



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

Date: Wednesday, 3 July 2024
Time: 10am
Meeting room: Council Chamber
Venue: Level 2
20 Don Street
Invercargill

Council Agenda OPEN

MEMBERSHIP

Mayor	Rob Scott
Deputy mayor	Christine Menzies
Councillors	Jaspreet Boparai
	Don Byars
	Derek Chamberlain
	Paul Duffy
	Darren Frazer
	Sarah Greaney
	Julie Keast
	Tom O'Brien
	Margie Ruddenklau
	Jon Spraggon
	Matt Wilson

IN ATTENDANCE

Chief executive	Cameron McIntosh
Committee advisor	Fiona Dunlop

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Online: [Southland District Council YouTube](#)

Full agendas are available on Council's website
www.southlanddc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

Health and safety – emergency procedures

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

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

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

Phones – Please turn your mobile devices to silent mode.

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

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	Mā te manaaki mai	Through giving
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Karakia Whakamutunga

Kia hora te marino
Kia whakapapa pounamu te moana
Hei huarahi mā tātou i te rangi nei
Aroha atu, aroha mai
Tātou i a tātou katoa
Hui e! Tāiki e!

May peace be widespread
May the sea be like greenstone
A pathway for us all this day
Let us show respect for each other
For one another
Bind us all together!

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 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."

5 Confirmation of Council Minutes

5.1 Meeting minutes of Council, 5 June 2024 and 19 June 2024

6 Public Participation

Notification to speak is required by 12noon at least one clear day before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732



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Council

OPEN MINUTES

UNCONFIRMED

Minutes of a meeting of Council held in the Council Chamber, Level 2, 20 Don Street, Invercargill on 5 June 2024 at 9:00 am. (9am – 9.25am)

PRESENT

Mayor	Rob Scott
Deputy mayor	Christine Menzies
Councillors	Jaspreet Boparai
	Derek Chamberlain
	Paul Duffy (9.02am – 9.25am)
	Darren Frazer
	Julie Keast
	Tom O'Brien (9.21am – 9.25am)
	Margie Ruddenklau (9.21am – 9.25am)
	Jon Spraggon
	Matt Wilson

APOLOGIES

Councillor Sarah Greaney
Councillor Ruddenklau (lateness)
Councillor O'Brien (lateness)

ABSENT

Councillor Don Byars

IN ATTENDANCE

Chief executive	Cameron McIntosh
Committee advisor	Rachael Poole

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

There were apologies:

- for lateness from Councillors Ruddenklau and O'Brien.
- for absence from Councillor Greaney, who was on an approved leave of absence.

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

That Council accept the apologies.

(Councillor Duffy joined the meeting at 9.02am.)

2 Leave of absence

Councillor Duffy requested a leave of absence from 19 July 2024 to 26 July 2024.

Resolution

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

That Council agrees the leave of absence request.

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 Frazer, seconded Deputy Mayor Menzies **and resolved:**

That the Council confirms the minutes of the meeting held on 1 May 2024 as a true and correct record of the meeting with the amendment (Indicated with underline and ~~strikethrough~~) to the conflict of interest section:

3 Conflict of Interest

Councillor Ruddenklau advised that she had a conflict of interest with public participation. She advised that she is the niece of **Pam Chartres** ~~Mr Chartres~~ and would take part in the meeting.

Councillor Keast declared a conflict of interest with item 7.3 District Initiatives Fund - allocations for March 2024 funding round application 1 - Citizens Advice Bureau Invercargill. She advised that she would not take part in discussion or voting on the application.

6 Public Participation

There was no public participation.

Reports

7.1 Combined policies (Revenue and Financing Policy, Rate Remission and Postponement Policy, Significance and Engagement Policy) - Feedback and Deliberations

Record No: R/24/5/35273

Strategic communications and engagement manager Louise Pagan and finance development co-ordinator, Nicole Taylor were in attendance for this item.

The purpose of the report was to provide information to Council on the feedback received during consultation on three policies (draft Significance and Engagement Policy, draft Revenue and Financing Policy and draft Rate Remission and Postponement Policy).

Council was also asked to consider what changes should be incorporated into the final policies prior to their adoption on 19 June 2024.

(During discussion, Councillors Ruddenklau and O'Brien arrived at 9.21 am.)

Resolution

Moved Cr Spraggon, seconded Cr Frazer **recommendations a to j and a new j (as indicated) and resolved:**

That Council:

- a) receives the report titled "Combined policies (Revenue and Financing Policy, Rate Remission and Postponement Policy, Significance and Engagement Policy) - Feedback and Deliberations".**
- b) determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**

- c) **determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **receives the written submissions on the draft Significance and Engagement Policy, draft Rate Remission and Postponement and draft Revenue and Financing Policy.**
- e) **recommends that feedback received relating to the Long Term Plan and Representation Review considered as part of relevant separate consultation processes.**
- f) **recommends that the following amendments be made to the draft Significance and Engagement Policy to:**
 - (i) **increase the visibility of engagement with mana whenua, including changing mana whenua to partners rather than stakeholders and other wording changes suggested by Te Ao Marama**
 - (ii) **ensure the policy wording matches that contained within the Local Government Act 2002 s 76AA(2)**
 - (iii) **include an interpretation section to explain key terms.**
 - (iv) **amending the wording “disproportionately impacted” in Appendix 2 with “experiencing inequities” to read *How are people impacted by the matter? Are particular groups experiencing inequities? (such as Māori, socio- economic groups)***
- g) **recommends that no change be made to the draft Rate Remission and Postponement Policy.**
- h) **recommends that the draft Revenue and Financing Policy be amended to include development and financial contributions as a funding source for stormwater capital expenditure in section 3.2.2 to align with the draft Development and Financial Contributions Policy currently being consulted on.**
- i) **recommends that staff present the updated policies incorporating the changes outlined in resolutions (f) and (h) and incorporating any other amendments agreed to Council for adoption on 19 June 2024.**

New j) continue to liaise and asks staff to report back on the concept of a heritage initiatives fund.

The meeting concluded at 9.25am.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A MEETING OF THE COUNCIL HELD ON WEDNESDAY 5 JUNE 2024.

DATE:.....

CHAIRPERSON:.....



Council

OPEN MINUTES

Minutes of a meeting of Council held in the Council Chamber, Level 2, 20 Don Street, Invercargill on Wednesday, 19 June 2024 at 10am. (10am – 10.59am, 11.16am – 12.35pm, 1.42pm – 2.20pm)

PRESENT

Mayor Rob Scott
Councillors Jaspreet Boparai
Don Byars (10am – 10.59am, 11.16am – 12.10pm, 12.13pm - 12.35pm, 1.42pm – 2.20pm)
Paul Duffy
Darren Frazer
Julie Keast
Tom O'Brien
Margie Ruddenklau
Jon Spraggon
Matt Wilson

APOLOGIES

Councillor Derek Chamberlain
Councillor Sarah Greaney
Deputy mayor Christine Menzies

IN ATTENDANCE

Group manager infrastructure and capital delivery - Fran Mikulicic
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

There were apologies from Councillors Chamberlain, Greaney and Menzies who are on approved leave of absence.

Resolution

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

That Council accept the apologies.

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

There were no minutes to confirm.

6 Public Participation

There was no public participation.

Reports

7.1 Great South update to Council on the Te Anau airport Manapouri review update

Record No: R/24/6/37712

Great South GM strategic projects – Steve Canny was in attendance for this item.

Mr Canny updated the Mayor and Councillors on the Te Anau airport Manapouri review which Great South are coordinating for Southland District Council.

Mayor Scott thanked the Great South project group and the Governance group for their work to date on the review.

Resolution

Moved Mayor Scott, seconded Cr O'Brien **recommendation a and new b (as indicated) and resolved:**

That the Council:

- a) **receives the report titled “Great South update to Council on the Te Anau airport Manapouri review update”.**

New b) thanks the Great South project group and the Governance group for their work to date on the review.

7.2 Draft Risk Management Policy - adoption

Record No: R/24/5/32479

Risk analyst – Jane Edwards was in attendance for this item.

The purpose of the report was for the draft Risk Management Policy to be adopted by Council following endorsement from the Finance and Assurance Committee at their meeting held on Wednesday 5 June 2024.

It was noted that the draft policy once approved will provide direction for effective and consistent risk management, highlight key roles and responsibilities, and demonstrate Council’s commitment to a culture of risk-based decision-making.

Resolution

Moved Cr Frazer, seconded Cr Duffy **recommendations a to d and a new e (as indicated) and resolved:**

That the Council:

- a) **receives the report titled “Draft Risk Management Policy - adoption”.**
- b) **determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**

- c) **determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **resolves to adopt the draft Risk Management Policy (attachment A of the officer's report) with any minor amendments.**

New e) Delegates authority to the Chief Executive in conjunction with the Mayor to approve any final edits required to the policy in order to finalise the document for implementation/distribution.

7.3 Risk management - annual review

Record No: R/24/1/1458

Risk analyst – Jane Edwards was in attendance for this item.

The purpose of the report for Council to adopt the priority strategic risks for the 2024/25 financial year and when approved be operational from 1 July 2024.

Resolution

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

That the Council:

- a) **receives the report titled "Risk management - annual review".**
- b) **determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **adopt the reviewed priority strategic risk areas as follows to become effective 1 July 2024:**
 - i. **adverse event – the risk that Council is unable to respond to the consequences of a natural or human-induced event impacting the District**
 - ii. **change – the risk that Council has inadequate adaptability to respond to a continuously changing environment**
 - iii. **climate adaptation – the risk that Council fails to appropriately adapt to, or mitigate the effects of, a changing climate**

- iv. **cyber security – the risk that Council’s systems are vulnerable to cyber-attack and/or error**
- v. **decision-making – the risk of suboptimal decision-making by Council**
- vi. **finance – the risk that Council fails to manage its financial sustainability impacting its long term ability to fund essential services and projects**
- vii. **health, safety and wellbeing – the risk of health, safety and wellbeing harm to staff, contractors and community**
- viii. **social licence – the risk that Council fails to maintain acceptable levels of satisfaction and social licence within the community**
- ix. **strategic relationships – the risk that Council fails to appropriately maintain its local, regional and national relationships.**

7.4 Fraud Policy – Adoption

Record No: R/24/5/32804

Senior policy analyst – Ana Bremer and Team leader organisational policy – Chris Rout were in attendance for this item.

The purpose of the report was to present the draft Fraud Policy for adoption by Council following endorsement from the Finance and Assurance Committee at their meeting on Wednesday 5 June 2024.

