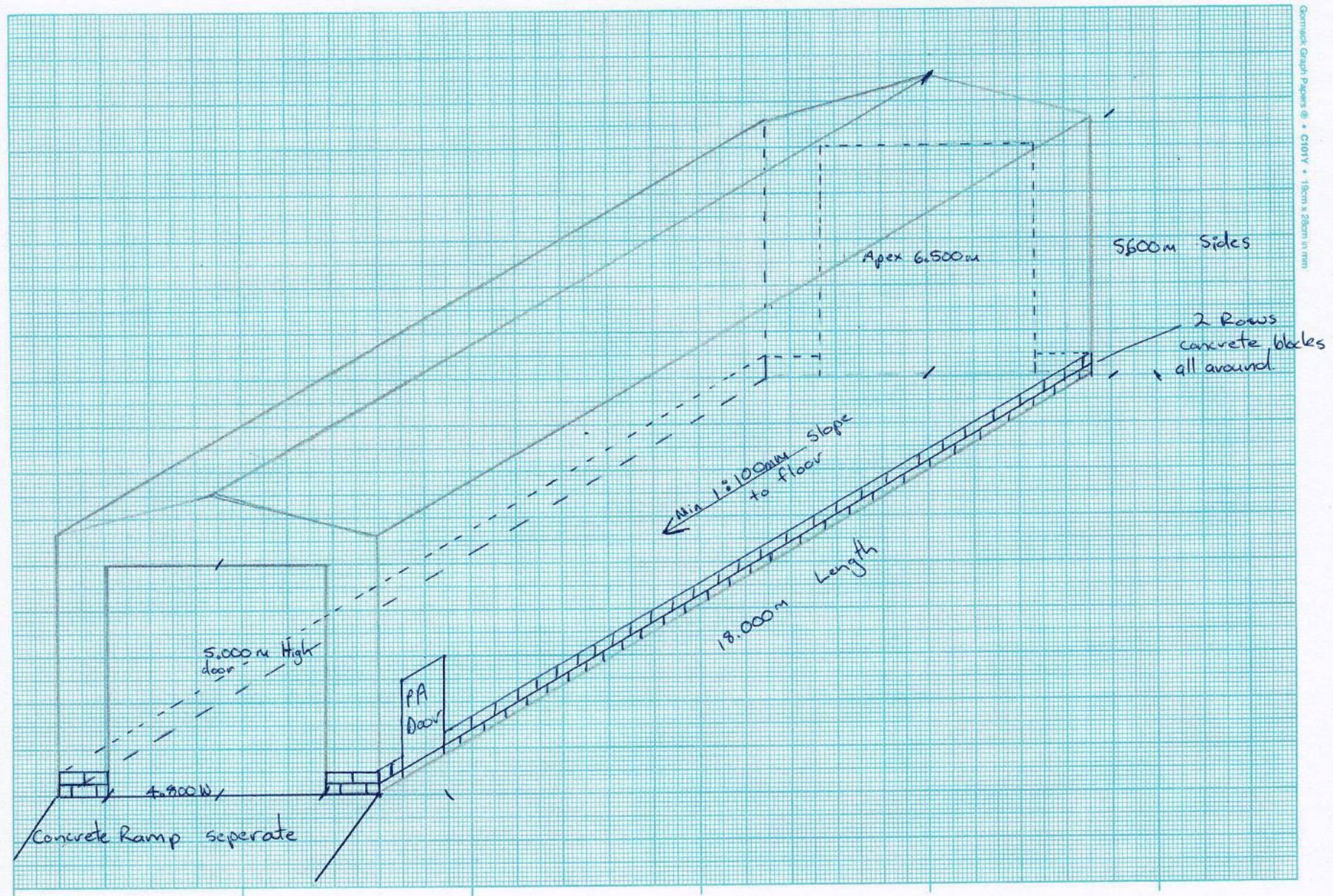
Next steps

- 31 Publicly notify the intention to grant a consent. If no objections, then a lease is able to be entered into. If objections, then this is likely to go back to Council for a decision.

Attachments

- A Lease Plan for Riverton Coast Guard Inc [↓](#)
B Sketch of proposed coastguard building [↓](#)
C Application to construct a building on Council land [↓](#)

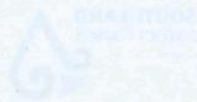






Application to Construct a Building or Structure on Property owned by the Southland District Council

NAME OF APPLICANT	Coastguard Riverton
POSTAL ADDRESS	PO Box 52 Riverton 9847
TELEPHONE	027 248 5767
EMAIL	christopher.thornton@coastguard.nz / rdmckenzie@outlook.co.nz
(A)	Describe property and the location on the property upon which it is proposed to place a building or structure. (Map or diagram required). See attached plan - Boyd Wilson to provide
(B)	Describe what is to be constructed. (Plans or photographs required). See attached plan New Boat Shed beside the existing Riverton Coastguard for the proposed new Rescue vessel and tractor. Shed type: Fully enclosed Gable – Clearspan Timber Rafter pole shed, 18m long by 7m wide. Side walls are 5.6m high and apex is 6.5m. Clad in Corrugate – Coloursteel Magnaflow. 2 5.0h x 4.8w Series 2 Industrial Roller Doors with Auto Openers, 1 PA door, 125 quad spouting with external brackets and 80mm PVC Downpipes. Fully flashed and Vermin Proof. 20 series concrete block nib walls to the perimeter and a 150mm thick reinforced concrete slab poured with slope towards the river.
(C)	Detail why the building or structure is to be placed on Council property. Riverton Coastguard is a community focused volunteer organisation, committed to saving lives at sea. Often our Call out scenarios are time sensitive, requiring us to be located in an easily accessible launch location.
(D)	What is the value of the structure?
(E)	Who is to be the owner of the structure after construction - ie who will be responsible for ongoing maintenance? Riverton Coastguard Unit, lead by its elected Board members
(F)	If the structure is not to be owned by Council, please advise whom any site lease is to be entered into with. Riverton Coastguard, supported by Coastguard New Zealand.



(G)	Who will be applying for, and complying with the conditions of any consents required to be given? (ie, building or resource consents). Chris Thornton - Unit Support Manager, with the support of the chosen construction company
(H)	Who will be responsible for insuring the structure? Riverton Coastguard Treasurer, Supported by Coastguard NZ regional team.
(I)	Identify any known liability associated with any existing structure being added to or modified. N/A

Please Note:

1. That the Southland District Council or the relevant Community Board or Community Development Area Subcommittee as the case may be, has the right to decline any application (stating the reason) or place any conditions that it deems appropriate.
2. If and when the Southland District Council agrees to become the owner of the structure, all decisions in respect to the ongoing maintenance and retention of the structure shall be at the sole discretion of the Council, Community Board or Community Development Area Subcommittee.

SIGNED

Ross McKenzie
Ross McKenzie
President Riverton CC.

DATE

6/2/22

Curio Bay wastewater treatment plant - funding approach

Record no: R/22/2/4075
Author: Lesley Smith, Management accountant
Approved by: Anne Robson, Chief financial officer

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to consider whether the future costs related to the Curio Bay wastewater treatment plant/scheme (the scheme) should now be predominately funded as part of the district-wide targeted wastewater rate (the wastewater rate).

Executive summary

- 2 The Curio Bay wastewater treatment plant was upgraded in 2016 to service the Curio Bay Recreation Reserve with Council resolving to fund the costs of the upgrade and the annual operating costs (after contributions from third parties) from the general rate.
- 3 The report at the time noted that the funding of the facility would transfer across to a community wastewater scheme if and when agreement was reached to connect in the Porpoise Bay subdivision and the wider community. It indicated that when this point was reached, all properties connected would then be subject to the district funded wastewater rate, with the reserve activity reverting to a per pan basis.
- 4 In 2018 the Porpoise Bay subdivision was completed. As part of the consent conditions and a separate agreement reached with the developer, the subdivision was connected to the Curio Bay wastewater treatment plant.
- 5 As such, staff are now requesting Council confirm that the scheme be treated as a community wastewater scheme as part of the wastewater activity in the 2022/23 Annual Plan (rather than as part of the open spaces activity).
- 6 This will also involve changing the way the scheme's future operating and capital costs are funded from 2022/2023 onwards, with the majority of funding coming from the wastewater rate in line with how other community wastewater schemes are funded.
- 7 The impact on rates will be:
 - net rates increase for properties currently paying the wastewater rate (full charge \$4.95 | half charge 70c)
 - net rates increase for properties in the Porpoise Bay subdivision (full charge \$466.11 | half charge \$233.06)
 - rates decrease (\$3.55) via the general rate for all other properties
- 8 This will also require an extension to the targeted wastewater rating boundary to be included in the Annual Plan 2022/2023 Funding Impact Statement.

- 9 An updated interim funding agreement will also need to be developed to revise the annual funding contribution from the Department of Conservation and South Catlin's Charitable Trust in relation their connections as part of their occupation of the recreation reserve.
- 10 Staff are also recommending that the existing loan repayments related to the original upgrade costs continue to be funded from the general rate.

Recommendation

That the Council:

- a) **receives the report titled “Curio Bay wastewater treatment plant - funding approach” dated 17 March 2022.**
- 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) note the resolution on 18th **May 2016 that “Council agrees to fund the annual operating costs of the wastewater treatment plant upgrade and associated works at Curio Bay, after contributions from third parties, by Councils General rate”.**
- e) notes that the original report on 18th May 2016 discussed that the Curio Bay wastewater scheme/facility will transfer across to community wastewater scheme if and when agreement is reached to connect in the Porpoise Bay subdivision and the wider community.
- f) note that the connection of properties in the Porpoise Bay subdivision activates the transfer of the Curio Bay wastewater scheme from a reserve scheme (as part of the open spaces activity in the Long Term Plan and Revenue and Financing Policy) to a community wastewater scheme (as part of the wastewater activity).
- g) agrees that as a result of the transfer, the future operating and capital costs for the Curio Bay wastewater treatment plant should be funded in line with other Council wastewater schemes as follows:
 - i) using a mix of targeted rates, general rate and other sources (as outlined in the Revenue and Financing Policy)
 - ii) via the district-wide targeted wastewater rate on all properties connected or able to be connected to the scheme (as per the Annual Plan Funding Impact Statement)

- h) request staff amend the targeted wastewater rating boundary (as shown in the map below) to include the Curio Bay recreation reserve and properties in the Porpoise Bay subdivision for inclusion in the Annual Plan 2022/2023 Funding Impact Statement.



- i) agrees that properties within the extended rating area will be charged the district-wide targeted wastewater rate from 1 July 2022 in line with (h) above.
- j) notes that the existing loan repayments related to the original scheme upgrade at the recreation reserve will continue to be funded as part of the open spaces activity in the LTP (as a district-funded reserve) funded through the general rate.

Background

- 11 The Council's Long Term Plan 2015/2025 and Annual Plan 2016/2017 included a project to upgrade the wastewater treatment plant at Curio Bay to service the Curio Bay Recreation Reserve. The upgrade project formed part of wider plans to improve facilities in the area in partnership with the Department of Conservation (DOC) and the South Catlin's Charitable Trust (the Trust).
- 12 At its meeting on 18 May 2016, Council received a report (Attachment A) seeking approval for the project to proceed and, as part of the resolutions passed at the meeting, agreed to fund the annual operating costs of the Curio Bay wastewater treatment plant upgrade (after contributions from third parties) from the general rate. At the time, the annual operating costs (excluding depreciation) were estimated at around \$60,000.

- 13 The report identified that “the budget for the upgrade would sit within the Parks and Reserves activity as this was essentially an upgrade to facilities at the reserve.” As noted in the reserve management plan, the Curio Bay Recreation Reserve has been recognised as having values that benefit the whole District, as it contains significant, ecological, amenity or scenic values. As such the reserve is treated as a district reserve and all costs associated with the reserve (including the wastewater treatment plant) are currently funded from the district-wide general rate.
- 14 The report also identified that “the treatment plant and pipework has been designed with future extension to the Porpoise Bay subdivision and the wider community in mind” with this “subject to further consultation with both the developer and wider community and consideration of a number of funding issues.”
- 15 The report explained that “the facility will transfer across to a community wastewater scheme if and when agreement is reached to connect in the Porpoise Bay subdivision and the wider community.”
- 16 The report proposed staging the upgrade as follows:

Stage	Status as at March 2022
Service the reserve and campground (the current project does not extend beyond this stage)	Completed
Service the Porpoise Bay subdivision (subject to agreement with the developer)	Completed (the subdivision has 16 sections, 4 of which are now connected to the wastewater system and 1 of which have applied for consents)
Service the community (subject to consultation)	Identified as a possibility in 2015 but no further progress

- 23 The report went on to note that “once connected all properties will then be subject to the district funded Wastewater rate, with the reserve activity reverting to a per pan basis.”
- 24 This suggests Council’s intention at the time was to fund the annual operating costs of the reserve from the district-wide general rate (which all properties pay) for the period where connection to the scheme was exclusive to the recreation reserve. This was expected to change once the scheme started servicing properties outside of the reserve, at which point the operating costs were expected to be funded from the district wastewater rate.
- 25 Council subsequently reached an agreement with the developer of the Porpoise Bay subdivision about connecting the sections in the subdivision to the wastewater plant. This included a requirement for the developer to install pipes capable of taking wastewater from the wider community (north of the subdivision along Waikawa Curio Bay Road) in addition to the pipes/pump stations servicing the subdivision itself.
- 26 Given that the resource consent for the subdivision required the properties to connect to the wastewater scheme and the subdivider installed the infrastructure needed for this at his own cost at the time, it is reasonable to infer that these properties were expected to contribute to the annual operating costs of the scheme via the wastewater rate (full or half charge).

- 27 The resource consent for the subdivision was issued in September 2018 when all conditions had been met (including the pipework and connection to the Curio Bay wastewater treatment plant). Building consents have subsequently been issued to four properties within the subdivision between July 2019 and June 2021 with a further fifth building consent currently in progress.

Issues

How should the operating/capital costs of the Curio Bay wastewater treatment plant be funded in the future?

- 28 The key issue for Council to consider is whether the annual operating costs of the Curio Bay wastewater treatment plant should now be recovered through the wastewater rate rather than the general rate.
- 29 As outlined above, the scheme was originally upgraded to improve wastewater treatment for the recreation reserve whilst also providing capacity to take wastewater from the surrounding community in the future.
- 30 The 2016 report identified that the operating costs of the scheme (after contributions from third parties) formed part of the recreation reserve activity and therefore should be funded from the general rate until properties outside of the reserve connect, at which point it would be considered a community scheme and subject to the district wastewater rate.
- 31 Given that properties outside of the recreation reserve are now connected or able to connect to the wastewater treatment plant (being those in the Porpoise Bay subdivision), it is appropriate that this be considered a community scheme with operating costs now funded through the wastewater rate.
- 32 While the original report also provided reference to the wider community connecting to the scheme, staff do not believe that the transfer to a community scheme was dependent on both the subdivision and wider community connecting, but rather at the point which either one of these events occurred.
- 33 Any decision to extend the scheme to other properties further north along Waikawa-Curio Bay Road in the future will require separate scoping to determine the capital cost, the area to be serviced and options for how this can be funded. This will also involve further consultation with the community.

How does this impact the current annual funding agreement with third parties?

- 34 Council currently receives an annual contribution towards the scheme operating costs from third parties (DOC - \$4,000 and the Southland Catlin's Charitable Trust - \$20,000) as set out in the separate Memorandum of Understanding (MOU) (Attachment B).
- 35 As such, any associated funding from third parties towards the scheme operating costs would need to be moved from the reserve activity to the wastewater activity. It is also important to note that the MOU includes a clause essentially indicating that the annual operating charges shall be reviewed if Council determines that the scheme is to become a wastewater scheme rather than a scheme solely for the reserve. This clause specifically refers to the scheme becoming part of a "local wastewater treatment scheme funded by local rates". While the use of the word "local" is not aligned with the Council's approach to rating of wastewater across the "district" rather than

locally due to a change in approach in 2012, staff believe that the intent of the wording was to convey the point at which the scheme serviced the wider community as detailed in the 2016 report.

- 36 As such any contribution from third parties also need to be reviewed via the MOU and flowed through into the budgets. Once Council has confirmed that future operating/capital costs should be funded from the district wastewater rate from 1 July 2022 onwards, staff are intending to develop an interim funding agreement with the third parties that reviews their contributions towards services including sewerage (using a per pan basis) until a new lease agreement can be finalised. The interim funding agreement will apply from 1 July 2022.

How should the existing loan for the original treatment upgrade be funded?

- 37 A loan was used to fund the 2016 upgrade of the treatment plant with repayments on this loan repaid through the general rate as part of the recreation reserve activity.
- 38 Other major wastewater upgrades undertaken over the past 15 years have been funded from a mix of sources including a Ministry of Health subsidy (where this was available), contribution from Council (funded by a loan repaid by all ratepayers) and a contribution from those properties connected or able to connect to the network (funded by either a lump-sum payment or targeted wastewater loan rate).
- 39 The original financial contribution from the Department of Conservation and the developer (via pipework) represent part of the capital cost contributions from properties connected. The remainder falls with Council as both owner of the rest of the property connected to the scheme (via the recreation reserve) and the wider contribution from Council toward the scheme in relation to the wider public health/environmental benefits.
- 40 As with other schemes, while the annual operating costs are funded through the wastewater rate, the repayment of the any remaining capital upgrade costs continue to be paid by those properties within the area deemed to connected or capable of connecting.
- 41 As such, it is deemed appropriate that the costs associated with the repayment of the loan taken out for the construction of the wastewater treatment plant in 2016 remain in the open spaces activity in the LTP with repayments continuing to be funded through the general rate.

What needs to happen?

- 42 Once Council confirms that the Curio Bay wastewater treatment plant is now a community scheme with operating costs to be funded by the wastewater rate, Council will need to amend its Annual Plan 2022/2023 to incorporate the changes to budgets and rates as detailed in the relevant sections below. This will include extending the rating boundary for the wastewater rate to include the Curio Bay recreation reserve and Porpoise Bay subdivision.
- 43 The Council will also need to pass a new resolution confirming that the majority of the future operating and capital costs of the scheme will funded through the wastewater rate to replace the 2016 resolution that operating costs would be funded solely through the general rate.

Factors to consider

Legal and statutory requirements

- 44 Section 23(2)(a) of the Local Government Rating Act (LGRA) 2002 states that rates set by a local authority must...be set in accordance with the relevant provisions of the local authority's long-term plan and funding impact statement for that financial year.
- 45 The reference to "the relevant provisions of the local authority's long-term plan" (LTP) means the revenue and financing policy (RFP). The reference to "funding impact statement for that financial year" means the funding impact statement (FIS) contained in the LTP or annual plan for the relevant year.
- 46 From an operational/budgeting/rating point of view, the operating costs of the scheme are currently held within the open spaces budget contained within the community resources LTP activity group and are funded through the general rate (2021: \$76,000). These costs would be transferred to the wastewater budget and wastewater activity in the Annual Plan and funded through the wastewater rate. The table below shows the net effect of the movement of operating costs only.
- 47 The change in activity and rating method are already allowed for in the Council's Revenue and Financing Policy with both the open spaces and wastewater activities funded by a mix of general and targeted rates.
- 48 However, the change in the rating method is not in line with the current FIS (Attachment D) as Curio Bay has not been identified as land that would be liable for the targeted wastewater rate (as defined by the Council's wastewater rating boundaries in maps 112-135).
- 49 As such, before the wastewater rate can be applied to these properties, the Council will need to extend the rating boundary via the Annual Plan FIS to include the Porpoise Bay subdivision as well as relevant recreation reserve, DOC and Trust facilities. If/when a decision is then made to extend the scheme to other properties to the north of the subdivision, the rating boundary can be reviewed again as part of the FIS for that financial year.
- 50 The map in Attachment C shows the area to be included in the proposed extension of the targeted wastewater rate.

Community views

- 51 As noted above, Council has previously indicated that the funding of the scheme would transfer to the wastewater rate once properties outside of the Curio Bay recreation reserve connect. Both the 2016 report to Council and the separate MOU between Council, DOC and South Catlin's Charitable Trust acknowledge this and provide for the proposed funding change. The trust has also contacted staff more recently to seek clarification about their contribution towards annual operating costs going forward.
- 52 The developer of the Porpoise Bay subdivision also agreed to connect the sections in the subdivision to the scheme as part of the resource consent, vesting the mains and laterals in Council to operate and maintain. As such, it is reasonable to infer that the developer was supportive of these properties becoming part of a community scheme and contributing to the annual operating costs through the wastewater rate at that point.
- 53 Given that the financial impact of the change on the wider community is relatively minor (as detailed in the table in the following section), there is unlikely to be a need to seek further input from the community prior to inclusion in the Annual Plan 2022/2023 FIS.

- 54 Further consultation with the community would be required if/when Council considers any further extension of the scheme to service other properties to the north along Waikawa-Curio Bay Road.

Costs and funding

- 55 The 2021/2022 budgeted annual operating costs total \$76,000 with \$63,000 related to insurance, electricity and maintenance costs and \$13,000 related to annual depreciation funding. It has been assumed that the third party annual contributions of \$24,000 to operating costs will be replaced by the wastewater rate per pan (as noted in the issues section).
- 56 The impact of moving the funding of these costs from the general rate to the wastewater rate based on the current financial year 2021/22 budget and rating units is shown in the table below.

Rate	Increase/(Decrease) including GST	
Wastewater rate (10,055 unit equivalent)	Full charge: \$8.50	Half charge: \$4.25
General rate – UAGC (16,287 units)	All: (\$3.55)	
Net impact (Wastewater rate <i>less</i> General rate)	Full charge: \$4.95	Half charge: \$0.70
Impact on properties in Curio Bay subdivision	Full charge: \$466.11	Half charge: \$233.06
Impact on third party connections (facilities owned or operated by DOC and the South Catlin's Charitable Trust) as well as the recreation reserve	Move to full wastewater rate on a per pan basis (plus any other annual charges agreed as part of review of MOU)	

Fees for connection of properties in Porpoise Bay

- 57 Properties connecting to Council's wastewater network in other parts of the district are also required to pay a fee for connection to water and waste piped utilities (2021/2022: \$311.78). This is a Water and Waste Department administration charge which is charged to a property owner when a new house is built and a lateral from the main to the property boundary needs to be installed.
- 58 The Porpoise Bay developer installed the wastewater reticulation system including mains and laterals which were "vested" to Council as part of the resource consent process. This means the individual property owners were not required to undertake separate piped utility connections or pay the individual property connection administration fee.

Policy implications

- 59 As noted above, the change in activity and rating method are already allowed for in the Council's Revenue and Financing Policy with both the open spaces and wastewater activities funded by a mix of general and targeted rates.
- 60 The report proposes changes to the Annual Plan FIS (including extending the targeted district wastewater rating boundary) in order for the properties in the extended area to be charged a full or half charge wastewater rate from 1 July 2022.

Analysis

Options considered

- 61 There are two options for consideration in this report:
- Option 1 - that Council confirm the Curio Bay wastewater treatment plant should be treated as community wastewater scheme as part of the wastewater activity in the Annual Plan with

future operating and capital costs to be funded through a mix of targeted rates (via district Wastewater rate), General rate and other sources in line with the Council's Revenue and Financing Policy

- Option 2 – that Council retain the Curio Bay wastewater treatment plant as part of the recreation reserve in the open spaces activity in the annual plan (funded via General rate) and investigate alternative charging arrangements for properties in the Porpoise Bay subdivision to contribute towards the plant's annual operation and maintenance costs.

Analysis of Options

Option 1 – that Council confirm the Curio Bay wastewater treatment plant should be treated as community wastewater scheme as part of the wastewater activity in the Annual Plan with future operating and capital costs to be funded through a mix of targeted rates (via district Wastewater rate), General rate **and other sources in line with the Council's Revenue and Financing Policy**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • ensures that all community wastewater schemes are funded consistently across the district • is in line with Council's original intention in 2016 to treat the scheme as a community wastewater scheme following connection of properties outside the recreation reserve • enables Council to start rating properties in the Porpoise Bay subdivision for a contribution towards wastewater operating and maintenance costs • increases the rating base for the targeted wastewater rate • clarifies the intended source of funding for the scheme's future capital costs (as well as annual operating costs) • ensures that the remaining loan costs for the original capital upgrade continue to be repaid through the general rate in line with the original funding approach agreed (similar to other district wastewater upgrades) • reduces rates for properties that currently do not pay the targeted wastewater rate but pay the general rate 	<ul style="list-style-type: none"> • requires an extension to the rating boundary for the targeted wastewater rate • requires an interim funding agreement to be agreed with DOC and the South Catlin's Charitable Trust to replace the current MOU funding provisions • assumes that ratepayers in the Porpoise Bay subdivision were aware of the intention (of both the Council and the developer) to require properties in the subdivision to pay the targeted wastewater rate (full or half charge) • results in an increase in rates for properties currently paying the wastewater rate (net change - full charge \$4.95; half charge 70c).

Option 2 – that Council retain the Curio Bay wastewater treatment plant as part of the recreation reserve in the open spaces activity in the Annual Plan (funded via General rate)

and investigate alternative charging arrangements for properties in the Porpoise Bay subdivision to contribute towards the plant's annual operation and maintenance costs.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• no changes to rating or rating boundaries required• no change to rates for properties currently paying the wastewater rate.	<ul style="list-style-type: none">• requires an alternative mechanism to be used to charge Porpoise Bay properties for the service provided• is not in line with Council's original intention or with how other wastewater schemes are funded• DOC and the South Catlin's Charitable Trust may still request a new funding agreement be developed as per the clause in the MOU given that properties outside of the recreation reserve are now connected to the scheme.

Assessment of significance

- 62 The proposed recommendations are assessed as not significant in terms of Council's significance and engagement policy. This is because the proposed change:
- is in line with Council's intended funding approach signalled in 2016 following the connection of properties outside of the recreation reserve to the wastewater scheme
 - is allowed for in the MOU with third parties
 - has a minor financial impact on the wider community or those connected

Recommended option

- 63 It is recommended that Council proceed with Option 1 and confirm the Curio Bay wastewater treatment plant should be treated as community wastewater scheme as part of the wastewater activity in the Annual Plan with future operating and capital costs to be funded through a mix of targeted rates (via wastewater rate), general rate and other sources in line with the Council's Revenue and Financing Policy.

Next steps

- 64 If Council approves option 1 above, staff will transfer future operating and capital costs associated with the Curio Bay wastewater treatment plant from the Curio Bay reserve (as part of the open spaces activity in the Annual Plan) to the wastewater activity.
- 65 The Annual Plan rates FIS will be adjusted to include properties in recreation reserve and Porpoise Bay subdivision in the extended rating area for the wastewater rate.
- 66 The wastewater rate will be applied to the properties in the extended rating boundary from 1 July 2022.

- 67 Staff will develop an interim funding agreement with DOC and the South Catlins Charitable Trust to replace the MOU funding agreement regarding third party contributions until a new lease agreement can be negotiated.

Attachments

- A Report 18 May 2016 - Curio Bay Wastewater Upgrade [↓](#)
- B 2016 Curio Bay Wastewater Agreement MOU [↓](#)
- C Proposed targeted wastewater rating boundary extension [↓](#)
- D LTP Rates Funding Impact Statement - Wastewater targeted rate [↓](#)

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Curio Bay Wastewater Upgrade

Record No: R/16/4/6045
Author: Ian Evans, Strategic Manager Water and Waste
Approved by: Steve Ruru, Chief Executive

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 The purpose of this item is to present a brief business case/report to the Council seeking approval of the proposal to upgrade the wastewater treatment plant and disposal system for the Curio Bay campground and reserve, and recommend the overall project proceeds and that the contract will be awarded at a subsequent meeting of the Activities and Performance Audit Committee.

Executive Summary

- 2 As part of the 2015-2025 Long Term Plan process, Council budgeted funding for the upgrade of the wastewater treatment plant serving the Curio Bay Recreation Reserve. Resource consent for the discharge from the treatment plant was granted in November 2014, with the land designated for that activity around the same time.
- 3 The upgrade forms an important part of wider plans to improve facilities in the area and to help cater for growing numbers of tourists. This wider work is being carried out in partnership with the Department of Conservation (DoC) and the South Catlins Charitable Trust (the Trust). Funding has been granted for a car park development and toilets as well as the construction of a heritage centre building and upgrade to campground facilities.
- 4 This business case/report confirms the need for the development of the proposed wastewater treatment system as the first stage of a wider reserve upgrade. It also outlines how the project will be procured. Awarding of the contracts is to be approved by APAC.

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Recommendation

That the Council:

- a) **Receives the report titled “Curio Bay Wastewater Upgrade” dated 5 May 2016.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the development of the wastewater treatment plant and associated works at Curio Bay as part of the wider upgrade of the reserve at a total cost of \$875,364.**
- e) **Agrees that negotiations be finalised with the Department of Conservation and the South Catlins Charitable Trust for contributions to the annual operating costs of the Curio Bay wastewater treatment plant.**
- f) **Agrees to fund the annual operating costs of the wastewater treatment plant upgrade and associated works at Curio Bay, after contributions from third parties, by Councils General rate.**

Content

Background

- 5 It is confirmed that 100,000 people visit Curio Bay per annum and it is thought to be more likely to be closer to 150,000. This last season in particular has seen (anecdotally) increased traffic and numbers of visitors in the area, many travelling the Southern Scenic Route. This presents challenges particularly when the existing provision of infrastructure, facilities and amenities does not meet current, let alone, future demand.
- 6 After approximately 10 years of work to progress this project, Council was granted consent for the proposed wastewater treatment plant, capable of being developed to service the wider community, in November 2014. Along a similar timescale the Trust was recently granted resource consent to build the Natural Heritage Centre at Curio Bay. This facility will provide a 'hub' for the area and improve overall visitor management.
- 7 This was a significant milestone for both projects and while the majority of feedback/submissions were positive, the overall development still created strong sentiment. This was because the proposed area is next to the yellow-eyed penguin habitat, Curio Bay campground and 180 million year old petrified forest. However, everyone agreed that the area was changing and people would visit whether infrastructure was in place or not. Improved visitor management and facilities were required.

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- 8 This project and the collaborative approach of Council, DoC and the Trust provides an opportunity for the community to guide development and is underpinned by a Memorandum of Understanding (MoU) signed by the three parties.
- 9 This project is part of a larger vision for the area with development to the value of approximately \$5M planned for Curio Bay including:
 - New wastewater system (with funding confirmed through SDC's Long Term Plan process).
 - New car park and public toilets (DoC).
 - Upgrade campground (the Trust).
 - New Natural Heritage Centre (the Trust).
 - Enhancing recreational opportunities with walking tracks and interpretation.
- 10 A significant contribution from the Community Trust of Southland has been confirmed and an application had recently been submitted to the Lottery World War One Environment and Heritage Fund. All going well, all aspects of the \$5M development will be underway by early 2016 accommodating the visitor season and avoiding penguin nesting times.
- 11 The overall development is an excellent example of Council, DoC and community collaboration and partnership. The Document titled "A Vision for Curio Bay" prepared by Venture Southland and updated in 2013 constitutes the strategic business case for the overall development of facilities and amenities at Curio Bay. The report, which is included as Attachment 1, presents the current vision for the future of the campground and reserve.
- 12 In order to facilitate the co-ordination and delivery of multiple projects being completed by the three parties, an overall project co-ordinator has been appointed. It is anticipated that this cost will be covered by all three parties on a per use basis.
- 13 The current brief business case for the upgrade of the wastewater treatment plant facility aligns closely with the overall project planned by the three parties as outlined in previous feasibility studies in support of the Trust's various applications for funding. These studies have been summarised and Documented in 'A Vision for Curio Bay 2013'.

Wastewater Treatment Plant Upgrade

- 14 As part of the 2015-2025 Long Term Plan process, Council budgeted funding for the upgrade of the wastewater treatment plant serving the Curio Bay Recreation Reserve. Resource consent for the discharge from the treatment plant was granted in November 2014, with the land designated for that activity around the same time.
- 15 A number of previous options for treatment and disposal have been considered including land disposal some distance up Mair Road but were discounted due to high capital costs. Options around separation of grey and black water were also looked at but presented less opportunity for a wider community scheme and did not deliver the same overall environmental benefits that the consented proposal allows.
- 16 In summary, the proposal involves the construction of a package membrane bioreactor treatment plant which would discharge through a rock contact bed to a local drainage ditch. Further modifications to drainage within the area would allow the ditch downstream of the discharge to revert back to more of a wetland over time. The treatment plant is capable of producing a very high quality discharge and is a very similar type of plant to that which DoC installed to service its campground at Papatowai further into the Catlins. There will also be

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construction of new pipework both within the campsite and in the road to the new treatment plant.

- 17 The treatment plant and pipework has been designed with future extension to the Porpoise Bay subdivision and the wider community in mind. This will be subject to further consultation with both the developer and wider community and consideration of a number of funding issues.
- 18 The development of the wastewater treatment plant is seen as pivotal to the work in the area. If it does not go ahead it will severely restrict what other work can proceed. As a consequence maintaining the status quo is not an option.
- 19 It is proposed to stage the upgrade as follows:
 - Stage 1 - to service the reserve and campground (the current project does not extend beyond this stage).
 - Stage 2 - Porpoise Bay subdivision (subject to agreement with the developer).
 - Stage 3 - community (subject to consultation).

Project Procurement

- 20 As previously outlined it is proposed to split the work into two packages as it is believed this will deliver the best outcomes for the project. Following resolutions made at the APAC meeting on 28 October 2015 Water and Waste staff continued to develop the proposed procurement package as follows:

Package One

- 21 It is proposed to enter into a design build and operate contract for supply of a package membrane bioreactor wastewater treatment plant. This is similar to the model that DoC implemented for its campsite at Papatowai in the Catlins. Subject to approval from APAC to award the contract a final contract price of \$477,600 capital and three years operational costs of \$43,355 has been negotiated. Although the capital cost is slightly higher than the indicative cost provided last year, it is largely due to some design changes requested by Council staff and Opus to help ensure the plant manages to remain compliant at times when large upturn and downturn in loadings would be experienced. The current contract allows for a three year operating contract once commissioned.
- 22 An independent assessment of the contract price was also sought from MWH (attached) which concludes that the proposal has been robustly costed and is consistent with what a plant of this design might cost and that we would be unlikely to get a more favourable outcome by going through an open tender process.

Package Two

- 23 Drainage modifications, pipelines and connections to new developments on the reserve, those being the approved Heritage Centre and a new campsite ablution block as well as connecting the existing toilets was tendered as a package. The tender was advertised in January 2016 with two compliant tenders received. Following clarifications and based on tenders received it is proposed to award this package for a tendered price of \$137,764 (subject to APAC approval).
- 24 Further earthworks, access and fencing costs have been omitted from these two contracts and will be undertaken by local contractors as required. An allowance has been made in the overall budget for this work and is based on an Opus assessment of previous similar work.

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Benefits of Proposed Approach

- 25 There are a number of benefits to using this type of approach for the delivery of package one.
- 26 The Early Contractor Involvement (ECI) type of approach is becoming more common within the construction industry and helps to optimise price, control, risk management and allocation for the Principal. Council successfully used this model to deliver upgrades to four water treatment plants in 2014 on time and within budget.
- 27 This is a highly technical plant with limited suppliers capable of delivering a design build operate contract of this nature. This model is particularly suited to deliver this package.
- 28 The key difference between traditional tendered contracts and ECI is the involvement of the contractor at a much earlier stage and in the process having complete buy-in at the detailed design stage. The rationale behind this is that during this early stage of project planning, the greatest influence on capital costs and project outcomes is possible. It is essentially a form of collaborative contracting and like Alliance Contracts envisages the early involvement of the contractor and the adoption of 'best for project' attitudes by all parties.
- 29 Through an open book (negotiated/guaranteed maximum price) arrangement, Council will have full visibility of all costs, overheads and margins, therefore ensuring that the budget available is used to maximum effect.

Factors to Consider

Legal and Statutory Requirements

- 30 The Local Government Act contains sections that have to be considered in proposing a method for managing a project such as the current proposal. Section 10 sets out general requirements:
 - 10 **Purpose of local government**
 - (1) *The purpose of local government is—*
 - (a) *to enable democratic local decision-making and action by, and on behalf of, communities; and*
 - (b) *to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.*
 - (2) *In this Act, **good-quality**, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—*
 - (a) *efficient; and*
 - (b) *effective; and*
 - (c) *appropriate to present and anticipated future circumstances.*
- 31 For a decision that is inconsistent with an adopted policy, Council is required under Section 80 of the Act to record the fact that the decision is inconsistent, the reason as to why Council is making the decision and whether it intends reviewing its policy as a result of making the decision.

Community Views

- 32 There has been a significant amount of community consultation on all elements of the proposed wider development over the past decade. Recent Long Term Plan consultation and submissions to the applications for both the wastewater treatment upgrade and the Heritage

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Centre have been largely very positive and supportive of the proposal. In addition, a number of public meetings and presentations have been well attended and again largely supportive. Although any move to connect in the wider community would require further formal consultation, informal feedback has also been positive.

Costs and Funding

- 33 Through the 2015-2025 Long Term Plan, Council included the funding of the wastewater treatment upgrade which was considered essential for other proposed developments to proceed. In essence this is the first step of a wider vision of services provided within Curio Bay. Current indications from both DoC and the Trust are that both parties are committed to their various projects and agree that the provision of the wastewater treatment plant is the first critical project that is required.
- 34 The budget for the upgrade sits within the Parks and Reserves activity of Council as this is essentially an upgrade to facilities at the reserve. The facility will transfer across to a community wastewater scheme if and when agreement is reached to connect in the Porpoise Bay subdivision and the wider community. A policy is currently being developed to ensure that future costs associated with any community connection is equitable to all required to be connected. Once connected all properties will then be subject to the district-funded wastewater rate, with the reserve activity reverting to a per pan basis.
- 35 The updated estimated cost as per the table in paragraph 39 is \$875K, which is lower than previously expected and largely due to the favourable contract price received for the reticulation works, and is less than the estimated budget of \$970K as per the 2015-2025 Long Term Plan.
- 36 No specific allowance was made in the Long Term Plan for any maintenance and electricity costs, however these have now been included as part of the Draft Annual Plan for 2016/2017. Preliminary discussions have taken place with DoC and the Trust for contributions to these costs for future years. Any contribution is contingent on it remaining as an upgrade serving the reserve rather than the wider community. If the scheme is opened to the wider community then the contribution will be via the District rate to the reserve on a per pan basis.
- 37 The total cost of the project is estimated below

Summary of Capital Costs

Capital Cost	Value
Contract 16/2 (Membrane Plant)	\$477,600
Contract 16/3 (Drainage, pipelines etc)	\$137,764
Earthworks / access/ landscaping	\$45,000
PowerNet	\$35,000
Opus Project Management	\$60,000
SDC staff time	\$40,000
Contingency @ 10%	\$80,000
	\$875,364

- 38 Funding for this project will be based on the funding sources identified in the 2015-25 Long Term Plan. This will result in \$115K coming from the District Operations Reserve, \$100K from the Financial & Reserve Contribution fund (already allocated) and the balance \$660K to be funded by a 25 year internal loan.

