



Notice is hereby given of the

Ordinary meeting of Council Te Huinga Tu

Wednesday, 5 June 2024, at 10.00 am

Environment Southland Council Chamber, 220 North Road, Invercargill

24/C/29

Council Members

Chairman Nicol Horrell
Cr Jeremy McPhail (Deputy)
Cr Neville Cook
Cr Paul Evans

Cr Alastair Gibson
Cr Robert Guyton
Cr Lyndal Ludlow
Cr Peter McDonald

Cr Jon Pemberton
Cr Phil Morrison
Cr Maurice Rodway
Cr Eric Roy

Agenda

- 1 **Welcome I Haere mai**
- 2 **Apologies I Ngā pa pouri**
- 3 **Declarations of interest**
- 4 **Public forum, petitions and deputations I He huinga tuku korero**
- 5 **Notification of extraordinary items/urgent business I He panui autaia hei totoia Pakihi**
- 6 **Questions I Patai**
- 7 **Reports**
 - 7.1 2024-2034 Long-term Plan Deliberations – Part 1
- 8 **Extraordinary/urgent business I Panui autaia hei totoia Pakihi**
- 9 **Public excluded business**



Wilma Falconer
Chief Executive

RECOMMENDATIONS IN COUNCIL REPORTS ARE NOT TO BE CONSTRUED AS COUNCIL POLICY UNTIL ADOPTED BY COUNCIL

Item 7.1 2024-34 Long-term Plan Deliberations – Part 1

Objective ID: A1095219

Report by: Dave Gibbs, Strategy and Partnership Manager

Approved by: Rachael Millar, General Manager Strategy, Science & Engagement

Purpose

The purpose of this paper is to provide information to support Council deliberations on the draft 2024-34 Long-term Plan and associated documents.

Summary

Under the Local Government Act, councils have a mandatory requirement to adopt a Long-term Plan every three years. Deliberations on the draft 2024-34 Long-term Plan provide transparency to the community about Council decisions on submissions and direction to the Chief Executive on changes required.

This report and its attachments provide staff advice and recommendations for the Council to deliberate on and to direct the Chief Executive on changes required to the draft 2024-34 Long-term Plan and associated documents. Staff advice includes advice on matters arising out of submissions, and relevant changes to consider since the 2024-34 Long-term Plan Consultation Document and associated documents were developed.

A two-step process is proposed, with the Council first indicating its preference on key matters and options resulting from submissions, as indicated in this paper. A subsequent paper will use these preferences to inform draft decisions on individual submissions, with that paper to be considered on 10 June 2024.

Separate papers on the Fees and Charges Schedule and other supporting information and concurrent consultations not considered in this paper will be put forward to that meeting as well.

Recommendation

It is recommended that Council resolve to:

1. receive the report “2024-34 Long-term Plan Deliberations – Part 1”.
2. note that 329 submissions were received on the 2024-34 Long-term Plan Consultation Document, supporting information, and concurrent consultations, with 59 oral submissions being presented at a hearing held on 20, 21, and 24 May 2024.
3. agree a two-step process for decision-making to form the final draft of the 2024-34 Long-term Plan to be submitted to the Council for adoption. Council first indicating its preference on the key matters and options resulting from submissions, as indicated in this paper. A subsequent paper will use these preferences to inform draft decisions on individual submissions, with that paper to be considered on 10 June 2024.
4. approve moving the date for considering adoption of the Annual Plan from 26 June to 10 July 2024.
5. note separate papers on the Fees and Charges Schedule and other supporting information and concurrent consultations will be put forward for the meeting on 10 June 2024.
6. confirm the changes to the forecasting assumptions contained in Table 1 of Appendix 1.
7. confirm the budget adjustments to be included in the draft 2024-34 Long-term Plan (refer Table 2 of Appendix 1).
8. confirm the changes to the Revenue and Financing Policy contained in Appendix 2.
9. direct the Chief Executive to use the resolutions relating to Recommendations 5-8 to prepare the final 2024-34 Long-term Plan and supporting documents for audit.

Background

Council decisions on submissions to the 2024-34 Long-term Plan Consultation Document and associated documents are needed to enable staff to prepare final versions of the 2024-34 Long-term Plan and supporting documents for consideration for adoption.

This report and subsequent reports are intended to enable Council to deliberate on work programmes and budgets, funding and financing matters, strategies and policies, and any other matters before confirming the final package of changes for the 2024-34 Long-term Plan.

The Long-term Plan is the Council’s commitment to the community and sets out what the Council plans to do over the next ten years, how much it will cost, how it will be funded and how the Council will report on progress.

The Council is required to adopt a Long-term Plan every three years under the Local Government Act 2002. In July 2021, the Long-term Plan 2021-31 was adopted by the Council, and Year three of the Long-term Plan 2021-31 (Annual Plan 2023/24) is currently in effect.

Work on the 2024-34 Long-term Plan began in 2023 with a series of Council workshops held throughout the year and in early 2024 (14 in total).

The Long-term Plan process is a significant activity, and consultation is required under the Local Government Act 2002. The purpose of consultation is to inform the Council’s decision-making process on the Long-term Plan, so that the Council can consider the views and preferences of persons likely to be affected by, or who have an interest in, decisions.

The consultation document “Investing in Southland Whakangao ki Murihiku” was developed as specified in the Local Government Act 2002 and was the key document to support consultation with the community. It was adopted by the Council for consultation on 27 March 2024, along with

Statement of Proposals for concurrent consultations including the Revenue and Financing Policy and Rating Review, and Fees and Charges Schedule. These documents conveyed the key elements of the Council's proposed approach.

Various other supporting documents and a rating calculator were also provided with the consultation. The supporting information contained proposed service measures, financial and resourcing requirements, and strategy and policy documents that, subject to these deliberations, will form the basis of the 2024-34 Long-term Plan.

From Thursday, 28 March to Monday, 13 May 2024, consultation on the draft Long-term Plan was open. Submissions on the Plan were invited via Environment Southland's online portal, email, video, or hard copy. Support was offered to anyone requiring assistance in making a submission.

In total, 329 submissions were received during the draft 2024-34 Long-term Plan consultation period. This included nine late submissions that the Council resolved to receive on Monday, 20 May 2024. This number of submissions is significantly more than the number received on the Long-term Plan 2021-31 in March 2021 (50 submissions) and the highest number Environment Southland has ever received on a Long-term Plan consultation.

One submission (refer last attachment) was accidentally omitted from the hearing agenda. The submission was included in the submission summary and the submitter was contacted to see if they wished to present at the hearing but did not wish to.

Sixty-two submitters indicated they wanted to speak to the Council on their submission. Across Monday 20 May, Tuesday 21 May, and Friday 24 May 2024, with 59 individuals/groups attending Council hearings to speak to their submissions. All submissions received were published as part of those agendas.

The hearing report and submissions were published on Environment Southland's website and the recordings of the hearing are also available in the same location - see:

<https://www.es.govt.nz/about-us/meetings?item=id:2q4ytr29r17q9s8p6e5c>

Council decisions on the matters raised by submitters are required at the deliberations meetings on 5 and 10 June 2024 so the final 2024-34 Long-term Plan can be prepared for audit.

To enable full consideration of submissions received and due process to be undertaken it is proposed that timeframe for adoption of the Long-term Plan be extended from the current date of 26 June to 10 July 2024.

Deliberations process

The Long-term Plan deliberations are critical for Council to make decisions on the draft 2024-34 Long-term Plan and associated documents. The Council needs to confirm the work to be done and investment needed, so that Year one (2024/25) of the 2024-34 Long-term Plan can be adopted, and rates set for the 2024/25 year.

A two-step process is proposed, with the Council first indicating its preference on key matters and options resulting from submissions, as indicated in this paper. A subsequent paper will use these preferences to inform draft decisions on individual submissions with this paper to be considered on 10 June 2024.