It was noted that the Fraud Policy provides a framework to protect Council’s revenue, property, information, and other assets from any attempt to gain financial or other benefits by deceit.

The current policy was extensively reviewed in 2021 and has been working well to date.

Changes required to the new policy have included Audit NZ recommendations for *bribery* and *corruption* definitions, as well as further responsibility around *bribery* and *corruption* for the Fraud Control Officers.

There was discussion on the reporting section of the policy. It was felt that there should be an extra step to enable reporting to the Serious Fraud Office should the steps in the draft policy be not appropriate.

The meeting adjourned discussion to later in the meeting to enable staff to work on the additional text.

Please see further down the minutes for the resolution.

7.5 Rate Remission and Postponement Policy - Adoption

Record No: R/24/6/38254

Finance development co-ordinator – Nicole Taylor was in attendance for this item.

The purpose of the report was for the Remission and Postponement of Rates Policy for adoption by Council.

Council noted that the Finance and Assurance Committee endorsed the draft policy for consultation on 6 December 2023. The consultation occurred alongside two other policies between 19 April 2024 to 20 May 2024.

The Finance and Assurance Committee at its meeting on 5 June 2024 considered three submissions received on the draft policy. One was in support of the draft policy, one not in support and one requesting an additional remission be added to the policy to reduce rates of historic/heritage properties on the New Zealand Heritage List/Rārangī Kōrero.

The Finance and Assurance Committee recommended that no change be made to the policy and requested staff provide further information about the option of providing a heritage initiative grant fund rather than introducing remissions for heritage properties. This may be considered further as part of the upcoming LTP consultation process.

Resolution

Moved Cr Boparai, seconded Cr Spraggon **recommendations a to d and a new e (as indicated) and resolved:**

That the Council:

- a) **receives the report titled “Rate Remission and Postponement Policy - Adoption”.**
- 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) **adopts the final Rate Remission and Postponement Policy 2024 (attachment A of the officer’s report) effective from 1 July 2024.**

New e) Delegates authority to the Chief Executive in conjunction with the Mayor to approve any final edits required to the policy in order to finalise the document for implementation/distribution.

7.6 Revenue and Financing Policy - Adoption

Record No: R/24/6/37695

Finance development co-ordinator – Nicole Taylor was in attendance for this item.

The purpose of the report was for the Revenue and Financing Policy adoption by Council following endorsement by the Finance and Assurance Committee.

It was noted that the Revenue and Financing Policy provides details on how Council will fund operational and capital expenditure. The policy sets out the funding tools available to

use (e.g. rates, user fees and charges, grants, borrowing, reserves etc), the factors considered when deciding which tool to use and the choices Council has made on how to fund the operating and capital expenses of each activity.

Resolution

Moved Cr Keast, seconded Cr Frazer **recommendations a to e and a new f (as indicated) and resolved:**

That the Council:

- a) **receives the report titled “Revenue and Financing Policy - Adoption”.**
- b) **determines that this matter or decision be recognised as significant in terms of Section 76 of the Local Government Act 2002.**
- c) **determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **adopts the final Revenue and Financing Policy 2024 (attachment A of the officer’s report), which will come into effect on the date of the adoption of the Long Term Plan 2024-2034.**
- e) **notes that staff will assess whether any further changes to the Revenue and Financing Policy will be required as a result of the LTP consultation and decision making process in August 2024, including to the airport sub activity funding sources.**

New f) Delegates authority to the Chief Executive in conjunction with the Mayor to approve any final edits required to the policy in order to finalise the document for implementation/distribution.

Councillor Boparai requested that her dissenting vote be record.

(The meeting adjourned for morning tea at 10.59am and reconvened at 11.16am.)

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

7.4 Fraud Policy – Adoption (Continued)

Record No: R/24/5/32804

Senior policy analyst – Ana Bremer and Team leader organisational policy – Chris Rout were in attendance for this item.

Following discussion with staff, there was an addition to the policy for the reporting section to enable reportee of fraud to escalate their concerns to the Serious Fraud Office.

Resolution

Moved Cr Wilson, seconded Cr Frazer **recommendations a to c, d with an addition and a new e (as indicated) and resolved:**

That the Council:

- a) **Receives the report titled "Fraud Policy - Adoption".**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Resolves to adopt the draft Fraud Policy (attachment A of the officer's report) with the additional wording to the following section of the policy:**

REPORTING

Obligation to report suspected fraud

All instances of suspected fraud must be reported. An employee can report fraud in person, phone, or by email to Council's Fraud Control Officers or directly to the Serious Fraud Office. Council has a documented process for responding to suspected fraud called a Fraud Response Plan.

The plan requires people to report instances of suspected fraud to a Fraud Control Officer:

- GM People and Culture Manager
- GM Finance and Assurance

Or, if this is not appropriate, to:

- the Chief Executive
- the chair of the Finance and Assurance Committee - the independent member of the Finance and Assurance committee
- the Mayor.

Or, if any of the above are not appropriate, to the Serious Fraud Office, should the reportee think appropriate.

New e) Delegates authority to the Chief Executive in conjunction with the Mayor to approve any final edits required to the policy in order to finalise the document for implementation/distribution.

7.7 Significance and Engagement Policy adoption

Record No: R/24/6/37902

Strategic communications and engagement manager – Louise Pagan and Group manager strategy and partnerships – Vibhuti Chopra were in attendance for this item.

The purpose of the report was for Council to endorse the Significance and Engagement Policy following endorsement from the Finance and Assurance Committee at their meeting on Wednesday 5 June 2024.

The Finance and Assurance Committee at its meeting on 5 June 2024, were presented with five submissions received. The submitters requested specific wording changes to the policy, including the use of the full wording from the Local Government Act 2002 defining the purpose of the policy, a set of definitions and some adjustments to the section about Council's partnership with mana whenua.

While the policy is being adopted prior to 1 July 2024 to meet legislative requirements, the effective implementation will be in August 2024. The policy which accompanies the 2021-2031 Long Term Plan will remain in force until the 2024-2034 Long Term Plan is adopted.

Resolution

Moved Cr Ruddenklau, seconded Cr Keast **recommendations a to d and a new e (as indicated) and resolved:**

That the Council:

- a) receives the report titled "Significance and Engagement Policy adoption".
- 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) Adopts the final Significance and Engagement Policy 2024 (attachment A of the officer's report), which will come into effect with the adoption of the Long Term Plan 2024-2034.

New e) Delegates authority to the Chief Executive in conjunction with the Mayor to approve any final edits required to the policy in order to finalise the document for implementation/distribution.

7.8 Adoption of the Southland District Council Fees and Charges and end of year rate penalty

Record No: R/24/5/35098

Transactional project lead – Shelley Dela Llana was in attendance for this item.

The purpose of the report was to present the fees and charges schedule for the financial year starting 1 July 2024 to Council for adoption and to set the end of financial year rate penalty to be applied on the 1 July 2024.

The approval of the fees and charges for the new financial year are usually approved at the time the annual plan or Long Term Plan are adopted. The 2024-2034 LTP is scheduled for adoption in August 2024.

It was noted that there was a need to adopt the fees and charges to be applied from 1 July 2024 separately to ensure that budgeted fee revenue for the year is able to be realised.

Resolution

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

That the Council:

- a) **Receives the report titled “Adoption of the Southland District Council Fees and Charges and end of year rate penalty”.**
- 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) **Adopts the fees and charges as detailed in Attachment A (of the officer’s report), to apply from 1 July 2024.**
- e) **Resolves under Sections 57 and 58 of the Local Government (Rating) Act 2002 to apply a penalty of 10% to any amount of rates (including metered water targeted rates) that are unpaid from previous years and remains unpaid at 1 July 2024. The penalty will be added on 1 July 2024.**

7.9 Enforcement Policy

Record No: R/24/6/38356

Group manager, regulatory services – Adrian Humphries was in attendance for this item.

The purpose of the report was to establish a policy on the use of enforcement in the areas administered by Southland District Council.

It was noted that enforcement is a core role of territorial authorities with over 20 pieces of legislation that are administered by them. In many cases territorial authorities hold the primary delegation to carry out enforcement roles delegated in legislation.

The policy to be approved is intend to carry out enforcement and how staff we will be most effective in dealing with offending.

The policy:

- outlines Council's approach to investigation and enforcement
- informs the public on Council's enforcement approach
- provides guidelines for Council staff on enforcement
- ensures a consistent enforcement approach in the district
- explains how enforcement gives effect to relevant legislation.

Resolution

Moved Cr O'Brien, seconded Cr Duffy **and resolved:**

recommendations a to d and a new e (as indicated) and resolved:

That Council:

- a) Receives the report titled "Enforcement Policy".**
- 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 adoption of the Southland District Council Enforcement Policy 2024 (attachment A of the officer's report).**

7.10 Southland Township Futures Scoping Report - programme to identify growth, resilience and infrastructure

Record No: R/24/5/34276

Strategic policy manager (interim) – Carolyn Ingles and Group manager strategy and partnerships – Vibhuti Chopra and Special projects advisor – Michael Aitken (video call) were in attendance for this item.

The purpose of the report was to provide Council with advice regarding a programme of strategic work on Southland Township Futures.

The programme arises as a result of the Council needing to identify how townships in the district will grow in a resilient and sustainable way, and the infrastructure needed to support growth, including water infrastructure.

(During discussion, Councillor Byars left the meeting at 12.10pm and returned at 12.13pm.)

Resolution

Moved Cr Frazer, seconded Cr Duffy **recommendations a to e, f with an addition and g to k and resolved:**

That the Council:

- a) **Receives the report titled “Southland Township Futures Scoping Report - programme to identify growth, resilience and infrastructure”.**
- 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 establishing a programme of work to implement the Southland Township Futures scoping report.**
- e) **Notes that the programme will be funded from Better off Funding.**
- f) **Establishes specific programme governance to support the decisions in this report. This may include the establishment of an advisory group selected from across the district with quarterly reporting to Council on the progress of the programme.**
- g) **Initiates discussions with Ngāi Tahu ki Murihiku on the nature of their participation in Southland Township Futures programme.**
- h) **Note that there is a current preference for sequencing Option 4 (as indicated in attachment A of the officer’s report) commencing with Oban, but further work will be needed to confirm this. The ultimate sequence followed may change as the programme progresses.**
- i) **Notes that some townships in the sequencing options are clustered; the ultimate configuration of township clusters may change as the programme progresses.**
- j) **Directs the Chief Executive to:**
 - i) **Commence procurement for the Southland Township Futures programme.**

- ii) **Identify an internal programme lead who has responsibility for programme initiation and development.**
 - iii) **Seek specialist community participation advice as part of procuring the programme in order to design effective collaboration, engagement and participation approaches.**
 - iv) **Establish appropriate programme and project management to support alignment, collaboration, risk management and review.**
 - v) **Undertake a process review as each community township plan is completed and include the knowledge gained into the following plan processes.**
- k) **Notes that each community township planning exercise should commence with community engagement to reconfirm existing or identify new outcomes or aspirations for each community.**

(The meeting adjourned for lunch at 12.35pm and reconvened at 1.42pm.)

