



Council

OPEN MINUTES

Minutes of a meeting of Council held in the Council Chamber, Level 2, 20 Don Street, Invercargill on Wednesday, 3 July 2024 at 10.01am. (10.01am – 11.43am, 11.55am – 12.37pm) PE 12.19pm – 12.37pm)

PRESENT

Mayor	Rob Scott
Deputy mayor	Christine Menzies
Councillors	Jaspreet Boparai
	Don Byars (10.01am – 10.36am, 10.38am – 11.30am, 11.32am – 11.43am, 11.55am – 12.37pm)
	Paul Duffy
	Darren Frazer
	Sarah Greaney (video link) (10.01am – 10.25am)
	Julie Keast
	Jon Spraggon
	Matt Wilson

APOLOGIES

Councillor Derek Chamberlain
Councillor Tom O'Brien
Councillor Margie Ruddenklau

IN ATTENDANCE

Chief executive	Cameron McIntosh
Committee advisor	Fiona Dunlop

Mayor Scott opened the meeting with a karakia timatanga as follows:

Mā te whakarongo	Through listening
Mā te kōrero	Through talking
Mā te ngakau	From the heart
Mā te wairua	From the spirit
Mā te manaaki mai	Through giving
Mā te manaaki atu	And receiving respect
Ka puawai te maramatanga	Understanding will bloom
Tihei mauri ora	This is the essence of life

1 Apologies

Councillors Chamberlain, O'Brien and Ruddenklau were on granted leave of absence.

Moved Mayor Scott, seconded Cr Keast **and resolved:**

That Council accept the apology.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

5 Confirmation of Council Minutes

Resolution

Moved Cr Keast, seconded Cr Boparai **and resolved:**

That the Council confirms the minutes of the meeting held on 5 June 2024 and 19 June 2024 as a true and correct record of those meetings.

6 Public Participation

1. Jennifer Stephens addressed the meeting about the Southland branch of the Kiwi Harvest food rescue service.

(Councillor Greaney left the meeting at 10.25am.)

2. Nigel Williams - Ohai Views Committee chair and Nicky Fryer Committee treasurer addressed the meeting regarding the forestry proposal to be undertaken in the Ohai area.

(During public participation from the Ohai Views Committee representatives, Councillor Byars left the meeting at 10.36am.)

3. Doug Frazer addressed the meeting regarding the road rating funding which Southland District Council.

(During public participation from Mr Frazer, Councillor Byars returned to the meeting at 10.38am.)

7.1 Riversdale lighting project - unbudgeted expenditure request

Record No: R/24/6/40320

Community partnership leader – Kelly Tagg and Group manager community and wellbeing – Sam Marshall were in attendance for the item.

The purpose of the report was for Council to consider a recommendation from the Ardlussa Community Board for the approval of unbudgeted expenditure to carry out a lighting improvement project in Riversdale.

When the Ardlussa Community Board were determining projects for inclusion in the 2024-2034 Long Term Plan, that it would like to improve the lighting around the Riversdale Community Centre.

A quote was received from an approved contractor for up to \$25,000 plus GST. The board had previously indicated that it would look to fund the project from the Ardlussa general reserve which has a balance forecast to be \$30,551 (June 2024).

An amount of \$22,615 was budgeted to fund tree and hedge maintenance costs in 2024/2025 financial year. The balance of \$8,321 at 30 June 2025 is available to be funded from the reserve with the remainder to be funded from operational underspends during 2023/2024 or a loan to be repaid over 15 years.

Resolution

Moved Cr Wilson, seconded Cr Frazer **and resolved:**

That the Council:

- a) **receives the report titled "Riversdale lighting project - unbudgeted expenditure request".**
- 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 up to \$25,000 plus GST for the lighting improvement project in Riversdale.
- e) approves that the project be funded as follows;
 - \$8,321 from the Ardlussa community board general reserve,
 - any operational underspends in 2023/2024;
 - with the remainder to be funded by a 15-year loan repaid through the Ardlussa community board rate.

7.2 Local Water Done Well

Record No: R/24/6/41187

Group manager infrastructure and capital delivery – Fran Mikulicic was in attendance for the item.

The purpose of the report was to provide elected members with an update on the Local Water Done Well legislation, timelines for future bills to pass and the Southland/Otago collaborative approach to ensure robust investigations are undertaken for options for future water service delivery collaboration for the benefit of Southland district ratepayers.

The report recommended providing financial support of up to \$25,000 to investigate future water service delivery options for the Southland district; including being part of phase one of the Southland Otago Local Water Done Well Working Group scope of works for a financial contribution of up to \$18,000.

The additional financial allocation will be to provide staff with the ability to individually or collectively investigate other options that may be presented in the coming months.

