



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

Date: Wednesday, 27 October 2021  
Time: 9am  
Meeting room: Council Chamber  
Venue: Level 2  
20 Don Street  
Invercargill

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## Council Agenda OPEN

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### 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](http://www.southlanddc.govt.nz)

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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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## TABLE OF CONTENTS

ITEM	PAGE
PROCEDURAL	
1 Apologies	5
2 Leave of absence	5
3 Conflict of Interest	5
4 Public Forum	5
5 Extraordinary/Urgent Items	5
6 Confirmation of Council Minutes	5
REPORTS - POLICY AND STRATEGY	
7.1 Great South - Letter of Expectation 2022/2023	7
7.2 Risk management - September 2021 quarterly update	15
7.3 Predator free Rakiura - the Te Puka-Rakiura Trust	49
7.4 Proposal for new Ardlussa pool rate	63
REPORTS - OPERATIONAL MATTERS	
8.1 Change to fees and charges	85
8.2 Unbudgeted expenditure - Riversdale playground and Jack and Mattie Bennett Memorial Park	91
8.3 Reclassification of reserve status of part of Traill Park to facilitate a helipad for emergency use	103
8.4 Unbudgeted Expenditure - Three Waters Projects 2021/22	111
8.5 Unbudgeted expenditure - dust suppression	117
8.6 Forestry windthrow and harvest programme	141
8.7 Monthly Financial Report - September 2021	147
8.8 Management report	165
8.9 Central Southland Community Swimming Pool Committee – grant application	179

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## REPORTS - GOVERNANCE

- |     |   |     |
|-----|---|-----|
| 9.1 | Unbudgeted expenditure request for grant from Mararoa Waimea Ward reserve to Waikaia Trails Trust       | 190 |
| 9.2 | Around the Mountains Cycle Trail Trust - Confirmation of Southland District Council trustee appointment | 203 |

## PUBLIC EXCLUDED

- |       |   |                              |
|-------|---|------------------------------|
|       | Procedural motion to exclude the public | 207                          |
| C10.1 | Rating sale process                     | Error! Bookmark not defined. |



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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](http://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, 05 October 2021



## Great South - Letter of Expectation 2022/2023

Record no: R/21/10/55481

Author: Jane Edwards, Policy analyst

Approved by: Fran Mikulicic, Group manager democracy and community

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 The purpose of this report is for Council to:
  - a. confirm the priority areas of focus which Council expects Great South to consider for 2022/23
  - b. endorse the proposed budget allocations for 2022/23 for inclusion in the letter of expectation

### Executive summary

- 2 The Southland Regional Development Agency Ltd, trading as Great South, is a council-controlled organisation (CCO) under the Local Government Act 2002 (the act).
- 3 Each year, Southland District Council (Council), along with its partner shareholding local authorities, is required to give an indication to the mayoral forum of its requirements of Great South. The input from the shareholders sets out the direction and general priority areas through the joint letter of expectation which informs Great South's statement of intent.
- 4 A workshop with elected members was held on 5 October 2021 to identify the general priority areas to give direction to Great South as to where Council has its focus. The priority areas of focus are set out in this report along with the quantum of funding allocated to each.
- 5 No changes are proposed to the funding breakdown for the 2022/23 period which reflects a continuation of the trends and priorities seen in 2021/22.
- 6 If endorsed, the priority areas will form part of the letter of expectation which will be drafted by the mayoral forum and sent to Great South early November 2021. This will enable completion of the statement of intent by 1 December 2021 as required by Great South's constitution.

## Recommendation

That the Council:

- a) **receives the report titled “Great South - Letter of Expectation 2022/2023” dated 19 October 2021.**
- 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 areas of focus which Council expects Great South to consider for 2022/2023 which include:
  - **focusing on Southland’s strengths**
  - greater diversification and resilience within the economy
  - economic development (without compromising environmental and community outcomes)
  - greater digital connectivity
  - tourism projects with an emphasis outside of the Invercargill city boundaries
  - transition planning
  - continued collaboration and information sharing
  - strategies for Southland
- e) endorse the proposed budget allocations for 2022/2023 for inclusion in the letter of expectation and as part of the long term plan budgeting process.

## Background

- 7 The Great South constitution sets out the process for the letter of expectation and statement of intent, and requires the statement of intent to be received by 1 December each year. The following timetable sets out the proposed timeline for the letter of expectation process:

Date	Key task/deliverable	Responsibility
5 October 2021- completed	Community and strategy committee workshop	Council
27 October 2021	Council endorsement of proposed priority areas and budget allocations	Council
5 November 2021	Mayoral forum	Mayoral forum
Early November 2021	Letter of expectation to Great South	Mayoral Forum

Date	Key task/deliverable	Responsibility
End of December 2021	Great South draft statement of intent to councils	Great South
January/February 2022	Workshopping any issues arising out of the draft statement of intent	Council
March/April 2022	Revised response/letter of expectation back to Great South	Mayoral Forum
June 2022	Final draft statement of intent	Great South
June 2022	To be received by Council	Council

- 8 The mayoral forum policy advisor will work with Great South on updated KPIs to be included in the statement of intent, noting these will need to align with the long term plan KPIs.

#### Issues

- 9 The following are priority areas for Council coming into the 2022/23 period:
- **Focusing on Southland's strengths**  
Telling Southland's story – focusing on the positive outcomes currently being achieved as well as continuing to advocate for funding is seen as a primary component of the regional development work of Great South for the 2022/23 period.
  - **Greater diversification and resilience within the economy**  
Council would like to see continued support, strengthening and retention of existing business (which is predominantly farming) by:
    - assisting with diversification – supporting local businesses to pivot in their direction
    - primary sector extension, innovation and ease of doing business
    - identifying avenues to capitalise on locally produced electricity, continued green hydrogen investigations, datacentre, aquaculture, eco-farming, and agri-tourism opportunities.
  - **Economic development (without compromising environmental and community outcomes)**  
Council request Great South consider what is required beyond the SoRDS action plan. Is a longer-term vision or strategy needed (i.e. an updated and relevant economic development strategy) and how could this be led?

The SoRDS goal of attracting 10,000 more people into the region is becoming increasingly difficult to achieve with a reliance purely on domestic migration. Council request that Great South consider what jobs are currently and likely to become available in Southland going forwards.

With many communities in Southland now struggling with the widening economic impacts of Covid-19, an economic development plan with a regional approach may no longer be adequate. Instead, Council suggests Great South consider whether a place-based focus could help identify future opportunities for economic development in areas such as Ohai, Nightcaps, and the Catlins.

Council would like a Great South focus on identifying opportunities to 'green' the economy. Southland's geographical distances limit vehicle reduction or the reliance on the roading network but an increased focus on cycling and walking may go some way to offset this.

- **Greater digital connectivity**

While it is acknowledged that there has been improvement in this area, poor connectivity and access to reliable sources remains a difficulty, particularly for the rural community. Council considers it a continuing priority to identify other opportunities that could be explored in this area.

- **Tourism projects with an emphasis outside of the Invercargill city boundaries**

Given that the limitations of Covid-19 on international tourism are expected to continue, Council would like to see a continued focus on positioning Southland to take advantage of domestic tourism opportunities such as:

- agri-tourism
- the Milford Opportunities Project
- Southland cycling strategy – ongoing promotion of existing cycle trails and supporting new ones such as Manapouri to Tuatapere and links through to the Around the Mountain cycle trail
- Department of Conservation Great Walks in Southland plus other day or multi-day walking tracks
- art, culture, and heritage strategies creating a focus on establishing a network of infrastructure and leisure opportunities showcasing Southland's people, places, nature, museums, walks, landscapes, seascapes etc...

- **Transition planning**

While acknowledging the impact of the potential closure of the Tiwai smelter, Council consider it a priority that Great South ensures its transition planning for the region remains broadly focused. Southland is facing increasing change and as a district will need to ensure it has the agility to be adaptive. Having a wider focus on transition planning will be essential to supporting businesses, people and the region, and a priority for Great South will include identifying what is already in place that can be consolidated upon.

In terms of the Tiwai smelter, further consideration is needed on what impact a closure decision has on further negotiations and research in the hydrogen opportunity space, and also what the implications are, if the smelter does not close?

- **Continued collaboration and information sharing**

Council considers it a priority to continue the collaborative process, information sharing and alignment of activities/shared projects. This will help avoid duplication of effort and ensures mutual benefits of access to data and resource. For example:

- continued support and provision of information regarding statistics for working alongside Council to access central government funding e.g. the Tourism Infrastructure Fund
- Council's 2050 Project
- linking in with projects undertaken by neighbouring councils e.g. Clutha District and the walking trail being established in the Catlins.

Also considered a priority is ensuring a continued Ngai Tahu partnership lens is applied throughout all regional strategic development.

- **Strategies for Southland**

Housing continues to be one of the barriers hindering progress towards Southland's 10,000 people goal. This issue is not confined to the Invercargill city area but is a regional crisis which encompasses not only a lack of housing but also current housing stock which is ageing and increasingly of poor standard. While acknowledging both the work that the Southland Housing Action Forum is doing in this space, and that Great South has not been specifically asked by the councils to progress this work, consideration is needed to identify how momentum can be encouraged and the focus be broadened beyond the Invercargill city boundary.

Attracting and retaining a skilled workforce is an increasingly urgent priority to address the ongoing shortage which continues to have major implications for Southland's agricultural sector. Council would like increased focus on a regional labour strategy to promote Southland as a destination for living and working (as opposed to visiting) with activities focused on helping employers to attract peoples to the region and to help people settle when they arrive.

Great South to contemplate whether there is appetite to consider a regional forestry strategy? Central government's One Billion Trees programme is resulting in land use change in the district and there is currently an opportunity to consider how this will affect the region's long term strategic vision.

- 10 Council will work with the mayoral forum and Great South to formalise these requirements in service level agreement or similar document, incorporating key performance indicators as appropriate.

## Funding breakdown

- 11 The following funding breakdown is proposed and, following confirmation, will be provided to the mayoral forum for inclusion in the letter of expectation.

Area of focus	2021/22	2022/23
<b>Core funding</b> - this funding supports the organisation's ability to operate, including ability to pay overheads	\$500,000	\$500,000
<b>Contract funding</b> - this funding allows each funding shareholder to contribute to their key areas of focus		
• regional economic development	\$200,000	\$200,000
• regional business development	-	-
• regional tourism development	\$210,000	\$210,000
• regional events delivery	\$90,000	\$90,000
• regional wellbeing	-	-
Destination Fiordland	\$205,000	\$205,000
<b>TOTAL</b>	<b>\$1,205,000</b>	<b>\$1,205,000</b>

## Factors to consider

### Legal and statutory requirements

- 12 Part 5 of the act specifically refers to council-controlled organisations and schedule 8 specifically refers to statement of intent requirements.
- 13 As well as complying with the act, the parties also have responsibilities to meet with regards the Southland Regional Development Agency Ltd constitution and the Southland Regional Agency Ltd shareholders' agreement.
- 14 These obligations have been considered and form the basis and rationale behind the process being undertaken.

### Community views

- 15 Consultation on budget matters has taken place as part of the 2021-2031 long term plan process.

### Costs and funding

- 16 The proposed quantum for the allocations is consistent with previous decisions of Council and are included within the draft budgets for the 2022/2023 financial year.



#### Policy implications

- 17 There are no identified policy implications.

#### Recommended option

- 18 Staff recommend Council confirms the priority areas of focus for Great South to consider for 2022/23 and endorses the proposed budget allocations for 2022/23 for inclusion in the letter of expectation.

#### Next steps

- 19 The priority areas of focus identified by Council will be presented to the mayoral forum on 5 November 2021 to be included in the joint letter of expectation to be sent on behalf of shareholders by Gore District Council Mayor Tracy Hicks, chair of the mayoral forum.

#### Attachments

There are no attachments for this report.



## Risk management - September 2021 quarterly update

Record no: R/21/7/38475

Author: Jane Edwards, Policy analyst

Approved by: Fran Mikulicic, Group manager democracy and community

☐ Decision

☐ Recommendation

☒ Information

### Purpose

- 1 The purpose of this report is to inform Council of the significant strategic and corporate risks for the September 2021 quarter.

### Executive summary

- 2 The intent of the risk management reporting process is to provide Council with the relevant level of information to make informed decisions, and to provide confidence that Council's priority strategic and corporate risks are being effectively monitored and managed.
- 3 The leadership team (LT) have reviewed the status of the eleven priority risk areas endorsed by Council and these were presented to the Finance and Assurance Committee (the committee) for the September 2021 quarterly risk management update. The committee oversees the strategic and corporate risk register and actively monitors the management of the top priority risks.
- 4 Following consideration at its meeting on 27 September 2021, the committee stated it had confidence in the management of the priority risks to Council for the current quarter.
- 5 After feedback from the committee each quarter, the risk management framework (RMF) requires those risks considered of significant issue to be reported to the next Council meeting.
- 6 The September 2021 quarterly risk register is presented as attachment A for Council's consideration.
- 7 The matrices used to assess the risks are included for information as attachment B.

## Recommendation

That the Council:

- a) receives **the report titled “Risk management - September 2021 quarterly update ”** dated 19 October 2021.
- 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 those risks currently assessed as of issue for the September 2021 quarter.

## Background

- 8 The quarterly risk management report has been developed in line with Council’s RMF, which was adopted by Council in February 2019. This framework supports risk management knowledge across Council so that risk management can be understood, planned for and mitigated across all levels and activities.
- 9 As part of the RMF, Council’s eleven priority strategic and corporate risks were identified and endorsed in June 2021 and these form the basis of quarterly risk report including the risk register.
- 10 The priority risks endorsed by Council are jointly owned by the LT, who are responsible for undertaking a comprehensive review of the status of the risks, and any emerging operational risks, on a quarterly basis. This update includes evaluation of each risk, any current and proposed mitigations, and the residual risk assessment for each. LT’s review is incorporated into the risk management update report that is presented to the committee for consideration each quarter.
- 11 The eleven priority risks are considered of equal importance to Council and are outlined in a single tiered risk register. This will allow prioritisation to be fluid for the reporting year with resource allocated where appropriate across the top risks. Governance will continue to have a clear indication of management’s risk priorities by the utilisation of the risk thresholds and status to indicate where focus and resource could be directed each quarter.
- 12 The consequences, likelihoods and thresholds for each risk have been assessed after a review of the risk register and they reflect the highest assessed aspect of each risk for this current quarter.
- 13 The status of each risk is a summary of the mitigations that are currently in place for each risk and indicate whether the mitigations are assessed as causing the threshold to rise, lower or remain static.

### **Overview of Council's priority strategic risks**

- 14 The risk register update for the September 2021 quarter is attached as attachment A.
- 15 The risk register has eleven priority risks of which there are two 'very high', three 'high', and six 'medium' rated risk post mitigation.
- 16 These risks have received comprehensive analysis from the LT and they have been presented to the committee who stated their satisfaction that the risks were being appropriately monitored and managed.
- 17 Seven risks are assessed as having a pre-mitigation risk threshold of very high. The residual threshold for two of these is assessed as remaining static at very high, three reducing to high, and two reducing to medium, as a result of the mitigations currently in place.
- 18 Four risks are assessed as having a pre-mitigation threshold of high. The residual threshold for all four risks is assessed as reducing to medium.

### **Issues**

- 19 This section of the report highlights key issues or changes to the strategic risk register this quarter.
- 20 Key issues to note this quarter include:

### **Change and reform**

- 21 This risk continues to be assessed as worsening this quarter.
- 22 The change and reform risk looks to understand and manage both the external and internal factors that could have significant negative impact on Council's resilience. If Council does not have the capacity to respond to increasing levels of change then adequate financial planning and exploiting potential opportunities may be missed.
- 23 Council's resilience and ability to adapt continues to be tested by the high level of uncertainty regarding reform and legislative change from central government and, to a lesser extent, as a result of internal changes at senior management level within the organisation.
- 24 A further priority to note this quarter is that Council's agility may be tested in the event of changes to how central government approaches further Covid-19 resurgence. Council's response to date, while having worked well, may need to change quickly to reflect any external change in direction.
- 25 Mitigations both current and proposed look to ensure that Council is able to be agile and flexible as change evolves and is not adversely affected by new or unpredictable developments.
- 26 In order to successfully navigate the review of local government as a whole, along with the suite of reforms already in process, Council continues to actively monitor and engage with LGNZ and central government to keep pace with anticipated reform expectations and proactively respond as more information becomes available.

- 27 While there is merit in developing an engagement strategy to communicate the transitions ahead to the community, there is also currently the potential for difficulty articulating external messaging across three differing but interlinked work programmes (three waters/RMA/climate change).

### **Climate change**

- 28 The risk status of climate change continues to be assessed as worsening this quarter.
- 29 This status is based on the urgency of actions required by central government, businesses and organisations to reduce emissions, and the impact the transition will have on the economy, society and environment. Action on climate change is progressing at a faster rate than previously seen and it is likely that this will continue for the foreseeable future.
- 30 While it is acknowledged that the uncertainty of climate change modelling and lack of clear direction from central government has slowed the development of a climate change strategy, it is essential that Council begins to proactively build capacity at a district level.
- 31 An internal climate change role is currently being established to focus on climate risk across multiple different workstreams within the organisation – services & assets, community resilience, adaptive regulatory process, changing consents, carbon reduction targets and LiDAR.
- 32 Council will continue to observe scenarios from the climate change commission until it is appropriate to begin development of a climate change strategy or policy position that will build alignment of activities across the organisation.

### **Cyber security**

- 33 The status of this risk continues to be assessed as static.
- 34 Following the impacts of recent major cyber-attacks in New Zealand (including the Waikato District Health Board), Council has responded with mitigations that include identifying anomalous activity and any known vulnerabilities to Council from both an internal and external perspective.
- 35 In the immediate term, targeted end-user training is being investigated to help staff identify and act accordingly to these cyber security threats. Part of the newly established cyber security engineer role will include establishing policies for staff and elected members along with implementing further security controls.
- 36 Over the longer term, Council has engaged an external consultant to create a cyber security strategy in order to identify mitigations to both internal and external facing vulnerabilities. While it is acknowledged that it is impossible to eliminate all risks, this work will identify the areas that can and that cannot be mitigated against and will clarify the ongoing work needed.
- 37 Council continues to work closely with the other Southern councils to create alignment with policies, processes and technology as well as sharing knowledge and expertise.

### **Disaster event**

- 38 This risk status remains assessed as static this quarter.

- 39 On 17 August 2021, New Zealand moved back into lockdown after a Covid-19 community outbreak in Auckland. These most recent lockdown measures have not significantly changed the outlook of this risk and subsequently it will continue to be monitored and reviewed as necessary. While the post treatment threshold remains very high, the rating is due to the unknown impact any disaster event could have on the district.
- 40 Council's emergency management is supported by continued collaboration with local emergency services, National Emergency Management Agency, and Emergency Management Southland (EMS). Emergency response mitigations include continued collaboration with EMS to coordinate response, appropriate and ongoing training of staff and continued review of Council's emergency preparedness.
- 41 Ongoing monitoring and resurgence preparation has ensured that Council was ready to roll back into lockdown procedures with the latest alert level change in August 2021. The potential re-opening of borders with Australia in the future underlines the importance that the organisation is ready to meet future alert level changes with minimal warning.
- 42 While a recent review undertaken with EMS confirmed that Council had the staffing contribution available to assist with civil defence emergencies, further consideration has been proposed to ensure that the staffing resource assigned has the appropriate capacity and competency for emergency response.
- 43 Effective collaboration requires effective communication and governance with assigned roles and responsibilities. It is proposed to ensure clarity is given to designated roles and responses across the collaborative regional response to prevent duplication and ensure the sustainability of any extended response.
- 44 Effective succession planning and business continuity plans are needed to ensure Council is able to support and release emergency management resource while maintaining in-house continuity of delivery.
- 45 Further consideration will be given to how Council could best support community resilience in the face of a disaster event and the mitigations that could be put in place such as effective engagement strategies and increased collaboration with Council. Lessons learned from the Covid-19 pandemic highlighted the importance of having effective community networks in place prior to a disaster event unfolding. Consideration will need to be given to backfilling within the community networks to ensure effective continuity within the District with many key community board members also holding roles with EMS.

### **Resource and delivery**

- 46 The status of this risk has changed from improving to worsening this quarter.
- 47 This risk focuses on the significant strain on resources locally, nationally and globally, and the impact this has on achieving Council's strategic objectives. Organisational performance, the delivery of Council's committed outcomes, and meeting community expectations are significantly impacted by difficulties obtaining skilled resources and material.
- 48 This quarter and for the foreseeable future, Council must be aware of the potential impacts of further Covid-19 lockdowns with resultant escalation in resource delay due to material availability and transport logistics. Auckland is a main conduit for supplies and its ongoing lockdown is

currently affecting supply chains throughout the country. Travel restrictions, both nationally and internationally, are also affecting movement of both skill and resource.

- 49 Council continues to monitor and analyse changes that may affect the market capacity and access to supply chains. Council's works programme has been structured with long lead in times to try and mitigate delays in material supply for critical infrastructure.
- 50 Procurement optimisation has been a focus over the quarter with successful contractors' workshops and engagement held to take the works programme out to the market. Feedback has been incorporated into procurement processes to ensure Council's work programme remains attractive in a saturated market.

### Next Steps

- 51 The risk review process has begun for the December 2021 quarter, and assessment of the priority corporate and strategic risks will be presented to the committee and to Council when they meet in December 2021.

### Attachments

- A Risk register - Council - September 2021 quarter [↓](#)
- B Risk matrices - risk management framework [↓](#)





## Quarterly risk register September 2021

Council

STRATEGIC RISK SUMMARY TABLE – SEPTEMBER 2021 QUARTER										
Change and reform	Climate change	Compliance and fraud	Cyber-security	Data and systems	Disaster event	Health, safety and wellbeing	Public health	Relationships and reputation	Resource and delivery	Strategy and direction
<b>PRE TREATMENT THRESHOLD</b>										
High	Very high	High	Very High	High	Very high	Very high	Very high	Very high	Very high	High
<b>POST TREATMENT THRESHOLD</b>										
Medium	High	Medium	Medium	Medium	Very high	Very high	High	High	Medium	Medium
<b>RISK STATUS FOR THE CURRENT QUARTER IS ASSESSED AS:</b>										
Worsening	Worsening	Static	Static	Improving	Static	Static	Static	Static	Worsening	Static
<b>RISK LEAD</b>										
Cameron McIntosh	TBC	TBC	TBC	Leadership team	TBC	TBC	TBC	TBC	TBC	Cameron McIntosh
<b>ACTION OFFICER</b>										
<i>New strategic adviser role</i>	Marcus Roy SALT	Shelley Dela Llana Marcus Roy Grant Isaacs	Jock Hale		SALT Louise Pagan Marcus Roy	Teri Black	Grant Isaacs Dave Inwood Michael Sarfati	All	Brendan Gray	Leadership team

Risk register template  
1/06/2019

Southland District Council  
Te Rohe Pōtae o Murihiku

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Strategic risk CHANGE AND REFORM			
DESCRIPTION	Risk that Council has inadequate adaptability to respond to a continuously changing environment		Status: Worsening
Risk management framework CATEGORY	Strategic	Risk register LINKS	Climate change Compliance Strategy and direction
RISK LEAD	Cameron McIntosh	ACTION OFFICER	New strategic advisor role
POTENTIAL RISK TRIGGERS	<p><u>External:</u></p> <ul style="list-style-type: none"> <li>changes in central government political direction and/or decision-making</li> <li>changes in community/stakeholder service level expectations</li> </ul> <p><u>Internal:</u></p> <ul style="list-style-type: none"> <li>organisational lack of agility and resilience due to:               <ul style="list-style-type: none"> <li>inadequate capacity and capability</li> <li>complexity and effectiveness of organisational systems and processes</li> <li>siloes culture</li> <li>political personalities, trust and relationships</li> <li>loss of key staff/elected members</li> <li>inadequate contingency planning</li> <li>ineffective change communication</li> <li>lack of strategic direction</li> </ul> </li> </ul>		
PRE TREATMENT THRESHOLD	Consequence: Moderate	Likelihood: Likely	High
CURRENT MITIGATIONS	<ul style="list-style-type: none"> <li>monitoring of macro trends/broader environment               <ul style="list-style-type: none"> <li>taking an apolitical approach to continue momentum on projects</li> </ul> </li> </ul>		



	<ul style="list-style-type: none"> <li>○ continued engagement with LGNZ to monitor anticipated reforms from central government</li> <li>○ work to understand implications of climate changes to communities and how this will impact on service delivery</li> <li>● improving organisational resilience               <ul style="list-style-type: none"> <li>○ review and improve systems/procedures around data capture, management and storage</li> <li>○ review of current internal structures and practices to ensure they are fit for purpose</li> <li>○ review and identify process to increase adaptiveness and agility of governance/management/staff</li> </ul> </li> <li>● improving financial resilience               <ul style="list-style-type: none"> <li>○ monitoring of macro trends/broader environment</li> <li>○ ensuring the ability to urgently reprioritise capital spending and/or community levels of service spending</li> </ul> </li> <li>● maintain trust and confidence of our communities through effective communication and engagement               <ul style="list-style-type: none"> <li>○ continued engagement/collaboration with neighbouring councils/central government / governance/management/ staff level relationships</li> </ul> </li> </ul>		
<b>POST TREATMENT THRESHOLD</b>	<b>Consequence:</b>	Moderate	<b>Likelihood:</b> Possible
	<b>Medium</b>		
<b>PROPOSED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>● engagement strategy</li> <li>● leadership forum</li> </ul>		
<b>COMPLETED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>● none reported for the September 2021 quarter</li> </ul>		



Strategic risk CLIMATE CHANGE				
<b>DESCRIPTION</b>	Risk that Council fails to adapt to, or mitigate the effects of, climate change impacts			<b>Status:</b> Worsening
<b>Risk management framework CATEGORY</b>	Health, safety and wellbeing Regulatory and compliance	Strategic Social, cultural and environmental	<b>Risk register LINKS</b>	Change and reform Disaster event
<b>RISK LEAD</b>	To be confirmed		<b>ACTION OFFICER</b>	Services and Assets Leadership Team Marcus Roy
<b>POTENTIAL RISK TRIGGERS</b>	<u>External:</u> <ul style="list-style-type: none"> <li>ineffective clear advice to enable evidence-based quality decisions due to:               <ul style="list-style-type: none"> <li>variability and uncertainty in climate change modelling</li> <li>changes in political direction</li> </ul> </li> </ul> <u>Internal:</u> <ul style="list-style-type: none"> <li>inadequate consideration of climate impacts in:               <ul style="list-style-type: none"> <li>strategic decision-making</li> <li>fit for purpose activity management</li> </ul> </li> </ul>			
<b>PRE TREATMENT THRESHOLD</b>	<b>Consequence:</b>	Major	<b>Likelihood:</b>	Likely
	Very high			
<b>CURRENT MITIGATIONS</b>	<ul style="list-style-type: none"> <li>effective governance, strategies and plans               <ul style="list-style-type: none"> <li>infrastructure planning to have activity-based approach to address zoning decisions</li> <li>climate change considerations included in draft Long Term Plan 21/31, draft infrastructure strategy, activity management plans</li> <li>ensuring continued compliance with appropriate national and regional plans</li> </ul> </li> <li>build knowledge               <ul style="list-style-type: none"> <li>understand and identify implications of climate changes to communities and how this will impact service delivery</li> </ul> </li> </ul>			



	<ul style="list-style-type: none"> <li>○ research programme including stakeholders</li> <li>○ continuing to engage with LGNZ and central government to monitor anticipated reform change</li> <li>○ continuing to engage at regional level on information gathering and analysis relating to hazards</li> <li>● build capacity               <ul style="list-style-type: none"> <li>○ adequate borrowing capacity in place through the financial strategy to assist with recovery costs</li> <li>○ Local Authority Protection Programme insurance in place</li> <li>○ emergency resourcing in place and available</li> </ul> </li> </ul>		
<b>POST TREATMENT THRESHOLD</b>	<b>Consequence:</b>	Major	<b>Likelihood:</b> Possible
	High		
<b>PROPOSED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>● consider and develop climate change strategy outlining the actions being taken to build knowledge, deliver change and build capacity</li> <li>● develop a draft climate change policy that sets out appropriate climate change scenarios to use, governance for climate change, capability and capacity requirements</li> <li>● investigate Council's carbon footprint to better understand actions required to reduce Council's operational emissions</li> </ul>		
<b>COMPLETED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>● regional climate change assessment complete (Dec 20)</li> <li>● Deep South science challenge complete (Dec 20)</li> </ul>		



Strategic risk COMPLIANCE AND FRAUD			
<b>DESCRIPTION</b>	Risk that Council is unable to adapt to the impacts of fraud and increasing compliance standards on the organisation		<b>Status:</b> Static
<b>Risk management framework CATEGORY</b>	Financial Strategic Regulatory and compliance	<b>Risk register LINKS</b>	Public health Service delivery Reputation
<b>RISK LEAD</b>	To be confirmed	<b>ACTION OFFICERS</b>	Fraud – Shelley Dela Llana Compliance – Ian Evans / Marcus Roy
<b>POTENTIAL RISK TRIGGERS</b>	<u>External:</u> <ul style="list-style-type: none"> <li>central government changes to the regulatory standards for compliance               <ul style="list-style-type: none"> <li>external attempts to perpetrate fraud</li> </ul> </li> </ul> <u>Internal:</u> <ul style="list-style-type: none"> <li>community and stakeholder service-level expectations not being met</li> <li>breakdown in internal controls resulting in:               <ul style="list-style-type: none"> <li>continued or serious breaches leading to increased compliance requirements and regulation</li> <li>poor resource allocation/prioritisation</li> <li>complacency</li> <li>emotionally and financially stressed staff</li> <li>lack of training and awareness</li> <li>remote/flexible working</li> </ul> </li> </ul>		
<b>PRE TREATMENT THRESHOLD</b>	<b>Consequence:</b> Catastrophic	<b>Likelihood:</b> Unlikely	
<b>CURRENT MITIGATIONS</b>	Fraud: <ul style="list-style-type: none"> <li>effective governance, strategies and plans               <ul style="list-style-type: none"> <li>fraud policy adopted, fraud officers nominated and fraud awareness training initiated</li> </ul> </li> </ul>		



	<ul style="list-style-type: none"> <li>external and internal audits, segregation of duties and well established documented approvals process</li> <li>well documented and aligned procurement process - procurement policy and manual adopted and training workshops initiated</li> </ul> <p>Compliance:</p> <ul style="list-style-type: none"> <li>ensuring continued compliance with appropriate national and regional plans</li> <li>effective governance, strategies and plans               <ul style="list-style-type: none"> <li>prioritisation of projects to ensure compliance is maintained</li> <li>forward planning for resourcing works programme</li> <li>documented process and procedures, internal and external audit, staff training, strengthened links between teams and quality assurance processes</li> </ul> </li> <li>collaborative governance group meetings</li> </ul>		
<b>POST TREATMENT THRESHOLD</b>	<b>Consequence:</b>	Catastrophic	<b>Likelihood:</b> Rare
	Medium		
<b>PROPOSED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>monthly team leader forum to undertake a stocktake to identify critical high risk areas</li> </ul>		
<b>COMPLETED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>none reported for the September 2021 quarter</li> </ul>		



Strategic risk							CYBER SECURITY	
DESCRIPTION	Risk that Council's systems are vulnerable to cyber-attack and/or error					Status: Static		
Risk management framework CATEGORY	Financial Operational	Regulatory and compliance	Risk register LINKS	Data and systems Disaster event	Reputation Service delivery			
RISK LEAD	To be confirmed		ACTION OFFICER	Jock Hale				
POTENTIAL RISK TRIGGERS	<u>External:</u> <ul style="list-style-type: none"><li>external threat attempts</li><li>complacency with regard to international trends and attacks</li></ul> <u>Internal:</u> <ul style="list-style-type: none"><li>technical failure to protect IT systems<ul style="list-style-type: none"><li>increasing digitisation without integration with processes</li><li>inadequate cyber strategy</li><li>underinvestment/lack of maintenance</li></ul></li><li>breakdown of internal controls<ul style="list-style-type: none"><li>inadequate IT security awareness/culture/behaviours /competency potentially resulting in malicious or innocent employee activities</li><li>remote/flexible working creating less secure connections</li></ul></li></ul>							
PRE TREATMENT THRESHOLD	Consequence: Catastrophic		Likelihood: Possible					
	Very high							
CURRENT MITIGATIONS	<ul style="list-style-type: none"><li>increased digital protection<ul style="list-style-type: none"><li>E-delivery project, regular updating of IT equipment including enhanced mobility</li></ul></li><li>effective governance, strategies and plans<ul style="list-style-type: none"><li>cyber security strategy, SAM for compliance, disaster recovery plan</li></ul></li></ul>							





	<ul style="list-style-type: none"> <li>improve internal controls               <ul style="list-style-type: none"> <li>phone systems, systems back up, role based controls in place</li> <li>establishment of cyber security engineer role completed</li> </ul> </li> </ul>		
<b>POST TREATMENT THRESHOLD</b>	<b>Consequence:</b>	Catastrophic	<b>Likelihood:</b> Rare
	<b>Medium</b>		
<b>PROPOSED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>improve internal controls:               <ul style="list-style-type: none"> <li>mobile device management (MDM)</li> </ul> </li> </ul>		
<b>COMPLETED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>cyber security engineer role established July 2021</li> </ul>		



Strategic risk DATA AND SYSTEMS			
DESCRIPTION	Risk of ineffective and inefficient use of information in Council's decision-making		
	Status: Improving		
Risk management framework CATEGORY	Financial Operational	Strategic	Risk register LINKS Cyber security
RISK LEAD	To be confirmed	ACTION OFFICER	Leadership team
POTENTIAL RISK TRIGGERS	<u>Internal:</u> <ul style="list-style-type: none"> <li>inability to maximise effectiveness of information systems and tools due to:               <ul style="list-style-type: none"> <li>complexity of organisational systems</li> <li>lack of integration/alignment across information systems</li> <li>lack of analytics capability/capacity</li> <li>insufficient data governance</li> <li>poor resource allocation/prioritisation</li> </ul> </li> <li>cyber security               <ul style="list-style-type: none"> <li>inefficient systems which are vulnerable to attack and/or error</li> </ul> </li> </ul>		
PRE TREATMENT THRESHOLD	Consequence: Moderate	Likelihood: Likely	
	High		
CURRENT MITIGATIONS	<ul style="list-style-type: none"> <li>review and improve systems/procedures around data capture, management and storage               <ul style="list-style-type: none"> <li>implementation of asset management tool (IPS)</li> <li>contract alignment</li> <li>staff training and reporting options</li> <li>implementation of metadata standards</li> <li>established infrastructure design standards</li> </ul> </li> <li>effective communication</li> </ul>		



	<ul style="list-style-type: none"> <li>○ part of BAU with operational reporting to community boards</li> <li>• effective resourcing               <ul style="list-style-type: none"> <li>○ recruitment has been completed and currently being utilised to resolve the backlog of Three Waters data</li> </ul> </li> </ul>		
<b>POST TREATMENT THRESHOLD</b>	<b>Consequence:</b>	Moderate	<b>Likelihood:</b> Possible
	<b>Medium</b>		
<b>PROPOSED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>• review and prioritisation of data analytics</li> </ul>		
<b>COMPLETED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>• recruitment of data/GIS temporary resources to resolve backlog of 3-Waters data (Jun 21)</li> <li>• IPS/GIS resource improved. Created process for data capture and plan to resolve historic gaps (Dec 20)</li> <li>• Master Data Specifications for Council. Completed for community facilities and water &amp; waste (Dec 20)</li> <li>• improved internal cost estimation process. Review and reconciliation process completed so that costs are double checked before being signed off. Embedment ongoing (Dec 20)</li> </ul>		



Strategic risk						DISASTER EVENT	
DESCRIPTION	Risk that Council is unable to respond to the consequences of a natural or human-induced event impacting the District					Status: Static	
Risk management framework CATEGORY	Financial	Social, cultural and environmental	Risk register LINKS	Climate change Cyber security	Public health Relationships		
RISK LEAD	To be confirmed		ACTION OFFICERS	Services and Assets Leadership Team	Louise Pagan Marcus Roy		
POTENTIAL RISK TRIGGERS	<u>External:</u> <ul style="list-style-type: none"><li>• biosecurity outbreak</li><li>• severe weather event</li><li>• disaster caused by failure of man-made structure</li><li>• natural disaster event without warning or build up</li><li>• global financial crisis</li></ul> <u>Internal:</u> <ul style="list-style-type: none"><li>• critical asset failure that impacts safety as a result of poor resource allocation/prioritisation</li><li>• insufficient organisational agility and resilience</li><li>• ineffective clear advice to enable evidence-based quality decisions due to variability and uncertainty</li><li>• inadequate or ineffective engagement, communication, governance</li><li>• ineffective or lack of collaboration /partnership</li><li>• relationship mismanagement</li><li>• inadequate contingency planning</li></ul>						
PRE TREATMENT THRESHOLD	Consequence: Catastrophic			Likelihood: Possible			
	Very high						



<b>CURRENT MITIGATIONS</b>	<ul style="list-style-type: none"> <li>• emergency management               <ul style="list-style-type: none"> <li>○ collaboration on emergency management response approach across agencies and the region</li> <li>○ emergency response and pandemic plans</li> <li>○ community emergency response plans</li> <li>○ ensuring warning systems and protocols are in place e.g. flood monitoring system, tsunami alerts</li> </ul> </li> <li>• infrastructure resilience               <ul style="list-style-type: none"> <li>○ identify strategic sites at risk and develop plan for their maintenance and return to normal</li> <li>○ criticality assessment and asset identification ratings</li> <li>○ availability of technical expertise to manage, monitor, operate and maintain critical infrastructure</li> <li>○ infrastructure strategy</li> </ul> </li> </ul>		
<b>POST TREATMENT THRESHOLD</b>	<b>Consequence:</b>	Catastrophic	<b>Likelihood:</b> Possible
<b>PROPOSED MITIGATIONS</b>	Very high		
<b>COMPLETED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>• business continuity planning</li> <li>• none reported for the September 2021 quarter</li> </ul>		



Strategic risk HEALTH, SAFETY AND WELLBEING			
DESCRIPTION	Risk of health, safety and wellbeing harm to staff, contractors and community		Status: Static
Risk management framework CATEGORY	Health, safety and wellbeing	Operational	Risk register LINKS Public health Reputation
RISK LEAD	To be confirmed	ACTION OFFICER	Teri Black
POTENTIAL RISK TRIGGERS	<p><u>External:</u></p> <ul style="list-style-type: none"> <li>• complacency leading to greater risks being taken by the community of public safety issues</li> </ul> <p><u>Internal:</u></p> <ul style="list-style-type: none"> <li>• poor health and safety culture and/or behaviours across the organisation leading to:               <ul style="list-style-type: none"> <li>○ stressed disengaged staff</li> <li>○ increased staff workloads</li> <li>○ limited capability and capacity</li> <li>○ inadequate governance understanding of role/accountability</li> </ul> </li> <li>• competing priorities:               <ul style="list-style-type: none"> <li>○ deferred maintenance / under resourcing</li> <li>○ time pressures and/or complacency leading to acceptance of high levels of risk</li> </ul> </li> <li>• failure to engage with and listen to the community</li> <li>• failure to act on lessons learned from near misses and incidents (including lessons from other industry experiences)</li> <li>• BCP and Pandemic Plans not adhered to</li> </ul>		
PRE TREATMENT THRESHOLD	Consequence: Catastrophic	Likelihood: Highly likely	Very high
CURRENT MITIGATIONS	<ul style="list-style-type: none"> <li>○ effective governance, strategies and plans</li> <li>○ health and safety wellbeing policy and framework</li> </ul>		