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

7.11 Proposed Road Stopping - 2 Ellis Road, Lowther

Record No: R/24/5/34451

Senior property advisor – Megan Cowley and Manager property services – Kevin McNaught were in attendance for this item.

The purpose of the report was for Council consider a request to stop a portion of legal unformed road (approved as to survey Section 1, SO 483417) that bisects the property of 2 Ellis Road, Lowther, and to exchange the proposed stopped portion of road, for an easement facility obligation for the Around the Mountain Cycle Trail.

Resolution

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

That the Council:

- a) **Receives the report titled "Proposed Road Stopping - 2 Ellis Road, Lowther".**
- 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 staff to initiate the road stopping process, under the Public Works Act 1981 and determines that Council will supply to the Minister of Lands, written consent to the proposed road stopping, located within the vicinity of 2 Ellis Road, Lowther (SO 483417).**
- e) **Determines that if the road stopping application to the Minister of Lands is successful, to transfer the stopped road to the adjoining land owner in lieu of compensation for an Easement facility for the Around the Mountain Cycle Trail.**

7.12 Te Anau Downs boat ramp replacement expenditure approval

Record No: R/24/5/34139

Senior project manager – Phil Fahey was in attendance for this item.

The purpose of the report was to seek approval for expenditure for the construction of the Te Anau Downs boat ramp. The approval is being sought prior to the approval of the Long Term Plan which is scheduled for 26 August 2024.

The project had been identified in the 2024-2034 Long Term Plan 2024-2034, in the 2024/2025 financial year. The reason for wanting to undertake this project before September is to take advantage of potential low winter lake levels allowing construction prior to the busy summer season which starts in mid-October.

Resolution

Moved Mayor Scott, seconded Cr O'Brien **and resolved:**

That Council:

- a) **Receives the report titled “Te Anau Downs boat ramp replacement expenditure approval”.**
- 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 expenditure on the replacement of the Te Anau Downs boat ramp funded by the Te Anau general reserve prior to the adoption of the 2024-2034 Long Term Plan.**

7.13 Proposed update to Delegations Manual

Record No: R/24/6/38033

Democracy advisor – Michal Gray and Group manager strategy and partnerships – Vibhuti Chopra were in attendance for this item.

The purpose of the report was to seek Council approval for amendments to the Delegations Manual.

The following changes to the manual are being sought:

- alterations or further delegations made by the chief executive since the manual was adopted on 24 January 2024 and a minor typographical amendment
- amendments to the delegations to the Stewart Island/Rakiura Visitor Levy Subcommittee
- additional delegations and changes to delegations under the Resource Management Act 1991.

Resolution

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

That the Council:

- a) **receives the report titled “Proposed update to Delegations Manual”.**
- 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 and adopts the Delegations Manual with the following amendments:**
 - i. **alterations to delegations made by the chief executive since the manual was adopted on 24 January 2024:**
 - **changing the financial delegations to the group manager customer and community wellbeing by increasing the limit for authority to authorise purchases of capital items or goods and services within relevant Council approved budgets from \$100,000 to \$500,000**
 - **increasing the limit for authority to enter into contracts (full value of contract) within approved budgets and accept tenders for asset disposal from \$100,000 to \$200,000**
 - **increasing the authority to authorise awarded contracts from \$100,000 to \$500,000**
 - **altering the delegation given to particular staff roles under section 348 of the Local Government Act 1974 to create and cancel right of**

ways (removing the delegation to general manager strategy and partnerships and team leader environmental policy and making a new delegation to team leader consent processing).

- ii) a minor typographical amendment.
- iii) amending the delegations to the Stewart Island/Rakiura Visitor Levy Allocation Subcommittee by removing the delegation to set policy in relation to the collection and enforcement of the Stewart Island/Rakiura visitor levy (to ensure the manual has a consistent position that only Council can set policy).
- iv) amendments to the delegations to staff roles and hearings commissioners of sections 39AA, 41A, 41B, 41C, 41D and 42 of the Resource Management Act 1991 and new delegations to staff roles under sections 44A, 55(2) and 58I(2) and 58I(4) of the act which relate to mandatory functions to amend the plan or proposed plan if there is a direction from the national policy statement or the national policy standard or a conflict with national environmental standard or discretionary direction from a national planning standard.

Councillor Byars requested that his dissenting vote be recorded.

7.14 Representation review update

Record No: R/24/3/10641

Governance legal manager – Robyn Rout, Democracy advisor – Michal Gray and Group manager strategy and partnerships – Vibhuti Chopra were in attendance for this item.

The purpose of the report was to:

- provide a summary of general feedback received about representation in the Southland District
- provide a summary of representation options that were generated, and the feedback received on those options
- outline the representation arrangements staff intend to present on 16 July 2024 as the initial proposal.

Resolution

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

That the Council:

- a) receives the report titled “Representation review update”.
- 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 community views received in the community engagement process undertaken in November 2023.
- e) notes the four representation options generated by staff in response to community feedback:
 - the existing structure
 - minor changes to the existing structure
 - reducing the number of boards
 - moving Wallacetown.
- f) notes the feedback received on the four representation options.
- g) notes that staff intend to present an initial proposal to Council on 16 July 2024 that proposes the following minor changes to the current representation arrangement:
 - minor ward and community board boundary changes near Nightcaps, Drummond, Taramoa, the Hokonui Hills and Nokomai
 - minor changes to board/ward names to include appropriate macrons.

7.15 Mayor's report

Record No: R/24/4/29413

Mayor Scott took the Council through his report.

Councillor Ruddenklau advised that the Creative Communities Committee recently met in Winton, allocated funds for 11 applications. The Committee then looked around the Murals recently installed by south Sea Spray. She also mentioned that Arts Murihiku are holding the inaugural Southland Creative Arts Awards on 17 August 2024 at the Ascot Hotel in Invercargill.

Councillor Keast advised in her capacity as the Council representative on Whakamana te Waituna that herself, Councillor Duffy and the Chief Executive had recently received a letter from Dean Whaanga at Te Ao Marama Inc expressing his appreciation for the mahi in reaching the milestone in the Whakamana te Waituna project of the upgrade of the Waituna bridge on Waghorn Road.

Councillor Duffy advised that the Southland Regional Heritage Committee had applied for and was granted funding from the recent round of Lotteries Commission grant allocations for Project Ark.

He also advised that the Southland Heritage Building Preservation Trust was set for "to enable the owners of registered historic buildings the apply for funding in the form of low interest, secured loans for the purpose of assisting owners to manage, maintain, or preserve their registered historic building". The demand for this has dropped away so the Trust is in

the process of winding up. The Trust had acquired Kohikohi Cottage in Riverton and Sinclair Miners Cottage in Nightcaps. Kohikohi Cottage has been renovated and handed over to a local Trust. Sinclair Miners Cottage is up for sale as there was no community interest in retaining it. There will be discussions with Otautau Museum regarding housing of the contents of the Sinclair Miners Cottage.

Resolution

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

That the Council:

- a) receives the report titled "Mayor's report".**

The meeting closed with a karakia whakamutunga as follows:

Kia hora te marino
Kia whakapapa pounamu te moana
Hei huarahi mā tātou i te rangi nei
Aroha atu, aroha mai
Tātou i a tātou katoa
Hui e! Tāiki e!

May peace be widespread
May the sea be like greenstone
A pathway for us all this day
Let us show respect for each other
For one another
Bind us all together!

The meeting concluded at 2.20pm.

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

DATE:.....

CHAIRPERSON:.....

Riversdale lighting project - unbudgeted expenditure request

Record no: R/24/6/40320
Author: Kelly Tagg, Community partnership leader
Approved by: Sam Marshall, Group manager customer and community wellbeing

Decision Recommendation Information

Purpose

- 1 The purpose of this report is for Council to consider whether or not it wishes to proceed with the recommendation from the Ardlussa Community Board that unbudgeted expenditure be approved to carry out a lighting improvement project in Riversdale.

Executive summary

- 2 The Ardlussa Community Board noted when determining projects for the 2024-2034 Long Term Plan that it would like to improve the lighting around the Riversdale Community Centre.
- 3 A quote has been received from an approved contractor for up to \$25,000 plus GST. The board has previously indicated that it would look to fund this project from the Ardlussa general reserve. The balance of which is forecast to be \$30,551 as at June 2024, however \$22,615 has been budgeted to fund tree and hedge maintenance costs in 2024/2025. 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.

Recommendation

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.**

Background

- 4 The Ardlussa Community Board has indicated a desire to improve the lighting around the Riversdale Community Centre.
- 5 The community centre building is owned by the Riversdale Progress League and the land under the building and surrounding area is owned by Council.
- 6 Furthermore, Council has an agreement with the progress league whereby the public toilets are part of the community centre and Council pays a fee for cleaning to the progress league.
- 7 A Council owned playground is adjacent to the community centre and public toilets. There is also an off-street car parking area and behind the community centre is the recycling centre and a self-contained camping area.
- 8 The board has noted that the lighting in this area is very poor and that, for safety reasons, they wish to improve the lighting around the community centre area which is Council owned land.
- 9 Staff have discussed this proposal with the community centre who have indicated that they would allow the community centre power supply to be used for this project. A separate power metre will be installed, the cost of which is included in the quote, and the power costs on-charged to Council.

- 10 Staff have received a price of approximately \$25,000 plus GST to undertake this work and they are currently seeking two additional quotes in keeping with Council's procurement guidelines. The lowest price conforming quote will be accepted.
- 11 The Ardlussa Community Board reserve is forecast to have a balance of \$30,551 as at 30 June 2024. However, \$22,615 has been budgeted to fund tree and hedge maintenance costs in 2024/2025. 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.
- 12 The scope of the work includes installing external spotlights, upgrading the existing lights on the toilets, installing lighting into the playground and installing additional lights on the power poles facing towards the community centre on the edge of the road.