Separate papers on the Fees and Charges Schedule and other supporting information and concurrent consultations not considered in this paper will be put forward to that meeting as well.

Following direction from the Council through the recommendations confirmed during deliberations, the final draft 2024-34 Long-term Plan budget and supporting documents will be presented to the Council on 10 July 2024 for consideration for adoption.

Consultation

A separate paper on the consultation process, including analytics around submissions is being prepared for the 10 June meeting date. Some preliminary analytics are outlined below.

During the consultation period (28 March–13 May 2024), there were 6222 views of the rates calculator page on the ES website, and 3362 views of the Long-term Plan page.

Submission summary

Key themes emerging from submissions include:

1. **Rate Increases:** many submissions expressed strong opposition to proposed rate increases, highlighting concerns about affordability and the economic burden on property owners, especially during tough financial times.
2. **Proposed rating changes:** multiple submissions addressed the proposed changes to rating including the shift from land value to capital value rating, with concerns about fairness and impact on different communities, particularly the Waiau Catchment.
3. **Flood Protection and Infrastructure:** submissions commented on the need for flood protection, with some arguing that the costs should be borne by those directly benefiting, such as individual farmers, rather than all ratepayers. Submissions also raised concerns regarding river and gravel management. There were also suggestions on alternative approaches to flood protection and infrastructure.
4. **Environmental Management:** concerns about pest control, particularly rabbit control, and the management of invasive species like wilding conifers, were mentioned, with suggestions for more effective and efficient approaches. Some submissions sought increased funding for environmental improvement initiatives.
5. **Consultation Process:** many submissions criticised the consultation process, calling for better communication and more inclusive engagement with the community to ensure all voices are heard.
6. **Financial Prudence and Management:** there were calls for Environment Southland to manage its budget more prudently, avoid excessive borrowing, and reduce operational costs to prevent passing financial burdens onto ratepayers.
8. **Community and Local Issues:** specific local issues and the importance of community input and knowledge, were highlighted, with suggestions for localised solutions and better utilisation of local knowledge.
9. **Youth and Future Planning:** some submissions emphasised the importance of engaging with youth and considering their perspectives in long-term planning to ensure sustainable and future-focused decision-making.

A more detailed analysis of submission themes is contained the appendices of this paper, and will also be included in the papers for 10 June 2024.

Recommended response to submissions

Appendices 1 and 2 of this paper contain a commentary on a number of the key themes outlined above. In particular, Appendix 1 responds to submissions on the rates increase and financial prudence, while Appendix 2 responds to submissions on the proposed changes to rating. Recommendations for Council to consider are included within these appendices.

Communication post deliberations

Key decisions made during deliberations will be published on our website, on social media, and provided to media.

We will write to all submitters informing them of the outcome of the deliberations process and highlighting changes made following consultation.

Following adoption of the Long-term Plan, information will be included on the website for the general public, along with a media release(s). Updates will be made to various webpages highlighting changes in rates, and the final 2024-34 Long-term Plan.

An information campaign for the general public will share the outcome of the consultation and main points of the adopted Plan.

Implications/risks

Compliance with requirements of the Local Government Act 2002 has been followed and audited by Deloitte, on behalf of the Auditor-General. Deloitte's opinion on the Consultation Document was included within the Consultation Document. The final draft 2024-34 Long-term Plan will be audited prior to the Council considering it for adoption on 10 July 2024.

It should be noted that significant changes to the current 2024-34 Long-term Plan that were not consulted on as part the draft 2024-34 Long-term Plan, may trigger a special consultative procedure.

A Long-term Plan must be adopted before the commencement of the first year to which it relates and continues in force until the close of the third consecutive year to which it relates (section 93(3) of the Local Government Act 2002).

To enable full consideration of submissions received and due process to be undertaken it is proposed that timeframe for adoption of the Long-term Plan be extended to 10 July 2024. While Section 93(3) of the Local Government Act requires a council to adopt a Long-term Plan before the start of the first financial year that the plan covers, an adoption date within a fortnight of the statutory timeframe is considered a minor non-compliance. The key risk is considered to be a reference to the breach of the statutory deadline in the Audit Report.

Next steps

The Council resolutions from this meeting will inform the changes required to the draft 2024-34 Long-term Plan and associated documents. These changes will be incorporated in the final draft 2024-34 Long-term Plan.

By 17 June 2024, the final draft 2024-34 Long-term Plan and supporting documents will be sent to Deloitte's Audit NZ, for audit for compliance with the Local Government Act 2002, on behalf of the Auditor General.

Subject to Audit, the final draft 2024-34 Long-term Plan will be presented to Council on 10 July 2024 for adoption and setting of rates.

Views of affected parties

The Long-term Plan process is a significant activity, and consultation is required under the Local Government Act 2002. The purpose of consultation is to inform the Council's decision-making process on the Long-term Plan, so that the Council can consider the views and preferences of persons likely to be affected by, or who have an interest in, decisions.

The consultation document "Investing in Southland Whakangao ki Murihiku" was developed as specified in the Local Government Act 2002 and was the key document to support consultation with the community. It was adopted by the Council for consultation on 27 March 2024. Consultation ran from 28 March to 13 May 2024.

Fit with strategic framework

OUTCOME	CONTRIBUTES	DETRACTS	NOT APPLICABLE
Managed access to quality natural resources	X		
Diverse opportunities to make a living	X		
Communities empowered and resilient	X		
Communities expressing their diversity	X		

Compliance with Significance and Engagement Policy

The Long-term Plan is significant and has been consulted on in line with legislative requirements and the Significance and Engagement Policy. The identified further adjustments outlined in this report are assessed as not significant in line with the Significance and Engagement Strategy. Any further items identified by Council will need to be assessed through the process of deliberations.

The Long-term Plan process is a significant activity, and the Local Government Act 2002 requires that the Council uses the special consultative procedure in relation to its adoption. That procedure imposes mandatory steps that the Council is required to take.

Any other information about how the community and interested parties were involved in the process is included in the campaign summary.

Considerations

Financial implications

The financial implications of changes to the draft Long-term Plan 2024 have been described within the relevant sections of this report and attachments. The Council should confirm resolutions during deliberations to understand the cumulative financial implications.

When the 2024-34 Long-term Plan and associated rating resolutions are adopted on 10 July 2024, the 2024-34 Long-term Plan will come into effect.

Legal implications

The Long-term Plan has been developed in line with the requirements of the Local Government Act 2002.

Compliance with requirements of the Local Government Act 2002 is audited by Deloitte, on behalf of the Auditor-General. Deloitte's opinion on the Consultation Document was included within the Consultation Document. The final draft 2024-34 Long-term Plan will be audited prior to the Council considering it for adoption on 10 July 2024.

It should be noted that significant changes to the current 2024-34 Long-term Plan that were not consulted on as part the draft 2024-34 Long-term Plan, may trigger a special consultative procedure.

Attachments

1. Appendix 1 - Long-Term Plan and Budgets
2. Revised Budget
3. Policy - Leasehold Land Management Policy
4. Forecast reserves balance
5. Appendix 2 – Revenue and Financing Policy and Rating Review
6. Maass-Barrett Submission

Appendix 1 – 2024-34 Long-term Plan and budgets

Context

The Long-term Plan Consultation Document and supporting information was adopted by Council on 27 March 2024 and consulted on from 28 March to 13 May 2024.