	<ul style="list-style-type: none"> <li>○ health and safety strategic road map 2021-23</li> <li>○ health and safety gap analysis – development of a prioritisation programme to address gap analysis recommendations</li> <li>○ health and safety risk management framework developed and implemented across organisation</li> <li>○ pandemic business continuity plan in place and current</li> <li>○ organisational culture               <ul style="list-style-type: none"> <li>○ wellbeing programme</li> <li>○ ongoing education process with staff about the controls in place along with continued monitoring of their effectiveness</li> </ul> </li> <li>○ comprehensive audit framework</li> <li>○ collaboration with other agencies</li> </ul>
<b>POST TREATMENT THRESHOLD</b>	<div> <div><b>Consequence:</b></div> <div>Catastrophic</div> <div><b>Likelihood:</b></div> <div>Possible</div> </div> <div>Very high</div>
<b>PROPOSED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>● health and safety KPIs linked to individual staff performance</li> </ul>
<b>COMPLETED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>● health and safety competency register developed across the organisation (Sept 21)</li> <li>● additional administration resource in place to allow risk project to commence (Sept 21)</li> <li>● training for governance and management on roles and responsibilities (Jun 21)</li> <li>● revised HS&amp;W dashboard reporting prepared for LT and governance reporting providing hot spot data (Jun 21)</li> <li>● core improvement in standardisation of contract administration process (Mar 21)</li> <li>● health and safety plan with associated action plan approved (Dec 20)</li> <li>● establishment of the project delivery team means greater focus on ensuring appropriate documentation and workflows to support robust health and safety project management (Dec 20)</li> <li>● review of pre-qualification process for contractors completed (Dec 20)</li> <li>● introduction of fatigue guidelines and drug and alcohol policy (Dec 20)</li> </ul>



## Strategic risk PUBLIC HEALTH

DESCRIPTION	Risk that Council exposes the community to a public health emergency					Status: Static
Risk management framework CATEGORY	Financial Health, safety and wellbeing Operational	Regulatory and compliance Social, cultural and environmental	Risk register LINKS	Compliance and fraud Disaster event	Health, safety and wellbeing	
RISK LEAD	To be confirmed		ACTION OFFICERS	Grant Isaacs Dave Inwood Michael Sarfaiti		
POTENTIAL RISK TRIGGERS	<u>External:</u> <ul style="list-style-type: none"><li>severe weather, natural disaster, a fire, chemical spill</li><li>complacency leading to greater risks being taken by the community of public safety issues e.g. potential for unknown residential connection to stock water supplies resulting in contamination event</li></ul> <u>Internal:</u> <ul style="list-style-type: none"><li>failures in asset maintenance<ul style="list-style-type: none"><li>ineffective clear advice to enable evidence-based quality decisions results in poor understanding of the health and safety risks within Council’s facilities and services provided</li><li>competing priorities lead to deferred maintenance across portfolio and/or under resourcing</li></ul></li><li>time pressures and/or complacency leading to acceptance of high levels of risk</li><li>human error / inappropriate behaviours / criminal behaviours or damage at Council assets</li><li>failure to engage with and listen to the community</li><li>failure to act on lessons learned from near misses and incidents (including lessons from other industry experiences)</li><li>BCP and Pandemic Plans not adhered to</li></ul>					





<b>PRE TREATMENT THRESHOLD</b>	<b>Consequence:</b> Catastrophic	<b>Likelihood:</b> Highly likely
	<b>Very High</b>	
<b>CURRENT MITIGATIONS</b>	<ul style="list-style-type: none"> <li>• ensure compliance with appropriate national and regional plans               <ul style="list-style-type: none"> <li>○ robust compliance monitoring system</li> <li>○ prioritised programme of review including sanitary assessment report and water safety plans</li> <li>○ condition assessments for assets</li> <li>○ review of public access to operational sites</li> </ul> </li> </ul>	
<b>POST TREATMENT THRESHOLD</b>	<b>Consequence:</b> Catastrophic	<b>Likelihood:</b> Unlikely
	<b>High</b>	
<b>PROPOSED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>• establishment of water officer role</li> <li>• review of sanitary assessment report and water safety plans</li> <li>• business continuity plans</li> <li>• increased public education and awareness of requirements of the Health Act</li> <li>• effective communication strategy in place for potential contamination event</li> </ul>	
<b>COMPLETED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>• establishment of water and waste leadership team</li> </ul>	



Strategic risk							RELATIONSHIPS AND REPUTATION		
DESCRIPTION		Risk that Council fails to manage its local, regional and national relationships					Status:		
		Risk that Council suffers reputational damage because of service delivery failure					Static		
Risk management framework category		Social and cultural	Strategic	Risk register LINKS		Change and reform	Health, safety and wellbeing		
						Compliance and fraud	Public health		
						Cyber security	Resource and delivery		
						Disaster event	Strategy and direction		
RISK LEAD		To be confirmed		ACTION OFFICER		Leadership team			
POTENTIAL RISK TRIGGERS		<u>External</u> <ul style="list-style-type: none"><li>political EQ</li></ul> <u>Internal:</u> <ul style="list-style-type: none"><li>inadequate or ineffective engagement, communication, governance<ul style="list-style-type: none"><li>narrow, short term/misaligned strategic focus</li><li>ineffective or lack of collaboration/partnership with stakeholders/community</li><li>dysfunctional internal relationship between governance and staff</li></ul></li><li>dysfunctional organisational culture - job uncertainty/restructures/staff burnout/remote working</li><li>lack of awareness regarding Treaty obligations and iwi protocol</li></ul>							
PRE TREATMENT THRESHOLD		Consequence: Major			Likelihood: Likely				
		Very high							
CURRENT MITIGATIONS		<ul style="list-style-type: none"><li>establish strong networks with other agencies and external stakeholders to share knowledge, learnings and culture<ul style="list-style-type: none"><li>regular engagement with stakeholders at political and executive level</li><li>collaborative governance group meetings to progress alignment of strategic direction – Mayoral forum, TAMI board sessions, Te Roopu Taiao meetings, CEG civil defence forums, neighbouring councils</li></ul></li></ul>							



	<ul style="list-style-type: none"> <li>• understanding Council's Treaty obligations               <ul style="list-style-type: none"> <li>○ Iwi charter of understanding in place</li> <li>○ identify and address gaps in organisational cultural and diversity awareness</li> </ul> </li> <li>• enabling community boards to bring community voice back into Council               <ul style="list-style-type: none"> <li>○ community board 'health check' completed</li> </ul> </li> <li>• establish internal mentoring and knowledge sharing workshops by senior management               <ul style="list-style-type: none"> <li>○ monthly team leader forums established for knowledge sharing across the organisation</li> </ul> </li> </ul>		
<b>POST TREATMENT THRESHOLD</b>	<b>Consequence:</b>	Major	<b>Likelihood:</b> Possible
	<b>High</b>		
<b>PROPOSED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>• induction and training of management in terms of Treaty obligations</li> <li>• establish internal mentoring and knowledge sharing workshops by senior management</li> <li>• proactive steps taken at the start of each local government triennium to re-establish trust and relationships with community and stakeholders</li> <li>• relationship management between: CE/Mayor, LT/key staff, Mayor/elected members</li> </ul>		
<b>COMPLETED MITIGATIONS</b>	<ul style="list-style-type: none"> <li>• none reported for the September 2021 quarter</li> </ul>		



Strategic risk RESOURCE AND DELIVERY				
DESCRIPTION	Risk of non-performance/delivery of committed outcomes and meeting expectations			Status: Worsening
Risk management framework CATEGORY	Operational	Regulatory and compliance	Risk register LINKS	Reputation
RISK LEAD	To be confirmed		ACTION OFFICER	Brendan Gray
POTENTIAL RISK TRIGGERS	<p><u>External:</u></p> <ul style="list-style-type: none"> <li>• market capacity</li> <li>• inadequate response to macro factors affecting price and accessibility e.g. climate change, Covid alert level impacts, international political instability</li> <li>• change in community/ stakeholder service level expectations</li> </ul> <p><u>Internal:</u></p> <ul style="list-style-type: none"> <li>• ineffective clear advice to enable evidence-based quality decisions</li> <li>• inadequate measures including accountability, capability, transparent and proactive self-monitoring</li> <li>• complexity of organisational systems</li> <li>• competing priorities resulting in deferred maintenance across portfolio</li> <li>• siloed organisational culture</li> <li>• inadequate or failed cooperation and collaboration with neighbouring councils</li> <li>• difficulty attracting and maintaining skilled resources</li> <li>• strategic objectives:               <ul style="list-style-type: none"> <li>○ narrow strategic approach - not looking at 'big picture'</li> <li>○ unclear and incomplete understanding of objectives</li> </ul> </li> </ul>			
PRE TREATMENT	Consequence:	Major	Likelihood:	Highly likely



THRESHOLD	Very high	
CURRENT MITIGATIONS	<ul style="list-style-type: none"> <li>• effective governance, strategies and plans               <ul style="list-style-type: none"> <li>○ development of a well-informed capital works programme based on known condition and performance of assets</li> <li>○ allocation of appropriate funding and resources to deliver the prioritised work plan</li> <li>○ procurement optimisation</li> <li>○ Three Waters works programme</li> <li>○ internal and external audit</li> <li>○ effective communication between teams and other agencies</li> </ul> </li> <li>• recruiting and retaining skilled resources               <ul style="list-style-type: none"> <li>○ monitoring organisational climate</li> <li>○ work closely with industry providers and training institutions</li> <li>○ workforce strategy</li> <li>○ resource sharing</li> <li>○ develop potential for secondments, internships and developing a cadet system</li> </ul> </li> <li>• organisational culture               <ul style="list-style-type: none"> <li>○ look after staff by building a culture that encourages staff to stay and to recruit into</li> <li>○ outsourcing and using external mechanisms at key pressure points to mitigate stress</li> </ul> </li> </ul>	
POST TREATMENT THRESHOLD	Consequence: Major	Likelihood: Unlikely
	Medium	
PROPOSED MITIGATIONS	<ul style="list-style-type: none"> <li>• prioritisation plan to consider the number and impact of work outside the formally signed off works programme</li> </ul>	
COMPLETED MITIGATIONS	<ul style="list-style-type: none"> <li>• procurement plan prepared for the entire 2021-22 year – completed and signed off by Council as part of LTP (Sept 21)</li> <li>• project scoping document developed and signed off by community boards – completed through LTP process (Sept 21)</li> <li>• works programme input into Global Forecast Programme and baseline tracking set up (Sept 21)</li> <li>• project delivery team in place and adequately resourced (Sept 21)</li> </ul>	



	<ul style="list-style-type: none"><li>development of established minimum LoS for community facilities. Review was progressed through AMP update process with community board consultation occurring in relation to community facilities assets (Dec 20)</li></ul>
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## Strategic risk STRATEGY AND DIRECTION

DESCRIPTION	Risk of poor or ineffective decision-making due to lack of strategic integration and alignment			Status: Static
Risk management framework CATEGORY	Financial	Strategic	Risk register LINKS	Change and reform
RISK LEAD	Cameron McIntosh	ACTION OFFICER	Leadership team	
POTENTIAL RISK TRIGGERS	<ul style="list-style-type: none"><li>• inadequate discussion of strategic direction</li><li>• unclear and incomplete understanding of strategic objectives</li><li>• near-sighted decision making</li><li>• competing priorities</li><li>• complex decision-making processes and requirements</li><li>• ineffective clear advice to enable evidence-based quality decisions</li></ul>			
PRE TREATMENT THRESHOLD	Consequence:	Moderate	Likelihood:	Likely
	High			
CURRENT MITIGATIONS	<ul style="list-style-type: none"><li>• effective governance, strategies and plans<ul style="list-style-type: none"><li>○ strategy development workplan currently being developed</li></ul></li></ul>			
POST TREATMENT THRESHOLD	Consequence:	Moderate	Likelihood:	Possible
	Medium			
PROPOSED MITIGATIONS	<ul style="list-style-type: none"><li>• long term formal commitment to collaboration between Council and key agencies</li><li>• deliver strategic vision to the community effectively</li></ul>			
COMPLETED MITIGATIONS	<ul style="list-style-type: none"><li>• none reported for the September 2021 quarter</li></ul>			

**KEY:****CONSEQUENCE****LIKELIHOOD****THRESHOLD****STATUS**

INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
RARE	UNLIKELY	POSSIBLE	LIKELY	HIGHLY LIKELY
	LOW	MEDIUM	HIGH	VERY HIGH
	IMPROVING	STATIC	WORSENING	





## Risk management framework – risk matrices

CONSEQUENCE	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
<b>STRATEGIC</b>	No significant adverse public comment No impact on achievement of LTP objectives Key stakeholder relationships unaffected	Adverse comment in local or social media Letter to CEO, complaints to Councillors May slow achievement of LTP objectives Minor impact on key stakeholder relationships	National media coverage Will impact achievement of one or more LTP objectives Negative impact on key stakeholder relationships	National media coverage 2-3 days Will significantly impact the achievement of multiple LTP objectives Significant impact on multiple key stakeholder relationships	Coverage in national media 3+ days Commission of Inquiry/Parliamentary questions Stakeholder relations irreparably damaged Cannot deliver on most LTP objectives
<b>OPERATIONAL</b>	No loss of operational capability Minimal changes to service level Minimal loss of internal capacity	Loss of operational capability in some areas Some disruption to service levels Internal capacity lost for up to 1 week	Serious loss of operational capability for over 6 weeks and/or Disruption to service levels for 4-6 weeks Loss of internal capacity 1-3 weeks	Serious loss of operational of capability for over 8 weeks and major disruption to service levels and/or Loss of internal capacity 4-6 weeks	Serious loss of operational capability for 3-4 months and serious disruption to service levels and Loss of internal capacity for more than 6 weeks
<b>FINANCIAL</b>	No impact on financial targets	Up to 1% impact on financial targets	Up to 5% impact on financial targets	Up to 10% impact on financial targets	More than 10% impact on financial targets
<b>HEALTH, SAFETY AND WELLBEING</b>	No Medical treatment required Issue noted, no action required	Minimal personal injury and/or sickness AND Less than 2 weeks incapacitation H&S issue noted by Worksafe	Personal injury and/or sickness with up to 3mths incapacitation OR H&S issue to court	Significant public health impact OR Personal injury and/or sickness with 3+ months incapacitation or long term disability OR	Permanent severe disability or loss of life OR H&S issue taken to court resulting in imprisonment OR

Risk management framework – risk matrices  
5/12/2019

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CONSEQUENCE	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
				H&S issue to court and fine imposed	Widespread community sickness
<b>SOCIAL, CULTURAL, ENVIRONMENTAL</b>	No significant community Impact	Single community affected	Multiple communities affected	Many communities affected	Most or all communities
	Localised short-term reversible environmental, economic or social impact	Localised short-term reversible environmental, economic or social damage	Localised medium term (1 month +) reversible damage or disruption (environmental, economic, social or cultural)	Localised or widespread long term (3-6m) reversible damage or disruption (environmental, economic, social or cultural)	OR Extensive or irreversible damage or disruption (environmental, economic, social or cultural)
<b>REGULATORY AND COMPLIANCE</b>	Fine/ liability less than \$10K	Fine/ liability \$10 - \$100K	Fine/ liability \$100 - \$250K	Fine/ liability \$250K - \$1M	Fine/ liability \$1M+



LIKELIHOOD	
<b>HIGHLY LIKELY</b>	Risk event is expected to occur in most circumstances; or 90% chance within the next 12 months; or 18 out of every 20 years
<b>LIKELY</b>	Risk event will probably occur in most circumstances; or 55% chance within the next 12 months; or 11 out of every 20 years
<b>POSSIBLE</b>	Risk event should occur at some time; or 25% chance within the next 12 months; or 5 out of every 20 years
<b>UNLIKELY</b>	Risk event could occur at some time; or 10% chance within next 12 months; or 1 out of every 10 years
<b>RARE</b>	Risk event may occur only in exceptional circumstances Up to 4% chance within next 12 months Once in 25 years

LIKELIHOOD	CONSEQUENCE				
	Insignificant	Minor	Moderate	Major	Catastrophic
<b>HIGHLY LIKELY</b>	Low	Medium	High	Very High	Very High
<b>LIKELY</b>	Low	Medium	High	Very High	Very High
<b>POSSIBLE</b>	Low	Medium	Medium	High	Very High
<b>UNLIKELY</b>	Low	Low	Medium	Medium	High
<b>RARE</b>	Low	Low	Low	Medium	Medium



## Predator free Rakiura - the Te Puka-Rakiura Trust

Record no: R/21/9/53725  
Author: Carrie Williams, Senior policy analyst  
Approved by: Cameron McIntosh, Chief executive

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 The purpose of this report is to present information to Council regarding the establishment of the Te Puka-Rakiura Trust (the trust), a new governance structure for Predator Free Rakiura initiatives. This report seeks that Council:
  - adopt a policy on appointments to council organisations, due to Local Government Act 2002 (LGA) requirements
  - endorse having Council trustee representation on the trust, and select a trustee
  - approve the transfer of monies received by Council from the Department of Conservation for the Predator Free Rakiura initiative, to the trust.

### Executive summary

- 2 Council has been a participant in the Predator Free Rakiura (PFR) project since its establishment and the formation of the PFR Leadership Group (PFR LG) in 2014. In 2019, Council endorsed an interagency Memorandum of Understanding (MOU) for the Leadership Group and the appointment of a representative from Council to this group. The group manager community and democracy is the current Council representative on the PFR LG.
- 3 The Te Puka-Rakiura Trust (the trust), a charitable trust entity has recently been formed to further PFR initiatives and provide governance oversight. The PFR LG will be known as the PFR Engagement and Advisory Group (PFR EAG) going forward, and continue to play an important role, being the key link to the community, and providing advice to the trust, reflecting the community voice. It is intended that Council continue to have representation on the PFR EAG.
- 4 During discussions between agencies regarding the formation of a trust, the PFR LG recommended that Council and Environment Southland each have a trustee representative on the trust board. This report requests that Council consider whether to accept this recommendation. Having a trustee on the trust board would give Council a vote to progress the kaupapa of PFR.
- 5 In anticipation of the trust being formed, Council recently received \$1 million dollars from the Department of Conservation (DOC). This is an establishment grant for the trust for the initiation of the design and planning phase of the shared vision of a predator free Rakiura. These funds are being held by Council until the trust governance board is confirmed and it is ready to receive funding as per the terms and conditions of the relevant agreements with DOC.
- 6 If Council chooses to appoint a trustee, the LGA requires that Council have a policy guiding the appointment of board members to Council organisations. Council organisations are those Council is involved in by itself or with other local authorities and has any voting rights or rights

to appoint a board member from Council. A policy in this regard was adopted in 2003 but is not fit for purpose.

- 7 The draft Policy on appointments to Council organisations (draft policy) provides guidance to Council on the appointment, remuneration, skills, knowledge, and experience required of directors of a council organisation.
- 8 It is recommended that Council consider and adopt the draft policy, and then select a representative to the trust. The group manager community and democracy is considered to have the requisite skills, knowledge and experience to fulfil the trustee role.

## Recommendation

That the Council:

- a) **receives the report titled “Predator free Rakiura - the Te Puka-Rakiura Trust” dated 19 October 2021.**
- b) determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) endorses having a Southland District Council representative on the Te Puka-Rakiura Trust.
- e) considers and adopts the attached Policy on appointments to Council organisations, to comply with the requirements of the Local Government Act 2002.
- f) revokes the 2003 Appointment of directors policy.
- g) endorses the appointment of the group manager community and democracy as the Southland District Council representative trustee on the Te Puka-Rakiura Trust.
- h) notes that Council has previously delegated authority to the chief executive to enter the Memorandum of Understanding (MOU) to formalise the direction and working relationships between the various agencies involved on 22 May 2019, and confirms this delegation to the chief executive to execute necessary revisions to the MOU on behalf of Council.
- i) approves unbudgeted expenditure of \$1 million in total to the Te Puka-Rakiura Trust as and when notified by the Department of Conservation. These are funds held by Council on behalf of the Department of Conservation.

## Background

### **History of Predator Free Rakiura**

- 9 Council has been a participant in the Predator Free Rakiura (PFR) project since its establishment. The Predator Free Rakiura Leadership Group (PFR LG) was created in 2014 as an inter-agency initiative to progress the goal of achieving and maintaining predator free status for Stewart Island/Rakiura.
- 10 The following agencies are represented on the PFR LG:
- community representatives (2)
  - Stewart Island/Rakiura aquaculture and fishing interests
  - Awarua Rūnanga
  - Oraka-Aparima Rūnanga
  - Waihōpai Rūnanga
  - Hokonui Rūnanga
  - Te Rūnanga o Ngai Tahu
  - Rakiura Maori Lands Trust
  - Rakiura Titi Islands administering body
  - Rakiura Titi Committee
  - Department of Conservation
  - Environment Southland
  - Real Journeys
  - New Zealand Deerstalkers Association
  - Southland District Council
- 11 At its 22 May 2019 meeting, Council endorsed an interagency Memorandum of Understanding (MOU) that was developed to formalise the direction and working relationships between the various agencies involved.
- 12 Strong inter-agency collaboration has developed in the PFR LG. Council has been represented on the PFR LG by the group manager community and democracy, and a resource management planner as alternate.

### **Establishment of a trust**

- 13 The formal establishment of the trust enables Predator Free Rakiura to receive funding, run trials and design the predator eradication on Rakiura and surrounding islands. Activities will include the employment of a programme director. Initial funding of one million dollars has been committed by the Department of Conservation to get the design and planning for eradication underway. These funds are currently being held by Council for transfer to the trust, on

confirmation by DOC that the project milestones under the future funding agreement with the trust have been completed.

- 14 The official signing of the trust deed occurred on 5 October 2021. The name Te Puka-Rakiura Trust reflects the cultural significance of Rakiura, being a shortened version of “Te Punga o te waka a Māui” and in Ngai Tahu dialect. This name also denotes the significance of the project for future work in this area across the country (and potentially internationally), being an ‘anchor’ of new testing and technologies for predator control.
- 15 The purposes of the trust are outlined in the trust deed and includes, “to promote, protect and preserve the natural environment, biodiversity and ecological resilience of Rakiura and surrounding islands by promoting conservation, including through the long-term goal of eradication of introduced mammalian predators (such as possums, feral cats, hedgehogs and rodents), for environmental, economic, social and cultural purposes.”
- 16 The PFR EAG (formally the Leadership Group) will continue to play an important role in Predator Free Rakiura, being the key link to the community and providing advice to the trust, reflecting a community voice. It will continue to be guided by a MOU between the parties.
- 17 The draft trust deed was independently reviewed to ensure that it is fit for purpose. Additionally, both Council and Environment Southland conducted a review to ensure that it meets LGA requirements and other obligations. Changes recommended by Council staff have been incorporated into the draft deed and include wording to ensure that the trust is not considered a council-controlled organisation.

#### **Memorandum of understanding (MOU) for the engagement and advisory group**

- 18 The main objectives in the current PFR LG MOU will not materially change with the shift to the PFR EAG. Amendments will be made to provide for the new working relationship and expectations between the trust and the PFR EAG.
- 19 Because the primary objectives of the MOU will not alter substantially from what Council has previously approved, it is not considered necessary for Council to endorse this document when it is amended. When Council endorsed the initial MOU in 2019, it delegated authority to the chief executive to execute this instrument. Staff understand that the amendments to the MOU will be actioned before the end of 2021.

#### **Issues**

- 20 Council is being asked to decide if it endorses the PRF LG recommendation that Council have a voting trustee presence on the trust, and if so, selecting this representative. An intervening issue is that Council consider and adopt the draft Policy on appointments to council organisations, in order to comply with its obligations under the LGA. These are discussed below.

#### **Council representation on the trust**

- 21 The PFR LG have unanimously supported both Council and Environment Southland having a trustee representative on the trust. The proposed trust membership is as follows:
  - Te Rūnanga o Awarua, Hokonui Rūnaka, Te Rūnanga o Oraka-Aparima and Waihōpai Rūnaka may appoint up to two trustees



- the PFR EAG may appoint up to seven trustees, who:
    - must include one trustee to represent the PFR EAG
    - may include:
      - one trustee to represent Southland District Council
      - one trustee to represent Southland Regional Council (Environment Southland)
      - independent trustees.
- 22 It is intended that each council will follow its own processes and put forward the name of its trustee representative, to be endorsed by the PFR EAG.
- 23 A main reason for Council to have representation on the trust is to convey to ratepayers the importance of PFR and Council's commitment to the project and community vision. Having a vote on the trust board would ensure that Council has a voice on PFR initiatives and direction setting.
- 24 If Council decides that it does not wish to have trustee representation, it could request that it be considered for a role of "Special Trust Advisor". This is defined in the draft deed as a person appointed to advise and assist the board on any matter relating to the trust, but who is not a trustee and does not have the powers or duties of a trustee. This would allow Council to continue to be involved in PFR initiatives, but it would not have a vote or presence on the trust board. Alternatively, Council could elect to have no role in relation to the trust.
- 25 It is considered appropriate that Council continue to also have a representative on the PFR EAG. This will assist with a smooth transition to the new governance structure, and ensure that Council has representation at a both a governance and community engagement level.
- Policy on appointments to council organisations
- 26 If Council decides to have a trustee representative on the trust, the trust will be considered a 'council organisation' pursuant to s.6(1) of the LGA. A council organisation is an entity in respect of which Council has, whether or not jointly with other local authorities:
- control, directly or indirectly, of one or more of the votes at any meeting of the members or controlling body of the entity; or
  - the right, directly or indirectly, to appoint one or more of the trustees, directors, or managers (however described) of the entity.
- 27 In contrast, a council organisation becomes a council-controlled organisation when a one or more local authority has control of half or more of the votes or the power of appointment of half or more of the trustees.
- 28 The wording of the trust deed gives Council a vote on the trust board. If Environment Southland and Council both accept the recommendation to have trustee representation, two trustees will be from local authorities, less than the 50% that would lead to a council-controlled organisation. Therefore the trust would be considered a council organisation.

- 29 The implications to Council of the trust being a council organisation relate to obligations regarding the appointment of directors (LGA s.57). In this context, ‘director’ also refers to trustee of a trust. Council must adopt a policy that sets out an objective and transparent process for the appointment and remuneration of directors to a council organisation, as well as the identification and consideration of the skills, knowledge, and experience required of directors of a council organisation.
- 30 The draft Policy on appointments to Council organisations (draft policy) at attachment A covers both of these aspects in relation to council organisations and addresses the following topics:
- ensuring the appointee has the requisite skills and knowledge and experience
  - method of appointment
  - conflicts of interest
  - remuneration.
- 31 Council does have an Appointment of directors policy that was adopted in 2003, that is included at attachment B. This policy is not considered fit for purpose as it only contemplates appointment of directors who are external to Council, and does not provide policy principles for appointments to council organisations. The 2003 policy is considered obsolete for council-controlled organisation purposes as well.
- 32 Accordingly, it is recommended that Council revoke the 2003 Appointment of directors policy and adopt the draft policy. This is considered the appropriate course of action regardless of whether Council chooses to have a trustee representative on the trust, so that Council is meeting its LGA requirements in this regard going forward.
- Application of the policy on appointments to council organisations to a Te Puka-Rakiura Trust appointment
- 33 If it agrees to having representation on the trust board, Council needs to adopt the draft policy, and then apply the policy principles in the course of making an appointment. This is reflected in the order of the recommendations in this report.
- 34 It is proposed that the group manager community and democracy be the trustee representative from Council on the trust. This is consistent with the principles of the draft policy, due to their skills, knowledge and previous experience on the PFR LG.
- 35 The group manager community and democracy’s credentials include leadership, financial budgeting experience, community engagement, and issues resolution including formal mediation and negotiation and facilitation. They are well placed to help guide the trust given existing trusted relationships in the group and their detailed understanding of PFR initiatives.
- 36 The policy also requires that a potential board member declare any conflicts of interest prior to appointment. The group manager community and democracy has advised they have no conflicts of interest in relation to the trustee role.

## Factors to consider

### Legal and statutory requirements

- 37 The draft trust deed has been reviewed to ensure compliance with all relevant legislation, including the LGA, Charities Act, the Charitable Trusts Act and the Trust Act.
- 38 A charitable trust is established through a deed that broadly sets out a group's purpose and objectives. Charitable trusts have credibility and accountability, and the potential to benefit from exemptions from income tax, resident withholding tax. Control of the trust is with the trustees, with limited liability, providing longer term stability.
- 39 The legal status of a charitable trust enables access to private and community funding that the current PFR LG does not have access to. If the trust was considered to be a council-controlled organisation (CCO), it would not qualify for charitable status and access to alternative funding streams would not be available. Out of an abundance of caution, wording has been added to the draft trust deed to ensure that the trust cannot be considered a CCO, under s.6 of the LGA.
- 40 As discussed above, if Council has a trustee representative, the trust is a 'council organisation' for the purposes of s.6(1) of the LGA. Under s.57 of the LGA, Council must therefore adopt a policy that sets out an objective and transparent process for the appointment and remuneration of directors to a council organisation, as well as the identification and consideration of the skills, knowledge, and experience required of directors of a council organisation. The draft policy ensures compliance with this requirement.
- 41 With the holding of funds agreement between DOC and Council, DOC's intention to enter a future funding agreement with the new PFR entity was acknowledged by Council. A copy of the agreement will be provided to Council on execution and will include the project milestones and key performance indicators. This agreement also requires Council to make instalment payments of the \$1 million establishment grant to the trust on written approval from DOC to Council, upon confirming the project milestones completed and the amount to release.

### Community views

- 42 Prior community consultation on Rakiura has signalled a high level of support for progressing predator free/biodiversity initiatives. Based on this, further engagement with the wider community regarding the appointment of a representative to the trust from Council is not anticipated.
- 43 It is not considered necessary to seek community views on the draft policy, due to the low level of impact and effect on people in the District.

### Costs and funding

- 44 Review of the draft trust deed and its implications have been met within existing budgets.
- 45 A trustee appointment does not commit Council to additional costs or funding requirements, but will require the appointed trustee to attend regular board meetings and assist with achieving the trust's purposes. The staff representative on the PFR EAG would involve the continuation of current resourcing in order to attend meetings and provide support to the PFR EAG.
- 46 The \$1 million of funds from DOC for the trust is being held in a separate reserve in Council's financial accounts.

### Policy implications

- 47 Representation on the trust and the PFR EAG could be seen as consistent with Council's strategic framework through the community outcome of 'kaitiakitanga for future generations' and the strategic priority of 'supporting healthy environments and sustainable communities'.

### Analysis

#### Options considered

- 48 Staff have identified the following options:
- Option 1 - endorse having a Council representative on the Te Puka-Rakiura Trust, adopt the draft Policy on appointments to council organisations, and endorse the appointment of the group manager community and democracy as the Council representative on the Te Puka-Rakiura Trust
  - Option 2 – elect not to have a Council representative on the Te Puka-Rakiura Trust, adopt the draft Policy on appointments to council organisations so that an appropriate policy is in place for appointments to council organisations going forward
  - Option 3 - select another way forward.

### Analysis of Options

Option 1 – endorse having a Council representative on the Te Puka-Rakiura Trust, adopt the draft Policy on appointments to council organisations, and endorse the appointment of the group manager community and democracy as the Council representative on the Te Puka-Rakiura Trust

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• shows Council's commitment to the PFR project</li><li>• would give Council a vote on the governance direction of PFR initiatives</li><li>• strengthens relationships with other agencies</li><li>• adoption of the draft policy will ensure compliance with LGA obligations.</li></ul>	<ul style="list-style-type: none"><li>• redirection of some level of Council resources away from other work streams</li><li>• should controversy arise over matters such as methods of pest eradication, Council would be likely to be more closely involved in this than if it did not have trustee representation.</li></ul>

Option 2 – elect not to have a Council representative on the Te Puka-Rakiura Trust, adopt the draft Policy on appointments to council organisations so an appropriate policy is in place for appointments to Council organisations going forward

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• less resources likely to be required to support PFR moving forward</li><li>• less potential to Council to be involved in any controversy associated with the PFR project, were this to occur</li><li>• adoption of the draft policy will ensure compliance with LGA obligations.</li></ul>	<ul style="list-style-type: none"><li>• would undermine the strong inter-agency commitment to the PFR project, and associated strong relationships which have developed over several years</li><li>• the trust will continue without Council input or involvement.</li></ul>

Option 3 – select another way forward

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• this option would give Council more time to consider and reflect</li><li>• would give clarity on Council's preferred approach.</li></ul>	<ul style="list-style-type: none"><li>• if Council chooses not to adopt the draft policy, it will not be complying with LGA requirements.</li></ul>

### Assessment of significance

- 49 It has been identified that this matter is of lower significance in relation to Council's Significance and Engagement Policy and the Local Government Act 2002.

### Recommended option

- 50 It is recommended that Council select option one, and endorse having a Council representative on the Te Puka-Rakiura Trust, adopt the draft Policy on appointments to council organisations, and endorse the appointment of the group manager community and democracy as the Council representative on the Te Puka Rakiura Trust.

### Next steps

- 51 If Council selects option one, staff will liaise with the Te Puka-Rakiura Trust and the PFR EAG to confirm the appointment of the group manager community and democracy as trustee. The Policy on appointments to council organisations will be finalised and made available on Council's website.
- 52 On confirmation from DOC, Council will release to the trust monies approved, in line with the future funding agreement.

### Attachments

- A Draft Policy on appointments to council organisations, for adoption by Council [↓](#)  
B 2003 Appointment of directors policy [↓](#)



## Policy on appointments to council organisations

**Group responsible:** Community and democracy

**Date approved:** 27 October 2021

**File no:** R/21/9/54180

### Introduction

Southland District Council (Council) has an interest in a number of council organisations (COs). These organisations deliver services, provide advice, or in some way support the achievement of Council's long-term objectives, and include the organisations listed in Council's Local Governance Statement for each triennium.

COs are organisations that Council is involved with by itself or with other local authorities and has one or more voting rights or rights to appoint a board member from Council. This policy does not apply to council-controlled organisations (CCOs).

### Purpose

The Local Government Act 2002 (LGA) requires that Council have a policy that contains an objective and transparent process for the:

- identification and consideration of the skills, knowledge, and experience required of trustees and directors of a council organisation
- the appointment of trustees and directors to a CO
- the remuneration of trustees and directors of a CO.

### Definitions

TERM	MEANING
<b>board member</b>	In this policy, refers to a director, trustee or shareholder of a CO.
<b>council-controlled organisation (CCO)</b>	Has the meaning given to it by s.6(1) of the LGA. A CCO includes a council organisation where one or more local authorities have: <ul style="list-style-type: none"> <li>• control, directly or indirectly, of <b>50% or more</b> of the votes at any meeting of the members or controlling body of the entity; or</li> <li>• the right, directly or indirectly, to appoint <b>50% or more</b> of the trustees, directors, or managers (however described) of the entity.</li> </ul>
<b>council organisation (CO)</b>	Has the meaning given to it by s.6(1) of the LGA. A CO is an entity in respect of which Council has, whether or not jointly with other local authorities: <ul style="list-style-type: none"> <li>• control, directly or indirectly, of <b>one or more</b> of the votes at any meeting of the members or controlling body of the entity; or</li> </ul>

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	<ul style="list-style-type: none"> <li>the right, directly or indirectly, to appoint <b>one or more</b> of the trustees, directors, or managers (however described) of the entity.</li> </ul> <p>'Entity' here means any partnership, trust, arrangement for the sharing of profits, union of interest, co-operation, joint venture, or other similar arrangement; but does not include a company, or a committee or joint committee of a local authority.</p>
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## Policy principles

### Skills, knowledge and experience

Council may appoint a person to be a board member of a CO only if Council considers the person has the skills, knowledge and experience to:

- guide the organisation given the nature and scope of its activities
- contribute to the achievement of the objectives of the organisation.

The core competencies expected of Council appointed board members to a CO are:

- sound judgement and decision-making
- public service ethos
- an understanding and commitment to Council's obligation to Te Tiriti o Waitangi
- a high standard of personal integrity
- clear communication and an ability to debate in a reasoned manner
- effective teamwork and collaboration
- ability to think strategically
- ability to consider risk and contingency management
- commitment to the principles of good corporate citizenship.

### Appointment

Appointments will be made by a formal resolution of Council. Where consistent with the LGA, Council may by resolution delegate authority to the chief executive to make appointments.

Elected members and staff may be appointed as a board member of a CO, subject to the specific provisions of the trust deed or equivalent founding document. The appointment of an elected member shall be dis-established at the end of each triennium and needs to be re-established by the new Council at the beginning of each triennium.

To reflect current national and international best practice, Council's policy regarding board member tenure is as follows:

- tenure of three years: board members shall hold office for a term of up to three years from the date of appointment
- expiry of tenure: upon expiry of that three-year term, the board member retires from the board and may be eligible for reappointment



- reappointment: a board member who is retiring from their first three-year tenure, deemed eligible for reappointment and who wishes to stand, may, at the sole discretion of Council (by ordinary resolution), be reappointed for a further term of up to three years
- tenure exceeding six consecutive years: regular board member rotation is encouraged, but terms exceeding six years will be considered on a case-by-case basis. Council recognises that board members often have valuable institutional knowledge that organisations need to retain, and acknowledges there is a limited pool of suitable candidates for some boards.

### **Conflicts of interest**

Any conflicts of interest will be declared by potential board members to a CO prior to appointment. Council expects that board members of COs will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations, Council requires board members to follow the provisions of the Code of Conduct for elected members and the Conflict of Interest Policy for staff.

### **Remuneration**

As a general rule, Council will not remunerate for service as a board member of a CO. In the case of the appointment of a member of staff, no additional remuneration will be paid.

Any reimbursement of expenses of board members of a CO is not set by Council and is at the discretion of that organisation.

## **Review**

This policy shall be reviewed every six years, or as otherwise required.

## **Associated documents**

- Delegations Manual
- Code of Conduct for elected members
- Conflict of Interest Policy
- Elected Members Remuneration and Reimbursement Policy
- Local Government Act 2002 and other relevant statutes



**POLICY: APPOINTMENT OF DIRECTORS****GROUP RESPONSIBLE:** Customer and Financial Services**DATE APPROVED:** 26/6/03**DATE AMENDED:****FILE NO:** 8/0/1/7, 240/10/1/1**POLICY DETAIL:****INTRODUCTION**

This policy sets out the Southland District Council's policy on the appointment of Directors to Council Organisations, or Council Controlled Organisations. This policy is a requirement of the Local Government Act 2002.

**Identification of Skills, Knowledge and Experience Required of Directors**

Where a director is to be appointed the Council will develop a director specification for the role. It will detail the skills, the knowledge and experience required for that directorship role. The role specification will take into account:

- (i) The nature and scope of the organisation, the organisation's future directions and its constitutional set up.
- (ii) The strategic objectives of the organisation and the attributes, skills and knowledge, which will be required to deliver the strategic objectives of the organisation.
- (iii) The skills of the current directors of the company or the required skills of all the directors of the company.
- (iv) Any specific skill, knowledge and experience that is currently required or may be required in the future.
- (v) The role specification will detail:
  - The organisation's context.
  - The functional relationships of the role.
  - The responsibilities and liabilities attached to the role.
  - The key result areas for the role.
  - The personal attributes for the role.
  - The specific skills/qualifications required for the role.

### **The Appointment Process for Directors**

The Council will first complete a director's role specification.

A list of potential directors will be achieved by:

- (i) Publicly advertising the position/positions that are available.
- (ii) Directly approaching people it is felt may be appropriate for the role.
- (iii) Asking relevant groups within the community for nominations for the role of directors.
- (iv) Asking the candidates to supply:
  - A curriculum vitae, which establishes how well they meet the role specification for the directorship role.
  - A letter detailing why they are interested in the particular role.
  - A report on any conflicts of interest their appointment may cause.

A selection panel will be established that will consider all applications, short list applicants for interview and make a recommendation to Council. The panel will include:

- (i) The Chief Executive Officer of the Council.
- (ii) The Council's Human Resources Manager.
- (iii) Other councillors, staff or outside consultants with specific skills that add value to the process.

The selection panel will make a recommendation to Council, which will be adopted by a full resolution of the Council.