Issues

- 13 Council must determine whether or not it wishes to approve unbudgeted expenditure of up to \$25,000 plus GST, to be funded from the Ardlussa general reserve.
- 14 There will also be a power charge from the power metre in the community centre which will be invoiced to Council. There are funds available within the general maintenance budget for this board area to cover these costs.

Factors to consider

Legal and statutory requirements

- 15 The board has delegated authority to approve unbudgeted expenditure of up to \$20,000 and costs over that amount must be approved by Council.

Community views

- 16 The views of the community board are deemed to represent the views of the community.

Costs and funding

- 17 A quote from a council approved contractor of approximately \$25,000 plus GST has been received and additional quotes are in the process of being sought.
- 18 The Ardlussa Community Board reserve is forecast to have a balance of \$30,551 as at 30 June 2024. However, \$22,615 has been budgeted to fund tree and hedge maintenance costs in 2024/2025. 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.
- 19 A loan of \$16,679 would require repayments of \$1,680.48 per annum at the interest rate of 5.67%. This will increase the Ardlussa Community Board rate by \$1,849.75 (GST inclusive) or 1.08% from the amount recommended by the board in the report titled 'Direction-setting for Long Term Plan 2034' on 18 October 2023.

Policy implications

- 20 None identified.

Analysis

Options considered

- 21 Council must determine whether or not it wishes to approve unbudgeted expenditure of up to \$25,000 plus GST, to be funded from the Ardlussa Community Board reserve.

Analysis of Options

Option 1 – approves unbudgeted expenditure of up to \$25,000 plus GST (\$8,321 to be funded from the Ardlussa general reserve, and a combination of operational underspends during 2023/24 and a loan to be repaid over 15 years) be approved for the lighting improvement project in Riversdale.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• The lighting around the Riversdale Community Centre, which includes a car park, public toilets, playground and self-contained camping area will be improved.• Improved lighting will also likely mean the chances of vandalism in the area are decreased and perceptions of public safety in the area will improve.	<ul style="list-style-type: none">• There will be less funds available to use in the Ardlussa Community Board reserve for other projects

Option 2 – does not approve unbudgeted expenditure of up to \$25,000 plus GST (\$8,321 to be funded from the Ardlussa general reserve, and a combination of operational underspends during 2023/24 and a loan to be repaid over 15 years) be approved for the lighting improvement project in Riversdale.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• These funds are available to be used for future projects as identified in the 2024-2034 Long Term Plan.	<ul style="list-style-type: none">• The lighting will not be able to be improved and may prevent people feeling safe using this area at night.

Assessment of significance

- 22 Under Council's significance and engagement policy, this is not considered a significant issue.

Recommended option

- 23 Option one – approves unbudgeted expenditure of up to \$25,000 plus GST (\$8,321 to be funded from the Ardlussa general reserve, and the balance from a combination of operational underspends during 2023/24 and a loan to be repaid over 15 years) be approved for the lighting improvement project in Riversdale.

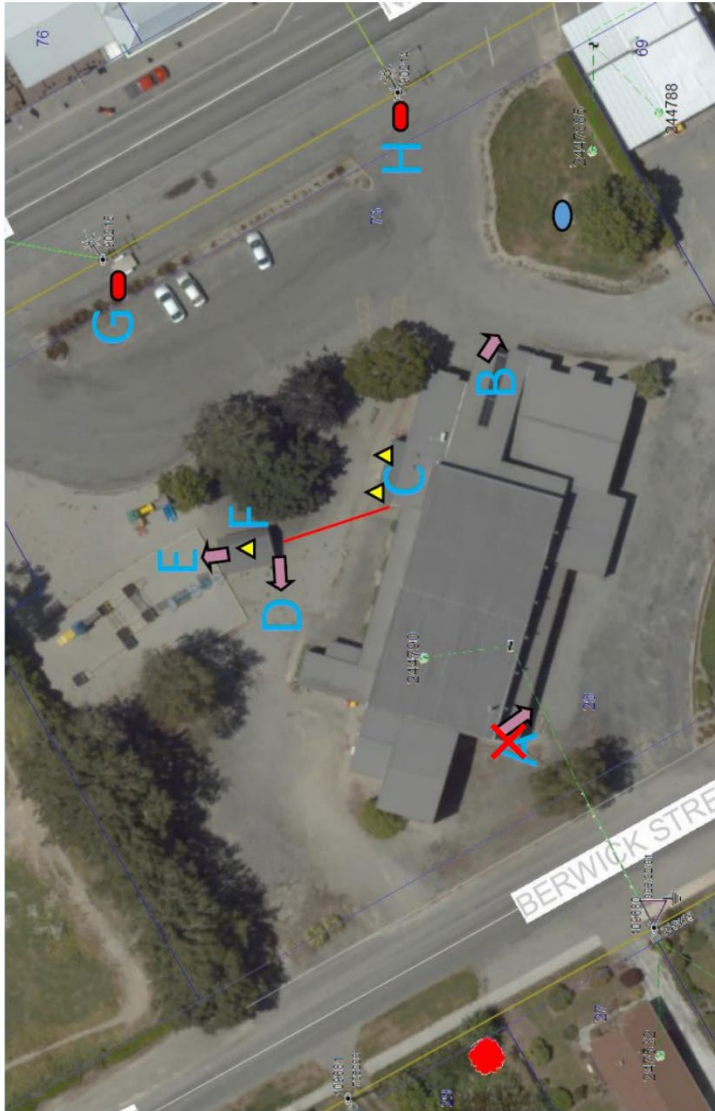
Next steps

- 24 The lowest conforming quote will be accepted and the project will be able to commence.

Attachments

- A Riversdale lighting design locations - March 2024

Riversdale lighting design locations



- B spotlight to lawn area
- C improved toilet lighting
- D/E floodlights
- F button LED light inside shelter
- G/H TerraLED mini lights on power poles facing the community centre

Local Water Done Well

Record no: R/24/6/41187
Author: Jendi Paterson, Three waters transition lead
Approved by: Cameron McIntosh, Chief executive

Decision Recommendation Information

Purpose

- 1 The purpose of this report is 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.

Executive summary

- 2 The local government Water Services Preliminary Arrangements Bill (second bill) lays the foundations for councils to move to the next stage of water reform. The second bill was introduced on 30 May 2024 and, subject to parliamentary timetables, is expected to be passed by August 2024.
- 3 In the next year, all councils will need to produce plans on how they will deliver financially sustainable water services. For all territorial authorities, the second bill provides for the following for water services:
 - a. requirements to develop water services delivery plans
 - b. foundation "economic regulation" through information disclosure requirements; and
 - c. the ability to choose a new category of water services council-controlled organisations to deliver services (among other options)
 - d. the second bill also includes an Auckland-specific solution which relates to Watercare Services Limited.
- 4 This report recommends 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 (LWDW Working Group) scope of works for a financial contribution of up to \$18,000.
- 5 The additional financial allocation is to provide staff with the ability to individually or collectively investigate other options that may be presented in the coming months.
- 6 The up to \$25,000 of funding will be funded from the Local Water Done Well Support Package.

Recommendation

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) 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.**

Background

- 7 With the election of a new government, on 14 December 2023 the Minister of Local Government (the minister) announced a new direction for water services delivery and the intention to repeal the previous government’s water services legislation.
- 8 On 13 February 2024, the minister introduced the Water Services Acts Repeal Bill (the first bill). The first bill was enacted on 16 February 2024 and repealed the establishment of the water service entities and requires councils to provide for water services in their 2024-2034 long term plans.
- 9 The minister advised that further legislation will be introduced to implement the government’s Local Water Done Well Policy. This will be progressed in a two stage approach.
- 10 The local government Water Services Preliminary Arrangements Bill (second bill) lays the foundations for councils to move to the next stage of water reform. The second bill was introduced on 30 May 2024 and, subject to parliamentary timetables, is expected to be passed by August 2024.
- 11 In the next year, all councils will need to produce plans showing how they will deliver financially sustainable water services. For all territorial authorities, the Second Bill provides for the following for water services:
 - a. requirements to develop water services delivery plans;
 - b. foundation "economic regulation" through information disclosure requirements; and
 - c. the ability to choose a new category of water services council-controlled organisations to deliver services (among other options).
 - d. The second bill also includes an Auckland-specific solution which relates to Watercare Services Limited.

- 12 A third bill providing for the long-term replacement regime will be introduced in December 2024 and is expected to be passed by mid-2025. The bill will create a more detailed water services regulatory set up, including:
- a. long-term requirements for financial stability
 - b. further details about the powers, functions, and duties of a water services entity
 - c. further details about any other water services delivery model
 - d. accountability, planning and reporting regimes for water services
 - e. comprehensive economic regulation
 - f. amendments to the regulatory settings for Taumata Arowai, the Water Services Regulator; establishing a regulatory backstop power; and
 - g. further changes to the LGA 2002 and other legislation to strengthen the delivery of water services.
- 13 The Otago and Southland Mayoral and Chief Executive Forums established the Southland Otago Local Water Done Well Working Group (LWDW Working Group) and tasked the group to develop a detailed scope of work, required resources and timetable to support investigation of the following:
- a. regional collaboration wins and shared services
 - b. regional delivery model
 - c. national collaboration and shared services.

The working group is made up of group/general managers and subject matter expert when required.