The “up to \$25,000 of funding” will be funded from the Local Water Done Well support package subject to confirmation from the Department of Internal Affairs. Council advised that it would like regular reporting from the working group.

(During discussion, Councillor Byars left the meeting at 11.30am and returned at 11.32am.)

Resolution

Moved Cr Boparai, seconded Cr Keast **recommendations a to c, d and e with changes (as indicated with underline and ~~striketrough~~) and a new f (as indicated) and resolved:**

That Council:

- a) **Receives the report titled “Local Water Done Well”.**

- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Note Approve participation in the Regional Delivery Model – Phase One scope of work, with associated deliverables, budget, cost allocation model and governance structure.**
- e) **Approve allocation of up to \$25,000 funding towards investigating collaborative water service delivery options for Southland District Council to be funded from Local Water Done Well support package, subject to funding being confirmed by the Department of Internal Affairs.**

New f) Request at least quarterly reporting to Council from the Working Group.

(The meeting adjourned for morning tea at 11.43am and reconvened at 11.55am.)

(Mayor Scott and Councillors Boparai, Byars, Duffy, Frazer, Keast, Menzies, Spraggon and Wilson were present when the meeting reconvened.)

7.3 Draft NZTA Emergency Works Investment Policy - Council's submission

Record No: R/24/6/42038

Strategic manager transport – Hartley Hare and Group manager infrastructure and capital delivery – Fran Mikulicic were in attendance for the item.

The purpose of the report was to provide the submission prepared by staff on the Draft NZTA Emergency Works Investment Policy to Council for approval.

Due to timing, staff completed the submission and lodged it with the Ministry of Transport prior to the closing date of 19 June 2024.

Resolution

Moved Cr Boparai, seconded Deputy Mayor Menzies **and resolved:**

That Council:

- a) **Receives the report titled “Draft NZTA Emergency Works Investment Policy - Council's submission – delegation request”.**
- 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) **Ratifies the submission the NZTA Emergency Works Investment Policy (attached to the minutes as appendix A).**

7.4 Financial Report for the period ended 31 May 2024

Record No: R/24/6/40335

Senior accountant – Joanie Nel and Group manager finance and assurance committee – Anne Robson were in attendance for the item.

The purpose of the report was to provide Council with an overview of the financial results for the eleven months to 31 May 2024 by Council's seven activity groups, as well as the financial position and the statement of cashflows as at 31 May 2024.

Resolution

Moved Cr Wilson, seconded Cr Byars **recommendation a and a new b (as indicated) and resolved:**

That Council:

- a) **Receives the report titled "Financial Report for the period ended 31 May 2024".**

New b) Request that officers report to the 4 September 2024 Finance and Assurance Committee with an overview of the Southland District Council shareholding of Milford Sound Tourism Limited, representation and reporting and note that under the Local Government Act 2002, the company is a Council Organisation with the appointment of two Southland District Council directors.

Public Excluded

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

Recommendation

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

C8.1 Annual Insurance Renewal (for the year 1 July 2024 to 30 June 2025)

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
Annual Insurance Renewal (for the year 1 July 2024 to 30 June 2025)	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

The public were excluded at 12.19pm.

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

The meeting concluded at 12.37pm.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A MEETING OF THE COUNCIL HELD ON WEDNESDAY 3 JULY 2024.

DATE: 16 JULY 2024



CHAIRPERSON:.....



NZTA Emergency Works Investment Policy Submission

Executive summary

Southland District Council (SDC) is pleased to submit on the NZTA Emergency Works Investment Policy.

SDC does not support the proposed changes. We have major concerns with the proposal and see it as yet another example of more cost being pushed on to councils. The timing also seems to be oblivious to the current environment where council are already facing significant rates increases.

The Southland region is home to the largest unsealed roading network, and second largest overall roading network in New Zealand, with bridges and stock underpasses totalling more than 1,000. Its main industries are agriculture and tourism, which are both heavily dependent on road transport, and connections to rail, sea and air.

A key challenge for our district is funding this large network with a low ratepayer base. Currently our district is already not receiving an equitable share of funding.

It is unrealistic for NZTA to simply shift the problem of climate change on to councils, and to expect councils to be able to absorb the impact of proposed changes. Instead, these proposals are likely to reduce levels of service in transport networks and reduce productivity which is a key priority of the Government Policy Statement for Land Transport.

Local Government New Zealand submission

The Southland District Council supports of the Local Government New Zealand submission on the NZTA Emergency Works funding and in particular that this is on shifting more cost to councils.