The term of the director's position will be determined by the constitution of the company to which the director is appointed.

At the end of each term the candidate selection panel will carry out a formal review of the director's performance. They will use this to decide whether to reappoint the director to the position.

A director may be reappointed for one term, the position will be opened to the full application process at the end of the second term in office. A retiring director is eligible to be reappointed under this process.

### **The Remuneration of Directors**

The remuneration of a director will be determined based on each specific role.

The director's role specification will be used to establish market rates for comparable positions at the time of appointment. The market rates will determine the remuneration for the role.

The market rates will then be reviewed on an annual basis. The expectation will be that directors who are performing adequately will receive any increase on an annual basis.

## Proposal for new Ardlussa pool rate

Record no: R/21/10/55474  
Author: Kelly Tagg, Community partnership leader  
Approved by: Anne Robson, Chief financial officer

☐ Decision ☒ Recommendation ☐ Information

### Purpose

- 1 This report updates Council on a proposal from the Ardlussa Community Board (the board) to establish a new targeted pool rate to provide funding assistance to swimming pools in the Ardlussa area.
- 2 Council is being asked to support the proposal for the new targeted pool rate subject to the board carrying out consultation with the community.

### Executive summary

- 3 Earlier this year the Ardlussa Community Board received a request from the Riversdale Pool Committee seeking ongoing funding assistance of \$8,000 per annum (excluding GST) to help with pool operating costs and keep the pool open.
- 4 The board have considered this request and are proposing to establish a new targeted pool rate to provide funding assistance to swimming pools in the Ardlussa area. The report to the board dated 5 October 2021 (attachment A) outlines the background to the request as well as the issues and options considered by the board.
- 5 The board are seeking Council's support for the proposal to establish a new pool rate (shown as (c) below). While the board's delegation includes recommending rates for local activities in the board area, only Council can set rates.
- 6 The boards full proposal includes:
  - (a) Establishing a fund to provide annual funding assistance to all pools in the board area to which pool committees can apply for funding. There are two pools in the board area (Riversdale and Balfour). This is consistent with the approach used in other areas that have more than one pool.
  - (b) Setting the initial amount to be collected for the pool fund at \$8,000 (excluding GST) in 2022/2023.
  - (c) Collecting rates for the pool fund via a new separate targeted pool rate across all properties in the Ardlussa Community Board area where all properties pay a fixed amount per SUIP (separately used or inhabited part of a rating unit) ~ \$8.95 (including GST).
- 7 The proposed new rate is in line with how other pools in the District are rated. The basis of the new rate is also reflective of the board's view that pools have a relatively equal benefit across the whole community and therefore all properties should contribute equally.
- 8 The board are proposing to carry out separate consultation with the community to gauge support (or otherwise) for this proposal.

- 9 If the board then wishes to proceed, any new rate will then be included in the Annual Plan 2022/2023 to be adopted by Council.

## Recommendation

That the Council:

- a) **receives the report titled “Proposal for new Ardlussa pool rate” dated 19 October 2021.**
- 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 Ardlussa Community Board’s** proposal to establish a new separate targeted pool rate across all properties in the Ardlussa Community Board to provide funding assistance for pools in the area, with the rate to be set as a fixed amount per SUIP (separately used and inhabited part) of a rating unit.

## Background


- 10 The Riversdale Pool Committee has requested ongoing funding assistance of \$8,000 per annum (excluding GST) to help with pool operating costs, particularly following the upgrade of the pool heating system.
- 11 The board have considered this request and are proposing to establish a fund to provide annual funding assistance to all pools in the board area to which pool committees can apply for funding. There are two pools in the board area (Riversdale and Balfour).
- 12 The board received a report at their meeting on 5 October 2021 (attachment A) which outlined four options for how the proposed funding (\$8,000 excluding GST in 2022/2023) could be collected through rates.
- 13 The board have identified a preferred option and are seeking Council’s support to establish a new separate targeted pool rate across the Ardlussa Community Board area to collect the pool funds, subject to consultation with the community.
- 14 The report presents the board’s proposal and considers this against the funding principles and criteria identified by Council as part of last year’s funding and rating review.
- 15 If Council supports the board’s proposal, staff will carry out consultation with the community to gauge support (or otherwise) for this proposal.

## Issues

- 16 As part of last year’s funding and rating review, the Council developed a set of funding principles to guide thinking about how activities should be funded as follows:

- considering who benefits from the activity, when the benefits occur, who creates the need for the expenditure, the costs and benefits of funding separately and the impact it would have on community wellbeing (as per section 101(3) of the Local Government Act 2002)
- ensuring consistency in how similar activities are funded across the District where possible
- simplifying the approach to rating.

- 17 These principles were considered by the board as part of the 5 October 2021 report (attachment A) where the preferred funding option was discussed.
- 18 In terms of considering section 101(3) including the activity benefits, the board believe that swimming pools in the Ardlussa area are important assets that benefit the whole community because of the water safety and health benefits they offer as well as providing a space for recreation.
- 19 Because the board are proposing to establish a fund to provide annual funding assistance to all pools in the board area, they felt it was appropriate for all properties to contribute.
- 20 The board also felt that the contribution for each property should be the same because there was very little difference in the level benefit provided to different parts of the community despite differences in location (in townships). The board was of the opinion that rural families use the pools as much, if not more, than people in the townships with pools (Balfour and Riversdale). In addition, the board noted that the projects to improve the heating at the pools would likely encourage wider use by the community.
- 21 This is similar to the feedback received from other boards during the rating and funding workshops held last year (summarised in the table below) that the community benefits generally from swimming pools.

Activity	Who benefits?	What is the nature of the benefit?
	Everyone Exercisers Children and Families	<ul style="list-style-type: none"> <li>• Benefits accrue to the people who are able to access a swimming pool in their areas and the community generally by providing a place where people can learn to swim.</li> <li>• Pool users also benefit directly – exercise, recreation.</li> <li>• The level of public benefit is mitigated to some extent by the fact that swimming pools have restricted access, must generally be supervised and also charge entry fees.</li> <li>• Important to note that Council provides funding for swimming pools run by community groups or third parties, but does not provide these activities directly.</li> <li>• Not all community swimming pools are funded by rates.</li> </ul>

- 22 In terms of ensuring consistency in how similar activities are rated and simplicity in rating, the board believes that a new separate rate achieves this.
- 23 Based on the information that staff are aware of, there are around 30 swimming pools in Southland District. Thirteen of these currently receive funding from Council via seven targeted rates (Fiordland, Otautau, Riverton/Aparima, Takitimu, Tuatapere ward, Waihopai Toetoe and Winton).
- 24 All of these pools are funded through separate targeted rates (set as a fixed amount per property). Of these, three use separate pool rates that cover the whole or majority of community board area:
- Waihopai Toetoe have one pool rate that collects funding for the five pools in the area. Each pool makes an annual application to the board for their share of the pool rate and each pool committee provides information concerning their financials, maintenance plan, quotes for any capital works, usage, key holders etc. Representatives from the pool committee speak to the community board regarding their application

- Tuatapere Te Waewae have one pool rate that collects funding for the three pools in the area and the funds are distributed annually on an application basis
  - Fiordland have one pool rate that collects funding for one of the two pools in their area.
- 25 Other pools (eg Riverton, Winton, Takitimu, Otautau) use a different approach and have separate pool rates for specific pools with a defined area (generally covering the part of the community surrounding the pool being funded). In these instances, the rate funds a single pool.
- 26 As such, of the approaches used across the district, the board considered that a swimming pool rate similar to Waihopai Toetoe was the preferred option, given that it would cover the whole board area.

### **The board's preferred option**

- 27 The report to the board presented four main options for how any pool funding could be collected through rates:
- (a) Funding from existing Ardlussa Community Board rate (across whole board area). This would be collected using the differential where urban properties in the townships of Balfour, Riversdale and Waikaia would pay an additional \$14.84 (including GST) and other properties would pay \$3.71 (including GST).
  - (b) Funding from new separate pool rate set as a fixed amount per SUIP (across whole CB area). This would be collected from all properties that would pay the same fixed charge \$8.95 (including GST).
  - (c) Funding from new separate pool rate as a fixed amount (over smaller areas serviced by pools). This would be collected from those properties in the area considered to be directly serviced by the pools being funded. If this option was used and based on only the urban areas of Riversdale and Balfour paying, these properties would pay \$29.65 each
  - (d) Funding from combined hall/pool rate (based on smaller Riversdale and Balfour hall areas). Under this option properties in these areas would pay an additional \$13.41 each.
- 28 After considering Council's funding principles outlined above, including the benefit to the community as a whole and a desire to keep rating simple and consistent, the board expressed a clear preference for option (b) from the four options presented in the report.
- 29 This option involves establishing a new rate to be applied across all properties in the Ardlussa Community Board area with the rate to be set as a fixed amount per SUIP (separately used and inhabited part) of a rating unit. This would see all properties in the Ardlussa area paying a pool rate of around \$8.95 including GST.
- 30 The board are now seeking support of Council for this option in principle prior to undertaking consultation with their community to gauge support (or otherwise) for this proposal.

### Factors to consider

#### Legal and statutory requirements

- 31 Community boards have been delegated responsibility for recommending rates for local activities in the board area to Council however Council cannot delegate authority for rate setting. Any new rates or changes to rates must be confirmed by Council and included in an adopted Annual Plan or Long Term Plan.
- 32 As such this report has been prepared to outline the board's proposal before undertaking consultation with the community (as detailed below).

- 33 Following consultation, if the board wishes to proceed with establishing a new rate any new rate will then be included in the Annual Plan 2022/2023 to be adopted by Council.

#### Community views

- 34 Staff and board members have provided some feedback about the options outlined this report. In addition, the board has spoken to the Riversdale and Balfour pool committees and some members of the community to better understand current and potential pool use. This feedback has indicated that a range of people use both pools in the area and that use of the Riversdale pool from people in the wider board areas is expected to increase once the heating has been upgraded.
- 35 Due to this being a new rate, the community must have the opportunity to provide feedback. Council generally undertakes consultation on establishing a new rate as part of the Annual Plan or LTP process because Council cannot delegate authority for rate setting.
- 36 However, given the uncertainty about whether there will be public consultation on the Annual Plan 2022/2023, the board are proposing to run a separate consultation process to get feedback from their community on this issue before making any recommendations to Council about the rate. This consultation will substitute public consultation requirements in relation to the Annual Plan, particularly if it gives effect to the principles of consultation outlined in s82 of the LGA.
- 37 Staff have suggested that this be done via an online survey link that is made available on the board's Facebook page, school newsletters and hard copies surveys in strategic locations around the district such as the local stores in Balfour, Riversdale and Waikaia.
- 38 In addition, a targeted mailout to non-resident ratepayers will also be undertaken. The proposal will also be highlighted through Council's other channels to ensure that interested people outside of the Ardlussa area have an opportunity to comment.

#### Costs and funding

- 39 The board is proposing to establish a fund to provide annual funding assistance to all pools in the board area to which pool committees can apply for funding.
- 40 The board is proposing to collect \$8,000 (excluding GST) in 2022/2023 via a new Ardlussa pool rate. This will increase rates for all properties in the Ardlussa area.
- 41 Each SUIP (separately used or inhabited part of a rating unit) would pay an additional \$8.95 (including GST). SUIP includes any portion inhabited or used by the owner/a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement. For the purposes of this definition, vacant land which is not used or inhabited is not a SUIP.
- 42 Any new rate, if approved, will come into force from 1 July 2022.

#### Policy implications

- 43 Council already provides funding for a number of pools throughout the District. As such, Council's funding/financials policies and plans already make provision for this.
- 44 Any new rates will need to be incorporated into the Annual Plan 2022/2023 funding impact statement (rates section) to enable the rates to be collected. The catchment area of the rate will also need to be defined.
- 45 Council has previously signalled that it would like to ensure simplicity and consistency in how activities are funded through rates whilst using a rating approach that considers how activity

benefits are distributed across the community. These principles have been considered by the board in recommending the proposed new rate.

## Analysis

### Options considered

- 46 The options are to support the board's proposal (to establish a new separate targeted pool rate based on a fixed amount per SUIP across all properties in the Ardlussa Community Board area) for consultation or propose a different pool rating option for consultation (options include collecting via either the existing Ardlussa Community board rate or Balfour/Riverdale hall rates or a new separated targeted rate on selected properties in Balfour/Riversdale).

### Analysis of options

Option 1 – **support the board's proposal (to establish a new separate** targeted pool rate based on a fixed amount per SUIP across all properties in the Ardlussa Community Board area) for consultation

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• because pools benefit the whole community by improving water safety and provide other health/recreation benefits it is appropriate that all properties contribute</li><li>• relatively simple and consistent with how other areas in Southland are rated for pools</li><li>• enables the board to consult the community about the proposal</li></ul>	<ul style="list-style-type: none"><li>• increases the rate which may place financial burden on some households</li><li>• all properties would pay the same irrespective of differences in benefit (eg ease to accessing the pool depending on location)</li><li>• small increase in administration time associated with setting up and maintaining an additional rate</li><li>• less flexibility in how any unspent funds or accumulated reserves can be used without consultation</li></ul>



Option 2 – propose a different pool rating option for consultation (options include collecting via either the existing Ardlussa Community Board Rate or Balfour/Riverdale Hall rates or a new separated targeted rate on selected properties in Balfour/Riversdale

<i>Advantages</i>	<i>Disadvantages</i>
<p>Depending on the option chosen the advantages will vary:</p> <ul style="list-style-type: none"> <li>• avoids need for additional rates and additional administration (via existing community board rate or hall rates)</li> <li>• greater flexibility in how unspent funds or accumulated reserves can be used (via existing community board rate or hall rates)</li> <li>• relatively simple (all)</li> <li>• enables more detailed targeting by defining the area serviced by the pool so that only properties in the area contribute (via separate targeted rate on selected properties)</li> <li>• consistent with how other areas in Southland are rated for pools (separated targeted rate on selected properties)</li> <li>• would potentially identify what rating method Council would prefer to use for swimming pools</li> </ul>	<ul style="list-style-type: none"> <li>• would require staff to discuss the alternative rating method with the board</li> </ul> <p>Depending on the option chosen the disadvantages will vary:</p> <ul style="list-style-type: none"> <li>• urban and rural properties will pay different amounts which may not reflect benefits being provided (eg Waikaia will pay same as Balfour and Riversdale which have pools in their township) (via existing community board rate)</li> <li>• not all properties will contribute despite benefit to the community as a whole (separate targeted rate or hall rates)</li> <li>• less flexibility in how any unspent funds or accumulated reserves can be used without consultation (via separate targeted rate on selected properties)</li> </ul>

#### Assessment of significance

- 47 This proposal is not considered significant given the relatively small budget proposed (\$8,000). However, staff are conscious that some members of the community are likely to be interested in the proposal and as such have recommended that the board undertake consultation with the community.

#### Recommended option

- 48 Option 1 – support the board’s proposal (to establish a new separate targeted pool rate based on a fixed amount per SUIP across all properties in the Ardlussa Community Board area) for consultation.

### Next steps

- 49 If option 1 is supported staff will carry out the consultation process. If option 2 is supported and an alternative rating method is preferred, staff will need to advise the board of Council's preferred rating method.
- 50 Once consultation has occurred the board will consider any feedback before finalising the proposed rating method as part of the 2022/2023 Annual Plan process.
- 51 Any funding and associated new rate, if approved, will be incorporated into the 2022/2023 Annual Plan and come into force from 1 July 2022.

### Attachments

- A Report to 5 October 2021 Ardlussa Community Board meeting - Funding assistance request Riversdale pool [↓](#)

## Funding assistance request - Riversdale pool

Record no: R/21/8/49129

Author: Kelly Tagg, Community partnership leader

Approved by: Anne Robson, Chief financial officer

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 This report relates to a request from the Riversdale pool committee for ongoing financial assistance towards the Riversdale pool.
- 2 The Ardlussa Community Board (the board) is being asked to consider whether they wish to provide annual financial assistance for the pools in the Ardlussa area (Riversdale and/or Balfour) and, if so, what amount should be budgeted and whether the board has a preference about the rating method used collect these funds.

### Executive summary

- 3 The Riversdale pool committee wrote to the board in June 2021 seeking ongoing funding assistance of \$8,000 per annum (excluding GST) to help with pool operating costs and keep the pool open.
- 4 Staff presented a report to the board in August which asked for feedback from the board about providing funding assistance for the pool and detailed options for how any contribution could be funded, included as an attachment to this report.
- 5 These options included collecting funding for the pool through either the existing Ardlussa Community Board rate (which was the option recommended), Riversdale Hall rate, a new rate encompassing the Riversdale urban area or from reserves.
- 6 The board deferred a decision until more information could be provided about how other pools in the board area are funded, usage of pools and additional rating options.
- 7 Staff have since held a workshop with the board in September to develop a better understanding of their thinking as well as how the local community uses the two pools in the board's area.
- 8 The discussion from this workshop has helped to inform the information included in this report along with revised funding options.
- 9 The report presented to the Board at its meeting in August had the following recommendations which were proposed by officers;
  - a) **receives the report titled "Funding assistance request - Riversdale Pool Committee" dated 30 July 2021.**
  - 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) recommends to Council that the Ardlussa Community Board rate be increased by \$14.84 per urban ratepayer and \$3.71 per rural ratepayer so that a total \$8,000 plus GST is available to be paid as a grant to the Riversdale Pool Committee.**

- 10 However, following the workshop, a new set of recommendations are now before the board for consideration.
- 11 The Riversdale pool committee have also since advised staff that as they are still in the process of carrying out their upgrade that they are seeking annual funding from 2022 onwards rather than 2021.
- 12 The key proposals include:
- establishing a fund to provide annual funding assistance to all pools in the board area to which pool committees can apply for funding. This replaces the earlier proposal to fund the Riversdale pool only. This change is being suggested because there is more than one pool in the board area and this is consistent with the approach used in other areas that have more than one pool
  - setting the initial amount to be collected for the pool fund at \$8,000 (excluding GST) in 2022/2023. While this is in line with the earlier proposal, the earlier proposal related solely to the Riversdale pool. As such, if applications are received from both pools in the area, the board will need to determine the share of funding for each pool
  - collecting rates for the pool fund via a new separate targeted pool rate across all properties in the Ardlussa Community Board area where all properties pay a fixed amount per SUIP (separately used or inhabited part of a rating unit). This replaces the earlier recommendation to collect rates via the existing Ardlussa Community Board rate (which uses a differential where urban and rural properties pay different amounts).
- This change is being suggested in order to be consistent with how other pools in the district are rated and considering that the pools are seen to have a relatively equal benefit across the whole community. This option means both pools in the area have the opportunity to access funding.
- 13 While the board has delegated responsibility for recommending rates for local activities in the board area, only Council can set rates. Therefore, staff are proposing that a report be prepared for Council that recommends Council support the proposal.
- 14 Staff are also proposing that the board carries out separate consultation with the community to gauge support (or otherwise) for this proposal given Council is yet to consider whether it will be consulting over the annual plan.
- 15 If the board then wishes to proceed with establishing a new rate, a further report detailing the board's recommendations will need to be presented to Council.
- 16 Once confirmed by Council, any new rate will then be included in the Annual Plan 2022/2023 to be adopted by Council.

## Recommendation

That the Ardlussa Community Board:

- a) receives **the report titled “Funding assistance request - Riversdale pool” dated 27 September 2021.**
- 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 recommend to Council, and subject to community consultation, to:
  - (i) provide annual funding assistance to pools in the Ardlussa area
  - (ii) include \$8,000 (excluding GST) for pool funding in the Ardlussa Community Board budget for the Annual Plan 2022/2023
  - (iii) confirm a preference for establishing a new separate targeted pool rate across all properties in the Ardlussa Community Board to provide funding assistance for pools in the area, with the rate to be set as a fixed amount per SUIP (separately used and inhabited part) of a rating unit
- e) request that staff prepare a report to Council outlining the proposal for a new separate targeted pool rate as detailed in d(iii) above and recommend that Council supports the proposal and the proposed consultation approach.

## Background

- 17 The Riversdale pool committee wrote to the board in June 2021 seeking ongoing funding assistance of \$8,000 per annum (excluding GST) to help with pool operating costs, particularly following the upgrade of the pool heating system.
- 18 Staff prepared a report to the board for their meeting on 11 August 2021 (Attachment A) seeking a decision on the proposed grant and outlining options of how any grant could be funded.
- 19 During the discussion the board requested more information on:
  - different rating options and rating areas
  - how the other pool in the area at the Balfour School is currently funded and the likelihood that any grant funding (similar to that being requested for the Riversdale pool) would be requested for the Balfour pool in the future
  - whether or not Waikaia and Balfour schools would use the Riversdale pool for lessons for their children if it was adequately heated (noting the board understood that the schools currently used the swimming pool in Gore).

- 20 As this information was not available at the 11 August 2021 meeting, the board resolved to lie the report on the table until a future meeting. This report replaces the prior report presented to the board 11 August 2021 titled “Funding assistance request – Riversdale pool”. This report builds on the earlier information and provides additional information as requested by the board.
- 21 Staff and board members have since talked to members of the community to better understand the wider usage of pools in the area. Key points include:
- there are two pools in the Ardlussa Community Board area – one at Riversdale School and the other at Balfour School
  - Riversdale pool is considered to be a community pool – that is one where ownership is shared between the community and the Ministry of Education (MoE). MoE provided \$958.17 as part of the wider property maintenance grant for operating costs associated with the pool.
  - Balfour pool is 100% ministry owned and funded and received \$685.52 from MoE for operational costs in 2021 as part of their property maintenance grant. Balfour School have just received confirmation from the MoE that they will fund the replacement of the pool roof and heating system
  - Waikaia School representatives indicated they would be interested in using the Riversdale pool again for swimming lessons if it was adequately heated. Balfour School representatives indicated that would be unlikely to travel to Riversdale for swimming lessons if their own pool was available
  - Balfour School have indicated that they would also welcome assistance from the board towards their annual pool operating costs.
- 22 Staff held a workshop with the Ardlussa Community Board on 8 September 2021 to explain the information received about pool usage and how other boards fund swimming pools. The workshop also provided an opportunity for staff to get input from the board about the funding options. This has been used to inform this report and revise the rating options proposed.

#### Issues


- 23 The key issues for the Ardlussa Community Board to determine are:
- a) whether to provide ongoing financial assistance to pools in the board area (noting that while the original request was for the Riversdale School pool, there is another pool at Balfour School which should also be considered.
- If the board agrees to provide financial assistance:*
- b) what amount of funding is needed?
  - c) whether the board has a preference for how these funds should be collected?
- 24 These issues are discussed in more detail below. In terms of (c), new rates must be included in an adopted Annual Plan or Long-Term Plan. Council generally undertakes consultation on establishing a new rate as part of these planning processes because Council cannot delegate authority for rate setting. However, given the uncertainty about whether there will be public consultation on the Annual Plan 2022/2023, staff are recommending that the board run a separate consultation process to get feedback from their community on this issue before making any recommendations to Council about the rate. This consultation could substitute public consultation requirements in relation to the Annual Plan, particularly if it gives effect to the principles of consultation outlined in s77 and s78 of the LGA.

25 Because Council is responsible for rate setting, staff are recommending that a report be prepared for Council outlining the boards proposal for a new rate prior to any consultation starting.

a) Whether to provide ongoing financial assistance to pools in the area?

26 Based on the information that staff are aware of, there are around 30 swimming pools in the Southland District. Thirteen of these currently receive funding from Council via seven targeted rates.

27 As part of the rating and funding workshops held with community boards last year, the nature of the benefits provided by swimming pools were identified as shown in the figure below. The feedback indicated that while the community benefits generally from swimming pools, differences in the ease of accessing pools (caused by where pools are located and whether they are locked) creates variations in the level of benefit experienced between areas and individuals.

Activity	Who benefits?	What is the nature of the benefit?
 <p>Swimming Pools</p>	<p>Everyone Exercisers Children and Families</p>	<ul style="list-style-type: none"> <li>• Benefits accrue to the people who are able to access a swimming pool in their areas and the community generally by providing a place where people can learn to swim.</li> <li>• Pool users also benefit directly – exercise, recreation.</li> <li>• The level of public benefit is mitigated to some extent by the fact that swimming pools have restricted access, must generally be supervised and also charge entry fees.</li> <li>• Important to note that Council provides funding for swimming pools run by community groups or third parties, but does not provide these activities directly.</li> <li>• Not all community swimming pools are funded by rates.</li> </ul>

28 At the September 2021 workshop the Ardlussa Community Board also discussed the benefits provided by swimming pools in their area. The board said that they believe pools are important assets that benefit the whole community because of the water safety and health benefits they offer as well as providing a space for recreation.

29 The board also discussed the tension that voluntary committees face to raise enough funds to maintain these facilities at a level which encourages people to use them.

30 The board needs to balance both benefits and the impact on rates when considering whether or not to provide funding assistance.

31 While the original funding request received by the board was for \$8,000 (excluding GST) of annual operational funding for the Riversdale pool only, Balfour school representatives have since indicated that financial assistance for the Balfour pool would be welcome.

32 Given there are some key differences in how the two pools are funded by the MoE (Balfour 100% funded vs Riversdale 10% funded), staff believe that it would preferable to establish a combined fund for pools in the area rather than funding each pool separately. This approach would provide the board with flexibility to distribute funds based on the relative needs of each pool (now and in the future) whilst considering principles of fairness and equity, particularly given that each pool is funded differently by MoE.

33 This approach is in line with how a number of other pools in the southland district receive rate funding. Of the 13 pools in the district that currently receive rate funding, three use separate pool rates that cover the whole or majority of community board area:

- Waihopai Toetoe have one pool rate that collects funding for the five pools in the area. Each pool makes an annual application to the board for their share of the pool rate and each pool committee provides information concerning their financials, maintenance plan, quotes for any capital works, usage, key holders etc. Representatives from the pool committee speak to the community board regarding their application.
- Tutatapere Te Waewae have one pool rate that collects funding for the three pools in the area and the funds are distributed annually on an application basis.
- Fiordland have one pool rate that collects funding for one of the two pools in their area.

- 34 Other pools (e.g. Riverton, Winton, Takitimu, Otautau) use a different approach and have separate pool rates for specific pools with a defined area (generally covering the part of the community surrounding the pool being funded). In these instances, the rate funds a single pool.
- 35 In terms of providing funding assistance, staff believe that the board has three options:
- establish a combined swimming pool fund for the Ardlussa Community Board area which can be used to provide financial assistance to any pool in the area (Riversdale and/or Balfour pools) with funds distributed annually on an application basis; or
  - provide financial assistance to the Riversdale pool only (in line with the original request received from the Riversdale pool committee); or
  - decline the request and do not provide any financial assistance to pools in the area.
- 36 Considering there are two pools in the Ardlussa area, it is suggested that the board take a similar approach as Waihopai Toetoe and Tuatapere Te Waewae.
- 37 As such it's proposed that the board establish a combined swimming pool fund.**



b) If the board supports providing financial assistance, what amount of funding is needed?

38 The Riversdale pool committee originally requested annual financial assistance of \$8,000 (excluding GST) from the board. This was based on their estimate of annual operating costs over and above key sales.

39 At this stage the board has not received any requests for a specific amount of funding for the Balfour pool.

40 **If the board is in favour of providing financial assistance to pools annually, it is suggested that the board initially budget to collect an additional \$8,000 (plus GST) in rates in 2022/2023 to go towards a combined fund for pools in the Ardlussa area.**

41 The board could then ask each pool committee to make application for funding (based on the approach taken in Waihopai Toetoe and Tuatapere Te Waewae) and allocate these funds between the two pools on an annual basis. It should be noted that this does not necessarily mean a 50/50 split of funds. The funding allocation will be at the boards discretion and based on need.

42 Table 1 included below shows the increase in rates for different rating options.

43 The board may also need to consider how it would like to deal with any unspent pool funds that may accumulate. Typically, any unspent funds are collected in a reserve and used to either reduce rates for the activity the following year or retained and used to fund specific projects related to that activity. While ideally Council wants to avoid accumulating reserves, this can occur from time to time where projects are delayed or priorities change. Previous guidance provided to Council on this has indicated that unspent funds must be used on the activity that they were collected for and in the areas from which they were collected, unless the Council consults the community about using the funds in a different manner.

44 Given that the board is likely to consult the community about its proposal to provide funding for pools in the area, it may also be useful to seek feedback about whether the community would support the board having the ability to use any unspent funds on other activities in the Ardlussa area future. If supported, this would provide the board with more flexibility in how any unspent funds can be used.

c) If the board supports providing financial assistance, is there a preference for how these funds should be collected?

45 As part of last year's funding and rating review, the Council developed a set of funding principles to guide thinking about how activities should be funded as follows:

- considering who benefits from the activity, when the benefits occur, who creates the need for the expenditure, the costs and benefits of funding separately and the impact it would have on community wellbeing (as per section 101(3) of the Local Government Act 2002)
- ensuring consistency in how similar activities are funded across the district where possible
- simplifying the approach to rating

46 The decision on how to fund any contribution towards pools in the Ardlussa area should aim to balance these factors.

47 As noted above, the general view is that pools benefit the community as a whole by providing water safety/health/recreation/social benefits. However, the level of benefit to individual properties/people can vary depending on how easy it is to access a pool either because of its location and whether it has restricted key access.

48 In terms of rating consistency and simplicity, all other pools in the district that receive rate funding are funded through a separate targeted rate (set as a fixed amount per property). These

rating areas typically encompass either the whole community board area (or similar) or smaller defined areas around an individual pool (to represent the area/part of the community serviced by the pool). The other option to simplify rating would be to collect the pool funding through an existing rate (being either the Ardlussa Community Board rate or the Riversdale/Balfour Hall rates).

**Rating options for a combined fund for Ardlussa pools**

- 49 In considering the options it is important to note that rating will never perfectly reflect benefit / user pays thinking as it is a property-based taxation model. There is also no right answer - making judgements about the appropriateness of rating and funding tools is a matter for the subjective policy judgement of elected members.
- 50 Staff have identified several options for how any pool funding could be collected through rates. The table below shows the four main rating options and the impact of the options on rates per property. For the purposes of this analysis it is assumed that the board has a preference to establish a combined fund for both the Riversdale and Balfour pools as explained earlier in the report and the total amount to be collected is in line with the original Riversdale pool committee request (\$8,000 excluding GST).
- 51 Three of these options (A, C and D) in the table below are similar to options presented in the 11 August 2021 report (noting that C and D vary slightly to include Balfour as well as Riversdale urban/hall areas).
- 52 Based on the feedback from the board workshop discussed above, staff believe that there is likely to be general agreement that all properties in the Ardlussa Community Board area should contribute towards pools particularly after considering the funding principles, namely the benefit to the community as a whole and a desire to keep rating simple and consistent.
- 53 If this is the case, then option A or B provide the best mechanisms to achieve this given that the other options do not rate all properties in the board area.
- 54 Between option A and B, the main difference is that option B would see all properties paying the same amount. While this provides consistency with how a number of other pools in the district are currently funded, it does not differentiate payment according to ease of access (level of benefit).
- 55 Weighing up these factors and the feedback obtained to date, option B (where pool funding is collected through a new separate rate as a fixed amount per property) is likely to be preferred. This option would add around \$8.95 (including GST) onto the rates for all properties in the board area.

**Table 1: Analysis of rating options - combined fund for Ardlussa pools (Riversdale/Balfour)**

(A) Funding from existing Ardlussa Community Board rate (across whole board area)	(B) Funding from new separate pool rate set as a fixed amount (across whole CB area)	(C) Funding from new separate pool rate as a fixed amount (over smaller areas serviced by pools)	(D) Funding from combined hall/pool rate (based on smaller Riversdale and Balfour hall areas)
<ul style="list-style-type: none"> <li>• keeps rating simple</li> <li>• all properties contribute reflecting community wide benefit</li> <li>• the differential used for this rate means urban areas (Waikaia, Riversdale, Balfour) pay more (full charge) than rural areas (quarter charge). This is despite suggestions that properties in rural areas may use the pools as much, if not more, than urban areas</li> <li>• Waikaia township (which has no pool) would pay the same as towns with pools (Balfour/ Riversdale)</li> <li>• this would be inconsistent with how other pools in the district are being rated with all properties paying same within defined area</li> <li>• greater flexibility on how any unspent funds or accumulated reserves could be used to fund other community board activities</li> </ul>	<ul style="list-style-type: none"> <li>• <b>all properties contribute reflecting community wide benefit</b></li> <li>• <b>all properties pay the same irrespective of ease of access</b></li> <li>• <b>consistent with how other areas are rated for pools</b></li> <li>• <b>less flexibility on how any unspent funds or accumulated reserves can be used without consultation</b></li> <li>• <b>keeps rating relatively simple but an extra rate may add to complexity</b></li> <li>• <b>rate shown separately on rates notice.</b></li> </ul>	<ul style="list-style-type: none"> <li>• enables more detailed targeting by defining the area serviced by the pool so that only properties in the area contribute (e.g. could be set up include Riversdale and Balfour and associated rural areas but exclude Waikaia)</li> <li>• consistent with how other areas are rated for pools</li> <li>• along similar lines of how some other areas are rated for pools</li> <li>• less flexibility on how any unspent funds or accumulated reserves can be used without consultation</li> <li>• extra rate adding to complexity</li> <li>• rate shown separately on rates notice.</li> </ul>	<ul style="list-style-type: none"> <li>• keeps rating simple</li> <li>• enables more detailed targeting by using existing hall rating areas to reflect the area serviced by pool(s) so that only properties in these areas contribute</li> <li>• some flexibility on how any unspent funds or accumulated reserves can be used without consultation</li> </ul>
<b>Rate increase per property (including GST)</b>			
Urban: \$14.84 Rural: \$3.71	<b>All: \$8.95</b>	Dependent on defined area eg Riversdale/Balfour urban areas only: \$29.65	All properties in Balfour and Riversdale hall areas: \$13.41

- 56 Before any new rate is introduced it is recommended that the Ardlussa Community Board should consult with their community to gauge support (or otherwise) for this proposal. This would usually be done as part of the consultation over the Annual Plan 2022/2023, however because Council may not be consulting on the annual plan this year, staff are suggesting that the board undertake separate consultation as detailed below.

### Factors to consider

#### Legal and statutory requirements

- 57 As noted earlier in the report, Council cannot delegate authority for rate setting. Any new rates or changes to rates must be confirmed by Council and included in an adopted annual plan or long-term plan.
- 58 However, community boards have been delegated responsibility for recommending rates for local activities in the board area to Council.

- 59 As such staff are recommending that a report be prepared for Council outlining the boards proposal before the board undertakes any separate consultation with the community (as detailed below).
- 60 Following consultation, if the board wishes to proceed with establishing a new rate, a further report detailing the board's recommendations will need to be presented to Council.
- 61 Once confirmed by Council, any new rate will then be included in the Annual Plan 2022/2023 to be adopted by Council.

#### Community views

- 62 As outlined in the background section, staff and board members have provided some feedback in this report on the proposal to fund the Riversdale pool following the 11 August 2021 meeting and as part of a September workshop.
- 63 If the community board supports the proposal to establish a fund to provide annual funding assistance to all pools in the Ardlussa area, staff are suggesting that the board provide an opportunity for the community to provide feedback on the proposal through a separate consultation process.
- 64 As noted above, this will ensure that there is an opportunity for the community to comment irrespective of Council's decision whether to consult on the Annual Plan 2022/2023.
- 65 Council generally undertakes consultation on establishing a new rate as part of the Annual Plan or LTP process because Council cannot delegate authority for rate setting. However, given the uncertainty about whether there will be public consultation on the Annual Plan 2022/2023, staff are recommending that the board run a separate consultation process to get feedback from their community on this issue before making any recommendations to Council about the rate. This consultation could substitute public consultation requirements in relation to the Annual Plan, particularly if it gives effect to the principles of consultation outlined in s77 and s78 of the LGA.
- 66 Staff have suggested that this be done via an online survey link that is made available on the board's Facebook page, school newsletters and hard copies surveys in strategic locations around the district.
- 67 In addition, a targeted mailout to non-resident ratepayers could also be undertaken. The proposal will also be highlighted through Council's other channels to ensure that interested people outside of the Ardlussa area also have an opportunity to comment. [

#### Costs and funding

- 68 The board can choose to go ahead and establish a fund to provide ongoing funding assistance to pools in the Ardlussa area or not.
- 69 If the board agrees to establish a pool fund, this will increase rates for properties in the Ardlussa area. The amount of increase will depend on how the rates are collected. Staff have identified four main options for how the funds could be collected including via:
- a) the existing Ardlussa Community Board rate which is collected using a differential where urban properties in the townships of Balfour, Riversdale and Waikaia would pay an additional \$14.84 (including GST) and other properties would pay \$3.71 (including GST)
  - b) a new separated targeted pool rate across the Ardlussa Community Board where all properties would pay the same fixed charge \$8.95 (including GST)
  - c) a new separate targeted pool rate across selected properties in the area (being the area considered to be directly serviced by the pools being funded). If this option was based on

only the urban areas of Riversdale and Balfour paying, these properties would pay \$29.65 each.

- d) the existing Riversdale and Balfour hall rates. Under this option properties in these areas would pay an additional \$13.41 each.

70 These difference between these options are explained in more detail in the earlier table.

71 If the board recommends that a new rate be set up to collect funding for pools and Council supports the recommendation, then the new rate will come into force from 1 July 2022.

#### Policy implications

72 Council already provides funding for a number of pools throughout the District. As such, Council's funding/financials policies and plans already make provision for this.

73 Any new rates will need to be incorporated into the Annual Plan 2022/2023 funding impact statement (rates section) to enable the rates to be collected. The catchment area of the rate will also need to be defined.

74 Council has previously signalled that it would like to ensure simplicity and consistency in how activities are funded through rates whilst using a rating approach that considers how activity benefits are distributed across the community. As such, these principles should be considered when determining how to fund any contribution towards swimming pools in the Ardlussa Community Board area. Of the four options considered, the separate targeted pool rate across all properties in the Ardlussa Community Board area is seen to provide the best fit with these principles.

#### Analysis

##### Options considered

75 The options are to either to establish a budget for an Ardlussa pool fund in the amount of \$8,000 (plus GST) per annum to be funded via a new separated targeted pool rate across all properties in the Ardlussa Community Board area or via another rate or to not provide pool funding.