Discussion

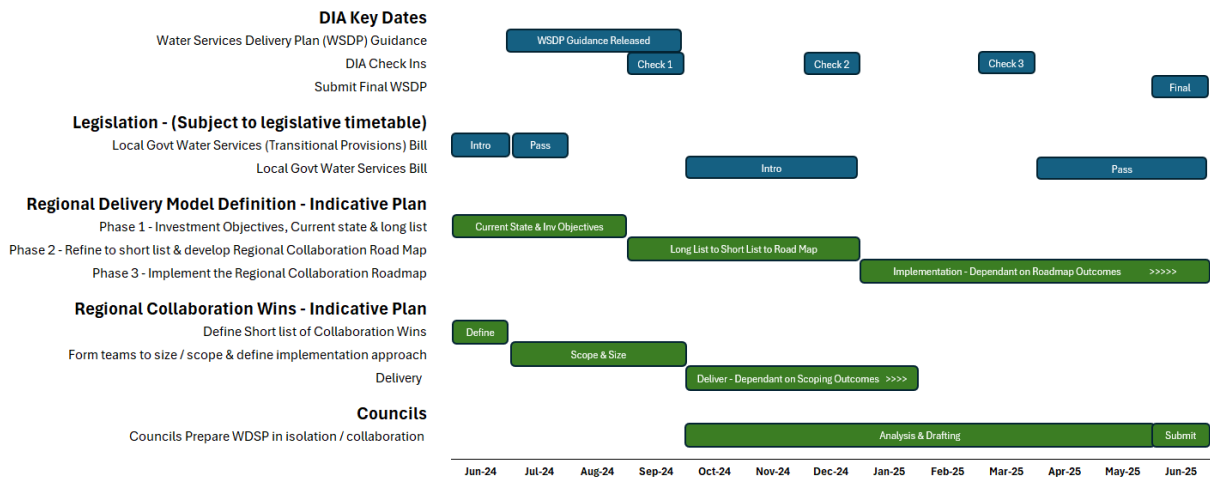
- 14 The Southland Otago mayors met 10 June 2024 and discussed the new Local Water Done Well Bill and received an update on the formation of a LWDW Working Group.
- 15 Morrison Low provided a proposed approach and the required support they could provide in undertaking a lead role in this work for the Southland and Otago region.
- 16 It is a requirement of the LWDW bills that councils can show they are financially sustainable when ringfencing all water funding. Part of the requirements and direction provided by government is to review other ways of delivering water services and infrastructure. The LWDW Working Group has identified three phases, as follows:
- a. **phase one:** Current state, investment, objectives and long list of options
 - b. **phase two:** Long list to short list to regional collaboration roadmap
 - c. **phase three:** Delivery on road map and water service delivery plans.
- 17 Phase one is the first stage which needs to be undertaken prior to consideration of the tasks, involvement or viability of phase two and three.

18 Phase one deliverables as per the current proposed scope includes:

- **define current state, key challenges and opportunities**
 - leverage 2024 planning outcomes, NTU reform programme outputs, previous Morrison Low cross regional current state assessment
 - supplement with input from key council staff where required
 - report for combined review and feedback
- **define a set of investment objectives**
 - create a strawman set of investment objectives to kick start the process utilising:
 - the previous work undertaken for the combined regions – with the above updates included
 - experience gained from other council groupings elsewhere in New Zealand
 - the objectives of LWDW and the previous government’s affordable water reviews
 - any objectives or principles identified through draft legislation and guidance for water service delivery plans
 - run cross Council workshop sessions to challenge the strawman and arrive at an agreed set of investment objectives.

19 A key part of the work to be undertaken is to leverage the previous reform work and information gathered during 2022-2024 under previous reforms. Staff throughout SDC worked collaboratively during this time with the previous National Transition Unit and have significant information to assist in this collaborative workstream and investigation process.

20 The below high-level plan identifies key dates and timelines as per the current legislative timeline:



21 Along with participating in the LWDW Working Group, SDC staff have set up an internal governance group to provide guidance, analysis, strategic direction, specific financial analysis and communication planning, to ensure that throughout the next 12 months and the development of the water service delivery plans elected members and our community are kept informed on options and the future of LWDW.

Factors to consider

Legal and statutory requirements

- 22 The Local Water Done Well legislation requires Council to review options of water service delivery. Should Council decide to continue a status quo model there are requirements that need to be met; including ring fenced financial sustainability of delivery and development.

Community views

- 23 Community views have not been sought at this stage, however the new draft bill outlines what consultation is required specifically and in relation to LGA 2002 for future decision making for water service delivery. The water service delivery plan is required to be provided to the public for feedback. Staff recommend providing regular updates to the community over the next 12 months.

Costs and funding

- 24 Council has entered into a funding agreement with DIA for Local Water Done Well Support Package for \$248,000. This funding has been transferred from the second tranche of transitional funding.
- 25 Southland District Council’s financial contribution to the joint Southland Otago Working Group of \$18,000, based on the below table will be funded through Local Water Done Well Support Package.

Phase 1					
	To date	Jun-24	Jul-24	Aug-24	
Project Management	\$ 20,000	\$ 28,000	\$ 28,000	\$ 28,000	
Consulting					
Consulting Support		\$ 20,000	\$ 20,000	\$ 10,000	
Legal Support			\$ 5,000	\$ 10,000	
Communications Support			\$ 5,000	\$ 5,000	
	\$ 20,000	\$ 48,000	\$ 58,000	\$ 53,000	\$ 179,000
Contingency 10%		\$ 4,800	\$ 5,800	\$ 5,300	\$ 15,900
Sub Total	\$ 20,000	\$ 52,800	\$ 63,800	\$ 58,300	\$ 194,900

26

	% Pop. Split	Cost	Rounded
Waitaki district	6.8%	\$ 13,339	\$ 13,000
Central Otago district	7.1%	\$ 13,813	\$ 14,000
Queenstown-Lakes district	13.9%	\$ 27,170	\$ 27,000
Dunedin city	37.6%	\$ 73,256	\$ 73,000
Clutha district	5.3%	\$ 10,409	\$ 10,000
Southland district	9.3%	\$ 18,091	\$ 18,000
Gore district	3.7%	\$ 7,224	\$ 7,000
Invercargill city	16.2%	\$ 31,598	\$ 32,000
	100.0%	\$ 194,900	\$194,000

Assessment of significance

- 27 It has been identified that this report and its contents are of lower significance in relation to Council’s Significant and Engagement Policy and the Local Government Act 2002.

Next steps

- 28 Should Council agree to support financial participation in the Southland Otago Local Water Done Well Working Group, work will commence on Phase one as outlined above. Input and

guidance will be provided to the working group by the appropriate executive and subject matter expert staff throughout the phase one works.

- 29 Future support for phase two and phase three scopes of work will be determined at the conclusion of the phase one works in October 2024.
- 30 As the LWDW progresses and information, analysis and options are developed staff will report back to Council on a minimum bi-monthly basis along with workshops when and where required.
- 31 It is important that over the next 12 months, as the bill's come into legislation, service delivery models are analysis and reviewed that we ensure our community and staff are kept up to date in an open and transparent way.

Attachments

There are no attachments for this report.

Draft NZTA Emergency Works Investment Policy - Council's submission

Record no: R/24/6/42038
Author: Hartley Hare, Strategic manager transport
Approved by: Fran Mikulicic, Group manager infrastructure and capital delivery

Decision Recommendation Information

Purpose

- 1 The purpose of this report is to:
 - provide the submission prepared by staff on Draft NZTA Emergency Works Investment Policy
 - ratify the submission that was lodge on behalf of Councils on 19 June 2024.

Executive summary

- 2 The NZ Transport Agency Waka Kotahi (NZTA) released the Draft NZTA Emergency Works Investment Policy. The policy sets out the how emergency work claims are triggered and what level Funding Assistance Rate (FAR) is applied. Some of the key proposed changes include:
 - qualifying trigger events from a 1 in 10-year event to 1 in 20-year event
 - reduce the enhanced FAR from Normal FAR +20% to Normal Far +10%.
- 3 Staff have prepared a submission on the policy.
- 4 The submission responds to specific questions in the consultation document and also outlines that Council does not support the proposed changes. The submission also highlights that this is another example of more costs being pushed onto local government.
- 5 A proforma submission was lodged with the Ministry of Transport on 19 June 2024 to enable Council to provide feedback on the policy before the end of the consultation period (19 June 2024). At this meeting staff are requesting Council formally ratify the submission.
- 6 If Council wish to make changes to the submission at this time or to withdraw the submission, staff will action the decision by liaising with staff from NZTA.

Recommendation

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.**

Background

- 7 NZTA has undertaken a review of Emergency Works Investment Policy. The policy sets out how emergency work claims are triggered and what level Funding Assistance Rate (FAR) can be applied for.
- 8 The key changes proposed will increase the trigger levels (higher threshold) for qualifying events and reduce the amount of enhanced funding that can be accessed.

Issues

- 9 Staff have prepared the submission and submitted a proforma submission to enable Council to provide feedback before the end of consultation period.

Factors to consider

Legal and statutory requirements

- 10 There is no legal requirement to lodge a submission on the policy.

Community views

- 11 No specific community views have been sought and anyone could have submitted on the proposed changes.

Costs and funding

- 12 Costs associated with reviewing and drafting a submission relate to staff time only, however, the change in policy will have financial implication, particularly if there was a large scale weather event.

Policy implications

- 13 There are no Council policy implications in relation to lodging this submission.

Analysis

Options considered

- 14 Option 1 – ratify the draft submission.
- 15 Option 2 – do not ratify the submission.

Analysis of options

Option 1 – Ratify the submission

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">enables Southland District Council’s views to be heardenables Southland District Council to highlight potential impacts of the changes.	<ul style="list-style-type: none">None.

Option 2 – Submission is not ratified

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">None.	<ul style="list-style-type: none">Southland District Council will not be heard in this process.

Assessment of significance

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

Recommended option

- 17 Option 1 – Council ratify the submission.

Next steps

- 18 If Council amend or decide not to lodge a submission, Council staff will work with staff from the NZTA to action the Council decision.

Attachments

- A Draft NZTA Emergency Works Investment Policy Submission



Draft 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 councils 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 exasperated 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.

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 especially the proposed timing of their introduction. We suggest 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 exasperated 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.



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.

Financial Report for the period ended 31 May 2024

Record No: R/24/6/40335
Author: Joanie Nel, Senior accountant
Approved by: Anne Robson, Group manager finance and assurance

Decision Recommendation Information

Purpose

- 1 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.
- 2 Substantive changes from the previous financial report are shown in text with underline.
- 3 The Forecasted budget changes as approved by Council on the 1st of May 2024, have been included in this report.

Recommendation

That Council:

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

Attachments

- A Financial report May 2024



Financial report

May 2024

Southland District Council
Te Rohe Pōtae o Murihiku

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Introduction

This report summarises Council's financial results for the eleven month period to 31 May 2024.

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 (Annual Plan) with adjustments for phasing of budgets, carry forwards and approved unbudgeted expenditure reports
- year to date (YTD) budget, which is based on the full year Annual Plan budget with adjustments for phasing of budgets
- full year (FY) budget, which is the Annual Plan budget figures
- full year (FY) projection, which is the Annual Plan budget figures plus carry forwards and 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.

Carry forwards were approved by Council in September 2023 and have been included in the projection column.

Phasing of budgets is undertaken to reduce the number of variance explanations due to timing. Phasing occurred in October and when one-off actual costs were incurred.

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

The forecasting changes to the projected budgets for the year was approved by Council on the 1st of May. These changes will be included in the May financial results.

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 summary (income, expenditure, capital expenditure and associated commentary)
- B. Council summary by Activity Group
- C. Statement of comprehensive income
- D. Statement of financial position and movement commentary
- E. Statement of cash flows.