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Estimated Operational Costs

- 39 Some annual costs were included in the 2015-2025 Long Term Plan. These costs include estimated depreciation (including funding of depreciation in line with the policy adopted in the Long Term Plan) and interest and principal loan repayments.
- 40 Operational costs that were not included in the Long Term Plan are the costs of maintenance/running of the plant (\$45K per annum), electricity (\$5K - \$8K per annum) and maintenance on the pipe reticulation of \$5K per annum. The first two costs will be incurred as soon as the plant is commissioned (2016/2017) and the maintenance on pipe reticulation is likely to be needed after three years (2019/2020).
- 41 Operational costs for the maintenance/running of the plant have been updated as part of the draft Annual Plan for 2016/2017. The draft Annual Plan includes \$45K for operations/maintenance of the plant and \$5K for electricity. These costs are the expected costs for a full financial year. As the plant will be commissioned part way through the year the costs incurred during 2016/2017 will be lower.
- 42 Loan repayments have been removed from the draft Annual Plan for 2016/2017 as no loan repayments will be required during the 2016/2017 financial year. Internal loans are drawn down at the end of the financial year that the capital work is completed, with repayments required in the following financial year. The capital work expected to be completed in 2015/2016 will be funded from contributions and reserves, with no loan required until the majority of the capital work is completed during 2016/2017.
- 43 As the capital asset is not complete at 30 June 2016 and cannot be depreciated under accounting standards, funded depreciation has also been removed from the draft Annual Plan. An asset is not depreciated until it has been completed and available for use, this will be part way through the year. If the asset had been completed during 2015/2016 the depreciation to be funded would have been \$7,254. It is anticipated that the any depreciation to be funded in line with the current policy will be able to be funded from the expected underspend in operational costs for the year.
- 44 Council staff would look to recover some of the operational costs from the Trust and DOC. Discussions have yet to be held with the Trust and DOC. Council staff would look to recover \$15K per annum with the balance being funded from the General rate. No income from the Trust and DOC has been included in the draft Annual Plan.

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- 45 The estimated costs for 2019/20 relating to interest and principal are based on the capital cost detailed above of \$875K.

Annual Costs	Long Term Plan 2016/2017	Draft Annual Plan 2016/2017	Estimate for 2019/2020
<i>Included in relevant plan</i>			
Interest	\$46,887	-	\$38,662
Principal	\$13,008	-	\$13,697
Funded Depreciation	\$7,254	-	\$15,026
Operation/Maintenance Contract	-	\$45,000	\$43,335
Electricity	-	\$5,000	\$8,000
Reticulation Maintenance*	-	-	\$5,000
Total in Rates	\$67,149	\$50,000	\$123,720
<i>Excluded from the Long Term Plan (additional rates)</i>			
Operation/Maintenance Contract	\$43,335	-	-
Electricity	\$8,000	-	-
Total costs not in Long Term Plan	\$51,335	-	-
Total Annual Costs	\$118,484	\$50,000	\$123,720
Less potential cost recovery	(\$15,000)	-	(\$15,000)
Total Estimated Rate Cost (before inflation)	\$103,484	\$50,000	\$108,720

* The reticulation is the pipework owned by the Council. It is expected that all other parties connecting to the wastewater system will pay the cost for their own connection and any ongoing maintenance.

- 46 The amount of depreciation to be funded will adjust each year until it is fully funded in 2024/2025. This is in line with the policy adopted during the 2015-2025 Long Term Plan. This policy allows for an additional 10% depreciation to be funded each year until 2025 when 100% of depreciation is funded. The estimate for 2019/20 allows for depreciation funding after principal repayments of 50%.

Cost Sharing

- 47 Previous discussions around funding the operational costs of the scheme suggested a cost sharing approach between the Council, the Trust and DoC being the three parties connected to the plant. This approach would be revised at some point in the future if the scheme were to be extended to the Porpoise Bay subdivision and to the wider community, in which case it would fall under the district sewerage rating.
- 48 The discussions were based on the principle that each of the parties should contribute to the operating cost of the sewerage scheme and contribute to the cost of capital for the scheme. The Trust and DoC both had the same response in terms of the principle of contributing to capital costs, that being that they did not see the added burden of capital costs as being part of their business case. Generally it was considered that the Southland District Council's capital contribution is the Council's share as a partner in a three way joint project to deliver higher class facilities for the large and growing number of visitors coming to the site.
- 49 The Trust and DoC accepted the principle that contributions should be made to the operating cost of the scheme but agreement on the quantum of that contribution has not yet been

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reached. DoC in particular explained their policy was that the level of contribution should be close to the equivalent cost of them having to maintain and operate a set of standalone toilets. The basis for this logic is that is what they would be up for if the SDC did not construct a sewerage scheme.

- 50 Similar logic exists for the Trust as they would have to operate a separate scheme if the SDC plant was not constructed. This is where working together for the benefit of the community is best demonstrated. Each organisation is contributing in the order of \$1 million dollars to make this collective project viable.
- 51 Discussion with these two organisations needs to continue so as to achieve agreement about the level of contribution towards operating costs in time for the 2017/18 budget when the scheme will be in full operation. Until then the operating costs will be a prorated amount of the annual estimated operating cost dependant on when start-up of the plant occurs and the scheme is handed over from the contractor.

Risk Analysis

- 52 A high level analysis of the key risks associated with undertaking the project has been undertaken and are presented in the following table. A risk register will be developed as the project progresses with key risks re-assessed at significant milestones or if there are significant changes to scope.

Risk	Probability	Consequence	Mitigation
DOC/Trust do not proceed with proposed upgrades	Low	High	This is unlikely as both parties have secured the majority of the funding for their respective upgrades.
Parties cannot commit to ongoing contribution to annual opex costs	Moderate	Low	Ongoing dialogue between parties and through the Governance Group.
Costs of installing a wider community scheme are not equitably spread	Low	High	Early development of funding policy to ensure costs to all parties required to connect are fair and equitable.
Failure to deliver project to budget	Low	Moderate	Use of Quantity Surveyor to ensure contract delivers value/ robust tender processes
Porpoise Bay Ltd opt to install their own wastewater treatment system	Low	Moderate	Ongoing dialogue with Porpoise Bay Ltd and ensuring they are aware of the implications of the final funding policy. Minimal risk to design if this occurs as will require limited design alterations. Opex costs would not be able to be spread.
Community choose not to connect in following consultation	Moderate	Low	Current design is to service Reserve and potentially Porpoise Bay at this stage.

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Risk	Probability	Consequence	Mitigation
			Further consultation with the community will be undertaken to ensure complete transparency.
Failure of existing onsite wastewater systems within the community	Moderate	High	Consultation on joining sewerage scheme as an alternative to potentially expensive upgrade of onsite systems.
Impact of Environment Southland Water and Land Plan	High	Moderate	Council will submit once plan is notified for submissions.
Increasing visitor numbers increase pressure on inadequate infrastructure	High	High	Proceed with proposal for wastewater treatment upgrade for the reserve.
Risk of visitors to campground dropping off as a result of inadequate facilities (or through negative reviews on travel websites)	Moderate	Moderate	All parties proceed with upgrade proposals to improve visitor experience.

Policy Implications

- 53 Council is committed to ensuring it obtains value for money in procuring goods and services. Section 7.2 of Council's Procurement Policy requires that procurement policies over \$20K will generally be made on the basis of a competitive tender. Obviously, the current proposal is not in line with this part of the policy.
- 54 However, Section 7.3 of the policy does allow for Council to consider opportunities to procure goods and services through alternative arrangements such as negotiations with a single supplier where it can be demonstrated that this could provide a better outcome.
- 55 In essence, the policy does make allowance for such an approach provided it can be demonstrated that this will deliver the best outcome.
- 56 The challenge is to demonstrate how this procurement approach will deliver the best value for money outcome for the Council. A key to demonstrating value for money is to be able to demonstrate what a competitive price for the work is, hence the reason for the independent review of the proposal to negotiate with one party. In a simple open tendering process this is demonstrated by competing tenders. It is not possible to have competing tenders when a sole supplier situation exists as it does with this project.
- 57 The way to demonstrate value for money is to have independent market experts calculate the likely competitive market price for the work. These experts, known as quantity surveyors provided a similar audit on costings and risk on a previous directly negotiated contract.

Analysis

Options Considered

- 58 Based on previous approvals and competitive prices received for both tenders, the only options now to consider are either to approve or not approve the business case for the overall project

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to approve. Decisions around awarding contracts will be made at a subsequent APAC meeting.

Analysis of Options

Option 1 – Give approval for the project to proceed

Advantages	Disadvantages
<ul style="list-style-type: none"> Allows both the wastewater scheme as well as the wider development to proceed. By proceeding at this stage it is likely that the plant will be substantially complete by next holiday season. Consistent with delivering what is allowed for in the 2015/2025 Long Term Plan. Opportunities for future expansion and development. 	<ul style="list-style-type: none"> None.

Option 2 - Do not give approval for the project to proceed.

Advantages	Disadvantages
<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Significant potential to negatively impact on the wider development and consequent risk of external funding losses from external agencies.

Assessment of Significance

- 59 In this report the Council is being asked to give approval to proceeding with the construction of the proposed wastewater scheme at Curio Bay campground and reserve and the subsequent arrangements for procuring the project.
- 60 The project is provided for in the 2015 Long Term Plan and has been the subject of ongoing discussion with the different agencies involved for some time. Officers are of the view that it is reasonable to conclude that the decision is not significant in accordance with the Significance and Engagement Policy.

Recommended Option

- 61 It is recommended that Council approve the business case for the wastewater treatment plant upgrade. Recommendations on contract award will be made at the APAC meeting.

Next Steps

- 62 Council staff present a report to APAC recommending that contracts are awarded for the upgrade of the wastewater treatment plant, and hence enter into the detailed design phase of the project.

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Attachments

- A FINAL - A Vision for Curio Bay 2013 Update
- B Notice To Client 11a Curio Bay MBR comments 160209

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Executive Summary

Curio Bay and Porpoise Bay are unique localities of international significance primarily because of the 170 million year old Petrified Forest platform. Visitors (confirmed at 100,000 but thought to be more likely 150,000) continue to visit the area in increasing numbers, travelling along the internationally acclaimed Southern Scenic Route into The Catlins.

The area is very important to local iwi and the local community for its recreational, cultural and historical value. It is truly difficult to find a comparable site elsewhere which has such a sensitive and unique natural environment - Curio Bay is home to rare and endangered yellow eyed penguins and New Zealand sea lions as well as Hectors Dolphins. It is also thought to be the only site in the world where a living replica of a petrified forest can be found adjacent to its 170 million year old predecessor.

The community are currently developing the Curio Bay Walkway and Interpretation through this living replica of forest. It is classified as a "Gateway" destination by the Department of Conservation (DOC).

The Issues

- An extremely sensitive, natural environment of international significance...
- Significant growing numbers of visitors...
- Out-dated and inadequate infrastructure to meet demand and address needs.

Implications

Out-dated and inadequate infrastructure includes lack of toilets and parking and a failing septic tank system which currently services the camp ground and recreation reserve. Incredibly there are no toilets for the 100,000 visitors to the Petrified Forest platform and a car park which parks about 15 vehicles. This is impacting the community, environment and visitor experience with:

- Failures in the septic tank creating health issues for locals and visitors as well as the obvious impacts upon the environment and wildlife.
- Lack of parking for all types of vehicles creating unsafe vehicle movements and parking on the side of the road.
- Overall opportunities from tourism not being realised by local businesses and the community.

The Solution

There is a commitment from key stakeholders to look after the area as reflected with a recently signed Memorandum of Understanding (Appendix B). This commitment is illustrated on the map in Appendix C which shows the number of initiatives and projects planned for the area which all contribute to a shared collaborative vision.

Each stakeholder is able to contribute financially towards various projects totalling approximately \$4.8 million. To date, over half of the required funding has been sourced, reflecting the support and "buy in" from community funders and stakeholders.

It is widely agreed that this unique example of a collaborative approach is the only possible way of successfully looking after this very special area.

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The Priority

The priority is to address the area's waste water needs first and foremost. This is essential and underpins all projects including an upgrade of the camp ground and recreation reserve. An affordable waste water solution has been identified and is estimated to cost about \$550,000. To date funding of \$300,000 has been secured, leaving a deficit of \$250,000.

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Section 1: About the Area

1.1 The Catlins

‘The Catlins will be the new area of discovery for tourism in New Zealand.’

It is essential that councils, tourism operators and government agencies work together to ensure careful coordination and management of the growth that will occur’

Damien O'Connor, Former Minister of Tourism

When Europeans arrived in the area, they found it easier to cut-off this south east corner of the South Island (for favourable inland routes) and it almost become a forgotten region. Described as remote and more ‘West Coast’ than the West Coast itself, it was rarely visited.



Sealing and whaling were the first industries, followed by the milling of native timber and subsistence farms. The area is exposed to the southern storms that roar up from the Antarctic and it was generally a difficult place to live – horizontal trees near the coast are a common sight.

Today, the secret is out and the Catlins is developing into an increasingly popular emerging tourist destination. Roading has improved access and the internationally renowned ‘Southern Scenic Route’ traverses through the region which spans both the Clutha District and Southland District Council territories (referred to as North and South Catlins areas respectively).

Low profile eco tourism is establishing itself in the area with the emergence of a range of accommodation including B & Bs, homestays, backpackers and motels as well as a number small tourist and wildlife businesses. For further information please see www.catlins.org.nz

Today, pastoral farming continues to be the predominant industry with most of the population either engaged or in related service industries.

The number of permanent residents is relatively low compared to the summer months when increasingly growing numbers of domestic and international visitors descend into the area.

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1.2 Curio Bay / Tumu Toka

- Curio Bay is located on the South Catlins coast in the Southland District.
- Porpoise Bay is often considered alongside Curio Bay because of its close proximity.
- There are a small number of permanent resident homes but the population dramatically increases in the summer.
- There are residential subdivisions currently planned that will add approximately 22 sections, plus accommodation and a restaurant.
- The area has a long history of Maori occupation and, as with the rest of the Catlins, was an important food source area for Maori. The area was later settled by European whalers and sealers in the 1850s and 1860s.
- In recent years, Curio Bay has become a popular holiday and day trip destination, particularly for New Zealanders. The camping ground is located on the headland and has been used by locals and families for many years for an authentic, kiwi camping experience.
- Curio Bay has developed as one of the key visitor destinations in Southland. Further to this, the area is a destination on the now popular Southern Scenic Route. Increased visitor numbers are putting pressure both on infrastructure and the environment (University of Otago, 2004).
- Currently 150,000 people are visiting the area with the Petrified Forest attracting 86% of all visitors (DOC, 2007) and confirmed numbers of 100,000.
- Tourist visitation to the area is already at a level that cannot be sustained with the current management and infrastructure.
- However, a number of new businesses have developed as a result of increases in tourism and the efforts of the Development Charitable Trust



Figure 1: Aerial view of Curio Bay/Porpoise Bay

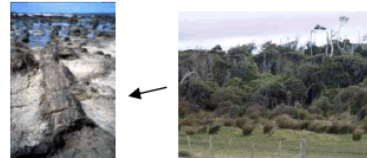
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The Curio Bay area is home to geological and environmental attractions of international significance such as:

An INTERNATIONAL TREASURE, a 170 million year old **Fossil Forest** recognised as one of the best examples of Jurassic Fossil Forest in the world. The platform of petrified stumps, fallen trees and fern imprints are easily accessible by foot at low tide, or can be viewed from the platform above.



Smith's Bush Block - is one of the few examples of Coastal Lowland Forest, such is significant as an example of a successor of the Petrified Forest. It is especially rare because of its proximity to the petrified forest.



A nesting site for NZ's unique and rare **yellow-eyed penguins/hoiho**.



Regular visitation by rare and endangered **Hectors Dolphins**, one of the smallest and rarest marine dolphins in the world.



Diverse coastal landscape of Curio and Porpoise Bays.



Resting site to other **marine mammals** including New ZEALAND fur seals, sea lions and is home to blue penguins.



Curio Bay Camping Ground (situated on the Curio Bay Recreation Reserve) which has camp sites nestled subtly into flaxes, overlooking Porpoise Bay and the Petrified Forest.



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Section 2: Issues and Challenges

There are a number of issues and challenges currently facing Curio Bay associated with:

- An extremely sensitive, natural environment of international significance...
- Significant growing numbers of visitors...
- Out-dated and inadequate infrastructure to meet demand and address needs.

2.1 Visitor flows and numbers

Visitors continue to visit the area with numbers estimated ten years ago eventuating. At present DOC confirms (with accurate foot counting) that there are 100,000 visitors to the Petrified Forest platform but this number will not necessarily include locals, day visitors to the beach and some campers. It is estimated that the actual number of visitors is more likely 150,000.

Vehicle road counts also support significant numbers of traffic in the peak visitor season which runs from October to April.

Curio Bay is situated on the Southern Scenic Route in The Catlins, an emerging tourist destination of international significance. Even without actively encouraging people to visit, visitors will still come. It does not appear to be a choice to 'not do anything' because it will be at the detriment of the community and environment. Rather the approach is to proactively plan and manage the development of tourism in the area which will ensure the environment is protected and the local community benefits where possible.

The challenge is to manage visitors and vehicles in small, sensitive environment which currently lacks adequate infrastructure.

2.2 Improvements in roading and telecommunications

In the past ten years there has been significant upgrades of the roading network and telecommunications which has not only improved people's ability to communicate, but also to access and travel through the area.

The sealing of the main road into and through the area has meant that all types of rental vehicles can easily access this area which is somewhat remote. There are still a number of unsealed roads in the area but there are ongoing efforts to keep improving these to ensure optimum safety for locals and visitors.

The Rural Broadband Initiative (providing broadband internet to schools) and the Vodafone Cell Site Scheme (aiming to provide cellular coverage to remote areas which currently have none) will have a significant impact on both local's and visitor's ability to communicate, run businesses, book travel en route etc. With upgrades due to be completed in 2013, it is unsure what the full impact of this will mean for the area. It is however thought that it will make the area more accessible and attractive to both visitors and local businesses trying to operate.

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2.3 Significance and sensitivity of area

The area is very important to local iwi and the local community for its recreational, cultural and historical value. It is truly difficult to find a comparable site elsewhere which has such a sensitive and unique natural environment - Curio Bay is home to rare and endangered yellow eyed penguins and New Zealand sea lions as well as Hector's Dolphins. It is also thought to be the only site in the world where a living replica of a petrified forest can be found adjacent to its 170 million year old predecessor. The community are currently developing the Curio Bay Walkway and interpretation through this living replica of forest.

Ideally, the best way to protect and preserve such a sensitive site is to limit access and ensure that the priority is to preserve the habitat and local environment. However, the community and DOC believe that there is a unique opportunity to share with the public, the unique experience which Curio Bay can offer. Education can provide preservation. This can only be achieved with the collaborative approach as outlined in this document (Section 3).

2.4 Challenges of location and area

Curio Bay is situated in The Catlins at the southern end of the syncline. It has been seen as 'remote' for a number of reasons including its geographic separation from the rest of Southland, lack of cell phone coverage and ability to communicate and gravel road network. Recent improvements in sealing roads and telecommunications are assisting.

The total number of households in Curio Bay is about 28 which presents challenges to fund local infrastructure with rates. The availability of central government subsidies appears to not be as reliable as it has in the past.

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There have been extensive changes in the use of land in the South Catlins in recent times.

About 10 years ago there was a dramatic shift from sheep farming to short regime forestry and this resulted in a significant net loss of jobs in the area, including the loss of at least 19 families (John Fairweather, Lincoln University research).

Both of these outcomes jeopardized community sustainability and subsequently locals rallied together to seek a solution to create more jobs for locals and attract more families back into the area.

At this time locals noticed a significant increase in the numbers of visitors passing through or staying in the area. Awareness of the opportunities and benefits of tourism became apparent and planning was initiated i.e. Catlins Tourism Strategy as well as the development of the Trust. The Catlins and Curio Bay area also has a huge out migration of 15-24 year olds which is having a huge effect on the community as well as provision of necessary skilled labour to meet demand.



2.5 Inadequate infrastructure

Inadequate and out dated infrastructure presents a number of health and safety concerns.

The Petrified Forest platform area does not have any public toilets and the only option for the 100,000 visitors, is to use the toilets in the adjacent camping ground (situated on a recreation reserve and adjacent to yellow eyed penguin nesting habitat). Built at least 40 years ago, these toilets are very basic and struggle to meet the needs and expectations of users. As well as servicing these visitors, they also service campers and day visitors to the popular beach at Porpoise Bay.

No one disputes that the quantity and quality of toilets need addressed at Curio Bay and the urgency of this.

Directly linked to the provision of toilets are the failures the current septic tank system is experiencing. These are extremely concerning and have not only compromised the health of local residents and visitors but also threaten the very sensitive local environment.

The final concern is related to the area's inability to manage the quantity of vehicles in peak season. The Petrified Forest currently has a 15 vehicle car park which unsurprisingly struggles to cope with 100,000 confirmed visitors to the Petrified Forest. This has meant that cars, campervans and buses have just had to park where they can, creating an unsafe environment.

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Overall there is a need to not only provide more infrastructure but also better manage people and vehicles to the area.

2.6 Collaborative approach

Because of the unique situation of Curio Bay and challenges faced, it has been difficult in recent times to identify and work together on a collaborative approach and vision forward. Individual stakeholders have been undertaking projects e.g. redevelopment of the Petrified Forest viewing platform and interpretation, but there has not been an overall shared approach.

It has taken a significant level of cooperation and compromise to reach the milestone of the signing of the Memorandum of Understanding in 2012. This collaborative approach recognises that each party is actually working towards similar goals and there are opportunities to achieve these for mutual benefit with a shared approach and plan.

2.7 Realising the economic benefit

A key goal is for local businesses to capitalise on the numbers of visitors to the area by creating employment and new enterprise development while ensuring the sustainable management of the area.

This can be achieved by developing more tourist product, encouraging visitors to stay longer and improved visitor management at Curio Bay.

The local community and operators appear to understand the value of tourism and benefits and have had a significant role in developing plans and working with local government to control its development and growth as much as possible.

Section 3: Collaboration and a Shared Vision

3.1 Three key stakeholders

Alongside a passionate local community, there are three key stakeholders who are fully committed to looking after the area:

- Southland District Council (SDC)
- South Catlins Development and Environmental Charitable Trust (The Trust) – See Appendix A.
- Department of Conservation (DOC)

Each stakeholder has a role as an owner or manager of land in the area. For example, DOC look after the scientific reserve which the Petrified Forest is situated on and the Trust lease the SDC Recreation Reserve which the camping ground is situated on as well as own 'Smiths Bush' which is where the Curio Bay Walkway is currently being developed.

There are also 28 residential households and a number of commercial accommodation providers situated at Curio Bay.

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3.2 Memorandum of Understanding signed in 2012

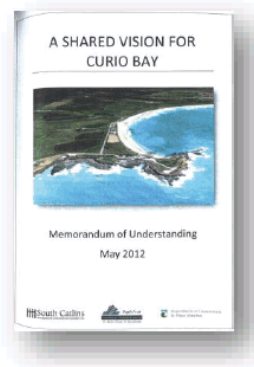
In 2012, the three key stakeholders signed a Memorandum of Understanding (MOU) which outlined a **shared vision forward**, in terms of providing the necessary infrastructure, services and facilities to meet the needs of the visitors, locals and the environment (Appendix B).

The MOU was signed by Her Worship Frana Cardno (Mayor of the SDC), Barry Hanson (Conservator DOC) and Pam Callahan (Chair of the Trust).

What is apparent and reflected in the MOU is that each party has similar goals in respect to the area and by working collaboratively, there are benefits including the ability to 'share infrastructure' and associated development and ongoing costs.

What is also acknowledged is that this collaborative approach is the only possible way of successfully looking after this very special area. Despite each individual's best efforts and intent, there has been limited progress and success to date.

The MOU outlines a number of individual projects and initiatives which have been and will continue to be undertaken by individual stakeholders. What it does though is show how they all contribute towards the overall shared vision and overlap with each other, providing benefits of sharing infrastructure and ensuring the most efficient use of land etc.



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3.3 Governance group established

Following the signing of the MOU, a governance structure was established. It was the role of this group to provide an overall strategic view of the area guided by the MOU. The three stakeholders were represented and meetings are held as required. It is also important that local iwi are involved and an invitation has been extended for them to be a part of the governance structure.

The top level of the governance structure has a representative from each stakeholder plus iwi. Reporting to this group is the project management team which consists of the people physically undertaking various projects.

This structure provides ongoing communication and collaboration and ensures seamless integration of operational issues with governance. This is essential but it is acknowledged that once implementation of the various projects has occurred, a different structure may be appropriate to monitor the area.

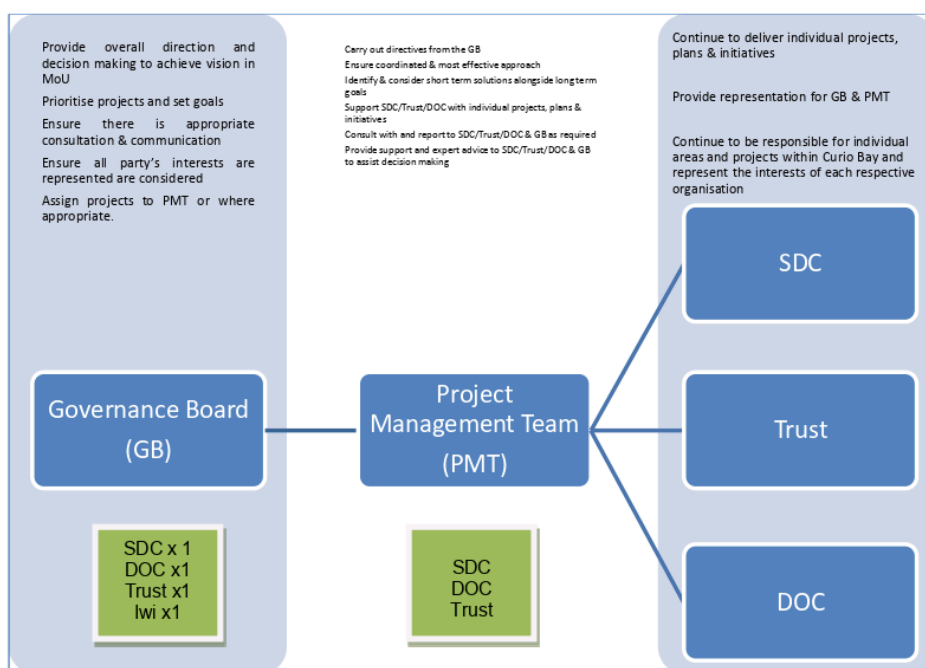


Figure 2: Proposed Governance Structure for Curio Bay

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3.4 The Shared Vision

The map in Appendix C shows the shared vision as outlined in the MOU. This vision consists of developing a “Central Arrival Area” which is where the majority of visitors to the area would be directed to.

From this area, visitors would be directed to other parts of Curio Bay including the Petrified Forest, Curio Bay Walkway, the camp ground, Porpoise Bay beach and the Curio Bay headland. A network of walking tracks would be developed to access these places (suitable for wheelchairs and prams) but vehicle access would still remain for locals in particular.

The majority of infrastructure would be located near or in the “Central Arrival Area” including car parking, toilets, visitor information, camp ground office and the proposed heritage centre and café facility. Directly opposite this area is where the proposed waste water infrastructure is planned and a short walk allows access to the Petrified Forest and Curio Bay Walkway.

There would need to be adjustments made to the current roading layout, especially at the current “T” intersection to ensure optimum safety and access to the “Central Arrival Area” (see 10.2).

The shared vision addresses the key issue of improving the management of visitors and vehicles arriving in the area. By providing all infrastructure in one place it allows it to be shared while ensuring the most efficient and appropriate use of land. By encouraging walking, this lowers the amount of vehicle movements in the area, particularly with international visitors, but locals still retain the same access and freedom of movement as before. Concentrating the infrastructure and amenities in one place also protects other more sensitive cultural and environmental places in the area.



Figure 3: Appendix C

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3.5 Achieving the Vision

The vision as outlined in 3.4 can be split into three key projects when considering its implementation.

- Curio Bay Living Forest and Walkway
- Curio Bay Recreation Reserve
- Waste Water Infrastructure

With each stakeholder able to access funding for certain parts of the overall vision, the challenge has been to integrate it all successfully which is what the MOU has attempted to achieve. Please find below a summary of the planned vision for Curio Bay and various funding sources confirmed to date.

Curio Bay 2010 & Beyond – Projects	Estimated Total Project Cost	Funding Secured To Date	Deficit To Be Funded
Curio Bay Living Forest & Walkway <i>Includes purchase of land; construction of track and interpretation.</i>	\$280,000	\$53,700	\$226,300
Curio Bay Recreation Reserve <i>Includes Heritage Centre Facility, Camp Ground Upgrade, Drinking Water Upgrade, New Car Park, New Rooding Layout, Landscaping, Interpretation & Walking tracks</i>	\$3,904,000	\$2,268,000	\$1,636,000
Waste Water	\$600,000	\$323,000	\$277,000
	\$4,784,000	\$2,644,700	\$2,139,300

Sections 4 through 10 explore in more depth the various components of the overall vision.

To date, over half of the total required funding has been secured which reflects the buy in and support of various community funders and stakeholders. The immediate issue is to confirm funding of the waste water infrastructure in order to finalise plans of other components.

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Section 4: Curio Bay Living Forest and Walkway

In August 2009, the Trust, with the support of The Community Trust of Southland, purchased the remnant forest block, adjacent to Waikawa-Curio Bay Road called 'Smiths Bush'. The bush on this block is representative of the species that were fossilized 170 million years ago and is open to view on the rock shelf in the adjacent Scientific Reserve. The reasons for purchasing this block were to:

- Protect it against development in the future
- Undertake a planting and pest control programme to restore the bush to its original state
- Highlight the significance of the site (only place in the world where a representative present day forest exists in such close proximity to an exposed Petrified Forest platform)
- Develop a walkway which provides both educational and recreational value for both locals and visitors



Figure 4: Red line defines the area known as 'Smiths Bush'

4.1 Significance of Smiths Bush

The significance of Smith's bush in relation to the Petrified Forest had been identified by Geologist Mike Pole (Appendix D) and Brian Rance (Technical Support Officer – Biodiversity, Southland Conservancy, DOC).

"This forest stand is the closest remaining forest stand to the Curio Bay Reserve complex. In addition to its ecological values, the stand has important landscape values and high interpretive potential because of its close association to Curio Bay. Further this stand has significance in proposed restoration initiatives as part of the Curio Bay protected area complete (ieCurio Bay Recreation and Scientific Reserves and land obtained as reserve contribution from the adjacent subdivision when that proceeds)." *Brian Rance, 2010, DOC*

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“What I find most appealing about this place is that it is certainly the only fossil forest in the world where a living forest of similar structure and with probable descendants (the Matai and Totaras) is within a stone’s throw away. As a teaching aid, and simply a nice frame to the fossils, this could hardly be more appropriate. All efforts should be made to maintain this situation”
Dr Mike Pole, University of Queensland, 2003 (Appendix D)



Figure 2: View of Smiths Bush from Mair Road

4.2 Benefits of Purchasing Smiths Bush

- Protection of the site long term.
- The open paddock area at its southern end is recognised as a suitable location for a wastewater treatment plant.
- It enables possible expansion of yellow eyed penguins nesting habitat.
- Because of its location, it acts as a buffer area for the sensitive wildlife and reserve areas from other development occurring in the area.
- It adds another product to the whole ‘Curio Bay’ destination and appeal, once walking tracks and associated interpretation is developed
- It celebrates the site which is of utmost importance to the local community
- It enables the prospect of realigning Mair Road in the future to improve road safety on the access road.

4.3 The Trust’s Approach

Once purchased, the first step was to erect predator proof fences to allow undergrowth to be revitalised.



Figure 3: View overlooking Smiths Bush (on left) and Curio Bay

The second step was to work alongside DOC and the local community to develop a plan for the proposed walkway through the bush – it would highlight and interpret key sites and vegetation. It was also decided to split the development of the track into two parts which would be developed separately to each other. This was seen to make the project more manageable considering volunteer labour and time as well as funding.

The third step was to establish how to repay the Community Trust of Southland loan as well as the development costs of the track.

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4.4 The Curio Bay Living Forest and Walkway Project

The Trust launched the *Curio Bay Living Forest and Walkway* project in 2009. People could support the project with a donation and in return they were acknowledged by having their name engraved on one of the interpretation panels to be situated along the walkway. The contributions would be used to erect a stock proof fence, restore native species and develop the walkway.

To date, the Trust have made excellent progress with creating awareness of the initiative. This could not be achieved without the significant support of the local community. The walkway is now gaining national recognition with a recent visit by the Little Brown Kiwi (New Zealand Adventure Education company), who completed a day's Environmental Science work in the area. They are currently working on making this an annual feature in their adventure education programme.



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Winner of Environmental Award



The efforts of “environmental champions” from all over Southland were recognised and celebrated at the region’s annual Environment and Conservation Awards held in Invercargill in July 2013.

Environment Southland and the Department of Conservation joined forces for the second year to organise a combined event that brings together the Southland Environment Awards and the Southland Conservation Awards.

The South Catlins Environment & Development Trust was the winner of the Community Group award. The award was given for the Curio Bay Living Forest project which included purchasing and fencing a block of remnant native bush, creating a track and linking it to the Petrified Forest and the adjacent reserve.

Figure 4: Recent work on the track has developed the walkway



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4.5 Cost of the Project

The total cost to undertake the project was estimated to cost \$279,405. This included \$129,405 of estimated expenses related to development of the walkway (track construction; plantings; interpretation boards).

Task	Note	Estimated Cost
Purchase Price of Smiths Bush	\$30,000 already secured Nature Heritage Fund	\$150,000
Development of 1km Track	1km gravel track, wooden border, gravel + weed cloth + four bridges – community to provide labour (\$77 per metre as per DOC figures)	\$77,000
Culverts	Access and internal culverts	\$2,000
Stock Proof Fencing	Of north and west boundaries, labour to be donated	\$5,000
Interpretation Panels and Signage	Of significant sites along track. 9 panels @ \$1,045	\$10,405
Advertising and Promotion	Of track, printing of brochures etc	\$5,000
Reforestation of Bush	Internal and external planting over 3 years	\$30,000
TOTAL		\$279,405

4.6 Funding of the Project



In 2007, the Department of Conservation attempted to purchase the bush area alone, for protection purposes. Unfortunately funding for the acquisition was not achieved by the Department despite full support by local management and staff.

When the opportunity to purchase the bush block, together with the open pasture to the south adjoining the Reserve arose in 2009, the Trust decided that positive steps to ensure long term protection of this unique area was the best option, and put a funding proposal to the Community Trust of Southland (CTOS).

CTOS agreed with the Trust's vision and objectives of the acquisition and supported the cause by providing a bridging facility to ensure that the opportunity to acquire that land could be taken up. This funding facility is in the form of an interest free loan and is conditional on the Trust securing funding from other sources to cover the acquisition cost as well as facilitating designation of the land as a reserve under the Reserves Act 1977.

An application to the recently closed Nature Heritage Fund for support with the land purchase price (\$150,000) has resulted in a grant of \$30,000 being allocated. The Trust have since repaid this amount to the CTOS and are due to repay the outstanding amount by 2015.



4.7 Progress to Date

The goal is to have a debt free walkway and recreational asset for the local community and visitors to enjoy. To date the Trust have secured a total of \$53,740 and this includes track sales and donations of \$8,000 and grants of \$35,000. It is also important to note the in kind voluntary labour contribution totalling \$10,000.

The Trust have recently completed construction of the first part of the track and interpretation panels along this section are currently being developed.

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Figure 5: A real community effort to develop the walkway – Toetoes Lions, the Trust and members of the local community all helped at working bees



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Section 5: Waste Water Infrastructure

The Southland District Council alongside the local community has long endeavoured to identify an appropriate and affordable waste water solution and provision of toilets for Curio Bay.

This has presented challenges in terms of:

1. Identifying a system which accommodates the sensitivity of the local environment and significance for local iwi.
2. Funding this system – there is no longer the level of central government support and subsidies as there once was which then potentially leaves the burden on local ratepayers (of which there are only 28)

A solution was identified five years ago and was estimated to cost \$1.3 million. The local community and SDC investigated this as much as they could, even reaching the consent stage by attaining a discharge permit. The insurmountable issue was funding it – the funding just couldn't be sourced.

Since this time, visitor numbers continue to increase (even without promotion) and the infrastructure continues to struggle and fail with more regularity. There are real concerns regarding the health and safety of the local community and visitors, let alone the extreme threat to this unique environment.



Figure 6: Location of Septic Tank beside camp shop



Figure 7: Area fenced off on Reserve with waste surfacing

5.1 Other Options Investigated

Options to 'cart and carry' the waste out of the area, (particularly in peak visitor times) have been investigated. Even though this option would cost less to develop (upgrade of septic tank system), the ongoing costs of trucking the waste out of this remote location considering the volumes experienced in the peak season and projected increases in visitors make it financially unviable. It was assessed that this did not provide a long term solution for the area.

DOC have also looked at 'dry self contained toilet' solutions for Curio Bay. However, the numbers of visitors and future needs and potential growth of the area mean that toilets

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connected to a waste water reticulated system provide a lot more certainty and protection for the local environment.