76 Additional commentary about the options and why these have been considered can be found earlier in the report.

#### Analysis of Options

Option 1 – establish a budget to provide financial assistance for pools in the Ardlussa area in the amount of \$8,000 plus GST in 2022/2023 to be collected via a new separate targeted pool rate based on a fixed amount per SUIP across all properties in the Ardlussa Community Board area. *Note - this is rating option B discussed in the body of the report*

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• additional financial assistance is available to pools to assist with operational costs and ensure that facilities remains available to the community.</li> <li>• because pools benefit the whole community by improving water safety and provide other health/recreation benefits it is appropriate that all properties contribute</li> <li>• relatively simple and consistent with how other areas in Southland are rated for pools</li> </ul>	<ul style="list-style-type: none"> <li>• increases the rate which may place financial burden on some households.</li> <li>• may end up displacing MoE funding, particularly if schools use allocated pool funding for other school</li> <li>• all properties would pay the same irrespective of differences in benefit (eg ease to accessing the pool depending on location)</li> </ul>

	<ul style="list-style-type: none"> <li>• small increase in administration time associated with setting up and maintaining an additional rate</li> <li>• less flexibility in how any unspent funds or accumulated reserves can be used without consultation</li> </ul>
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Option 2 – establish a budget to provide financial assistance for pools in the Ardlussa area in the amount of \$8,000 plus GST in 2022/2023 to be collected via either the existing Ardlussa Community Board Rate or Balfour/Riverdale Hall rates or a new separated targeted rate on selected properties in Balfour/Riversdale. *This option covers rating options A, C and D discussed in the body of the report.*

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• additional financial assistance is available to pools to assist with operational costs and ensure that facilities remains available to the community.</li> </ul> <p>Depending on the option chosen the advantages will vary:</p> <ul style="list-style-type: none"> <li>• avoids need for additional rates and additional administration (via existing community board rate or hall rates)</li> <li>• greater flexibility in how unspent funds or accumulated reserves can be used (via existing community board rate or hall rates)</li> <li>• relatively simple (all)</li> <li>• enables more detailed targeting by defining the area serviced by the pool so that only properties in the area contribute (via separate targeted rate on selected properties)</li> <li>• consistent with how other areas in Southland are rated for pools (separated targeted rate on selected properties)</li> </ul>	<ul style="list-style-type: none"> <li>• increases rates which may place financial burden on some households.</li> <li>• may end up displacing MoE funding, particularly if schools use allocated pool funding for other school</li> </ul> <p>Depending on the option chosen the disadvantages will vary:</p> <ul style="list-style-type: none"> <li>• urban and rural properties will pay different amounts which may not reflect benefits being provided (eg Waikaia will pay same as Balfour and Riversdale which have pools in their township) (via existing community board rate)</li> <li>• not all properties will contribute despite benefit to the community as a whole (separate targeted rate or hall rates)</li> <li>• less flexibility in how any unspent funds or accumulated reserves can be used without consultation (via separate targeted rate on selected properties)</li> </ul>

Option 3 – decides not to provide financial assistance for pools in the Ardlussa area

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• no further rates increase will be required.</li> <li>• MoE funding for pools would be less likely to be used for other school projects.</li> </ul>	<ul style="list-style-type: none"> <li>• pools may not be to operate unless additional funds are secured.</li> </ul>

### Assessment of significance

- 77 This proposal is not considered significant given the relatively small budget proposed (\$8,000). However, staff are conscious that some members of the community are likely to be interested in the proposal and as such have recommended that the board undertake consultation with the community.

### Recommended option

- 78 Option 1 – to establish a budget to provide financial assistance for pools in the Ardlussa area in the amount of \$8,000 plus GST in 2022/2023 to be collected via a new separate targeted pool rate based on a fixed amount per SUIP across all properties in the Ardlussa Community Board area.

### Next steps

- 79 Once the Ardlussa Community Board confirms their preferred approach, a report will be prepared for Council including the board's recommendation on any new rate proposed and the intention to consult the community separately about the proposal.
- 80 Once consultation has occurred the board will consider any feedback before finalising their recommendations to Council as part of the 2022/2023 Annual Plan process.
- 81 If the board does not support the proposal, the status quo will remain and the pool committee will be advised accordingly.

### Attachments

- A Report to 11 August 2021 meeting - Item 7.3 Funding assistance request - Riversdale pool





## Change to fees and charges

Record no: R/21/10/55517

Author: Julie Conradi, Manager building solutions

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

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 Advise Council that one building type has been identified as not fitting the model of the new schedule of fees and charges approved for building fees FY 2021/2022.
- 2 Reduce the Council charge for buildings that only fit the criteria specified in this report (unlined sheds/ accessory buildings) to ensure that all fees charged recover only reasonable costs.
- 3 Obtain a Council decision to amend the current year schedule of fees and charges (FY 2021/2022) to include a new fee type that specifies 'unlined shed/ accessory building' as proposed in this report.
- 4 Apply the new fee type proposed in this report to all consents which have been lodged with Council from 1 July 2021. This means issuing a credit note where that fee has already been invoiced.

### Executive summary

- 5 The building team fee structure was implemented by Council on 1 July 2021. The new structure altered the way fees are charged (by value of work rather than type of work) and brought them into alignment with best practice and adjusted them to the cost of doing business.
- 6 Following the implementation of the new fee structure, customers provided feedback that in their view the fee for residential unlined sheds and/ or accessory buildings is too high. Staff considered this feedback and undertook investigations that have subsequently identified that the new fees for residential unlined sheds and/ or accessory buildings do in fact exceed the cost to Council for processing and inspecting these buildings. On this basis, staff are proposing Council amend the fees (for three different values of sheds/accessory buildings) to more accurately reflect the cost to Council.
- 7 Staff have analysed how the new fees would impact the building team's budget and cashflow. It is anticipated that increased volumes of work and alternative types of work (when compared to those forecast) will mean no new funding will be required to cover the 'reduced income' as a result of reducing the fee amount (for residential unlined sheds and/ or accessory buildings).
- 8 Staff are recommending Council introduce the new reduced fees and apply them to the building team's schedule of fees and charges for the 2021/2022 financial year (being the current year). This recommendation includes applying the revised fees to all related building consent applications received from 1 July 2021, issuing credit notes for any relevant building consents that have been invoiced against the current fee.

## Recommendation

That the Council:

- a) **receives the report titled “Change to fees and charges” dated 19 October 2021.**
- 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 change to the schedule of fees and charges FY 2021/2022 to add the three new fees for unlined shed / accessory building by value of work being:
  - value of work \$20,001 > \$500,000 – \$2,230
  - value of work \$500,001 > \$900,000 – \$3,775
  - value of work < \$900,000 – \$4,535.
- e) approves the retrospective application of the new fees (outlined in recommendation d) for all building consent applications lodged from 1 July 2021.
- f) notes that the income loss (realised by recommendation d) will be covered by increased income made by other activities delivered by the building team in the current financial year.

## Background

- 9 A new building team fee structure was proposed and approved to be implemented by Council commencing 1 July 2021. This change included both the way fees are charged (by value of work rather than type of work) and also an increase to the fees to bring them into alignment with the cost of doing business. It had been quite a few years since fees for the building team had been increased.
- 10 The current fees, introduced on 1 July 2021 were scrutinised closely to ensure that they recover only reasonable costs when the whole of life of each activity has been accounted for both in isolation (for this Council only) and also when compared with other Councils.
- 11 The evaluation process completed scrutinised the proposed fees against a variety of scenarios, ensuring a relevant fee was applied when considering the lifecycle cost of delivering each service.

## Issues

- 12 One scenario has been identified by staff and the community as being inconsistent with the new fee model applied by Council. This scenario relates to a building type that does not increase in time and cost to process, or volume of inspections at the same rate as other types of builds with more complex designs.

- 13 It is noted that this inconsistent scenario relates ONLY to residential unlined sheds and/or accessory buildings that meet the below criteria
- have been engineer designed, with a Producer Statement 1 (PS1) provided to Council
  - contain no plumbing / drainage (other than stormwater)
  - contain no specified systems / safety systems
  - have no lined occupied spaces.
- 14 Once the above criteria are included in a build, the level of technical qualifications held by Council and number of inspections increases, making the cost of processing and inspecting these building times applicable to be charged per the current schedule of fees and charges.
- 15 It was an unintentional oversight that this particular scenario was not included in the earlier scrutiny when proposing new fees. As a result, this report requests that the current schedule of fees and charges (FY 2021/2022) be revised to introduce a new specified fee as shown below:
- unlined shed/ accessory building – value of work \$20,001 > \$500,000 – new fee \$2,230
  - unlined shed/ accessory building – value of work \$500,001 > \$900,000 – new fee \$3,775
  - unlined shed/ accessory building – value of work < \$900,000 – new fee \$4,535.
- 16 A review of the current fees and charges against this scenario shows the below mis-alignment of current fee vs proposed fee (where the proposed fee is adjusted to only recover reasonable costs). It is clear that the greater the value of the shed the greater the mis-alignment of fees.
- shed value \$18,000 – current fee \$1,885 – proposed fee \$1,375 = \$510 difference
  - shed value \$25,000 – current fee \$2,575 – proposed fee \$2,230 = \$345 difference
  - shed value \$100,000 – current fee \$3,225 – proposed fee \$2,230 = \$995 difference
  - shed value \$250,000 – current fee \$3,925 – proposed fee \$2,230 = \$1,695 difference
  - shed value \$450,000 – current fee \$5,085 – proposed fee \$2,230 = \$2,855 difference
  - shed value \$650,000 – current fee \$6,975 – proposed fee \$3,775 = \$3,200 difference
  - shed value \$950,000 – current fee \$9,085 – proposed fee \$4,535 = \$4,550 difference.

#### Factors to consider

##### Legal and statutory requirements

- 17 Under section 101 of the Local Government Act 2002, Southland District Council must manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interest of the community.

- 18 Under section 150 of the Local Government Act 2002, Southland District Council may recover the reasonable costs it incurs in providing certificates, authorities, approvals, permits or consents, or undertaking inspections.
- 19 Other acts, such as the Building Act 2004, also authorise the Council to apply fees or charges for certain functions and activities. Council will also recover as a fee the reasonable costs incurred for responding to and resolving incidents of non-compliance with the relevant legislation from those responsible for the incident. It is noted that the regulatory fees and charges included in this report are not prescribed specifically within the Building Act 2004.

#### Community views

- 20 While Council has not consulted on this fee change, strong community views have been received promoting this change proactively and so separate consultation was felt to be unnecessary as this change is a reduction in fee and not an increase.
- 21 Council staff are not proposing to seek further community views on this matter as it is not a significant decision. Council already has a good understanding of the views and preferences of people likely to be interested in or affected by this matter, and there may be little benefit in engaging with our communities when Council is bound by legislation.

#### Costs and funding

- 22 The impact of this change is a loss of income. The quantum of this impact will depend on volume and complexity of work received by Council. Based on work received FY20/21 it is estimated this income loss collectively (including credits issued) will not exceed \$137,260 for the year.
- 23 This income loss is forecast to be funded by a combination of un-planned activities being completed by the building team (such as working with property owners to resolve historical issues with their buildings and obtain a Code Compliance Certificate) and also through an increased volume of work being completed by the building team during the year than was originally forecast (such as building consent amendments and minor variations which significantly increased last year and was not forecast).

#### Policy implications

- 24 This change in income will be included in the Annual Plan (FY22/23) forecasting. Due to an increase in volume of work (greater than was originally forecast) there is no known mis-alignment with income figures stated in the Long-Term Plan 21-31.

#### Analysis

##### Options considered

- 25 Three options have been considered as part of this proposal including:
- do nothing
  - apply changes to fees only for new applications received from the date of the decision
  - apply changes to fees for all new applications received from 1 July 2021, issuing credits where required.

## Analysis of Options

### Option 1 – Do nothing

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>income remains greater than or equal to forecast.</li> </ul>	<ul style="list-style-type: none"> <li>fees remain out of alignment with sections 101 and 150 of the Local Government Act by not choosing to recover ‘reasonable costs’ only</li> <li>community and industry dis-satisfaction will grow creating an increase in complaints impacting staff, executive and Council capacity.</li> </ul>

### Option 2 – Change fee from approval date only

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>change is less onerous to implement as no credit notes are to be generated</li> <li>brings fees into alignment with sections 101 and 150 of the Local Government Act by recovering ‘reasonable costs’ only.</li> </ul>	<ul style="list-style-type: none"> <li>reduced income will be realised for the year when compared to potential income from current fees schedule</li> <li>disadvantages community members who have already applied for consents which fall into this category since 1 July 2021</li> <li>system changes to be applied and tested to ensure new fees calculate correctly.</li> </ul>

### Option 3 – Change fees and retrospectively apply from 1 July 2021

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>brings fees into alignment with sections 101 and 150 of the Local Government Act by recovering ‘reasonable costs’ only</li> <li>all community members receive the benefit of this change regardless of the date they applied for a building consent within the current financial year.</li> </ul>	<ul style="list-style-type: none"> <li>this option will realise the greatest reduction of income for the year when compared to potential income from current fees schedule</li> <li>this change is more onerous to implement as system changes will be required in addition to credit notes being generated and clear communication being provided.</li> </ul>

## Assessment of significance

- 26 This decision has been deemed ‘not significant’ by staff as it is bringing this fee into alignment with the remaining cost model by recovering only reasonable costs. The recommended option reduces the effect on the community.
- 27 Interested and affected parties are property owners and designers who have quoted a fixed price to property owners prior to being made aware of the final FY 2020/2021 new fee structure being

approved by Council. As this is a reduced fee going forward (or a credit being issued now), this decision is likely to be well received by affected parties.

- 28 Ratepayers are not considered to be an affected party as any loss of income will not be covered by rates, nor will this decision increase the cost to deliver this function.
- 29 This decision is likely to have a positive effect on the economic wellbeing of the district. Simple unlined sheds/ accessory buildings are typically built to meet a need such as storing feed or creating a wintering shed for cattle. In the current Covid-19 environment the less onerous it is for the community to meeting this need the greater the wellbeing of all involved.

#### Recommended option

- 30 The manager building solutions recommends that Council approve option 3, ensuring that all functions performed by the building team recover only reasonable costs during the full financial year.

#### Next steps

- 31 Once approved, the manager building solutions will:
- advise all complainants in writing of this decision, thanking them for their feedback and opportunity to investigate and rectify this fee which did not fit the new fees model
  - issue a credit note for all 34 invoices generated only for the specified type of shed application since 1 July 2021
  - work with the finance and communication teams to update the schedule of fees and charges 2021 and publish a revised version of the building fees which applies this decision
  - work with the information technology team to change the fee calculations within the system so that all future invoices generate the revised, correct fee.

#### Attachments

There are no attachments for this report.

## Unbudgeted expenditure - Riversdale playground and Jack and Mattie Bennett Memorial Park

Record No: R/21/9/53663  
Author: Angie Hopkinson, Community facilities contract manager  
Approved by: Nick Hamlin, Group manager programme delivery

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 The purpose of the report is for Council to approve unbudgeted expenditure figures which relate to increased scopes within playground projects for delivery in the 2021/2022 financial year. These have both been recommended by the Ardlussa Community Board and Tuatapere Te Waewae Community Board at their meetings held respectively on the 11 August and 16 August 2021.
- 2 \$41,030.54 is required for Ardlussa Community Board's preferred upgrade option for the project number P-10789 at the Riversdale playground. This will be funded from a loan.
- 3 \$45,276.65 is required for Tuatapere Te Waewae Community Board's preferred upgrade option for the project number P-10821 at Jack and Mattie Bennett Memorial Park playground. This will be funded from Tuatapere general reserve.

### Executive summary

- 4 As part of the ongoing playground work throughout the district, Riversdale and Jack and Mattie Bennett Memorial Park playgrounds both had a project approved for year one of the Long-Term Plan (LTP) based on equipment priority reporting. These projects are P-10789, which has a current budget of \$10,000 (Riversdale playground) and P-10821 has a current budget of \$11,914 (Jack and Mattie Bennett Memorial Park playground).
- 5 Staff have been continuing their work in this space and as a result of ongoing reporting, planning and research, staff provided the board with alternative options to consider in the play spaces where projects are already planned for delivery. Our priorities have also shifted from purely equipment-based maintenance and replacement to the wider play outcomes, design and surface priorities.
- 6 The project scope documents (attachments A and B) presented to each board as part of the scope confirmation for 2021/2022 locally funded projects, gave a full summary of information to the board to make an informed decision on two scope options. One within the original budget and one that required further funding.
- 7 Ardlussa Community Board and Tuatapere Te Waewae Community Board both selected option 2 within their playground project scope, which means an increase of budget requirement in this delivery year. Staff then presented an unbudgeted expenditure report to each board at the following board meeting. Both boards ratified their earlier decision, committing to the larger scope and recommending to Council the unbudgeted expenditure. This report is to get the funding formally approved through Council following each board's recommendation.

## Recommendation

That Council:

- a) **Receives the report titled “Unbudgeted expenditure - Riversdale playground and Jack and Mattie Bennett Memorial Park playground” dated 19 October 2021.**
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Approves the unbudgeted expenditure of \$41,030.54 funded by way of loan in order to fund option 2 from the scope document of project P-10789 in Riversdale **playground as per Ardlussa Community Board’s recommendation.**
- e) Approves the unbudgeted expenditure of \$45,276.65 funded from the Tuatapere general reserves in order to fund option 2 from the scope document of project P-10821 in Jack and Mattie Bennett Memorial Park playground as per Tuatapere Te **Waewae Community Board’s recommendation.**

## Background

- 8 From 2019, staff have endeavoured to look at the way we maintain, plan for and look at play and playgrounds. We have had a comprehensive outdoor level 3 audit (equipment) only. We have also had head impact criteria testing on our surfacing. We have completed reporting of our play outcomes and categories of play. We have documented our current fall zones and spaces (design elements) and structural considerations.
- 9 Staff and contractors have also undertaken training up to level 2 operational inspecting, to ensure work done in these spaces is consistent and compliant or within appropriate risk mitigation expectations.
- 10 Many site visits have occurred over the last 24 months by both staff and contractors while developing a scope to recommend future play outcomes.

## Factors to consider

### Legal and statutory requirements

- 11 NZS5828:2015 “Playground Equipment and Surfacing” - this standard applies to all playgrounds and playground equipment (excluding equipment for domestic purposes) including nature play or natural playgrounds that have been artificially created or enhanced.
- 12 Local Government Act 2002 clearly provides that local government exists to benefit, and promote the wellbeing of their communities. Inappropriate, non-compliant or unsafe playground equipment in public playgrounds that carry risk is inconsistent with that overarching objective,



and therefore using the above playground standard as a baseline for our decisions in this space would be showing appropriate duty of care.

#### Community views

- 13 The position of both the Ardlussa Community Board and the Tuatapere Te Waewae Community Board respectively will be taken to represent the community.
- 14 It is to be noted that as part of any new item in a playground we as staff have committed to re-engaging with the local community before the final order of some pieces is placed. Staff will identify two options and will use the communications team to present these to the community. This is to encourage a fun and interactive decision-making opportunity from the local users where possible. This has also been supported by our community boards.

#### Costs and funding

- 15 For the Riversdale playground, the estimated costs of the preferred scope option is \$51,030.54. Project budget is currently \$10,000 meaning the difference is \$41,030.54.
- 16 Unbudgeted expenditure of \$41,030.54 is to be loan funded. It is important to note, that the extra spending in this financial year will enable some of the tagged project spends in future years of the LTP to be reduced. In 2025/2026 financial year there is \$20,097 and in 2030/2031 there is \$121,212 budgeted for this play area. Some of this planned work will be able to be removed as part of the next LTP therefore reducing the loan impact that was planned for at that time.
- 17 Funding the additional \$41,030.54 through a 15-year loan, results in additional Ardlussa rates required of \$3,193.22 per annum in 2022/2023 to 2030/2031. This results in a 2.92% increase in Ardlussa rates for 2022/2023 and a 0.005% increase in the total rates for 2022/2023.
- 18 For the Jack and Mattie Bennett Memorial Park playground, the estimated costs of the preferred scope option is \$57,190.65. The project budget is currently \$11,914 meaning the difference is \$45,276.65. Original budget was going to be funded by loan but if this resolution is approved we will fully fund by way of reserves.
- 19 Unbudgeted expenditure of \$45,276.65. is to be funded from Tuatapere general reserve. Tuatapere general reserve has a projected balance of \$216,116 as at 30 June 2022.
- 20 It is important to note, that this extra spending in this financial year will enable some of the budgeted project spends in future years of the LTP to be reduced. In the 2025/2027 financial years there is \$31,127 tagged for this play area as well as \$95,290 in 2029/2030. The pieces of this tagged work that are being delivered this year will be able to be removed as part of the annual and long-term plans, therefore reducing the loan impact that was planned at that time.
- 21 Further it is understood by both boards that any future maintenance or upgrades required will be funded by the applicable community board.

#### Policy implications

- 22 District wide Reserve Management Plan 2003 outlines that we “continues to develop and maintain Riversdale playground as an area of open space for casual recreation and children’s playground”. We are also to “ensure playground meets current safety standards”. By choosing option 2 of the scope document the board have already taken this step. This report is to have Council approve the allocation of the appropriate funding to achieve this.

- 23 The district wide Reserve Management Plan 2003 outlines that Jack and Mattie Bennett Memorial Park playground “continues to develop and maintain Jack and Mattie Bennett Memorial Park playground as an area of open space for casual recreation and children’s play”. Also, to “ensure the play equipment is safe and meets the needs of local and visiting children”. By choosing option 2 of the scope document the board have already taken this step. This report is to have Council approve the allocation of the appropriate funding to achieve this.

#### Assessment of significance

- 24 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. Community views have been considered throughout this process thus the proposed decision is not considered significant.

#### Analysis

##### Options considered

- 25 Options for consideration are either to approve the unbudgeted expenditure or not for each respective playground. Option 1 and 2 relate specifically to Riversdale playground. Option 3 and 4 relate specifically to Jack and Mattie Bennett Memorial Park playground.

#### Analysis of options

Option 1 – Approves the unbudgeted expenditure of \$41,030.54 to be funded by way of loan in order to fund option 2 from the scope document of project P-10789 in Riversdale playground as per the Ardlussa Community Board’s recommendation.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>the project will be completed to the preferred scope of the community board</li> <li>the project in 2021/2022 delivers upgraded and compliant play outcomes</li> <li>future loan impacts in 2025/2026 are reduced.</li> </ul>	<ul style="list-style-type: none"> <li>a loan is entered into this financial year.</li> </ul>

Option 2 – Not approve the unbudgeted expenditure of \$41,030.54 from loan funding in order to fund option 2 from the scope document of project P-10789 in Riversdale playground.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>no loan for this is taken in the current financial year.</li> </ul>	<ul style="list-style-type: none"> <li>the proposed and preferred option of the project scope and outcomes will not be achieved within the playground</li> <li>Council do not support the recommendation from the local community board.</li> </ul>

Option 3 – Approves the unbudgeted expenditure of \$45,276.65 to be funded from the Tuatapere general reserves in order to fund option 2 from the scope document of project P-10821 in Jack and Mattie Bennett Memorial Park playground as per Tuatapere Te Waewae Community Board's recommendation.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>the project will be completed to the preferred scope of the community board</li><li>the project in 2021/2022 delivers upgraded and compliant play outcomes</li><li>future loan impacts can be reduced.</li></ul>	<ul style="list-style-type: none"><li>a decrease to the current reserve balance.</li></ul>

Option 4 – Not approve the unbudgeted expenditure of \$45,276.65 from Tuatapere general reserves in order to fund option 2 from the scope document of project P-10821 in Jack and Mattie Bennett Memorial Park playground.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>reserve balances remain.</li></ul>	<ul style="list-style-type: none"><li>the proposed and preferred option of the project scope and outcomes will not be achieved within the playground</li><li>Council do not support the recommendation from the local community board.</li></ul>

### Recommended option

- 26 It is recommended that Council proceed with option 1 and option 3. Option 1 states “approves the unbudgeted expenditure of \$41,030.54 from loan funding in order to fund option 2 from the scope document of project P-10789 in Riversdale playground as per Ardlussa Community Board's recommendation”. Option 3 states “approves the unbudgeted expenditure of \$45,276.65 from Tuatapere general reserves in order to fund option 2 from the scope document of project P-10821 in Jack and Mattie Bennett Memorial Park playground as per Tuatapere Te Waewae Community Board's recommendation”.

### Next Steps

- 27 Council staff to proceed with project delivery.

### Attachments

- A Project definition scope P-10789 Riversdale Playground - Equipment replacement and play [↓](#)
- B Project definition scope P-10821 Tuatapere Jack and Mattie Bennett Memorial park playground - Equipment replacement and play report [↓](#)

## Riversdale playground equipment replacement and play


**BUDGET**

\$10,000\*

**ACTIVITY**

Parks and Reserves - Playgrounds

Code P-10789

**COMMUNITY BOARD**

Ardlussa

**PROGRAMME**

2021 - 2022

**DESCRIPTION**

Location – Riversdale Playground, Newcastle Street, Riversdale.

Please note. Due to the additional information given since this LTP figure was originated there is a shift in priority from replacing play outcomes to safety of the surface issues. Staff with the help of Adam Stride from playsafe who presented to all community board chairs in 2020 have given two options in this report to show how if we can spend some additional funds now to make the edging and fall requirements alongside the site layout better suit the playground and play outcomes going forward.

Please note: Current footprint of required upgraded soft fall is approximately 510 square meters (approximately 180 cubes) and 90 lineal meters. This would be for a lifespan of 10 years for the chip/pebble and longer for the boxing if properly maintained and topped up. This compared to the last playsafe report that shows some of the equipment and areas we would be surfacing has a structural expected life span of only 1-5 years and other component compliance issues (such as the see saw). This would also be covering a far greater area than what is required due to the absence of appropriate edging. As a result, option two shows how we can upgrade some of these swing items now, giving a twenty-year life expectation at a minimum. It shows how we can re design the swing play elements and see saw, allowing a decrease in square meterage of soft fall. This in turn means the investment now, gives us an opportunity to save in the future without huge compromise on play outcomes.

**Important to read alongside this scope document:**

Playsafe “Playground update/renewal methodology”, dated 1 March 2021.

**SCOPE**
**Option 1**

No extra approval required.

1. Excavation of compacted pea gravel where required, removal and replacement with correct depth and quality of product (including scuff matting). This is for the current design, layout and volume of equipment.

**Option 2**

Approve extra capital funding on top of this budget to allow:

1. Excavation of compacted pea gravel where required, removal and replacement with correct depth of product to meet standard including scuff matting for the new design, layout and edge to ensure all fill will be properly secured and less operational input is required.
2. Consider either edging and soft fall or minimal synthetic approach to the junior module given its position in the play area and low CFH's.
3. Replacement and relocation of the swing play outcomes with new units at the same time as ground work occurring with the soft fall to reduce the ongoing costs in a wider edged play area. This will also ensure the lifespan of the swings is far beyond that of the edging and soft fall. Please note, staff may also have an option of re-using this frame and another similar from another area however until we know the progress of that site and we would remove and check the internal integrity of the frame in Riversdale itself we would not make this decision. We are always weighing up the cost to improve vs new. See below.  
*"When upgrading any existing play items, the outcome should be to achieve a safe, fun and maintainable asset for 10+ year lifespan. When altering or modifying existing equipment, the intention is to retrospectively upgrade/improve to meet the current requirements of the NZS5828:2015 (where practically possible)."*
4. Install impact attenuating pads that meet CFH requirements in the multi-play structure.
5. Remove the see saw and either re engineer to meet compliance and reinstall, consider new (based on costs and play outcomes) or do not immediately replace to ensure our first focus is surfacing and a condensed footprint, reducing ongoing costs, lineal meters while allowing more community input into the future of their local play area.

#### RISK

This work is applied as medium, due to the risks associated with the current environment.

Priority will be given to structural issues and surface requirements. This is a reputational risk due to the perception of the value added via LTP projects historically given to new and existing additions rather than compliance and design. This process is to ensure that we change that focus and ensure what we do have is of a suitable standard, compliance and safety as well as fun and great play outcomes.

An outcome risk with option one is all the budget will be used towards the replacement surface however we will retain the old design and set out in the playground meaning spread will continue and higher operational costs to keep moving pea gravel back to where we require it will be ongoing. It also means we have some areas that don't require soft fall that have it, increasing inefficient spending.

Design issues, equipment placement and upgrading current equipment at a component level will be next priority. This will only be done where appropriate (considered compared with lifespan and structural integrity). Risks associated involve unplanned issues encountered mid work that could affect budget.

Risk of option 2 is that we will be supplying new items but have less flexibility to engage with the community on options, as swing play outcomes are reasonably fixed and the type of options will be limited in regards to space. Staff wish to stress however, where possible we are looking to providing two options for communities to choose from so long as they have similar play outcomes, budget and space requirements.

#### COMMUNITY/STAKEHOLDER IMPACT (ANTICIPATED)?

Safer outcomes of use, lower level of non-compliance risk.

Consultation through the 2021/2031 LTP process has occurred however as this was at a high level.


Positive impacts could be gained if we combine our delivery approach to show the community we can meet compliance, bring up standards of existing and add value play items as part of a delivery project, such as option 2 to save and reduce ongoing costs.

During delivery, possible impacts will include closure of the current play area for short periods if required. This will be kept to a minimum but during works expect some no use periods.

<b>DATE OF RESOLUTION BY BOARD TO PROCEED WITH PROJECT</b>			
<b>SIGNED</b>		<b>DATE</b>	
Board Chair			



## Tuatapere Jack and Mattie Bennett Memorial park playground equipment replacement and play

	<b>BUDGET</b> <b>\$11,914</b> <i>This report will show an option that requires a decision from the community board. If this option is adopted, a budget of up to \$57,190.65 would be required. This can be achieved through current replacement budget, operations and some through Elder park and general reserves.</i>
	<b>ACTIVITY</b> Parks and Reserves - Playgrounds Code P-10821
	<b>COMMUNITY BOARD</b> Tuatapere Te Waewae
	<b>PROGRAMME</b> 2021 - 2022

### DESCRIPTION

Location – Jack and Mattie Bennett Memorial park.

Please note. Due to the additional information given since this LTP figure was originated there is a current need for more investment now and less in the future years as tagged in the LTP. Staff have given two options in this report as a result and we would ask your approval under a recommendation on this report to allow this extra funding now, to decrease it in the future LTP years.

Please note: Current footprint of required upgraded soft fall is approximately 330 sq metres (approximately 118 cubes) and 100 lineal meters. This would be for a lifespan of 10 years for the chip and longer for the boxing if properly maintained and topped up. This compared to the last playsafe report that shows some of the equipment and areas we would be surfacing has a structural expected life span of only 1-5 years. As a result, option two shows how we can upgrade some of these items now, giving a twenty-year life expectation at a minimum. It shows how we can re design the swing play elements to within a larger play zone where the current modules sit and where work is already going to be undertaken. This allows costs shared as we are doing next years work and long term savings moving forward on edging and fill maintenance. It also means some future LTP projects in this LTP can be decreased.

#### Important to read alongside this scope document:

Playsafe “Playground update/renewal methodology”, dated 1 March 2021.

Playsafe “Existing play area summary”, dated 1<sup>st</sup> March 2021. *Please note, this summary includes costings that are an example of what is recommended and possible. This total would be already reduced by the current work completed. This report takes into account a rationalization and redesign of placement of the swing equipment to make savings for future soft fall and edging requirements.*

### SCOPE

Option 1 - minimal achievements using this budget and a large component of all related operational budgets in the parks and reserves and beautification budgets.

1. Removal of broken down and compact degraded soft fall and replacement with the local chip product and scuff matting and edging to meet standard and compliance needs for the current design, layout and volume of equipment (excluding see-saw area). Focus areas, swing bay and module bay.
2. Senior multi-play module, complete the structural improvements on rotten posts and all component upgrades required to meet the standard of the day.  
*"When upgrading any existing play items, the outcome should be to achieve a safe, fun and maintainable asset for 10+ year lifespan. When altering or modifying existing equipment, the intention is to retrospectively upgrade/improve to meet the current requirements of the NZS5828:2015 (where practically possible)."*

Option 2 – Includes both the minimal achievements as per option one that are required but includes replacing the swings and a additional missing spinning play element. As above in the description this option is based on including strategic placement and design of the varying play elements to achieve future cost savings.

1. Removal of broken down and compact degraded soft fall and replacement with the local chip product and scuff matting and edging to meet standard and compliance needs for the current design, layout and volume of equipment (excluding see-saw area). Focus areas the combined module and swing bay.
2. Senior multi-play module, complete the structural improvements on rotten posts and all component upgrades required to meet the standard of the day.  
*"When upgrading any existing play items, the outcome should be to achieve a safe, fun and maintainable asset for 10+ year lifespan. When altering or modifying existing equipment, the intention is to retrospectively upgrade/improve to meet the current requirements of the NZS5828:2015 (where practically possible)."*
3. Replacement of the swing play outcomes with new units at the same time as work occurring with the soft fall to reduce the ongoing costs in a separate boxed play area and to ensure the lifespan of the swings is far beyond that of the edging and soft fall. This will also cover an additional swing play element (basket swing).
4. Additional missing play element (dynamic/spinning) added without a large impact on space and soft fall.

#### RISK

This work is applied as medium, due to the risks associated with the current environment.

Priority will be given to structural issues and surface requirements. This is a reputational risk due to the perception of the value added via LTP projects historically given to new and existing additions rather than compliance and design. This process is to ensure that we change that focus and ensure what we do have is of a suitable standard, compliance and safety as well as fun and great play outcomes.

Design issues, equipment placement and upgrading current equipment at a component level will be next priority. This will only be done where appropriate (considered compared with lifespan and structural integrity). Risks associated involve unplanned issues encountered mid work that could affect budget.

Risk of option 1 is we continue to maintain a high requirement of soft fall and edging for the same play outcomes as option 2 can provide.

Option 1 also comes with a risk of soaking up the majority of operational funds for the year, leaving less flexibility to do any reactive work in parks and reserves throughout Tuatapere.

Risk of option 2 is that we will be supplying new items but have less flexibility to engage with the community on options, as swing play outcomes are reasonably fixed and the type of options will be limited in regards to space and the correct structure for the type of soil we are installing in. Staff wish to stress however, where possible we are looking to providing two options for communities to choose from so long as they have similar play outcomes, budget and space requirements.



<b>COMMUNITY/STAKEHOLDER IMPACT (ANTICIPATED)?</b>
Safer outcomes of use, lower level of non-compliance risk.
Consultation through the 2021/2031 LTP process has occurred however as this was at a high level. However positive impacts are possible for our community with SDC staff's intention to engage and give a two-choice option that still meet playground design requirement if possible in option 2.
Positive impacts could be gained if we combine our delivery approach to show the community we can meet compliance, bring up standards of existing and add value play items as part of a delivery project, such as option 2.
During delivery, possible impacts will include closure of the current play area for short periods if required. This will be kept to a minimum but during works expect some no use periods.

<b>DATE OF RESOLUTION BY BOARD TO PROCEED WITH PROJECT</b>			
<b>SIGNED</b>		<b>DATE</b>	
Board Chair			



## Reclassification of reserve status of part of Traill Park to facilitate a helipad for emergency use

Record no: R/21/9/54022

Author: Theresa Cavanagh, Property advisor

Approved by: Nick Hamlin, Group manager programme delivery

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 Undertake a classification change of part of a reserve to enable a helipad for emergency use to be constructed at Traill Park, 28 Golden Bay Road, Oban.

### Executive summary

- 2 Medivacs on Rakiura are undertaken by fixed wing aircraft from the Ryan's Creek airstrip when possible and helicopters are used when adverse conditions do not allow for plane use. Helicopter landings are occurring at Traill Park Recreation Reserve which is not a designated helipad and cannot currently be used in all weather/light conditions. Helicopters land on the grass and emergency services vehicles drive onto the reserve. Access can be difficult for vehicles, particularly in wet conditions and can put fragile patients at risk. Therefore a hardstand area is required.
- 3 Oban has an opportunity to link into a navigation system called IFR (instrument flight rules) which enables a helicopter to fly in the dark and in adverse weather conditions. This system requires a designated, lit helipad with a windsock to assist the helicopter to land safely. This will enable more medivacs to be undertaken when required and increase safety for the community and emergency services staff.
- 4 Traill Park is a Recreation Reserve under the Reserves Act, and a helipad does not fit within the criteria for a Recreation Reserve. To enable the construction and operation of a helipad, the reserve status must be changed to a Local Purpose Reserve which allows for a broad range of types. In this case, we propose that the reserve status and type is changed to Local Purpose Reserve (Emergency Services Helipad).
- 5 This reclassification will enable Future Rakiura Inc, the proposed owner/operator of the helipad, to enter into a lease agreement with the Southland District Council to construct and operate a helipad for emergency landings, subject to public notification.

## Recommendation

That the Council:

- a) receives **the report titled “Reclassification of reserve status of part of Traill Park to facilitate a helipad for emergency use” dated 19 October 2021.**
- 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 that the Reserve classification of Lot 13 Block III DP 2930 (held in Record of Title SL140/224) is changed from Recreation Reserve to Local Purpose Reserve (Emergency Services Helipad).

## Background

- 6 Currently, Medivacs on Rakiura are undertaken by fixed wing aircraft from the Ryan’s Creek airstrip when possible. The use of a plane is determined by daylight hours, weather, medical staff available and condition of the patient.
- 7 Helicopters are currently used when the above conditions are not suitable for planes. Landings are being undertaken at Traill Park Recreation Reserve which is not a designated helipad and cannot currently be used in all weather/light conditions. The helicopter lands on the grass and emergency services vehicles drive onto the reserve. Access can be difficult for vehicles, particularly in wet conditions and can put fragile patients at risk. Therefore a hardstand area is required.
- 8 Also, Oban has an opportunity to link into a navigation system called IFR (instrument flight rules) which uses instruments, rather than visuals, for navigation whilst in flight. This enables a helicopter to fly at times of reduced visibility such as in the dark and adverse weather conditions. This system requires a designated, lit helipad with a windsock to assist the helicopter to land safely. An IFR route has a set path and is registered.
- 9 Despite using instruments en route, a pilot must use visuals when landing, therefore visibility is an important safety aspect for landing. Rakiura currently has two designated landing sites at Ryan’s Creek (airport) and Fern Gully. However, Traill Park enables safer landings in adverse conditions due to its combined lower altitude, approach, and landmarks.
  - a) **Lower Altitude**  
The use of IFR requires a helicopter to fly at a minimum height above land/sea and therefore helipads (and their approach) which are located at a lower altitude have an increased chance of being below cloud cover and therefore have better visibility. Traill Park is at a lower altitude than Ryan’s Creek and Fern Gully. The attached photo shows approaches to helipads in Oban.

b) **Approach**

To operate within an IFR route, an alternative approach is required which allows a helicopter to pull out of a landing if visibility conditions do not allow a safe landing. The topography at Traill Park provides this.

c) **Landmarks**

The approach and landing site at Traill Park provides clear reference points for pilots. These include the contour of the bay, streetlights and roads. This is important as there is a level of disorientation that can occur when flying with night vision goggles.

- 10 Ryan's Creek has an alternative approach but, along with Fern Gully, it is at a higher altitude and does not have the clear reference points of Traill Park.
- 11 Traill Park is located within the town and is close to emergency services.
- 12 Note that Rakiura had 60 medivac flights in the past year. It is intended that medivacs will continue to be undertaken by fixed wing when possible.

Issues

- 13 Graeme Gale from Otago Helicopters is facilitating the connection of a designated route to this site for the use of the IFR navigation system which is administered by Aeropath. Future Rakiura Inc will oversee and ensure any aviation requirements are in place, and this will be a condition of any lease agreement.
- 14 The proposed helipad site can become wet and boggy and the applicant will work with Council's Reserve and Project Management staff to ensure appropriate construction and required drainage.

Factors to consider

Legal and statutory requirements

- 15 Traill Park is a Recreation Reserve under the Reserves Act, and a helipad does not fit within the criteria for a Recreation Reserve. To enable the construction and operation of a helipad, the reserve status must be changed to a Local Purpose Reserve which allows for a broad range of types. In this case, we propose that the reserve status and type is changed to Local Purpose Reserve (Emergency Services Helipad).
- 16 Section 24 of the Reserves Act details the required process for changing the classification of Lot 13 from Recreation Reserve to Local Purpose Reserve which includes public notification.
- 17 In 2013, the Minister of Conservation delegated the power to reclassify reserves to Territorial Authorities, therefore this reclassification is able to be approved by Council.

Community views

- 18 A public meeting was held on 27 May 2021 to gauge community support. There were a number of technical questions that could not be answered at this meeting so further information was to be gathered in order to further consult with the community.
- 19 A further public meeting was held 8 July 2021 where technical questions were answered, a working group was formed, and 'Future Rakiura Inc' confirmed they would be the entity for the helipad.

20 The Stewart Island/Rakiura Community Board, at their meeting dated 11 October 2021, resolved to recommend to Council that the reserve classification for Lot 13 is changed from Recreation Reserve to Local Purpose Reserve (Emergency Services Helipad).

21 The Community Board also endorsed the issuing of a lease for the helipad to Future Rakiura, which staff will issue under delegated authority, subject to public notification.

#### Costs and funding

22 Future Rakiura Inc, with the support of the Health Committee, will raise funds for the helipad via grants and fundraising. This includes the cost of any required consents.

23 Future Rakiura Inc have accepted that they will pay for any external fees that Council incurs, such as legal fees and Gazettal fees.