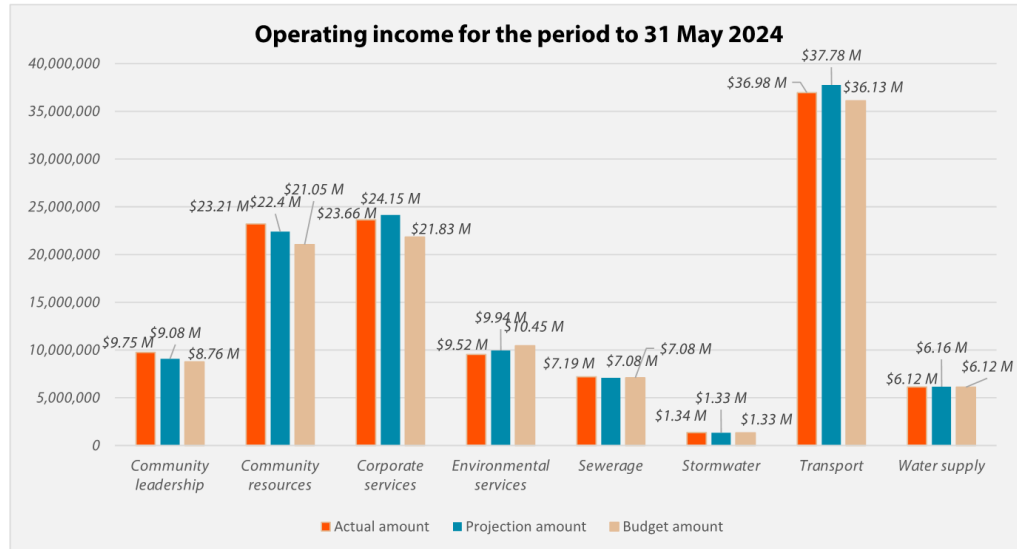
Abbreviation explanation

Abbreviation	Description
AP	Annual Plan
CAPEX	Capital expenditure
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
LGFA	Local Government Funding Agency
LT	Leadership team
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 Electrical Supply Authority
TIF	Tourism Infrastructure Fund
YE	Year end
YTD	Year to date
YTD Variance	Comparison of actual results compared to YTD budget
\$M	Millions of dollars
WWTP	Wastewater treatment plant

Council summary

Income

Operating income for the eleven month period to 31 May 2024 is on par with projection (\$117.8 million actual vs \$117.9 million projection). The key reasons for the variances are detailed below.

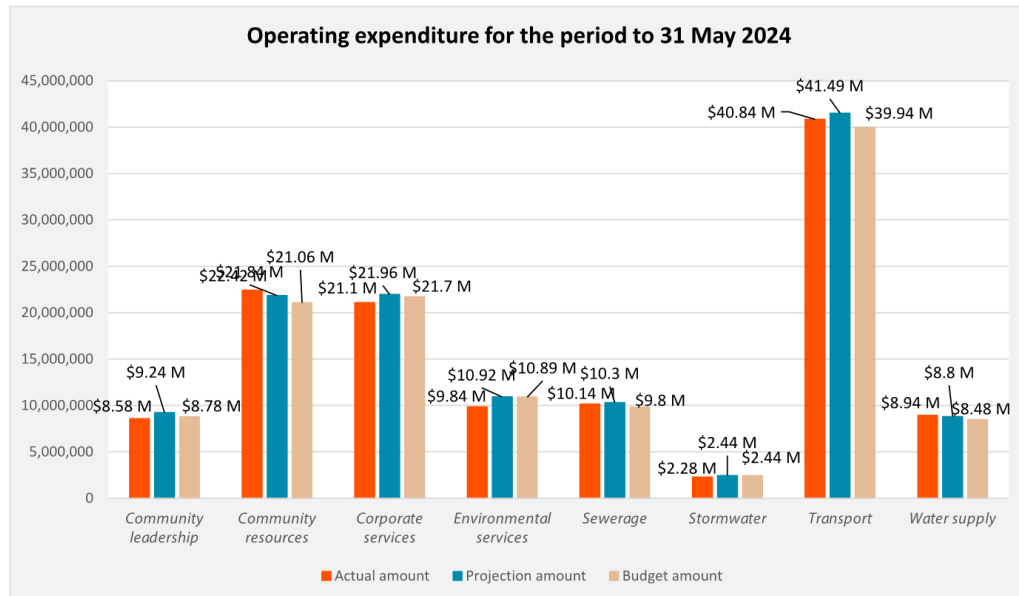


- community leadership** income is \$669 thousand (7%) over projection due to the \$5 increase in the Stewart Island Visitor Levy (increased at 1 October 2023) and grant funding received for the Mayoral Taskforce as well as grant income received for creative communities. \$473 thousand has also been received from the Fiordland retirement housing trust, further to the trust winding up, this money has been requested to be used by the Community Board for elderly persons.
- community resources** income is \$818 thousand (4%) over projection. \$1.8 million of this is related to the sale of Luxmore land in Te Anau. In addition, waste services income is \$1.1 million over projection mainly due to \$959 thousand of government grant invoiced for the Bluecliffs landfill removal. Community housing income is under projection (\$26 thousand) due principally to vacant units that require extensive repairs. SIESA electricity income is over projection (\$109 thousand) due to the price increase and the increase in kWh sales.
- environmental services** income is \$424 thousand (4%) less than projection. This is mainly due to the building solutions income being less than projected due to a drop in new building consent applications over the prior year, however the month of May has been equal to the volume of consents in prior years. This lift in is not substantial enough to reverse income losses from previous months. In addition, the lower income has also resulted from more code of compliance certificates being signed off for historical building work. Because the fees for these certificates were prepaid at the time of the original consent and treated as income at the time, the financial statements do not show this income. This has been changed for new consents where code of compliance certificate costs are invoiced and recognised as income at the time the work is undertaken.
- transport** income is \$800 thousand (2%) lower than projection mainly due to the NZTA Waka Kotahi income being under projection. This reflects timing of some work along with some project costs coming in under projected budget such as speed limits and bridges. Staff expect that the roading

income will be \$700-\$750 thousand short compared to the three year programmed income. This is mainly due to ring-fenced funding for minor improvements and the speed sign project where the scope changed since we submitted the programme request to NZTA Waka Kotahi back in 2020 and due to the speed bylaw process and changes in the regulations in the last three years.

Expenditure

Operating expenditure for the eleven month period to 31 May 2024 is \$2.8 million (2.3%) below projection for the period to date (\$124.1 million actual vs \$126.9 million projection). The key reasons for the variances are discussed below.

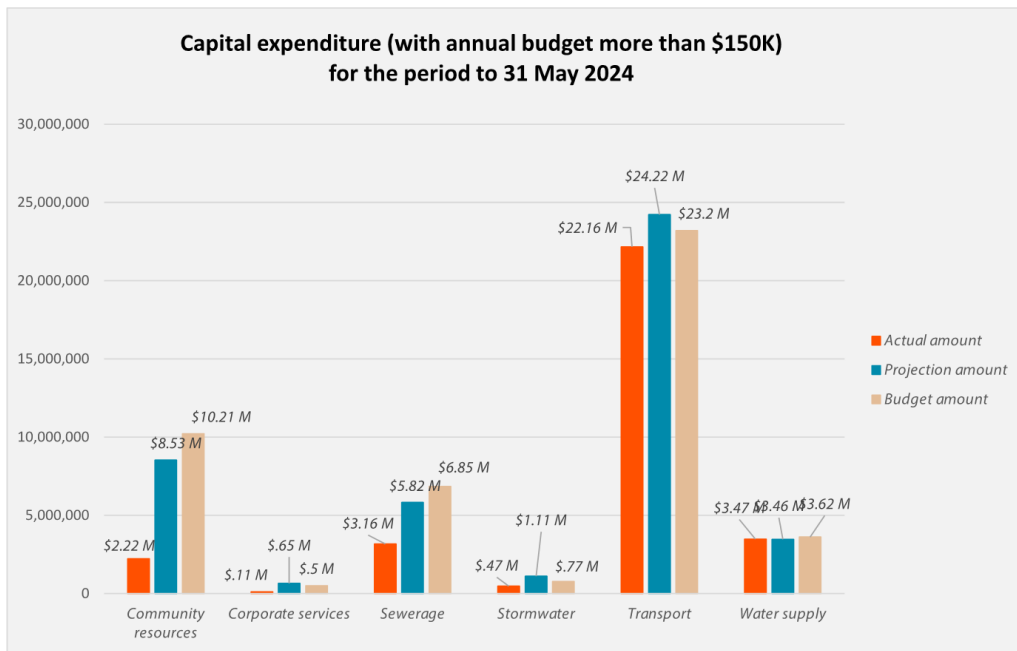
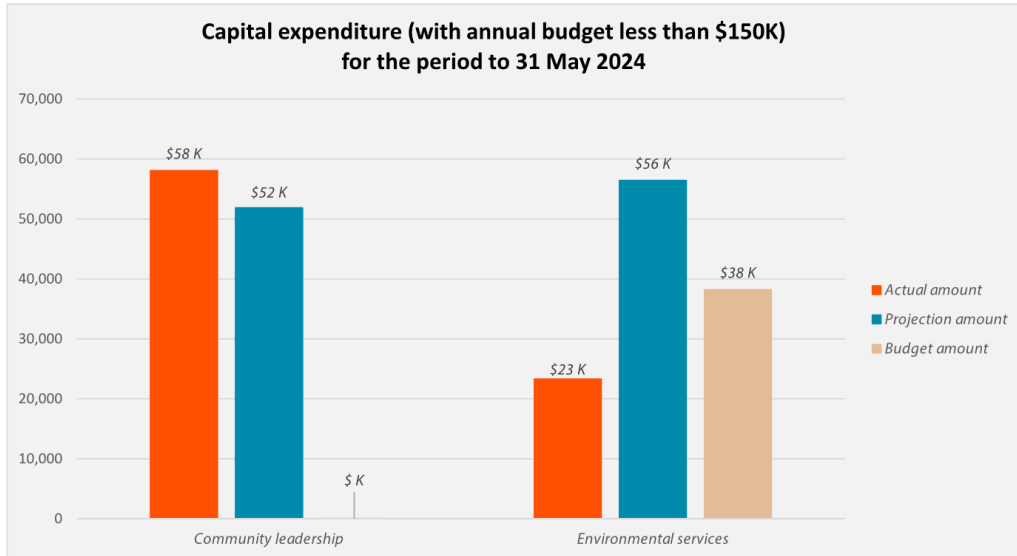


- **community leadership** operating expenditure is \$659 thousand (7%) lower than projection. The underspend relates to lower staff costs, travel, legal, training and general project costs incurred
- **community resources** operating expenditure is \$580 thousand (3%) above projection. This is made up of a range of underspends across the various sub activities:
 - parks and reserves operating expenditure is over projection (\$178 thousand) mainly due to costs for the Open Spaces Matariki wayfinder project as the costs had been budgeted for under capital expenditure.
 - lower fuel costs for SIESA than projected due mainly to the price per litre being less than budgeted.
 - streetscapes operating expenditure is \$56 thousand under projection mainly due to lower maintenance costs in Te Anau and Colac Bay.
 - library services operating expenditure is \$160 thousand under projection mainly due to lower overall staff costs
 - community housing operating expenditure is \$61 thousand under projection. We are awaiting final costs for the additional refurbishment of the units at Edendale and Otautau.