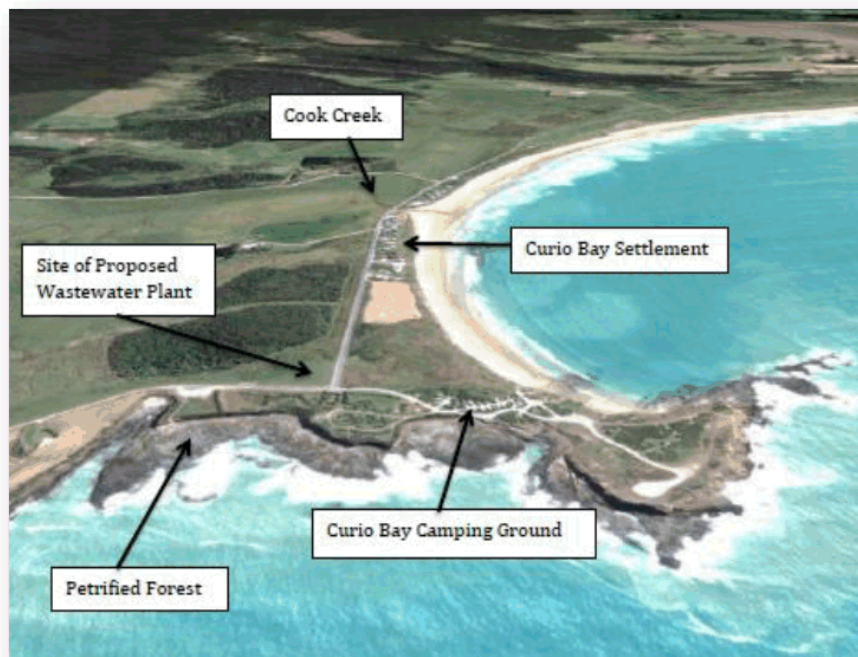
Neither option allowed for the future growth of the area, sensitivity of the local environment and proposed developments planned in the area.

5.2 A Solution is Identified

In 2012, SDC engineers identified a solution suitable and affordable for Curio Bay. Since the initial system had been identified 6 years previously, there had been developments in technology and this particular system has been installed at another similar location in Papatowai a short distance away.

This solution looks to be compatible with the local environment and needs of the community and iwi which is extremely important. Because it is a reticulated modular system, it provides opportunities for future connections from privately owned properties. A key difference to the previous proposed solution is discharging the treated waste water to water onsite. Consultation with local iwi, the community and Environment Southland is underway to further investigate this proposal.

The other significant difference is its price. Estimated to cost \$500,000 - \$600,000, this is under half the initially proposed system.



5.3 Funding the Solution

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Council has allocated \$323,000 to date towards the provision of infrastructure at Curio Bay. It is agreed that the priority is to address the waste water and toilet situation and therefore, all of this funding will be allocated to this.

DOC acknowledge the responsibility they have as caretakers of the Petrified Forest platform to look after the needs of the 100,000 visitors. They also accept that the current situation and lack of toilets and car parking is not ideal. However, their challenge is that they are unable to contribute financially towards assets which they do not own such as a waste water system. There has been ongoing and significant consultation with DOC in recent years, however, there do not appear to be ways around this fact.



Figure 8: Toilet paper left behind from visitors

DOC has recently secured in principle, capital funding of approximately \$500,000 towards the provision of car parking, tracking and toilets in the area. The initial plan was to build 'dry self contained toilets', however with the recently identified new waste water solution, DOC see the benefits of installing flush toilets which are connected to the system. Again, the challenge is how they can contribute considering their own rules and policies. This funding will also be allocated to a car park, associated roading, tracking and interpretation much of which is detailed in Section 10.

The current situation remains that considering the SDC financial contribution, there is still a significant shortfall of \$200,000 - \$300,000.

5.4 Progress Continues

While work continues to secure the shortfall to fund the system, investigation into the system continues.

- SDC have contracted Opus to prepare applications for a permit to discharge which will be lodged in September 2013. Depending on the outcome of this, the next step would be to tender the project and an exact cost would then be known.
- Consultation with the local community and iwi is also important and underway
- Investigation into understanding how the proposed system fits with the rest of the area
- SDC continue to observe the system installed at Papatowai.
- Consideration of ongoing costs of the system and partnership arrangements to fund.



Figure 12: Smiths Bush corner where waste water is proposed to be located

Section 6: Curio Bay Recreation Reserve

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The previous sections covered the Curio Bay waste water and walkway projects. The third project consists of a number of initiatives associated with the Curio Bay Recreation Reserve, in particular three key elements:

1. Development of a **natural heritage visitor centre** to be situated at the “Central Arrival Area” (including education and interpretation displays and public toilets)
2. Redevelopment of the Curio Bay **camping ground** (including new amenity block containing toilets for campers and more powered camp sites)
3. Development of the **site infrastructure** at Curio Bay (i.e. the new “Central Arrival Area” and associated roading, landscaping, walkways, parking).

6.1 Total Cost of the Project

The total cost to undertake all components of the upgrade of the Curio Bay Recreation Reserve is estimated to cost just under \$4 million. It can be split into three separate components (heritage centre, site infrastructure and camp ground), however all components overlap and as such need to be considered alongside each other. For example, the heritage centre can not be developed without providing suitable access roading and car parking facilities.

Total Project Cost	Estimated Cost \$
Natural Heritage Centre	1,826,000
Camp Ground Redevelopment	1,385,000
Infrastructure Site Development (car park, roads, landscaping, tracking)	693,000
TOTAL	\$3,904,000

Further details regarding each of these three components are provided below as well as in Sections 7, 8, 9 and 10.

6.2 Funding for Implementation

An important point to note is that while it is essential that the project be viewed in terms of what the long term vision is, in terms of implementation, the reality is that individual components are most probably going to be funded independently from a variety of sources. For example, funding which DOC can access is eligible to fund the car park and infrastructure associated with meeting the needs of visitors to the Petrified Forest but will now be located at the “Central Arrival Area”.

To date approximately \$2.2 million has been secured towards projects associated with the Curio Bay Recreation Reserve. For example, 7.5 shows confirmed sources of funding for the heritage centre.

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Natural Heritage Centre		
Expense	Estimated Cost \$	Heritage Centre
Building	850,000	See Appendix F
Site Works 460m2	200,000	Machinery, cartage and supply of materials, testing, imported fill
Water Supply	20,000	Assume connection to spring source nearby
Heritage Interpretation	100,000	Panels, displays, audio visual system for theatre
Internal fit out	100,000	Main desk, souvenir area, soft furnishings, decorating, heating/cooling, solar panels
Landscaping	140,000	Decking, outdoor seating area, plantings, relocating of cabbage trees
Professional fees and consultation	250,000	Resource, building consents, conceptual plans, consultation with stakeholders, project management
Contingency 10%	166,000	
	1,826,000	

Camp Ground Redevelopment		
Expense	Estimated Cost \$	Notes
Ablution Block Building	565,000	See Appendix E; includes all fit out, connections.
Power	50,000	To extra camping sites
Site Works and preparation	100,000	Machinery, cartage and supply of materials, testing, imported fill, upgrade to powered sites
Tidy up	20,000	Tidy up existing toilets at Porpoise Bay, recycling existing camp shop
Car Parking and Roding	180,000	Porpoise Bay car park tidy, new roads through out camp ground and at entrance
Landscaping	180,000	Relocating flax, regrassing, headland reorganisation
Professional fees and consultation	180,000	Resource, building consents, conceptual plans, consultation with stakeholders, project management
Contingency 10%	110,000	
	1,385,000	

Infrastructure Site Development		
Expense	Estimated Cost \$	Notes
Tracking and Interpretation	50,000	Walking tracks within reserve, interpretation panels, panels, signage
Tracking and outdoor interpretation	100,000	Walking tracks, panels, interpretation, signage
Car Parking and Roads	400,000	Main car park at central arrival area, site preparation
Porpoise Bay	15,000	Improved beach access
Professional fees and consultation	60,000	Resource, building consents, conceptual plans, consultation with stakeholders, project management
Contingency 10%	68,000	
	693,000	

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6.3 Collaborative Approach means sharing of infrastructure and associated costs

It is also important to note that since the MOU has been signed, the collaborative approach means that there is now an ability for projects to overlap and share infrastructure in particular, thus saving costs. It has also meant that the best long term solution can be identified because all parties are working together.

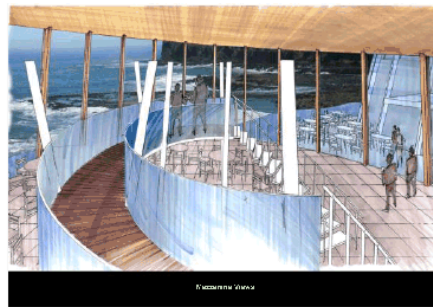
An example of this is the provision of toilets. The main block of public toilets to meet the needs of the majority of all visitors to the area will be provided at the "Central Arrival Area" and attached to the Natural Heritage Centre facility. They will be connected to the proposed waste water system and this provides long term sustainability issues and cost savings. Previous plans had shown options of creating 'dry toilets' and carting away waste.

6.4 Waste Water Infrastructure

The underpinning piece of the puzzle is that the waste water issues be solved. No other upgrades of the camp ground or development of a natural heritage centre can be attempted unless a solution is found. This has caused delays in recent times. With the identified solution and proposed installation as soon as is possible, this allows the implementation of other components.

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Section 7: The Natural Heritage Centre

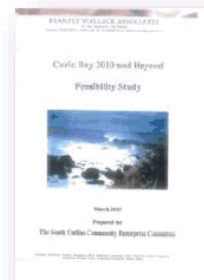


7.1 Background



In 2003, the first guiding document for the area and the Trust was developed by Blakely Wallace and Associates. Entitled 'Curio Bay 2010 and Beyond', its key purpose was to investigate the feasibility of a tourism enterprise at Curio Bay which would:

- maximise visitor experience
- minimise user conflict
- protect and enhance the natural environment and wildlife
- foster and manage enterprise opportunities on the site.



on the

Both the Trust's and the community's vision for this project is...

'...to retain the special qualities of the Reserve and the broader Curio Bay Environs for the wildlife, local community and visitor while integrating an operationally sound tourist/recreation development within Curio Bay to facilitate site and visitor management'

The concept has since been mandated by the wider South Catlins community, and endorsed by the Southland District Council, Department of Conservation and the Yellow Eyed Penguin Trust, amongst others.

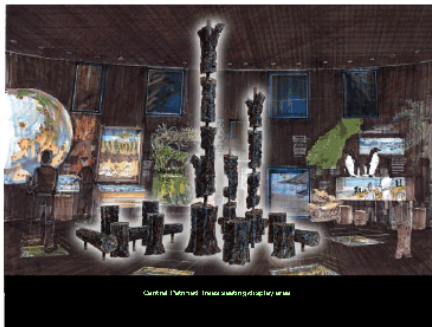
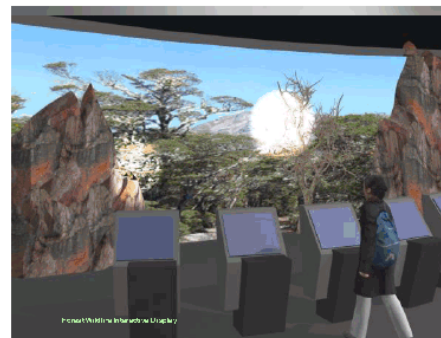
Ongoing consultation with these stakeholders and others such as local iwi remains a priority for the Trust.

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7.2 Description

In recent years, the Trust has further investigated this concept of a Natural Heritage Centre to be located alongside the existing camping ground on the Curio Bay Recreation Reserve. It is intended to form the hub for visitor management at the "Central Arrival Area". It is proposed that it will act as an interpretation, education, information and visitor dispersal point to various activities and areas within the Reserve. It will facilitate management of tourists in particular with respect to the Petrified Forest, camp ground and yellow eyed penguins.

The facility will have a commercial focus to enable its long term viability which in turn will sustain the public good elements of the project. Plans to date have included it consisting of a café, including internet access, camping shop store as well as an opportunity for locals to showcase and sell their own crafts. Some conceptual drawings are listed below.



7.3 Economic Benefits

The economic benefits of the project were seen as critical in order to stimulate local economic development both directly and indirectly. With this in mind, the Trust developed a business case and in 2008 was successful in being granted funding from the Ministry of Social Development's Enterprising Communities fund.



A total grant of \$169,000 over a three period has enabled the trust to employ their Project Coordinator as well as further investigate the heritage centre concept and camping ground redevelopment.

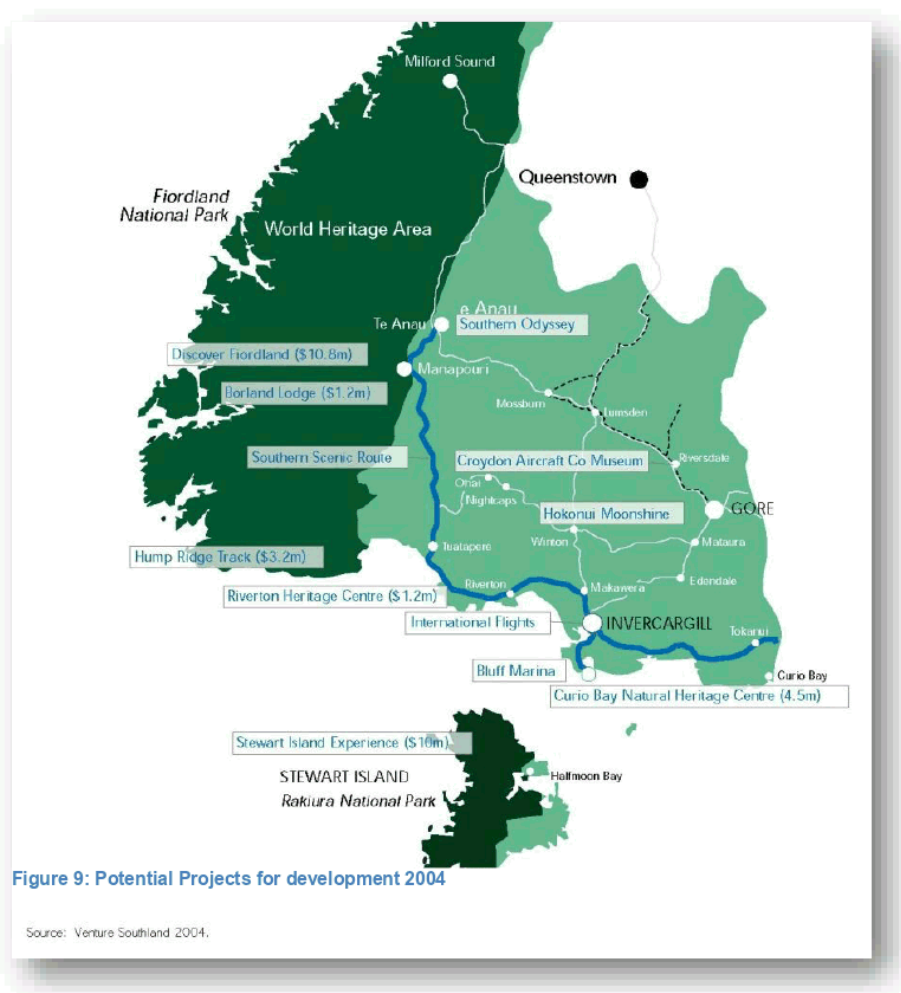
To date, there have been two new businesses establish as well as ongoing education and support of local businesses and the local community.

The Curio Bay Natural Heritage Centre is part of a regional approach to developing significant products to boost the visitor experience in Southland. Most of these projects are public private

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sector partnerships which is encouraged and the Southland Tourism Strategy lists the importance of attracting investment through sound business case investigation.

The Southland Tourism Strategy notes that there are established iconic products such as Milford Sound and Hump Ridge Track, however the emphasis is now to develop new complimentary products such as Curio Bay in emerging areas such as The Catlins.



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7.4 Progress

There have been two events since 2008 which the Trust have been unable to control and which have caused them to re-evaluate the proposed business plan which underpins the ongoing operational feasibility of the facility. The first event being the challenging economic climate and subsequent impact on availability of community grants and investment opportunities. The second event was that a developer on an adjoining section, obtained permission to operate a commercial bar/restaurant. This encroached on the Trust's potential business income streams.

As a result, the Trust staged the implementation of the project and focused on ensuring that the foundations of the project were in place, ready for the eventual development of the facility. This included solving the issue of the waste water situation as well as undertaking interpretation planning regarding the stories the centre would tell. The Trust is currently looking at the exhibit's design and how these stories will be told.

In 2012, with the waste water situation looking to be moving towards being solved, the Trust identified a final concept for the Natural Heritage Centre building. Looking to cost \$1.8 million this as a significantly lower cost than some previous plan's estimates. The reason for this was that the facility was more basic in nature providing the key priorities and basics while still fitting in to its natural setting. Appendix F shows the suggested 'look' of the building.



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7.5 Cost of the Project

The total cost to develop the heritage centre has varied in recent years alongside various planning and consultancy (Blakeley Wallace & Associates; 3 Bald Men consultants). However it is estimated that a centre could be developed for approximately \$3.9 million (including the camp ground redevelopment and associated site infrastructure – see Section 6). The building component on its own will cost \$1.8 million.

Expense	Estimated Cost \$	Note
Building	850,000	See Appendix F
Site Works 460m2	200,000	Machinery, cartage and supply of materials, testing, imported fill
Water Supply	20,000	Assume connection to spring source nearby
Heritage Interpretation	100,000	Panels, displays, audio visual system for theatre
Internal fit out	100,000	Main desk, souvenir area, soft furnishings, decorating, heating/cooling, solar panels
Landscaping	140,000	Decking, outdoor seating area, plantings, relocating of cabbage trees
Professional fees and consultation	250,000	Resource, building consents, conceptual plans, consultation with stakeholders, project management
Contingency 10%	166,000	
	1,826,000	

As mentioned in 3.5, almost \$2.3 million has already been secured showing the commitment of various stakeholders and community funders. Of this, almost \$1.8 million has been allocated specifically towards the development of the heritage centre and details are shown below.

To date the Trust has secured:

Funder	Amount (GST incl)	Note re Grant
Mataura Licensing Trust	\$300,000	Granted 2004 – 06 towards recreation reserve upgrade including heritage centre
Community Employment Group	\$47,000	Granted 2005 to assist with project planning
NZ Parks & Conservation Fund	\$21,000	Granted 2005 to assist with penguin management and conservation
Community Trust of Southland	\$800,000	Granted in 2005 and re confirmed in 2012 (not yet uplifted).
Community Trust of Southland	\$600,000	Interest free loan approved in principal in 2005
Total	\$1,768,000	

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Section 8: The Curio Bay Camping Ground



The camping ground is situated on a recreation reserve which is managed under the Reserves Act 1977 with control vested in the Southland District Council. In 2006, Council passed over management of this Reserve to the Trust by way of a long term lease. The Trust in turn has a service and delivery contract with the manager of the facility who operates a company called the "Curio Bay Holiday Park".

8.1 The Current Situation

It is agreed that the current amenities are basic and need to be upgraded. In particular the kitchen, showers and some toilets. The managers of the camp ground are also currently constrained to operate out of a camp office which has limited facilities and space.

Figure 10: The Kitchen & showers



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There have been quality issues associated with the current water source used by the camp ground which are being addressed in the short term while the long term vision of the area is worked towards. This is associated with the age of the septic tanks.

There is currently no common room or area for people to shelter in from the weather.

There are currently only 15 camping sites which are connected to power. Plans indicate that this could easily be doubled with careful planning which helps to increase the viability of the camp ground as a business.

Presently there is no separation of day visitors to the beach and people camping in the camp ground. This means that all facilities are currently shared. All visitors also travel through the camp group passing camp sites.

Camping is not currently preferred on the headland area, it is meant only be used as a "back up" to manage over flow of visitors in very busy times. This is because there are no toilets close to this area and it is a sensitive area which is exposed to the weather. The Trust also wish to try and create more picnic recreation areas by moving and replanting flax for day visitors to utilise.



Figure 11: View of the Camp Ground from the Headland

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Figure 12: The Views at the headland



8.2 The Proposed Upgrade

The objective is to allocate a specific area within the reserve for camping, reorganise the layout of that area to allow it to work efficiently, and upgrade facilities to meet or exceed user expectations - while retaining the unique wilderness feel of the location. The Trust believes that this can be achieved with careful planning and implementation.

Paddy Baxter Design Group have completed the overall design and layout of the camping ground which includes a new Amenity/Ablution Block, more powered camp sites, realigned access road, separation of day use from campground and reorganisation of the headland. Development of cabins has also been suggested, however this is not part of the current upgrade proposal.

At the proposed "Central Arrival Area" will be the main parking and toilet facilities for the region as well as the natural heritage centre. It is intended that all day to day running of the camping ground also operate out of this facility.

The Curio Bay Holiday Park managers are working on their requirements and business plan to support this process. It is the intention of the Trust to work alongside the community and the camping ground managers to move the upgrade forward. However, the upgrade cannot occur until a solution for waste water has been found.

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8.3 Cost of the Upgrade

It is estimated that the upgrade will cost about \$1.4m, however, it is dependent upon other components associated with the Curio Bay Recreation Reserve (e.g. Natural Heritage Centre and waste water). Options to fund this upgrade will be considered alongside these other projects that the Trust and SDC are involved with. However, it is essential that there is a private partnership with a viable business to undertake the day to day operation of the businesses.

Expense	Estimated Cost \$	Notes
Ablution Block Building	565,000	See Appendix E; includes all fit out, connections.
Power	50,000	To extra camping sites
Site Works and preparation	100,000	Machinery, cartage and supply of materials, testing, imported fill, upgrade to powered sites
Tidy up	20,000	Tidy up existing toilets at Porpoise Bay, recycling existing camp shop
Car Parking and Roothing	180,000	Porpoise Bay car park tidy, new roads through out camp ground and at entrance
Landscaping	180,000	Relocating flax, regrassing, headland reorganisation
Professional fees and consultation	180,000	Resource, building consents, conceptual plans, consultation with stakeholders, project management
Contingency 10%	110,000	
	1,385,000	

8.4 Cultural and Community Considerations

The Trust worked alongside Awarua Runanga to identify sites of significance in the Curio Bay area. A report was developed and this has been integral in considering the proposed layout of facilities and infrastructure as well as the overall vision for the area.

The report also identified the desired process to undertake various projects and to date there has been successful collaboration on a number of initiatives in the area between all parties and local iwi.

The community have always been and will continue to be considered in all planning. There has been a strong message from locals that they wish to retain access to the Porpoise Bay beach and headland areas and this has been incorporated into current plans. Consultation and the collaborative approach forward will continue.

8.5 Waste Water Infrastructure

Again, reiterating point 6.4, the underpinning piece of the puzzle is that a waste water solution be identified and implemented before any plans for an upgrade of the camp ground can be finalised and the system can be further investigated to be funded and implemented.

This has caused delays and frustration in recent times as the Trust and local managers have continued to make do with the current standard of facilities and amenities which desperately require upgrading. This has been particularly difficult for the local managers, whose livelihood is dependent upon this. While people absolutely love the location and special feel of the area, there is general agreement that the facilities are sorely lacking and require upgrading.

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8.6 Progress Forward

Once the plans for the waste water are confirmed, including a timeframe for implementation, plans for the camp ground can be finalised and then further investigated and costed.

At the same time, the current holiday park managers are exploring business opportunities for them to partner with the Trust and SDC in the project. Also, the Trust and SDC are currently exploring a new water source which will meet the needs of users of the Reserve and various infrastructure (waste water) as well as potentially the needs of the wider community.



Figure 17: Conceptual drawing of possible ablution multi use building

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Section 9: Porpoise Bay



The Curio Bay camp ground overlooks Porpoise Bay and is situated on the south headland. It also separates Porpoise Bay from Curio Bay. Porpoise Bay sweeps gently from its north head, at the entrance to the Waikawa Harbour around to its south head. A pod of endangered Hector's dolphins live here which can often be seen from the beach.

The beach in particular has been a popular location for local families and campers for many years (and more recently high numbers of visitors) for recreation ie. Surfing, beach walking, swimming and exploring rocks.

A section of the bay is part of a Maitaitai Reserve as per the map in Appendix G, which reflects its significance for local iwi.

There are opportunities to enhance the area including the access onto the beach, interpretation and recreational and infrastructural facilities and amenities. All of these are interlinked with the proposed upgrade of the camp ground.



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9.1 Beach Access

The main access to the beach in the southern end is from the camp ground. This consists of a track through the flaxes which is fenced off either side. It is agreed that this current access could be upgraded to enhance access for all types of people to the beach, in particular, the elderly, and this will be further investigated.

In recent times, this access route has been altered with the addition of a gate at the bottom of it to try and deter sea lions from using it to enter the camp ground. It was successful for a while but other solutions could continue to be investigated.



9.2 Sand Dunes

There is concerning erosion of the sand dunes along the top of the beach area. A number of factors have probably contributed to this problem, namely activity and development on top of the sand dunes. It is also accepted that over time, this type of erosion can be expected.

This is concerning because of the sensitivity of some of the cultural sites which are becoming exposed as well as the safety concerns for beach users.

The Trust and local community have recently begun discussions with local iwi and other stakeholders to identify both short term and long term solutions.

Figure 18: Eroding sand dunes

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9.3 Interpretation Opportunities

Currently there is interpretation over looking Porpoise Bay near to the current camp shop (see photo below). This provides information about the local wildlife and environment. There are also areas with picnic tables and some shelter for visitors to use (see photo below).

However, it is accepted that there are opportunities to enhance interpretation and signage here as well as recreation amenities for visitors. This would be in line with the upgrade of the camp ground and potential new roading and tracking through out the Reserve.

New interpretation and signage would also ensure it is consistent with other interpretation through out the area which helps provide flow within the Reserve for visitors. See 10.6 for more information about possible interpretation.



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9.4 Beach Safety

The current camp shop overlooks the Porpoise Bay beach and as such has fulfilled an important role with beach safety. There are a large number of swimmers in the water during the summer and there have been occasions when a person in trouble in the water has been observed from the camp shop and the alarm has been raised.

With the proposed new layout and development of the “Central Arrival Area”, there will need to be thought around this to ensure this important function for the community is continued.



Figure 13: View of Porpoise Bay and access from camp ground

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Section 10: Site Infrastructure Development

Section 3.4 and the map in Appendix C show the shared vision as outlined in the MOU. This vision consists of developing a “Central Arrival Area” which is where the majority of visitors to the area would be directed to.

From this area, visitors would be directed to other parts of Curio Bay including the Petrified Forest, Curio Bay Walkway, the camping ground, Porpoise Bay beach and the Curio Bay headland. A network of walking tracks would be developed to access these places (suitable for wheelchairs and prams) but vehicle access would still remain for locals in particular.

The majority of infrastructure would be located near or in the “Central Arrival Area” including car parking, toilets, visitor information, camp ground office and the proposed heritage centre facility. Directly opposite this area is where the proposed waste water infrastructure is planned and a short walk allows access to the Petrified Forest and Curio Bay Walkway.

There would need to be adjustments made to the current roading layout, especially at the current “T” intersection to ensure optimum safety and access to the Central Arrival Area.

10.1 Reasoning behind the “Central Arrival Area”

- The shared vision addresses the key issue of improving the management of visitors and vehicles arriving in the area.
- By providing all infrastructure in one place it allows it to be shared while ensuring the most efficient and appropriate use of land.
- By encouraging walking, this lowers the amount of vehicle movements in the area, particularly with international visitors, but locals still retain the same access as before.
- Concentrating the infrastructure and amenities in one place also protects other more sensitive cultural and environmental places in the area.
- It also provides an opportunity for a business associated with running the camp ground and heritage centre to be able to “capture” the majority of visitors to the area which assists with long term viability of the whole enterprise.

Expense	Estimated Cost \$	Note
Tracking and Interpretation	50,000	Walking tracks within reserve, interpretation panels, panels, signage
Tracking and outdoor interpretation	100,000	Walking tracks, panels, interpretation, signage
Car Parking and Roads	400,000	Main car park at central arrival area, site preparation
Porpoise Bay	15,000	Improved beach access
Professional fees and consultation	60,000	Resource, building consents, conceptual plans, consultation with stakeholders, project management
Contingency 10%	68,000	
	693,000	

10.2 Access into the Area

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It is agreed that the current layout of the T intersection is confusing and could be improved for overall improved visitor management and safety.

On arrival into the area, currently, people have an option of turning left into the camping ground/beach area or right towards the Petrified Forest.



The proposed plan is to encourage visitors to drive forward into the “Central Arrival Area” and car park. This will be achieved by altering this current intersection and with signage. Local people who wish to drive directly to the Porpoise Bay beach and headland areas will still be able to do this. The improved layout is to target visitors, particularly international visitors who will want to use toilets, visit the heritage centre and petrified forest.

The new intersection will look to provide improved safety for the growing number and types of vehicles in the area. It will also consider the needs of local farmers and residents of Mair Road in particular.

10.3 The Car Park

The proposed car park is modelled on infrastructure recently developed at the Kepler Track, a destination with similar visitor numbers and projected growth as Curio Bay. It is planned to be able to park up to 80 vehicles, including buses and camper vans and will have a sealed surface.

While this large sized car park may seem very large for the area (especially since the current car park only accommodates 15 car parks), it is essential to future proof as much as possible. The vision agreed by all parties is to look at the future needs of the area and plan accordingly. Indications are very probably that visitor numbers will continue to rise considering other developments in the area (e.g. Natural Heritage Centre). There may be an opportunity to stage the construction of the car park however. This is all yet to be confirmed and plans are currently still in conceptual stage.

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The key challenge is to situate this infrastructure carefully and appropriately so that it is accessible and easy for people to use, but does not ‘overcome’ the local environment and people’s overall experience of the area.

Current plans show that it looks possible to situate the car park to the right of the access road to the “Central Arrival Area” in an area currently bordering the yellow eyed penguin nesting habitat. There will continue to be consultation with the Yellow Eye Penguin Trust, local community and engineers to ensure it is situated in the most appropriate place.

It is also envisaged to use careful and appropriate landscaping and re planting of cabbage trees and flaxes to ‘soften’ its appearance.

There are currently two plans being considered for the car park which can be seen in Appendix H. Further investigation is required to identify what will fit best with the local environment.



10.5Enhancement of the current water supply

The current water supply from the existing source does not meet the new standards for water quality for supplying water to 25 or more people. The Trust and SDC intends to upgrade the take point in conjunction with the rest of camping ground upgrade. This is essential to ensure that quality and safe drinking water is provided to meet compliance and standards as well as people’s needs and expectations.

10.4Toilets



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As noted previously, there are currently no toilets for the 100,000 visitors to the Petrified Forest (they have been required to walk to the camping ground and many do not). A key function of the "Central Arrival Area" is to provide the main block of toilets for all visitors to the area which would be connected (or situated very close) to the Natural Heritage Centre as well as the car park and arrival area.

Again, identifying a waste water solution is crucial in developing these toilets. The solution identified would dictate the type of toilet to be provided e.g. 'flush' toilets connected to a waste water system or 'dry' toilets which would require emptying of septic tanks.

Previous plans that DOC have undertaken initially assumed that the waste water issue could not be overcome and plans were to install 'dry' toilets in the area. While 'dry' toilets would have certainly been an improvement on the current situation, there would have been ongoing costs to cart the waste away, which can be significantly decreased by connecting to a reticulated waste water system. It is also assumed that visitors prefer flush toilets vs dry toilets. The most important point is that providing flush toilets connecting to a scheme, provides the best long term management and protection of the area and best meet current and projected needs.

It is also important to reiterate that the proposed amenity block within the camp ground would provide toilets and showers for campers only. Existing toilets at Porpoise Bay would be tidied and retained for use by day and beach visitors.

10.6 Interpretation and Tracking

The benefit of creating the 'central arrival area' is that visitors (in particular international visitors) are encouraged to park in this area and then walk the short distances to various sites e.g. petrified forest. This provides better management in terms of controlling vehicles and dispersal of visitors. It also means that campers and day visitors can be separated.

The key will be to ensure that visitors are firstly directed into the central arrival area and then are informed about various sites at Curio Bay and how to visit them etc. There will then need to be sufficient tracking and pathways linking sites to the central arrival area. These would need to be suitable for the significant quantities of people using them (e.g. 100,000 currently walking to the petrified forest) as well as accessible and appropriate for as many people as possible (e.g. push chairs, wheel chairs).



Tracks would also need to take into consideration camper's needs and privacy, local iwi sites as well as wildlife, in particular the yellow eyed penguins. This will be achieved with ongoing consultation.

Along the tracks, interpretation could be developed to explain and interpret what people are viewing. It would also give them an insight into the area and the history and stories associated with it. It is envisaged that all interpretation will have a consistent look about it at all sites at Curio Bay e.g. walkway, petrified forest, Porpoise Bay. This can be achieved with collaboration of all stakeholders and agreement of an overall interpretation plan.

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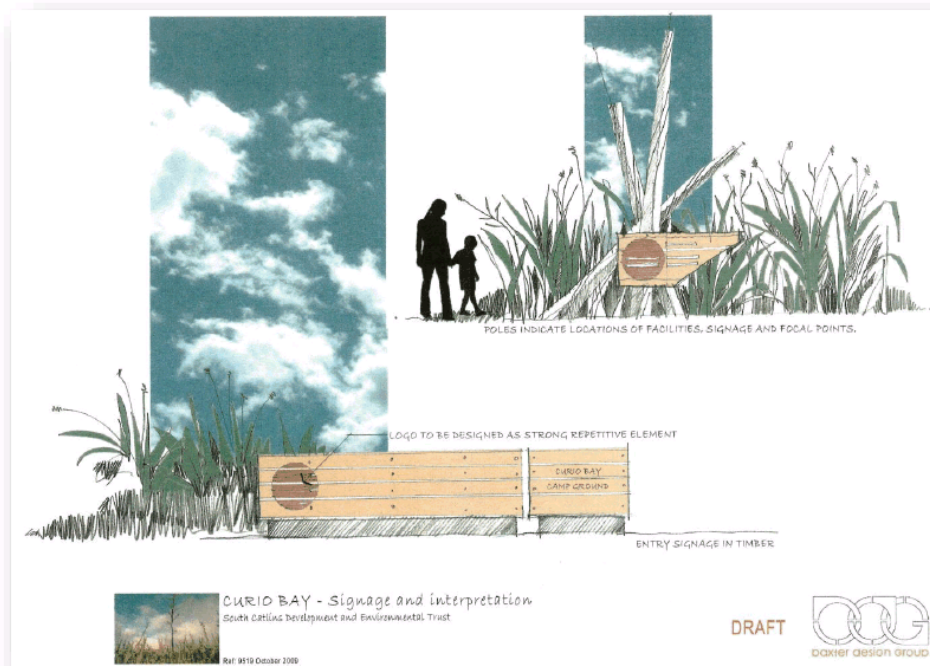


Figure 20: Conceptual drawing of possible interpretation through out the Curio Bay area

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Summary

There is no disputing the uniqueness and sensitivity of the area. Visitors are coming, and will continue to be attracted to the area and the community recognise the opportunities in terms of stimulating their local economy and creating employment opportunities.

There is a real desire from key stakeholders to work together towards addressing the significant inadequate infrastructure before it has further negative health and safety and environmental impacts. Significant steps forward in recent times reflect this (signing of the MOU).

The provision of toilets and the waste water system underpin all future opportunities and the overall protection of the area. Now that there is an affordable solution identified and confirmed financial commitment from Council, there is a real desire to move this forward. This will require confirming all funding and working alongside local iwi and Environment Southland to further investigate the system.

However, plans for other components such the natural heritage centre, camp ground upgrade, curio bay walkway and new car park can also be moved forward alongside progress on the waste water.



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Appendix A: Information about the Trust

The Trust

The **South Catlins Development and Environmental Charitable Trust** (the Trust) was formed in 2002. Prior to this they had been working as a steering committee called the South Catlins Community Enterprise Committee. The Trust covers the South Catlins area, which is geographically identified as extending between and including Waikawa, Curio Bay, Otara, Tokanui, Waimahaka and Fortrose.

The Role of this Trust...

...is to represent community interests in the South Catlins area while having a major role in managing and steering the way in which tourism develops in the South Catlins especially with respect to Curio Bay.

The Trust's Overall Objective is...

...to ensure that the Catlins community benefits from any developments whilst preserving the environment and heritage of the area. This includes preservation and facilitation of tourism developments and increasing visitor numbers.

The Trust:

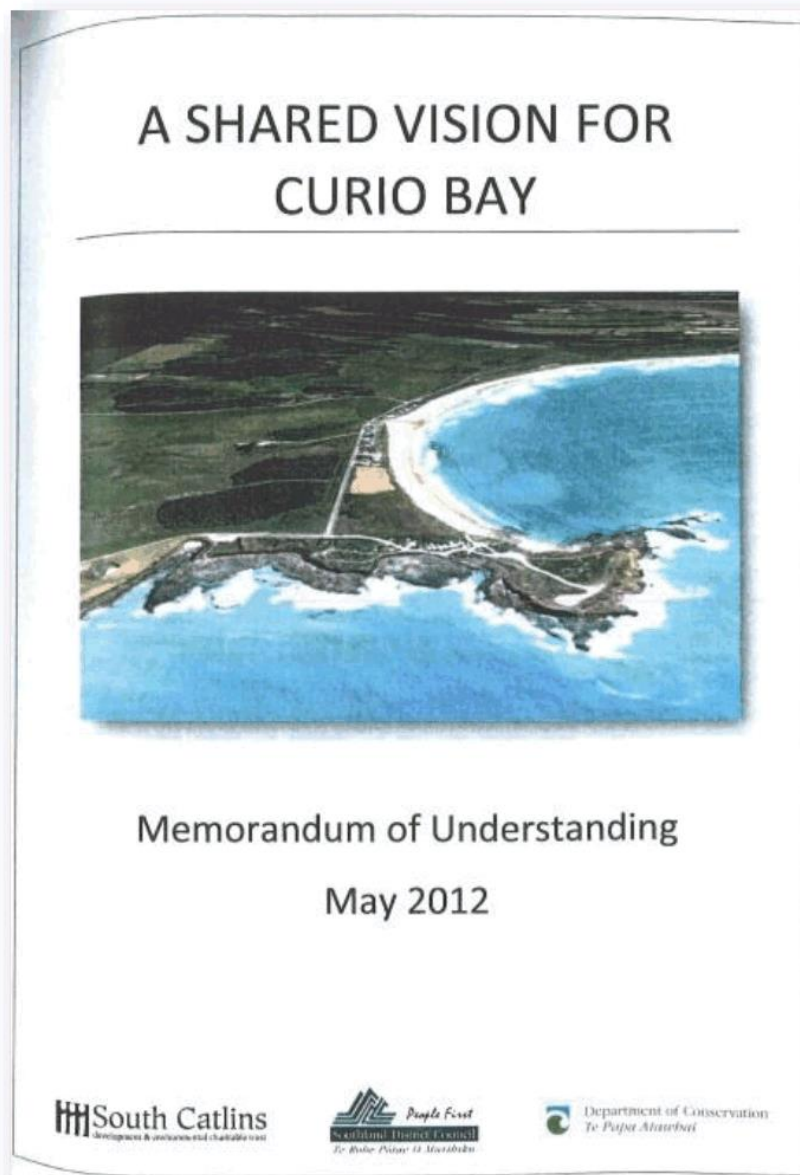
- Consists of experienced volunteer trustees who represent a community with a passion and who are committed to achieving the vision and objectives of the Trust.
- It is a registered charitable trust with the Companies Office and a charity with the Charities Commission.
- Has worked hard to develop partnerships with a number of local community groups, funders and local government organisations over a number of years including local iwi.
- By way of a long term lease with the Southland District Council (SDC), manages the Curio Bay Recreation Reserve which has the Curio Bay Camping Ground onsite.
- Employs a part time 'Project Coordinator' with the assistance of the Ministry of Social Development's Enterprising Communities Fund (\$169,000).
- Is undertaking three key projects related to development of a heritage centre, redevelopment of the camping ground and acquisition and redevelopment of Smith's Bush block.
- Has negotiated relevant concessions with the Department of Conservation (DOC) to undertake guided walks on the Petrified Forest.
- Works alongside Venture Southland and Southland District Council staff.