The relevant documents can be accessed from the links below:

Consultation Document: [Investing in Southland Whakangao Ki Murihiku](#)

Supporting information: [Supporting documents](#)

The key matter outlined in the Consultation Document was a proposal for ongoing and increased investment in flood protection. It was proposed to increase operating expenditure by \$2.3 million per year via a proposed new flood protection infrastructure rate. The proposed capital works programme for the next three years (2024/25 to 2026/27) at a total cost of \$14 million included projects at Winton, Lumsden and Waihōpai. For Year 4 and beyond, provision for an ongoing flood protection capital works programme was made on the basis that 75% of this would be funded by central government with the remaining 25% funded by debt.

Other key matters included:

- the payment of interest on debt for the climate resilience projects undertaken during the period covered by the 2021-31 Long-term Plan.
- the building of inflation into budgets

Aside from the planned investment in flood protection, it was proposed to maintain all other work programmes with no growth for the 2024/25 year, then 2% growth for 2025/26.

Affordability was a key concern for Councillors during the development of the proposals with pages 18 to 21 of the Consultation Document analysing the potential impacts on ratepayers. The analysis shows the proposals would result in rate increases of less than \$3 more per week for 80% of ratepayers. This was considered to be in line with feedback from early community engagement.

Prior to the official consultation period there was early engagement with the community around the need for increased flood protection investment. Environment Southland attended a variety of events across Southland including A&P shows, the Southern Field Days, On the Fly Maitua River Festival, Rotary Water Day and we also joined the Invercargill City Council LTP talk with businesses at the Chamber of Commerce.

The summary of feedback from the community events included in the Council agenda from 27 March 2024 (see [LTP 2024-34 Pre-consultation Feedback - Summary](#)) showed support for an increased investment in flood protection infrastructure with the majority of respondents indicating they would be willing to pay \$1-5 per week for an improved level of protection.

The Consultation Document attracted 329 submissions in total. A hearing for those submitters who wished to speak to their submission was held on 20, 21 and 24 May.

With regard to the 2024-34 Long-term Plan and budgets, staff have summarised the written and verbal submissions into the key themes below.

Submission themes

Many submitters expressed strong opposition to proposed rates increases, highlighting concerns about affordability and the economic burden on ratepayers, especially during tough financial times.

There were requests for Environment Southland to review its budgets and undertake an efficiency exercise.

There were also suggestions to use reserves to offset rate increases.

At the same time, there was support for the proposed investment in flood protection along with requests for funding to support various community initiatives and services.

Staff advice

Economic situation

Many submitters raised concerns regarding the cost of living and current economic situation.

Statistics New Zealand reported in late April that the average New Zealand household's cost of living went up 6.2% in the year to March 31, well above the inflation rate of 4% measured in the consumers price index (CPI) for the same period.

The Minister's speech accompanying the Government's Budget for 2024 released on 30 May 2024 states:

New Zealand is experiencing a very difficult downturn. It suffered an acute cost-of living crisis in 2022 and 2023. The Reserve Bank responded by raising interest rates. The Official Cash Rate went from 0.25 per cent to 5.5 per cent and has remained there for a year.

There has also been recent reporting regarding the current situation for Southland businesses. For example, <https://www.rnz.co.nz/news/business/512775/southland-businesses-hit-as-farmers-slow-spending>

Further statistics and links are contained at the end of this appendix, which have been provided by Great South.

Organisational work programme

Some submitters suggested that Environment Southland needed to review its budgets and look for efficiencies.

Most of what Environment Southland does is set by legislation. However, there is some discretion over services and service levels.

Council was presented with the work that had been done on an organisational baseline review at its workshop on 30 November last year, and discussed this further during the workshop on 14 December.

This work entailed an effectiveness and efficiency review of all of the organisation's current activity from the ground up. A revised organisational work programme was prepared to deliver organisational priorities and mandatory obligations while ensuring no growth in budget or resources (beyond inflation).

An updated version of the organisational work programme will be provided for discussion during deliberations regarding other opportunities to slow or stop work. It should be noted that a decision to significantly alter a level of service would likely trigger a requirement to reconsult with the community.

Programmes and projects that are not mandatory include the proactive work Environment Southland does with individuals, schools, businesses and communities (education and advice), our annual Environment Awards recognising and celebrating the environmental leaders in our community, funding for environmental enhancement projects and other external contributions and grants.

During the preparation of the Consultation Document and supporting materials, Council agreed to consult on a general increase in the level of service of 2% for Year 2 of the Long-term Plan. This was included in the budgets for the biosecurity and biodiversity areas given the requirements of the National Policy Statement for Indigenous Biodiversity 2023 (NPS-IB) and the fact that the current central government Jobs for Nature funding for much of our biodiversity work finishes in June 2025.

While the requirements for councils to identify Significant Natural Areas (SNAs) and include them in district plans have been suspended, other requirements in the NPS-IB remain in place. The funding for biodiversity from Year 2 of the Long-term Plan is something that Council may wish to discuss further during deliberations.

Interim recommended budget adjustments

Changes in forecasting assumptions

The final budgets informing the Long-term Plan consultation document and supporting materials were prepared towards the end of last year for audit and adoption by Council in the first quarter of 2024. Since that time, there have been shifts in a number of underpinning forecasting assumptions. It is recommended that these are updated as follows:

Table 1: Revised forecasting assumptions

Forecasting assumption	Assumption underpinning the Consultation Document	Proposed Revised Assumption	Commentary
Marine Fee	A total of \$3.2m per annum in the first three years of the Long-term Plan.	2024/25 \$2.17m 2025/26 \$2.68m 2026/27 \$2.76m	Cruise ship bookings have been less than anticipated for a variety of reasons including the Red Sea situation and challenges around the management of biofouling. It is proposed to use the marine reserve to offset any reduction in fees for Year 1 of the Long-term Plan.
Forecast Return on investments (excluding South Port New Zealand Limited)	Investments are planned to return an average realisable income of 3.0% pa from Managed Funds (with a total return of 5.5%).	3.5%	Upon further review of the Council's invested reserves, the long-term total return on council's portfolio can be

Forecasting assumption	Assumption underpinning the Consultation Document	Proposed Revised Assumption	Commentary
			<p>expected to be 5.5%, an increase of 0.5% from the original assumption.</p> <p>Of the total return, it is recommended that 3% is used to offset rates, 0.5% is expenses and 2% is added to the reserves for inflation proofing. Noting the 2% is variable year to year and not guaranteed.</p>
Cost Factors	2024/25 4.8% 2025/26 3.5% 2026/27 3.1% 2027/28 2.5% 2028/29 2.5% 2029/30 2.5% 2030/31 2.4% 2031/32 2.4% 2032/33 2.4% 2033/34 2.3%	2024/25 3.7% 2025/26 2.8% 2026/27 2.7% 2027/28 2.6% 2028/29 2.5% 2029/30 2.5% 2030/31 2.4% 2031/32 2.4% 2032/33 2.4% 2033/34 2.3%	<p>Predicted inflation has dropped since the original forecasting assumptions were put together.</p>

Expenditure adjustments

Following submitter feedback, staff have undertaken a further review of budgets and identified some areas where adjustments could be made to reduce the impact on rates.

The key change suggested is the phasing of the proposed investment in flood protection (the new \$2.3 million of operating expenditure per year). As outlined in the Consultation Document, this funding is proposed to be used to improve our data and knowledge, build expertise and capability in our catchment team and deal with pressing maintenance issues. It is proposed to reduce this expenditure by \$350,000 in Year 1 of the Long-term Plan by spreading the work over a longer period and absorbing some of the overhead costs into the rest of the business.

Other minor adjustments have also been proposed including a reduction in the budget for the Bluff Haul out scoping study from \$150,000 to \$80,000 and reductions in some of the capital expenditure items associated with running the organisation (for example, a reduction in the amount budgeted for roofing repairs). While these changes have little effect on Year 1 of the Long-term Plan in terms of rates reductions, over time they have more impact.

Use of reserves

A number of submitters suggested Council use reserves to offset rate increases.