- operating expenditure on the halls is under projection by \$32 thousand. The operational budget for the halls cover any minor maintenance that is required throughout the year, fly and spider control, external wash down and spouting cleaning.
- waste services is \$1 million over projection relating to the costs for the Bluecliffs landfill removal.
- **corporate services** operating expenditure is \$864 thousand (4%) under projection which mainly relates to lower overall staff costs
- **environmental services** operating expenditure is \$1,081 thousand (10%) below projection mainly due to lower staff costs resulting from staff vacancies in environmental health, resource planning and building solutions
- **sewerage** operating expenditure is \$156 thousand (2%) below projection mainly due lower interest due to less capital work than planned last year and internal charges as a result of lower corporate costs.
- **stormwater** operating expenditure is \$168 thousand (7%) under projection mainly due to lower interest costs, internal overheads and condition assessment costs not yet being incurred. The underspend in the condition assessment budget has been spent on maintenance costs to remedy any issues identified in previous condition assessments undertaken. It is expected that the full conditioning expenditure budget will be spent before the end of the financial year.
- **transport** operating expenditure is \$657 thousand (2%) under projection overall.
 - The Te Anau Airport Manapouri and Around the mountain cycle trail operating expenditure is \$38 thousand and \$15 thousand under projection due to lower maintenance costs required to date compared to budget.
 - Footpath operational spend is \$369 thousand under due to lower maintenance, internal recoveries in allocations business units as a result of lower corporate costs (reflecting lower costs in these business units) as well as lower interest costs due to less capital work than planned last year.
 - Roading administration is under projection by \$198 thousand due to a staff vacancy along with no invoices received currently for our share of the costs for the shared services safety promotions.
 - Stewart Island Jetties operational expenditure is \$35 thousand below projection due to a maintenance project not being started as it is proposed to do this work at the same time as the Ulva Island wharf construction. This work will be carried forward.
- **water supply** operating expenditure is \$140 thousand (2%) over projection with unplanned maintenance higher than forecasted.

Capital expenditure (CAPEX)

Capital expenditure for the eleven month period to 31 May 2024 is \$12.2 million (28%) under projection (\$31.7 million actual vs \$43.9 million projection). The key reasons for the variances in each activity area are discussed below.



- community resources** capital costs are \$6.3 million (74%) below projection. This is largely related to an allowance for the Invercargill office accommodation budgeted for (\$4.8 million). Parks and reserves capital expenditure is under projection by \$435 thousand largely due to the phasing of the playground projects with the main project being the Riverton playground renewal project which is \$362 thousand behind projection due to confirming the requirements with the community and the budget will be carried forward to the 2024/2025 financial year. Toilets capital spend is \$867 thousand under projection. Athol, Lions park and Mossburn toilet project budgets will be carried forward as

works are currently underway but will be completed prior to the summer peak season. The Taramea Bay toilet project is nearing completion.

- **corporate services** capital costs are \$539 thousand (83%) below projection mainly due to the timing of the implementation of the new financial management information system with limited costs incurred to date. These are displayed under operating expenditure, as under current accounting rules, software as a service are recognised as operational rather than capital expenditure. The budget will be carried forward.
- **sewerage** capital costs are \$2.7 million (46%) below projection. The main variance relates to the Riversdale commissioning with final costs expected over the next month. The remaining variance relates to the timing of the projects for Winton and Balfour WWTP upgrades with the wastewater infiltration upgrade packages currently underway. These projects will be completed in the new year and expected carry forwards for these and some multi-year projects will be approximately \$1.5 million.
- **stormwater** capital costs are \$641 thousand (58%) under projection. The main variances are in relation to Riverton and Winton. The Winton project commenced in May and is due to be completed in July, this is \$396K of the variance. Work is continuing in Riverton and further investigation into the best options for Sandy Brown road project continues with the majority of the budget having been forecast into the next financial year.
- **transport** capital costs are \$2 million (8%) under projection with a range of unders and overs in footpaths, roading and the airport contributing to the variance as follows:
 - The Around the Mountain Cycle trail capital expenditure is \$53 thousand below projection due to the Gorge Burn Shelter project which has now been completed with some expenses still to be invoiced. The project overall will come in on par with projected budget.
 - roading bridge renewals are under projection by \$74 thousand and we are still expecting to complete the programme at year end however due to savings not all of this budget is expected to be utilised
 - roading pavement renewals are below projection (\$661 thousand) but with all projects completed for the season
 - Traffic services is \$41 thousand below projection due to the slower start with road marking
 - Drainage renewal is over budget (\$420 thousand), initially it had been anticipated that this budget item would primarily be used to balance increases in general cost such as sealed road maintenance however, under expenditure in other areas will now be utilised to balance the over-all budget
 - Roothing resurfacing are slightly behind (\$101 thousand) with only minor costs still outstanding. Due to the weather, 3 sites have been deferred to the 2024/25 season
 - Minor improvements and pedestrian facilities are \$1.5 million under budget with the school sign project to be delivered during June. While this project will be completed during June, it will be under budget due to the change in scoping and price received during tender. As these are specific programme funded by Waka Kotahi any savings in these projects cannot be used to fund other activities.

Council summary by Activity Group

Operating income									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	9,750,761	9,081,915	8,761,378	668,846	7%	10,876,980	10,760,650	(116,330)	(1%)
Community resources	23,214,156	22,395,910	21,050,881	818,246	4%	24,703,868	23,509,254	(1,194,614)	(5%)
Corporate services	23,657,100	24,154,266	21,828,635	(497,167)	(2%)	26,071,914	23,610,640	(2,461,274)	(9%)
Environmental services	9,521,188	9,944,975	10,448,030	(423,787)	(4%)	10,972,934	11,522,744	549,810	5%
Sewerage	7,187,612	7,080,032	7,080,032	107,580	2%	8,227,307	7,777,307	(450,000)	(5%)
Stormwater	1,339,281	1,333,070	1,333,070	6,211	0%	1,484,258	1,484,258	(0)	(0%)
Transport	36,975,710	37,776,094	36,126,735	(800,384)	(2%)	42,047,302	40,174,826	(1,872,475)	(4%)
Water supply	6,123,198	6,157,531	6,117,703	(34,332)	(1%)	7,048,215	6,828,215	(220,000)	(3%)
Total	\$117,769,005	\$117,923,792	\$112,746,464	(154,787)	(0%)	\$131,432,779	\$125,667,895	(5,764,883)	(4%)
Operating expenditure									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	8,576,570	9,235,952	8,783,127	(659,382)	7%	11,074,609	10,804,039	(270,571)	(2%)
Community resources	22,422,706	21,842,790	21,055,890	579,916	(3%)	24,327,057	23,759,894	(567,163)	(2%)
Corporate services	21,097,744	21,962,401	21,695,571	(864,657)	4%	22,585,875	22,158,519	(427,356)	(2%)
Environmental services	9,843,485	10,924,363	10,888,949	(1,080,879)	10%	11,984,245	11,799,555	(184,690)	(2%)
Sewerage	10,144,454	10,300,394	9,796,228	(155,941)	2%	11,213,021	10,663,021	(550,000)	(5%)
Stormwater	2,276,072	2,443,982	2,443,982	(167,909)	7%	2,699,108	2,699,108	0	0%
Transport	40,836,193	41,493,325	39,944,914	(657,132)	2%	45,547,076	43,786,068	(1,761,008)	(4%)
Water supply	8,936,841	8,796,492	8,480,242	140,349	(2%)	9,577,397	9,232,397	(345,000)	(4%)
Total	\$124,134,065	\$126,999,699	\$123,088,902	(2,865,634)	2.3%	\$139,008,388	\$134,902,600	(4,105,788)	(3%)
Net surplus/deficit	(\$6,365,060)	(\$9,075,906)	(\$10,342,438)	2,710,847	(2%)	(\$7,575,609)	(\$9,234,705)	(1,659,096)	(1%)
Capital expenditure									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	58,063	51,850	1	6,213	12%	106,564	50,001	(56,563)	(53%)
Community resources	2,218,271	8,529,260	10,212,559	(6,310,989)	(74%)	10,868,580	13,126,265	2,257,685	21%
Corporate services	107,839	646,750	503,581	(538,911)	(83%)	1,001,545	845,361	(156,184)	(16%)
Environmental services	23,300	56,398	38,202	(33,098)	(59%)	311,525	291,675	(19,850)	(6%)
Sewerage	3,162,188	5,819,428	6,850,582	(2,657,241)	(46%)	6,969,157	8,304,139	1,334,982	19%
Stormwater	470,670	1,111,822	767,168	(641,152)	(58%)	1,166,971	805,221	(361,750)	(31%)
Transport	22,163,126	24,219,190	23,200,852	(2,056,064)	(8%)	27,145,614	25,918,946	(1,226,668)	(5%)
Water supply	3,470,966	3,462,424	3,615,647	8,542	0%	5,379,898	4,735,904	(643,994)	(12%)
Total	\$31,674,423	\$43,897,122	\$45,188,591	(12,222,699)	(28%)	\$52,949,854	\$54,077,512	1,127,658	2%