Current Trustees:

- Pam Callahan - *Chairperson*
- Nigel Stirling - *Treasurer*
- Greta Buckingham - *Secretary*
- Paul Duffy
- Judy Leith - *Iwi representative*
- Peter Crosbie
- Jim Burns
- Thomas Buckingham
- Dani Stratford
- Bruce Lamb
- Milton Smith

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Appendix B: Memorandum of Understanding



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MEMORANDUM OF UNDERSTANDING DATED May 2012**PARTIES****THE DEPARTMENT OF CONSERVATION
(DOC)****SOUTHLAND DISTRICT COUNCIL (SDC)****SOUTH CATLINS DEVELOPMENT AND
ENVIRONMENTAL CHARITABLE TRUST
(The Trust)****BACKGROUND**

- A Curio Bay is home to a 180 million year old fossil forest, rare and endangered wildlife and is also a popular holiday and day trip destination. The camping ground has been used for many years, in particular by Southlanders for its authentic, kiwi camping experience.
- B The Trust has managed the Curio Bay Recreation Reserve (the Reserve) on behalf of SDC since 2006, when a 20 year lease was signed, and has to date contributed \$71,000 towards the investigation of a waste water system solution for the Reserve.
- C The Curio Bay Holiday Park ("the Holiday Park", situated on the Reserve) has proved to be a sound economic venture and the Trust has an arrangement with local operators who manage the Holiday Park. The Holiday Park is a key employer in the community and this camping ground and Reserve provides a hub from which other businesses and economic activity stem. Facilities in the camping ground are "run down" and in need of upgrading. The Trust has been investigating this alongside overall provision of waste water systems and toilets.
- D Next to the Recreation Reserve is the Curio Bay Scientific Reserve which is where the Petrified Forest is located. This is a key visitor attraction of national and international significance and is the responsibility of DOC. In 2008, DOC developed a viewing platform and interpretation area and their research indicates that 32% of visitors to Curio Bay come because of the forest which was the single largest attraction. The DOC counter located at the Petrified Forest indicates that there are currently 52,000 visitors per annum.
- E Visitor numbers continue to steadily increase, particularly as promotion and marketing of "The Catlins" area has contributed to its emergence as an international tourism destination. It is currently estimated that Curio Bay hosts between 100,000 and 150,000 domestic and international visitors each year. As the number of visitors increase, it is becoming increasingly apparent that existing infrastructure is under pressure to cope. Particular areas of concern at Curio Bay are associated with roading (and access into the area), the provision of public toilets and waste water issues. The current waste water system at the Holiday Park and Reserve can not deal with volumes at peak times of the year.
- F There has been significant planning undertaken in recent years as part of the process to address the redevelopment of the camping ground, upgrade of the waste water system and provision of public toilets to meet current and future demand.

DOC/DM 861041
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Southland District Council, Department of Conservation & SCDECT 1

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1. OPERATIVE PROVISIONS

- 1.1 The Parties agree that it is essential that a common vision for the Curio Bay area is developed and a shared process to achieve this vision is agreed upon and collectively worked towards. This will ensure that resources, facilities and land is most efficiently utilised and shared where possible.
- 1.2 It is also acknowledged that each Party has an individual interest and/or responsibility in respect to Curio Bay and these have been considered when developing the wider vision for the area.
- 1.3 It is agreed that the overall vision for the area is to:
- Enhance, manage and celebrate the special aspects of Curio Bay that make it unique and appealing to both locals and visitors. Specifically, the wildlife, the Petrified Forest and its living forest relative at Smith's Bush, Porpoise Bay beach area and a camping experience in this unique location.
 - Provide roading, parking and toilets which will service the needs of all visitors to the area while considering the best and most efficient use of land and resources.
 - Ensure that the area remains able to be enjoyed by the local community and visitors for their recreation and leisure now and in the future, while also considering the needs of a sensitive natural environment.
 - Provide opportunities for the development of new business and recreational activities for the benefit of the local community.
- 1.4 It is agreed that the following factors contribute to the overall vision for Curio Bay, and that this vision be collectively worked towards:
- Redevelopment of the Curio Bay Holiday Park keeping its current low key and underdeveloped style where possible but while improving current facilities so they are of high quality and are compliant. This redevelopment will also include addressing the treatment of waste water and provision of camper's toilets and other facilities and it will be realistic and appropriate within the constraints of the site and acknowledging the sensitive environment in which it is located.
 - Realignment of Mair Road which will provide improved safety and access into and through the Curio Bay area and which will assist with improved management of traffic as well as separation of day visitors from campers where appropriate.
 - Provision of public toilets to service the needs of day visitors to Porpoise Bay and the petrified and living forests.
 - Provision of shared and appropriate parking for all visitors to Curio Bay.
 - Interpretation at key sites with the goal to educate and enhance visitor's experiences. This may include the development of a heritage or discovery centre facility as well as continued interpretation at the Curio Bay Petrified Forest and new interpretation at the Curio Bay Living Forest and at Porpoise Bay.
 - Ongoing consideration and management of wildlife and the local environment which make Curio Bay the unique place it is.
 - The development of walking tracks which will assist in linking the petrified and living forests as well as the headland and Porpoise Bay areas. These will assist with the management of visitor flows through the Curio Bay area as well as controlled viewing of and interaction with wildlife.

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- The design and style of facilities will have an integrated and consistent design theme throughout the reserve irrespective of which party owns the facility.

2. ACHIEVING THE OVERALL VISION

The area can be split into the following five key components:

- Curio Bay Holiday Park
- Curio Bay Petrified Forest
- Porpoise Bay
- Curio Bay Living Forest
- Curio Bay Heritage Discovery Centre

The Parties acknowledge that these five components may be developed, owned and managed separately but each contributes to the overall picture for the area. A design theme will run through all facilities.

The Parties also agree that in order to successfully achieve the overall vision, there is a need for a high level of cooperation, communication and integration regarding these various components, in regards to their development as well as ongoing operation. This may mean the development of a single integrated management structure which will ensure long term sustainability for the Curio Bay area.

The Parties therefore agree to review the current management structures and develop a single integrated entity which consists of representatives of all Parties and has the aim to facilitate ongoing successful management and sustainability of the area.

Proposed projects and implementation associated with each component are listed below.

2.1 Curio Bay Holiday Park

Proposed Projects:

The upgrade of the existing camping ground will aim to maintain its current low key and underdeveloped style while improving the existing toilets, kitchen/ablution block and increasing the number of powered sites. A new camp store is also planned and will be located at the main entrance, near the proposed central car park, as the control/entry point (alongside a proposed heritage discovery centre).

Implementation:

- Redevelopment of the Curio Bay Holiday Park will be facilitated by the Trust in conjunction with SDC.
- Plans will address all associated issues including the provision of camping facilities and toilets; the treatment of waste water and enhancement of the water supply.
- It is the intention where possible to separate the infrastructural needs of day visitors and campers in terms of providing toilets and treating waste water. The needs of campers and the Curio Bay Holiday Park are the responsibility of the Trust and SDC.

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2.2 **Curio Bay Petrified Forest**

Proposed Projects:

It is intended to continue to effectively manage visitors to this site, including maintaining the current interpretation on display as well as ongoing protection of the scientific reserve, the wildlife and their natural habitats. There are opportunities to improve access to the site as well as provide more parking and toilets to meet visitor demand.

Implementation and Funding:

- Subject to funding, DOC will provide a central car park for the Curio Bay area which will look to service 80 vehicles, including buses. It will be located at the entry point to Curio Bay and is dependent upon Mair Road being realigned.
- Subject to funding DOC will provide and fund containment toilets to be located near the proposed central car park and which will service the majority of day visitors to Curio Bay.
- All Parties will investigate options for future maintenance and servicing of the proposed toilets and car park which will be negotiated between the parties to ensure consistent and efficient management to ensure long term sustainability of the facilities.
- All parties will review the DOC volunteer summer ranger position to identify the most successful approach.

2.3 **Porpoise Bay**

Proposed Projects:

Many day visitors come to Porpoise Bay to view Hector's dolphins and other wildlife, as well as the spectacular coastal scenery. The beach is a popular recreational area and surfing, walking, picnicking and swimming are popular activities. At present, the Porpoise Bay area and beach can be accessed by entering the Curio Bay Holiday Park and there is a shared use of all camp ground facilities by both campers and day visitors. As previously mentioned, the camp ground upgrade intends to separate this shared use by providing separate facilities for both day visitors and campers.

A redevelopment of Porpoise Bay will ensure that access to the beach and wider area for recreational use is retained and possibly improved. The provision of toilets for day visitors will be addressed as will visitor's access to the area and parking. There are opportunities to investigate the development of a Marine Mammal Viewing Platform and possible future opportunities to protect and interpret the archaeological site located near the current camp shop.

Implementation:

- All parties will also investigate the development of a marine mammal viewing area and associated interpretation.
- All parties to investigate the appropriate provision of toilets and parking to meet the needs of day visitors while also considering the redevelopment of the Curio Bay Holiday Park.

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2.4 Curio Bay Living Forest

Proposed Projects:

Development of a walkway (with interpretation) through the Curio Bay Living Forest is currently underway. It will highlight key aspects of the living forest and the important educational link with its 180 million year old ancestor - the Petrified Forest. It is thought to be one of the only places in the world where a living and petrified forest are located side by side. It will complement and link to the proposed heritage discovery centre and wildlife interpretation in the area. There are also plans to restore vegetation within the living forest, eradicate pests and investigate future options for development of Yellow Eyed Penguin habitats.

Implementation:

- The Trust will undertake the development of the Curio Bay Living Forest Walkway.
- Visitors to the Curio Bay Living Forest will share toilet and parking facilities used by Petrified Forest visitors.

2.5 Curio Bay Heritage Discovery Centre

Proposed Project:

There is an intention to develop a Heritage Discovery Centre to be located near the centre of the Reserve. It will be part of a central facility which will provide a hub for all visitor management at Curio Bay, and will act as an interpretation, education, information and visitor dispersal point to various activities within the area. This includes camping, as the new camp shop will be a part of this central facility. The proposed central car park and toilet facilities will be located near by.

Implementation and Funding:

- The Trust will continue to facilitate the development of this facility alongside local community funding partners, potential business partners and the local community.
- The proposed realignment of Mair Road will provide a single entry point and the Centre will be situated here to assist with overall visitor management.
- Consideration that the waste water treatment solution for the Curio Bay Recreation Reserve (including the Holiday Park) is able to meet the needs of the future development of this facility.

3. GENERAL

3.1 This term of this Memorandum is three years.

3.2 At the expiration of three years, any party may give four weeks written notice to the other parties to terminate the Memorandum. All parties shall continue to be responsible for any costs and expenses due to be paid by that party up to the termination of the Memorandum.

4. MEETINGS AND COMMUNICATIONS

4.1 Representatives of the Parties shall meet at least twice yearly during the term of this Memorandum including any extended term to discuss all matters of mutual interest arising out of this Memorandum.

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4.2 Each party shall appoint and advise the other parties of the name of a contact person. Those persons shall be charged with providing an effective liaison system and working relationship between the Parties over the matters dealt with in this Memorandum.

5. INTELLECTUAL PROPERTY AND DATA SHARING

5.1 Nothing in this Memorandum affects any party's rights in any intellectual property.

5.2 The Parties shall jointly own any intellectual property arising out of this Memorandum.

5.3 Subject to the Official Information Act 1963 and the Local Government Official Information and Meetings Act 1989, all shared data and confidential information provided by any party shall remain confidential and shall be used only in accordance with the conditions on which it is shared. In the absence of any specific Memorandum, the exchange of data and confidential information shall be on the basis that it shall not be disclosed to any third party or used for any purpose other than the furtherance of the matters specified in this Memorandum.

6. NATURE OF MEMORANDUM AND RELATIONSHIP

6.1 The Parties acknowledge this Memorandum sets out the intentions of the Parties but it is not legally binding on any Party.

6.2 The Parties agree that in their dealings with each other in accordance with this Memorandum they shall act on the basis of good faith and respect for the other's views.

6.3 In the event of any dispute arising that touches on any provision of this Memorandum the Parties shall endeavour to come to an amicable solution. If any dispute cannot be resolved quickly by staff of the Parties using their best endeavours to find a mutually acceptable solution, the Chief Executive of SDC, the Chairperson of the Trust and the Conservator Southland shall meet in an endeavour to resolve the dispute.

6.4 If any dispute cannot be resolved in accordance with clause 6.3 any party may by notice to the others refer the matter to arbitration under the Arbitration Act 1996.

18 May 2016

EXECUTIONSigned for and on behalf of **SOUTHLAND
DISTRICT COUNCIL** byHana Cordho
Full name (please print)Hana Cordho
Signature16th May 2012
DateSigned for and on behalf of **DEPARTMENT
OF CONSERVATION** byBarry Hanson
Full name (please print)[Signature]
Signature16 May 2012
DateSigned for and on behalf of **SOUTH
CATLINS DEVELOPMENT AND
ENVIRONMENTAL CHARITABLE TRUST**
byPamela Mary Callahan
Full name (please print)Pm. Callahan
Signature24th May 2012
Date

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APPENDIX A: RESPONSIBILITIES OF EACH PARTY

The following table provides a summary of each organisation's responsibilities as detailed in this Memorandum of Understanding.

Department of Conservation	Ongoing management of the petrified forest, wildlife and local natural environment at Curio Bay.
	Provision and funding of a car park at a central location at Curio Bay to service day visitors.
	Provision and funding of containment toilets at a central location at Curio Bay to service day visitors.
	Work alongside the Trust and SDC to investigate opportunities to provide interpretation and day visitor amenities and improvements at Porpoise Bay.
	Develop walking tracks which will link the central car park area with the petrified forest and Porpoise Bay
	Provide advice and assistance for the Trust when developing interpretation at the Heritage Discovery Centre.
Southland District Council	Overall management and responsibility for the Curio Bay Recreation Reserve.
	Work alongside the Trust and DOC to investigate opportunities to provide interpretation and day visitor amenities and improvements at Porpoise Bay.
	Work alongside the Trust to upgrade all facilities associated with the Curio Bay Recreation Reserve including the redevelopment of the Curio Bay Holiday Park, treatment of waste water and improvement in water quality and supply.
	Road re-alignment to allow establishment of car-park.
South Catlins Development and Environmental Charitable Trust	To undertake the development of the Curio Bay Living Forest Walkway.
	To work with SDC to upgrade facilities at the Curio Bay Holiday Park.
	To continue to investigate the development of the Curio Bay Heritage Centre.

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APPENDIX B: THE PROCESS FORWARD WITH ASSOCIATED TIMEFRAME

STAGES	PARTY INVOLVED	TIMEFRAME
Step 1: MOU Signed		
The process to achieve a shared vision and the responsibilities of each Party is agreed upon.	DOC, SDC, the Trust	March 2012
Step 2: Investigation and Funding Confirmation		
SDC update full Council with a view to approving future investigation into waste water and a road realignment investigation, road realignment and potential options to fund the solution which is agreed upon.	SDC	March 2012
Investigation into waste water solutions for camping ground (and Reserve) undertaken.	SDC	April 2012
DOC prepares and submits a funding application for car park, toilets, walking tracks and possible interpretation at Porpoise Bay.	DOC	April 2012
Camp Ground waste water solutions (and associated costings) and plans for the proposed realignment of Mair Road presented for consideration and funding scenarios investigated and confirmed.	SDC, the Trust	June 2012
DOC financial contribution and proposed improvements to Curio Bay confirmed	DOC	August 2012
Review of overall layout plan for Curio Bay – incorporating details and location of proposed new infrastructure (including car parks, toilets, roading, tracking), camp ground upgrade and waste water solution and Porpoise Bay upgrade	SDC, the Trust, DOC	March 2013
Step 3: Upgrade of Camp Ground (alongside implementation of waste water solution)		
Concept drawings and details of proposed upgrade confirmed: <ul style="list-style-type: none"> incorporating waste water solution layout of new camp sites and amenities development of concept of camp shop/heritage centre at single entrance point to Curio Bay new roading layout 	The Trust, SDC, (DOC)	April 2012
Total costs for upgrade confirmed (considering waste water costs and heritage/discovery centre – both of which may be funded differently).	The Trust, SDC	July 2012

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Options for funding upgrade investigated and confirmed (new and existing funding, business partnership opportunities) and presented to Council for approval.	The Trust, SDC	August 2012
Implementation of upgrade and waste water solution	The Trust, SDC	2012-2013
Step 4: Development of Other Infrastructure		
Development of car park and installation of new toilet block.	DOC, (the Trust, SDC)	2013/2014
Funding and details for new road layout confirmed		
Other Activities to be Undertaken		
Construction of Curio Bay Living Forest Walkway (considering waste water solution, location of car park and toilets and covenant protection for forest)	The Trust	2012
Enhancement of the drinking water supply for Curio Bay	The Trust, SDC	
Development of walking tracks investigated and overall plan agreed upon (considering overall layout of area and new camp ground and use of tracks to link various components of Curio Bay eg forests to each other as well as ability to minimize vehicle traffic).	DOC, the Trust	2012/2013
Heritage Discovery Centre planning continues with a view for implementation in 2013	The Trust, DOC	
Opportunities to enhance Porpoise Bay	The Trust, DOC, SDC	

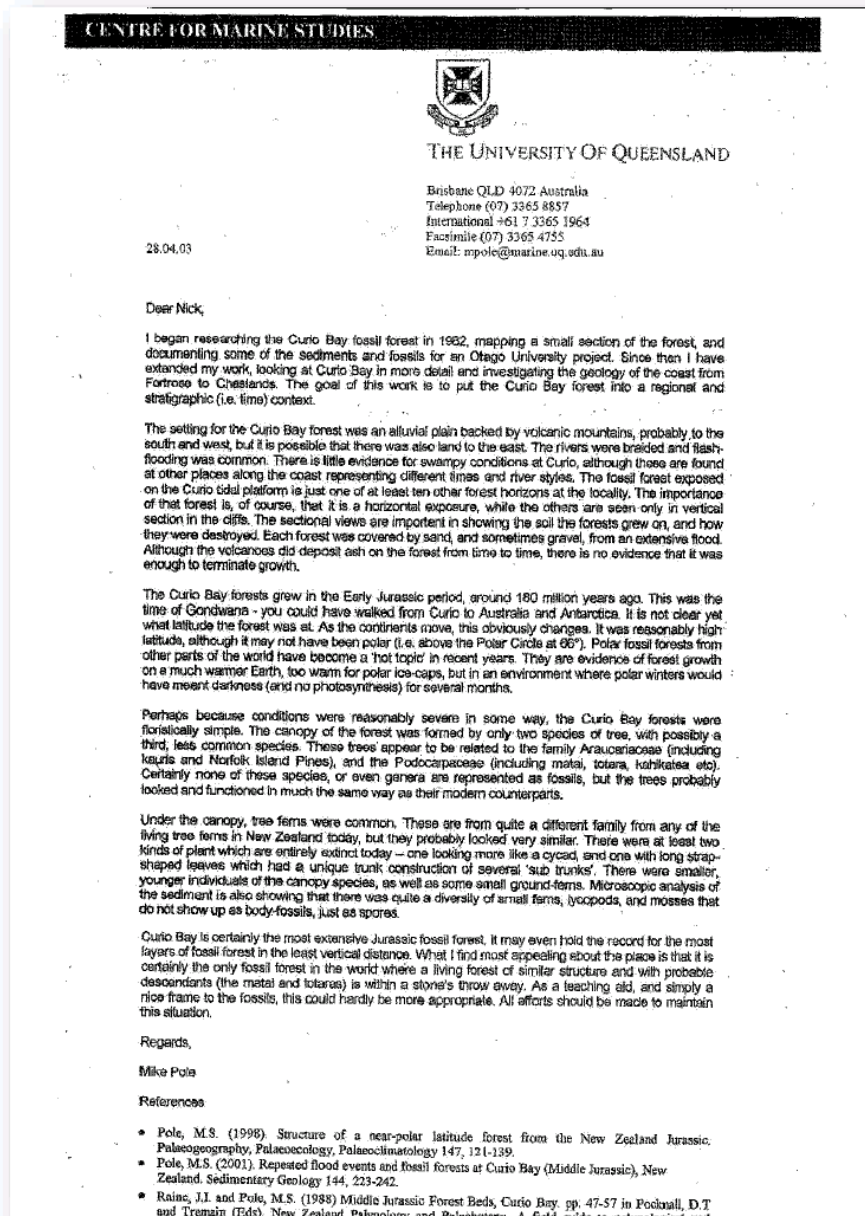
18 May 2016

Appendix C: The Vision for Curio Bay



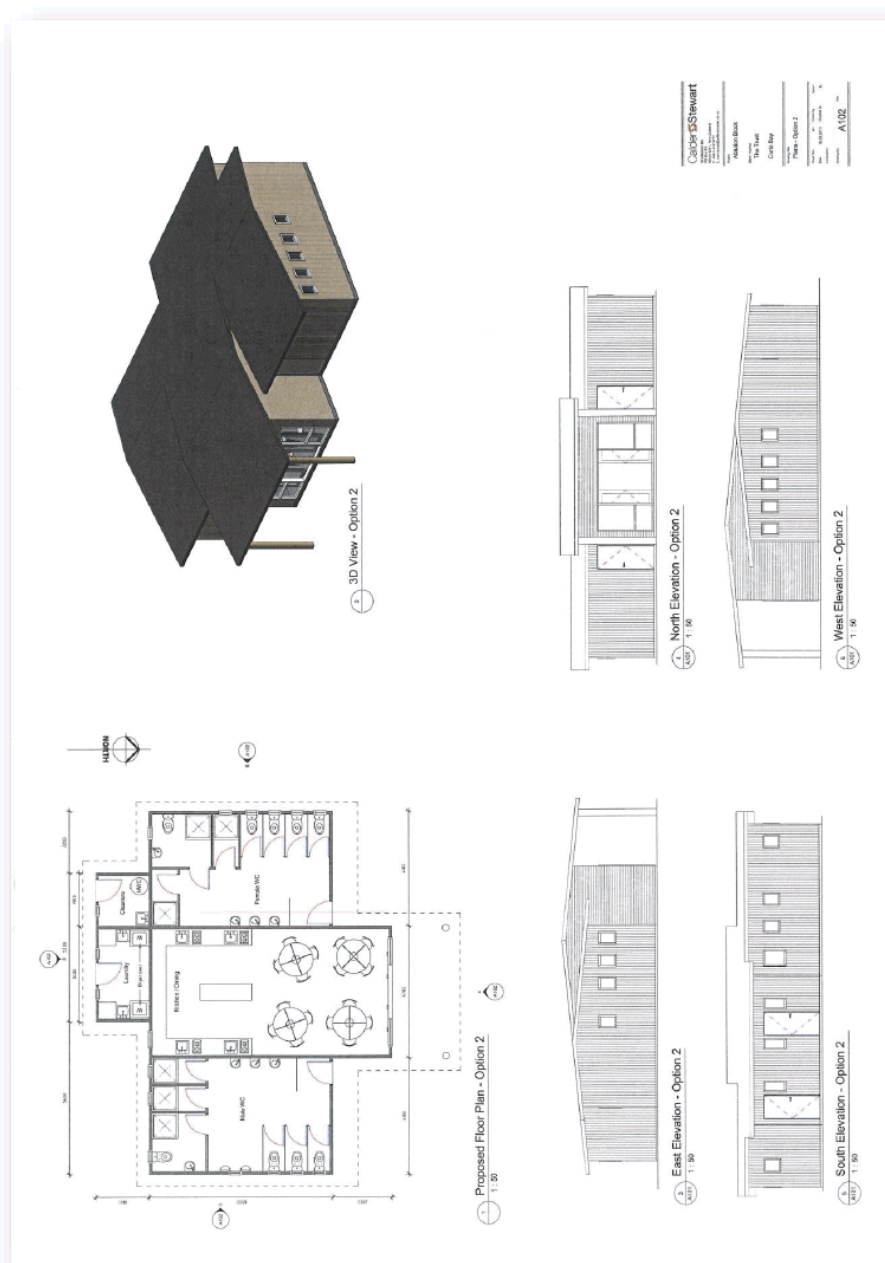
18 May 2016

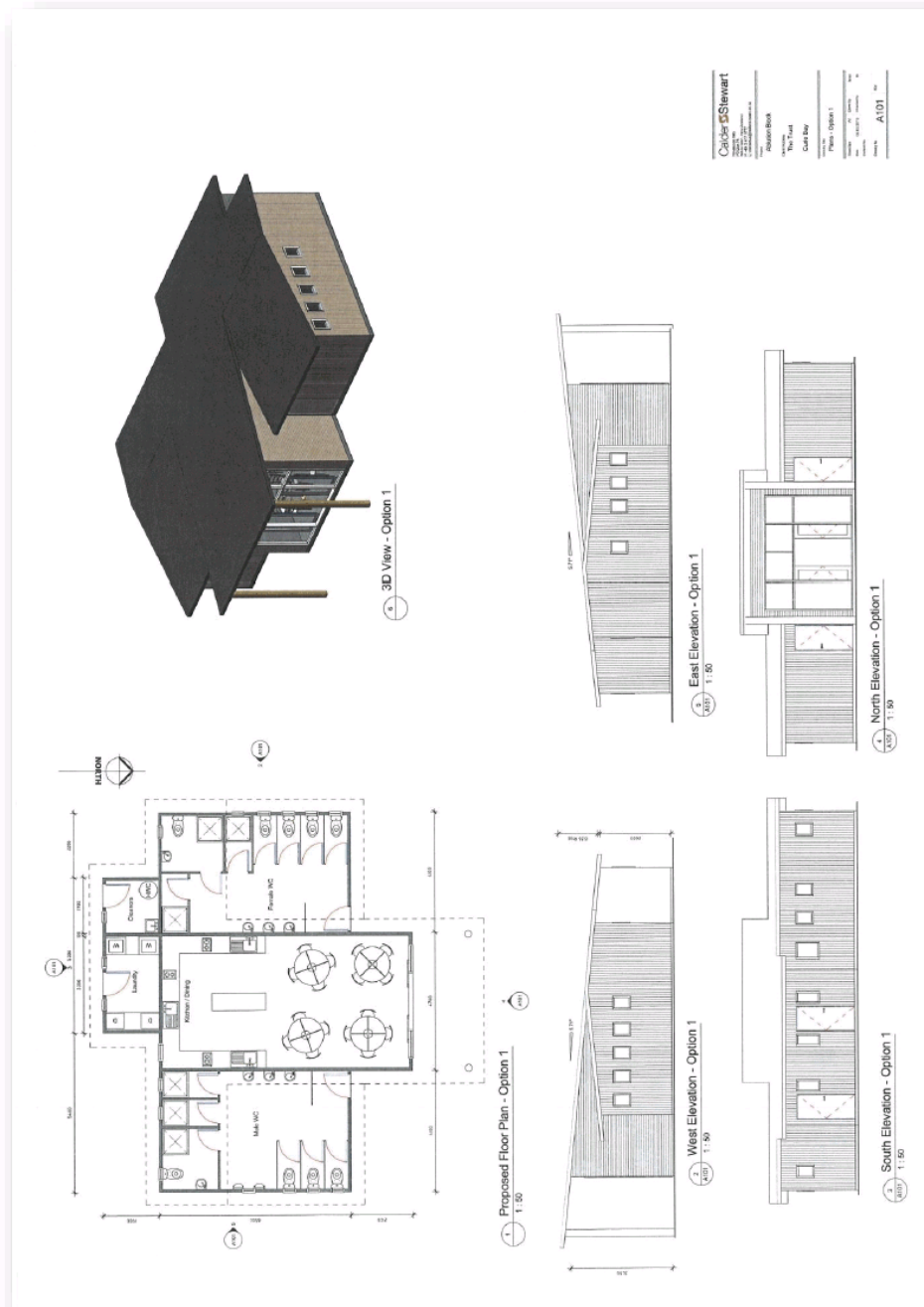
Appendix D: Mike Pole Supporting Information



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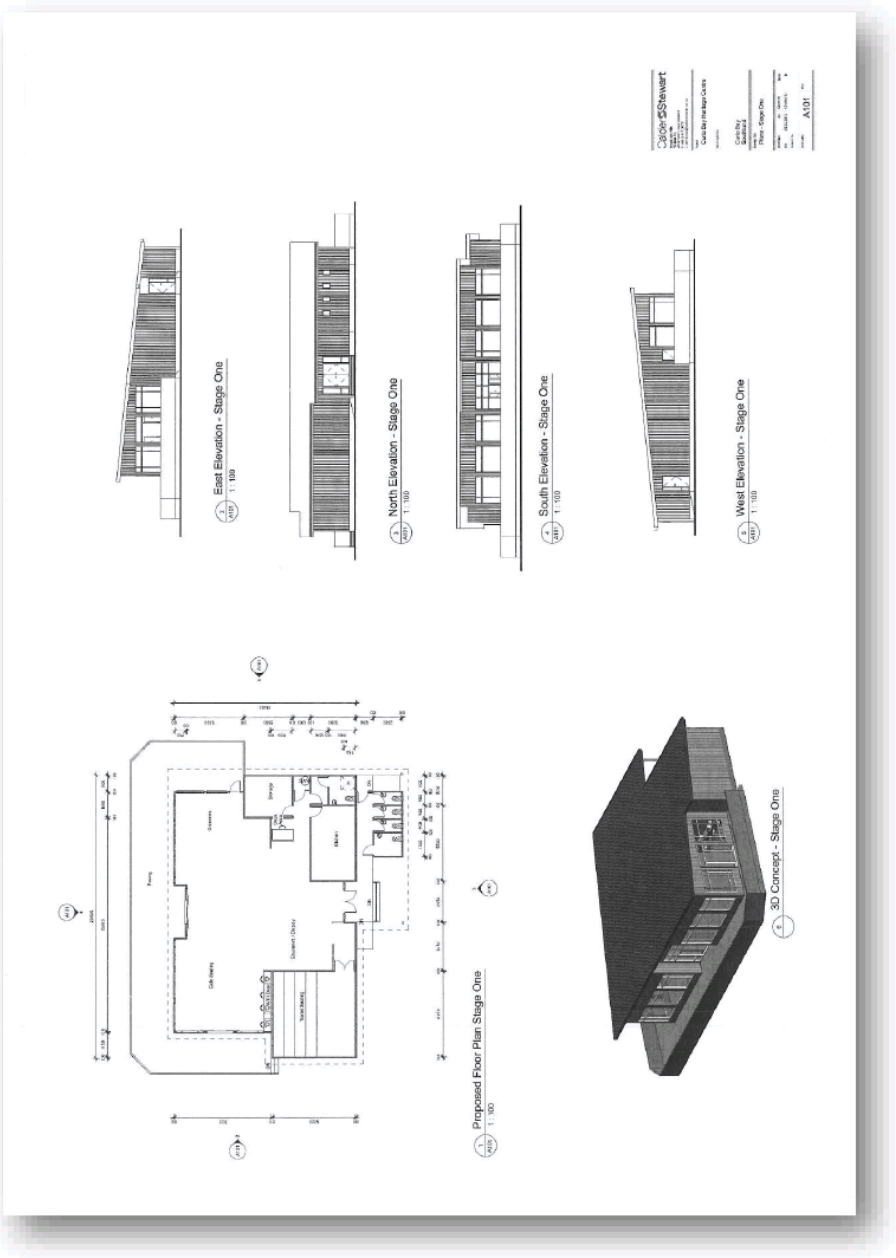
Appendix E: Building Plan for Ablution Block



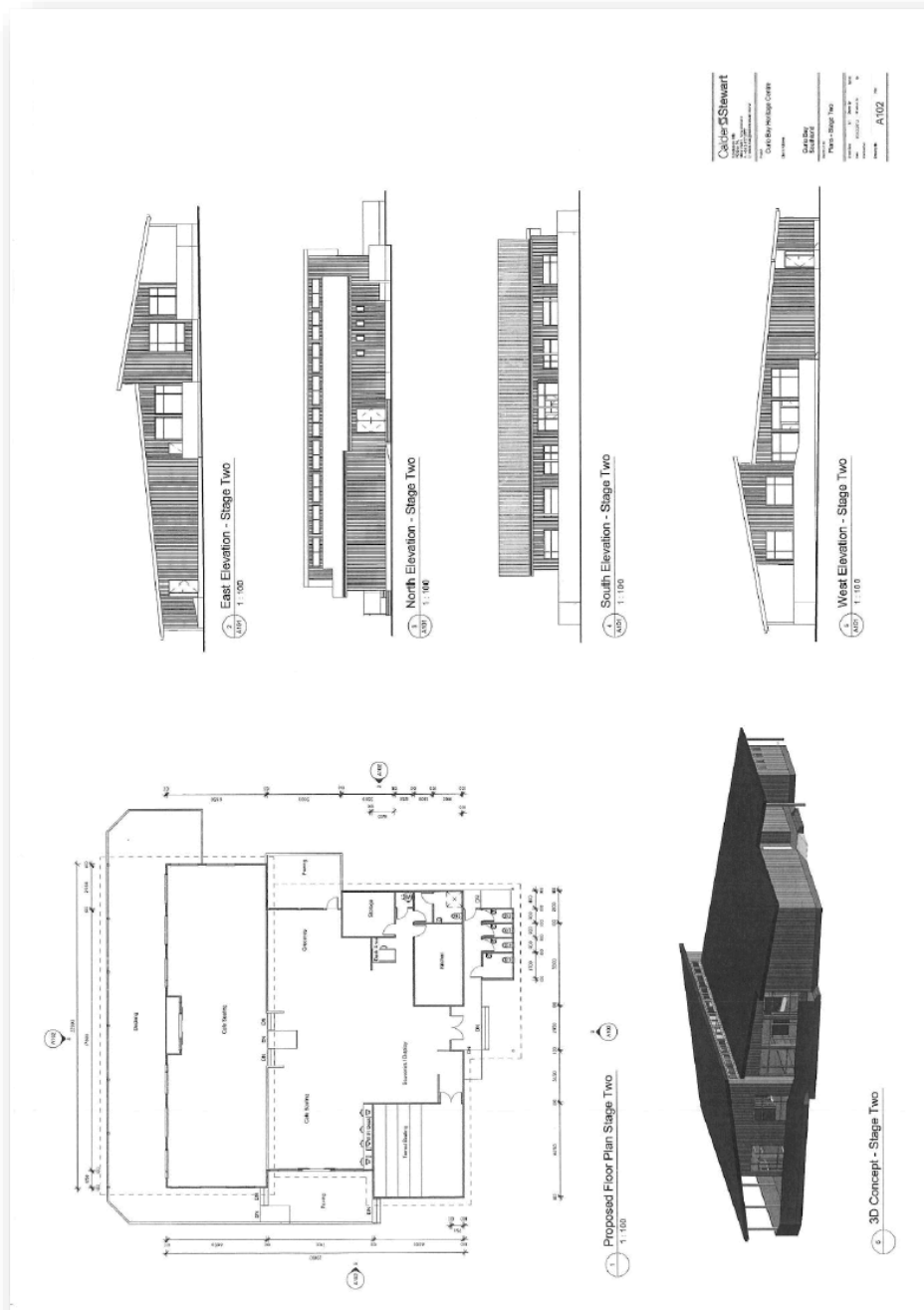


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Appendix F: Building Plan for Natural Heritage Centre