#### Policy implications

24 None identified at this stage.

#### Analysis

##### Options considered

25 Option 1 –Undertake a reserve reclassification.

26 Option 2 – Status Quo

#### Analysis of Options

##### Option 1 –Undertake a reserve reclassification

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>Enables the construction of a designated helipad which will provide a fit for purpose helipad for Emergency Services on Rakiura.</li></ul>	<ul style="list-style-type: none"><li>None identified.</li></ul>

##### Option 2 – Status Quo

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>None identified.</li></ul>	<ul style="list-style-type: none"><li>Prevents a fit for purpose helipad for Emergency Services being established on Rakiura.</li></ul>

#### Assessment of significance

27 Not significant.

#### Recommended option

28 Option 1 - Undertake a reserve reclassification

### Next steps

- 29 Publicly notify the reserve reclassification to Local Purpose (Emergency Services Helipad).
- 30 If objections received, a decision will be made at a full Council meeting.
- 31 If no objections received, a Gazette Notice will be issued for the reclassification and a lease entered into to enable construction and operation of the helipad.

### Attachments

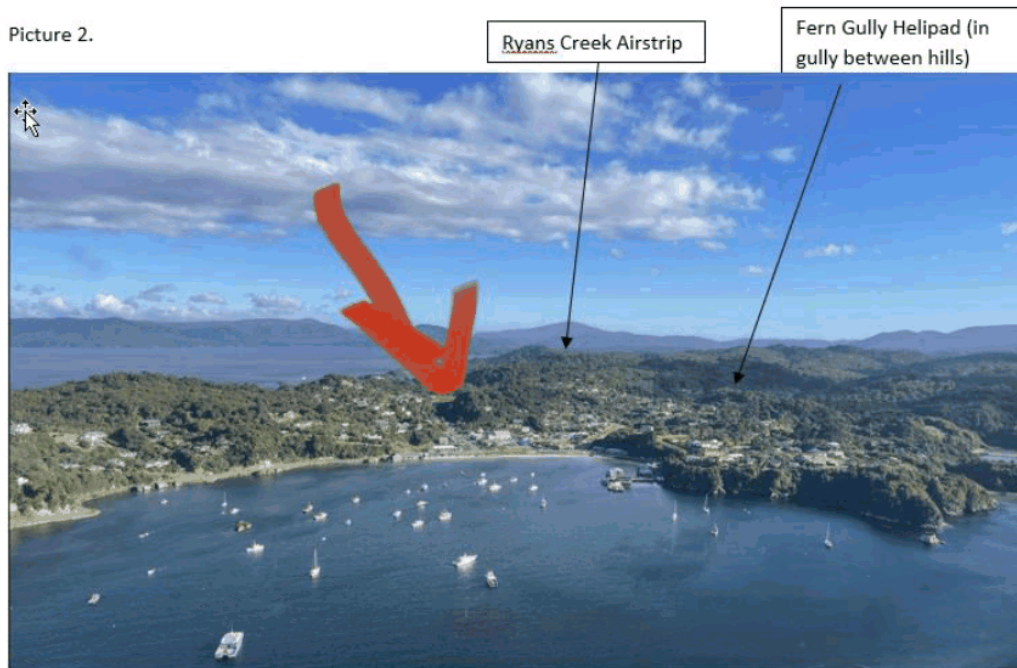
- A Traill Park Reserve and Helipad Maps [↗](#)
- B Oban Flight Approaches [↗](#)







Picture 2.



Red arrow indicates the location of Traill Park which has the lowest altitude,  
along with an alternative approach and clear landmarks.

## Unbudgeted Expenditure - Three Waters Projects 2021/22

Record no: R/21/10/55033

Author: Joe Findley, Manager operations and programming - water and waste services

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

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 The purpose of this report is to seek approval from Council for the unbudgeted expenditure required to complete three projects within the water and waste services programme.

### Executive summary

- 2 There are three projects in years 2 and 3 of 2021-2031 Long Term Plan (LTP) which the Water and Waste Department are looking to complete within the current financial year. The upgrade of the Sandy Brown Road water booster station Project P-10271 in Te Anau has a current budget this year and a further upgrade budget in year 3 of the LTP. It is proposed to combine these budgets and complete both projects in this financial year.
- 3 The auto-valving to meet drinking water standards compliance, Project P-10516, has a current budget this financial year and a further upgrade budget in year 2 of the LTP which we propose to utilise now to continue progress with the project.
- 4 The SCADA replacements to wastewater pump stations, Project P-10446, has a budget in year 2 of the LTP which we propose to advance to this financial year to complete early given the synergies the project has with an existing project which is underway.
- 5 It is proposed to offset the required budgets by moving current year project budgets into respective years 2 and 3 of the LTP requiring no changes in total loan funding for the years affected. Further, there will be no changes to the rates required for the following year to service the loans. The moving of projects between the years allows for efficient delivery of the projects.

## Recommendation

That the Council:

- a) receives **the report titled “Unbudgeted Expenditure - Three Waters Projects 2021/22” dated 19 October 2021.**
- 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 \$159,287 in 2021/22 to complete the P-10271 Sandy Brown Road booster station upgrade to be funded by a 30 year loan.
- e) approves the removal of the P-10271 Sandy Brown Road booster station upgrade of \$159,287 and associated loan funding from the 2023/24 LTP budget.
- f) approves moving \$159,287 of the P-10007 Eastern Bush water treatment plant upgrade project from 2021/22 to 2023/24 and the associated loan funding.
- g) approves unbudgeted expenditure of \$362,250 in 2021/22 to complete the P-10516 Auto Valving to meet drinking water standards project to be funded by a 30 year loan.
- h) approves the removal of the P-10516 Auto Valving to meet drinking water standards project of \$362,250 and associated funding from the 2022/23 LTP budget.
- i) approves moving \$362,250 of the P-10263 Manapouri water treatment plant upgrade project from 2021/22, to 2022/23 and the associated loan funding.
- j) approves unbudgeted expenditure of \$414,433 in 2021/22 to complete the P-10446 SCADA replacement for wastewater pump stations project to be funded by a 30 year loan.
- k) approves the removal of the P-10446 SCADA replacement for wastewater pump stations projects of \$414,433 and associated funding from the 2022/23 LTP budget.
- l) approves moving \$414,433 of the P-10468 Riversdale wastewater treatment plant from 2021/22, to 2022/23 and the associated loan funding.

## Background

- 6 As background to recommendation d) above (P-10271 Sandy Brown Road booster station upgrade); as part of the Te Anau water scheme, Council own and operate a pressure booster station on Sandy Brown Road in Te Anau. As part of the 21/22 financial year we have a \$52,429 budget to renew and upgrade this booster, with another \$159,287 budget for a further upgrade in 23/24 (year 3) of the LTP.

- 7 As background to recommendation g) above (P-10516 Auto Valving to meet drinking water standards project); in response to the pending requirements of the drinking water standards, a programme of automation of a number of functions within our water treatment plants has been started across the district. This includes upgrades to automated valving, monitoring equipment and logic control to ensure wholesome, compliant water is delivered by the plants to the communities. As part of our stimulus funding programme there was a budget of \$200,000 set aside in 20/21, and a further \$200,000 in this 21/22 financial year. Further to the stimulus budgets, there is a \$362,250 budget in the 22/23 (year 2) financial year in the LTP to continue this works.
- 8 As background to recommendation j) above (P-10446 SCADA replacement for wastewater pump stations); Council operate over 70 wastewater pump stations throughout the district. These pump stations include supervisory control and data acquisition (SCADA) systems which provide live data capture and monitoring capabilities to Council and its' operation contractor. The existing SCADA systems are becoming obsolete due to their age and in some respects no longer being supported for function or spares by their suppliers. A programme of works has been put forward in the LTP to replace these systems and a \$414,433 budget exists in the 22/23 (year 2) financial year for starting this work.

#### Issues

- 9 Issues relating to recommendation d) above (P-10271 Sandy Brown Road booster station upgrade); due to ongoing issues during summer peak seasons with the booster station not keeping up with demand and a risk of limited firefighting capacity, there is a need to upgrade the Sandy Brown Road booster station. The budget available this current financial year will enable a minor upgrade, with a further upgrade required in two years' time with the year 3 budget. It makes more economical and operational sense to fully upgrade the booster station at one time.
- 10 Issues relating to recommendation g) above (P-10516 Auto Valving to meet drinking water standards project); Council are required to ensure compliance with the New Zealand Drinking Water Standards. This includes ensuring that the water delivered to the communities served by our treatment plants is wholesome and compliant with the biological and chemical determinants set out in the standards. The automation project enables the plants to recognise non-compliant water through real time monitoring and direct this to waste, instead of into the community. There are significant risks associated with providing non-compliant water to consumers, these risks can be greatly reduced by developing the fail safes associated with automating the plants.
- 11 Issues relating to recommendation j) (P-10446 SCADA replacement for wastewater pump stations) above; the aging and unsupported SCADA systems which are installed throughout the district in Council wastewater pump stations have the potential to cause unnecessary issues with the operation of the pump stations. The systems are responsible for alerting Council staff and contractors of possible overflows and pump failures while also providing useful data for ongoing maintenance. Failure of the systems could result in sewer overflows and unplanned maintenance such as pump replacements that could have otherwise been maintained routinely. This project has a good synergy and presents efficiencies with the automation which is ongoing in the water plants, given the SCADA logic programming and crossover with supply of hardware.

## Factors to consider

### Legal and statutory requirements

- 12 Relating to recommendation d) above (P-10271 Sandy Brown Road booster station upgrade); Council has a requirement to provide adequate firefighting capacity within the water networks that it operates.
- 13 Relating to recommendation g) above (P-10516 Auto Valving to meet drinking water standards project); Council has a requirement through the Ministry of Health to provide wholesome and compliant drinking water which meets the requirements of the New Zealand Drinking Water Standards.
- 14 Relating to recommendation j) above (P-10446 SCADA replacement for wastewater pump stations); Council has a requirement through Environment Southland to ensure the wastewater networks that it operates do not create an environmental hazard through an unconsented discharge or sewage spill.

### Community views

- 15 All the projects within this proposal have been submitted and consulted on through the LTP process, however the wider community have not been consulted on the proposed changes.

### Costs and funding

- 16 Relating to recommendation d) above (P-10271 Sandy Brown Road booster station upgrade); this project has an existing budget of \$52,429 in the current financial year. A budget of \$159,287 for a further upgrade of the same site exists in the 23/24 (year 3) financial year of the LTP. To fund the bringing forward of this budget, it is proposed to push out the equivalent amount of project P-10007 Eastern Bush water treatment plant upgrade. The Eastern Bush project is progressing through design currently and investigation bores have recently been drilled, however it is not likely that the existing \$2,000,000 budget for the 21/22 year will be fully spent by 30 June 2022. As a multi-year project the Eastern Bush project has additional budgets in the 22/23 and 23/24 year and the pushing out of the budget can be managed through the annual plan process.
- 17 Relating to recommendation f) above (P-10007 Eastern Bush water treatment plant upgrade project); this project has an existing budget of \$362,250 in the 22/23 (year 2) financial year of the LTP. To fund the bringing forward of this budget, it is proposed to push out the equivalent amount of project P-10263 Manapouri water treatment plant upgrade. The Manapouri project is progressing through design currently and source water quality testing is taking place to support the design, however it is not likely that the existing \$1,600,000 budget for the 21/22 year will be fully spent by 30 June 2022. As a multi-year project the Manapouri project has an additional budget in the 22/23 year and the pushing out of the budget can be managed through the annual plan process.
- 18 Relating to recommendation h) above (P-10516 Auto Valving to meet drinking water standards project); this project has an existing budget of \$414,433 in the 22/23 (year 2) financial year of the LTP. To fund the bringing forward of this budget, it is proposed to push out the equivalent amount of project P-10468 Riversdale wastewater upgrade. The Riversdale project is on track for advertising for tender by the end of October which would allow for an onsite establishment of the contractor early in the new year, however it is not likely that the existing \$1,300,000 budget for the 21/22 year will be fully spent by 30 June 2022. As a multi-year project the Riversdale project has an additional budget in the 22/23 year and the pushing out of the budget can be managed through the annual plan process.

Policy implications

19 None identified.

Analysis

Options considered

20 There have been two options considered as part of this report, as detailed below.

Analysis of Options

Option 1 – Bring forward the budgets for the Sandy Brown Road, auto valving of water treatment plants and SCADA replacements for wastewater pump stations

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• enables the Sandy Brown Road booster to be upgraded to a proper standard</li><li>• enables the programme of upgrades for automation at water treatment plants to continue</li><li>• enables the replacement of the SCADA packs in the wastewater pump stations to be completed alongside automation upgrades to realise efficiencies and economy of scale for hardware supply</li><li>• ensures a continuity of project works</li><li>• reduces the possible carry forward amount likely out of the three projects for Eastern Bush, Manapouri and Riversdale.</li></ul>	<ul style="list-style-type: none"><li>• requires the shifting of project budgets without community consultation</li><li>• presents Council with a minor risk if the projects which budgets are proposed to be pushed out, are sufficiently resourced that they require their planned budgets with the current financial year.</li></ul>

Option 2 – Leave budgets where they are and complete projects in their respective financial years

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• saves on staff time and administration tasks through not having to change project budgets through the annual plan process</li></ul>	<ul style="list-style-type: none"><li>• increases risk of budget carry forwards</li><li>• would require the automation works programme to pause until next year's budget is live</li><li>• loses economy of scale for the purchase of SCADA hardware and the respective project synergies that the two projects have</li><li>• will mean only a minor upgrade of the Sandy Brown Road booster is affordable this time, while still not assuring water supply and firefighting capacity at the</li></ul>

	booster, as well as re-work in two years' time.
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#### Assessment of significance

- 21 The proposed recommendations are assessed as not significant.

#### Recommended option

- 22 It is recommended to Council to approve option 1 above, for the unbudgeted expenditure required to complete the three projects detailed in the report. With this option there will be no change to the overall total loan funding in the years affected therefore there will be no impact on rates. The alignment of the projects will also allow for efficiencies in the delivery of the projects.

#### Next steps

- 23 If Council are to approve option 1 above, then these projects would be completed as planned and the budget changes would be made through the annual plan process.

#### Attachments

There are no attachments for this report.



## Unbudgeted expenditure - dust suppression

Record no: R/21/10/55856

Author: Hartley Hare, Strategic manager transport

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

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 The purpose of this report is to request unbudgeted expenditure of an additional \$330,720 in 2021/2022 to implement a dust suppressant programme using semi-permanent seals as per reports presented to Services and Assets Committee on 24 August and 5 October 2021.

### Executive summary

- 2 The final Waka Kotahi NZ Transport Agency approved budget for dust suppression differed from approved funding expenditure in the Long-Term Plan.
- 3 This report is purely covering off the approval of funds and providing a couple of options for decision in regards to the total budget available for dust suppressants.
- 4 No specific details of the dust suppressant semi-permanent seal programme are included as that has previously been presented to and approved by the Services and Assets Committee.

### Recommendation

That the Council:

- a) **receives the report titled “Unbudgeted expenditure - dust suppression” dated 21 October 2021.**
- b) determines that this matter or decision be recognised not significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) approves option 2; unbudgeted expenditure of an additional \$330,720 (new total programme value to \$530,720) in 2021/2022 to implement a dust suppressant programme using semi-permanent seals; funded from Waka Kotahi NZ Transport Agency and third party contributions.
- e) agrees to include an additional \$330,720 per annum for a dust suppression programme in the annual plan 2022/2023 and 2023/2024; funded from Waka Kotahi NZ Transport Agency and third-party contributions.

## Background

- 5 Dust nuisance was a common theme throughout the Long-Term Plan (LTP) submission process and as a result options of addressing the issue have been presented to Services and Assets Committee on 24 August 2021 and 5 October 2021.
- 6 This report will not cover the detail of the dust suppression proposal as that has been already presented and agreed to by the Services and Assets Committee. Previous report appended (Attachment A) for background information.
- 7 This report is purely covering off the approval of funds and providing a couple of options for decision in regards to the total budget available.
- 8 At the meeting on 24 August 2021 there was a limited budget available (\$200,000 per year, funded 50% from rates and 50% from third party contributions) based off the indicative funding approval from Waka Kotahi NZ Transport Agency (Waka Kotahi).
- 9 Subsequent to the meeting on 24 August 2021, Council were notified of the final approved funding from Waka Kotahi. The final approval was an increase from what Council had previously been advised and adopted as part of the LTP meaning Council now has a total budget approved from Waka Kotahi of \$954,000 (52% Waka Kotahi funding \$496,080) over the next three years.
- 10 Whilst Council's contribution doesn't change (unless there is desire to further increase Council's contribution), the funding expenditure has changed from what was approved in the LTP and officers are seeking expenditure approval to account for funding programme approved by Waka Kotahi and a third party contribution of 50% (matching the total of Waka Kotahi and Council funding).

## Issues

- 11 The constrained programme advised by Waka Kotahi in May did not include any funds for dust suppression. The approved programme included funds to increase the dust suppression undertaken in the current triennium.

## Factors to consider

### Legal and statutory requirements

- 12 While there are no legal obligations for Council to provide dust suppressants as a service; there is a lot of research going into the detrimental health impacts of dust and therefore it would not be surprising if Council is required to respond/ provide for this service in the future.

### Community views

- 13 Those affected by dust (houses close to gravel roads) are very passionate about the issue as this subject was well presented/ heard during the LTP submissions.

Costs and funding

- 14 The long-term plan as adopted no longer matches the final funding programme approved and made available by Waka Kotahi in September. At the adoption of the LTP based on the indicative funding allocation advise the dust suppression expenditure included is as follows:

	2021/2022	2022/2023	2023/2024	TOTAL
<b>SDC FUNDING</b>	\$100,000	\$100,000	\$100,000	\$300,000
<b>THIRD PARTY CONTRIBUTION</b>	\$100,000	\$100,000	\$100,000	\$300,000
<b>TOTAL EXPENDITURE</b>	\$200,000	\$200,000	\$200,000	\$600,000

- 15 The final programme approved in September by Waka Kotahi of \$318,000 per annum, combined with a 50% third party contribution and Council's share remaining at \$100,000 as included in the Long Term Plan, the expenditure would be:

	2021/2022	2022/2023	2023/2024	TOTAL
<b>WAKA KOTAHI FUNDING</b>	\$165,360	\$165,360	\$165,360	\$496,080
<b>SDC FUNDING</b>	\$100,000	\$100,000	\$100,000	\$300,000
<b>THIRD PARTY CONTRIBUTION</b>	\$265,360	\$265,360	\$265,360	\$796,080
<b>TOTAL EXPENDITURE</b>	\$530,720	\$530,720	\$530,720	\$1,592,160

- 16 With \$200,000 included in the Long Term Plan, unbudgeted expenditure approval is required for each year of \$330,720. As this is funded from third parties there is no impact on rates and utilises all current funding from Waka Kotahi.

- 17 Should Council choose to increase its share of funding to the standard 48% of the programme approved by Waka Kotahi, along with a 50% third party contribution additional funding of \$52,640 would be required from council:

	2021/2022	2022/2023	2023/2024	TOTAL
<b>WAKA KOTAHI FUNDING</b>	\$165,360	\$165,360	\$165,360	\$496,080
<b>SDC FUNDING – PER LTP</b>	\$100,000	\$100,000	\$100,000	\$300,000
<b>SDC ADDITIONAL FUNDING</b>	\$52,640	\$52,640	\$52,640	\$157,920
<b>THIRD PARTY CONTRIBUTION</b>	\$318,000	\$318,000	\$318,000	\$318,000
<b>TOTAL EXPENDITURE</b>	\$636,000	\$636,000	\$636,000	\$1,908,000

- 18 With \$200,000 included in the Long Term Plan, unbudgeted expenditure approval is required for each year of \$436,000. The additional funding from Council of \$52,640 would be an extra 0.10% rates increase in 2022/2023 above the 8.31% included in the Long Term Plan. When combined with the other requests approved this year the rates increase would now be 8.68%. The funding for 2021/2022 will need to be from a reallocation of existing expenditure or the roading reserve.

#### Policy implications

- 19 This report seeks to meet Council's delegations policy.
- 20 As per previous reports, an agreement covering off liability, maintenance and renewal responsibilities for this new service needs to be developed prior to commissioning this service. Officers are seeking legal assistance to provide support in preparing this agreement.

#### Analysis

##### Options considered

- 21 Three options to be considered.

#### Analysis of Options

##### Option 1 – Not approve unbudgeted expenditure

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>allows opportunity to redirect Waka Kotahi funding to other transport activities which did not receive the full allocation of funding requested.</li> </ul>	<ul style="list-style-type: none"> <li>very minimal users will benefit from semi-permanent seal dust mitigation treatment.</li> </ul>

Option 2 – Approve unbudgeted expenditure of \$330,720 on top of the \$200,000 included in the long-term plan

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• larger number of successful applicants will benefit from semi-permanent seal dust mitigation treatment</li><li>• maximises Waka Kotahi approved funding</li><li>• No impact on rates.</li></ul>	<ul style="list-style-type: none"><li>• none identified.</li></ul>

Option 3 – Approve unbudgeted expenditure of \$436,000 with the Council contribution increased to \$152,640

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• an additional six or seven applicants (compared to option 1) will benefit from semi-permanent seal dust mitigation treatment</li><li>• maximises the Waka Kotahi total budget of \$950k with any third party contribution on top this budget.</li></ul>	<ul style="list-style-type: none"><li>• additional local share budget required which will have an impact on rates.</li></ul>

#### Assessment of significance

- 22 This request does not trigger any of the significance criteria.

#### Recommended option

- 23 Option 2. As this maximises Waka Kotahi funding and is in line with what was allowed for as part of the Long Term Plan.

#### Next steps

- 24 Develop policy and applicant agreements, then advertise for expressions of interest.

#### Attachments

- A Report to Services and Assets Committee - 5 October 2021 - Dust suppressant option [↓](#)

## Dust suppressant option

Record no: R/21/9/51870  
Author: Hartley Hare, Strategic manager transport  
Approved by: Matt Russell, Group manager infrastructure and environmental services

☒ Decision ☐ Recommendation ☐ Information

### Purpose of report

- 1 Dust nuisance was a common theme throughout the Long Term Plan submission process. Officers presented a report to the committee on 24 August 2021 (attachment A) regarding options for dust suppression. Following discussion by the meeting the committee resolved to lie the report on the table.
- 2 The purpose of this report is to discuss the further work undertaken by officers to operationalise and prioritise Council funding contributions towards semi-permanent seal dust treatment. This does represent a change in approach and policy by Council as determined through the 2021 LTP.

### New information

- 3 Officers have undertaken further investigations into the establishment of a prioritisation process for subsidised semi-permanent dust applications along with consideration of a process for non-subsidised applications.
- 4 In addition, and subsequent to the committee meeting on 24 August 2021, Council were notified of the final approved funding from Waka Kotahi NZ Transport Agency (Waka Kotahi). The final approval had substantially increased from what Council had previously been advised of.
- 5 Council has now received total budget approval to around \$950,000 from Waka Kotahi (52% of this is from Waka Kotahi) for the next three years.
- 6 As a result of the further work undertaken to achieve an outcome for the meeting, recommendations from the report will need to be replaced.
- 7 The following are the recommendations from 24 August 2021 report.

#### That the Services and Assets Committee:

- a) receives the report titled "Dust suppressant option" dated 29 September 2021.
- 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 option four: Council to subsidise permit and associated traffic management costs.
- e) supports for future consideration, interdepartmental conversations around the viability of option five: Council to provide a service through a targeted rating system for future years.

**Services and Assets Committee**  
**5 October 2021**

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## **Discussion**

### **Prioritisation**

- 8 Historically waste oils were used as a cost-effective manner to mitigate against dust. Changes brought about through Environment Southland's proposed Water and Land Plan have effectively eliminated this as an option.
- 9 As a result, dust as a nuisance was a common theme through the Long Term Plan submission process.
- 10 Officers undertook work in relation to identifying a standard mechanism for considering subsidised semi-permanent dust applications, prioritisation and investment decision making when assessing the need to mitigate dust from unsealed roads.
- 11 It is the officer's proposal to adopt the Waka Kotahi NZ Transport Agency criteria for calculating a site dust risk score (based on NZTA research report 590). A total of 12 factors are considered in the risk assessment, each of the factors fall into one of three key categories
  - traffic (number of cars, trucks and speed)
  - receptors (houses, schools, marae etc. within 80m of roadway)
  - site characteristics (location of roadway, logging route etc.)
- 12 The site dust risk score is calculated by totalling the scores for each of the 12 factors. This provides a first order assessment and the potential benefit gained by mitigating dust for that section of unsealed road along with action to be taken. Sites which score 10 points may receive a benefit from carrying out a dust mitigation treatment. For a copy of the factors and tables please refer to attachment B.
- 13 Utilising this methodology, officers have carried out a desktop exercise across the network and have looked at some specific sites in more detail to test the criteria. The highest individual score obtained was 18, and in total there were 2,859 sites that obtained a medium risk rating. Attachment C contains a worked example of a road that has been reviewed in more detail as part of the validation work.
- 14 Where example scoring has been undertaken, the outcome of this process aligned with officers' general knowledge and expectation of the network.

### **Application process**

- 15 Residents can apply for a semi-permanent seal (standard form and specification to be developed) to be applied to a section of road. Locations will then be prioritised based on the risk criteria outlined above.
- 16 Application for subsidy of a semi-permanent seal will only apply for dwelling constructed prior to the adoption of this process.
- 17 In order to assist with network management and obtain synergy for contractors doing to the work, it is recommended that formal application be made to Council by the end of July each year. This will be supported by a 'call for applications' which will be advertised through appropriate media channels in a similar fashion to that carried out for the 'no spray' registration.
- 18 This will allow time for applications to be assessed and priorities assigned in line with available budgets and resourcing. In addition, this will allow for contractors to commence works in spring.

- 19 Once the prioritisation is completed, applicants will be contacted and advised if they have made the priority list or not. Those who have made the list for the season will then be required to pay a deposit.
- 20 For those applicants who did not make the prioritised list, they will be given the option to fully fund the treatment or look to be reassessed the following year.
- 21 It is also anticipated that the application forms completed and submitted will be used as a basis of an agreement between Council and applicants to capture maintenance and renewal responsibilities.
- 22 It is proposed that Council will maintain the agreed semi-permanent dust suppressant for a period of up to five years once completed (but this could be more depending on performance and maintenance costs) and that any renewal or reapplication of the semi-permanent dust suppressant will be in line with Council policy at the time of renewal.
- 23 Considering the changes with the funding, timing to develop a process, call for application etc a modified process will need to be run for the 2021/2022 season.
- 24 It is anticipated that it would be unlikely to achieve much in terms of physical works prior to Christmas as part of this season.

**Risk**

- 25 If not managed correctly there is a risk where multiple sections of treatment are required, or a treatment section is in close proximity to an existing sealed road, that a treatment will need to be extended to create a 'link between' sections.
- 26 This is to avoid ongoing maintenance issues and risk to road users from transition between different road surface types in close proximity to each other.
- 27 With any type of prioritisation and funding criteria, there is a risk that the volume of application for subsidy exceed the available budget at any given time, or not everyone meeting the minimum risk rating (score of 10 or greater) for a subsidy resulting in dissatisfaction from customers.
- 28 There is also a risk of customer dissatisfaction of the semi-permanent seal treatment, particularly in the initial stage while 'curing' of the surface takes place.
- 29 As funding from Waka Kotahi is done blocks (three yearly blocks) there is a risk around the level of funding certainty beyond 2021–2024 funding cycle.

**Cost and funding**

- 30 At the meeting on 24 August 2021 there was a limited budget available (\$100,000 per year). Subsequent to the meeting, Council were notified of the final approved funding from Waka Kotahi NZ Transport Agency.
- 31 Any changes in funding expenditure from the approved Long Term Plan will require a report to Council. It is planned that officers will present a paper to Council at the meeting on 27 October 2021 seeking budget approval to account for funding programme approved by Waka Kotahi.
- 32 The final approval was an increase from what Council had previously been advised meaning Council now has total budget approval from Waka Kotahi of nearly \$950,000 (52% of this Waka Kotahi share) over the next three years (around \$315,000 per year).
- 33 On this basis it is recommended that a funding subsidy be aligned to the risk criteria with scores which obtain a medium or higher score (10+) being eligible for a subsidy.



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**Services and Assets Committee**  
**5 October 2021**

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- 34 Applicants will be required to contribute \$8,000 (excluding GST) for a 150 metre length of treatment per household with Council (including Waka Kotahi share) funding the remaining share.
- 35 An allowance will also need to be made to fund the treatment of road sections to create a contiguous surface, as highlighted under the risk.
- 36 As this will fluctuate year on year based on applications, it is proposed that the cost to deal with these be managed within the overall dust allocation budget.
- 37 If the criteria is not met for a medium or high risk, or a site not prioritised due to funding constraints then individuals can still apply the dust suppression by paying the full amount themselves.
- 38 It is proposed that in the first year, that up to \$20,000 is utilised for legal costs including the establishment of standard agreements and specification along with setting out maintenance and renewal responsibilities.

## Recommendation

That the Services and Assets Committee:

- a) receives the report titled "Dust suppressant option" dated 29 September 2021.
- 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) support using the Waka Kotahi NZ Transport Agency dust risk score methodology to prioritise locations.
- e) approves to subsidise applications and treatment length of 150m per household for a semi-permanent seal dust suppression that achieves a medium risk rating or higher, on the provision that a minimum household contribution of \$8,000 (excluding GST) be received per application.
- f) approves that the subsidy will only apply to houses built prior to the adoption of this report.
- g) approves the option of a semi-permanent seal dust suppression being fully self-funded by those that do not qualify for a subsidy, subject to a standard dust suppression agreement.
- h) approves the review of the household contribution on an annual basis in line with Council's other fees and charges.
- i) supports staff setting aside \$20,000 for the first year for legal fees and establishment of a standard agreement and specification.
- j) endorses that an unbudgeted expenditure report be presented to the Council meeting on 27 October seeking expenditure approval to maximise Waka Kotahi NZ Transport Agency funding approval.
- k) supports for future consideration, interdepartmental conversations around the viability of option five: Council to provide a service through a targeted rating system for future years.

## Attachments

- A Options report left to lie on table from 24 August 2021 Services and Assets Committee
- B Dust Risk Factors and Category
- C Dust Suppression Risk assessment worked example

05 October 2021

## Dust suppressant - options report

**Record no:** R/21/8/45822**Author:** Roy Clearwater, Road asset engineer**Approved by:** Matt Russell, Group manager infrastructure and environmental services☒ Decision☐ Recommendation☐ Information

### Purpose

- 1 This report has been prepared to outline options for the policy position associated with the \$100,000 per annum commitment Council made as part of the Long Term Plan (LTP) process towards dust suppression.

### Executive summary

- 2 Changes to the proposed Southland Water and Land Plan, mean that used oil is a recognised hazardous substance and can no longer be applied as a dust suppressant.
- 3 Dust nuisance was a common theme throughout the LTP submission process. This ranged from wanting roads sealed to monetary contributions towards dust suppressants for those affected.
- 4 Council made a commitment of \$100,000 per annum for this LTP period to go towards the local share of a dust suppressant programme on the premise that additional Waka Kotahi funding contribution was likely available (as it has been in previous years). Unfortunately, Waka Kotahi have released their indicative approved budgets and they are not contributing any funding towards dust suppressants. As a consequence, this leaves a total budget of only \$100,000 (Council commitment) plus any local third party share sought.
- 5 The strategic transport team has considered five options of how to utilise the \$100,000.
  - option one: 50:50 contribution for OTTA seal/other approved dust suppressant application
  - option two: prioritise the highest risk road(s) and seal/treat these
  - option three: treating the areas that become maintenance issues that are not applicant's responsibility (small areas between treated surfaces, or adjoining with nearby intersections etc)
  - option four: Council to subsidise associated fees such as application fees and traffic management costs
  - option five: Council to provide and fund a service through a targeted rating system.

## Recommendation

That the Services and Assets Committee:

- a) receives the report titled “Dust suppressant - options report” dated 18 August 2021.
- 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 option four: Council to subsidise permit and associated traffic management costs.
- e) supports for future consideration, interdepartmental conversations around the viability of option five: Council to provide a service through a targeted rating system for future years.

## Background

- 6 Dust nuisance was a common theme throughout the Long Term Plan (LTP) submission process. This ranged from wanting roads sealed to financial contributions towards dust suppressants for those affected.
- 7 The exacerbated frustration around dust nuisance has occurred since Environment Southland (ES) have changed their rules around the application of waste oils to suppress dust. Under the proposed Southland Water and Land Plan, used oil is a recognised hazardous substance and can no longer be applied as a dust suppressant.
- 8 There are some approved products for dust control that can be applied as a permitted activity (ie no consent is required) if you use an approved suppressant in accordance with the conditions of the Hazardous Substances and New Organism Act 1996.
- 9 The above approved products have been trialled in Southland with mixed success rates (generally poor), and are very expensive. It is evident that this is the cause of frustration in the community and has subsequently generated the request for service provision from Southland District Council. It is important to note that this is not an activity or level of service that SDC has previously contributed to.
- 10 In response to these submissions Council made a commitment of \$100,000 per annum for this LTP period to go towards the local share of the \$400,000 (total) programme budget allocation for dust suppressant requested to Waka Kotahi NZ Transport Agency. To access this the minimum breakdown is \$208,000 NTZA share, \$100,000 Council and \$92,000 local third party to maximise the \$400,000 the total budget.
- 11 Unfortunately, approved budgets from Waka Kotahi NZ Transport Agency have indicated that this \$400,000 proposed budget for dust suppressant has been declined and therefore that leaves a total budget of only \$100,000 (Council commitment) plus any local third party share sought. As

05 October 2021

such, council needs to determine how best to commit this contribution and maximise benefit to the community in mitigating the issue of dust on council's gravel road network.

### Issues

- 12 As above, given that this is not a level of service that council has previously provided or funded, it is necessary to determine a policy framework within which council officers can operate. Staff consider that dwellings within a 100m setback is a useful measure in order to understand the scale of the problem (households affected by dust).
- 13 Using GIS spatial data staff were able to carry out a high-level desktop exercise as follows – there are approximately 12,000 buildings within 100m of a rural unsealed road.
- 14 According to RAMM database – there are approximately 3,500 rapid numbers – which potentially provides a better representation of the number of houses versus other buildings such as farm sheds etc.
- 15 For an OTTA seal treatment; an average cost is estimated at \$15,000 per applicant and therefore for the 3500 dwellings with rapid numbers, the total investment required to treat every property is over \$50M.
- 16 It is however recognised that not every property within 100m of a rural unsealed road will have an issue with dust. There are a number of mitigating factors including wind direction, screening and the nature of traffic in the area.
- 17 However, in using every potentially eligible property in the calculation; with a 50:50 contribution (Council/Landowner), Councils share would be \$25M or \$3.5M/annum (working on a 7-year renewal cycle).
- 18 For the next 3 year period our budget is only approximately 3% of what is required (to treat everyone over time with a 50:50 contribution and provide renewals on the same basis).
- 19 Based on this significant shortfall in funding a full analysis of a number of different options (see section further down in report) have been considered on how to best utilise the \$100,000 in an equitable manner.

### Factors to consider

#### Legal and statutory requirements

- 20 While there are no legal obligations for Council to provide dust suppressants as a service; there is a lot of research going into the detrimental health impacts of dust and therefore it would not be surprising if Council is required to respond/provide for this service in the future.

#### Community views

- 21 Those affected by dust (dwellings close to gravel roads) are very passionate about the issue as this subject was well presented/heard during the LTP submissions.
- 22 No direct views have been sought from the community as to how the \$100,000 would be best distributed to be fair and equitable to those affected by dust.

#### Costs and funding

- 23 Waka Kotahi NZ Transport Agency funding application for assistance for this activity was unsuccessful and is therefore not available this LTP (3 year) period.

- 24 Council during the LTP submission made a commitment of \$100,000 to go towards helping those affected by dust. This commitment is generated and funded from the roading rate.

**Policy implications**

- 25 Depending on the option preferred by Council; a policy covering off liability and ongoing maintenance/renewals etc may need to be developed as the next stage of this project.
- 26 Neighbouring territorial authorities with similar geographical and environmental characteristics have adopted an array of policy's in order to reduce dust nuisance. These range from:
- Being an activity or level of service that is not rated for (As per SDC previous stance)
  - Providing a subsidy (such as 50/50) towards treatment on a prioritisation basis
  - Fully rated and funded level of service
- 27 The recommended option adopted by Transport officers has been influenced by the lack of Waka Kotahi funding available. The option recommended has been proposed in order to provide an equitable service that benefits the widest group of affected households.
- 28 A policy based on the recommended option of providing associated traffic management and corridor access request fees will need to include (but not limited to) the following:
- Application process
  - Preparation requirements of road surface
  - Liability of ongoing maintenance and renewals
  - Public use rights
  - Performance matters
  - Insurances
- 29 If additional funds can be sought as part of the next LTP; then the proposal of the best utilisation of budget available is likely to change to either a subsidised treatment option and/or a service that can be added to the applicant's rates.

**Analysis****Options considered**

- 30 Numerous options have been considered on the best way to utilise the \$100,000 budget currently available. These have included different subsidy ratios, but for the purposes of this report only the 50:50 option have been reported on as the advantages/disadvantages remain the same.

05 October 2021

**Analysis of options****Option 1 – 50:50 contribution for OTTA seal/other approved dust suppressant application**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• good subsidy for those who receive</li> <li>• proportionally reduces the burden ratepayers.</li> </ul>	<ul style="list-style-type: none"> <li>• prioritising who receives the subsidy</li> <li>• low numbers benefit per year.</li> </ul>

Approximately 13-14 applicants could be treated per year with an OTTA seal with 50:50 contribution up to a total of \$200,000.

**Option 2 – Prioritise the highest risk road(s) and seal/treat it**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• most affected road(s) benefits (rather than just those who can afford to pay a contribution)</li> <li>• no prioritisation of subsidies required</li> <li>• long term solution for high risk roads.</li> </ul>	<ul style="list-style-type: none"> <li>• majority of affected parties will miss out from any benefit</li> <li>• additional sealed network to maintain going forward.</li> </ul>

Approximately 250m of road could be dressed up and sealed (traditional chip seal) for the \$100,000.

**Option 3 – Treating the areas that become maintenance issues that are not applicant's responsibility (small areas between treated surfaces, or adjoining with nearby intersections etc**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• applicants aren't burdened of additional costs due to their location</li> <li>• fair and equitable</li> </ul>	<ul style="list-style-type: none"> <li>• not treating the areas that actually benefit users from dust (but has other benefits in the form of Level of Service and maintenance)</li> <li>• still unaffordable for the majority.</li> </ul>

Approximately a total of 600m of road could be dressed up and OTTA sealed for the \$100,000.

**Option 4 – Council to subsidise permit and associated traffic management costs**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• available to everyone</li> <li>• fair and equitable</li> <li>• Council will not be seen as an additional barrier (process/costs associated with the changes ES have initiated).</li> </ul>	<ul style="list-style-type: none"> <li>• no subsidy for the treatment itself (only the other associated costs)</li> <li>• likely to still be unaffordable for the majority</li> </ul>

Corridor access request applications for dust suppressants cost \$65 and the estimated cost of traffic management for initial application plus curing time is approximately \$3,500 per site. Therefore, a total of about 28 applicants could receive this benefit for the \$100,000 budget.

**Option 5 – Council to provide a service through a targeted rating system**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• available to everyone</li> <li>• fair and equitable</li> <li>• most affordable option for most</li> <li>• sustainable solution.</li> </ul>	<ul style="list-style-type: none"> <li>• high administration/set-up with multiple rate types required each year</li> <li>• Interest costs on amounts borrowed</li> <li>• there could be interest costs if funds need to be loaned.</li> </ul>

Conversations have started around how this option could potentially work with the finance team. Early indications are that there are a few barriers to overcome, including Commerce Commission compliance in relation to Credit Contracts Act. The comparable model of the Healthy Homes Scheme; is currently under review by a number of Councils in relation to the Credit Contracts Act, and therefore this may mean this option will not be viable. If viable, this option has a lot of merit as the cost / benefit stays with the property not the individual even if the property is sold. This option will take a number of years to deploy.