The [Proposed Financial Reserves Policy](#) contained in the supporting material for the Consultation Document contains information on Environment Southland's financial reserves including their purpose and guidelines for their use and management.

The Lease Area Reserves are funds that have accumulated through rental income from the flood-prone land Environment Southland owns in the bottom of Mataura and Ōreti catchments. Given submitter feedback, it is proposed that following discussion with the relevant Catchment Liaison Committees that \$750,000 of these reserves are used in Years 1 and 2 of the Long-term Plan to reduce the rating impact of floodbank repairs in these catchments. A copy of the policy for leasehold land management is appended for Councillor information, as is a list of reserve balances.

It is also proposed to use \$600,000 of the accumulated surpluses for biosecurity and land sustainability to fund these programmes over Years 1 and 2 of the Long-term Plan. As a general principle, Council's income and expenditure relating to its activities should be gathered and spent in the financial year that it is budgeted in. These accumulated surpluses have arisen due to circumstances where work has been unable to be completed in the year it was budgeted in (for example, during the Covid years).

Legal advice has been sought regarding whether there is a requirement to consult on the use of the reserves in this matter and will be presented during deliberations.

Overall impact

The combined impact of the various recommended budget adjustment would result in a significant decrease in the rates collected and is set out in the table below.

Table 2: Summary of recommended budget adjustments in Years 1 – 3 of the Long-term Plan			
Adjustment	Impact on rates in \$000k (decrease rates)/increase rates		
	Year 1	Year 2	Year 3
<i>Changes in income</i>			
Marine fee estimated reduction	1,028	520	440
Portfolio income increase	(204)	(237)	(221)
<i>Expenditure adjustments</i>			
Inflation changes	(411)	(870)	(1,273)
Reduction in proposed new operating expenditure	(350)		
Other minor changes in expenditure	(544)	(342)	(151)
Decrease in interest costs	(60)		
<i>Proposed reserve use</i>			
Marine	(1,028)		
Biosecurity (accumulated surplus)	(200)	(100)	
Land sustainability (accumulated surplus)	(200)	(100)	
Lease Area Ōreti	(300)	(150)	
Lease Area Mataura	(200)	(100)	
TOTAL	(2,469)	(1,379)	(1,205)

These adjustments would result in the following changes to proposed average total rates increase across the first three years of the Long-term Plan:

Average total rates increase	Year		
	2024/25	2025/26	2026/27
As proposed in the Consultation Document	23%	11%	13%
As amended by budget adjustments	13.5%	15.8%	14%

The total of 13.5% for year 1 of the Long-term Plan can be broken down into a 4% increase for our general services, 5% for the funding costs associated with the climate resilience projects that have occurred during the last three years and 4.5% for the proposed 2024 flood protection operating expenditure.

The proposed reductions above have been achieved through a variety of mechanisms including the substantial use of reserves. Changes to the timing of the proposed use of reserves could be used to further smooth the impact of rating changes on an annual basis.

A revised budget is attached.

Capital Works Investment/Debt

As highlighted by a number of submitters, one of the factors affecting rate increases is the provision for ongoing capital works projects. Fourteen million has been budgeted for capital works in Years one to three of the Long-term Plan with approximately \$25 million per year of capital works indicated from Years four to ten.

The capital projects in years one to three (Winton, Lumsden and Waihōpai) are budgeted to be debt funded. For the capital works projects in years four to ten we have budgeted on receiving 75% of the funding needed from central government with the remaining 25% to be funded by debt¹. Debt funding affects rates through interest costs and debt repayment.

Council may wish to reconsider the amount budgeted for the capital works programme for years one to four based on any indications we receive from central government about the level of funding they may be intending to contribute.

Year 1 to 3 projects

The following table provides a summary of the protection provided by the planned capital works projects for the next three years:

Project	Existing level of protection	Proposed level of protection	Number of properties protected	Capital value of properties protected
Winton	1:17 (protection for up to a 1 in 17 year flood)	1:100 (protection for up to a 1 in 100 year flood. This is a 1% Annual Exceedance Probability i.e. there is a 1% chance of such a flood occurring in any given year)	1,609	\$878,750,600

¹ There is considerable uncertainty associated with how much central government funding will be available.

Project	Existing level of protection	Proposed level of protection	Number of properties protected	Capital value of properties protected
Lumsden	As above	As above	293	\$69,120,650
Waihōpai	See comment below	See comment below	1,487	\$820,798,050

A variety of options have been considered for each project with the recommended project having the highest benefit cost ratio.

The Waihōpai project is not a stopbank project but instead involves the purchase of 95 hectares of land to construct a secondary retention pond for the Waihōpai dam to hold water from the spillway, preventing flows into the city outside of the stopbanks.

The Waihōpai detention dam was built following the 1984 flood. When the dam spillway activates, the flood waters spill into an area on the true right into Environment Southland, Southland District Council and private land. There is no mechanism for this flood water to re-enter the Waihōpai stream. If sufficient flood water enters this area, it spills through Waikiwi, Grasmere and into Lake Hawkins/Airport area, hence the need for a retention pond and a mechanism to be constructed back into the Waihōpai.

Funding announcements

The Government’s Budget for 2024 was released on 30 May 2024 and contained the following statement:

“We are dedicating an initial \$200 million for flood resilience infrastructure. Of this, up to \$101.1 million is committed, along with co-investment from recipients to 42 flood resilience projects that are close to getting started. The Government is working through the nature and size of the support that will be offered for each project.”

Environment Southland has been listed as one of the 42 bids that are being considered for receiving funding (see links below):

- [The Minister’s press statement](#)
- [Factsheet](#)
- [Map](#)

While it is clear Environment Southland is being considered for funding, it is unclear yet exactly what financial contribution will be provided.

Environment Southland submitted six projects for funding as part of [Before the Deluge 2.0](#). The three projects indicated as being considered are the Ōreti (\$5 million), Aparima (\$0.5 million) and Te Anau (\$0.5 million).

These are additional projects to the Lumsden, Winton and Waihōpai projects outlined above.

Alternatives to the current proposal

Several submitters suggested a focus on getting all flood banks in the region up to a condition level 3 as an alternative to the current capital works proposals. Catchment Operations estimate the cost to do this (based on current contractor rates) is in the order of \$36 million. While this would provide an improved level of protection than currently, in comparison to the approach proposed there would be higher ongoing maintenance costs and ongoing breach risks associated with aging flood bank assets (30+ years old).

Similarly, a number of submitters proposed ‘slow the flow’ or nature based solutions as an alternative to raising stop banks. This is considered to already form part of the overall approach within the proposed budgets (rather than being an alternative) with the increased operational budget intended to support enhanced floodplain planning and management.

Rates remission policy

Several submitters indicated they would be unable to pay their rates in future.

The [Proposed Rates Remission and Postponement Policy](#) contained in the supporting material for the Consultation Document contains information on rates postponement or remission for ratepayers experiencing financial circumstances that affects their ability to pay rates. The postponement or remission is at the discretion of Council and is up to 100% of rates.

Funding requests

A number of submitters made requests for funding. These are set out in the following table. Some requests are indications that people want to see funding for particular activities maintained or increased, while others are seeking specific funding.