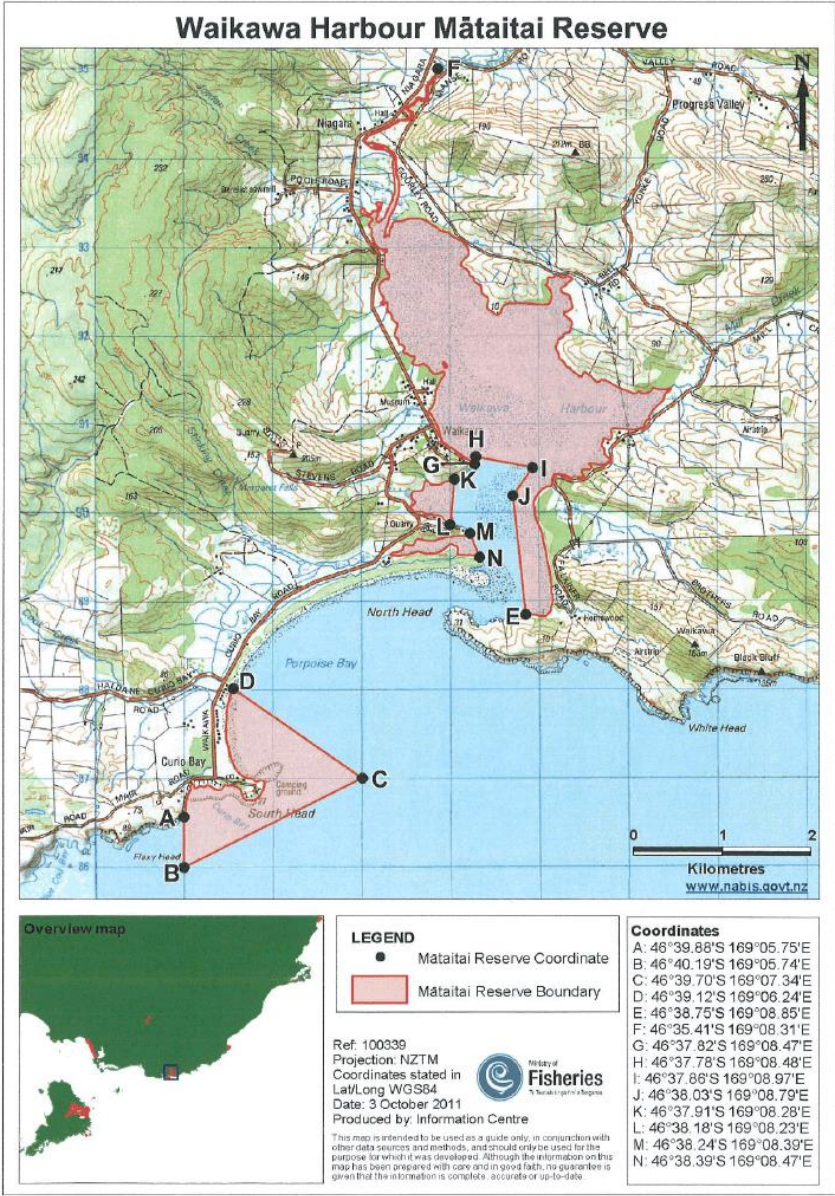


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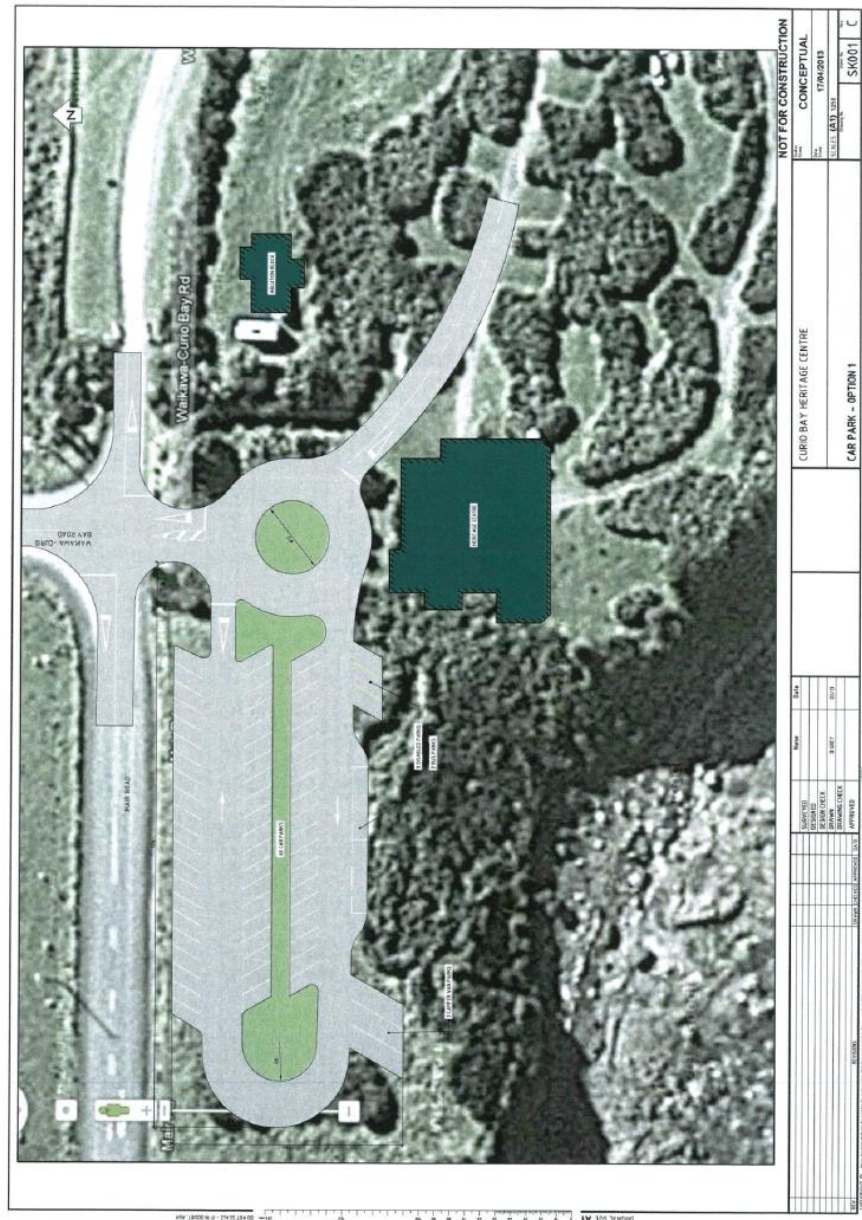


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Appendix G: Waikawa Harbour Māitaitai Reserve



Appendix H: Possible Plans for the Car Park



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Council

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NOTICE TO CLIENT



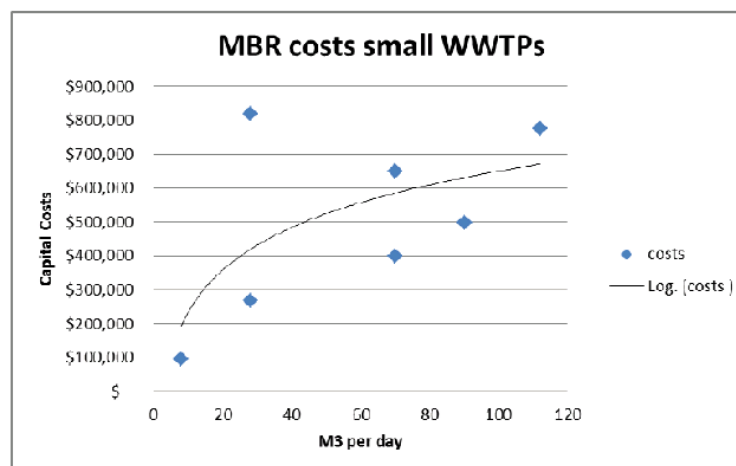
DATE	9 March 2016	CLIENT	SDC Water and Waste Services
CONTRACT	SDC WW projects-Curio Bay WWTP	ADDRESS	PO Box 903
PROJECT NO.	80508128-C-C1		INVERCARGILL
CONSECUTIVE No.	11a	ATTENTION:	Ian Evans, Bevan McKenzie

P:_2012 Onwards\Southland District Council\80508128 GEN ADV & WW PROGRAMME MANAGEMENT\1C - Client Correspondence\C1 - Notices to Clients\NTClient 11 - Curio Bay MBR\NTClient 11a Curio Bay MBR comments 130209.doc

Dear Ian

Curio Bay Membrane Bioreactor (MBR) Costing

As requested, please find below a comparison of capital costs of MBR wastewater treatment plants. These costs are some 2-4 years old and were for a mix of small community WWTP and winery wastewater plants. The costs of MBRs may not have increased significantly since these costs were prepared as membrane costs have decreased. This Notice also includes points raised in the discussion Evans/Oakley of 3 March 2016



The high value of \$820,000 for 28m³ per day was for a winery project that did not proceed while the low value required additional inputs post commissioning.

For a 30m³ per day MBR plant we would expect a cost range of \$400,000 to \$500,000.

For a 60m³ per day MBR plant we would expect a cost of \$500,000 to \$600,000.

We have not considered nor reviewed the design proposed by Apex but suggest the following contract items for consideration. There may be other matters to be considered, MWH's review was not comprehensive, but these matters attracted our attention during the review:

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NOTICE TO CLIENT**MWH**

BUILDING A BETTER WORLD



1. The option of a Maintenance Period of one year is recommended, our experience of MBRs is that a one year maintenance period would provide security to SDC that the plant will be fit for purpose, particularly as the "acceptance criteria" in the Apex contract is not connected to payment. Presently, if the plant does not meet the resource consent the contractor still gets paid. Also the plant will need to be operated during a period of peak wastewater use and different temperature conditions (as treatment efficiency is lower at low temperatures) to demonstrate Consent compliance information. Any required modifications to the plant in the first year should be Apex costs. Under the Apex Contract section 4.14 the power, sludge and carbon dosing are Apex costs in this maintenance period.
2. The different proposals from Apex are not clear. Q120808D states 60M³/day and Q12080C states 30M³/day. The only difference between the two proposals appears to be two anoxic tanks under D proposal with the same 30m³/day membranes specified as per Q12080C quotation. This needs to be clarified.

Apex Ltd

Paul Jacobson of MWH has direct experience of working with Apex. This was with a design-build 28m³/day MBR project for a Central Otago winery and restaurant. This was delivered as a design-build contract, and completed in 2103 after a one-year commissioning period. In this project we found them to be reputable and knowledgeable, and supportive of the client's requirements. Some of the personnel (including Dr Matt Savage) from that winery project are again proposed for the Curio Bay project. We note that since our experience with them, they have been bought by City Care Ltd, who in turn are for sale.

Conclusions

- The Apex proposal for a 30m³/day plant appears to be in the expected cost range for MBR plants of this size and type.
- The Apex proposal for the 60m³/day is unclear in its scope but we understand from discussion Ian Evans/R Oakley that it includes little physical infrastructure over that for the 30m³/day proposal, but rather just includes the limited features that would facilitate an expansion to 60m³/day in the future..
- MWH recommend SDC consider incorporating the contractual matters raised above into any formal contract agreement.

Prepared by Paul Jacobson

Roger Oakley
Programme Manager

Encl: Apex proposal options for 30 and 60m³/day MBR plants.

(for Client)

Copies: Blue _____ For Client to sign and return to MWH (if requested)
White _____ MWH Project Manager (Roger Oakley)
Yellow _____ File

DATE: 9/3/2016

Project Manager (for MWH Ltd)
Reviewed by: Roger Oakley

MWH New Zealand Ltd
Level 3, John Wickliffe House
265 Princes Street
Dunedin, New Zealand

Telephone: 03-477 0885
Facsimile 03-477 0616

Agreement *20th June* 2016

PARTIES

SOUTHLAND DISTRICT COUNCIL
(the Council)

SOUTH CATLINS CHARITABLE
TRUST
(the Trust)

THE DIRECTOR-GENERAL OF
CONSERVATION
(DOC)

PREAMBLE

- A The Council is the owner of the land at Curio Bay known as the Curio Bay Recreation Reserve (the reserve).
- B The Council is constructing and commissioning a wastewater treatment plant on land owned by it at Curio Bay for the purpose of providing reticulated wastewater treatment for the reserve (the scheme).
- C The Trust is the lessee of the reserve and operator of the Curio Bay camping ground situated on the reserve. The Trust is also erecting a heritage centre building on the reserve and upgrading the camping ground amenities.
- D DOC is erecting a public carpark and new public toilets on the reserve (the DOC facility).
- E The Trust and DOC will use the scheme to treat wastewater from their facilities and for that reason have agreed to pay the amounts set out in this agreement.

OPERATIVE PROVISION

- 1 The parties by entering into this agreement commit themselves to complete construction of the capital projects set out in B, C and D herein, subject to each party obtaining funding approval for its capital project in accordance with its own procedures and rules.
- 2 The parties agree that on entering into this agreement they will work collaboratively together to complete the capital projects set out in B, C and D above as soon as possible, subject to each party's own procedures and rules.
- 3 From the date of the connection of the DOC facility to the scheme DOC will pay the following to the Council:
 - (a) An initial connection fee of \$15,000 plus GST to be paid in one sum within thirty days of the connection of DOC's facility to the scheme.
 - (b) An annual operating charge of \$4,000 plus GST subject to clause 6.
- 4 From the date of the connection to the scheme of the camping ground or the heritage centre, whichever comes first the Trust will pay to the Council an annual operating charge of \$20,000 plus GST subject to clause 6.
- 5 The annual operating charges shall be paid to the Council in one sum on or before 31 August in each year that the facilities are connected to the scheme and shall be apportioned if necessary for any part year of connection.
- 6 Each of the annual operating charges:
 - (a) Shall be reviewed by the parties every two years, with the parties having regard to actual usage of the scheme in reaching agreement on any change in the annual charge(s). Once the parties have reached agreement, the Council shall notify any increase or decrease in the amount of the annual charge as a result of the review and the variation shall take effect from the date of that notification.

- (b) Shall be reviewed, should Council determine the scheme is to become part of a local wastewater treatment scheme funded by local rates. In this case, the parties shall consider whether it is appropriate to continue their contributions to the operating cost of the scheme under this agreement, through payment of rates, or pursuant to a new agreement having regard to any other contributions being made towards the operating cost of the scheme.

7 If any dispute or difference arises between the Council and other parties concerning this agreement any party may give the other parties notice of its intention to refer the dispute or difference to mediation. The parties affected will endeavour to resolve the dispute between themselves within 20 working days of receipt of the notice, failing which the parties will endeavour in good faith within a further 10 working days to appoint a mediator and resolve the dispute. In the event that the dispute or difference cannot be resolved by mediation it shall be referred to mediation in accordance with the Arbitration Act 1996.

SIGNED: 

Pursuant to a delegation¹ from
the Director-General of Conservation by:

Tony Preston
Operations Manager
Murihiku District
Department of Conservation

SIGNED: 

On and behalf of:
South Catlins Charitable Trust

¹ A copy of the Instrument of Delegation may be inspected at the Director-General's office at Conservation House Whare Kaupapa Atawhai, 18 - 32 Manners Street, Wellington 6011

SIGNED: 

On and behalf of:

Southland District Council by:

Steve Ruru

Chief Executive



Extract of the Long Term Plan 2021-2031: Rates Funding Impact Statement (FIS) – Wastewater targeted rates

Wastewater targeted rates

Background

The wastewater activity involves collecting, treating and disposing of sewage from residential properties, business properties and public sanitary facilities.

The wastewater system also deals with non-domestic liquid wastes (often known as trade wastes). Eighteen towns within the district are reticulated with Council-owned and maintained infrastructure.

Activities funded

The expenses in maintaining wastewater treatment plant, pump stations, reticulation repairs and minor upgrades including renewals of the respective systems.

Land liable for the rate

The targeted rate applies to all properties within the designated boundary of one of Council-owned wastewater schemes. Maps of the areas of service for each Council scheme can be viewed at www.southlanddc.govt.nz/my-southland/maps/.

How the rates are assessed

The rate is set on a differential basis. Council has primarily defined its differential categories using the use to which a rating unit is put (as a residence, vacant land or all other property). The liability factors used are per SUIP of a rating unit, per rating unit and the number of pans/urinals within the rating unit.

How the rate is calculated

Residential dwelling	Where the rating unit is either connected or able to be connected ¹ and not connected, a fixed amount per SUIP, being the District wastewater rate – full charge This includes residential, lifestyle, dairy, farming properties within the designated boundaries.
Vacant land	Where the rating unit is not contiguous and within the designated wastewater boundary, a fixed amount per rating unit, being the District wastewater rate – half charge
All other properties	Where the rating unit is either connected or able to be connected ¹ and not connected, a fixed amount per pan/urinal, being the District wastewater rate – full charge This includes industrial, mining, forestry, commercial and other properties within the designated boundaries.

¹ - Able to be connected means that you are within the scheme boundary or within a distance of 30m from a property boundary to the pipe in the street or a distance of 60m from the house/dwelling to the pipe in the street.

A table of the rates

Wastewater rates	Targeted rate per rating unit/SUIP/Pan 2021/2022 (incl GST)	Revenue from rates 2021/2022 (incl GST)	Map of land liable for rate
District wastewater rate - full charge	\$457.61	\$4,419,712	
District wastewater rate - half charge	\$228.81	\$181,675	
		\$4,601,387	Maps 112-135

Forecasted Financial Position for the year ending 30 June 2022

Record No: R/22/2/3953
Author: Sheree Marrah, Financial accountant
Approved by: Anne Robson, Chief financial officer

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 To inform Council of the expected year-end financial result compared to year one of the published 2021-2031 Long Term Plan (LTP) and seek approval from Council to approve the resulting forecasted position.
- 2 To seek Council to approve a number of unbudgeted expenditure requests, and the deletion and deferral of a number of projects.

Executive Summary

- 3 Forecasting the financial position for the year ended 30 June 2022, is intended to provide information about what has changed since the budget was approved, why it has occurred and what the result is expected to be at the end of the year. Forecasting is based on the best knowledge that the relevant staff have at a point in time and events can overtake this.
- 4 In considering the final position, staff consider what they planned to do in year one of the 2021-2031 LTP, the projects carried forward from 2020/2021 that were approved by Council on 15 September 2021, unbudgeted expenditure requests approved by Council or committees for the year to date, and the expected year end position as a result of operational decisions and information.
- 5 Forecasting enables the organisation to understand the anticipated year end position at all levels. It also assists with decisions and priorities for spending across Council.
- 6 The budgeted expenditure included in the 2021-2031 LTP for the 2021/2022 year was adopted in June 2021. Since this date, a number of events have occurred that will change the year end position. Forecasting allows a formal process to communicate to the leadership team (LT), Finance and Assurance committee and Council any known or expected changes.
- 7 The majority of the significant forecast changes relate to capital projects. Capital expenditure has decreased through this forecasting process by \$6.0 million predominantly due to projects which are proposed to be deferred to a later year or deleted from the work programme (this includes budget savings on completed projects). This offsets against projects carried forward from 2020/2021 and project related unbudgeted expenditure approved to date. Key proposed capital project deferrals from forecasting include two water projects, the financial management information system, the airport runway rehabilitation, the Golden Bay wharf construction and the removal of anticipated contingencies for the Te Anau wastewater project that are no longer necessary. Additionally, these reductions in the capital budgets are offset by five projects proposed to be brought forward from later years (totalling \$0.4 million). Overall, the ongoing impact of Covid-19 on both labour and supply resources is a contributing factor to the delivery of projects.

- 8 The net increase in operational expenditure through this forecasting process is \$0.7 million, this relates to increased legal and consultant costs associated with the nature and volume of resource consent applications, increased urgent reactive water and wastewater maintenance, minor toilet maintenance, recruitment and Covid-19 related protective equipment costs, correcting omissions in the LTP (streetlight budgets) alongside updating the budgets to reflect actual costs and new contracts (mowing, litter bins and gardening).
- 9 Revenue is also forecast to increase by \$1.8 million as a result of additional grant funding for the Te Anau wastewater project, and increased forestry harvesting and resource consent income.
- 10 For further detail on the net impact of forecasting on each business unit by income, expenditure and capital, refer to attachment H.
- 11 The effect of the forecast changes on the Statement of Comprehensive Revenue and Expenditure and Statement of Financial Position are shown in attachments A and B. Staff note that infrastructure and forestry revaluations have not been considered in the forecasting process.
- 12 As part of this report, approval is sought for a number of unbudgeted expenditure requests that have not been considered by Council previously (refer attachments C and D). Additionally, there are a number of projects that have been identified as needing to be deferred to future years. A detailed list of these projects can be found in attachment E. There is also a list of projects that are to be deleted, or where a project is completed under budget, the remaining budget is to be deleted, these are contained in attachment F. Projects that need to be brought forward from future years are included in attachment G.
- 13 The Finance and Assurance Committee will consider and recommend to Council the approval of the various forecasted unbudgeted expenditure and project amendments at its meeting on 28 March 2022. Any changes identified at this meeting will be tabled at this Council meeting.

Council

29 March 2022

Recommendation

That the Council:

- a) **Receives the report titled “Forecasted Financial Position for the year ending 30 June 2022” dated 23 March 2022.**
- 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) Approve the changes as detailed in attachment H (of the officer’s report), including any adjustments identified at the meeting.
- e) **Notes the forecasted changes to Council’s year-end financial performance and position as detailed in attachments A and B (of the officer’s report).**
- f) Approves the following unbudgeted expenditure and associated funding source:

Business Unit	Expense	Amount	Funding Source
People and Capability	Operational costs	\$80,640	Reserves
Chief Executive	Legal Costs	\$25,000	Reserves
Around the Mountains Cycle Trail	Maintenance - General	\$10,000	Offset by changes in projects being funded
Property Administration	Software Licence Fees	\$28,000	Reserves
Community Housing Winton	Furniture & Fittings - Renewal	\$16,738	Reserves
Roading - Administration	Consultants	\$40,000	Reserves
Dipton Forest	Consultants/ Silviculture - Pruning	(\$147,747)	Reserves
Gowan Hills Forest	Consultants/ Silviculture - Pruning	\$31,032	Reserves
Ohai Forest	Silviculture – Pruning/ Harvesting Costs etc	(\$3,443)	Reserves
Waikaia Forest	Harvesting Costs/ Land Preparation etc	\$162,719	Reserves
Hall - Dipton	Electricity/ Maintenance - Electrical	\$163	Reserves
Recreation Reserve - EdenWyn	Electricity/ Maintenance - Electrical	\$215	Reserves
Beautification - Lumsden	Mowing	\$11,255	Reserves

Information - Centre	Electricity/ Maintenance - Electrical	\$994	Reserves
Village Green	Electricity/ Maintenance - Electrical	\$454	Reserves
Cathedral Drive	Electricity/ Maintenance - Electrical	\$977	Reserves
Hall - Manapouri	Electricity/ Maintenance - Electrical	\$417	Reserves
Rec Reserve - Oreti	Mowing	\$3,889	Reserves
Rec Reserve - Ardlussa	Mowing	\$4,800	Reserves
Beautification - Mossburn	Mowing	\$1,380	Reserves
War Memorial Park	Electricity/ Maintenance – Electrical/ Mowing	\$1,418	Reserves
Rec Reserve - Waihopai-Toetoe	Mowing	\$2,201	Reserves
Refuse Collection - Ohai	Street Litter Bins	\$3,000	Reserves
Refuse Collection - Orepuki	Street Litter Bins	\$7,268	Reserves
Toilets - Orepuki Hall	Maintenance - General	\$15,000	Reserves
Beautification - Riversdale	Electricity/ Maintenance - Electrical	\$41	Reserves
Beautification - Riverton	Electricity/ Maintenance – Electrical/ Maintenance - Gardening	\$7,408	Reserves
Recreation Reserve - Riverton	Electricity/ Maintenance - Electrical	\$1,044	Reserves
Beautification - Stewart Island	Electricity/ Maintenance - Electrical	\$1,640	Reserves
Beautification - Te Anau	Electricity/ Maintenance - Electrical	\$9,678	Reserves
Information Kiosk	Electricity/ Maintenance - Electrical	\$872	Reserves
Water Supply Ramparts	Water - Renewal	\$25,000	Loan
Manapouri Airport	Other Equip - Acq LOS	\$1,500	Reserves
Edendale Scenic Reserve	Maintenance - General	\$10,000	Budget transferred from internal work scheme code
Refuse Collection - Thornbury	Street Litter Bins	\$2,286	Reserves
Curio Bay Reserve	Maintenance - Project	\$10,000	Loan
Tuatapere Parks & Reserves	Maintenance - General	\$4,000	Reserves
Water Supply Tuatapere	Water - Acquisition LOS	\$27,047	Internal Capital Water

Council

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Toilets - Clifden	Maintenance - General	\$15,000	Reserves
Beautification - Waikaia	Mowing	\$6,660	Reserves
Rec Reserve - Tuatapere Te Wae Wae	Mowing	\$4,378	Reserves
Beautification - Otautau	Electricity/ Maintenance – Electrical/ Maintenance - Gardening	\$7,387	Reserves
Cemetery - Wairio	Mowing	\$10,243	Reserves
Beautification- Drummond	Mowing	\$1,980	Reserves
Recreation Reserve - Wairio	Mowing	\$5,379	Reserves
Beautification - Wallacetown	Electricity/ Maintenance - Electrical	\$233	Reserves
Toilets - Winton main Street	Maintenance - General	\$30,000	Reserves
Beautification - Winton	Electricity/ Maintenance – Electrical/ Mowing	\$23,618	Reserves
SIESA - Waste Recovery	Road Freight	\$23,000	Reserves
Hall - Oreti	Maintenance-General	\$18,879	Reserves

- g) Approves the following unbudgeted expenditure above \$50,000 and associated funding source:

Business Unit	Expense	Amount	Funding Source
District Water	Maint - Unplanned	\$200,000	Loan
District Sewerage	Maint - Unplanned	\$50,000	Loan
District Sewerage	Other Plant - Renewal	\$61,000	Loan
Resource Consent Processing	Consultants	\$101,000	Reserve
Sewerage Scheme Ohai	Sewerage - Acquisition LOS	\$150,000	Loan
Water Supply Riverton	Water - Acquisition LOS	\$120,000	Loan

- h) Approves the deferral of the following projects to the 2022/2023 financial year:

Business Unit	Project	Amount	Funding Source
Information Management	Core System replacement	(\$846,541)	Loan
Around the Mountains Cycle Trail	Continuous improvement programme & cattlestop	(\$159,353)	Loan
Buildings - Invercargill Office	Invercargill office refurbishment	(\$120,000)	Loan
Community Housing Collective	Community housing business case	(\$25,000)	Reserves

District Reserves - Management	Open spaces strategy capital development	(\$125,000)	Loan
Water Supply Manapouri	Water treatment plant upgrade	(\$800,000)	Loan
<i>Rec Reserve - Waihopai-Toetoe^</i>	<i>Curio Bay reserve management plan</i>	<i>(\$50,000)</i>	<i>Loan</i>
Sewerage Scheme Riversdale	Wastewater treatment plant upgrade	(\$300,000)	Loan
Toilets - Riverton Princess St	Taramea Bay toilet replacement	(\$252,770)	Loan
Street Works - Stewart Island	Dundee St footpath extension	(\$70,000)	Grant and Loan
<i>Stewart Island Jetties^</i>	<i>Golden Bay wharf renewal investigation</i>	<i>(\$468,215)</i>	<i>Grant and Loan</i>
Manapouri Airport	Runway Surface rehabilitation	(\$743,000)	Loan and Reserves
Water Supply - Eastern Bush	Water supply upgrade	(\$1,500,000)	Loan
Winton Parks & Reserves	Centennial Park tree and hedge removal	(\$9,999)	Reserves
<i>Beautification - Stewart Is*</i>	<i>New walking track Horseshoe Bay Road part 2</i>	<i>(\$53,740)</i>	<i>Grants</i>
* Project already deferred as part of the 2022/2023 Annual Plan development			
^ Project already partially deferred as part of the 2022/2023 Annual Plan development			

h) Approves the deletion of the following 2021/2022 projects:

Business Unit	Project	Amount
Around the Mountains Cycle Trail	Continuous improvement programme	(\$17,325)
Street Works - Balfour	Balfour footpaths	(\$12,500)
Sewerage Scheme Te Anau	Wastewater upgrade Te Anau	(\$122,981)
Sewerage Scheme Te Anau	Wastewater upgrade Te Anau - Demand Portion	(\$77,019)
Hall - Fortrose	Fortrose Hall External and roof repaint	(\$33,835)
SIESA - Operations	Wind Power Pre-development	(\$80,000)

j) Approves the bringing forward of the following project budgets from future financial years:

Business Unit	Project	Amount	Funding Source
Toilets - Athol	Athol Toilet Renewal	\$50,000	Loan
Transfer Stations - Te Anau	Te Anau Transfer Station Weighbridge	\$154,500	Grant and loan
Toilets - Cosy Nook, Monkey Island	Cosy Nook Toilet Replacement	\$108,426	Reserves

Council

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Toilets - Cosy Nook, Monkey Island	Monkey Island - shelter area development	\$51,500	Loan
Boat Ramps - Te Anau	Te Anau Downs Boat Ramp Refurbishment	\$61,800	Loan

Background

- 14 Forecasting enables transparency and informs Council of the anticipated year-end financial result. Forecasting was first undertaken in November 2015 and since then forecasting has been undertaken twice a year, at the end of October and the end of January or February, depending on meeting dates. However, due to time constraints and other significant work being undertaken across the organisation, the first round of forecasting was not held in October 2021. This was consistent with 2020/2021. Therefore, what would normally have been the second round of forecasting for the financial year, became the only opportunity to make changes to the budgets for the 2021/2022 financial year other than through separate approved unbudgeted expenditure reports. These unbudgeted expenditure reports have been tracked and updated in the financial projections to date.
- 15 Budget managers were requested to undertake forecasts for their business units where the expected overall outcome would vary from the budget for year one of the 2021-2031 Long Term Plan (LTP) by specified tolerance levels. These net levels are set at:
- \$1,000 for Council owned halls
 - \$1,000 to \$10,000 for townships depending on their operational expenditure in the current year
 - \$10,000 for all district business units. The maximum limit of \$10,000 was set in line with the delegation held by the chief executive.
- 16 Changes due to forecasting have been included in the attachments as follows.
- Attachment A - shows the net effect of the changes to the statement of comprehensive revenue and expenditure for the year ended 30 June 2022
 - Attachment B - shows the effect of changes to the statement of financial position for the year ending 30 June 2022
 - Attachment C - provides details of changes to expenditure for both local activities (any value) and district activities (\$10,000-\$49,999)
 - Attachment D - provides details of significant changes to expenditure above \$50,000
 - Attachment E - provides details of the specific projects being deferred to future years.
 - Attachment F - provides details of the specific projects being deleted.
 - Attachment G - provides details of the specific projects being brought forward from future years.
 - Attachment H - provides details of net changes to revenue, operating expenditure and capital expenditure for each business unit with commentary from the budget manager

- 17 The Chief Executive has delegated authority to approve unbudgeted expenditure under \$10,000 associated with the district and therefore these forecast changes are excluded from the resolutions included in this report. For this round of forecasting, these items total \$34,502 and are detailed in attachment I.
- 18 Where forecasting changes are a reclassification between accounts in the same business unit, these have been excluded from these attachments as the net effect is nil.
- 19 Forecasting adjustments also include negative adjustments, where Council will save money or increase revenue (\$1.9 million). These have been captured in the statement of comprehensive revenue and expenditure or financial position but not separately outlined in an attachment. Key negative adjustments in this round of forecasting include savings on toilet projects as a result of revised procurement processes (\$242,000), reduction in library project budgets (\$634,000), removal of footpath works as a result of reduced Waka Kotahi funding (\$212,000), increased fee revenue (\$277,000), increased grant revenue (\$250,000) and reduced operating costs (\$88,000).
- 20 Staff have endeavoured to ensure that Community boards are aware of changes to local budgets including movements in local projects.
- 21 Staff note that infrastructure and forestry revaluations have not been re-considered in forecasting.

Significant forecasting changes

Revenue

- 22 Revenue has increased through this forecasting process by \$1.8 million.
- 23 This is principally due to \$1.5 million additional Tourism Infrastructure fund grant for the Te Anau wastewater project; additional forestry revenue of \$590,000 over and above what was anticipated as a result of the Waikaia windthrow event; and \$190,000 increase in resource consent processing revenue as a result of additional hearing commission costs and legal fees to be recovered, as well as an increase in the volume of work (both notified and non-notified consents).
- 24 The above increases are offset by the decrease of \$400,000 Stewart Island Visitor levy funding for the Golden Bay Wharf project which a portion of the cost has been deferred to 2022/2023.

Operating Costs

- 25 Operating expenditure has increased by \$0.7 million.
- 26 Major forecasted changes relate to increased consultants and legal fees in resource consent planning (\$287,000) associated with the volume and complexity of consents, vacancies and enforcement processes currently underway, in addition to an increase in hearing costs, which will be partially funded by increased recoveries as noted above; additional sewerage and water maintenance costs due to a number of urgent reactive repairs across the district (\$250,000); final costs associated with the three waters collaboration (\$90,000) which are to be fully funded by the contributing Councils; increased building control employment costs (\$182,000) for two new roles funded from reduced consultants budget (\$221,000); net increase in forestry costs across all locations of \$43,000 relating to the windthrow event and a change in silviculture approach to remove pruning; and an increase in the operational costs for People and Capability due to a

budgeting error, as well as increased use of recruitment companies and additional Covid-19 protective equipment and testing (\$81,000).

- 27 The above increases in operating expenditure are offset by an increase in internal time recovered from Waka Kotahi for roading staff, of \$159,000 based on actual recoveries achieved in the first six months of the year.
- 28 There have also been a number of minor increases across multiple business units, which in aggregate are a significant increase in budget (as outlined in attachment C). These are:
- 29 Street lighting costs (electricity and maintenance) were historically included in the street works business units, however in the 2021-2031 LTP the responsibility for these costs were moved into the relevant local and district business units. Unfortunately, the local and district budgets were not updated in the LTP to include these extra costs, and thus various forecast adjustments are required. The total local forecast adjustments for street lighting total \$28,420.
- 30 A number of section 17A reviews have occurred over the past few years which have resulted in many new contracts being established for various local services such as mowing, gardening, litter bin collection etc. Council staff have reviewed budgets against actual costs and new contracts and forecasted variances in mowing (\$66,502), litter bin collection (\$12,554) and gardening (\$13,800).
- 31 There have been additional costs identified for public conveniences in relation to maintenance, with significant cost anticipated for replacing heavy duty hinges on toilet doors and the open/close mechanism on the automatic doors as well as the repair to the Orepuki disposal field. These total \$60,000 and are to be funded by savings in toilet cleaning costs and reserves.

Forecast project changes

- 32 Capital expenditure has decreased through this forecasting process by \$6.0 million, predominantly due to projects which are proposed to be deferred to a later year or deleted from the work programme (this includes budget savings on completed projects). Additionally, these reductions in the capital budgets are offset by projects proposed to be brought forward from later years.
- 33 Attachment D includes unbudgeted expenditure approvals for significant increases in two projects. Ohai sewerage scheme UV unit quote is significantly more expensive than budgeted for with installation and commissioning (\$150,000). Riverton water supply materials and construction costs have increased considerably due to current market conditions since the initial budget was set (\$120,000). Further commentary on these two changes are included in the Significant unbudgeted expenditure above \$50,000 section below.
- 34 Attachment E outlines 15 projects totalling \$5.5 million to be moved to 2022/2023 year. Many of these projects are partial deferrals as a result of delays with planning, approvals or construction/implementation. The key projects proposed to be deferred are:
- Eastern Bush water supply \$1.5 million - delays as a result of ongoing investigations required.
 - financial management information system (FMIS) \$847,000 - implementation has been delayed until 1 April 2023; thus most costs for this project are expected in 2022/2023 year.

- Manapouri water supply \$800,000 - project design is to be completed this year, with construction falling into 2022/2023.
- Manapouri airport runway surface rehabilitation \$743,000 - testing is still ongoing, with physical works proposed to commence in 2022/2023.
- Golden Bay wharf \$468,000 – construction proposed to be delayed till 2022/2023 while the community board consider the Ulva Island wharf project. A second engineers review of Golden Bay wharf has recently been undertaken which indicates the life of the wharf is greater than initially reported. Council are awaiting formal confirmation but anticipate the life expectancy will be beyond the 24 months originally indicated.
- Riversdale sewerage scheme treatment upgrade \$300,000 – the construction window for the project was missed due to delays with the land acquisition and personnel changes, therefore the remaining budget will be added to the project budget in 2022/2023 (this is a multi-year project).
- Princess St toilets (Riverton) \$253,000 – works won't start until May 2022, as such 70% of the cost has been moved to 2022/2023.

- 35 Attachment F outlines 6 projects totalling \$300,000 to be deleted from 2021/2022 year, some of which are savings on completed projects. \$200,000 of this relates to Te Anau wastewater contingencies that have not been required and \$80,000 for the SIESA wind power project which is no longer proceeding.

Attachment G outlines 5 projects totalling \$0.4 million to be brought forward from 2022/2023 and beyond, into 2021/2022. Te Anau transfer station weighbridge project (\$155,000) has been brought forward due to external funding availability. Three toilet projects have also been brought forward to achieve efficiencies from grouping with associated projects, and the remaining project (Te Anau Downs boat ramp refurbishment) was re-prioritised by the community board.

Forecasted financial results

- 36 The LTP anticipated a deficit of \$1.1 million for the year ended 30 June 2022. As a result of carry forwards, approved unbudgeted expenditure and forecasting changes outlined in this report, the overall total forecast net surplus for the year is projected to be \$4.4 million (an increase of \$5.5 million). Refer to attachment A for detail of the forecasted statement of comprehensive income and expense.
- 37 The net asset position at 30 June 2022 was anticipated to be \$1.68 billion in the LTP. The forecast net assets position after forecasting and other adjustments (carry forwards and unbudgeted expenditure), is projected to be \$1.68 billion (an increase of \$2.2 million). Refer to attachment B for detail of the forecasted statement of financial position.

Benchmarks

- 38 As part of the 2021-2031 LTP, Council budgeted to achieve 146% of its benchmark of capital expenditure to exceed depreciation, on the four network infrastructure services (transport, stormwater, sewerage and water supply) in 2021/2022. The benchmark set by legislation is 100%. Currently, the benchmark is 122% for the actual results at 28 February 2022.

- 39 After the changes proposed during forecasting, this benchmark is expected to increase to 159%. The increase in the forecasted benchmark is mainly as a result of projects carried forward from 2020/2021 offset by projects deferred to 2022/2023. It is also worth noting that in order to arrive at the calculation, the depreciation number has not been changed from what was budgeted in the LTP. The revaluations of these assets at year-end will have an impact on the depreciation, and accordingly this benchmark.

Issues

- 40 Forecasting is part of the ongoing process to enable Council to understand its year end result. This includes early identification of projects that will not be completed by the end of the current financial year. Forecasting also provides an opportunity to approve anticipated unbudgeted expenditure during the year. This should reduce the number of individual requests needing to be considered by Council. Additionally, any further changes at year end will be included as part of the carry forward report to Council.