ACTIVITY GROUPS AND ACTIVITIES						
This table details what is included in the various LTP activities used for this report						
Activity	Community leadership	Community resources	Environmental services	Transport	Waste water (sewerage)	Water supply
Activity	<p>Community assistance (includes Community Partnership Fund which supports local initiatives and projects, along with grants and donations)</p> <p>Community futures (includes district development services which includes community leadership, regional development funding and Stewart Island Visitor Levy)</p> <p>Representation and advocacy (includes governance, elected members, elections and chief executive)</p>	<p>Community facilities (includes public toilets, community centres/halls, office/library/amenity buildings and dump stations)</p> <p>Community services (includes cemeteries, community housing and library services)</p> <p>Open spaces (including parks, reserves, playgrounds and streetscapes)</p> <p>Waste services</p> <p>Stewart Island Electrical Supply Authority (SIESA)</p>	<p>Animal control</p> <p>Building solutions</p> <p>Emergency management</p> <p>Environmental health</p>	<p>Airport</p> <p>Cycle trails</p> <p>Footpaths</p> <p>Roading</p> <p>Water facilities (includes boat ramps, Riverton Harbour and Stewart Island Jetties)</p>		
<p>Corporate services (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 to 31 May 2024					
	YTD			FYB	
	Actual amount	Projection amount	Budget amount	Projection amount	Budget amount
Revenue					
Rates revenue	58,179,357	58,350,559	58,350,559	63,693,337	63,693,336
Other revenue	15,593,584	14,104,751	11,608,101	15,205,078	12,381,042
Interest and dividends	565,160	742,718	1,752,144	810,238	1,911,430
NZ Transport Agency funding	18,430,202	19,617,600	17,336,067	21,706,738	19,181,500
Grants and subsidies	3,147,835	2,206,780	3,155,680	3,283,633	4,791,822
Other gains/losses	442,517	689,610	239,751	1,758,802	818,047
Vested assets	0	0	0	0	0
Development and financial contributions	513	0	31,744	3,200	34,630
	96,359,169	95,712,018	92,474,047	106,461,027	102,811,807
Expenditure					
Employee benefit expense	17,615,825	19,368,360	19,368,360	20,102,126	20,102,126
Depreciation and amortisation	34,715,353	34,701,470	34,701,470	37,856,149	37,856,149
Finance costs	878,419	719,265	3,033,571	784,653	3,309,349
Other Council expenditure	49,514,632	49,998,830	45,713,085	55,293,709	50,778,888
	102,724,229	104,787,924	102,816,485	114,036,636	112,046,512
Total comprehensive income	(6,365,060)	(9,075,906)	(10,342,438)	(7,575,609)	(9,234,705)

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 by Activity Group on page 10 due to the elimination of the internal transactions. However, the net surplus/deficit (as per the Council summary by Activity Group) 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 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 by Activity Group 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 draft financial position as at 31 May 2024 is detailed below which covers Southland District Council and SIESA financial results. As such this differs from the comparative period (30 June 2023) Annual Report, which includes Council's share of Wastenet operations.

Southland District Council		
Statement of financial position		
as at 31 May 2024		
	Actual	Actual
	31-May-24	30-Jun-23
Equity		
Retained earnings	706,089,627	712,454,687
Asset revaluation reserves	1,390,862,558	1,390,862,558
Other reserves	42,744,915	42,744,916
Share revaluation	4,525,778	4,525,778
	<u>2,144,222,881</u>	<u>2,150,587,939</u>
Represented by:		
Current assets		
Cash and cash equivalents	6,839,410	11,510,999
Trade and other receivables	6,379,413	8,062,475
Inventories	128,858	128,858
Other financial assets	15,604,188	1,954,188
Property, plant and equipment	-	-
	<u>28,951,869</u>	<u>21,656,520</u>
Non-current assets		
Property, plant and equipment	2,152,140,998	2,154,268,115
Intangible assets	4,548,452	4,597,266
Forestry assets	13,420,000	13,420,000
Internal loans	60,281,106	60,281,106
Work in progress	315,092	1,264,934
Investment in associates	2,083,367	2,083,367
Other financial assets	895,000	545,000
	<u>2,233,684,016</u>	<u>2,236,459,788</u>
Total assets	<u>2,262,635,885</u>	<u>2,258,116,309</u>
Current liabilities		
Trade and other payables	6,091,194	10,696,372
Deferred revenue	3,423,618	2,223,719
Contract retentions and deposits	759,647	514,957
Employee benefit liabilities	2,609,960	2,609,960
Development and financial contributions	1,068,224	1,023,000
Borrowings	14,000,000	-
Provisions	3,333	3,333
	<u>27,955,975</u>	<u>17,071,341</u>
Non-current liabilities		
Employment benefit liabilities	10,502	10,502
Provisions	8,365,422	8,365,422
Internal loans - liability	60,281,106	60,281,106
Borrowings	21,800,000	21,800,000
	<u>90,457,029</u>	<u>90,457,029</u>
Total liabilities	<u>118,413,004</u>	<u>107,528,370</u>
Net assets	<u>2,144,222,881</u>	<u>2,150,587,939</u>

Statement of cash flows

Statement of cashflows for the period to 31 May 2024		
	2023/24	2023/24
	YTD Actual	FY AP Budget
Cash flows from operating activities		
Receipts from rates revenue	60,014,124	63,693,337
Receipts from other revenue (including NZTA)	36,705,625	35,830,994
Cash receipts from interest and dividends	565,160	1,911,430
Payments to suppliers and employees	(69,901,252)	(70,486,381)
Interest paid	(878,419)	(3,309,350)
GST general ledger (net)	(29,765)	-
Net cash inflow (outflow) from operating activities	26,475,474	27,640,031
Cash flows from investing activities		
Receipts from sale of PPE	442,517	348,047
(Increase)/decrease other financial assets	(14,000,000)	-
Purchase of property, plant and equipment	(31,638,394)	(54,077,512)
Purchase of forestry assets	-	-
Acquisition of investments	-	85,159
Purchase of intangible assets	48,814	-
Net cash inflow (outflow) from investing activities	(45,147,063)	(53,644,306)
Cash Flows from financing activities		
Increase in term loans	14,000,000	27,344,237
Repayment of term loans	-	-
Increase/(decrease) finance leases	-	-
Net cash inflow (outflow) from financing activities	14,000,000	27,344,237
Net increase/(decrease) in cash and cash equivalents	(4,671,589)	1,339,963
Cash and cash equivalents at the beginning of the year	11,510,999	236,232
Cash and cash equivalents at the end of May	6,839,410	1,576,195

Cash and cash equivalents

- At 31 May 2024, Council had \$1,190 cash on hand.
- Funds on call at 31 May 2024:

Funds on call				
	Amount	Bank	Account	Interest rate
SDC	\$ 5,916,806	BNZ	Funds on call	5.35%
	\$ 10,000	BNZ	Operating bank acc	0.05%
	\$ 633,951	BNZ	Restricted funds acc	0.05%
SIESA	\$ 277,463	BNZ	Funds on call	0.05%
Total	\$ 6,838,220			

Reconciliation to statement of financial position	Amount
Cash and cash equivalents	
<i>Current assets</i>	
SDC Cash on hand (Note 1)	\$ 1,190
Funds on call (Note 2)	\$ 6,838,220
Total cash and cash equivalents per the statement of financial	\$ 6,839,410

Other financial assets

- At 31 May 2024, Council had 4 term deposits.

SDC Investments - Term Deposits and Balanced Funds				
Bank	Amount	Interest Rate	Date Invested	Maturity Date
ANZ	\$ 5,000,000	5.60%	30-May-24	19-Jun-24
ANZ	\$ 4,000,000	5.55%	31-May-24	5-Jun-24
Milford Balanced Fund	\$ 2,500,000	0.00%	29-May-24	
Westpac Balanced Fund	\$ 2,500,000	0.00%	31-May-24	
Total	\$ 14,000,000			

- At 31 May 2024, SIESA had \$1.170 million invested in four term deposits as follows:

SIESA investments - term deposits				
Bank	Amount	Interest rate	Date invested	Maturity date
BNZ	\$ 370,000	6.35%	1-Jun-23	4-Jun-24
BNZ	\$ 300,000	6.02%	12-Jan-24	12-Jul-24
BNZ	\$ 250,000	5.90%	2-Feb-24	2-Aug-24
BNZ	\$ 250,000	6.10%	5-Apr-24	7-Oct-24
Total	\$ 1,170,000			

- At 31 May 2024, Council had \$895,000 of LGFA borrowers notes as follows:

LGFA Bonds				
	Amount	Interest Rate	Establishment date	Maturity Date
LGFA	\$ 210,000	3.14%	15-Dec-21	15-Apr-36
LGFA	\$ 210,000	3.10%	15-Dec-21	15-May-35
LGFA	\$ 87,500	5.48%	12-Apr-23	8-Jul-24
LGFA	\$ 37,500	5.97%	17-Apr-23	8-Jul-24
LGFA	\$ 100,000	6.06%	19-Apr-24	15-Apr-26
LGFA	\$ 125,000	5.06%	6-May-24	15-May-28
LGFA	\$ 125,000	5.09%	6-May-24	20-Apr-29
Total	\$ 895,000			

Reconciliation to statement of financial position	Amount
Other financial assets	
<i>Current assets</i>	
SDC Investments (Note 3)	\$ 14,000,000
SIESA Investments (Note 4)	\$ 1,170,000
Loans - community	\$ -
Civic Assurance shares	\$ 12,191
Milford Sound Tourism shares	\$ 421,997
Total current financial assets per the statement of financial position	\$ 15,604,188
<i>Non - Current assets</i>	
LGFA bonds (Note 5)	\$ 895,000
Loan advances - Development contributions	\$ -
Total non-current financial assets per the statement of financial position	\$ 895,000

External Borrowings

SDC Borrowings				
Lender	Amount	Interest Rate	Date Drawdown	Maturity Date
LGFA	\$ 3,500,000	5.48%	12-Apr-23	8-Jul-24
LGFA	\$ 1,500,000	5.97%	17-Apr-23	8-Jul-24
LGFA	\$ 8,400,000	3.49%	15-Dec-21	15-Apr-36
LGFA	\$ 8,400,000	3.45%	15-Dec-21	15-May-35
LGFA	\$ 4,000,000	6.06%	19-Apr-24	15-Apr-26
LGFA	\$ 5,000,000	5.46%	6-May-24	15-May-28
LGFA	\$ 5,000,000	5.49%	6-May-24	20-Apr-29
Total	\$ 35,800,000			

Reconciliation to statement of financial position	Amount
Borrowings	
<i>Current liabilities</i>	\$ 14,000,000
Borrowings	\$ -
<i>Non-current liabilities</i>	
Borrowings	\$ 21,800,000
Total borrowings per the statement of financial position	\$ 35,800,000

Compliance with Council policies

Council's Investment and Liability Management Policy states that Council can invest no more than \$10 million with one bank. Investments and funds on call at 31 May 2024, comply with the SDC Investment and Liability Management Policy (\$8,008,220 invested in BNZ).

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.