Submission Number	Submitter	Funding Related Requests	\$	Commentary
Heard				
60	The Future is Rail (Dave MacPherson)	Contribute funding in Year 1 of the plan towards: - a scoping study on the re-establishment of a scheduled passenger rail service between Christchurch and Invercargill; and - a scoping study to outline the possibilities of future commuter rail services in the Dunedin and Christchurch areas; with the funding to be split evenly between Southland, Otago and Canterbury.	Approx. \$20k Suggestion from submitter that a one-off targeted rate is used for 2024/25	Staff are seeking information from Otago Regional Council and Environment Canterbury regarding whether they are intending to fund this proposal and will advise on the outcome of this at deliberations.
175	Mid Dome Trust (Ali Ballantine)	Increase the direct financial contribution of the council from \$50,000 to at least \$80,000 per annum for wilding conifer control at Mid Dome.	\$30K+	This request could be accommodated out of the accumulated surplus from the biosecurity reserves.
		Utilise the proposed capital-value based Biosecurity rate from landowners within our Programme Area for wilding control work.	Additional	It is recommended that this be considered as a 2025/26 Annual Plan matter.
182	Forest & Bird (Jen Miller)	Seeks that Council increase funding for investment in wetland restoration and enhancement projects, and for this work to be properly integrated into the flood protection work proposed.	No distinct request for funding for Forest & Bird	These concepts are already built into existing work programmes e.g. our Environmental Enhancement Fund

Submission Number	Submitter	Funding Related Requests	\$	Commentary
				and floodplain planning.
		Ensure there is adequate provision for funding to progress the development of an action plan as part of the Climate Change Strategy.		This already built into the work programmes and budget put out for consultation.
		Ensure there are sufficient resources to manage or eradicate, where possible, pest species.		This already built into the work programmes and budget put out for consultation.
		Include sufficient funding towards the review of the ES Regional Pest Management Strategy.		This already built into the work programmes and budget put out for consultation.
		Seeks that the level of funding provided by Jobs for Nature is maintained to ensure the gains made as a result of this funding is not lost.		See previous commentary about biodiversity and Jobs for Nature funding.
		Seeks that there is ongoing support of conservation and catchment groups to assist the region in protecting and maintaining its important indigenous species and habitats.		This already built into the work programmes and budget put out for consultation.
		Invest in the ongoing identification of Significant Natural Areas (SNA's) to ultimately provide the basis for objectives and policies within the regions policy statement.		This is subject to recent legislative change with Government suspending the requirements for councils to identify Significant Natural Areas (SNAs) and include them in district plans.
157	Fish & Game (Jacob Smyth)	Provide additional and ongoing funding for gravel monitoring in accordance with the recent recommendations made by Professor Ian Fuller to SRC to inform gravel management in Southland.	No specific request for funding for Fish and Game	This already built into the work programmes and budget put out for consultation.
195	Thriving Southland (Richard Kyte)	Funding - requests sought: - \$235,000 for Seed funding of key projects including wetland development, and targeted landscape and farm system mitigations.	\$235K	This could potentially be funded out of the accumulated surplus, from land sustainability accrued reserves.
		- \$215,000 for Extension and Facilitation towards enabling continued on-the-ground action.	\$215K	It is recommended that this request be considered as a

Submission Number	Submitter	Funding Related Requests	\$	Commentary
				2025/26 Annual Plan matter.
176	Brian Rance	Ensure funding for implementation of pSWLP.	No distinct request for funding	These programmes of work are built into the budget as put out for consultation. It is recommended that any increases be considered as part of the 2025/26 Annual Plan.
		Environmental Enhancement Fund - maintain or increase.		
		Maintain or increase Biodiversity staffing levels.		
		Increase QEII support.		
		Continue funding of weed & pest (inc marine) control.		
321	Otatarā Landcare Group (Richard Johnson, Chairman)	Funding be allocated to assessment of nature-based initiatives for all major Southland rivers.	No amount specified	This already built into the work programmes and budget put out for consultation (including the proposed flood protection investment).
		Funding available to support environmental groups increased.		See response to similar request from Thriving Southland. It is recommended that any further increases be considered as a 2025/26 Annual Plan matter.
		Funding for established successful projects supporting regionally important projects (including the OLG Bushy Point project) to be available for three-year periods.		To be considered as part of the criteria for the Environmental Enhancement Fund.
		Funding and other support for a Predator Free Bluff to Omaui area (should be considered the first stage of a larger project that would progressively expand to 1) sandy and Otatarā and 2) Tiwai Peninsula, Waituna Wetlands and Awarua wetlands).		It is recommended that the submitter provide further detail regarding the support they are looking for. This could then be submitted as an application to the Environmental Enhancement Fund or considered as a 2025/26 Annual Plan matter.
		OLG seeks further support in future years.		Suggest noting.

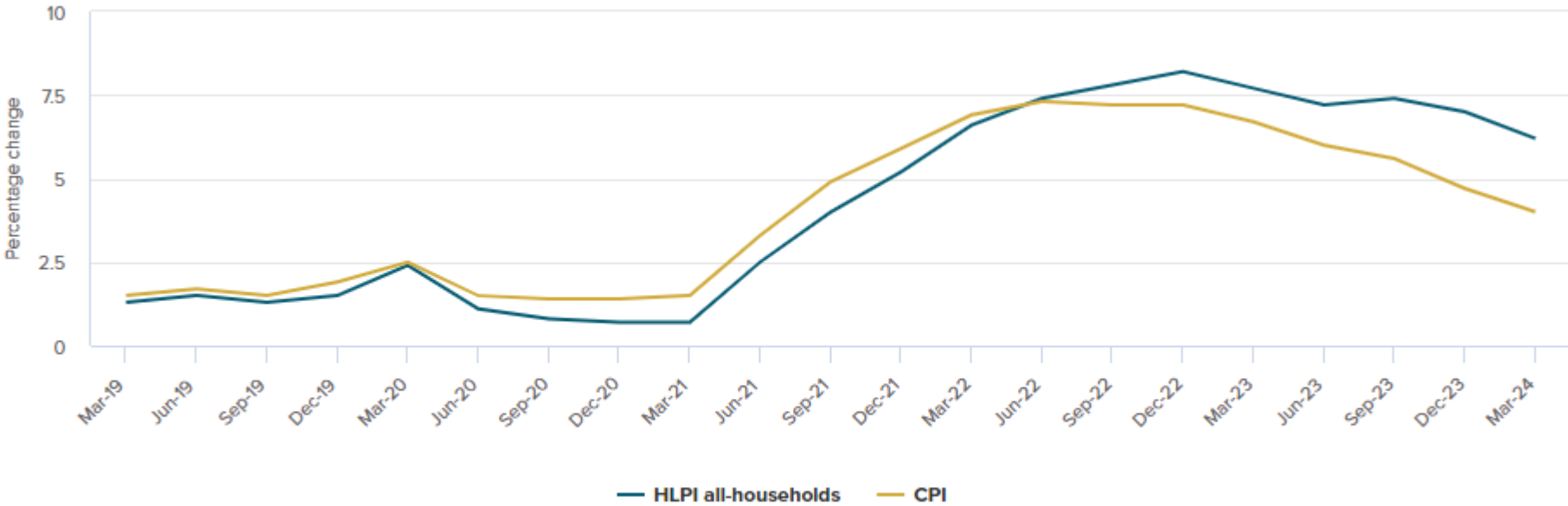
Submission Number	Submitter	Funding Related Requests	\$	Commentary
		Environmental Enhancement Fund increased.		It is recommended that this request be considered as a 2025/26 Annual Plan matter.
		Increased funding for groups undertaking pest animal and weed control.		It is recommended that this request be considered as a 2025/26 Annual Plan matter.
58	Predator Free Rakiura (Darius Fagon and Paul Norris)	Asks that consideration be given to ES beginning its planning for developing a biosecurity border and pathways plan for Rakiura Stewart Island	No distinct request for funding	It is recommended that this request be considered as a 2025/26 Annual Plan matter.
Not Heard				
31	Joyce Kolk	Has requested annual funding allocation for Beach clean up (\$10k plus an inflation adjustment).	\$12k-\$15K	The request by Joyce Kolk for a continued contribution to the annual beach clean-up can be accommodated within the community activity allocation within the marine fee allocation schedule.
181	Department of Conservation (Rachel Moore)	Consider funding mechanisms to fill the jobs for nature gap in community group funding.		See previous commentary about biodiversity and Jobs for Nature funding.
184	QEII Trust (Kate Lindsay)	Increase investment in private land conservation in the next 10 years, to fill the funding gap left by Jobs for Nature.		See previous commentary about biodiversity and Jobs for Nature funding. It is also recommended that this be considered as a 2025/26 Annual Plan matter.
		Cost-share to support establishing protection over privately owned places with high indigenous biodiversity value.		It is recommended that this request be considered as a 2025/26 Annual Plan matter.
		Requests funding support from third parties, such as the council, is much needed to support the management		It is recommended that this request be considered as a