**Assessment of significance**

- 31 Based on the Council's Significance and Engagement Policy and given that any decision made is in line with the Long Term Plan, it is believed that the decision made based on this recommendation is not significant.
- 32 The decision seeks the best way to distribute the available funds.

**Recommended option**

- 33 Short term: option 4 – Council to subsidise permit and associated traffic management costs.
- 34 Transport recommend option 4 as it is the option considered the most fair and equitable that all affected parties can benefit from; given the small budget available that can be deployed quickly.
- 35 Medium term: option 5 – Council to provide a service through the rating system.
- 36 Subject to Council's approval; strategic transport will continue internal interdepartmental conversations to work towards a service for dust suppressants that the costs to applicants can be added to their rates if they desire.



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**05 October 2021****Next steps**

- 37 Develop a policy based on the approved option. This policy will cover off liability and ongoing maintenance of treated sites.
- 38 Advertise the service to the community for potential up-take prior to the upcoming dry (dusty) season.

**Attachments**

There are no attachments for this report.

TABLE 1 (based on research report 590 table 7.1)  
SITE DUST RISK FACTORS AND SCORES

Risk factor / score	0	1	2	3	4	5
<b>Traffic</b>						
5 day AADT of HCVs	0	1 - 5	6 - 10	11 - 25	26 - 50	More than 50
Speed limit of HCVs (km/h)	No HCVs	20 km/hr	50km/hr or greater			
5 day AADT of LDVs	Less than 100	101 - 300	More than 300			
Speed of LDVs (km/h)	Less than 50	50 - 70	Greater than 70			
<b>Receptors (within 80m of roadway)</b>						
Number of dwellings (houses / km)	0	1	2 - 4	5 - 7	8 - 10	More than 10
Other locations where people are likely to be exposed, (eg schools, marae, or hospitals) (sensitive locations / km)	None	1 - 2	3 or more			
Ecologically sensitive areas such as rare species habitats or wetlands (sensitive locations / km)	None	1 - 2	3 or more			
Horticultural sensitive areas such as fruit orchards (sensitive locations / km)	None	1 - 2	3 or more			
<b>Site characteristics</b>						
Location of roadway	Open plains or coastal area	Some land features likely to slow winds	Inland enclosed valley			
Frequency of rain days (> 5mm)	More than 2 events per week	0 - 1 events per week	Less than one event every two years			
Longevity of logging route use	Not a logging route	1 - 2 years	Longer than 3 years			

Notes to table: from research report 590

HCV heavy duty vehicle - vehicle with a gross mass of greater than 3,500 kg (n.b the research report uses HDV; we have amended this to HCV to reflect more common terminology in the sector).

LDV light duty vehicle - vehicle with gross vehicle mass of less than 3,500 kg

The five -day (Monday to Friday) AADT for HCVs and LDVs is used as the traffic risk factor because this metric provides the strongest indicator of HCV activity.

Speed limit criterion of 20km/h for HCVs were used as a threshold means of determining potential dust mitigation through reducing speed of HCVs and area treatment option that should be considered in all cases.

23/09/2021  
3:08 pm

05 October 2021



**General Circular**  
Investment: No 16/04



TABLE 2 (based on research report 590 table 7.2)

**DUST RISK CATEGORY AND ACTION TO BE TAKEN**

Total dust risk score	Dust risk category	Potential benefit from dust mitigation	Action to be taken
0 to 9	Low	Little or no benefit from mitigation.	End of decision-making process.
10 to 19	Medium	There may be some benefit from mitigation.	Return to and repeat the 'Site dust risk factors and scores' with refined site-specific information.
20 to 28	High	There is likely to be a benefit from mitigation.	Complete assessment of suitable mitigation options.

23/09/2021  
3:08 pm



05 October 2021



### General Circular Investment: No 16/04



TABLE 1 (based on research report 590 table 7.1)

## SITE DUST RISK FACTORS AND SCORES

Road: **rural**

RP	
Start (m)	End (m)
0	1413

Length assessed 1.41 km

Risk factor / score	0	1	2	3	4	5	Score
<b>Traffic</b>							
5 day AADT of HCVs	0	1 - 5	6 - 10	11 - 25	26 - 50	More than 50	5
Speed of HCVs (km/h)	No HCVs	20 km/hr	50km/hr or greater				2
5 day AADT of LDVs	Less than 100	101 - 300	More than 300				2
Speed of LDVs (km/h)	Less than 50	50 - 70	Greater than 70				1
<b>Receptors (within 80m of roadway)</b>							
Number of dwellings (houses / km)	0	1	2 - 4	5 - 7	8 - 10	More than 10	3
Other locations where people are likely to be exposed. (eg schools, marae, or hospitals) (sensitive locations / km)	None	1 - 2	3 or more				0
Ecologically sensitive areas such as rare species habitats or wetlands (sensitive locations / km) <b>Roof water for Domestic use</b>	None	1 - 2	3 or more				0
Horticultural sensitive areas such as fruit orchards (sensitive locations / km)	None	1 - 2	3 or more				0
<b>Site characteristics</b>							
Location of roadway	Open plains or coastal area	Some land features likely to slow winds	Inland enclosed valley				1
Frequency of rain days (> 5mm)	More than 2 events per week	0 - 1 events per week	Less than one event every two years				1
Longevity of logging route use	Not a logging route	1 - 2 years	Longer than 3 years				0

<b>Total dust risk score</b>	<b>15</b>
<b>Dust risk category</b>	<b>Medium</b>
<b>Potential benefit from dust mitigation</b>	<b>There may be some benefit from mitigation.</b>
<b>Action to be taken</b>	<b>Return to and repeat the 'Site dust risk factors and scores' with refined site-specific information.</b>

populate data manually  
Formula calculations

## RAMM snap

Count	60	%HCV	17%	HCVs	10.2	5 Day HCVs	51
ADT	90	%HCV	19%	HCVs	17	5 Day HCVs	86
Midpoint	75	%HCV	18%	HCVs	14	5 Day HCVs	68

	Count	%HCV	HCVs	5 Day HCVs
AADT	60	17%	10.2	51
ADT	90	19%	17	86
Midpoint	75	18%	14	68

Total number of RAPIDs over length assessed (houses / km)

Houses within 80m 8 6 Woodlands Cemetery Rd has 7 RAPIDs

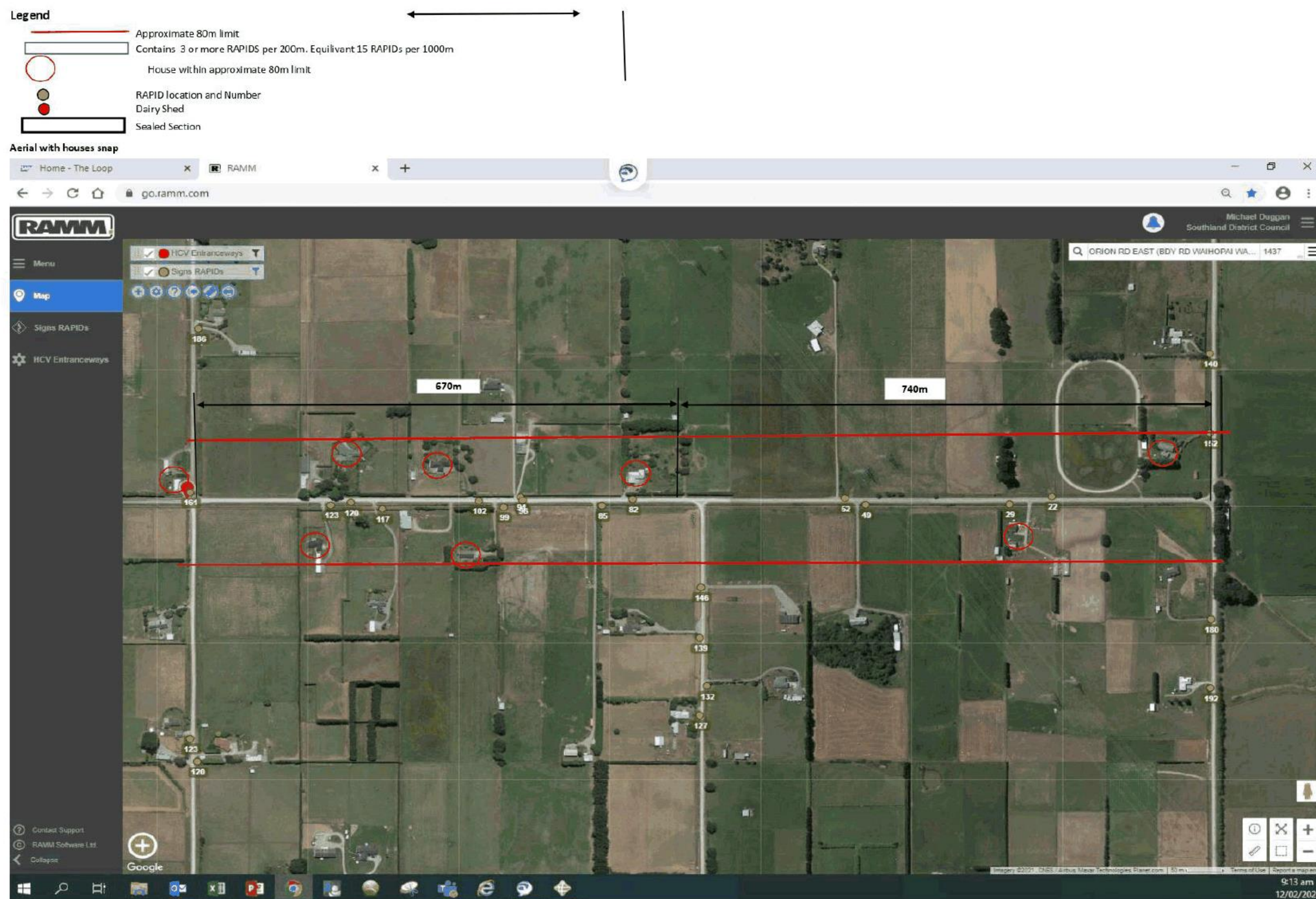
NZTA not considering roof water, as double counting with dust/houses.

Initial analysis on a sliding 1km length, the dust score was 16

Has 15 RAPIDs but 7 are outside the 80m limit or from Google do not have houses on them. Next RAPID (151) is 400m away

If do the 670m section dust score is still 16 but \$' per RAPID drops from around \$14000 to \$9000

23/09/2021  
2:50 pm



23/09/2021  
2:50 pm







## Forestry windthrow and harvest programme

Record no: R/21/10/55163  
Author: Matt Russell, Group manager infrastructure and environmental services  
Approved by: Cameron McIntosh, Chief executive

☐ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 The purpose of the report is to both raise and address the issue of windthrow in areas of Council's forestry blocks in both Waikaia and Ohai.
- 2 Given the timing associated with the issue and the opportunity to address the clean-up required and minimise losses through existing harvesting activities, staff are seeking retrospective ratification of unbudgeted harvesting to address the windthrow.

### Executive summary

- 3 An assessment of the windthrow damage to CPT 12 and 13 of the Waikaia Forest was completed on 28 September 2021. These blocks were planted in 1990/1991 and were due to be harvested in the 2022/2023 financial year as part of the SDC Harvest Plan submitted to inform the 2021 LTP.
- 4 These blocks obtained damage in the strong winds in mid-July. Council's forestry contractor IFS initially undertook drone surveys to assess the damage, with follow-up on ground assessments while working in these areas over the past two months. It is evident that each area of windthrow is suffering further damage in subsequent high winds – in particular the strong winds experienced in early September.
- 5 Windthrow damage to plantation forestry across Southland has been common in recent months due to wet ground conditions and high winds.
- 6 In order to mitigate the risk of further damage, and to minimise the losses from windthrow to date, it is proposed to bring forward the scheduled harvest activities for 2022/2023 and continue with harvesting activities in these areas currently. It is considered that the age of the trees justify this approach. Further, it is estimated that a return of \$942,232 is able to be achieved based on stumpage and tonnage achieved to date in this area. This is slightly ahead of the forecast budget of \$933,670.
- 7 A harvest crew is already established onsite and will be completed the current harvest by mid-October (at time of writing this report). It is anticipated that the additional harvest will take approximately two months to complete. Whilst a positive net position will be achieved, the harvest expenditure is expected to total approximately \$950,000. This is a slight reduction from the previously forecast \$990,000 as part of the 2021 LTP.
- 8 The returns from Council's forestry activities are deposited into the forestry reserve, and are utilised to offset future rates via an annual dividend. As such, the impact of the amended harvest timing is considered negligible.

## Recommendation

That the Council:

- a) **receives the report titled “Forestry windthrow and harvest programme” dated 19 October 2021.**
- 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 bringing forward the 2022/2023 forestry harvest programme at Waikaia to the 2021/2022 financial year with the associated unbudgeted expenditure of \$950,000.

## Background

- 9 An assessment of the windthrow damage to CPT 12 and 13 of the Waikaia Forest was completed on 28 September 2021. These blocks were planted in 1990/1991 and were due to be harvested in the 2022/2023 financial year as part of the SDC Harvest Plan submitted to inform the 2021 LTP.
- 10 These blocks obtained damage in the strong winds in mid-July. Council’s forestry contractor IFS initially undertook drone surveys to assess the damage, with follow-up on ground assessments while working in these areas over the past two months. It is evident that each area of windthrow is suffering further damage in subsequent high winds – in particular the strong winds experienced in early September.
- 11 Windthrow damage to plantation forestry across Southland has been common in recent months due to wet ground conditions and high winds.
- 12 In order to mitigate the risk of further damage, and to minimise the losses from windthrow to date, it is proposed to bring forward the scheduled harvest activities for 2022/2023 and continue with harvesting activities in these areas currently. It is considered that the age of the trees justify this approach. Further, it is estimated that a return of \$942,232 is able to be achieved based on stumpage and tonnage achieved to date in this area. This is slightly ahead of the forecast budget of \$933,670.
- 13 A harvest crew is already established onsite and will be completed the current harvest by mid-October (at time of writing this report). It is anticipated that the additional harvest will take approximately two months to complete. Whilst a positive net position will be achieved, the harvest expenditure is expected to total approximately \$950,000. This is a slight reduction from the previously forecast \$990,000 as part of the 2021 LTP.
- 14 The returns from Council’s forestry activities are deposited into the forestry reserve, and are utilised to offset future rates via an annual dividend. As such, the impact of the amended harvest timing is considered negligible.

## Issues

15 Further considerations informing staff advice on this issue includes:

- fallen logs are still viable as merchant logs provided harvesting occurs within a reasonable timeframe;
- domestic pricing is valid for Q4 2021 (~60% of yield) while export pricing is a forecasted average (~40% of yield);
- once windthrow has occurred in a particular area, the risk of further windthrow is exacerbated;
- the forecast expenditure includes the necessary forestry roading network within the block, along with the necessary archaeological authority.

## Factors to consider

### Legal and statutory requirements

16 There are no legal or statutory considerations associated with this request.

### Community views

17 The budgets associated with the work have been developed as part of the LTP 2021 process. It is not proposed to seek input on the revised timing associated with the harvest programme given the overall negligible impact.

### Costs and funding

18 The impact on costs and funding is essentially a timing issue whereby the revenue associated with the harvesting activities will be received a year earlier than anticipated. As above, the net position and the forecast expenditure is largely in keeping with the budgets forecast through the 2021 LTP.

### Policy implications

19 Nil.

## Analysis

### Options considered

20 There are two options considered as part of this report, as detailed below.

## Analysis of Options

Option 1 – Approve the timing adjustment to the 2022/2023 harvest programme with the subsequent unbudgeted expenditure.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• fallen logs are able to be salvaged for sale</li><li>• risk of further windthrow in the identified area is mitigated</li><li>• forecast budgets are able to be maintained.</li></ul>	<ul style="list-style-type: none"><li>• none identified.</li></ul>

Option 2 – Do not approve the timing adjustment to the 2022/23 harvest programme

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• the expenditure is not required</li><li>• the LTP harvest programme is maintained.</li></ul>	<ul style="list-style-type: none"><li>• further windthrow losses are anticipated</li><li>• fallen logs are not able to be salvaged for sale</li><li>• forecast returns for 2022/23 are at risk.</li></ul>

## Assessment of significance

- 21 This is not considered significant in relation to Council's Significance and Engagement Policy.

## Recommended option

- 22 The recommended option is to approve bringing forward the 2022/23 Waikaia forestry harvest programme to 2021/2022 with the associated unbudgeted expenditure of \$950,000.

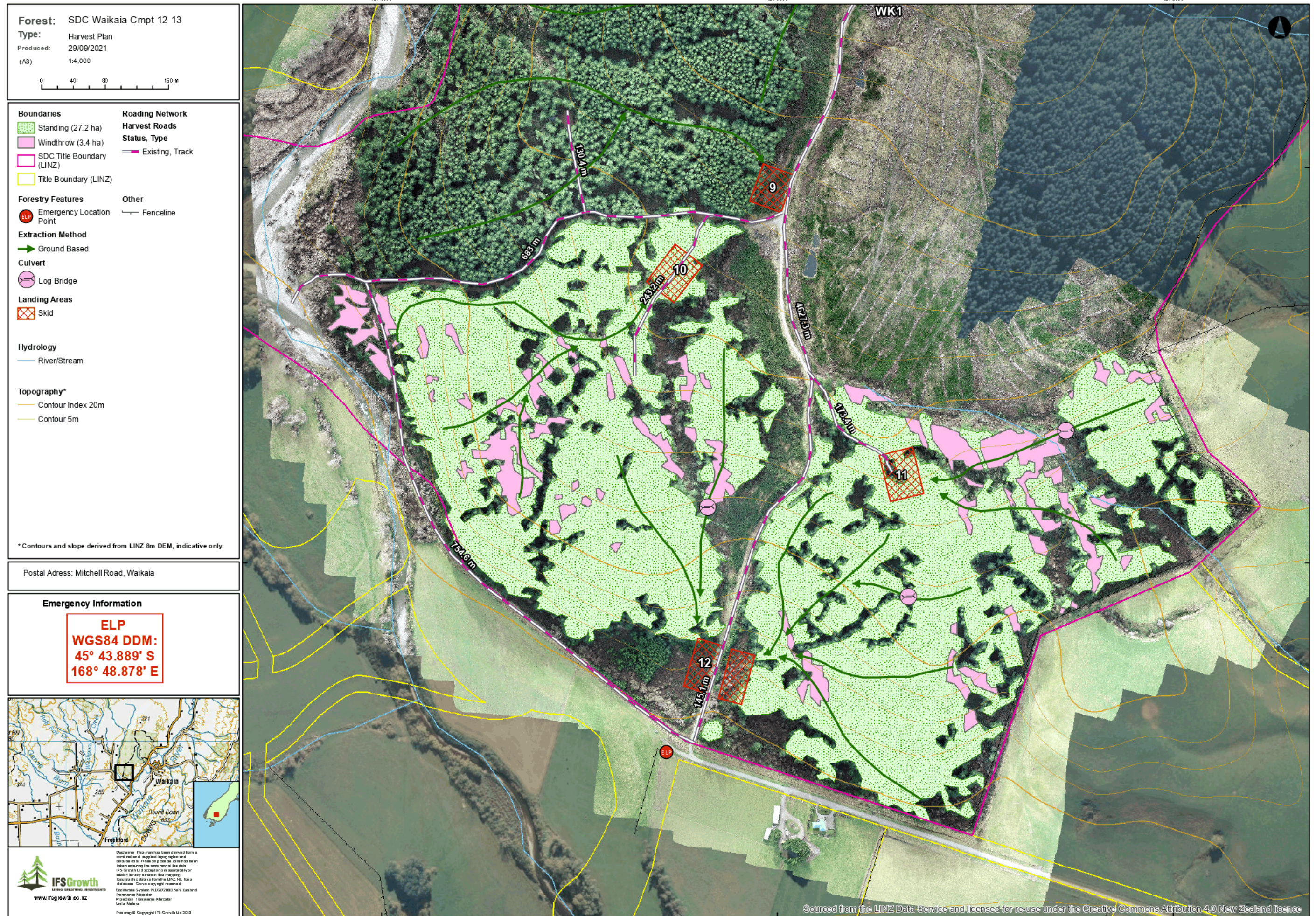
## Next steps

- 23 Confirm with IFS the proposed harvesting activities are able to continue.

## Attachments

- A Waikaia 12 13 Harvest Plan [↓](#)









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## Monthly Financial Report - September 2021

Record No: R/21/10/56189  
Author: Lesley Smith, Management accountant  
Approved by: Anne Robson, Chief financial officer

☐ Decision ☐ Recommendation ☒ Information

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### Summary

1. The purpose of this report is to provide Council with an overview of the financial results to 30 September 2021 by the seven activity groups of Council, as well as the financial position, and the statement of cash flows.
2. This report summarises Council's financial results for the three months to 30 September 2021.

### Recommendation

That the Council:

- a) **Receives the report titled "Monthly Financial Report - September 2021" dated 19 October 2021.**

### Attachments

A Monthly Financial Report - September 2021 [↓](#)



## Monthly financial report

September 2021

Southland District Council  
Te Rohe Pōtae o Murihiku

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**Table of contents**

Executive summary .....3

Council monthly summary .....5

Council summary report ..... 11

Statement of comprehensive income..... 12

Statement of financial position..... 14

Statement of cash flows ..... 15

## Executive summary

This report summarises Council's financial results for the three months to 30 September 2021.

The report summary consolidates the business units within each of Council's groups of activities and includes:

- year to date (YTD) actuals, which are the actual costs incurred
- year to date (YTD) projection, which is based on the full year projection and is currently year one of the Long Term Plan (LTP)
- year to date (YTD) budget, which is based on the full year LTP budget for year one with adjustments for phasing of budgets
- full year (FY) budget, which is the LTP year one budget figures
- full year (FY) projection, which is the LTP year one budget figures plus approved unbudgeted expenditure reports.

The activities reported include the seven activities in the LTP, along with corporate services. Corporate services (previously part of District Leadership) includes all the customer and corporate support (like people and capability, communications, strategy and policy, finance, information management) and Forestry. These costs are spread across all the activities but they have also been separated out for the purposes of this report.

Phasing of budgets occurred in August, and will occur at forecasting and when one-off costs have actually been incurred. This should reduce the number of variance explanations due to timing.

Where phasing of budgets has not occurred, one twelfth of the annual budgeted cost is used to calculate the monthly budget.

Carry forwards approved by Council in September have been included in the projection column. Forecasting will occur in April.

Southland District Council summary reports use a materiality threshold to measure, monitor and report on the financial performance and position of Council. In determining materiality, variances more or less than 10% of the original budget and greater than \$10,000 are considered material and explained in the report.

Report contents:

- A. Council monthly summary
- B. Council summary report - income and expenditure and commentary
- C. statement of comprehensive income
- D. statement of financial position and movement commentary
- E. statement of cash flows.

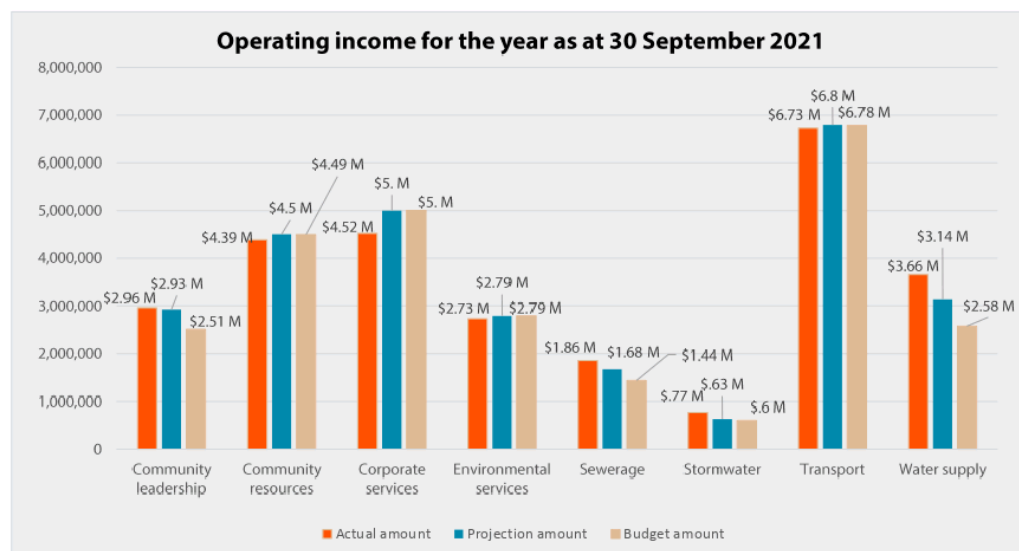
### Abbreviation explanation

Abbreviation	Description
AP	Annual Plan
CAPEX	Capital expenditure
ELT	Executive leadership team
FYB	Full year budget
GDC	Gore District Council
GIS	Geographic information system
GMSE	GeoMedia smart client
GST	Goods and Services tax
ICC	Invercargill City Council
LED	Light emitting diode
LTP	Long Term Plan
ME	Month end
NZTA	Waka Kotahi NZ Transport Agency
NZDWS	New Zealand Drinking Water Standards
SDC	Southland District Council
SIESA	Stewart Island Electricity Supply Authority
YE	Year end
YTD	Year to date
YTD Variance	Comparison of actual results compared to YTD budget
\$M	Millions of dollars

## Council monthly summary

### Income

Operating income is \$155,537 (1%) above projection YTD (\$27.6 million actual vs \$27.5 million projection). The key reasons for the variances in each activity area is discussed below.



- **corporate services** income is \$474,359 (9%) lower than projection largely due to investment income being \$487,650 lower than budget. Council is in the process of changing its approach to investments and borrowing that would have seen an increase in investment income. While these increased returns were budgeted, the new approach has not yet commenced resulting in the budgeted income for the period being lower. However, this is partially offset by a reduction in borrowing costs. The next step is for Council to agree on a borrowing strategy and appoint a fund manager. Staff anticipate that this process will be completed by the end of the year.
- **sewerage** income is \$182,647 (11%) higher than projection
- **stormwater** income is \$138,184 (22%) higher than projection
- **water supply** income is \$522,260 (17%) higher than projection

The variance in income for all of the three waters activities relates to the stimulus grant income. The recognition of this income has been phased to match the expected timing of stimulus project costs. As the stimulus project costs have been delivered ahead of the budgeted phasing, the income is higher for the period to 30 September 2021.

Council may also be interested to know that Council received the second instalment of three waters stimulus funding (\$3,073,000) during August instead of November as expected. This has been treated as revenue in advance on the statement of financial position and will be recognised as revenue in the operating income graph above as the project costs are incurred.

### Update on Waka Kotahi Funding

For Council information, Council staff were advised in September of an increase in Waka Kotahi's overall funding for the first three years of the LTP. The table below shows the updated programme compared with the final LTP.

	2021-24 submitted programme	Final LTP programme	Waka Kotahi updated programme(Sep-21)	Variance
Total maintenance and operations	99,714,769	85,375,174	92,260,264	6,885,090
Total low cost low risk	4,552,869	4,552,869	2,700,281	(1,852,588)
Total	104,267,638	89,928,043	94,960,545	5,032,502

The estimated funding required by council to met the \$5M of additional program in all three years is \$1.724M. This is due to council's share for dust suppression , footpath maintenance and renewals already included in the long term plan.

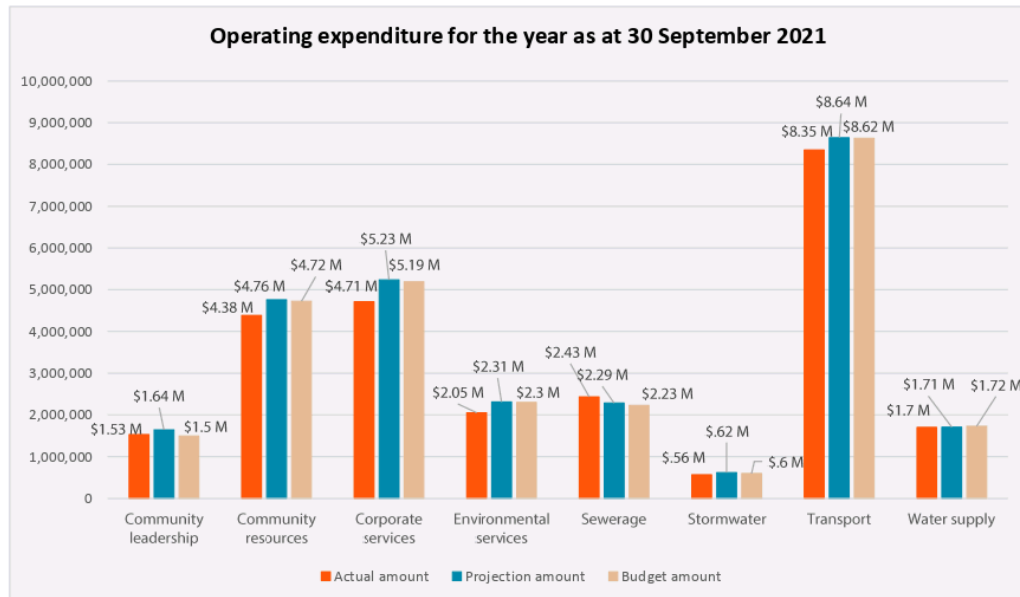
Waka Kotahi NZ Transport Agency provided details of the final funding approval for the three years of 2021/2022, 2022/2023 and 2023/2024. The final approval for the operations, maintenance and renewals programme is \$92,260,264 (compared to interim approval provided of \$85,375,174). The approval for 2021/2022 includes additional work of \$2,158,335 from the program included in the LTP. Staff are currently reviewing the programme and will come back Council in due course to discuss options for the revised programme and related funding.

The approval for the low cost low risk programme, which relate to safety projects and reduced speed around schools is \$2,700,281, compared to requested funds of \$4,552,869. The funds approved related to projects we put forward which aligned with Waka Kotahi safety assessment tool. The approved projects primarily relate to road to zero projects, including safety improvements around schools and on specific intersections. Project relating to roadside barriers and non-specific intersection improvements have been declined.

While this is not reflected in the variances above at this time, it may have an impact on future reports.

## Expenditure

Operating expenditure is \$1.5 million (5%) below projection for the YTD (\$25.7 million actual vs \$27.2 million projection). The key reasons for the variances in each activity area is discussed below.

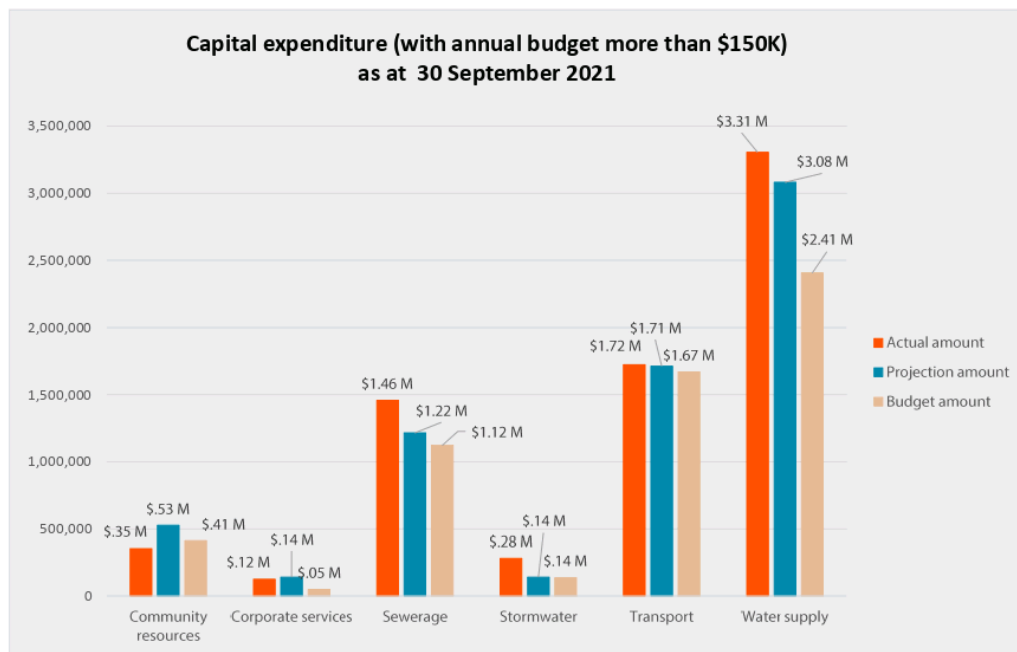
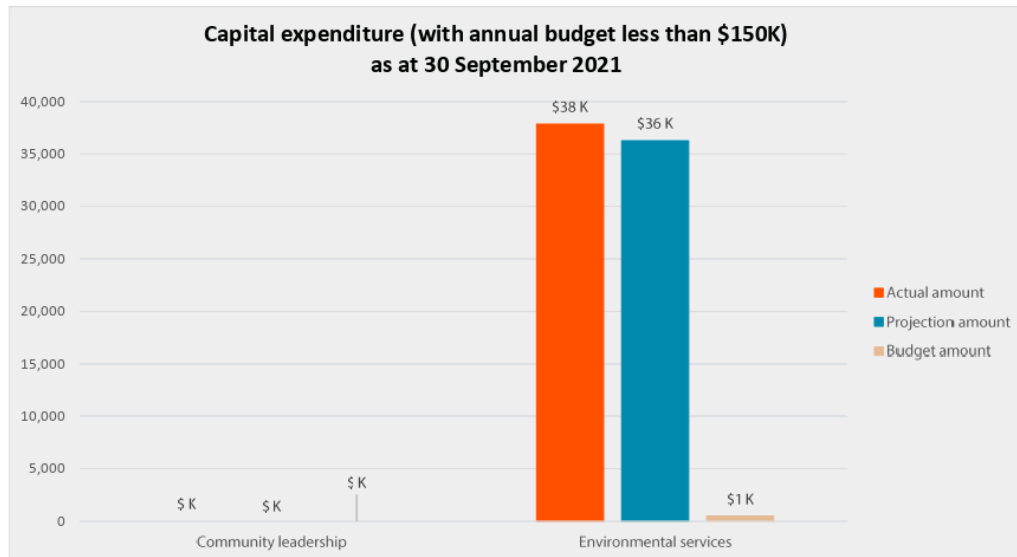


- **community resources** operating expenditure is \$376,431 (8%) lower than projection. The main variances include:
  - parks and reserves costs are \$191,252 (37%) lower than budget. Maintenance costs (\$148,000) and mowing costs (\$24,000) are lower than budget across the district because the costs have not been phased. Winter is a slow period of the year with the majority of the maintenance work undertaken in spring and summer. Over the course of the year these costs are expected to be in line with budget
  - streetscapes costs are \$163,281 (41%) lower than budget. The majority of this is a combination of reduced costs incurred for gardening, mowing and street litter bins, and are expected to level out once the contracts start for the new growing/visitor season
  - hall costs are \$60,019 (29%) lower than budget. \$25,000 of this variance is because we are yet to transfer rates collected on behalf of non-Council owned halls to the relevant committees. These payments are generally made once applications have been received with reminders sent quarterly. \$29,000 relates to the timing of maintenance, with maintenance work yet to be undertaken
  - cemetery costs are \$35,696 (39%) lower than budget principally due to fewer interment claims, along with lower mowing and operational maintenance costs due to the time of the year
  - office and building costs are \$116,021 (12%) higher than budget. This relates to the timing of overhead allocations, which will be adjusted going forward.

- **corporate services** operating expenditure is \$519,607 (10%) below projection. The main variances include:
  - investment operating costs are \$379,684 lower than budget. As detailed in the income section, the borrowing strategy had not yet commenced during this period, resulting in a lower level of external borrowings, directly impacting external interest costs
  - information management operating costs are \$94,338 lower than budget, with \$57,000 of this related to the timing of software license renewals. Photocopying costs across the organisation are \$10,000 lower than budget and maintenance costs are also \$10,000 lower than budgeted
  - water services operating costs are \$52,736 lower than budget. Staff costs are \$77,000 lower than projection due to vacancies in the team, this is offset by consultants costs, which are \$37,000 higher than budget as external resource is being utilised to cover staff vacancies
  - three waters collaboration costs are \$82,848 higher than budget. These are the final costs for the collaboration to be incurred by SDC and on-charged to the other Councils who form the collaboration, with SDC portion funded from the stimulus grant income
- **environmental services** operating expenditure is \$258,585 (11%) below projection. The main variance is resource management costs which are \$201,767 (20%) lower than budget. There is a variance in staff costs (\$140,000) due to vacancies in the team. The recruitment processes have been delayed due to the legislative changes around ecology/biodiversity not being passed as well as Covid-19 and immigration challenges. The other variances are mainly related to the share of internal charges being lower than budget.
- **stormwater** operating expenditure is \$54,467 (9%) below projection. The main reason for the variance relates to the budgets for maintenance and investigation expenditure being spread evenly across the year, with actuals for the three months less than budgeted. These costs are expected to be in line with budget over the course of the year
- **transport** operating expenditure is \$292,360 (3%) below projection. The main variances include:
  - roading administration costs are \$128,574 (70%) below budget. Recovery of wage costs from has improved as a result of advancements to the staff time tracking system, resulting in a cost reduction of \$106,000
  - roading maintenance costs are \$107,103 (1%) lower than budget. The footpath maintenance programme is currently being refined resulting in \$33,000 lower than budgeted costs for the period. \$52,000 of the variance relates to environmental maintenance which primarily covers weather events and spraying and at this stage has not been required
  - special purpose roading costs are \$42,500 (100%) lower than budget. These funds are typically used for repairs to roads caused by unplanned events (like weather events). As such the nature and timing of the work cannot be scheduled resulting in an expenditure variance.

### Capital expenditure (CAPEX)

Capital expenditure is \$430,493 (6%) higher than projection year to date (\$7.3 million actual vs \$6.9 million projection). The key reasons for the variances in each activity area is discussed below.