Impact of forecasting on the works programme

- 41 A breakdown of the movement of projects (both capital and operational) as a result of carry forwards and forecasting for the 2021/2022 year is as follows, before roading projects:

FINANCIAL ACTIVITY	AMOUNT
Projects as per year one (2021/2022) of the 2021-2031 Long Term Plan	\$28,969,084
Projects carried forward from 2020/2021	\$3,466,449
Projects approved via unbudgeted expenditure reports	\$2,368,533
Total Projects budget for 2021/2022	\$34,804,066
February forecasting movement	(\$5,962,802)
Expected project costs for 2021/2022	\$28,841,264

- 42 The roading capital programme for the year is as follows:

FINANCIAL ACTIVITY	AMOUNT
Roading capital programme as per year one (2021/2022) of the 2021-2031 Long Term Plan (including carry forwards)	\$17,354,410
Expenditure approved via unbudgeted expenditure reports	\$-
February forecasting movement	(\$95,429)
Expected roading capital programme for 2021/2022	\$17,258,981

- 43 The overall works programme for the year was budgeted to be \$46.3 million for 2021/2022 in the LTP, which staff had provided Council with confirmation during the LTP development process that this level of works could be delivered.
- 44 However, after recognising carry forwards and unbudgeted expenditure the works programme has increased to \$52.2 million, which puts significant pressure on delivery of the programme, this is also exacerbated by the current Covid-19 pandemic and the impact it is having on labour and supply chains. Forecasting has therefore resulted in \$6.0 million of works being deferred or deleted due to capacity, resource constraints, savings and efficiencies from grouping similar projects to be undertaken together. As a result, the forecasted work programme for 2021/2022 decreases to \$46.1 million, not too dissimilar from what was originally planned for year one of the LTP.
- 45 It is important to note that the LTP work programme includes a number of projects which are planned to occur over multiple years, and the allocation across the years is indicative only and dependent on the components of the projects ie design, consent and physical construction. This is also a contributing factor to delays, deferrals and carry forwards of project budgets.
- 46 The ongoing impact of carrying forward and adding unbudgeted projects makes the delivery of the work programme difficult and limits the ability of the Council to successfully achieve its projects. This is a historic and continuing issue which management and governors need to continue to focus on improving going forward.
- 47 Management believe the 2021/2022 work programme is on track to be delivered as forecasted, however there is still a risk of further market resource shortages and supply delays which could further affect the final programme.
- 48 In regards to projects identified as needing to be deferred to 2022/2023, some of these projects have already been included in the 2022/2023 Annual Plan. Council staff have included the remainder of these and the associated impact into the development of the 2022/2023 Annual Plan.

Significant unbudgeted expenditure above \$50,000

- 49 Attachment D outlines six items totalling \$0.7 million which are unbudgeted expenditure items greater than \$50,000. Given the value of these items, these matters would typically be brought to Council individually as a separate unbudgeted expenditure report for approval. However, in considering the nature of these requests, they all have arisen as a result of normal business activity or increased project costs and thus management consider that it is more efficient that these be considered and approved as part of this report.
- 50 All except for one item relate to capital and maintenance expenditure for water and sewerage.
- 51 Across both water supply and waste water the current network is ageing and increased costs are being incurred to maintain an effective network that meets regulatory requirements. A forecasted increase in unplanned maintenance is needed for water \$200,000 and sewerage \$50,000, due to the number of urgent reactive repairs undertaken through-out the district, over and above the current budget. As neither activity have any reserves available, the costs are proposed to be funded by way of a three-year loan (given the significant impact on rates if it was to be recovered in one year). This proposed change is anticipated to have 0.16% impact on rates from 2022/2023, should the monies be required.

- 52 Due to current market conditions the costs of the UV unit and materials for construction of the Riverton water supply UV building have increased significantly since the budgets were set (\$120,000) and Ohai wastewater UV treatment plant upgrade (\$150,000). The increase in budgets are required to complete the projects and continue to meet regulatory standards. The increase in the budgets would be added to the loan funding for these projects which are financed over 30 years, resulting in an anticipated increase in rates of 0.03% from 2022/2023.
- 53 There has been no budget allowed for minor capital works and in this instance, sewerage pump replacements have been undertaken at a cost of \$61,000. They are unable to be included as part of maintenance costs and require a capital budget. These pumps have a useful life of 20 years and would be loan funded over this time span, which is anticipated to have 0.01% effect on rates from 2022/2023.
- 54 The total rates impact in 2022/2023 for the above water and wastewater changes would be 0.2%, however this will be offset by loan repayments not required as a result of the planned projects not being undertaken in 2021/2022. The net impact on 2022/2023 rates of these loan changes is approximately \$1,200 decrease. The draft 2022/2023 Annual Plan has been developed on the assumption that these water and waste water projects will be approved and funded via loans as noted.
- 55 The remaining significant unbudgeted expenditure item is a request to increase the consultants' budget in the resource consent processing activity. Both the volume and complexity of consent applications has been increasing. Additionally, this activity has had difficulty recruiting appropriately skilled personnel this year and therefore have needed to call on external consultants to assist with standard resource consent processing. Further, Council have received a significant and complex consent application where Council is the land owner; an external consultant is required to complete this consent process to ensure independence. The majority of the increase in costs have been funded by an increase in the consenting revenue with the shortfall of \$101,000 proposed to be funded from district operations reserve.
- 56 The district operations reserve is forecasted to have a balance of \$0.8 million all the proposed forecasting changes in this report, including the above mentioned \$101,000.

Impact of forecasting on rates

- 57 As the rates have been set for 2021/2022 in July 2021, there is no impact of forecasting on the current year rates, however noting that where over-collection has occurred, this will increase reserves.
- 58 Some forecasted changes will however, impact future rates. One of the main contributors being where there has been a movement in loans drawn down in 2021/2022 (from a reduction in total cost of a deferral to a later year). The net decrease in loans from February forecasting is \$6.7 million. The resultant impact is a reduction in loan repayments in 2022/2023 rates of approximately \$327,000; however, Council's assumption is that we only rate for interest on the average loans drawn down in the year, therefore the rate impact is only 50% of this. This has been adjusted for in the development of the 2022/2023 Annual Plan.
- 59 The other main contributors are where operational expenditure has increased as a result of changes in contracts and unplanned maintenance which will flow into future years. Finance staff have worked with activity managers to update the relevant budgets for these in the development of the 2022/2023 Annual Plan.

- 60 There is still a risk that the actual result achieved at 30 June 2022 differs from what has been forecasted and therefore this could give rise to over or under rating depending on the circumstances.

Inclusion of forecasting changes in the 2022/2023 Annual Plan

- 61 The 2022/2023 Annual Plan is currently being developed in preparation for an overview of significant matters to be included in April's First Edition. Council will be considering the proposed rates increase and the associated content of First Edition at its meeting on 29 March 2022.
- 62 In order to achieve the most accurate financial results, including the rates increase, Council staff have incorporated the various relevant amendments from this forecasting round into the 2022/2023 Annual Plan being considered and discussed by Council. The most significant of which is the changes in loans which will impact the rates increase (as discussed above).

This poses a risk that if changes are made to the forecasting by F & A or Council, there may not be sufficient time to amend the Annual Plan information before it is published in First Edition, thus potentially giving rise to financial results including a rates increase being circulated to the public which may change prior to adoption of the Annual Plan. If it does occur it will need to be identified and disclosed appropriately.

Factors to Consider

Legal and Statutory Requirements

- 63 There are no legal or statutory requirements in regards to forecasting Council's end of year position.

Community Views

- 64 The original Long-Term Plan budget for 2021/2022 was fully consulted on. Changes proposed to capital and operational expenditure for townships have been or will be reported to the relevant community board.

Costs and Funding

- 65 The forecasting that has been completed shows that the net surplus after these forecasting charges are approved will be \$4.4 million which is \$5.5 million more than the \$1.1 million deficit planned for year one of the 2021-2031 LTP (attachment A).
- 66 Overall capital expenditure is expected to decrease by \$6.0 million in this forecasting round as outlined in attachment B and discussed in this report.
- 67 The funding source for all forecasted changes are identified as part of this process and are predominantly, reserves, loans, external revenues sources (fees, charges, grants etc) and savings in current budgets. The impact on rates is addressed in the issues section of this report.

Policy Implications

- 68 Council staff must ensure that all expenditure is carried out within approved delegations. The current financial delegations only allow the chief executive to approve unbudgeted purchases of

Council

29 March 2022

plant, capital items and goods or services expenditure up to \$10,000. Everything else must be approved by Council.

Analysis of Options

- 69 The options are to approve or not to approve, in full or part, the forecasted adjustments to the expenditure for year one of the 2021-2031 LTP.

Option 1 - Approve the forecast changes recommended including any adjustments approved at the meeting

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Council are informed of anticipated changes from year one of the 2021-2031 LTP• Council has had the opportunity to prioritise expenditure to be incurred in the current financial year• Council staff are able to procure as required to provide services to the community in the most appropriate manner	<ul style="list-style-type: none">• deferral of projects which are going to be completed later and/or costing more than previously indicated

Option 2 – Do not approve in part or in full, of the forecast changes recommended

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• Council has more time to consider anticipated changes from year one of the 2021-2031 LTP• Council has the opportunity to prioritise expenditure to be incurred in the current financial year	<ul style="list-style-type: none">• processes may be delayed where further approval needs to be sought from Council before committing to additional expenditure• Impact of the flow on effect of changes may not be incorporated into the 2022/2023 Annual Plan in time for circulation of the summary information in the upcoming First Edition.

Assessment of Significance

- 70 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. The content of this report is not deemed significant.

Recommended Option

- 71 Option 1 - Approve the forecast changes recommended including any adjustments approved at the meeting.

Next Steps

- 72 Council staff will advise activity managers of the approval of unbudgeted expenditure and/or confirmed project amendments for the 2021/2022 financial year. Additionally the approved forecasted information will be incorporated into Council financial systems and consequently future reporting.

Attachments

- A Forecast Statement of Comprehensive Revenue and Expenditure [↓](#)
- B Forecast Statement of Financial Position [↓](#)
- C Unbudgeted expenditure that requires Council resolution (under \$50,000) [↓](#)
- D Significant unbudgeted expenditure (over \$50,000) that requires Council resolution [↓](#)
- E Projects planned to be deferred to 2022/2023 [↓](#)
- F Projects planned to be deleted from the 2021/2022 [↓](#)
- G Projects Brought Forward from Future Years [↓](#)
- H Forecast adjustments to revenue, operating expenditure and capital expenditure summarised by business unit [↓](#)
- I Unbudgeted expenditure under \$10,000 that requires CE approval [↓](#)

ATTACHMENT A

**SOUTHLAND DISTRICT COUNCIL
FORECAST STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE
30 JUNE 2022**

	Long Term Plan 2021/2022 (\$000)	Amounts Carried Forward from 2020/2021 (\$000)	Approved Unbudgeted Expenditure (\$000)	February 2021/2022 Forecast adjustments (\$000)	Forecast Result for 2021/2022 (\$000)
Revenue					
Rates	54,179		0	0	54,179
Other revenue	9,214		2,239	985	12,438
Interest and Dividends	2,020		0	0	2,020
NZTA	15,328	39	165	(43)	15,490
Grants and Subsidies	8,669	2,668	3,228	897	15,462
Other Gains/(Losses)	647	113	0	0	760
Vested Assets				0	0
Development and Financial Contributions	10	26	0	0	36
	90,067	2,846	5,632	1,840	100,385
Expenditure					
Employee Benefit Expenses	16,907	30	0	182	17,119
Depreciation and Amortisation	27,210			0	27,210
Finance Costs	1,265			0	1,265
Other Council Expenditure	45,800	1,365	2,687	515	50,368
	91,182	1,395	2,687	697	95,962
OPERATING SURPLUS/(DEFICIT)	(1,115)	1,451	2,945	1,143	4,423
Share of Associate Surplus/(Deficit)	-	-	-	-	-
SURPLUS/(DEFICIT) BEFORE TAX	(1,115)	1,451	2,945	1,143	4,423
Income Tax Benefit	-	-			-
SURPLUS/(DEFICIT) AFTER TAX	(1,115)	1,451	2,945	1,143	4,423
Gain/(Loss) on Property, Plant and Equipment Revaluations	53,208	-	-	-	53,208
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	52,093	1,451	2,945	1,143	57,631

Note:

- 1) The Long Term Plan for 2021/2022 is the consolidated result of Council and SIESA for year one of the 2021-2031 Long Term Plan.
- 2) No adjustment has been made to the budgeted amount in the 10 Year Plan for depreciation, revaluation of infrastructure assets and re-valuation of forestry assets in the forecasting process.
- 3) Further details of the revenue or expenditure is provided in Attachment A for the February 2022 round of Forecasting.

ATTACHMENT B

**SOUTHLAND DISTRICT COUNCIL
FORECAST STATEMENT OF FINANCIAL POSITION
30 JUNE 2022**

	February 2021/2022 Forecast adjustments (\$000)	Forecast Result for 2021/2022 (\$000)	Long Term Plan 2021/2022 (\$000)
Equity			
Retained Earnings	1,143	730,708	720,986
Asset Revaluation Reserves		909,521	922,181
Fair Value Reserves		4,771	3,577
Other Reserves	(270)	38,743	34,844
TOTAL EQUITY	873	1,683,743	1,681,588
Current Assets			
Cash and Cash Equivalents		(199)	221
Trade and Other Receivables		14,336	10,378
Inventories		115	105
Other Financial Assets		941	448
	0	15,193	11,152
Non Current Assets			
Property, Plant and Equipment	(5,181)	1,691,790	1,704,340
Intangible Assets	(847)	5,019	3,900
Forestry Assets		13,790	13,320
Investments in Associates		1,418	945
Other Financial Assets		39,003	37,533
	(6,027)	1,751,020	1,760,038
TOTAL ASSETS	(6,027)	1,766,212	1,771,190
Current Liabilities			
Trade and Other Payables		14,882	7,957
Contract Retentions and Deposits		912	719
Employee Benefit Liabilities		2,172	2,122
Development and Financial Contributions		1,623	1,730
Provision for Decommissioning		(0)	10
Borrowings		6,000	6,000
	0	25,588	18,538
Non-Current Liabilities			
Employee Benefit Liabilities		23	-
Provision for Decommissioning		10	-
Borrowings	(6,900)	56,847	71,064
	(6,900)	56,881	71,064
TOTAL LIABILITIES	(6,900)	82,469	89,602
NET ASSETS	873	1,683,743	1,681,588

ATTACHMENT C - Unbudgeted expenditure that requires Council resolution (<\$49,999)

Business Unit Name	Account Name	Comment	2021/2022 February Forecasting variance	Funding	
People and Capability	Training	Increase in training budget based on actual spend and expectations for the remainder of the year.	\$28,598	Reserves	
People and Capability	Recruitment	Increase due to the use of recruitment companies more than previously needed.	\$22,042	Reserves	
People and Capability	OSH Expenses	Additional budget required for COVID 19 protective equipment and testing.	\$30,000	Reserves	
Chief Executive	Legal Costs	Additional legal budget required for Golden Bay Coastal review.	\$25,000	Reserves	
Around the Mountains Cycle Trail	Maintenance - General	Additional maintenance costs as a result of engineers assessments	\$10,000	Offset by changes in projects being funded	
Property Administration	Software Licence Fees	New tenancy module purchase	\$28,000	Reserves	
Community Housing Winton (Perm	Furniture & Fittings - Renewal	Purchases of heat pumps at Queen St flats forecasted for	\$16,738	Reserves	
Roading - Administration	Consultants	To enable information to be gathered on return from regional fuel tax collected. As discussed by Services and Assets subcommittee	\$40,000	Reserves	
Dipton Forest	Consultants	Replant, Maintenance, Access Road, Inventory, Tending	(\$22,066)	Reserves	
Dipton Forest	Silviculture - Pruning	Change as advised by Stu	(\$125,681)	Reserves	
Gowan Hills Forest	Consultants	Replant, Maintenance, Access Road, Inventory, Tending	\$4,392	Reserves	
Gowan Hills Forest	Silviculture - Pruning	Increase in silviculture costs	\$26,640	Reserves	
Ohai Forest	Consultants	Replant, Maintenance, Access Road, Inventory, Tending	(\$12,165)	Reserves	
Ohai Forest	Forest Grower Commodity Levy	Windthrow event as noted to Council	\$365	Reserves	
Ohai Forest	Maintenance - General	\$15 hectare plus road maintenance	\$3,500	Reserves	
Ohai Forest	Land Preparation	Cost following felling	\$1,700	Reserves	
Ohai Forest	Purchase of Seedlings	Cost following felling	\$1,200	Reserves	
Ohai Forest	Tree Planting	Cost following felling	\$1,200	Reserves	
Ohai Forest	Silviculture - Pruning	Silviculture not required at this level	(\$75,480)	Reserves	
Ohai Forest	Harvest Commission	Windthrow event as noted to Council	\$4,573	Reserves	
Ohai Forest	Harvesting costs	Windthrow event as noted to Council	\$71,664	Reserves	
Waikaia Forest	Consultants	Required budget required	(\$3,458)	Reserves	
Waikaia Forest	Forest Grower Commodity Levy	Revised cost on sale proceeds	\$9,006	Reserves	
Waikaia Forest	Maintenance - General	\$10 per hectare	(\$11,784)	Reserves	
Waikaia Forest	Land Preparation	Increased land Preparation required	\$25,643	Reserves	
Waikaia Forest	Purchase of Seedlings	Increased cost required	\$1,888	Reserves	
Waikaia Forest	Tree Planting	minor increase required	\$509	Reserves	
Waikaia Forest	Silviculture - Release Spraying	Minor adjustment required	(\$446)	Reserves	
Waikaia Forest	Access Roding	Revised cost	(\$9,722)	Reserves	
Waikaia Forest	Harvest Commission	Revised cost	\$16,345	Reserves	
Waikaia Forest	Harvesting costs	Revised cost	\$134,738	Reserves	\$42,561 Forestry
Hall - Dipton	Electricity	Street lighting budgets used to be covered under the Street works BU's	\$107	Reserves	\$28,420 Streetlighting
Hall - Dipton	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's	\$56	Reserves	
Recreation Reserve - EdenWyn	Electricity	Street lighting budgets used to be covered under the Street works BU's	\$141	Reserves	
Recreation Reserve - EdenWyn	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's	\$74	Reserves	
Beautification - Lumsden	Mowing	Mowing contract reviewed - plus new scope	\$11,255	Reserves	\$66,502 Mowing
Information - Centre	Electricity	Street lighting budgets used to be covered under the Street works BU's	\$652	Reserves	
Information - Centre	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's	\$342	Reserves	
Village Green	Electricity	Street lighting budgets used to be covered under the Street works BU's not included in LTP	\$298	Reserves	\$12,554 Litter bins
Village Green	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's not included in LTP	\$156	Reserves	
Cathedral Drive	Electricity	Street lighting budgets used to be covered under the Street works BU's not included in LTP	\$641	Reserves	\$13,800 Gardening
Cathedral Drive	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's not included in LTP	\$336	Reserves	
Hall - Manapouri	Electricity	Street lighting \$37, increase \$60 pm Jan-Jul	\$397	Reserves	\$60,000 Toilet maintenance
Hall - Manapouri	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's not included in LTP	\$20	Reserves	
Rec Reserve - Oreti	Mowing	Budget shortfall forecasted for	\$3,889	Reserves	
Rec Reserve - Ardlussa	Mowing	Contract reviewed against budget	\$4,800	Reserves	
Beautification - Mossburn	Mowing	Contract reviewed against budget	\$1,380	Reserves	
War Memorial Park	Electricity	Street lighting budgets used to be covered under the Street works BU's not included in LTP	\$84	Reserves	
War Memorial Park	Mowing	Contract reviewed against budget	\$1,290	Reserves	

War Memorial Park	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's not included in LTP	\$44	Reserves
Rec Reserve - Waihopai-Toetoe	Mowing	Mowing contracts reviewed against budget	\$2,201	Reserves
Refuse Collection - Ohai	Street Litter Bins	Street litter bin budgets reviewed against actual spend	\$3,000	Reserves
Refuse Collection - Orepuki	Street Litter Bins	Street litter bin budgets reviewed against actual spend	\$7,268	Reserves
Toilets - Orepuki Hall	Maintenance - General	Disposal field has collapsed	\$15,000	Reserves
Beautification - Riversdale	Electricity	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$27	Reserves
Beautification - Riversdale	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$14	Reserves
Beautification - Riverton	Electricity	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$399	Reserves
Beautification - Riverton	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$209	Reserves
Beautification - Riverton	Maintenance - Gardening	New contract signed in Feb 21, revised budget forecasted for to match contract costs	\$6,800	Reserves
Recreation Reserve - Riverton	Electricity	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$685	Reserves
Recreation Reserve - Riverton	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$359	Reserves
Beautification - Stewart Is	Electricity	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$490	Reserves
Beautification - Stewart Is	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$1,150	Reserves
Beautification - Te Anau	Electricity	streetlighting used to street works + Fiordland Hall	\$6,349	Reserves
Beautification - Te Anau	Maintenance - Electrical	street lighting was street works +Fiordland Hall	\$3,329	Reserves
Information Kiosk	Electricity	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$572	Reserves
Information Kiosk	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$300	Reserves
Water Supply Ramparts	Water - Renewal	Resource consent renewal process not fully completed with further costs to be incurred	\$25,000	Loan
Manapouri Airport	Other Equip - Acq LOS	Quotes received for the bike trailer earlier this financial year indicate additional funds needed for the purchase	\$1,500	Reserves
Edendale Scenic Reserve	Maintenance - General	External contractor doing work rather than work scheme	\$10,000	Budget transferred from internal work scheme code
Refuse Collection - Thornbury	Street Litter Bins	Street litter bin budgets reviewed against actual spend	\$2,286	Reserves
Curio Bay Reserve (SDC Costs)	Maintenance - Project	Increase due to additional maintenance requirements.	\$10,000	Loan
Tuatapere Parks & Reserves	Maintenance - General	Tuatapere Reserve CCTV cameras -per S Moran's report tocommunity board dated 13/12/21	\$4,000	Reserves
Water Supply Tuatapere	Water - Acquisition LOS	Cost over run due to increase in prices	\$27,047	Internal Capital Water
Toilets - Clifden	Maintenance - General	Additional budget required to replace hinges with stronger ones on 3 doors funded by reduced cleaning costs in other Toilet BU's	\$15,000	Reserves
Beautification - Waikaia	Mowing	Agreement signed with supplier 10th Nov, budgets increased accordingly	\$6,660	Reserves
Rec Reserve - Tuatapere Te Wae Wae	Mowing	Mowing contracts reviewed against budget	\$4,378	Reserves
Beautification - Otautau	Electricity	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$254	Reserves
Beautification - Otautau	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$133	Reserves
Beautification - Otautau	Maintenance - Gardening	New contract signed - additional budget forecasted for	\$7,000	Reserves
Cemetery - Wairio	Mowing	Mowing contracts reviewed against budget	\$10,243	Reserves
Beautification-Drummond	Mowing	Mowing contracts reviewed against budget	\$1,980	Reserves
Recreation Reserve - Wairio	Mowing	Mowing contracts reviewed against budget	\$5,379	Reserves
Beautification - Wallacetown	Electricity	Street lighting budgets used to be covered under the Street works BU's (Non council owned Wallacetown Hall)	\$153	Reserves

Beautification - Wallacetown	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's for Wallacetown Hall (non council owned)	\$80	Reserves
Toilets - Winton main Street	Maintenance - General	2 x door hinges need replacing & pipe valves	\$30,000	Reserves
Beautification - Winton	Electricity	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$6,935	Reserves
Beautification - Winton	Mowing	Mowing contracts reviewed against budget	\$13,046	Reserves
Beautification - Winton	Maintenance - Electrical	Street lighting budgets used to be covered under the Street works BU's, not budgeted in LTP	\$3,636	Reserves
SIESA - Waste Recovery	Road Freight	Increased budget to align with actual spend	\$23,000	Reserves
Hall - Oreti	Maintenance-General	Heat pumps and fencing repair as per CB report by M Day 21 Feb 22	\$18,879	Reserves
TOTAL			\$543,640	

ATTACHMENT D - Significant unbudgeted expenditure (over \$50,000) that requires Council resolution

Business Unit Name	Project no	Account Name	Further Comments	Funded from	Total 2021/2022 Budget	2021/2022 February Forecasted variance
District Water	N/A	Maint - Unplanned	Unplanned maintenance ahead of budget for the year due to a number of urgent repairs over the district	Loan	\$65,000	\$200,000
District Sewerage	N/A	Maint - Unplanned	Maintenance costs higher than budget due to a number of reactive repairs over the district not budgeted for	Loan	\$50,000	\$50,000
District Sewerage	N/A	Other Plant - Renewal	Minor capex budget for pump replacements	Loan	\$0	\$61,000
Resource Consent Processing	N/A	Consultants	Due to volume and complexity of workload, vacancies and enforcement processes currently underway.	Reserve	\$70,000	\$101,000
Sewerage Scheme Ohai	P-10464	Sewerage - Acquisition LOS	Wastewater treatment plant consent renewal - UV unit quote is significantly more expensive than budgeted for along with increased costs for installation and commissioning	Internal capital sewerage (Loan)	\$158,572	\$150,000
Water Supply Riverton	P-10268	Water - Acquisition LOS	Addition UV Disinfection - Materials, construction costs including electrical and steel fabrication have increased considerably due to current market conditions	Internal capital water (Loan)	\$392,276	\$120,000
TOTAL					\$735,848	\$682,000

ATTACHMENT E - Projects planned to be deferred to 2022/2023

Business Unit Name	Project no	Project Name	Further Comments	Financial Year	Funded from	Total 2021/2022 Budget	2021/2022 February Forecasting variance
Information Management	IT5/P-10039	Core System replacement	Implementation of FMIS has been delayed to 1 April 2022; with most costs for this module expected in 2022/2023.	2021/2022	Loan	\$1,171,541	(\$846,541)
Around the Mountains Cycle Tra	P-10746 & P-10962	Continuous improvement programme & Parawa cattlestop	Project for gaining easements over land deferring \$159,353 to 2022/2023 as work is still ongoing with the timing dependant on the landowners legal representatives and has been slower than anticipated.	2018/2019 & 2020/2021	Loan	\$220,978	(\$159,353)
Buildings - Invercargill Office	P-10954	Invercargill office refurbishment	Construction is planned to occur May, June and July 2022. \$120K to be moved into the 2022/2023 Annual Plan.	2021/2022	Loan	\$250,000	(\$120,000)
Community Housing Collective C	P-10959	Community housing business case	Still awaiting report to Council on final decision for work to go ahead or not.	2021/2022	Reserves	\$50,000	(\$25,000)
District Reserves - Management	P-10972	Open spaces strategy capital development	Project was only formally signed off by Council in January 2022. Full budget isn't going to be spent this FY, will be completed in 2022/2023.	2021/2022	Loan	\$250,000	(\$125,000)
Water Supply Manapouri	P-10263	Water treatment plant upgrade	Undertaking sampling and analysis to confirm suitability of treatment option, design to be completed this year with construction falling into the 2022/23 financial year	2021/2022	Internal capital water (Loan)	\$1,206,954	(\$800,000)
<i>Rec Reserve - Waihopai-Toetoe^</i>	<i>P-10868</i>	<i>Curio Bay reserve management plan</i>	<i>Move project from 2021/2022 to 2022/2023 as part of AP. This Project is part of the wider open spaces policy and strategy review, which needs to be completed before the management plans can be reviewed.</i>	<i>2021/2022</i>	<i>Loan</i>	<i>\$80,000</i>	<i>(\$50,000)</i>
Sewerage Scheme Riversdale	P-10468	Wastewater treatment plant upgrade	Momentum was lost due personnel changes and subsequent delays with the land acquisition resulting in the construction window being missed, the budget variance will be added to next year for this multi-year project.	2021/2022	Internal capital sewerage (Loan)	\$928,518	(\$300,000)
Toilets - Riverton Princess St	P-10390	Riverton Taramea Bay toilet replacement	Work planned to start in May, 30% spend in 2021/2022 and 70% 2022/2023.	2021/2022	Loan	\$378,243	(\$252,770)
Street Works - Stewart Island	N/A	Dundee St footpath extension	Extension of footpath on Dundee St to Golden Bay Road removed as Community Board have resolved to apply to the Stewart Island/Rakiura visitor levy for funding in the 2022 funding round	2020/2021	Grant and Loan	\$177,505	(\$70,000)
<i>Stewart Island Jetties^</i>	<i>P-10670</i>	<i>Golden Bay wharf renewal investigation</i>	<i>Preconstruction costs expected for 2021/2022 year. Remaining budget is still required as the intention was to start construction in the 2022/2023 financial year. This may need to be reviewed as the community board want the Ulva Island wharf completed before the Golden Bay wharf project starts. Move the grant income to 2022/2023, fund 2021/2022 costs by loan.</i>	<i>2020/2021</i>	<i>Grant and Loan</i>	<i>\$1,153,118</i>	<i>(\$468,215)</i>

Manapouri Airport	P-10665	Runway Surface rehabilitation	Testing still ongoing, physical works aren't expected to occur in 2021/2022 financial year. Move project to 2022/2023.	2021/2022	Loan and Reserves	\$828,000	(\$743,000)
Water Supply - Eastern Bush	P-10007	Water supply upgrade	Water source investigations were not successful need to continue further investigations causing project delays the forecast adjustment, move to 2022/2023	2021/2022	Internal capital water (Loan)	\$2,056,473	(\$1,500,000)
Winton Parks & Reserves	P-10888	Centennial Park tree and hedge removal	This project needs to moved (\$10K) from 2021/2022 and an additional \$25K added for the cost of installing 200m fence to match existing fences, funded from Winton General Reserve	2021/2022	Reserves	\$30,000	(\$9,999)
Beautification - Stewart Is*	P-10316	New walking track Horseshoe Bay Road part 2	Move to 2022/2023 and increase budget to \$153,740.	2021/2022	Grants	\$53,740	(\$53,740)
TOTAL						\$ 8,835,070	(\$5,523,618)

* Project already deferred as part of the 22/23 Annual Plan development

ATTACHMENT F - Projects planned to be deleted from the 2021/2022

Business Unit Name	Project no	Project Name	Further Comments	Financial Year	Funded from	Total 2021/2022 Budget	2021/2022 February Forecasting variance
Around the Mountains Cycle Tra	P-10678	Continuous improvement programme	Work is being combined with P-10962 (work on the Parawa cattlestop).	2021/2022	Grant	\$20,000	(\$17,325)
Street Works - Balfour	N/A	Balfour footpaths	Ardlussa community board has requested that this work be deleted	2021/2022	Loan	\$12,500	(\$12,500)
Sewerage Scheme Te Anau	P-10155	Wastewater upgrade Te Anau	Construction is mainly complete and not all contingency has been required	2021/2022	Internal capital sewerage (Loan)	\$2,416,080	(\$122,981)
Sewerage Scheme Te Anau	P-10155	Wastewater upgrade Te Anau - Demand Portion	Construction is mainly complete and not all contingency has been required	2021/2022	Internal capital sewerage (Loan)	\$904,969	(\$77,019)
Hall - Fortrose	P-10296	Fortrose Hall External and roof repaint	Remove project P-10296 (\$31,335) and Maintenance budget (\$2,500) as hall is being sold.	2020/2021	Loan and reserves	\$33,835	(\$33,835)
SIESA - Operations	P-10593	Wind Power Pre-development	SIESA windpower project is no longer going ahead following the investigation that took place. Stu wanted it moved to Other Plant - Acq LOS (not just deleted)	2021/2022	Reserves	\$80,000	(\$80,000)
TOTAL						\$3,467,384	(\$343,660)

ATTACHMENT G - Projects Brought Forward from Future Years

Business Unit Name	Project no	Project Name	Further Comments	Financial Year	Funded from	2021/2022 February Forecasting variance
Toilets - Athol	P-10661	Athol Toilet Renewal	Part of Project moved from 23/24 to this year for design and resource consent. Remainder of project budget to be moved from 2023/2024 to 2022/2023 (as part of the development of the 2022/2023 Annual Plan)	2023/2024	Loan	\$50,000
Transfer Stations - Te Anau	P-10425	Te Anau Transfer Station Weighbridge	Bring forward project from 2022/2023 as receiving a grant towards the cost in the current financial year	2022/2023	Grant and loan	\$154,500
Toilets - Cosy Nook, Monkey I	P-10617	Cosy Nook Toilet Replacement	Project moved from 2024/2025	2024/2025	Reserves	\$108,426
Toilets - Cosy Nook, Monkey I	P-10841	Monkey Island - shelter area development	2022/2023 Project P-10842 stage 2, is to be brought forward to enable be completed with the current years works.	2022/2023	Loan	\$51,500
Boat Ramps - Te Anau	P-10880	Te Anau Downs Boat Ramp Refurbishment	P-10880 moved from 2022/2023 to 2021/2022 as decided by Fiordland community board at its meeting on 17/11/21	2022/2023	Loan	\$61,800
TOTAL						\$426,226

ATTACHMENT H - Forecast adjustments to revenue, operating expenditure and capital expenditure summarised by business unit				
Business Unit Name	2021/2022 February Forecast Adjustment	Forecast Balance at 30 June 2022	Increase or (Decrease)	Comment
Income				
Three waters collaboration	\$89,914	\$89,914	Increase	Three waters collaboration costs recovered from the other Councils
Building Regulation	\$70,000	\$70,000	Increase	Accreditation fees introduced 2021/22 post LTP
Environmental Health	(\$28,560)	\$0	Decrease	Remove DOC contribution as they are not participating this year due to their budget constraints
Resource Consent Processing	\$190,000	\$467,831	Increase	Additional hearing commission costs and legal fees recovered, Increase revenue due to increase volume of work (both notified and non-notified consents)
Waste Minimisation	\$66,000	\$154,000	Increase	Increase the levy income based on the average of payments received
Ohai Forest	\$121,946	\$121,946	Increase	Unbudgeted expenditure report to Council talked about Windthrow at Waikaia not Ohai
Waikaia Forest	\$467,302	\$4,096,026	Increase	Unbudgeted expenditure report regarding Windthrow event confirmed at Council on 27/10/21, moving sales, harvest commission and associated harvesting costs from 22/23 to 21/22
Beautification - Wallacetown	\$410	\$410	Increase	Used to be in a business unit that was removed as part of the LTP process and wasn't moved as part of the LTP
SIESA - Staff House	\$7,800	\$13,000	Increase	Budget being aligned with actuals
Subtotal Other Revenue	\$984,812		Increase	
Roading - Special Purpose	(\$42,590)	\$137,410	Decrease	To adjust the budget to match the amount finally approved by NZTA
Subtotal NZTA	(\$42,590)		Decrease	
District Sewerage	\$1,500,000	\$2,888,065	Increase	Additional funding of Te Anau wastewater from tourism infrastructure fund, agreed in October 2021
Transfer Stations - Te Anau	\$100,000	\$100,000	Increase	Grant income towards cost of weighbridge
Creative Communities N.Z.	\$8,628	\$35,358	Increase	Additional funding - Delta 'top up' per letter 7 December 2021
Toilets - Pearl Harbour	(\$100,000)	\$200,000	Decrease	P-10630 To correct the funding streams of the individual projects that make up the programme of works approved for the TIFF package. The combined programme of works budget isn't changing.
Toilets - Frasers Beach	(\$300,000)	\$300,000	Decrease	P-10628 & P-10629 To correct the funding streams of the individual projects that make up the programme of works approved for the TIFF package. The combined programme of works budget isn't changing.
Boat Ramps - Manapouri	\$250,000	\$250,000	Increase	P-10882 To correct the funding streams of the individual projects that make up the programme of works approved for the TIFF package. The combined programme of works budget isn't changing.
Beautification - Manapouri	\$100,000	\$100,000	Increase	P-10884 To correct the funding streams of the individual projects that make up the programme of works approved for the TIFF package. The combined programme of works budget isn't changing.
Frasers Beach	(\$100,000)	\$100,000	Decrease	Ota sealing at Frasers Beach, To correct the funding streams of the individual projects that make up the programme of works approved for the TIFF package. The combined programme of works budget isn't changing.
Street Works - Stewart Island	(\$107,505)	\$1,686	Decrease	Removal of funding for P-10016 & P-10317.
Beautification - Stewart Is	(\$53,740)	\$7,941	Decrease	As part of AP, P-10316 moved to 22/23 and increased to \$153,740, funded from SIVL
Stewart Island Jetties	(\$400,000)	\$668,215	Decrease	Tourism Infrastructure funding for P-10854. Golden Bay Project is not occurring this FY, Grant from SIVL was not applied for due to this.
Subtotal Grant and Subsidies	\$897,383		Increase	
Total Revenue adjustment	\$1,839,605		Increase	
Expenditure				
Employee Benefit Expense				
Democracy and community	\$31,181	\$213,251	Increase	Move ordinary time between business units
Engineering Administration	\$70,530	\$439,500	Increase	Move ordinary time between business units
Environmental Services	(\$101,711)	\$111,540	(Decrease)	Move ordinary time between business units
Building Regulation	\$182,225	\$2,321,378	Increase	Additional positions to be funded from existing consultants budget as agreed with GM 10/09/2021
Total employee benefit expense	\$182,225		Increase	
Operational Expenditure				
Democracy and community	\$76,000	\$76,000	Increase	Consultants, ordinary time, mileage and training budgets moved from other business units to reflect changes of where staff are situated
Customer Service	(\$5,250)	\$5,758	(Decrease)	Expected reduction of photocopying costs, reflecting the change in overall organisation costs
Financial Services	(\$2,250)	\$6,072	(Decrease)	Expected reduction of photocopying costs, reflecting the change in overall organisation costs
People and Capability	\$80,640	\$234,000	Increase	Increase in training budget based on actual spend and expectations for the remainder of the year. Increase in recruitment due to the use of recruitment companies more than previously needed. Increase in OSH budget due to additional budget being required for COVID 19 protective equipment and testing.
Knowledge Management	\$44,691	\$90,160	Increase	After the completion of the LTP a new agreement was reached over the internal split of LIM income; this forecast reflects the additional cost to knowledge amangement of transferring the income internally. Based on budgeted income levels.
Governance	(\$7,500)	\$15,824	(Decrease)	Expected reduction of photocopying costs, reflecting the change in overall organisation costs
Chief Executive	\$25,000	\$68,937	Increase	Additional legal budget required for Golden Bay Coastal review.
Around the Mountains Cycle Trail	\$10,000	\$114,000	Increase	Additional maintenance required as a result of Engineers' check carried out.
Three waters collaboration	\$89,914	\$89,914	Increase	Final costs of three waters collaboration project which have been recovered from the contributing councils. SDC return of funds following final costs of project