Submission Number	Submitter	Funding Related Requests	\$	Commentary
		of feral ungulates (e.g. deer, pigs), as is strategic control at a catchment/landscape scale.		2025/26 Annual Plan matter.
201	Jesse Bythell	Enable more resources for implementing the Regional Pest Management Plan and Fiordland Marine Regional Pathway Management Plan.		It is recommended that this request be considered as a 2025/26 Annual Plan matter.
		Sees significant private investment in pest and weed management across the region and wishes to see more investment in surveillance of newly emerging threats, in particular, so we can maintain gains and head off new threats more efficiently.		It is recommended that this request be considered as a 2025/26 Annual Plan matter.

Supplementary materials: Economic situation

This report from Stats NZ explains the situation between the cost of living and CPI [Household living costs increase 6.2 percent | Stats NZ](#). Interest.co.nz have also done a few stories on this [Household living costs increase 6.2% led by interest payments | interest.co.nz](#) and [Increased living costs force spending changes, says Stats NZ | interest.co.nz](#) with some specific example of the costs that are affecting the increase.

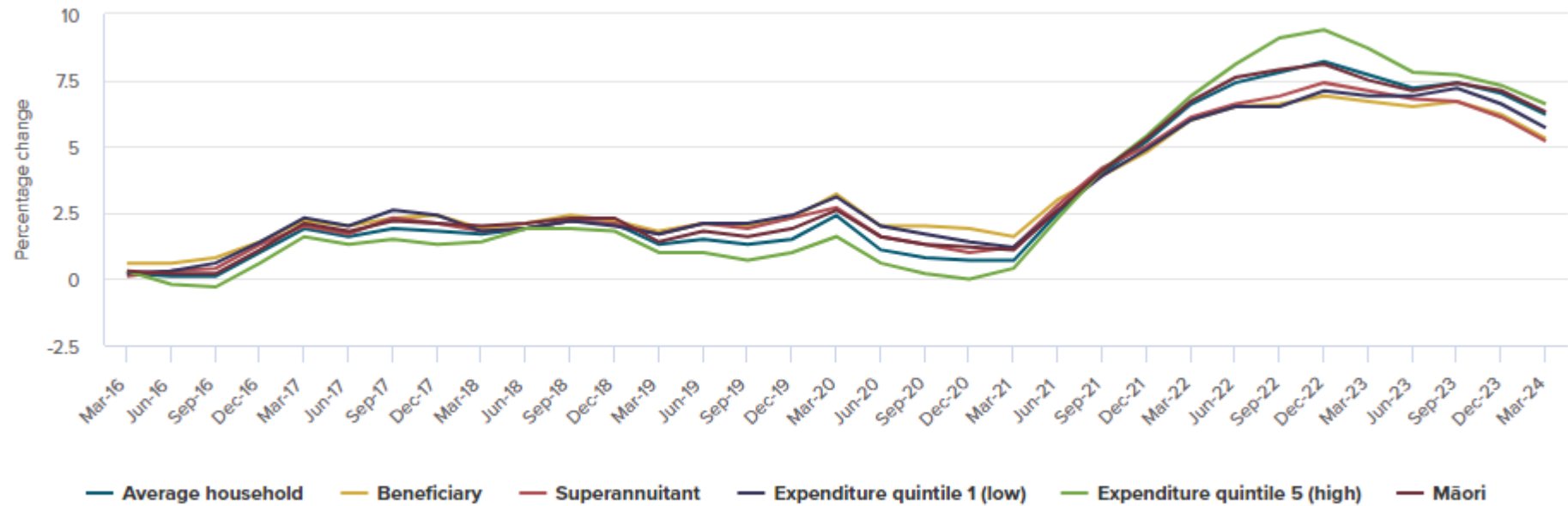
Annual percentage change, HLPI all-households group vs CPI, March 2019–2024



Stats NZ

Source: <https://www.stats.govt.nz/news/household-living-costs-increase-6-2-percent/>

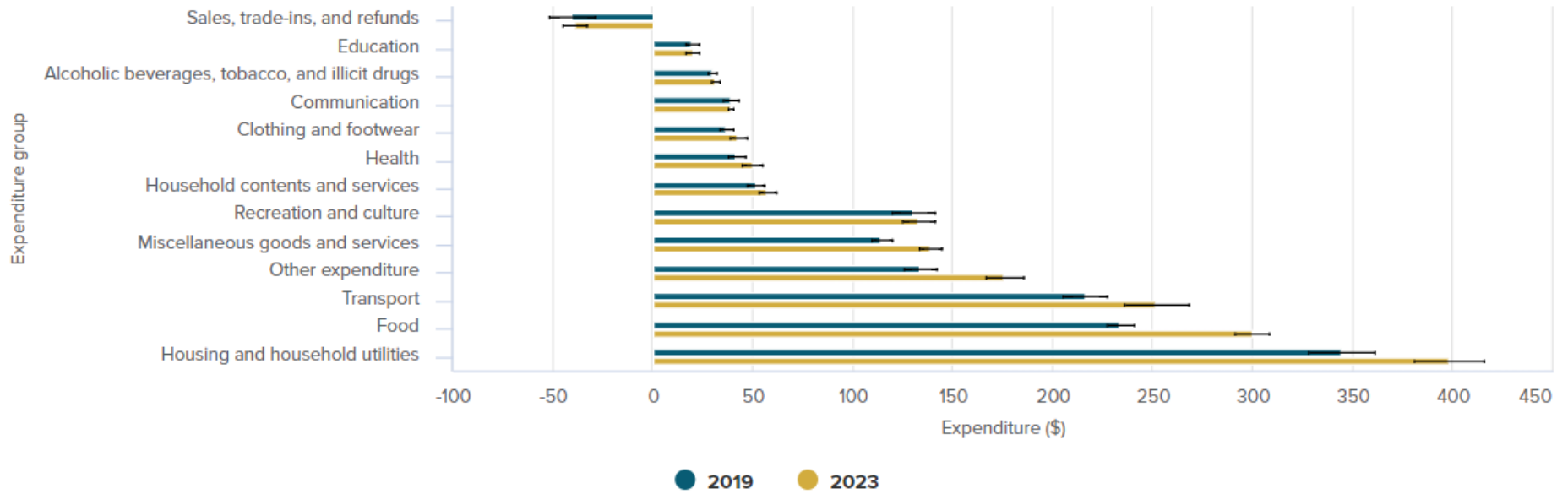
Annual percentage change, household living-costs price indexes, March 2016–2024



Stats NZ

Source: <https://www.stats.govt.nz/information-releases/household-living-costs-price-indexes-march-2024-quarter/> (also includes data sources for graph)

Average weekly household expenditure by expenditure group, year ended June 2019 and 2023



Error bars show 95 percent confidence intervals, between which we are confident that the true value lies.