On NZTA requested feedback on the questions it posed in the consultation document. The questions along with our proposed feedback follows:

1. How would the proposed changes impact your organisation?

Over the past five years, SDC has had several events that qualified for emergency works funding with the most prominent being the February 2020 flood event, January 2021 flood event and the more recent September 2023 event, however, none of these events triggered the enhanced FAR. Changing any thresholds or reducing percentage of enhanced FAR would mean that the trigger point to obtain this would be even more out of reach for SDC.

The proposed changes would also decrease the ability of our Council to access additional funding for these types of events. The timing of the introduction of these proposed changes will be a major effect for our Council as we have not had the opportunity to allow for these in our programmes for the next three years. The timing also coincides with the significant funding challenges currently facing our Council and local government in general. This potentially adds to the “perfect storm” being experienced by our Council.

On top of all of this, The Lower Hollyford Road (currently SPR) is being revoked. The unique setting of this road as with the Milford Road (for comparable location and challenges) is also adding further stress to Council’s funding abilities.



Let alone considering other costs being added onto council such as the revocation of a section of State Highway 1 through Edendale.

This is yet another example of more and more financial pressures wanting to be applied to councils and its ratepayers.

For SDC, this is exacerbated by the fact that the district does not receive back anywhere close to the amount of road user charges (RUC) and fuel excise duty (FED) captured in the district, and now NZTA are wanting to further diminish the value being returned. During the Period 2010 to 2021 Southland has contribute close to \$1 billion (980.2M) toward the National Transport Funding via RUC and FED but has only received \$551m from the National Land Transport Fund in local roading and local State Highway investment.

2. Please tell us if you support the proposed changes or recommend different ways to ensure that NZTA has sufficient NLTF available to cover emergency works?

Southland District Council does not support the proposed changes including the proposed timing of their introduction. If these changes are introduced we request that the proposed changes, or a modified version, be delayed until the next three-year funding cycle to allow councils to prepare for the implementation of any changes that might come.

As a starting point NZTA could review and ensure that the current policy is implemented consistently across the county, particular the minimum thresholds.

3. What will the proposed FAR changes mean for your organisation's planning for and/or investment in maintenance and resilience?

Over the past five years, none of the events have triggered this threshold, however, with the Southland District Council's low ratepayers base relative to the size of the roading network, an event that did trigger the enhanced FAR at the current additional 20% level would be critical to Council's ability to recover.

In the short term any changes are unlikely to change our Council's planning and investment in maintenance and particularly resilience. The extreme pressure on our Council's finances over the next 10 years will likely preclude significant funding of resilience projects. Other changes to NZTA funding including reducing funding of improvements and increasing competition at a national level for improvement funding reinforces this.

4. Are there any transitional issues that NZTA needs to consider in relation to emergency works that occur prior to 1 July 2025?

These issues have been raised above. Timing and implementation of this review has given no consideration to local government legislative process and requirements such as Long Term Planning and consultation.

As a minimum SDC recommend retaining the status quo until the next NLTP (July 2027-31).

5. Are there any issues in applying these proposed changes?

Key issue have been raised in other section of the submission.

6. Are there any proposed changes that your organisation does not support? Please tell us why?



None are supported. The proposed changes continue an attentive trend of shifting more and more costs from central government to territorial local authorities and their ratepayers. In Southland's case this is exacerbated by the fact that the district already contributes a disproportioned amount of RUC and FED which is not returned to the region through the NLTP. Effectively Southland has contributed \$429 million in transportation funding to other region during the period of 2010 to 2021 (ref. Southland Road Revenue & Expenditure Report 2010-2021, GS 2021).

7. Are there other policy, planning or process changes that you think are needed? Please tell us what and why?

SDC would like to see an improvement in the planning of policy and its implementation which recognises NZTA's own three-year funding cycle. Significant proposed changes need to be signalled sufficiently in advance of the final preparation of Council Activity Management Plans, Long Term Plans, and the submission of our three-year programmes for inclusion in the NLTP.

8. Are there any other issues with this policy that you think need to be addressed?

The policy seems to focus heavily on cost and seems to forget the underlying issues of risk and how this is best managed.

If all RUC and FED was returned to the regions where these are collected then there could be an argument that each authority /region is best placed to managed this risk, however, as this is not the case regions don't have the appropriate ability to adequately manage the risk versus revenue.

9. Are there any other forms of access you think the NLTF should fund that are currently ineligible?

None that we are currently aware of. The rural nature of the district means that there is a high reliance on roads to get produce to both local and international markets.

The increasing frequency, magnitude and cost of events along with the government's desire to reduce costs is driving the proposed changes to the eligibility to access enhanced FARs to deal with these events. Increased costs will be imposed on RCAs and their local communities by the proposed changes. The changes will reduce the sharing of the cost of responding/recovery from events, placing greater burden on affected communities.