- **community resources** capital costs are \$173,616 (33%) lower than projection. The main variances include:
  - offices and buildings are \$110,043 (36%) lower than budget. This variance relates to the Te Anau library upgrade project, which is yet to be started. Staff have received quotes for this project and will be engaging contractors within the next month
  - toilets are \$29,877 (49%) lower than budget. The toilet projects are in the process of being tendered after staff identified a number of suppliers through an expressions of interest process
  - parks and reserves are \$18,474 (73%) lower than budget mainly due to the work at Riverton playground not having started. It is intended that this project will be packaged together with other projects within the district to be delivered later in the year
- **sewerage** capital costs are \$242,345 (20%) above projection, largely due to the delivery of Te Anau Wastewater project ahead of the phased budget and preliminary costs of the Caswell Road project being paid (one of the stimulus projects budgeted for later months)
- **stormwater** capital costs are \$140,550 (100%) higher than projection. The capital programme currently being delivered is related to the stimulus work, with projects incurring costs ahead of the phased budget
- **water supply** capital costs are \$223,359 (6%) higher than projection, largely as a result of the phasing of projects. The stimulus project of AC pipe renewal and New Zealand Drinking Water Standards (NZDWS) compliance project have incurred costs ahead of the phased budget. Lakefront Drive water main renewal costs are less than expected for the quarter following delays experienced due to Covid lockdown

## Council summary report

### Southland District Council financial summary for the period ending 30 September 2021

Operating income									
Activity	YTD			FYB			FYB		
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	2,960,235	2,927,230	2,510,600	33,005	1%	9,974,351	9,557,721	(416,630)	(4%)
Community resources	4,388,378	4,504,945	4,493,548	(116,567)	(3%)	19,656,496	18,192,965	(1,463,531)	(7%)
Corporate services	4,522,384	4,996,743	5,000,226	(474,359)	(9%)	19,484,219	19,474,114	(10,105)	(0%)
Environmental services	2,733,607	2,794,575	2,791,964	(60,968)	(2%)	9,387,248	9,335,696	(51,552)	(1%)
Sewerage	1,859,445	1,676,797	1,441,706	182,647	11%	8,288,820	7,210,702	(1,078,118)	(13%)
Stormwater	770,237	632,053	601,892	138,184	22%	3,388,631	3,254,744	(133,887)	(4%)
Transport	6,726,349	6,795,014	6,781,494	(68,666)	(1%)	34,898,276	34,129,768	(768,508)	(2%)
Water supply	3,660,707	3,138,447	2,579,944	522,260	17%	9,192,741	8,045,929	(1,146,812)	(12%)
<b>Total</b>	<b>\$27,621,341</b>	<b>\$27,465,804</b>	<b>\$26,201,372</b>	<b>155,537</b>	<b>1%</b>	<b>\$114,270,782</b>	<b>\$109,201,639</b>	<b>(5,069,143)</b>	<b>(4%)</b>

Operating expenditure									
Activity	YTD			FYB			FYB		
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	1,526,702	1,638,813	1,495,781	(112,110)	7%	9,984,169	9,373,552	(610,617)	(6%)
Community resources	4,380,031	4,756,462	4,721,535	(376,431)	8%	19,944,860	19,551,548	(393,312)	(2%)
Corporate services	4,711,999	5,231,606	5,189,613	(519,607)	10%	19,437,876	19,234,329	(203,547)	(1%)
Environmental services	2,049,890	2,308,475	2,300,158	(258,585)	11%	10,149,270	10,087,029	(62,241)	(1%)
Sewerage	2,429,084	2,286,473	2,226,729	142,611	(6%)	8,067,918	7,927,450	(140,468)	(2%)
Stormwater	563,996	618,463	598,974	(54,467)	9%	2,176,366	2,119,684	(56,682)	(3%)
Transport	8,347,803	8,640,163	8,624,525	(292,360)	3%	35,621,539	35,533,789	(87,750)	(0%)
Water supply	1,699,395	1,708,914	1,724,576	(9,519)	1%	6,458,798	6,489,669	30,871	0%
<b>Total</b>	<b>\$25,708,901</b>	<b>\$27,189,369</b>	<b>\$26,881,892</b>	<b>(1,480,468)</b>	<b>5%</b>	<b>\$111,840,796</b>	<b>\$110,317,050</b>	<b>(1,523,746)</b>	<b>(1%)</b>
<b>Net surplus/deficit</b>	<b>\$1,912,440</b>	<b>\$276,436</b>	<b>(\$680,520)</b>	<b>1,636,005</b>	<b>(3%)</b>	<b>\$2,429,986</b>	<b>(\$1,115,411)</b>	<b>(3,545,397)</b>	<b>(3%)</b>

Capital expenditure									
Activity	YTD			FYB			FYB		
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	-	-	-	0	-	79,000	79,000	0	0%
Community resources	352,841	526,458	411,504	(173,616)	(33%)	8,430,605	6,335,714	(2,094,891)	(25%)
Corporate services	124,867	139,860	49,709	(14,993)	0%	1,457,745	1,079,210	(378,535)	0%
Environmental services	37,855	36,270	500	1,585	0%	248,046	108,500	(139,546)	(56%)
Sewerage	1,457,831	1,215,485	1,122,548	242,345	20%	6,570,089	6,140,314	(429,775)	(7%)
Stormwater	280,550	140,000	135,081	140,550	100%	2,285,607	2,208,402	(77,205)	(3%)
Transport	1,722,883	1,711,620	1,668,678	11,263	1%	21,657,551	20,711,721	(945,830)	(4%)
Water supply	3,305,593	3,082,234	2,405,912	223,359	7%	10,761,076	8,937,875	(1,823,201)	(17%)
<b>Total</b>	<b>\$7,282,420</b>	<b>\$6,851,927</b>	<b>\$5,793,931</b>	<b>430,493</b>	<b>6%</b>	<b>\$51,489,720</b>	<b>\$45,600,736</b>	<b>(5,888,984)</b>	<b>(11%)</b>

<b>ACTIVITY GROUPS AND ACTIVITIES</b>				
This table details what is included in the various LTP activities used for this report				
<b>Activity Group</b>	<b>Community leadership</b>	<b>Community resources</b>	<b>Environmental services</b>	<b>Transport</b>
<b>Activity</b>	<p><b>Community assistance</b> (includes Community Partnership Fund which supports local initiatives and projects, along with grants and donations)</p> <p><b>Community futures</b> (includes district development services which includes community leadership, regional development funding and Stewart Island Visitor Levy)</p> <p><b>Representation and advocacy</b> (includes governance, elected members, elections and chief executive)</p>	<p><b>Community facilities</b> (includes public toilets, community centres/halls, office/library/amenity buildings and dump stations)</p> <p><b>Community services</b> (includes cemeteries, community housing and library services)</p> <p><b>Open spaces</b> (including parks, reserves, playgrounds and streetscapes)</p> <p><b>Waste services</b></p> <p><b>Stewart Island Electricity Supply Authority (SIESA)</b></p>	<p><b>Animal control</b></p> <p><b>Building solutions</b></p> <p><b>Emergency management</b></p> <p><b>Environmental health</b></p>	<p><b>Airport</b></p> <p><b>Cycle trails</b></p> <p><b>Footpaths</b></p> <p><b>Roading</b></p> <p><b>Water facilities</b> (includes boat ramps, Riverton Harbour and Stewart Island Jetties)</p>
<p><b>Corporate services</b> (shared across all activities) Includes customer and corporate support (such as people and capability, communications, strategy and policy, finance, information management) and forestry</p>				

## Statement of comprehensive income

Statement of comprehensive revenue and expenses for the period ending 30 September 2021					
	YTD			FYB	
	Actual amount	Projection amount	Budget amount	Projection amount	Budget amount
<b>Revenue</b>					
Rates revenue	13,162,885	13,269,796	13,269,796	54,179,025	54,179,024
Other revenue	3,260,867	3,211,097	3,212,347	9,209,042	9,214,042
Interest and dividends	10,474	504,900	504,900	2,019,599	2,019,599
NZ Transport Agency funding	2,195,047	2,278,526	2,269,907	15,366,781	15,327,781
Grants and subsidies	4,008,774	3,116,242	1,878,615	13,564,865	8,668,794
Other gains/losses	9,948	15,500	0	760,412	647,085
Vested assets	0				
Development and financial contributions	0	6,547	2,611	36,189	10,445
	<b>22,647,995</b>	<b>22,402,609</b>	<b>21,138,177</b>	<b>95,135,913</b>	<b>90,066,770</b>
<b>Expenditure</b>					
Employee benefit expense	3,813,957	4,132,606	4,125,682	16,937,216	16,907,216
Depreciation and amortisation	6,784,890	6,802,494	6,802,494	27,209,974	27,209,974
Finance costs	38,658	316,265	316,265	1,265,059	1,265,059
Other Council expenditure	10,098,051	10,874,809	10,574,257	47,293,677	45,799,932
	<b>20,735,555</b>	<b>22,126,174</b>	<b>21,818,697</b>	<b>92,705,926</b>	<b>91,182,181</b>
<b>Total comprehensive income</b>	<b>1,912,440</b>	<b>276,436</b>	<b>(680,520)</b>	<b>2,429,986</b>	<b>(1,115,411)</b>

### Note:

The revenue and expenditure in the comprehensive income statement does not reconcile to the total income and total expenditure reported in the Council summary report on page 11 due to the elimination of the internal transactions. However, the net surplus/deficit (as per the Council summary report) matches the total comprehensive income (as per the statement of comprehensive income).

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

## Statement of financial position

Council's financial position as at 30 September 2021 is detailed below. The statement of financial position below only includes Southland District Council and SIESA financials. This means that the statement of financial position for 30 June 2021 differs from the Annual Report which includes Venture Southland and Wastenet. The 30 June 2021 statement of financial position will be presented to the Finance and Assurance Committee and has not yet had audit sign off. The audited statement of financial position will be included as the comparative in the December report.

### Southland District Council Statement of financial position as at 30 September 2021

	Actual 30-Sep-21	Actual 30-Jun-21
<b>Equity</b>		
Retained earnings	723,243,360	721,330,920
Asset revaluation reserves	856,312,665	856,312,665
Other reserves	40,963,080	40,963,080
Share revaluation	4,771,233	4,771,233
	<b>1,625,290,340</b>	<b>1,623,377,898</b>
<b>Represented by:</b>		
<b>Current assets</b>		
Cash and cash equivalents	19,073,062	1,674,768
Trade and other receivables	3,645,948	10,683,506
Inventories	126,353	126,353
Other financial assets	2,171,382	2,522,901
Property, plant and equipment	-	-
	<b>25,016,745</b>	<b>15,007,527</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,614,451,223	1,613,474,356
Intangible assets	4,701,979	4,835,073
Forestry assets	13,270,000	13,270,000
Internal loans	52,455,124	52,455,124
Work in progress	106,722	452,965
Investment in associates	1,164,297	1,164,297
Other financial assets	1,450	1,579
	<b>1,686,150,794</b>	<b>1,685,653,393</b>
<b>Total assets</b>	<b>1,711,167,539</b>	<b>1,700,660,921</b>
<b>Current liabilities</b>		
Trade and other payables	9,533,469	15,534,466
Contract retentions and deposits	640,676	538,012
Employee benefit liabilities	1,584,953	2,098,531
Development and financial contributions	1,626,784	1,620,697
Borrowings	20,000,000	5,000,000
Provisions	3,023	3,023
	<b>33,388,905</b>	<b>24,794,728</b>
<b>Non-current liabilities</b>		
Employment benefit liabilities	23,163	23,163
Provisions	10,008	10,008
Internal loans - liability	52,455,124	52,455,124
	<b>52,488,294</b>	<b>52,488,294</b>
<b>Total liabilities</b>	<b>85,877,199</b>	<b>77,283,022</b>
<b>Net assets</b>	<b>1,625,290,340</b>	<b>1,623,377,898</b>

## Statement of cash flows

Statement of cashflows for the period ended 30 September 2021	
	2021/2022
	YTD Actual
<b>Cash flows from operating activities</b>	
Receipts from rates revenue	15,559,141
Receipts from other revenue (including NZTA)	14,079,523
Cash receipts from interest and dividends	10,474
Payment to suppliers	(15,837,957)
Payment to employees	(4,327,534)
Interest paid	(38,658)
GST general ledger (net)	(125,869)
<b>Net cash inflow (outflow) from operating activities</b>	<b>9,319,119</b>
<b>Cash flows from investing activities</b>	
Receipts from sale of PPE	9,948
(Increase)/decrease other financial assets	351,647
Purchase of property, plant and equipment	(7,415,513)
Purchase of forestry assets	-
Purchase of intangible assets	133,093
<b>Net cash inflow (outflow) from investing activities</b>	<b>(6,920,825)</b>
<b>Cash Flows from financing activities</b>	
Increase/(decrease) term loans	15,000,000
Increase/(decrease) finance leases	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>15,000,000</b>
Net increase/(decrease) in cash and cash equivalents	17,398,294
Cash and cash equivalents at the beginning of the year	1,674,768
<b>Cash and cash equivalents at the end of September</b>	<b>19,073,062</b>

**Cash and cash equivalents and other financial assets**

1. At 30 September 2021, Council had \$9.5 million invested in two term deposits as follows:

SDC Investments - Term Deposits				
Bank	Amount	Interest Rate	Date Invested	Maturity Date
Westpac	\$ 4,500,000	0.47%	25-Aug-21	19-Oct-21
ANZ	\$ 5,000,000	0.48%	30-Aug-21	19-Oct-21
<b>Total</b>	<b>\$ 9,500,000</b>			

2. At 30 September 2021, SIESA had \$1.72 million invested in six term deposits as follows:

SIESA investments - term deposits				
Bank	Amount	Interest rate	Date invested	Maturity date
BNZ	\$ 370,000	0.95%	7-Apr-21	7-Oct-21
BNZ	\$ 250,000	0.87%	2-Feb-21	2-Nov-21
BNZ	\$ 250,000	1.05%	3-Jun-21	3-Dec-21
BNZ	\$ 200,000	1.00%	4-May-21	4-Dec-21
BNZ	\$ 300,000	1.00%	7-Apr-21	7-Apr-22
BNZ	\$ 350,000	1.35%	24-Aug-21	24-May-21
<b>Total</b>	<b>\$ 1,720,000</b>			

3. Funds on call at 30 September 2021:

Funds on call				
	Amount	Bank	Account	Interest rate
SDC	\$ 8,733,403	BNZ	Funds on call	0.05%
	\$ 0	Westpac	Funds on call	0.05%
	\$ 10,000	BNZ	Operating bank acc	0.05%
	\$ 613,574	BNZ	Restricted funds acc	0.05%
SIESA	\$ 213,946	BNZ	Funds on call	0.05%
<b>Total</b>	<b>\$ 9,570,924</b>			

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

## 4. Reconciliation to statement of financial position:

	Amount
<b>Cash and cash equivalents</b>	
Note 1 - SDC Investments	\$ 9,500,000
Note 2 - SIESA Investments	\$ 1,720,000
Note 3 - Funds on call	\$ 9,570,923
<b>Total cash and cash equivalents</b>	<b>\$ 20,790,923</b>
<b>Add other financial assets</b>	
Cash on hand	\$ 2,140
Loan advances - developers contributions	\$ 1,450
Loans - community	\$ 30,097
Civic Assurance shares	\$ 12,986
Milford Sound Tourism shares	\$ 408,299
<b>Total other financial assets</b>	<b>\$ 454,972</b>
<b>Total cash and cash equivalents and other financial assets</b>	<b>\$ 21,245,894</b>
<b>Per the statement of financial position</b>	
Cash & cash equivalents	\$ 19,073,062
Other financial assets - current assets	\$ 2,171,382
Other financial assets - non current assets	\$ 1,450
<b>Total per statement of financial position</b>	<b>\$ 21,245,894</b>

## External Borrowings

SDC Borrowings				
Lender	Amount	Interest Rate	Date Drawdown	Maturity Date
LGFA	\$ 20,000,000	0.73%	16-Jul-21	12-Jan-22
Westpac	\$ -			
<b>Total</b>	<b>\$ 20,000,000</b>			



## Management report

Record No: R/21/10/54725  
Author: Dianne Williams, Mayoral Support  
Approved by: Cameron McIntosh, Chief executive

☐ Decision

☐ Recommendation

☒ Information

## Chief executive update

1. A verbal update will be given at the meeting.

## Services and Assets

### Stewart Island Electrical Supply Authority (SIESA)

2. The generator (unit 2) is now in place and connected. It requires exhaust plumbing through the back of the building and will then be ready for use.
3. The 2021/2022 annual works programme is pending.

### Forestry (IFS)

4. Final valuation for FY2020/2021 year has been received.
5. There has been a rearrangement of the harvest plan to minimise the effect of losses from the windthrow damage in Waikaia and Ohai forest

### Around the Mountains Cycle Trail

6. Minor items identified in the six yearly structural bridge inspection are being actioned by the maintenance contractor and work is nearing completion.
7. Maintenance items identified through the annual trail inspection are also being actioned by the maintenance contractor and work is nearing completion.
8. Flooding in the Centre Hill area in July caused some damage to the trail. Repairs to this area have been completed by the maintenance contractor.
9. Pre-development project work to address the Centre Hill erosion is continuing and SDC is liaising with Landcorp to identify suitable solutions including appropriate survey instruments for the site.
10. Following Council's decision to establish Around the Mountains Cycle Trail Trust. The foundation trustees have been appointed and are Rex Carter, Andrew Cameron, Gene Marsh and Garth Milichich, who are joined by SDC Cr Christine Menzies and Great South appointment Nicola Wills.
11. There is an exciting new event on the trail – Race the Train. Saturday, 15 January 2022. Runners and cyclists will race the Kingston Flyer between Fairlight and Kingston.

12. Other events this season include - Down River Dash – Sunday, 12 December. Unfortunately, the Lumsden community has made the tough decision to not go ahead with Cycle and Celebrate this year, due to a number of factors including Covid-19 restrictions.

### Te Anau Manapouri airport

13. Due to a backlog of work at CAA toward the end of 2020, and therefore a delay in the Safety Management System (SMS) audit, an exemption to the SMS was obtained through to 30 September 2021, this has now been completed with zero non-conformance. 139 certification renewal has been pushed out to early 2022 as a result of Covid-19 travel restrictions.
14. A contractor was engaged for the investigative test pits and ground water monitoring and the work has been completed. The test pits have been excavated, reinstated, and findings logged by Beca. Aggregate samples have been sent to lab for analysis (particle size, soaked CBR, and water content testing). We should have the test results back from the lab by the end of next week. Piezometers have been installed allowing us to start monitoring ground water levels. This monitoring will be carried out over a number of months to allow engineers to access the affects ground water may be having on the runway. When Beca have all the results of the testing, monitoring they will be able to design a suitable resurface/ treatment for the runway. Depending on the results of the ground water monitoring we may not have a final design for the surface treatment until mid-2022.

### Property

15. Staff levels are now back to a full complement with staff also transitioning back into the office after the last Covid lockdown. There is still significant demand for staff time in operating community housing, with little or no action undertaken to deal with the significant work backlog in other areas.
16. Work that is underway is the rent review and renewal of Riverton Harbour Endowment farming leases which happen every 21 years. This is at the stage of Council valuers have completed their assessments which have been sent to the lessees. The lessees are also undertaking their own assessments and these will be compared in the next few weeks. The draft leases with Landcorp for the lands at Kepler have been signed by Landcorp and are in order for signing by Council. Water allocation and flows are also being confirmed.
17. Numerous internal enquiries regarding what is allowed on Council property are being received and processed. This is an important role given the many differing land status, to ensure the asset managers are undertaking work on Council property and in accordance with the many restrictions that may, or may not, exist with each status.

### Strategic water and waste

#### Operations and maintenance contract 10/01

18. Downers has been busy catching up with routine maintenance tasks after Covid-19 restrictions.
19. The treatment plants are performing well, with good compliance results.

20. A recent planned water shutdown in Riverton highlighted a need to review Council's public shutdown notification process. Several residents had not been made aware of the work through the radio and newspaper notices.

### Water

21. Design work continues on the Manapouri water treatment plant upgrade project.
22. Pre-design investigation work is underway for the Eastern Bush Otahu Flat water treatment plant upgrade.
23. The Sandy Brown Road booster station upgrade is awaiting the construction phase later in the year.
24. The Tuatapere water treatment plant aerator upgrade is complete.
25. Riverton water treatment plant UV treatment room under construction.
26. Wellhead improvements are completed at Mossburn.
27. Winton water treatment plant pH correction project in design.

### Waste water - resource consent renewals

WASTEWATER SCHEME UPGRADE	DESCRIPTION	CAPITAL BUDGET
Balfour WWTP and consent	A revision to the work scope and strategy has been requested. This is due to the likely limited number of future disposal options to be short-listed early in the proposal.	\$1.5 million
Edendale/ Wyndham WWTP and consent	A strategy has been proposed and this has also had a revision requested to the scope on the basis that the primary feature will be disposal and not enhancing treatment levels. A consultant has been engaged to begin the analysis and optioneering for this.	\$3.0 million
Manapouri WWTP and consent	The pond drop test and sludge surveys have both been completed for this scheme with the drone flight contouring still planned for later this month.  Inflow and discharge monitoring equipment is due to be installed next week for load testing.  No further working group meetings will be scheduled until this engineering data has been collated for short-list considerations.	\$4.0 million
Riversdale WWTP and consent	The resource consents for the Riversdale scheme have been granted and Council approved the land acquisition at their extraordinary meeting in August.	\$2.6 million

WASTEWATER SCHEME UPGRADE	DESCRIPTION	CAPITAL BUDGET
	A survey has been engaged to carry out both the legal and feature survey subject to Council decision. Tender documents and timeline are progressing.	
Stewart Island disposal field	Disposal field upgrade design has been completed and will be constructed later this year.	\$300,000
Winton WWTP and consent	The revised strategy was presented to Environment Southland and the Winton Working Group on 3 August. A staged approach is now being developed subject to further input from Te Ao Marama. The option to connect with Invercargill has yet to be further consulted at staff level.	\$25 million
Gap Road East pipes	Te Anau Earthworks has completed the majority of the pipeline installs for the pressure sewer and a water pipe to Rata Lodge. The bridge crossing is still outstanding, works to be completed. Council has contributed financially to the upgrade size of these pipes to be vested in Council.	

## Stimulus

28. Work continues with the Stimulus programme, and 2021/2022 LTP capex programme packages with 14 projects completed, another eight underway.
29. There are three projects currently under design and three with completed design awaiting commencement of physical works.
30. Due to the Covid-19 lockdown impacts, dialogue has been had with the DIA regarding extension of the programme deadline through to 30 June. The DIA has requested an updated forecast of when works are planned up to 30 June 2022, which has been submitted as part of the quarter 4 reporting. The lockdown impact on the stimulus programme is sitting around 6-8 weeks at this stage, due to the lockdown itself, slower production rates during level 3 restrictions, interruptions in production due to the 'make safe' works that were completed prior to lockdown as well as ongoing issues with sourcing hire gear and specialist materials out of Auckland.

## Project delivery team (PDT).

31. The 2021/2022 works programme turnover for September was approximately \$2.3 million which is pleasing considering the Covid-19 shutdown.
32. The carry forward process has been completed and has added approximately 50 projects and \$4 million of carry forward added to the 2021/2022 programme.
33. Mores Reserve, Taramea Bay, TIF master planning, and the combined toilet requests for tender have all gone out during August/September which covers approximately \$4 million of projects.

34. Several new contractors have been added to the approved subcontractor pool which is great considering the amount of work we have to undertake.
35. Two road rehab tenders have closed and the first package has been awarded to SouthRoads with the second package to be awarded early October.
36. The major bridge tender package is due to close mid-October and is estimated at. \$3 million

### Community facilities

37. The team has been working with the finance team to finalise the carry forwards from the previous year. A lack of contractor resource and a delay in materials has contributed to these projects not being completed. A strategic decision was also made to carry forward a number of the playground soft fill projects so that they could be combined with capital works projects that had been identified for this financial year.
38. The first part of community communication went out in the First Edition. This provided our communities with an overview of the number and value of projects that we intend to deliver. The second part of the communication will go into more detail about the individual projects and potential timeframes for delivery.
39. There was a good response to the two drop in sessions that were held with contractors who expressed an interest in providing services to Council. There were 70 expressions of interest and both sessions had high attendance. Raising the awareness around the number of projects, the value of the projects and the fact that this level of work extended throughout the next 10 years was something that was appreciated by the contractors who attended the sessions.
40. A request of interest (ROI) was put out to the market for the toilet capital works. This package has a total value of \$1,225,000. This closed on 11 September and we received three responses. This was rather disappointing as by providing a larger package of work it was expected that there would be more interest from the market.
41. Some focus will now shift to looking at preparing for the 2022/2023 financial year's capital works programme.
42. Work is continuing with the fire evacuation plans for all of the halls. Plans have been lodged with FENZ and are now awaiting approval. We now have seven approved plans. Staff are working with the community leadership team and the community boards to meet with hall groups and their communities to inform them of the changes to the FENZ requirements and the changes in the hall management structure. These conversations have generally been positive and clarified some misunderstanding around Council process.
43. Working with local contractors to help them meet Waka Kotahi traffic management requirements is becoming more difficult. This is holding up finalising the last of the contracts that went through the Section 17A review.

## Strategic transport

### District wide roading programme

44. The footpath renewal programme is having to be reviewed for the third time as a result of the final funding received from Waka Kotahi. This has been communicated to all the community boards. They have also been advised that staff are planning to have this work completed over the coming weeks to allow for discussion to be had with each of the boards in November.
45. The bridge renewal package of work is still out to tender with tenders closing mid-October. Some preliminary work is also underway in relation to Waianiwa Bridge located on Argyle Otahuti Road. As this bridge runs over a railway line, agreement needs to be reached with Kiwi Rail around the clearance level of the bridge and potential timing of works.
46. Four out of the five pavement rehabilitation packages have been awarded with one still to go to market. This is the Maitara Island site that is currently having a design safety audit being undertaken. As part of the work, intersection improvement is planned due to the crash history associated with it.
47. The resurfacing programme started on 1 October and runs through until 30 March. Weather condition is the key contributor of completing this work. Being early on in the construction season there are no concerns associated with this programme of works.
48. Work is also underway on a new streetlighting maintenance contract. As part of the new contract it is planned to incorporate the ability to carry out new street light installation. This should make it more cost effective and efficient to carry out level of service improvements required through the Long-Term Plan.
49. Following some large weather events in September a review of the Colac Foreshore Road rock protection work is being undertaken. This includes drone survey footage to help identify scope and quantities of work required in the coming months to insure the integrity of the current wall is maintained. At present no areas have been identified as of critical concerns.

## Environmental Services

### Building

The team issued 81 building consents in September (95% within statutory timeframe) and made 62 CCC decisions (98% within statutory timeframe).

Decisions that exceeded timeframes related to human error which is part of the team's journey, having 7 technical resources undergoing training at the same time.

Council continue to receive a high volume of consents with 78 consents received during September 2021 (13% more than September 2020).

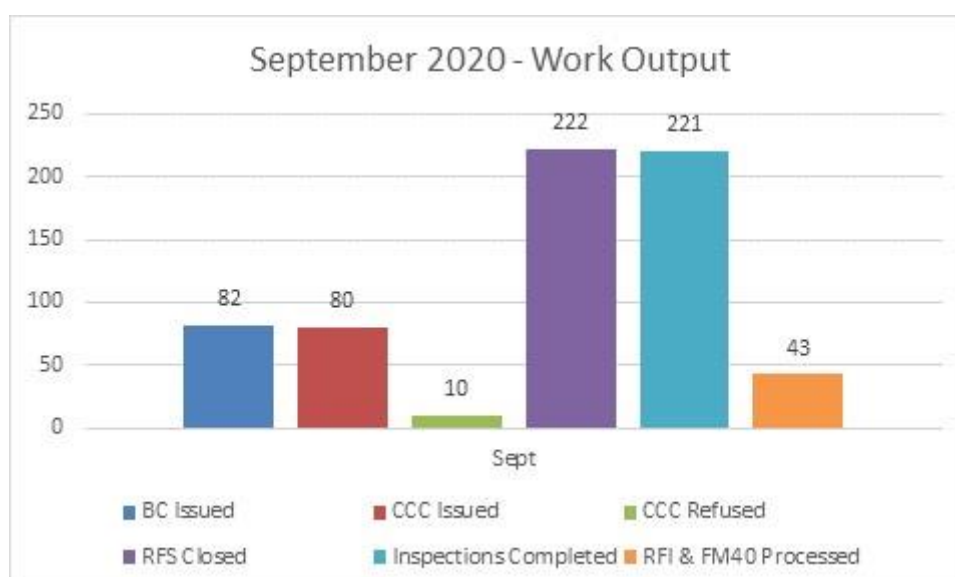
127 building consents are currently being processed by Council (80 of those waiting for Further Information). In the first quarter of FY21/22, 72% of consents received by Council required further information prior to being issued.

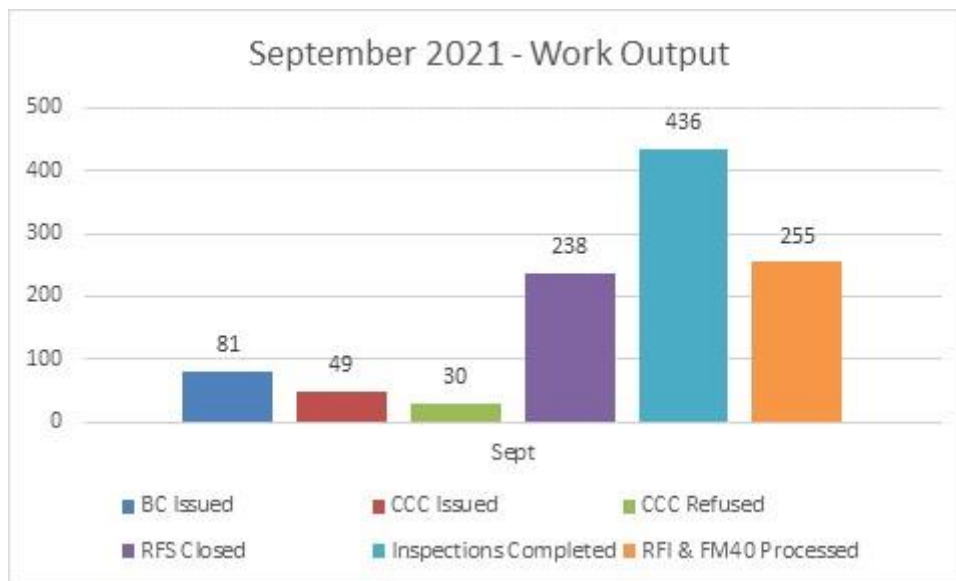
Inspection volumes remain high with 436 inspections completed in September at a pass rate of 55%.

9% of all Building Warrant of Fitness Audits have been completed to date, ensuring that the team are on track to achieve the annual target of 20%.

A summer pool safety campaign is being planned with 85 failed inspections still to be re-inspected to verify compliance.

The team were awarded the BOINZ Organisational Commitment to Customer Service and Excellence award 2021.









## September 2021 – Building Consents Received

Primary Property Hk Ey → Property Ward	Count	Sum of Application Value
Mararoa Waimea	27	NZ\$7,027,820.00
Oreti	17	NZ\$2,210,500.00
Waiau Aparima	25	NZ\$4,597,426.00
Waihopai Toetoe	12	NZ\$1,501,350.00

## Knowledge management

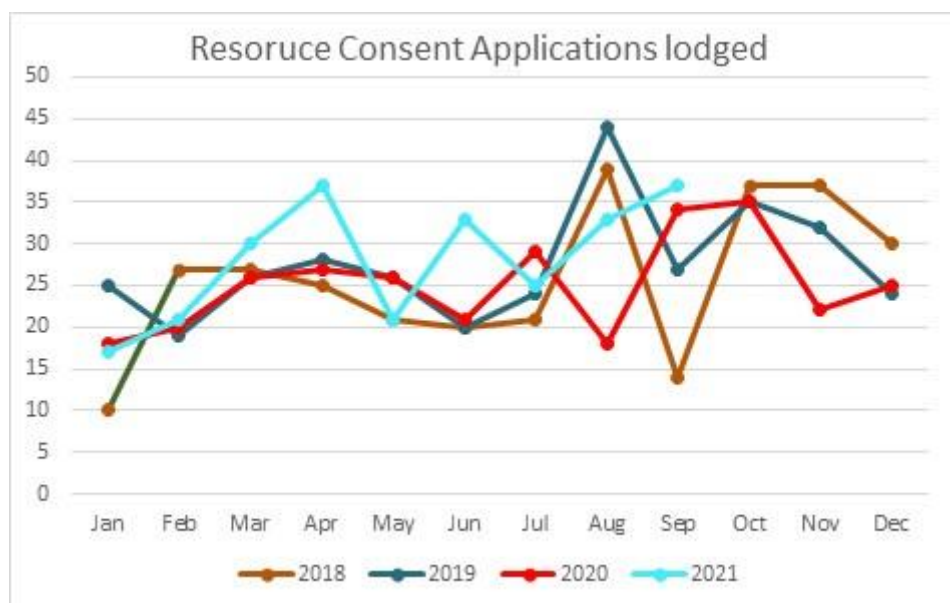
50. Work continues on improving our security posture and business continuity. Testing of multi factor authentication for remote access was successfully completed and is planned to be rolled out to the organisation over the next few months. We also tested our business continuity capabilities by successfully starting a number of servers in our backup cloud environment and checking their interoperability.
51. The GIS team are currently undertaking a feasibility study to determine what effort will be required to transition from our current GIS systems to and Esri GIS environment. Moving to Esri GIS would provide greater alignment with our neighbouring councils, allow easier data and knowledge sharing. Esri is the most common GIS software used by NZ local government organisations.
52. RM8 Pathway integration continues as the team work through the various Pathway modules. Licensing was completed in September.

53. In preparation for a future upgrade of our record management system, the applications team have been testing integrations between Pathway and the new CM10 version. The next step is to test InfoCouncil and CM10 before preparing an upgrade plan.
54. Preparation continues for the move of our email server from on premise to Office 365. Initial testing has been successful, and a small test group of mailboxes will be transitioned to Office 365 in October.
55. The application team has start working on the new Pathway UX version which is a web-based interface for pathway.

## Resource management

### Resource consents

56. The volume and complexity of resource consent applications received year to date remains above what has been received the last few years. Initial indications are that for the remainder of 2021 and beginning of 2022 that this trend of volume and complexity will continue. In this reporting period the joint decision with SDC and ES on the Fulton Hogan Quarry in Fairlight was issued and approved.



### Environmental Policy

57. Work is continuing on the review of the landscapes chapter of the Operative Southland District Plan 2018. It's anticipated that this work will continue into the new year when the plan change will be notified. 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. Additionally, some indicative work is underway to look at how the recommendations in the District Plan Effectiveness report can be progressed to ensure that the plan maintains being effective and compliant with legislation.

## Legislative reforms

58. In the last reporting period no addition updates have been provided from Ministry for the Environment on environmental reform. It's anticipated that a exposure draft on the National Policy Statement for Indigenous Biodiversity will be released for submissions in before the end of 2021.

## Environmental health

59. The appeal to the decision to decline an off licence to Otautau Hotel Limited, for a new bottle store in Riverton, is with ARLA for determination. A hearing for a proposed bottle store in Winton will be organised, as a number of public objections have been received.
60. Work is continuing with alcohol applications online.
61. Freedom camping ambassador services are being organised for this season, starting around 1 November.

## Animal control

62. Dog control is continuing to follow up on owners that have not re-registered their dogs, a large yearly process. These registrations are all subject to late penalty, and possibly also infringement fines.
63. A 'signs on gates' campaign is being run, raising awareness around 'beware of dog' type signs.
- Our stock control function is affected by the NZTA's changes to traffic management qualifications, with our officers likely changing from the STMS qualification to 'inspection', and also complete some work to make our utes more visible at night.

# Democracy and Community

## Policy and strategy

### Bylaw and policy work

64. Staff in the strategy and policy team are in the early stages reviewing a number of documents. These include:
- The Open Spaces Strategy and Reserves Management Policy
  - The Stewart Island/Rakiura Visitor Levy Bylaw and Policy
  - The Delegations Manual – staff have begun reviewing the manual and identifying possible changes
  - Alcohol Control Bylaw - it is intended that pre-consultation with stakeholders will take place in December 2021
  - Smoke Free Open Spaces policy – it is intended that pre-consultation with stakeholders will take place before the end of this year
  - Protected Disclosure Policy
  - Contract Management Policy
  - Risk Management Policy

### Corporate risks

65. Following annual review by LT, on 23 June 2021, Council adopted the revised top strategic risks which will form the quarterly risk register going forwards. After input from LT, the September 2021 quarterly risk management update was presented to the Finance and Assurance Committee on 27 September and Council will be informed of any risks of issue when they meet on 27 October 2021.

### Annual Plan

66. Work has begun on the Annual Plan 2022/2023. Timetables are being developed and project and budget information is being circulated to Community boards.

### Long Term Plan

67. On 29 June 2021, Council adopted the Long-Term Plan 2021-2031. The LTP sets out Council's plan for the next 10 years, how this contributes to the strategic direction, the costs and how they will be paid for, and how we will measure our performance as an organisation. The LTP is our contract with our community for the services that we will deliver. The LTP is available on Council's website to view or download, and printed copies of the LTP are available in area offices. During the consultation process council received numerous submissions on the draft LTP. Due to COVID lockdown, the responses to these submissions were delayed, however the majority of responses have been sent to submitters.

### Annual Report

68. Work on the development of the 2020/2021 Annual Report is in progress. The draft annual report will be released for review to Audit NZ by the Finance and Assurance committee on 22 October 2021.

### Customer support

69. We received 3291 calls during the month of September, with an average wait time of 22 seconds. The team were happy to return to work after working from home during lockdown. We transitioned back to work in gradually, splitting into two teams-one at work and one at home from 8 September, with all staff back in the office from Monday 20 September.
70. The return to work required some changes at the front desk with the use of a welcome desk for the first couple of weeks to manage customers and sign them in. After the first couple of weeks Customer traffic has quietened down and we will now only staff this desk at peak times.
71. During lockdown one of the team has made the decision to move to Wellington, however because of the flexibility of the system she continues to work for us from Wellington.
72. The move from office to lockdown was relatively smooth this time and certainly made easier with the team each having a laptop. The ability to work from home has definitely been tested which is great as this can be very helpful at times. A great example of this is when a staff member isn't feeling 100% but not unwell enough to require a sick day. They can work from home which will help prevent the spread of illness throughout the team.
73. During lockdown the team worked on making outbound calls as we continue to work on cleansing our database. There is a lot of work to do to get our data correct but many of our

upcoming initiatives rely on us having correct contact information for our customers so this will be an ongoing task for the team when time allows.

## Libraries

74. There is not a lot to report this month as lockdown and the continuing level 2 restrictions have put a halt to many of our services. Level 2 can create a lot of additional challenges for front facing staff and has required increased staffing at most locations. Library programming has been put on hold due to either space, social distancing or sharing of equipment, limiting the ability to run these safely. We have been working on adjusted but limited programming that we will begin rolling out shortly that should be able to run without breaching level 2 guidelines.
75. The Winton refurbishment has had a number of setbacks mostly due to the disruptions of building material supply chains out of Auckland and Australia. Before lockdown the project was on track to hand over in late December, this has now been adjusted to late March. Another issue that has caused an increase in project expenditure and delays has been the discovery of black mould back within the building. While this was to be expected due to how long the building has sat unoccupied and without the conditions that created the mould originally having been addressed, the amount and varied locations has led to a number of repairs and tasks outside the original scope of the project to occur.
76. The tagging work that our staff had just begun before lockdown as part of the RFID project came to a sudden halt as we moved to level 4 then level 3. Since then the work has ramped up and we will soon be looking at having completed the necessary work at Lumsden, Winton RSA, Wyndham and Otatau. Though many of our lager collections are still to begin the tagging process (which needs to be completed before hardware installation begins) the library team has made a significant dent in the collections. The hardware installation has been pushed back from November to March which will give us the time to complete our tagging process and also align with the Winton refurbishment handover.

## Governance and Democracy

77. The Local Government (Pecuniary Interests Register) Amendment Bill was introduced to the House on 1 July 2021. It had its first reading on 22 September and is currently open for submissions.
78. The bill proposes to improve transparency and strengthen public trust and confidence in the decision-making of local authorities. It is intended that the bill would better align transparency requirements of members of local authorities with members of Parliament and the Executive Council.
79. Currently, local authorities vary in the information they collect and publish about members' interests, for the purpose of managing conflicts of interests.
80. The bill aims to create a consistent approach. It would require local authorities to maintain and publish a register of pecuniary and other specified interests for members of local authorities, such as directorships, business interests, employment, or property. It would also require members of local authorities to disclose gifts and members they receive. The bill would create an offence for

members who fail to meet their responsibilities under the bill. The bill can be viewed on line here

[https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL\\_111983/local-government-pecuniary-interests-register-amendment](https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL_111983/local-government-pecuniary-interests-register-amendment) .

## Recommendation

That Council:

- a) **Receives the report titled “Management report” dated** 20 October 2021.

## Attachments

There are no attachments for this report.

## Central Southland Community Swimming Pool Committee - grant application

Record no: R/21/10/56933

Author: Karen Purdue, Community partnership leader

Approved by: Fran Mikulicic, Group manager democracy and community

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 This report is to consider a recommendation from the Oreti community board to approve an application from the Central Southland Community Swimming Pool Committee for grant funding of \$8,000 towards the purchase of a new heating system for the Winton swimming pool from the Winton Wallacetown ward reserve.