Stats NZ

Source: <https://www.stats.govt.nz/information-releases/household-expenditure-statistics-year-ended-june-2023/>

Adjusted Financial Forecasts		
2024/25	2025/26	2026/27

Financial Forecasts per LTP supporting documents		
2024/25	2025/26	2026/27

Rate increase

13.5% 15.8% 14.0%

23% 11% 13%

Operating Revenue

Rates Revenue	29,120	33,708	38,417	31,590	35,087	39,622
Government Grants	1,306	813	838	1,580	1,099	1,143
Other Gains/ (Losses)	604	634	664	0	0	0
Other Revenue	12,988	12,224	12,555	14,068	12,877	13,206
Interest & Dividends	6,211	6,264	6,305	6,007	6,028	6,084
	<u>50,229</u>	<u>53,643</u>	<u>58,779</u>	<u>53,244</u>	<u>55,091</u>	<u>60,055</u>

Expenditure

Employee Benefit Expense	24,040	24,973	25,902	24,203	25,171	26,110
Depreciation Expense	950	1,405	1,615	1,102	1,387	1,516
Finance Costs	884	1,164	1,692	914	1,120	1,712
Other Expenses	25,119	24,921	27,117	26,448	26,219	28,762
	<u>50,993</u>	<u>52,464</u>	<u>56,326</u>	<u>52,668</u>	<u>53,897</u>	<u>58,100</u>

Surplus (Deficit)

764 1,180 2,454

577 1,193 1,955

Rates

Reduction in rates forecast
between CD and updated budget

2,469 1,379 1,205

Other Gains /Losses

Anticipated increase in market value of investment portfolio



Policy – Leasehold Land Management Policy

This Leasehold Land Management policy is to set out the objectives and requirements for the management of Council’s leasehold land portfolio and the surpluses and reserves generated from the portfolio.

NB: This policy replaces former policies entitled:

- Leasehold Land Management Policy
- Use of Surplus Land Income Policy

1. Contents

1. Contents
2. Objectives – Leasehold Land Management
3. Requirements – Leasehold Land Management
4. Objectives – Surpluses/Reserves
5. Review

Policy No.	Policy Sponsor	Approval Date and Date of Next Scheduled Review	Approved By	MORF Reference	Related Standards
B19.2	Executive	Approved – February 1994 Reviewed – 1999 Reviewed - 2005 Reviewed – 11 April 2007 Reviewed – 30 July 2021 Reviewed – 1 June 2022	Council	A423463	<ul style="list-style-type: none"> ▪ Council’s Financial Strategy ▪ Council’s Revenue & Finance Policy

2. Objectives – Leasehold Land Management

The objectives for managing the portfolio are to ensure that:

- the primary use of the leasehold land is for flood management and all other uses will be subservient to this use;
- the leasehold land represents a significant resource for the benefit of the community of Southland. Council may consider a range of uses that meet the various objectives of Council;
- without compromising other objectives and acknowledging that most of the leasehold land is flood prone, Council will seek to maximise the operating surplus from the portfolio. The leasehold land portfolio generates surplus funds that are available to support approved activity that benefits the specific catchment.
- the leasehold land is operated in a manner that supports the environmental sustainability of the property, complies with good management practice to reduce contaminant loss, and protects and enhances biodiversity;
- Council’s operation of the leasehold land portfolio is managed in a professional, commercial and transparent manner;
- Council is a good landlord in all regulatory aspects and in all moral aspects where tenancy regulations do not apply;
- Council acknowledges good lessees, with proven track records, by considering extended lease terms;
- all health and safety requirements are managed to a standard that, as a minimum, are in accordance with the law.
- Council maintains insurance policies to protect Council from the financial consequence of damage to its assets, caused by natural disasters including floods;
- where insurance is not possible Council will seek to maintain reserves, from prior year surpluses, to cover the maximum probable loss relating to a natural disaster, including floods. The reserve amount maintained is termed the Reserves Minimum Holding, (which is calculated from an estimate of the maximum probable loss of the uninsured fencing and water schemes within each catchment area).

3. Requirements – Leasehold Land Management

Council will maintain an operating manual that sets out the operational aspects of the management of the leasehold land portfolio, to achieve the above objectives.

The operating manual will include the following:

- background of the property purchases
- property management guidelines
- lease operating guidelines

- financial management guidelines
- risk management strategy
- surplus/reserve application process
- reporting requirements.

4. Objective – Surpluses/Reserves

The surpluses generated from operations are held in leasehold land reserves and are to be managed in the following way:

The surpluses/reserves are for the following purposes:

- (1) to fund natural disaster damage repairs (and/or insurance excesses) for the leasehold land assets. A minimum holding will be managed within the reserves that equates to the maximum probable loss resulting from a disaster. For clarification, the reserve will generally not be used to fund general catchment disaster repairs, such as repairs to flood banks and other infrastructure, as Council has insurance and disaster reserves for this purpose.
- (2) to fund approved capital works and major maintenance programmes for existing leasehold land and buildings.
- (3) to fund approved activities that are consistent with the objectives of the leasehold land management. The funded activities will be within the catchment the leasehold land is situated. These activities include:
 - (a) additional land purchases
 - (b) new flood protection schemes
 - (c) improvements and major maintenance to existing flood protection schemes
 - (d) preventative flood management and river protection work
 - (e) biodiversity initiatives
 - (f) other land management activities that address water quality, including riparian planting and fencing.
 - (g) approved grants and contributions applied for by groups within the catchments.
 - (h) Any other approved Council initiatives which meet the principles relating to the surpluses/reserves.
- (4) while it is accepted that leasehold reserves will generally be used within the catchment where the funds were raised, the Reserves funds belong to Council. Council will consult with the liaison catchment committees where Council has identified an initiative where collaborative funding from one or more both within and outside the immediate catchment area would be beneficial. However, the final decision on the attribution of Reserve funds rests with Council. When considering the use of the funds, Council will consider the following principles:
 - at Council's discretion, any reserves held above the minimum holding and leasehold land capital works and major maintenance programmes will be considered available reserves and available for use.
 - the available reserves will be available to fund Council approved activities in the catchment within which they were generated.

- In approving activities Council will consider the principles within its Revenue and Finance Policy and generally not fund activities where there are clearly identified beneficiaries or exacerbators and therefore other user pays funding sources available.
- the surpluses are generated from the land and should be used to fund activity on the land or other catchment based enhancements.
- the use of the available reserves will be considered expenditure and will generally not require repayment.
- the available reserves may fully fund, partly fund or service loans relating to any approved initiative or activities.

5. Review

This policy will be reviewed as deemed appropriate by the Regional Services Committee in consultation with the Catchment Liaison Committee Chairs, or at least once every three years.

Prospective Reserve balances LTP 2024- 2034

Reserve	2024/25 Year1 Balance	2024/25 Year2 Balance	2024/25 Year3 Balance	2024/25 Year4 Balance	2024/25 Year5 Balance	2024/25 Year6 Balance	2024/25 Year7 Balance	2024/25 Year8 Balance	2024/25 Year9 Balance	2024/25 Year10 Balance
Lease Area Reserves	7,216,167	7,126,869	7,272,986	7,402,710	7,516,105	7,607,681	7,682,802	7,740,939	7,781,827	7,805,176
River and Drainage District Reserves	4,589,254	4,587,986	4,586,512	4,583,531	4,578,943	4,572,748	4,564,946	4,555,438	4,544,172	4,531,149
Targeted reserves (Biosecurity and Land sus)	2,725,711	2,525,711	2,525,711	2,525,711	2,525,711	2,525,711	2,525,711	2,525,711	2,525,711	2,525,711
Disaster Reserves	9,744,849	9,954,218	10,163,844	10,371,129	10,580,779	10,787,553	10,998,930	11,207,823	11,412,252	11,620,171
Asset Reserves	5,506,113	6,474,818	7,320,948	8,366,119	9,816,550	10,932,861	12,734,310	14,519,710	16,037,419	17,651,672
Coastal Rentals Reserve	554,738	668,800	786,393	907,517	1,032,172	1,160,465	1,292,289	1,427,858	1,567,172	1,710,231
Marine Fee Reserve	1,119,749	1,188,535	1,264,384	1,318,783	1,341,653	1,346,271	1,331,015	1,287,491	1,210,963	1,096,478
General Reserves	0	500,000	1,000,000	1,500,000	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000	4,500,000
Total reserves	31,456,581	33,026,937	34,920,779	36,975,501	39,391,913	41,433,291	44,130,003	46,764,971	49,079,516	51,440,587