Business Unit Name	2021/2022 February Forecast Adjustment	Forecast Balance at 30 June 2022	Increase or (Decrease)	Comment
Property Administration	\$28,000	\$28,000	Increase	New tenancy module purchase
Focal Point Wheelchair Lift	\$1,531	\$1,531	Increase	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP
Toilets - Weirs Beach	(\$2,105)	\$9,895	(Decrease)	Savings forecasted to fund increased maintenance in other Toilet BU's
District Water	\$200,000	\$265,000	Increase	Unplanned maintenance ahead of budget for the year due to a number of urgent repairs across the district
District Sewerage	\$50,000	\$100,000	Increase	Maintenance costs higher than budget due to a number of reactive repairs over the district not budgeted for
Environmental Services	(\$31,000)	50	(Decrease)	Transfer of costs to reflect reallocation of staff costs
Building Regulation	(\$220,865)	\$39,135	(Decrease)	After the completion of the LTP a new agreement was reached over the internal split of LIM income; this forecast reflects the additional income to building regulation of transferring the income internally. Movement of consultants budget per memo to Matt Russell 10/9/2021.
Environmental Health	(\$30,971)	\$10,560	(Decrease)	After the completion of the LTP a new agreement was reached over the internal split of LIM income; this forecast reflects the additional income to environmental health of transferring the income internally. Reduce Freedom Camping cost as no DOC contribution.
Resource Consent Processing	\$287,360	\$397,360	Increase	After the completion of the LTP a new agreement was reached over the internal split of LIM income; this forecast reflects the additional income to resource consent processing of transferring the income internally. Change includes a decrease in staff training budget not utilised in first 6 months, an increase in legal fees and consultants, due to volume and complexity of workload, vacancies and enforcement processes currently underway. Increase in hearing costs offset which has been offset by general recoveries income.
Buildings - Invercargill Office	\$26,450	\$450,174	Increase	Variation in cleaning contract forecasted
Buildings - Te Anau Library	(\$4,500)	\$16,500	(Decrease)	Moving between Te Anau office and here a variation to cleaning
Buildings - Te Anau Office	\$4,500	\$12,500	Increase	Moving budget between Te Anau office and Te Anau library as a result of variation in cleaning contract
Buildings - Winton Office	\$8,297	\$10,997	Increase	Variation in cleaning contract forecasted
Community Housing Collective C	(\$25,000)	\$25,000	(Decrease)	Half of funds for P-10959 (business case) as still awaiting report to Council on final decision for work to go ahead or not.
Community Housing Ohai (Perman)	\$153	\$153	Increase	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP
Community Housing Tuatapere (P)	\$241	\$241	Increase	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP
Community Housing Winton (Perm)	\$872	\$872	Increase	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP
Community Housing Wyndham (Per)	\$241	\$241	Increase	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP
Wheelie Bins	\$66,000	\$691,000	Increase	Increase budget as June 2020 invoice included in July 2021 increasing the cost to date
Roading - Administration	(\$158,598)	(\$860,000)	(Decrease)	Allowing funds to enable information to be gathered on return from regional fuel tax collected. As discussed by Services and Assets subcommittee. Offset by estimated increase in internal time recovered from Waka Kotahi based on recoveries in first six months of the year.
Roading - Special Purpose	(\$40,673)	\$129,327	(Decrease)	To adjust the budget to match the amount finally approved by NZTA
Dipton Forest	(\$147,747)	\$12,978	(Decrease)	Replant, Maintenance, Access Road, Inventory, Tending. Increase in silviculture costs.
Gowan Hills Forest	\$31,032	\$191,781	Increase	Replant, Maintenance, Access Road, Inventory, Tending. Increase in silviculture costs.
Ohai Forest	(\$3,443)	\$125,694	(Decrease)	Replant, Maintenance, Access Road, Inventory, Tending. Windthrow event as noted to Council. \$15 hectare plus road maintenance. Cost following felling. Silviculture not required at this level.
Waikaia Forest	\$162,719	\$2,102,099	Increase	Agreed at Council 27/10/21 report by Matt due to Windthrow event, move Sales, Harvest Commission and Harvesting costs from 22/23 to 21/22. Required consultants budget required. Revised cost on sale proceeds. \$10 per hectare. Increased land Preparation required. Increased seedling cost required. Minor tree planting increase, minor adjustment to release spraying, revised cost for access roading.
Creative Communities N.Z.	\$8,628	\$35,358	Increase	Additional funding - Delta top up to be distributed
Rec Reserve - Ardlussa	\$4,800	\$56,596	Increase	Council 27/10/21 Grant to Waikaia trails trust \$20K funded from Balfour general, Riversdale general, Waikaia general and Mararoa Waimea Ward reserves
Toilets - Athol	(\$6,105)	\$7,895	(Decrease)	Savings forecasted to fund increased Maintenance in other Toilet BU's
Beautification - Athol	(\$2,300)	\$20,615	(Decrease)	Review of actual mowing costs against contract including missing areas
Toilets - Colac Bay Playground	(\$2,105)	\$6,773	(Decrease)	Savings forecasted to fund increased Maintenance in other Toilet BU's
Toilet - Colac Bay - East End	\$10,000	\$10,000	Increase	Additional budget required to replace hinges with stronger ones on two doors, funded by reduction in cleaning costs in other toilet BU's
Toilets - Dipton	(\$2,105)	\$9,895	(Decrease)	Savings forecasted to fund increased Maintenance in other Toilet BU's
Hall - Dipton	\$163	\$1,834	Increase	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP
Recreation Reserve - EdenWyn	\$215	\$8,257	Increase	Edendale walking track (P-10928) project decrease based on already completed works and remaining quotes. Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP
Toilets - Edendale Seaward Rd	(\$26,256)	\$23,744	(Decrease)	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP. Project P-10623 to be complete based on quotes. Budget savings due to change in the procurement process in undertaking a programme of works.
Toilets - Garston	(\$2,105)	\$53,395	(Decrease)	Savings forecasted to fund increased maintenance in other Toilet BU's
Beautification - Garston	(\$1,930)	\$5,100	(Decrease)	Mowing contract reviewed - then adjusted with new scope
Toilets - Lumsden	(\$2,105)	\$24,895	(Decrease)	Savings forecasted to fund increased maintenance in other Toilet BU's
Cemetery - Lumsden	(\$5,400)	\$2,500	(Decrease)	New mowing contract only \$2,500 pa
Beautification - Lumsden	\$11,255	\$35,800	Increase	Mowing contract reviewed - plus new scope
Recreation Reserve - Lumsden	(\$1,375)	\$4,070	(Decrease)	Mowing contract reviewed against actuals
Information - Centre	\$994	\$994	Increase	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP

Business Unit Name	2021/2022 February Forecast Adjustment	Forecast Balance at 30 June 2022	Increase or (Decrease)	Comment
Toilets - Pearl Harbour	(\$1,046)	\$16,954	(Decrease)	Street lighting budgets used to be covered under the Streetworks BU's. Move \$2,500 to BU 24715 cleaning and \$10,500 to general maintenance
Toilets - Frasers Beach	\$4,395	\$11,395	Increase	Additional cleaning to be covered from other toilet BU's cleaning
Boat Ramps - Manapouri	\$50,000	\$100,000	Increase	P-10882 To correct the funding streams of the individual projects that make up the programme of works approved for the TIFF package. The combined programme of works budget isn't changing
Beautification - Manapouri	(\$12,000)	\$0	(Decrease)	Move mowing budgets to Parks and Reserves business unit
Frasers Beach	(\$1,711)	\$0	(Decrease)	Move mowing budgets to Parks and Reserves business unit
Village Green	(\$972)	\$454	(Decrease)	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP. Move mowing budgets to Parks and Reserves business unit.
Cathedral Drive	(\$2,845)	\$977	(Decrease)	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP. Move mowing budgets to Parks and Reserves business unit.
Parks & Reserves Manapouri	\$18,959	\$18,959	Increase	Moving mowing budgets from Beautification, Frasers Beach, Village Green, Cathedral drive
Hall - Manapouri	\$417	\$2,557	Increase	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP
Rec Reserve - Oreti	\$3,889	\$3,889	Increase	Mowing budget shortfall forecasted for
Toilets - Mossburn	(\$2,105)	\$20,895	(Decrease)	Savings forecasted to fund increased Maintenance in other Toilet BU's
Cemetery - Mossburn	(\$3,700)	\$1,000	(Decrease)	New mowing contract only \$1,000 pa
Beautification - Mossburn	\$1,380	\$5,580	Increase	Mowing contract reviewed against budget
War Memorial Park	\$1,418	\$8,218	Increase	Street lighting budgets used to be covered under the Streetworks BU's not included in LTP.
Dr Woods Memorial Park	(\$2,000)	\$7,500	(Decrease)	Moving contract reviewed against budget
Rec Reserve - Waihopai-Toetoe	(\$47,799)	\$43,601	(Decrease)	Moved \$2,000 CF from project P-11029 to project P-10775
Refuse Collection - Ohai	\$3,000	\$3,000	Increase	Carry fwd project P-10868 from 21/22 to 22/23 as part of AP. This Project is part of the wider open spaces policy and strategy review, which needs to be completed before the management plans can be reviewed. Mowing contract reviewed against budget
Toilets - Ohai	\$1,288	\$1,288	Increase	Street litter bin budgets reviewed against actual spend
Refuse Collection - Orepuki	\$7,268	\$10,433	Increase	Street lighting budgets used to be covered under the Streetworks BU's, not budgeted in LTP
Toilets - Orepuki Hall	\$15,000	\$15,000	Increase	Street litter bin budgets reviewed against actual spend
Toilets - Riversdale Hall	\$4,000	\$8,000	Increase	Disposal field has collapsed - Jacqui
Beautification - Riversdale	(\$1,499)	\$22,501	(Decrease)	Moving budgets between toilet BU's after reviewing cleaning costs budgeted
Playground - Riversdale	(\$857)	\$7,500	(Decrease)	Street lighting budgets used to be covered under the Streetworks BU's, not budgeted in LTP.
Toilets - Riverton Princess St	\$2,895	\$16,996	Increase	Moving contract reviewed against budget
Toilets - Rec ResT Wharf Rocks	(\$2,105)	\$12,895	(Decrease)	Street lighting budgets used to be covered under the Streetworks BU's, not budgeted in LTP. Savings forecasted to fund increased Maintenance in other Toilet BU's. Additional budget required for new hand dryers funded by reduced cleaning costs in other Toilet BU's.
Beautification - Riverton	\$7,408	\$38,408	Increase	Street lighting budgets used to be covered under the Streetworks BU's, not budgeted in LTP. New gardening contract signed in Feb 21, revised budget forecasted to match contract costs
Recreation Reserve - Riverton	\$1,044	\$1,044	Increase	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP
Toilets - Cozy Nook, Monkey I	(\$2,105)	\$17,118	(Decrease)	Savings forecasted to fund increased Maintenance in other Toilet BU's
Cemetery - Stewart Island	(\$3,091)	\$11,909	(Decrease)	Project completed for less than budgeted.
Beautification - Stewart Is	\$1,640	\$1,640	Increase	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP
Toilets - Te Anau Lions Park	\$8,267	\$143,549	Increase	Street lighting budgets used to be covered under the Streetworks BU's and missed being transferred as part of the LTP. Transfer savings from cleaning to toilet supplies and Ivon Wilson cleaning
Toilets - Te Anau Ivon Wilson	\$2,409	\$9,000	Increase	Increased cleaning costs offset by BU 26815 Te Anau Lions Park savings
Toilets - Boat Hbr, Town Centr	(\$2,570)	\$31,930	(Decrease)	Street lighting budgets previously included in Streetworks and missed being transferred as part of the LTP. Cleaning savings used to fund increased toilet supplies and maintenance
Beautification - Te Anau	(\$13,364)	\$210,275	(Decrease)	Street lighting budgets used to be covered under the Streetworks BU's and missed transferred as part of the LTP. Move mowing budgets to Parks and Reserves business unit. \$40,000 moved from general maintenance to pest control (\$5,000) and tree and hedge maintenance (\$35,000). CCTV project requires further funding, budget to be transferred from maintenance.
Ivon Wilson Park	(\$7,590)	\$0	(Decrease)	Budget moved to Toilets - Te Anau Ivon Wilson BU 26816
Sportsground - Te Anau	(\$17,673)	\$0	(Decrease)	Move mowing budgets to Parks and Reserves business unit
Lakefront	(\$14,236)	\$0	(Decrease)	Move mowing budgets to Parks and Reserves business unit
Parks & Reserves Te Anau	\$34,504	\$100,847	Increase	Move mowing budgets to Parks and Reserves business unit
Information Kiosk	\$872	\$872	Increase	Street lighting budgets used to be covered under the Streetworks BU's and missed being transferred as part of the LTP.
Refuse Collection - Thornbury	\$2,286	\$3,857	Increase	Street litter bin budgets reviewed against actual spend
Toilets - Waikawa	(\$2,105)	\$10,895	(Decrease)	Savings forecasted to fund increased Maintenance in other Toilet BU's
Toilet-Fortrose Foreshore Res	(\$2,105)	\$8,340	(Decrease)	Savings forecasted to fund increased Maintenance in other Toilet BU's
Curio Bay Reserve (SDC Costs)	\$10,000	\$25,000	Increase	Increase due to additional maintenance requirements P-10618, budget savings in other toilet projects will more than cover these extra costs.
Hall - Fortrose	(\$36,335)	\$0	(Decrease)	Remove project P-10296 (\$31,335) and all maintenance budgets as selling the hall
Toilets - Tokanui	(\$2,105)	\$7,895	(Decrease)	Savings forecasted to fund increased Maintenance in other Toilet BU's
Toilets - Tuatapere Main Road	(\$942)	\$11,678	(Decrease)	Street lighting budgets used to be covered under the Streetworks BU's and missed being transferred as part of the LTP. Savings forecasted to fund increased Maintenance in other Toilet BU's
Beautification - Tuatapere	(\$5,000)	\$23,023	(Decrease)	Transfer \$5,000 from general maintenance to P-10821, and \$5,000 to garden maintenance

Business Unit Name	2021/2022 February Forecast Adjustment	Forecast Balance at 30 June 2022	Increase or (Decrease)	Comment
Tuatapere Parks & Reserves	(\$6,000)	\$15,678	(Decrease)	Transferred \$10k to playground project P-10821. Added \$4k for Tuatapere Reserve CCTV cameras - per report to community board.
Toilets - Clifden	\$12,895	\$24,895	Increase	Additional budget required to replace hinges with stronger ones on 3 doors funded by reduced cleaning costs in other Toilet BU's
Refuse Collection - Waikaia	(\$9,000)	\$1,000	(Decrease)	Done via SDC wheelie bin service for last year
Toilets - Waikaia	(\$2,105)	\$22,395	(Decrease)	Savings to fund increased maintenance in other toilets BU
Beautification - Waikaia	\$6,660	\$20,000	Increase	Agreement signed with mowing supplier 10/11/21, budgets increased accordingly
Toilets - Otautau Main Street	(\$33,500)	\$16,500	(Decrease)	Project to be complete based on quotes. Budget savings due to change in the procurement process in undertaking a programme of works.
Beautification - Otautau	\$7,387	\$22,387	Increase	Street lighting budgets used to be covered under the Streetworks BU's and missed being transferred as part of the LTP. New gardening contract signed with an increased cost
Cemetery - Wairio	\$10,243	\$14,803	Increase	Mowing contracts reviewed against budget
Beautification-Drummond	\$1,980	\$5,911	Increase	Mowing contracts reviewed against budget
Recreation Reserve - Wairio	\$5,379	\$5,379	Increase	Mowing contracts reviewed against budget
Cemetery - Wallacetown	(\$7,472)	\$11,328	(Decrease)	move beam project to P-10979 Calicum cemetery
Beautification - Wallacetown	\$233	\$233	Increase	Street lighting budgets used to be covered under the Streetworks BU's and missed being transferred as part of the LTP. (Non council owned Wallacetown Hall)
Toilets - Winton main Street	\$27,895	\$59,230	Increase	Savings in cleaning to fund increased maintenance in other toilets BU. Additional maintenance required for 2 x door hinges need replacing & pipe valves
Beautification - Winton	\$23,618	\$27,958	Increase	Street lighting budgets used to be covered under the Streetworks BU's and missed being transferred as part of the LTP. Mowing contracts reviewed against budget.
Winton Parks & Reserves	(\$9,999)	\$20,001	(Decrease)	P-10888 is being deferred to 22/23, plus an additional \$25K being added for the cost of installing 200m fence to match existing fences, funded from Winton General Reserves (AP change)
Winton Maternity Centre	(\$18,190)	\$0	(Decrease)	Transfer to maintenance budget to capital, reflecting to work to be undertaken
SIESA - Waste Recovery	\$23,000	\$86,000	Increase	Increased road freight budget to align with actual spend
Financial and Reserve Contributions	(\$1,500)	\$33,500	(Decrease)	Edendale walking track project decrease based on already completed works and remaining quotes, requiring a lower internal grant to fund the project
Community Leadership District	(\$45,000)	\$221,000	(Decrease)	Transfer of costs to reflect reallocation of staff controlling business units
Community Housing Ohai	\$80	\$80	Increase	Fixing budget in incorrect code
Work Scheme Programme	\$12,500	(\$277,748)	Increase	To adjust internal income for change in method of work being delivered in other business units
Hall - Oreti	\$18,879	\$21,379	Increase	Heatpumps and fencing repair as per Community Board report 21/2/22
Rec Reserve - Tuatapere Te Wae Wae	\$4,378	\$6,623	Increase	Mowing contracts reviewed against budget
Total operating expenditure	\$514,841		Increase	
Total Expenditure adjustment	\$697,066	\$0	Increase	
Net surplus (deficit)	\$1,142,539		Increase	

Business Unit Name	2021/2022 February Forecast Adjustment	Forecast Balance at 30 June 2022	Increase or (Decrease)	Comment
Capital Expenditure (PPE & Intangibles)	(\$5,027,413)		(Decrease)	
Business Unit Name	2021/2022 February Forecast Adjustment	Forecast Balance at 30 June 2022	Increase or (Decrease)	Comment
Information Management	(\$846,541)	\$325,000	(Decrease)	Implementation of FMIS has been delayed to 1 April 2022; with most costs for this module expected in 22/23. Payroll component of HRIS is expected to be completed in the current year.
District Library	(\$200,000)	\$89,000	(Decrease)	Removal of furniture and fittings for Winton Library upgrade being duplicated in the budget in the Winton office business unit.
Around the Mountains Cycle Trail	(\$176,678)	\$64,300	(Decrease)	Deferral of \$159,353 to 2022/2023 being part of P-10746; gaining easements over land as work is still ongoing with the timing dependant on the landowners legal representatives and has been slower than anticipated.
District Sewerage	\$61,000	\$475,433	Increase	Minor capex budget for pump replacements added in forecasting.
Buildings - Invercargill Office	(\$120,000)	\$130,000	(Decrease)	Construction on the final stage of Invercargill office refurbishment is planned to occur May, June and July 2022. \$120K to be moved into the Annual Plan.
Buildings - Te Anau Library	(\$434,278)	\$100,000	(Decrease)	Project rescoped due to the decision not to combine the library and office. \$100K required for this Library work. \$150K is required at the Winton Library and \$80K for the Te Anau office refurbishment.
Buildings - Te Anau Office	\$80,000	\$80,000	Increase	New project - fitout per 25 Jan 22 council report.
Buildings - Winton Office	\$64,918	\$1,316,515	Increase	\$150k unbudgeted requested from Council, Report to council on 25 January 2022. Additionally, the unbudgeted expenditure report that was approved August 2020 approved a total of \$1,314,918 for parts 2-4, over 2020/21 & 2021/22. Through the LTP this budget was made up to \$1.4M, however the budget being utilised by the PM is the original August 2020 budget. We are therefore reducing the overall \$1.4M down to \$1,314,918.
Community Housing Winton (Perm)	\$16,738	\$16,738	Increase	Purchases of heatpumps at Queen st flats forecasted for
Transfer Stations - Te Anau	\$154,500	\$154,500	Increase	Bring forward project from 2022/23 as receiving a grant towards the cost in this financial year
District Reserves - Management	(\$125,000)	\$125,000	(Decrease)	Open spaces strategy project was only formally signed off by Council in January 22. Full budget isn't going to be spend this FY, will be completed in the 22/23 FY.
Roading - District Wide	(\$92,875)	\$140,764	(Decrease)	being to reflect change in footpath renewal work programme for community board approvals, due to change in Waka Kotahi funding.
Roading - Special Purpose	(\$1,917)	\$8,083	(Decrease)	To adjust the budget to match the final amount approved by NZTA
Toilets - Athol	\$50,000	\$50,000	Increase	Part of Project moved from 23/24 to this year (\$50) for design and resource consent and remainder from 23/24 to 22/23 per Annual Plan, funded by Loan
Street Works - Balfour	(\$12,500)	\$0	(Decrease)	Ardlussa community board has requested that this footpath work be deleted due to reduced Waka Kotahi funding.
Toilets - Balfour Plunket Room	(\$69,000)	\$131,000	(Decrease)	Project to be complete based on quotes. Budget savings due to change in the procurement process in undertaking a programme of works.
Toilet - Colac Bay - East End	(\$15,000)	\$60,000	(Decrease)	Project to be complete based on quotes. Budget savings due to change in the procurement process in undertaking a programme of works.
Beautification - Colac Bay	(\$7,768)	\$12,232	(Decrease)	Project completed for less than budget.
Street Works - Manapouri	(\$50,000)	\$0	(Decrease)	Fiordland Community Board requested at 30 November 2021 that the LOS footpath work in 2021/2022 no longer be completed; to be confirmed by resolution at meeting on 20 December 2021.
Toilets - Pearl Harbour	(\$100,000)	\$400,000	(Decrease)	Unbudgeted expenditure approved on 4/8/21 to be funded by Tourism Infrastructure fund. P-10630 To correct the funding streams of the individual projects that make up the programme of works approved for the TIFF package. The combined programme of works budget isn't changing.
Water Supply Manapouri	(\$800,000)	\$406,954	(Decrease)	Move project costs to 2022/23 as part of project swap in unbudgeted expenditure. Undertaking sampling and analysis to confirm suitability of treatment option, design to be completed this year with construction falling into the 2022/23 financial year and \$800,000 being moved as part of forecasting.
Street Works - Mossburn	(\$7,820)	\$0	(Decrease)	Northern community board has requested that this footpath work be combined with 2022/23 work
Dr Woods Memorial Park	\$2,000	\$33,225	Increase	Transferred \$2,000 from general maintenance P-10775
Sewerage Scheme Ohai	\$150,000	\$308,572	Increase	UV unit quote is significantly along with installation and commissioning is more expensive than budgeted for.
Hall - Orepuki	(\$56,746)	\$50,000	(Decrease)	This project has been rescoped at the request of the community board and instead of the roof being replaced the exterior cladding will be replaced. This budget has been decreased based on the quotes that we have received to complete the scope of work.
Street Works - Riversdale	(\$26,000)	\$0	(Decrease)	Ardlussa community board has requested that this footpath work be combined with LOS included for 2025/2026
Playground - Riversdale	\$857	\$51,888	Increase	Maintenance budget being transferred to capital, as work being undertaken as part of a wider programme is capital.
Sewerage Scheme Riversdale	(\$300,000)	\$628,518	(Decrease)	Momentum was lost due personnel changes and subsequent delays with the land acquisition, resulting in the construction window being missed, the budget variance (\$300,000) will be added to next year for this multi-year project as part of forecasting changes.
Toilets - Riverton Princess St	(\$252,770)	\$125,473	(Decrease)	Increase overall budget by \$40K based on designs and plan works required. Start in May, 30% spend this FY and 70% 22/23.
Water Supply Riverton	\$120,000	\$512,276	Increase	Materials, construction costs increased considerably due to current market conditions as did electrical and steel fabrication fit out costs resulting in an increase in budget being required
Toilets - Cosy Nook, Monkey I	\$159,926	\$359,926	Increase	Project PO-10617 moved from 24/25. Project P-10842 stage 2 currently budgeted for 22/23, is to be brought forward to enable be completed with the current years works.
Street Works - Stewart Island	(\$177,505)	\$0	(Decrease)	P-10016 \$52,583 removed as completed in 20/21; P-10317 \$54,922 removed as a duplicate of project included in Stewart Island beautification and extension of footpath on Dundee St to Golden Bay Road removed as Community Board have resolved to apply to the Stewart Island/Rakiura visitor levy for funding in the 2022 funding round meaning work will not be undertaken until 2022/2023

Business Unit Name	2021/2022 February Forecast Adjustment	Forecast Balance at 30 June 2022 Increase or (Decrease)	Comment
Beautification - Stewart Is	(\$53,740)	\$0 (Decrease)	P-10316 walking track has been moved to 2022/2023
			Increase approved by Council 4 August 2021 to be funded via Tourism infrastructure fund. Preconstruction costs expected for 21/22 year. Remaining budget is still required as the intention was to start construction in the 2022/2023 financial year. This may need to be reviewed as the community board want the Ulva Island wharf completed before the Golden Bay wharf project starts.
Stewart Island Jetties	(\$468,215)	\$2,438,021 (Decrease)	
Sewerage Scheme Te Anau	(\$200,000)	\$3,121,049 (Decrease)	Construction of the Te Anau wastewater treatment plant is mainly complete and not all of the contingency has been required
Boat Ramps - Te Anau	\$61,800	\$621,800 Increase	Additional funds approved by Council on 4 August 2021, to be funded by TIFF. P-10880 moved from 22/23 to 21/22 as part of AP decided by CB at Fiordland meeting on 17/11/21
Water Supply Ramparts	\$25,000	\$48,046 Increase	Resource consent renewal process not fully completed with further costs to be incurred
			Quotes received for the bike trailer early this financial year indicate additional funds of \$1,500 needed for the purchase. Reduction in the runway reseal (transferred to 2022/2023) with project testing still ongoing, also Milford airports future is still up for question. Physical works isn't expected to occur this financial year. Expected to be \$55K for monitoring and consultants fees. Another \$30K required for crack sealing to keep the runway operational until renewal done.
Manapouri Airport	(\$741,500)	\$88,500 (Decrease)	
Toilets - Waikawa	(\$35,000)	\$65,000 (Decrease)	Project partially complete, and then work estimated to complete. Budget savings due to change in the procurement process in undertaking a programme of works.
Street Works - Tokanui	(\$10,000)	\$0 (Decrease)	Footpath LOS work removed by resolution of Waihopai Toetoe Community Board on 14/12/21
Tuatapere Parks & Reserves	\$15,000	\$72,191 Increase	Tenders for P-10821 (playground equipment renewal) higher than budget; using general maintenance from this business unit and Tuatapere beautification to cover the additional costs
Water Supply Tuatapere	\$27,047	\$83,000 Increase	Cost over run due to increase in prices
			Water source investigations were not successful need to continue further investigations causing project delays the forecast adjustment will be added to the 2022/23 AP budget
Water Supply - Eastern Bush Cemetery - Calcium	\$7,472	\$17,472 Increase	Move Beam project P-10979 from Wallacetown to Calcium cemetery
Toilets - Winton main Street	(\$104,000)	\$146,000 (Decrease)	Project partially complete, and then work estimated to complete. Budget savings due to change in the procurement process in undertaking a programme of works.
Winton Maternity Centre	\$18,190	\$18,190 Increase	Transfer to maintenance budget to capital, reflecting to work to be undertaken
Street Works - Woodlands	(\$11,200)	\$3,000 (Decrease)	Footpath LOS work to be delayed as per Waihopai Toetoe Community Board resolution on 14/12/21
			Unbudgeted expenditure approval of an additional \$126,071 in Jan 2021 making the over all budget \$181,071. Forecasting the additional \$55K this year due to a data entry error in the previous year which resulted in the carry forward value being incorrect. Approved budget of \$181,071 less the 20/21 spend of \$7,610 leaves a 21/22 budget of \$173,461.
Toilets - Wyndham	\$55,000	\$173,461 Increase	
Toilets - Edendale Rec Reserve	(\$19,000)	\$181,000 (Decrease)	Project to be complete based on quotes. Budget savings due to change in the procurement process in undertaking a programme of works.
Beautification - Te Anau	\$20,447	\$26,922 Increase	CCTV project requires further funding, budget to be transferred from maintenance.
SIESA - Operations	(\$86,942)	\$346,000 (Decrease)	Ringaringa Road cable project was completed in the prior FY. SIESA windpower project is no longer going ahead following the investigation that took place.
Hall - Waikawa	(\$15,313)	\$5,000 (Decrease)	Minor works required to pass the asset over to the community, not completing the full exterior reclad project initially planned.
Total adjustments	(\$4,861,874)	(Decrease)	

ATTACHMENT I - Unbudgeted expenditure under \$10,000 that requires CEO approval

Business Unit Name	Account Name	Comment	2021/2022 February Forecasted variance	Manager	ELT	Funding
Focal Point Wheelchair Lift	Electricity	Street lighting budgets used to be covered under the Streetworks BU's	\$1,004	Mark D	Nick	Reserves
Focal Point Wheelchair Lift	Maint - Electrical	Street lighting budgets used to be covered under the Streetworks BU's	\$527	Mark D	Nick	Reserves
Community Housing Ohai (Perman	Electricity	Street lighting budgets used to be covered under the Streetworks BU's	\$153	Mark D	Nick	Reserves
Community Housing Tuatapere (P	Electricity	Street lighting budgets used to be covered under the Streetworks BU's	\$158	Mark D	Nick	Reserves
Community Housing Tuatapere (P	Maint - Electrical	Street lighting budgets used to be covered under the Streetworks BU's	\$83	Mark D	Nick	Reserves
Community Housing Winton (Perm	Electricity	Street lighting budgets used to be covered under the Streetworks BU's	\$572	Mark D	Nick	Reserves
Community Housing Winton (Perm	Maint - Electrical	Street lighting budgets used to be covered under the Streetworks BU's	\$300	Mark D	Nick	Reserves
Community Housing Wyndham (Per	Electricity	Street lighting budgets used to be covered under the Streetworks BU's	\$158	Mark D	Nick	Reserves
Community Housing Wyndham (Per	Maint - Electrical	Street lighting budgets used to be covered under the Streetworks BU's	\$83	Mark D	Nick	Reserves
Creative Communities N.Z.	Creative Communities	Additional funding - Delta top up to be distributed	\$8,628	Fran	Fran	Grant
Toilets - Edendale Seaward Rd	Electricity	Street lighting budgets used to be covered under the Streetworks BU's	\$1,144	Mark D	Nick	Reserves
Toilets - Edendale Seaward Rd	Maint - Electrical	Street lighting budgets used to be covered under the Streetworks BU's	\$600	Mark D	Nick	Reserves
Toilets - Pearl Harbour	Electricity	Street lighting budgets used to be covered under the Streetworks BU's	\$954	Mark D	Nick	Reserves
Toilets - Pearl Harbour	Maint - Electrical	Street lighting budgets used to be covered under the Streetworks BU's	\$500	Mark D	Nick	Reserves
Toilets - Ohai	Electricity	Street lighting budgets used to be covered under the Streetworks BU's, not budgeted in LTP	\$845	Mark D	Nick	Reserves
Toilets - Ohai	Maint - Electrical	Street lighting budgets used to be covered under the Streetworks BU's, not budgeted in LTP	\$443	Mark D	Nick	Reserves
Toilets - Riverton Princess St	Maint - General	Additional budget required for new hand dryers funded by reduced cleaning costs in other Toilet BU's	\$5,000	Mark D	Nick	Reserves
Toilets - Te Anau Lions Park	Electricity	Street lighting budgets used to be covered under the Streetworks BU's, not budgeted in LTP	\$7,004	Mark D	Nick	Reserves
Toilets - Te Anau Lions Park	Maint - Electrical	Street lighting budgets used to be covered under the Streetworks BU's, not budgeted in LTP	\$3,672	Mark D	Nick	Reserves
Toilets - Boat Hbr, Town Centr	Electricity	Street lighting budgets used to be covered under the Streetworks BU's, not budgeted in LTP	\$938	Mark D	Nick	Reserves
Toilets - Boat Hbr, Town Centr	Maint - Electrical	Street lighting budgets used to be covered under the Streetworks BU's, not budgeted in LTP	\$492	Mark D	Nick	Reserves
Toilets - Tuatapere Main Road	Electricity	Street lighting budgets used to be covered under the Streetworks BU's, not budgeted in LTP	\$763	Mark D	Nick	Reserves
Toilets - Tuatapere Main Road	Maint - Electrical	Street lighting budgets used to be covered under the Streetworks BU's, not budgeted in LTP	\$400	Mark D	Nick	Reserves
Community Housing Ohai	Maintenance Electrical	Fixing budget in incorrect code	\$80	Mark D	Nick	Reserves
TOTAL			\$34,502			

Management report

Record No: R/22/3/8694
Author: Dianne Williams, Mayoral Support
Approved by: Cameron McIntosh, Chief executive

☐ Decision ☐ Recommendation ☒ Information

Recommendation

That Council:

- a) **Receives the report titled “Management report” dated 23 March 2022.**

Chief executive update

Future for local government

- This Government led review is in its second stage with the panel meeting with Councils via zoom.
- Southland District Council met with the panel last week and shared its views around future governance proposals based on our experience of providing services to a relatively small population spread over a very large district.
- The next report from the panel is expected to be delivered to Government in late October or November this year.
- Covid 19
- Recent announcements about the border reopening are welcome news for parts of our district that have been affected by the lack of visitors. Great south is coordinating applications for kick start funding for eligible businesses to restart for the return of visitors.
- At the time of writing the Covid 19 outbreak has yet to peak in southland but hopefully this is not far away
- The IMT are closely monitoring the situation and we are looking forward to resuming face to face meetings as soon as is safe to do so.

Water and waste operations

Operations and maintenance contract 10/01

- The contract is continuing to operate well with no reported non-conformances for KPIs across February.
- There is an ongoing occasional issue regarding the taste of potable water in Riverton. This is due to the extended dry summer and low river flow. Please note that other than the taste the water does still meet the current New Zealand Drinking Water Standards.
- Leak detection work has recently been completed in Otautau. Results show an estimated combined township leakage rate of 171 l/min. Downer have been made aware of locations inside Council land to repair leaks and letters to fix have been delivered to residential properties where leaks were detected.

- Given that Omicron is now rampant in the community and cases have been reported in Southland, the limiting of non-essential staff to wastewater and in particular water treatment plants remains in place. Both Downer and W/W have COVID protocols in place regarding this. This will likely remain in place for future months with the aim of protecting Downer operators who are vitally important critical workers.
- It should also be noted that delivery of equipment and materials are beginning to experience growing delays and is an extra consideration that Downer and SDC need to be aware of going forward.

Water

- Final design underway on the Manapouri water treatment plant upgrade project.
- Pre-design investigation work continues on the Eastern Bush Otahu Flat water treatment plant upgrade.
- The Sandy Brown Road booster station upgrade will start construction phase in April.
- Riverton water treatment plant UV treatment awaiting final electrical commissioning.
- Winton water treatment plant pH correction project is still progressing through design

Wastewater

- Riversdale wastewater treatment upgrade has all the necessary consents required to proceed, and the land acquisition has been completed. The final design of this project is being completed, with the procurement planned to commence in June 2022 and construction to begin late 2022 and be completed within the summer months of 2023
- Winton wastewater planning has progressed and a business case with the shortlisted options is close to being finalised.
- The work with design options and consultation with the local working group is continuing.

Te Anau wastewater treatment plant upgrade

- The newly constructed and completed Te Anau wastewater membrane plant and Kepler disposal fields are operating well, with Downers operating the plant 100%.
- The dry Southland summer has prevented a second baleage cut from occurring on the non-disposed area, but a second cut was required for the 30-hectare disposed area, with an additional cut planned prior to winter.

Stimulus programme

- All of the AC water main renewals projects have been completed which is a great achievement for our SDC team and the panel contractors and designers
- The condition assessment panel is tracking well. Works packages have been completed in Te Anau, Winton and Riverton. January to March will see the commencement of works in Lumsden, Balfour and Otautau.
- The Caswell Road sewer main (and water main) upgrade is well underway and progressing ahead of programme. Similarly, the Wyndham stormwater upgrade has now been completed

ahead of programme. Enabling works for the Woodlands stormwater upgrade have been completed and the contractor is due to establish onsite in mid-April in line with the school holidays.

- Both the Stewart Island/Rakiura disposal field work for the waste water treatment and the Main Street stormwater improvement work are behind schedule through design but are both due to start construction in March and April respectively.
- Orepuki stormwater has gone through a change in design alignment to better suit the needs of the township, and we are expecting full design completed by the end of March for construction to begin April, May.
- We are confident that we will deliver the stimulus programme in full by the end of June deadline.

Project delivery team

- The assistant project manager vacancy has now been filled. The successful applicant is Kelsey Baker who is working fulltime from the office at 20 Don Street and will focus on community facility projects for a start whilst she comes to terms with Council policies, procedures and operations. The project manager role is still outstanding.
- The TIF project funding prerequisite requirements are still progressing with an opportunity and agreement from MBIE to apply for partial funding for those projects where no resource or building consents are required. At this stage that only covers off the View Street carpark and walkway upgrade but within the next two weeks we hope to have the majority of the building consents for the new toilets approved and a partial funding agreement in place. Following on from this will be the remainder of the funding to be applied for once we have the resource consents in place for the boat ramps and the Frasers Beach toilet.
- Covid-19 continues to be a challenge to work through as product delays are realised and labour shortages occur within project deliverables. We are extending deliverable timeframes to include these delays where known and ensuring specific materials used within project scopes are available at time of tendering.

Community facilities

- Staff are starting to see some progress in the delivery of projects. A number of the toilet projects have been completed and consultants are starting the investigation projects. We will be working with the communications team to share some of these stories with the community. The work scheme team are providing assistance with some of the smaller projects which have not been able to be picked up by the local contracting community.
- This comment is even more relevant now as we start to see community transmission of Covid-19. The team is finding that it is difficult to attract contractors to carry out the smaller value projects and although there was interest from contractors at the drop-in sessions the one-off projects do not appear to be of interest to them at the moment. Either we aren't getting any responses from the market or the prices submitted exceed the budget. With 81 projects to deliver this is something that needs to be highlighted as a risk to our ability to deliver all of these projects this financial year. Staff are working with the project delivery team

to see if there are alternative ways to market these projects so that they are more palatable to potential contractors.