### Executive summary

- 2 The Central Southland Community Swimming Pool Committee has applied to the Oreti Community Board for a grant of \$8,000 towards the purchase of a new heating system.
- 3 The overall project cost is \$92,634 and the committee has secured all other funding required for the project to proceed.
- 4 The Oreti Community Board does not have the delegation to approve expenditure from this reserve and at the Oreti community board meeting held on Monday 18<sup>th</sup> October 2021 passed a resolution recommending to Council that a grant of \$8,000 be approved for this project from the Winton Wallacetown ward reserve.
- 5 The Winton Wallacetown ward reserve has a balance of \$ 421,247.

## Recommendation

That the Council:

- a) receives **the report titled “Central Southland Community Swimming Pool Committee - grant application” dated 19 October 2021.**
- 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 a grant of \$8,000, from the Winton Wallacetown ward reserve to the Central Southland Community Swimming Pool committee, to complete the heating upgrade at the Winton swimming pool.

## Background

- 6 At the Oreti Community Board meeting on Monday 23 August 2021, the Central Southland Community Swimming Pool Committee presented in public forum.
- 7 They asked the board to consider a request for \$8,000 to complete a heating project which had an overall project cost of \$92,634.
- 8 The committee has secured all other funding required for the project to proceed.
- 9 The Oreti Community Board does not have the delegation to approve expenditure from this reserve and at the Oreti community board meeting held on Monday 18<sup>th</sup> October 2021 passed a resolution recommending to Council that a grant of \$8,000 be approved for this project from the Winton Wallacetown ward reserve.
- 10 The Winton Wallacetown ward reserve has a balance of \$ 421,247.

## Issues

- 11 Currently the community board provide an annual operating grant to the committee. The board consider this a ‘one off’ grant to ensure that the pool can open for summer.

## Factors to consider

### Legal and statutory requirements

- 12 There are no legal or statutory requirements to consider.

### Community views

- 13 The community are supportive of the application for the heating upgrade at the Winton swimming pool.



#### Costs and funding

- 14 The grant of \$8,000 is proposed to come from the Winton Wallacetown ward reserve.

#### Policy implications

- 15 There are no policy implications.

#### Analysis

##### Options considered

- 16 There are two options to consider.
- 17 Option 1: approve a grant of \$8,000 from the Winton Wallacetown ward reserve.
- 18 Option 2: not approve a grant of \$8,000 from the Winton Wallacetown ward reserve.

#### Analysis of options

##### Option 1 – approve a grant of \$8,000 from the Winton Wallacetown ward reserve

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>the heating upgrade can be completed</li><li>benefits the community by enabling the pool to open for the summer season</li></ul>	<ul style="list-style-type: none"><li>there will be less funds available for other projects</li></ul>

##### Option 2 – not approve a grant of \$8,000 from the Winton Wallacetown ward reserve

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>more funds available for other projects</li></ul>	<ul style="list-style-type: none"><li>the heating upgrade cannot be completed</li><li>the pool may not be able to open for the summer season</li></ul>

#### Assessment of significance

- 19 This is not considered significant in terms of Southland District Council's Significance and Engagement Policy.

#### Recommended option

- 20 The recommended option is option 1 - approve a grant of \$8,000 from the Winton Wallacetown ward reserve.

#### Next steps

- 21 Payment of \$8,000 will be made to the Central Southland Community Swimming Pool Committee.

#### Attachments

- A Report for Oreti Community Board Central Southland swimming pool committee October 2021 [↓](#)
- B Feasibility Study - Heating for CSC Pool October 2021 Attachment for Oreti CB Report [↓](#)

## **Central Southland Community Swimming Pool Inc.**

174 Mackenzie Street  
WINTON 9720  
Southland

23 August 2021

Many thanks for the opportunity to present to the Community Board to report on the 2020 – 2021 season and the plan going forward for the 2021 – 2022 season for the Central Southland Community Swimming Pool.

### Overview of the past 12 months

The Swimming Pool committee consisted of 13 volunteers committed to the ongoing running of the community pool. For the season we opened on 26<sup>th</sup> September 2020 and closed on 16<sup>th</sup> April 2021. In the latter part of the season we ceased some of the public seasons due to weather and cost of diesel to heat the pool with the weather change.

During the season we had one Swimming Club used the pool twice a week and one Swim School use the pool five sessions weekly. We offered nine public sessions per week, two Aqua Aerobic sessions and one Family Fun Night.

The community pool was also used by the College and local and surrounding primary schools for their swimming programme. Swimming Carnivals were also held.

We employed three secondary students to man the office during the public sessions and were extremely fortunate to have two committee members volunteer on a regular basis to cover public sessions and run Aqua Aerobics to minimize costs for staffing the facility. We also had other committee members cover the office on occasions as volunteers.

### Roof Replacement

The roof for the pool is currently in the process of being replaced – and we are very grateful to Central Southland College and the Ministry of Education for covering the costs of this upgrade.

### Heating System Upgrade

As a committee we have been working hard during the season towards a new Heating System for the pool. We engaged Ahika Consulting to undertake a Feasibility Study to advise us of the best plan for this (see attached). As a result, the committee decided to install a Heat Pump System. Some members of the committee were elected to the Heating Sub Committee and worked hard to collect relevant information and quotes for this installation.

The total cost of this project is as follows:

Costs (excl. GST)	
• Heat Pumps	\$55,995.00
• Leak Investigation	\$12,000.00
• Installation of Heat Pumps	\$21,940.00
• Concrete Pad	\$2,550.00

• Gate (to surround pumps)	\$149.00
<b>Total Cost</b>	<b>\$92,634.00</b>

To date the following funding has been secured for this project

Funds secured	
• Southern Trust	\$29,995.00
• Community Trust South	\$25,000.00
• Blue Sky Foundation	\$15,000.00
• Quiz Nights Fundraisers	\$4509.54
• Wrap Fundraiser	\$5014.35
<b>Total Cost</b>	<b>\$79,518.89</b>

Funds Pending	
• Rural Women	\$2,000.00 applied for
• Fowler Trust	\$5,000.00 applied for
• Winton Lions	Letter sent requesting monetary support
• Winton Rotary	Letter sent requesting monetary support
• Speights Bottle Cap Quiz	Postponed due to current lock down
• Donations Board	Work in progress

\*Included in the Budget is \$12,000.00 to investigate leaks in the pool. This was an estimate cost.

#### Financial Position of the Community Pool.

Please see attached the Financial Report for the last twelve months and a Profit and Loss projection for the 2021 – 2022 season. As a committee we feel confident that the new Heating System will result in the pool being self-sufficient. We have also investigated the possibility of applying for some of the running costs for the pool with good response.

#### **Our request to the Community Board**

As a committee we appreciate the ongoing support we have received from the Community Board. We would like to request that as a Community Board you consider funding the shortfall for this Heating project up to \$8,000.00.

Thank you once again.

Yours faithfully

Maria Scammell - President

Kate McRae – Secretary

Sharyn Goodman - Treasurer



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## Assessment of pool heating options

for

## Central Southland Community Pool

17 December 2020



ENERGY, CARBON &  
WASTE IN BUSINESS



BIODIVERSITY &  
CONSERVATION



FOOD, FARMS &  
FRESHWATER



CARBON FORESTS  
& BIOENERGY



PEOPLE &  
COMMUNITY

Report prepared for client by Ray Mohan and Lloyd McGinty

Date: 17 December 2020

Report number: 00239

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2 Dowling Street

Dunedin 9016

New Zealand

#### **Reliance and Disclaimer**

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#### **Document Version History**

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Review</b>
Final draft for review	17 December 2020	Ray Mohan	Lloyd McGinty

## Background

Ahika Consulting Ltd have been commissioned by the Central Southland Community Pool committee to determine the cost-efficiency of different heating options for the Central Southland Community Pool located in the Winton township. In this assessment, factors such as capital cost of implementation, on-going fuel requirements per season and the life-cycle capital of the respective heating options have been considered.

The energy usage used in the analysis was calculated from information provided by the Pools Committee.

Source	Unit	kWh/unit	Total supply for season (kWh)	Notes	Total energy supplied (GJ)	Total energy used in Heating (GJ)
Lignite	(t)	3790	64,278	None used in season	-	-
Diesel	(l)	10.7	168,595	Used in boiler for heating	606.9	606.9
Electricity	kWh	1	42,685	Used for lighting only	153.5	-
Total	-	-	275,558.9	-	760.4	606.9

## Coal

Coal-fired boilers while quite common, are slowly being replaced due to their high emissions. The New Zealand Government's Clean Energy Fund has seen the conversion from coal to alternative energy sources, such as wood biomass, in schools, universities and hospitals. With consideration to this transition, the cost of installation for the coal boiler has been included in this analysis mainly for the purposes of providing a comparative benchmark to other forms of heating.

The fuel cost was calculated based on lignite from New Vale at a quoted price of \$140/tonne. From the resources provided by the Pools Committee, the price per tonne was calculated to be \$71.8/t, with freight ranging from \$27 to \$33/t.

For the coal boiler assessment, both the prices obtained by Ahika (\$140/t) and the discounted price of \$71.8/t was also included separately in the analysis. An average cartage charge of \$31.2/t was used, based off the information provided. In terms of cost of fuel, coal was the most cost-efficient energy source at approximately \$7/GJ. It is important however to recognise the impact of Emissions Trading Scheme charges on the rising cost of coal.

### Wood Pellet

Wood pellet boilers are increasing in popularity and provide a renewable energy alternative to traditional coal boilers. The suitability of a coal boiler to heat the pool was assessed in the analysis, with the results presented in the table below. The cost of wood pellet as a fuel, in comparison to coal, is higher on a price per GJ basis at \$24.7. This has been based of a quote obtained of the delivery of pellets to site from Niagara Wood Fuels in Invercargill.

For the purposes of the analysis, the following were assumed:

1. Staffing requirement for wood pellet boiler are the same as that of a coal boiler.
2. Negligible ash production – therefore, disposal costs have been stated as zero.

### Heat Pumps

Hot water heat pumps are a common way to efficiently heat seasonal-use pools. Heat pumps can last up to 15 years if regularly maintained. A heat pump system requires lower staffing requirements, in comparison to both coal and wood boilers, and only requires an annual maintenance service. Please note that annual servicing/maintenance requirements have not been factored into this analysis.

The unit itself is powered by electricity and transfers heat from the surrounding atmosphere into the pool's water. More specifically, the unit takes the heat from the air, upgrades it with a compressor and then transfers it into the water. They typically convert one unit of input energy into 3 units of output energy.

An assessment was done of 3 different heat pump suppliers/installers, including a quote (Coombes Aquatic Ltd) that was provided by the Pools Committee, with the findings stated in the Table below. An updated quote from Heat Pump Pool Solutions was also obtained.

The operational cost per season for each unit is the same due to the assumed equal efficiencies of the new units. The estimated capital cost of the heat pump system from Heat Pump Pool Solutions was found to be the lowest as \$57,615. However, it is important to note that an upgrade to the capacity of the current supply (presently 30 kVA 3-phase) may be required for heat pumps 2 and 3. And this will result in increased network charges, which have not been included in this analysis.

## Cost-Efficiency Analysis

*Table 1 Summary of the total operational expenditure breakdown for heating options*

Unit type	Cost of boiler (\$)	kW output	Installation allowance (\$)	Total capital cost estimation (\$)	20 yr. Capital Cost <sup>1</sup> (\$)	Fuel type	Fuel cost per GJ (\$)	Efficiency %	Fuel cost/season (\$)	Staffing (\$)	Ash disposal (\$)	Operational cost for first season (\$)
Coal fired boiler (discounted price)	123,210	180	29,000	152,390	152,390	lignite	6.86	80	4,163.63	5,550.00	615.00	10,328.63
Coal fired boiler	123,210	180	29,000	152,390	152,390	lignite	11.4	80	6,919.16	5,550.00	615.00	13,084.16
Wood pellet boiler	62,300	180	37,770	100,250	100,250	wood pellet	24.7	80	14,997.58	5,550.00	-	20,547.58
Heat pump 1 <sup>2</sup>	81,300	140	Included	81,000	166,050	electricity	53.9	300	11,541.23	n/a	-	11,541.23
Heat pump 2 <sup>3</sup>	42,495	120	15,000	57,615	118,111	electricity	53.9	300	11,541.23	n/a	-	11,541.23
Heat pump 3 <sup>4</sup>	86,524	260	15,000	101,784	208,657	electricity	53.9	300	11,541.23	n/a	-	11,541.23

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<sup>1</sup> A 5% increase has been factored into the purchase price of a replacement heat pump unit after yr. 10.

<sup>2</sup> Coombes Electrical

<sup>3</sup> HPPS

<sup>4</sup> HWP



### Choosing the right heating solution

The capacity of the leased diesel boiler currently used for heating is 93 kW. Due to the insufficient heating, a heating unit with a bigger capacity is required.

The coal fired boiler had the lowest operational cost per season (with the discounted coal price), however it was not the most efficient heating option. Due to the increasing number of initiatives and regulations aimed at reducing coal usage in New Zealand, this may also result in higher carbon taxes over the next 20 years, and other offsetting requirements. Therefore, a coal-fired boiler is not recommended as a good long-term heating solution for the community pool.

Three proposed heat pump systems were assessed as part of the analysis. While the heat pumps have considerably lower operational costs per annum, both heat pumps 1 & 2 have considerably lower outputs in comparison to the other proposed heating types. Both these have been recommended based off the suppliers' suggested Coefficient of Performance (COP) of 4, however this may be too optimistic, as this value is likely based off the performance in a controlled setting, without any external variables which will occur in a real-life situation e.g., fluctuations in external temperatures etc. The current 30 kVA 3-phase supply only provides enough capacity for heat pump 1, however heating during peak demand may be insufficient. Heat pump 3 will provide sufficient heating based off the current energy usage, however the system's 52 kW input requires an upgrade to the existing transformer, which will result in increased electricity charges.

On a 20 yr. capital cost estimate, the wood pellet boiler was the cheapest heating solution at just over \$100k. When factoring in the 20 yr. lifecycle operational costs (inclusive of the capital cost), the wood pellet boiler came in second in cost efficiency, in comparison to heat pump 3 which was approximately \$71k cheaper. However, please note that this was calculated based on the current electricity rates - which will likely be increased after the supply upgrade required for running heat pump 3.

Therefore, Ahika recommends that Central Southland Community Pool committee consider implementing either a wood pellet boiler or heat pump 3 (260 kW) for pool heating, and to discuss with the local lines company, The Power Company, the potential for upgrading the electricity supply at the site.

## Unbudgeted expenditure request for grant from Mararoa Waimea Ward reserve to Waikaia Trails Trust

Record no: R/21/10/55123  
Author: Tina Harvey, Community liaison officer  
Approved by: Anne Robson, Chief financial officer

☒ Decision ☐ Recommendation ☐ Information

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### Purpose

- 1 The Ardlussa Community Board at its meeting on 5 October, 2021 resolved to recommend to Council that it approve a grant of \$4,372 be made from the Mararoa Waimea Ward reserve. This is part of a \$20,000 grant, approved by the board to be paid to the Waikaia Trails Trust to assist with the costs of project master planning, associated contingencies and administration costs.

### Executive summary

- 2 The Waikaia Trails Trust wrote to the Ardlussa Community Board (the board) in August 2021 seeking financial support in the amount of \$20,000 to assist with the costs to develop the overall masterplan for the mountain bike trail project previously supported by Council through its Waikaia forest.
- 3 A meeting of the board was held on 5 October 2021 and the board resolved to grant \$20,000 (plus gst if any), subject in part to Council approving monies from the Mararoa Waimea Ward reserve. In making the decision the board, identified that the benefit of the trail would be gained by the wider Ardlussa area and agreed that the funding should be evenly shared by all and preferably be from funds already held in reserves.
- 4 The four reserves covering the Ardlussa area are the Balfour, Riversdale and Waikaia general reserves and the Mararoa Waimea Ward reserve. The board resolved to fund \$15,628 from interest earned on the following township general reserves;
  - Balfour general reserve \$2,636
  - Riversdale general reserve \$7,395
  - Waikaia general reserve \$5,594
- 5 The Ardlussa Community Board is recommending to Council that the balance of the \$20,000 requested by the Waikaia Trails Trust, being \$4,372, be funded from the Mararoa Waimea ward reserve. This use of this reserve requires Council agreement.
- 6 Attached is a copy of the report tabled at the Ardlussa Community Board meeting held 5 October 2021.

## Recommendation

That Council:

- a) **Receives the report titled “Unbudgeted expenditure request for grant from Mararoa Waimea Ward reserve to Waikaia Trails Trust” dated 19 October 2021.**
- 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 grant \$4,372 to the Waikaia Trails Trust from the Mararoa/Waimea Ward reserve account to assist with the project master planning costs, and associated contingencies.

## Background

- 7 Public access to the Waikaia forestry block for the purpose of potential future mountain bike trails was granted in October 2020 by Council.
- 8 Elevate Trail Building were contracted in March 2021 to develop a concept plan for the development of a mountain bike trail network in the Waikaia forest.
- 9 The completed plan was received in May 2021.
- 10 In May 2021, a community meeting was held in Waikaia to discuss the project with the wider community. Over 40 people were in attendance. Generally, the meeting was very positive and attendees showed support for the project to progress.
- 11 The board has previously said that it sees this project as benefiting the wider Ardlussa area by providing off road cycling opportunities to those within the community and enticing more visitors to the area who will contribute to the local economy.
- 12 A charitable trust (Waikaia Trails Trust) has been established to drive this community led project.
- 13 The primary focus for the trust moving forward will be the development of the master plan for the trails. Due to workloads, Elevate Trail Building have recommended John Jones from Ride Line Consulting to undertake this work on behalf of the trust.

## Issues

- 14 A budget of \$20,000 for the investigations into the establishment of mountain bike trails in the Waikaia forestry block was set aside in the 2021-2031 Long Term Plan.
- 15 It was intended that the investigations be funded by way of a loan and repaid over 15 years through funds collected via the Ardlussa Community Board rate.
- 16 When this project was originally identified, it was envisaged that the initial planning works would be undertaken by the Ardlussa Community Board prior to a trust being established to fundraise for the building and ongoing maintenance of the trail network. Since the initial discussions around this project, a group of individuals have formed a trust to drive this community led project from the master planning stage and into the fundraising and build stages.

- 17 Given the project is no longer being driven by Council, the board had to consider the most appropriate way to fund this project.
- 18 Interest on reserves from Balfour, Riversdale, Waikaia and the Mararoa Waimea Ward were the chosen option to fund the \$20,000 grant to the Waikaia Trails Trust. As these monies do not put any extra burden on ratepayers and the Board could approve the use of these monies by resolution.
- 19 The board consider it appropriate to utilise the Mararoa Waimea Ward reserve as they see this project have a wide community benefit outside of the township boundaries within Ardlussa. The Mararoa Waimea Ward reserve covers the rural sector of the Ardlussa area.

#### Factors to consider

##### Legal and statutory requirements

- 20 The general rule is that rates collected need to be used for the activities they were collected for. There are no restrictions on the interest earned on these reserves which may be used for any purpose determined by the community board.
- 21 The community board has delegated authority to approve unbudgeted expenditure of up to \$20,000 for locally funded activities.
- 22 A recommendation to council is required in order to access the Mararoa Waimea ward reserve as the board does not have a delegated authority to make a decision about those funds.

##### Community views

- 23 A community meeting was held in Waikaia in May 2021 where the initial concept plan was made available to the public and feedback received was generally positive.
- 24 In addition, in anticipation of the board's meeting on 5 October 2021, the Ardlussa Community Board Facebook page was used to advertise the meeting.
- 25 The post on the page included a link to the full agenda as well as a summary of the recommendation to fund the grant by way of interest collected on the Balfour, Riversdale and Waikaia general reserve and also from the Mararoa Waimea Ward reserve.
- 26 Hard copies of the agenda were also advertised as being available from the stores in the Balfour, Riversdale and Waikaia stores and a copy of the Facebook post was also displayed in store advising the community of the proposal.
- 27 Several members of the public attended the meeting but no one sought speaking rights in public forum in order to address the board about this matter.

##### Costs and funding

- 28 Council generally funds any grants made from rates or reserves. As funding is being sought in this financial year, the community board recommended to fund it by the use of interest on reserves from Balfour, Waikaia and Riversdale reserves.
- 29 There are sufficient funds in the Mararoa Waimea reserve to meet this commitment. At the 30 June 2021 the balance of the reserve was \$70,752. The 2021-31 Long Term Plan projects a balance of \$80,057 at the end of the 10-year period.

## Policy implications

- 30 There are no policy implications

## Analysis

## Options considered

- 31 The options to consider are to approve a grant of \$4,372 to the Waikaia Trails Trust from the Mararoa Waimea Ward reserve or to not approve the grant.

## Analysis of options

Option 1 – Approve a grant of \$4,372 to the Waikaia Trails Trust from the Mararoa Waimea Ward reserve

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>the Waikaia Trails trust would be able to proceed with the master planning for the development of the trail.</li> </ul>	<ul style="list-style-type: none"> <li>there is less money in the reserve available for other projects.</li> </ul>

Option 2 – Not approve of a grant of \$4,372 to the Waikaia Trails Trust from the Mararoa Waimea Ward reserve

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>there will be more money retained in the reserve for use in the future.</li> </ul>	<ul style="list-style-type: none"> <li>the next stage of master planning would be held up while the trust undertakes further fundraising to secure the necessary funds.</li> </ul>

## Assessment of significance

- 32 This is not considered significant in relation to Council's Significance and Engagement Policy.

## Recommended option

- 33 The recommended option is to approve of a grant of \$4,372 to the Waikaia Trails Trust from the Mararoa Waimea Ward reserve.

## Next steps

- 34 Inform the board and the Waikaia Trails Trust of Councils decision.

## Attachments

- A Report to Ardlussa Community Board - 5 October 2021 - Grant request - Waikaia Trails Trust [↓](#)

**Ardlussa Community Board**  
**5 October 2021**



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## **Grant request - Waikaia Trails Trust**

**Record no:** R/21/8/48252  
**Author:** Tina Harvey, Community liaison officer  
**Approved by:** Anne Robson, Chief financial officer

☒ Decision ☐ Recommendation ☐ Information

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### **Purpose**

- 1 The purpose of this report is for the Ardlussa Community Board to consider a request for a grant of \$20,000 to the Waikaia Trails Trust for project master planning, associated contingencies and administration costs.

### **Executive summary**

- 2 The Ardlussa Community Board (the board) has been approached to provide some financial support to the proposed Waikaia Trails Trust. The trust is currently being formed with the paperwork expected to be completed soon.
- 3 The support being requested is for \$20,000 to assist with the costs to develop the overall masterplan for the project. Traditionally, master plans usually include full scope of the project including design of the trail network, access and amenity requirements and logistics planning. Any remaining funds will be used for contingencies and associated administration costs.
- 4 The public meeting held with the community in May 2021 noted that Council had no grants planned to the new trust within Council's Long-Term Plan 2021-2031. The meeting was advised that the trust might make an application in the future and that this would be considered at that time. This has now occurred and a copy of the grant request is attached to the report.
- 5 The board has previously said that it sees this project as benefiting the wider Ardlussa area by providing off road cycling opportunities to those within the community and enticing more visitors to the area who will contribute to the local economy.
- 6 Within Council's 2021/22 budget, \$20,000 was allowed for investigations into the establishment of mountain bike trails in the Waikaia forestry block. It was originally planned that Council would look to do this investigation then hand over to a community entity for delivery. However, the trust currently being created are keen to undertake this work as well as any delivery. This project was budgeted to be funded from a loan over 15 years.
- 7 Council generally funds any grants made from rates or reserves, given its nature. As noted above, the funding for the project should it have been undertaken by Council, was by way of a loan. As funding is being sought in this financial year, the community board, should it approve the grant, could consider funding from one or a mixture of the following:

**The Community Partnership Fund**, budgeted at \$6,000 annually this is rated for through the Ardlussa community board rate. This would require a separate funding application to be completed by the Trust and submitted by 30 September 2021.

**Interest earned on reserves held within the Ardlussa area and Mararoa Waimea Ward.** At the 30 June 2021 the reserves held in these areas has earned interest over a number of years. This may be used for any purpose determined by the community board and Council.

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**Ardlussa Community Board**  
**5 October 2021**

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Although loan funding of a grant is not the preferred option, the board may consider funding of the grant from a loan repayable from next year's Ardlussa Community Board rate (approx.\$40 for those in urban areas and \$10 for rural) or at most sharing it over the next two years of Ardlussa Community Board rates this would be approx.\$20 per residential ratepayer and \$5 per rural ratepayer.

- 8 Based on the above, it is recommended that should the decision be to approve the grant, that funding be from the interest earned on reserves from Waikaia, Riversdale, Balfour and Mararoa Waimea Ward. This is recommended as the funds already exist and will put no further rate burden on the ratepayer at this time. Should this be the preferred option, the board can approve the transfer from the reserves for Balfour, Riversdale and Waikaia but will need to get Council to approve the Mararoa Waimea Ward Reserve funding as the board does not have authority to make decisions about ward reserves.
- 9 The community board, as part of any approval process, will also need to decide how the grant approved will be shared across the reserves. This report has been prepared on the basis that the share be based on a per rateable property basis of \$32.15. This would result in \$4,372 coming from Mararoa/Waimea reserves, \$2,636 coming from Balfour, \$7,395 coming from Riversdale and \$5,594 coming from Waikaia. These amounts are calculated on the number of properties in each area.

**Ardlussa Community Board**  
**5 October 2021**



## **Recommendation**

**That the Ardlussa Community Board:**

- a) receives the report titled "Grant request - Waikaia Trails Trust" dated 27 September 2021.**
- 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/declines the grant to the Waikaia Trails Trust of \$20,000 (plus gst, if any) for the creation of a master planning document and associated contingencies to be funded from interest earned on reserves**
- e) subject to recommendation d), agrees to share the funding of the grant between the following reserves, subject to Council approval on the Mararoa/Waimea ward reserve, this allocation is based on a fixed amount of \$32.15 per rateable property**

**Balfour general reserve \$2,636**  
**Riversdale general reserve \$7,395**  
**Waikaia general reserve \$5,594**  
**Mararoa/Waimea reserve \$4,372**

## **Background**

- 10 Public access to the Waikaia forestry block for the purpose of potential future mountain bike trails was granted in October 2020 by Council.
- 11 Elevate Trail Building were contracted in March 2021 to develop a concept plan for the development of a mountain bike trail network in the Waikaia forest.
- 12 The completed plan was received in May 2021.
- 13 In May 2021, a community meeting was held in Waikaia to discuss the project with the wider community. Over 40 people were in attendance. Generally, the meeting was very positive and attendees showed support for the project to progress.
- 14 The board has previously said that it sees this project as benefiting the wider Ardlussa area by providing off road cycling opportunities to those within the community and enticing more visitors to the area who will contribute to the local economy.



**Ardlussa Community Board**  
**5 October 2021**

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- 15 A charitable trust (Waikaia Trails Trust) is currently being set up to drive this community led project. The trust members are Hilary Kelso, Sam Ruddenklau, Daniel Butler, Dylan Ditchfield, Colleen Morton and James Anderson.
- 16 The primary focus for the trust (once established) will be the development of the master plan for the trails. Due to workload, Elevate Trail Building have recommended John Jones of Ride Line Consulting to undertake this work on behalf of the trust.
- 17 A memorandum of understanding will be prepared between Southland District Council and the Waikaia Trails Trust to cover off issues relating to (but not limited to) the following:
  - trail maintenance, management and restoration
  - trail development
  - signage
  - access
  - health and safety obligations
  - risk
  - insurance.

**Issues**

- 18 A budget of \$20,000 for the investigations into the establishment of mountain bike trails in the Waikaia forestry block was set aside in the 2021-2031 Long Term Plan.
- 19 It was intended that the investigations be funded by way of a loan and repaid over 15 years through funds collected via the Ardlussa Community board rate.
- 20 When this project was originally identified it was envisaged that the initial planning works would be undertaken by the Ardlussa Community Board prior to a trust being established to fundraise for the building and ongoing maintenance of the trail network.
- 21 Since the initial discussions around this project, a group of individuals have advised of their intention to form a trust and drive this project from the master planning stage and into the fundraising and build stages.
- 22 A formal request from the trust has been received for the board to make a grant to the trust in the amount of \$20,000 to cover the cost of master planning, associated contingencies and administration costs.
- 23 Should the community board approve the funding, it will need to decide how to fund the grant, options are discussed further in the costs and funding section.

**Factors to consider**

**Legal and statutory requirements**

- 24 The general rule is that rates collected need to be used for the activities they were collected for. There are no restrictions on the interest earned on these reserves which may be used for any purpose determined by the community board.
- 25 The community board has deleted authority to approve unbudgeted expenditure of up to \$20,000 for locally funded activities.
- 26 A recommendation would need to be made to Council in order to access the Mararoa/Waimea ward reserve as the board does not have a delegated authority to make a decision about those funds.

**Ardlussa Community Board**  
**5 October 2021**

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- 27 At the time Council approved access to the forestry block for the purposes of creating a mountain bike track it also stipulated that a formal memorandum of understanding be created between Council and the trust.

**Community views**

- 28 A community meeting was held in Waikaia in May 2021 where the initial concept plan was made available to the public and feedback received was generally positive.
- 29 Questions were raised about whether any further community board / council funds would be used for this project and those in attendance were advised that this is unknown at this stage.
- 30 Some concern has been expressed by a small number of Waikaia residents at the prospect of using rates funding within the Waikaia general reserve for this project.
- 31 The meeting was advised there would be an opportunity to provide further feedback if community board/Council funds were to be used for this project.
- 32 The board is conscious of the need to make this decision in the most transparent way possible and will endeavour to advise the community of the upcoming meeting so that they have the opportunity to make further feedback prior to the decision being made.

**Costs and funding**

- 33 The Ardlussa Community Board set aside \$20,000 in the 2021-2031 Long Term Plan for investigations into the establishment of mountain bike trails in the Waikaia forestry block.
- 34 The intention behind budgeting for this investigative work was for the board to conduct the planning for the project prior to it being handed over to a trust to deliver as a community led project.
- 35 During the long-term plan budgeting process, it was determined that this project would be funded by way of a loan.
- 36 Council generally funds any grants made from rates or reserves, given its nature. As noted above, the funding for the project should it have been undertaken by Council was by way of a loan. As funding is being sought in this financial year, the Community Board, should it approve the grant, could consider funding from one or a mixture of the following:

**The Community Partnership Fund**, budgeted at \$6,000 annually this is rated for through the Ardlussa community board rate. It should be noted that the Trust would be required to submit a separate funding application to the community board no later than 30 September 2021.

**Interest earned on reserves held within the Ardlussa area and Mararoa Waimea ward**. At the 30 June 2021 the reserves held in these areas has earned interest over a number of years. This may be used for any purpose determined by the community board and Council. All areas have reserves sufficient to fund this request at this time.

**Although loan funding of a grant is not the preferred option**, the board may consider funding of the grant from a loan repayable from next year's Ardlussa Community Board rate (approx.\$40 for those in urban areas and \$10 for rural) or at most sharing it over the next two years of Ardlussa Community Board rates this would be approx.\$20 per residential ratepayer and \$5 per rural ratepayer.

- 37 Based on the above, it is recommended that should the decision be to approve the grant, that funding be from the interest earned on reserves from Waikaia, Riversdale, Balfour and Mararoa Waimea Ward. This is recommended as the funds already exist and will put no further rate burden on the ratepayer at this time. Should this be the preferred option, the board can approve the transfer from the reserves for Balfour, Riversdale and Waikaia but will need to get Council to

**Ardlussa Community Board**  
**5 October 2021**

approve the Mararoa Waimea Ward Reserve funding as the board does not have authority to make decisions about ward reserves.

- 38 The community board, as part of any approval process, will also need to decide how the grant approved will be shared across the reserves. This report has been prepared on the basis that the share be based on a per rateable property basis of \$32.15. However, the Community Board can choose another allocation basis if it so desires.
- 39 Based on a per property basis, the allocation would be as follows;

Community	No of rateable properties at 30 June 2021	Grant allocation per rateable property	Allocation from interest on reserves of each community reserve
Balfour	82	\$32.15	\$2,636
Riversdale	230	\$32.15	\$7,396
Waikaia	174	\$32.15	\$5,595
Mararoa/Waimea	136	\$32.15	\$4,373
			\$20,000

**Policy implications**

- 40 The Ardlussa Community Board has delegated authority to approve unbudgeted operating expenditure for local activities of up to \$20,000.
- 41 This project and associated expenditure have been budgeted for in the 2021-2031 Long Term Plan.

**Analysis**

**Options considered**

- 42 The Ardlussa Community Board must determine if it wishes to approve the request from the Waikaia Trails Trust for payment of a grant of \$20,000 or not and decide how it will be funded.

**Analysis of options**

**Option 1 – Approve the grant of \$20,000 (plus gst, if any) to assist with the master planning for the Waikaia Mountain Bike Trails project to be funded by way of interest earned on general community reserves.**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>the trust is able to work with the provider of any planning and design work from the beginning, minimising any potential rework from different ideas when a community entity took over</li> </ul>	<ul style="list-style-type: none"> <li>the trust and not the community board will not work directly with any provider of the planning and design work for the trail from an accountability perspective</li> </ul>

**Ardlussa Community Board**  
**5 October 2021**

<ul style="list-style-type: none"> <li>as existing funds are used it will have no impact on future local rates.</li> </ul>	<ul style="list-style-type: none"> <li>the interest on reserves being used will not be available for other projects</li> <li>consideration of the funding source or prioritisation of funding of some projects planned in the later years of the ten year LTP will need to occur where the Waikaia (approx. \$300) or Riversdale (approx. \$6,000) general reserves were planned to be used.</li> </ul>
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**Option 2 – Approve the grant of \$20,000 (plus gst, if any) to assist with the master planning for the Waikaia Mountain Bike Trails project to be funded by way of a loan over one or two years.**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>the trust is able to work with the provider of any planning and design work from the beginning, minimising any potential rework from different ideas when a community entity took over.</li> </ul>	<ul style="list-style-type: none"> <li>the community board will not work directly with any provider of the planning and design work</li> <li>the local rate will increase either next year or the next two years.</li> </ul>

**Option 3 – Approve the grant of \$20,000 (plus gst, if any) to assist with the master planning for the Waikaia Mountain Bike Trails project to be funded from a combination of sources including the Community Partnership Fund, interest on reserves and/or a loan over one or two years.**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>the trust is able to work with the provider of any planning and design work from the beginning, minimising any potential rework from different ideas when a community entity took over.</li> </ul>	<ul style="list-style-type: none"> <li>the community board will not work directly with any provider of the planning and design work</li> <li>any interest on reserves used will not be available for other projects</li> <li>if the Community Partnership Fund is used, some or all of it will not be available for other funding requests during the year</li> <li>the local rate may increase either next year or the next two years if a loan is used.</li> </ul>

**Option 4 – Not approve the grant of \$20,000 (plus gst, if any) to assist with the master planning for the Waikaia Mountain Bike Trails project.**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>enables the community board to continue working with the provider of any planning and design work before handing over to a community organisation for development.</li> </ul>	<ul style="list-style-type: none"> <li>the community organisation may incur additional costs as a result of having different ideas on the planning and design phase.</li> </ul>

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**Ardlussa Community Board**  
**5 October 2021**

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**Assessment of significance**

- 43 This decision is not at a low level of significance but it has not reached the threshold of being a significant decision in relation to Council's Significance and Engagement Policy and the Local Government Act 2002.
- 44 If the board decides to fund the grant by way of options two or three above then there may be some further impact on the economic wellbeing of ratepayers with a small increase in the Ardlussa Community Board rate being required to satisfy loan repayments.
- 45 The use of interest on reserves for this grant may also have an impact on the funding of other projects in the future and the board may either need to defer them or look to fund them by way of loans which will also have an impact on the economic wellbeing of ratepayers in the Ardlussa Community Board area.

**Recommended option**

- 46 The committee needs to consider if it wishes to approve a grant or not, should it decide to approve, Council staff recommend option 1 – Approve the grant of \$20,000 (plus gst, if any) to assist with the master planning for the Waikaia Mountain Bike Trails project to be funded by way of interest earned on general community reserves.

**Next steps**

- 47 Inform the Waikaia Trails Trust of the board's decision.
- 48 If the board, approves the grant and decides to fund a portion from the interest earned on the Mararoa/Waimea reserve, then a report will be prepared for Council to seek its approval for the payment.

**Attachments**

- A Letter from Waikaia Trails Trust requesting grant from Ardlussa Community Board



## Around the Mountains Cycle Trail Trust - Confirmation of Southland District Council trustee appointment

Record no: R/21/10/55797

Author: Fiona Dunlop, Committee advisor

Approved by: Fran Mikulicic, Group manager democracy and community

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 The purpose of the report is to confirm the appointment of Councillor Christine Menzies as the Southland District Council representative to the Around the Mountains Cycle Trail Trust.

### Executive summary

- 2 Council, at its meeting on 4 August 2021, endorsed the establishment of a trust for the Around the Mountains Cycle Trail for the purposes of managing the trail. Also at the meeting, Council considered various cv's from interested people in being trustee. Council can have one trustee who is appointed by Council.
- 3 Council adjourned discussion on the consideration and confirmation of trustees to the trust and this would occur when the meeting reconvened on 24 August 2021. This was to allow for clarification from Great South on who their appointee was to be and to enable officers to facilitate discussion with a potential trustee to be clear of what was expected.
- 4 At the 4 August 2021 Council meeting (reconvened on 24 August 2021) it was agreed to resolve that Council would appoint a Southland District Council representative trustee to the trust until the end of the 2019/2022 triennium.
- 5 Mayor Tong advised that he would facilitate the co-ordination of a councillor to be the Southland District Council trustee appointment.
- 6 This report is seeking the approval from Council to enable Councillor Christine Menzies to be the Southland District Council trustee appointment until the end of the 2019/2022 triennium.

## Recommendation

That Council:

- a) receives **the report titled “Around the Mountains Cycle Trail Trust - Confirmation of Southland District Council trustee appointment” dated 18 October 2021.**
- b) determines that this matter or decision be recognised not significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) agrees to confirm Councillor Christine Menzies be appointed as the Southland District Council trustee to the Around the Mountains Cycle Trail Trust.

## Background

- 7 At the Council meeting on 4 August 2021 (reconvened 24 August 2021) a report was considered on the formation of a trust for the Around the Mountains Cycle Trail for the purposes of managing the trail. Also, at the meeting, Council considered various cv's from interested people in being trustee.

## Issues

- 8 There are no issues identified.

## Factors to consider

### Legal and statutory requirements

- 9 Any legal and statutory requirements are covered in the trust deed.

### Community views

- 10 There are no community views to take into consideration.

### Costs and funding

- 11 The appointed councillor will be able to claim travel time and mileage for attending meetings in their capacity as the Southland District Council trustee.

### Policy implications

- 12 There are no policy implications.

## Analysis

### Options considered

- 13 There are two options to consider. One is to confirm the appointment and the other is to not confirm the appointment.



## Analysis of options

### Option 1 – Confirm appointment to the Around the Mountains Cycle Trail Trust

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>the membership of the trust is complete</li><li>enables Council to have input to the trust through having an appointed trustee representative.</li></ul>	<ul style="list-style-type: none"><li>there are no disadvantages.</li></ul>

### Option 2 – Not confirm appointment to the Around the Mountains Cycle Trail Trust

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>there are no advantages.</li></ul>	<ul style="list-style-type: none"><li>Council would not be taking the opportunity to have input to the trust through having an appointed trustee representative.</li></ul>

## Assessment of significance

- 14 This item is not considered significant.

## Recommended option

- 15 The recommended option is to confirm Councillor Christine Menzies to be the Southland District Council trustee representative.

## Next steps

- 16 Advise officers of the confirmation of the Southland District Council trustee appointment.

## Attachments

There are no attachments for this report.



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

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### Recommendation

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

#### C10.1 Rating sale process

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
Rating sale process	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.