- Staff have completed a number of projects and an update on progress of all of the projects will be delivered to services and assets committee at the next available time. Staff are also looking at providing the services and assets committee an update on the following pieces of work at the May Services and Assets workshop: Open Spaces, hall online booking system and the tree plan.
- Staff presented a report to Council with the proposed concept for delivering the open spaces project over the next seven years. This was received favourably by councillors and paves the way for some exciting opportunities. Staff have carried out interviews for the open spaces position and the position was offered to and accepted by an internal applicant.
- Mowing has slowed down with the lack of rain and the towns are looking neat and tidy. There are some issues with the spraying that were identified prior to the end of last year that have now been resolved with the contractors.
- Project scoping documents for the 2022/2023 financial year have been sent out to all of the community boards for comment prior to being submitted for approval at the next available round of community board meetings. Communication has gone out to the communities so that they are also aware of what projects will be completed in their local areas and can raise any issues with the community boards. Our intention is to front foot next year's projects so that staff are in a position to have the work out to the market as soon as possible to avoid delays in delivery.

Governance/legal

- 2022 triennial Council elections – staff are working with Electionz (Council's election service provider) to provide information, to establish formal roles for the 2022 elections, and to plan nomination and voting processes.
- Meeting days – staff are co-ordinating moving Council and committee meeting dates (including workshops) so they are on the same day each week (Wednesday where possible).
- Community board meeting minutes – staff are reviewing the style of minutes taken at community board meetings.
- Conflicts of interest register – staff are going to review this register and will be contacting elected members for any updates.

Stewart Island Electrical Supply Authority (SIESA)

- The annual works programme has been approved and PowerNet is executing the contract works. Lead times for materials in 2022/2023 are being managed with the purchase of materials well in advance of the works being undertaken.
- Asset management maturity is increasing with the new contract seeking outcomes that look to a long term picture and improved asset management in the network.

Forestry (IFS)

- The rearrangement of the harvest plan to minimise the effect of losses from the windthrow damage in Waikaia and Ohai forest was successful with good recovery.

Planting, and land preparation is almost complete in both Waikaia and Ohai.

Around the Mountains Cycle Trail

- The cycle trail was busy in March with three large events utilising the Around the Mountains Cycle Trail. God Zone, Sound 2 Sounds and Tour Aotearoa.
- Pre-development project work to address the Centre Hill erosion is continuing and Council is liaising with Landcorp to identify suitable solutions including appropriate survey instruments for the site.
- An independent audit of the cycle trail was conducted in December by Southern Land, and they have provided a report with recommendations.
- New Zealand Cycle Trails have a signage project for all 22 great rides around New Zealand, we are liaising with land owners about signage installation.
- Around the Mountains Cycle Trail Trust – The trust is holding monthly meetings, and see a key aspect and priority for the trust is developing a strategic vision for the trail.

Property

- The property management team continue to be extremely busy. Queries and enquiries relate to the numerous Council properties which include unformed roads around the district. As people look at dealing with issues related to their properties, and with the more easily availability of information online, like photos and boundary locations, this means that many issues or proposal require communications with Council as a property owner.
- Internally the increase in Council projects, as well as referrals of resource and building consents has resulted in increased demand on staff time to ensure Councils input as a landowner is being considered and protected as appropriate.
- On top of that, business as usual work including lease administration, acquisitions, disposals, community housing tenancies and general advice to staff and elected representatives is also consuming much time.
- Larger activities completed or nearing completion are finalisation of the leases and rentals for the Kepler disposal field, getting the Luxmore development land to market and getting the acquisition of the Riversdale disposal field extension to settlement stage.

Environmental health

- A District Licencing Committee hearing is to be held on 5 and 6 April (remotely) regarding the application for a bottle store in Winton.
- The appeal of the District Licencing Committee's decision to decline the off-licence for a proposed premise in Riverton is not expected to have a hearing date set for some time due to Covid-19 restrictions.

- In conjunction with the customer services team we're getting ready to kick off the annual dog registration process.
- We're about to begin reviewing the Agency and Gambling Venue Policy (to be completed by 22 August).

Bylaws and policies

Several bylaws and policies are being reviewed, including:

- The Stewart Island/Rakiura Visitor Levy Bylaw and Policy – the draft bylaw and policy are currently out for consultation, with hearings scheduled for 27 April 2022.
- Alcohol Control Bylaw – feedback has been sought from community boards and Council will seek wider community input on how Council should proceed. The bylaw is scheduled for review late 2022.
- Privacy Policy – a draft policy has been developed and staff are both assessing and looking to implement, any required changes to operational practice.
- Great South statement of intent (SOI) – each year Council is required to give input to Great South's direction and general priority areas through its SOI. Council's feedback to the draft SOI has been incorporated into the joint shareholder response which was agreed at the mayoral forum 11 March 2022. This response will now be sent to the Great South board before the final SOI is received by Council by June 2022.

Corporate Performance

- Annual Plan – a progress report on the Annual Plan 2022/2023 is going to Council meeting on 29 March 2022. Following this, information on the Annual Plan will be communicated to ratepayers through First Edition.
- Interim Performance Report – report for the period between November and February has been completed and presented to the Finance and Assurance Committee on Council's performance against its key performance indicators outlined in the Long-Term Plan.

Libraries

- The libraries team is currently waiting on hardware for our RFID project to land in Auckland from Melbourne. The major disruptions to the New Zealand freight/courier system is expected to delay this hardware reaching Invercargill in the short term. Once the hardware arrives we will begin looking at rolling out the new system to each of our libraries, one at a time over a 2 week period. The rollout to Winton may be delayed further due to IT equipment shortages that have delayed sourcing networking equipment for our IT cabinet within the refurbished library.
- The Winton library refurbishment is getting near to completion. We have had a number of setbacks including Covid-19 impacting many of our contractor teams. The lynch pin of the refurbishment has been our archival shelving units which have now been installed, this has allowed the team to begin the shift out of Brandon Street (where the lease expires at the end of the month) and into the refurbished library. We are hoping to have fully exited Brandon Street by Monday, 28 March resulting in four staff members being permanently based in the new building. The shift from the RSA will not occur till mid-late April.

Customer support

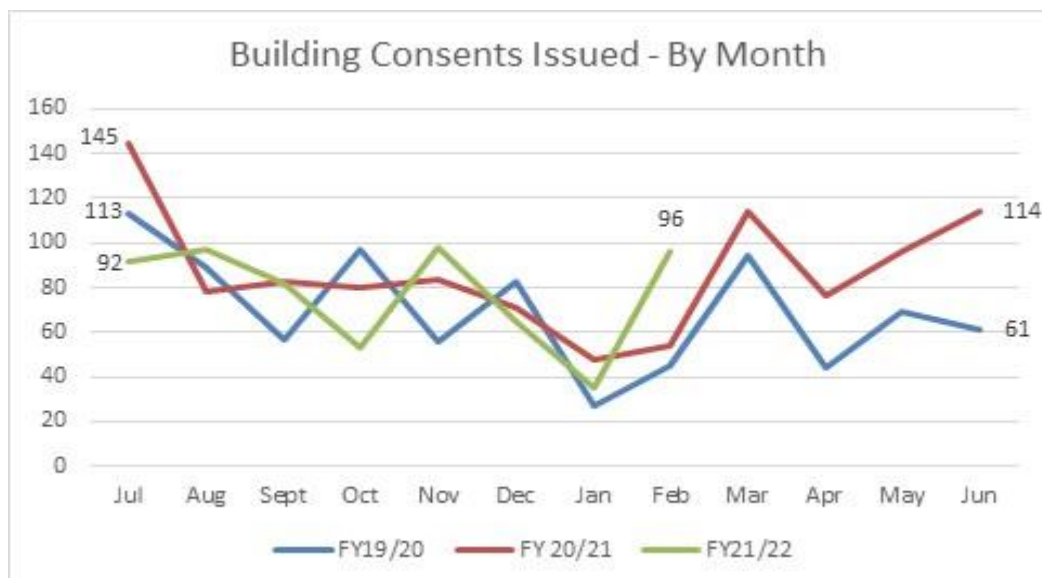
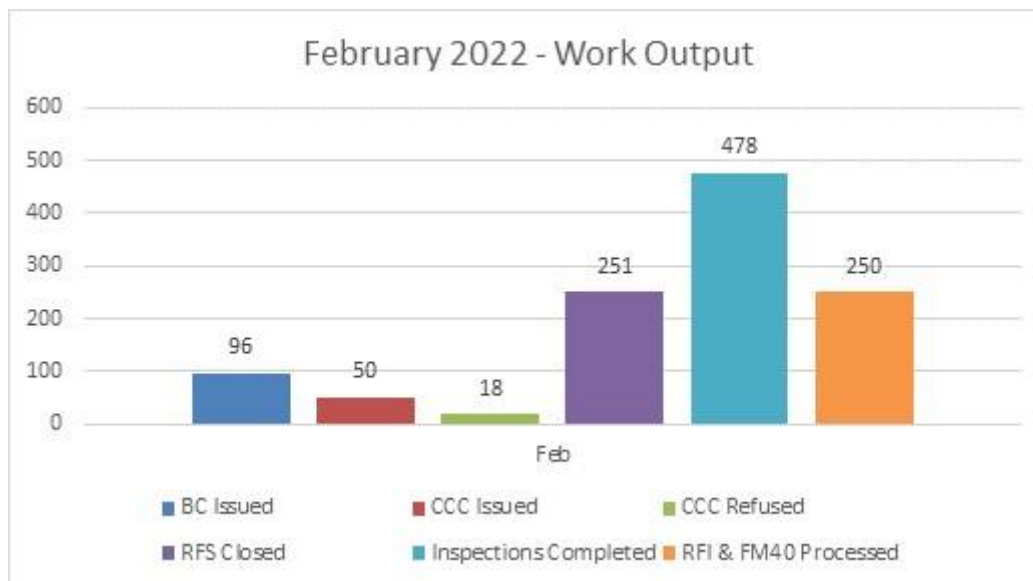
- 3,160 calls for February – average wait 27 seconds.
- Continuing work on NARS (name and address register) and data cleansing.

Building consents

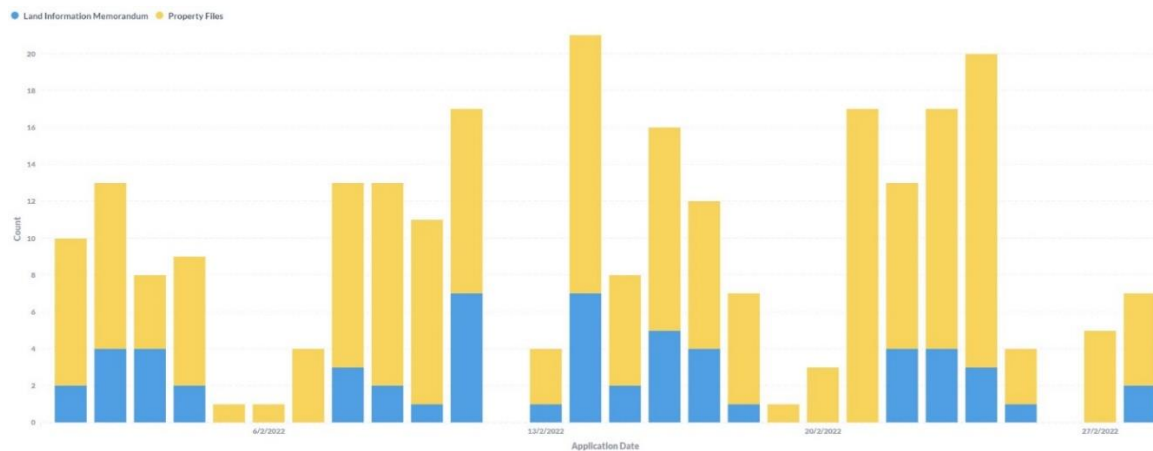
- The team issued 96 building consents in February 2021 (92% within statutory timeframe) and made 55 CCC decisions (98% within statutory timeframe).
- Only seven of eight decisions exceeded timeframes due to capacity challenges in the team which have been exacerbated by Covid-19 in the community. One consent which exceeded timeframe was due to human error.
- Council continue to receive a higher volume of consents than average with 90 consents received during February 2022 (14% more than February 2021) and 95% more than January 2022.
- 180 building consents are currently being processed by Council (76 of those waiting for Further Information). In February 2021 72% of consents received by Council required further information prior to being issued.
- Inspection volumes reduced slightly with 478 inspections completed in February 2022 at a pass rate of 83%.
- 14% of all Building Warrant of Fitness Audits have been completed to date and the team continue to be on track to achieve the annual target of 20%.
- The teams remote IANZ Accreditation Assessment was completed in mid-February 2022 with seven General non-conformance (GNC) issued in total. The team are in the process of clearing these non-conformances, with full clearance due by May 2022.
- The building team introduced a customer survey at the bottom of each email in an attempt to receive timely and relevant feedback from the industry and community alike.

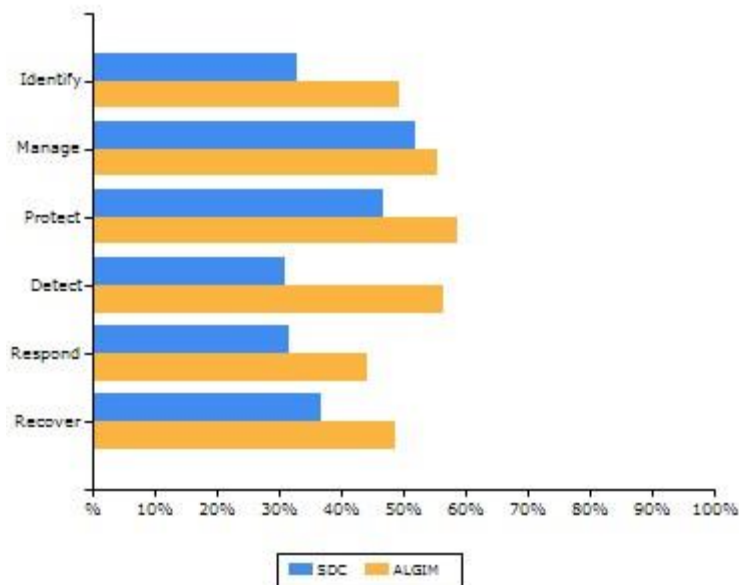
February 2022 – Building Consents Received (by ward)

Primary Property Hk Ey → Property Ward	Count	Sum of Application Value (NZ\$)
Mararoa Waimea	24	2,256,000.00
Oreti	22	5,363,000.00
Stewart Island Rakiura	3	181,500.00
Waiau Aparima	22	1,997,400.00
Waihopai Toetoe	23	5,872,300.00



LIM and property file requests

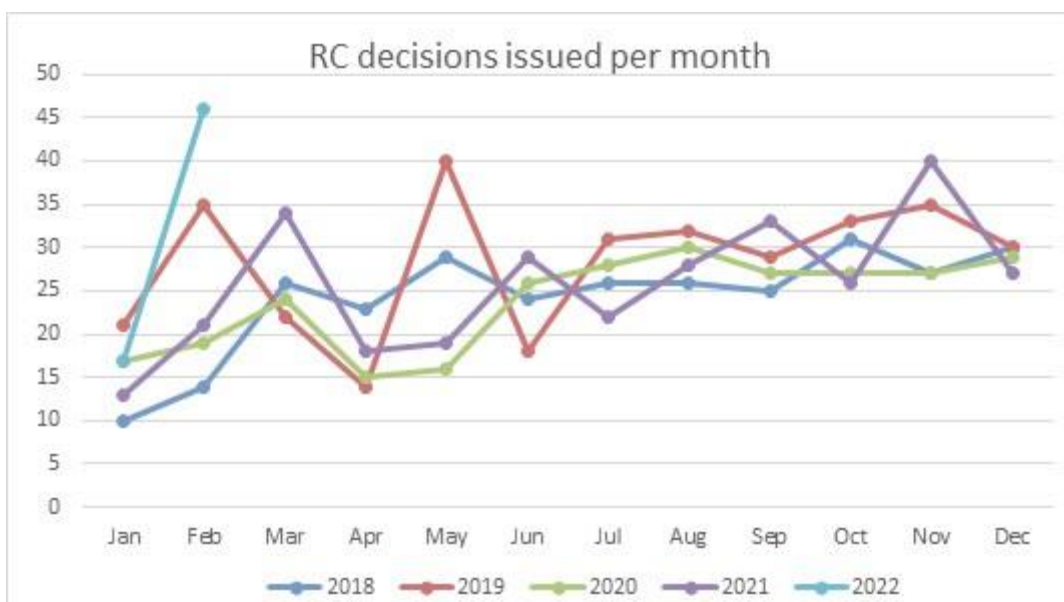




Resource management

Resource consents

- Initial indications are that the volume and complexity of resource consents will continue for the rest of 2022 with a number of large-scale projects seeking consent. Two projects in the media currently are the DataGrid and the New Brighton coal mine which are likely to be lodged with Council for processing in the first half of 2022. In February this year the team processed 46 consent decision which is the highest on record for a number of years.



Environmental Policy

- Work is continuing on the review of the landscapes chapter of the Operative Southland District Plan 2018. The next component of this work is to continue drafting the new section of the District Plan, workshopping it with the Regulatory and Consents Committee and Iwi then

initiating preliminary consultation with affected land owners. It's anticipated that notification of the plan change will occur in the last portion of 2022. Additional policy capacity in the team has been focused on preparing guidance material to support consultants and our communities on district plan interpretation and planning processes following the identification of some opportunities in this space.

Enforcement

- In the enforcement space, there was a successful prosecution on a land owner who was collecting wrecked cars on a property in Dipton. The court imposed a \$25,000 fine, court costs and also the costs associated with a contaminated land report. This is a success across multiple fronts including testing the District Plan in this way, the result for the adjoining neighbours and also the precedent effect to deter others from doing the same.

Legislative reforms

- An Otago/Southland planning managers Hui was held in Alexandra on 24 February. Mike Theelen and Rachel Brooking attended and provided an update on the reform from what they're seeing at the local government steering group and select committee level. The reforms are seeking to co-ordinate and reconcile a massive number of complex environmental, social, commercial, cultural, intergenerational and climate change factors in order to establish regional spatial strategies and regional environmental plans. The new legislation is proposed to be introduced to parliament towards the end of this year.

Attachments

There are no attachments for this report.

Update on 2022 triennial election and order of candidate names

Record no: R/22/2/5929

Author: Robyn Rout, Governance legal manager

Approved by: Fran Mikulicic, Group manager democracy and community

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to provide an update to Council on the 2022 triennial elections and to seek a decision on the order candidate names should appear on voting documents.

Executive summary

- 2 This report provides an overview of the representation arrangements that are in place for the Southland District local government triennial elections, and it highlights key dates relating to the elections.
- 3 The Local Electoral Regulations 2001 allow Council to choose the order that candidate names appear on voting documents. If no decision is made, the order of names reverts to candidates being listed in alphabetical order, based on their surname.
- 4 There are three options available to Council on how candidates can be listed on voting documents. These are:
 - alphabetical
 - pseudo-random – the order of names is drawn out of a hat with all voting documents using the same order
 - random – where each voting paper has a different order of candidate names.
- 5 This report recommends that random order be selected.

Recommendation

That the Council:

- a) **receives the report titled “Update on 2022 triennial election and order of candidate names” dated 21 March 2022.**
- 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 the representation arrangements that apply for the Southland District are:
 - a Mayor
 - 12 councillors elected from five wards
 - Fifty-six community board members elected to nine community boards (two community boards are divided into subdivisions for electoral purposes).
- e) Notes the following key dates in relation to the 2022 triennial council elections:
 - 15 July 2022 - nominations open
 - 12 August 2022 - nominations close
 - 16 September 2022 - delivery of voting documents
 - 8 October 2022 – election day.
- f) **Agrees to adopt ‘random’ order as the order in which candidate names will appear** on voting documents for the 2022 triennial council elections and any subsequent by-elections.

Background

- 6 In August 2020, Council confirmed the first past the post electoral system for the 2022 local triennial general election and any associated election, and agreed that no further action be taken both in relation to establishing Maori wards for the 2022 elections, and to review representations for the 2022 elections.
- 7 The current determination for representation arrangements for Southland District was released by the Local Government Commission in March 2019. This determination means that elections will be held for Mayor and for 12 councillors elected from five wards being:
 - Mararoa Waimea (3)
 - Waiau Aparima (3)
 - Oreti (3)

- Waihopai Toetoe (2)
 - Stewart Island/Rakiura (1).
- 8 Fifty-six community board members will also be elected to nine community boards. The community boards are:
- Oreti (7)
 - Waihopai Toetoe (7)
 - Ardlussa (6)
 - Fiordland (6)
 - Northern (6)
 - Oraka Aparima (6)
 - Tuatapere Te Waewae (6)
 - Wallace Takitimu (6)
 - Stewart Island/Rakiura (6).
- 9 Two of the community boards will be divided into subdivisions for electoral purposes – the Northern and Oreti community boards. This will mean that people in the particular subdivisions will be electing people for that particular subdivision. Once elected on to their respective community boards they will represent the whole of the community board area.
- 10 The subdivisions are:
- Oreti Community Board area:
 - Hokonui (1)
 - Midlands (4)
 - Makarewa (2).
 - Northern Community Board area:
 - Parawa Fairlight (1)
 - West Dome (2)
 - Mid Dome (3).
- 11 In 2019, an amendment was made to the Local Government Act 2002, requiring the chief executive to facilitate and foster elector participation in elections and polls. A report was presented to the Community and Strategy Committee in November 2021, and Council resolved

that the chief executive would satisfy this requirement by implementing a programme to facilitate and foster participation in the local authority elections. Techniques discussed included having a campaign to encourage voter turnout, using established networks to target groups that traditionally have low enrolment levels, considering barriers preventing participation, and looking at methods that may encourage greater turnout.

Issues

Update on triennial elections 2022

- 12 The triennial elections will be held on Saturday 8 October 2022 and are required to be undertaken according to the:
 - Local Electoral Act 2001
 - Local Electoral Regulations 2001
 - New Zealand Public Health and Disability Act 2000
 - Health and Safety at Work Act 2016
 - Local Government Act 2002
 - COVID-19 Public Health Response (Protection Framework) Order 2021 and COVID-19 Public Health Response Act 2020.
- 13 Nominations for all positions will open on Friday 15 July 2022 and close at 12 noon on Friday 12 August 2022. The election will be conducted by postal vote and voting documents will be delivered from Friday 16 September 2022. Voting closes at 12 noon on Saturday 8 October 2022.
- 14 People will be encouraged to ensure their enrolment details are up to date and an enrolment campaign is being organised by the Electoral Commission, which is supported by all councils. The number of electors in the Southland District is expected to be over 20,000.
- 15 A separate ratepayer roll campaign has commenced. This includes information on the qualification for this roll being sent to all ratepayers as well as a national advertising campaign.
- 16 Each local authority is required to prepare a pre-election report. This report provides information to promote public discussion about issues facing the District.
- 17 Elections will also be held for members of Environment Southland, the Southern District Health Board, the Maitāura Licensing Trust and the Gore and Districts Health.

Order of candidate names

- 18 One of the pre-election tasks provided for under Regulation 31 of the Local Authority Regulations 2001 is for Council to decide the order of candidate names to appear on the voting documents.
- 19 If Council does not choose an option then the order of candidate names will be alphabetical. There are three options to choose from:

- alphabetical – names are listed in alphabetical order by surname
- pseudo-random order – surnames are randomly selected (out of a hat or similar receptacle) for each position and the same order is used on all voting documents for that issue
- random order – all surnames are randomly selected and are listed in a different order on every voting document.

- 20 Council used a random name order in the 2019 triennial elections. Across New Zealand, in 2019, 57% of councils used a random name order, 33% used alphabetical, and 10% used pseudo-random.

Factors to consider

Legal and statutory requirements

- 21 The key legal requirements for elections are set out in the Local Electoral Act 2001, the Local Electoral Regulations 2001 and the Local Government Act 2002.
- 22 Section 31 of the Local Electoral Regulations 2001 outlines that Council may determine, by resolution, the order the candidates' names are to be arranged on the voting document.

Community views

- 23 Council is required to make this decision on behalf of its community.

Costs and funding

- 24 Funding for the elections is provided for in the 2021 – 2023 Long Term Plan. It is the same cost for each of the options (on the order of candidate names).

Policy implications

- 25 There are no policy implications associated with the decision.

Analysis

Options considered

- 26 As noted and discussed in paragraph 19 of this report there are 3 options.

Analysis of Options

Option 1 – Alphabetical

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• perception that it is easier to understand as all candidates for each issue are in order• matches the list in the candidate profile statements	<ul style="list-style-type: none">• perception that it is not as fair as random order - that candidates with surnames at the beginning and end of the alphabet have an advantage

Option 2 – Pseudo-random

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• same order on all voting documents	<ul style="list-style-type: none">• possible voter confusion as candidates' surnames are not easily found

Option 3 – Random (recommended option)

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• perception it is fairer to all candidates	<ul style="list-style-type: none">• possible voter confusion as candidates' surnames are not easily found

Assessment of significance

- 27 This decision has been assessed as having a lower level of significance in relation to the Local Government Act 2002, and Council's Significance and Engagement Policy.

Recommended option

- 28 It is recommended Council adopts 'random' order as the order candidate names will appear on voting documents for the 2022 triennial council elections and any subsequent by-elections.

Next steps

- 29 The option chosen will result in the voting documents being printed accordingly.

Attachments

There are no attachments for this report.

Resource Management Delegation Review

Record no: R/22/3/10644

Author: Marcus Roy, Manager environmental management

Approved by: Matt Russell, Group manager infrastructure and environmental services

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 This report seeks approval from Council to update the Resource Management Act 1991 (RMA) delegations to ensure that they remain current.

Executive summary

- 2 A review of the RMA delegations has indicated that there are some updates needed in terms of the sections that are delegated to staff and also the roles in which those functions are delegated to.
- 3 A new Team Leader Monitoring and Enforcement Role has been established and there are no specific functions delegated to this role. Additionally, including two new sections within the delegation will enable staff to perform a wide range of RMA related functions.

Recommendation

That the Council:

- a) **receives the report titled “Resource Management Delegation Review” dated 23 March 2022.**
- 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 updated delegations to Council Staff as contained in attachment A of the officers report.

Background

- 4 Council’s existing delegations manual delegates certain powers and functions to specific roles within the Environmental Management team. These delegations relate to a variety of matters such as accepting, processing and issuing resource consents, writing reports and issuing abatement notices.

- 5 The powers of delegation enable resource consent decisions to be processed at the appropriate staff level which prevents every decision needing to be approved by the Regulatory and Consents Committee. Without powers of delegation to staff, resource consent decisions would take longer to process as each application would need to wait until a committee meeting to be determined.
- 6 The recent review of the sections delegated has necessitated an update to the delegations so that Matt Russell as the Group Manager Infrastructure and Environmental Services, can make decisions considered necessary and efficient as the responsible officer.
- 7 Additional changes are proposed to also enable the Team leader Monitoring and Enforcement and Manager Environmental Health to also hold some delegations which are in line with the right level of responsibility for the role.

Issues

- 8 Section 34A of the RMA outlines that a local authority can delegate certain powers and functions to employees and other persons. This section of the act also outlines that employees with delegations are not able to further delegate these powers. For example, the chief executive is unable to delegate his powers to other staff within the local authority. Instead, Council must delegate these powers and functions to necessary staff.
- 9 As the delegations manual does not currently reflect the sections and roles, the delegations need to be updated.

Factors to consider

Legal and statutory requirements

- 10 Powers and functions under the RMA to staff can only be approved by a local authority. The chief executive is unable to delegate powers under the RMA as he is considered to be a staff member.

Community views

- 11 No community views have been sought as it is a procedural matter relating to powers and functions of the local authority.

Costs and funding

- 12 There are no funding implications associated with this report.

Policy implications

- 13 The only policy implication of this report is an update to the existing delegations manual for the organisation.

Analysis

Options considered

- 14 Approve the reviewed delegation manual relating to the Resource Management Act or not approve it.

Analysis of Options

Option 1 – Approve the revised delegations

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">powers and functions in the RMA are delegated to staff at the right level which enables processes and decisions to be timely and effective.	<ul style="list-style-type: none">no disadvantages identified.

Option 2 – **Don't** approve the revised delegations

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">no advantages identified.	<ul style="list-style-type: none">the ability of the environmental planning team to perform functions under the RMA is constrained which is likely to add delays and costs for applicants.

Assessment of significance

- 15 This decision is not deemed significant.

Recommended option

- 16 Option 1 which will enable delegations to sit at the right level.

Next steps

- 17 The delegations manual is updated.

Attachments

- A Council Report – RM Delegation Changes [↓](#)



Proposed changes have been tracked

11.43 Resource Management Act 1991

SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
s.9	Enforcing the District Plan s	Group Manager – Infrastructure and Environmental Services
SS s.10, 10A, 10B	Determination of whether existing rights in terms of Section 10 of the RMA apply	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement
s.27	To provide information to the Minister for Environment	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Team Leader Environmental Policy Senior Resource Management Planner Team Leader Monitoring and Enforcement
s.36(5)	Power to require the payment of additional charges to cover processing costs in accordance with Council's approved Schedule of Fees and Charges under the Resource Management Act 1991	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Resource Management Planner Team Leader Environmental Policy Team Leader Monitoring and Enforcement
s.36(6)	Power to provide on request an estimate of additional charges over and above the processing deposits	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning



SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
		Team Leader Consent Processing Senior Resource Management Planner Resource Management Planner
s.36AAB (1)	Power to remit the whole or any part of the charge under s36 that would otherwise be payable.	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Team Leader Monitoring and Enforcement
ss.37, 37A	Power to waive and/or extend time limits for functions under the act.	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement
s.38	Authorisation and responsibilities of Enforcement Officers	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Resource Management Planner Graduate Resource Management Planner Team Leader Ecology Ecologist Monitoring and Enforcement Officer Team Leader Monitoring and Enforcement
s.41B	Direction to provide evidence with time limits	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner Resource Management Planner



SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
s.42	Protection of sensitive information	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Team Leader Environmental Policy
s.42A	Require the preparation of a report on information provided	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner Team Leader Environmental Policy
s.42A (5)	Waiving compliance regarding timeframes for distributing reports, where there is no material prejudice	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.87BA	To issue a notice confirming a boundary activity is permitted	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Resource Management Planner Team Leader Monitoring and Enforcement
s.87BB	To issue a notice confirming a marginal or temporary activity is permitted	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement
s.87E	Decision on request for application to go directly to environment court	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing
s.87F	Preparation of report on application referred directly to environment court	Group Manager – Infrastructure and Environmental Services



SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
		Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner Resource Management Planner
s.88(3)	Determining an application incomplete and returning to the applicant	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner Resource Management Planner
s.91	Determining not to proceed with notification or hearing of application pending lodging of further consents under the act	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.92	Request further information or agreement to commissioning of a report on resource consent application	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner Resource Management Planner Graduate Resource Management Planner
s.92A (2)	Set timeframe for provision of further information or commissioning of a report	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner Resource Management Planner Graduate Resource Management Planner
ss.95A, 95B	Determination of public notification or limited notification	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.95D	Determination of adverse effects likely to be more than minor	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner



SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
s.95E	Determination if person is affected person	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement
s.95F	Determination if group is an affected customary rights group	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.95G	Determination if group is an affected customary marine title group	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.99	Organise and convene prehearing meetings and prepare reports on these under Section 99 (5)	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.100	Determine whether a formal hearing is necessary	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.101	Fix time and date for hearings	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.102	To determine whether applications are required to be heard by Joint Hearings Committee	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.103	To determine whether two or more applications to different authorities are	Group Manager – Infrastructure and Environmental Services



SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
	sufficiently unrelated that a joint hearing is not appropriate.	Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
ss. 104, 104A, 104B, 104C, 104D, 108, 113	Make and issue decisions and impose conditions for non-notified resource applications and limited notified resource applications where there are no submissions received or where all submissions received are in support and no party wishes to be heard; in accordance with the provisions of the Southland District Plan and the RMA.	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.106	Ability to refuse subdivision consent in certain circumstances.	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.108A	Determination of requirement for a bond	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement
s.114	Notify decisions to applicant and other appropriate authorities	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner Resource Management Planner Graduate Resource Management Planner
s.123 (b)	Duration of consent	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement
s.125 (1A)(B)	Fix longer period for lapsing of resource consents than is the norm under Section 125(1)	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing



SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
		Senior Resource Management Planner
s.126	Cancel consent if not exercised	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement
s.127	Determining whether application to change or cancel consent requires notification, or limited notification and changing or cancelling any condition on a resource consent	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.128	Service of notice of intention to review conditions of a resource consent	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement Monitoring and Enforcement Officer
ss.129, 130	Formulation and public notification of notice to review conditions	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement Monitoring and Enforcement Officer
s.133A	Minor corrections of resource consents	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement



SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
s.134(4)	Approval of transfer of resource consents – written notice	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner
s.138	Surrender of consent	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement
s.139	Consider request for and issue Certificates of Compliance for any activity which is a permitted activity under the District Plan.	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement
s.139A	Consider request for and issue Existing Use Certificate.	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement
s.169	Request further information and process notice of requirement	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.170	Discretion to include notice of requirement in proposed Plan	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing



SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
s.171	Consider notice of requirement and make submissions thereto, and make recommendation to the requiring authority	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.174	Lodge appeal against decision of a requiring authority.	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner
s.176A(2) (C)	Outline plan waivers	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.181(3)	Alteration of designation in plan at request of requiring authority, to a minor extent	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.182	Removal of designation at request of requiring authority	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.184(2)	Waiver of lapsing designation	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.220	Issue certificates relating to requirements to comply on ongoing basis with consent conditions and endorsements on titles	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Senior Resource Management Planner Team Leader Monitoring and Enforcement



SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
s.221	Imposing and issuing Consent Notices on subdivision consents.	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.222	Dealing with Completion Certificates on subdivision consents	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.223	Approval of Survey Plan – check compliance prior to sealing	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.224	Issue certificates indicating all or any of conditions on subdivision consent have been complied with	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.226	Certifications of plans of subdivision that allotments on the plan meet the requirements of the District Plan	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
ss.229 – 237H	Creation of esplanade reserves and strips and associated conditions.	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
ss.240,241	Imposition and cancellation of amalgamation conditions and restrictive covenants	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Senior Resource Management Planner
s.243(E)	Revoking a condition specifying easements	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing



SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
		Senior Resource Management Planner
ss.310, 311	Application to Environment Court for a declaration	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Team Leader Environmental Policy Team Leader Monitoring and Enforcement
ss.314,316	Seek and/or respond to an Enforcement Order	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Team Leader Monitoring and Enforcement
s.320	Seek and/or respond to an interim enforcement order	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Team Leader Monitoring and Enforcement
s.325A	Signature or cancellation of abatement notice	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Monitoring and Enforcement Officer Team Leader Monitoring and Enforcement
Schedule 1, Clause 5A	To identify all affected parties for limited notification of a plan change or variation	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Environmental Policy
ss.322, 327, 325 8 , 343C	The taking of enforcement action in relation to the Resource Management Act, initiating the review the resource consent decisions, and conditions	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing



SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
		Team Leader Monitoring and Enforcement
s.332	To carry out inspection of any premises of property (except a dwelling house) to determine whether the RMA, any regulation or rule of the District Plan or resource consent is being complied with	<p>Group Manager – Infrastructure and Environmental Services</p> <p>Manager Environmental Planning</p> <p>Manager Environmental Health</p> <p>Team Leader Consent Processing</p> <p>Senior Resource Management Planner</p> <p>Resource Management Planner</p> <p>Graduate Resource Management Planner</p> <p>Team Leader Monitoring and Enforcement</p> <p>Monitoring and Enforcement Officer</p> <p>Team Leader Ecology</p> <p>Ecologist</p> <p>Graduate Ecologist</p> <p>Team Leader Environmental Policy</p> <p>Resource Management Planner - Policy</p>
s.333	Entry to land (except a dwelling house) for purposes connected with any preparation, change, or review of the District Plan	<p>Group Manager – Infrastructure and Environmental Services</p> <p>Manager Environmental Planning</p> <p>Manager Environmental Health</p> <p>Team Leader Consent Processing</p> <p>Senior Resource Management Planner</p> <p>Resource Management Planner</p> <p>Graduate Resource Management Planner</p> <p>Team Leader Monitoring and Enforcement</p> <p>Monitoring and Enforcement Officer</p> <p>Team Leader Ecology</p> <p>Ecologist</p> <p>Graduate Ecologist</p>
s.336	Return of property seized under ss.323 and 328	<p>Group Manager – Infrastructure and Environmental Services</p> <p>Manager Environmental health Health manager</p> <p>Environmental health officer</p> <p>Team Leader Monitoring and Enforcement</p>



SECTION	SUMMARY OF FUNCTION / POWER DELEGATED	DELEGATED OFFICER
s.342	The power to collect fines for an offence under s.338	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Monitoring and Enforcement Officer Environmental health manager Team Leader Monitoring and Enforcement
s.357	The power to consider and make decisions on application for objections for an application which does not require a hearing, except where the decision would result in a net payment of reserve contributions by Council less credits for land to vest exceeding the delegation for the role. The power to decide whether an objection requires a hearing	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Environmental health manager
s. 357B	The power to determine objections to additional charges which are less than \$5,000.00	Group Manager – Infrastructure and Environmental Services
ss.357C-D	The power to consider and decide upon objections made. To consider, dismiss or uphold (in whole or in part) any objection under sections 357, 357A or 357B of the Act PROVIDED that this delegation shall NOT be exercised in respect of objections on resource consent applications which have been the subject of a hearing under section 100 of the Act	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Manager Environmental Health Team Leader Consent Processing Team Leader Monitoring and Enforcement
s. 338	Commencing a prosecution for offences under the RMA and District Plan	Group Manager – Infrastructure and Environmental Services Manager
s.360F	To set overall charges payable by the applicant for a plan change or resource consent	Group Manager – Infrastructure and Environmental Services Manager Environmental Planning Team Leader Consent Processing Team Leader Environmental Policy