Reserve balances forecast are based on budget adjustments and proposals to fund activities through reserves as described in the Deliberations Report 31.05.24

Appendix 2 - Revenue and Financing Policy and Rating Review

Context

Separate to the Long-term Plan consultation, Environment Southland also consulted on the **Revenue and Financing Policy and Rating Review 2024 Statement of Proposal**. The Statement of Proposal was consulted on from 28 March to 13 May 2024, alongside the Long-term Plan Consultation Document. The relevant documents can be sourced below:

[Draft Revenue and Financing Policy Statement of Proposal](#)

[Draft Revenue and Financing Policy](#)

[Draft Funding Needs Analysis](#)

The Revenue and Financing Policy determines, for at least the next three years, the funding sources Council will use and how it will use them. These can only be changed during that period by re-consulting and in some circumstances, through a Long-term Plan amendment.

While the whole policy was being consulted on, there are two substantive changes to the Revenue and Financing Policy that would change rates, and one substantive policy change on the use of borrowing – see below:

1. creating a single new Flood Protection Infrastructure rate to replace 140 catchment rates.
2. moving the Biosecurity and Land Sustainability rates to the General rate.
3. paying for Flood Protection Infrastructure from borrowing, with debt repayments paid for by all regional ratepayers as part of the Flood Protection Infrastructure rate.

Council received submissions on two substantive matters, the use of external funding (the Waiau agreement) and the consultation process.

Overall Summary

The Statement of Proposal contained detailed information on each of the proposals. The proposals re-allocate rates across the region. They do not raise or reduce the total amount of rates collected. Overall rates increases are a consequence of budget changes in the Long-term Plan.

The proposals were developed over a long period, responding to historic requests for review and included 14 workshops (including meeting with Catchment Liaison Committee representatives) and Pre-consultation community engagement.

[Long-term plan 2024-34 workshops](#)

[LTP 2024-34 Pre-consultation Feedback - Summary](#)

The Statement of Proposal was supported by a brief Summary of the Proposals and was included in the Long-term Plan Consultation Document with a link to the Statement of Proposal. On the Environment Southland website, in addition to the statutory documents, a large amount of supporting documentation was provided, including detailed information from the workshops and pre-engagement, frequently asked questions and [Before the Deluge 2.0](#).

Consultation with the community is described in the main body of this report.

As noted previously, 329 submissions were received – many of which addressed matters from more than one of the concurrent consultations. A hearing for those submitters who wished to speak to their submission was held on 20, 21 and 24 May 2024.

With regard to the **Revenue and Financing Policy and Rating Review 2024 Statement of Proposal**, staff have heard and read submissions and categorised the key themes from submissions.

These themes are:

- concern that funding does not align with benefit.
- affordability concern regarding higher rates increases for some where the re-allocation of costs meant that some groups paid more rates and others reduced.
- Waiau Catchment concerns around the relationship between the existing catchment, its targeted rating area, and funding obligations under an agreement with Meridian Energy Ltd.
- concern about the use of debt to fund infrastructure.
- concern over the consultation process for this consultation.
- requests to modify the proposal by introducing a differential.

Note. The proposals reallocate rates across the region. They do not raise or reduce the total amount of rates collected. Overall rates increases are a consequence of budget changes in the Long-term Plan, which are addressed in the budget section of this report.

Analysis of the themes from written and oral submissions on the Statement of Proposal

Concern that funding does not align with benefit.

As part of the proposals, Council considered benefit in the Funding Needs Analysis. The legislation requires:

Section 101(3) Local Government Act

“The funding needs of the local authority must be met from those sources that the local authority considers to be appropriate, following consideration of:

- (a) in relation to each activity to be funded-*
 - i. the community outcomes to which the activity primarily contributes; and*
 - ii. the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
 - iii. the period in or over which those benefits are expected to occur; and*
 - iv. the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
 - v. the costs and benefits, including consequences for transparency and accountability of the activity distinctly from other activities; and*
- (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.*

The legislation is clear that benefit is one of several matters that must be considered. Benefit is subjective, as are most of the matters. The Act recognises this in that it opens with “...that the local authority considered to be appropriate...”

The Funding Needs Analysis has clearly documented Council’s assessment of all the matters in the Local Government Act 101(3)(a) and in the Revenue and Financing Policy the Local Government Act 101(3)(b) considered the overall impact.

For the Flood Protection Infrastructure rate proposal, the analysis of benefit is in the Flood Protection and Control Activity on page 9.

For the Biosecurity proposal, the analysis of benefit must, in addition to the Local Government Act 2002 requirements, also consider the matters in the Biosecurity Act 1993, section 100T (see Funding Needs Analysis on page 1). Both requirements are considered in the Funding Needs Analysis on Page 7.

Submitters that addressed benefit in their submission were referencing the Flood Protection Infrastructure rate, and largely considered benefit to be more local than regional. This view would align with benefit as assessed in the existing catchment classifications, whereas the proposal took the regional approach. The regional impacts were set out in the Long-term Plan Consultation Document (page 11) and the Statement of Proposal and the Funding Needs Analysis.

The analysis of the matters in the Funding Needs Analysis would need reconsidering should there be changes in the proposals.

In response to the views of the submitters, staff suggest the Funding Needs Analysis be reconsidered after other matters are addressed in the deliberations process, so that any changes can be made in the context of these other decisions.

Affordability concern regarding higher rates increases for some where the re-allocation of costs meant that some groups paid more rates and others reduced.

In proposing to introduce a regional Flood Protection Infrastructure Rate, 7,552 ratepayers get a larger than average rates increase, as they have not been paying catchment rates.

Properties currently not paying a river rate		
Residential	4,931	
Rural	1,105	
Commercial	279	
Large Industry & Utilities	31	
Waiua*	1,206	
Subtotal	7,552	15%
All Others paying river rate	43,368	
Regional total properties	50,920	

The table above shows that 15% of ratepayers are not currently paying a river rate. Waiua* is in this group, as the river costs are met by Meridian under the agreement.

Within existing catchments that are paying river rates, there are ratepayer with higher increases, generally because they are located in classes further from the risk.

Council heard from many submitters about the impacts of cost increases in this period of higher inflation. Unfortunately, it was very difficult for submitters to distinguish between the impact of the rates redistribution from the Long-term Plan budget increases.

The Statement of Proposal at page 11 shows that the change in rates does not change the overall amount of rates we collect. Pages 11 to 15 show that in each sector there is a mix of people with decreases and increases as well as the average rate.

The Statement of Proposal on pages 18 and 20 also shows that the proposed change to introduce the Flood Protection Infrastructure rate and the Biosecurity and Land Sustainability rates would mean that every ratepayer pays the same rate per dollar of property.

In response the views of these submitters staff have considered the following options for Council consideration.

1. no change to the rating allocation proposals.
2. revert to current rating allocation proposals.
3. introduce a transition period to spread the impact of the changes.

Staff advice is that all matters be considered as a package as their interrelationship makes change complex.

Waiau Catchment concerns around the relationship between the existing catchment, its targeted rating area, and funding obligations under the Waiau Agreement with Meridian.

Council proposed to create a single new Flood Protection Infrastructure Rate to replace 140 catchment rates, to provide for greater investment in infrastructure and river management at a time when the community is facing a changing climate. The rate would be a capital value rate for all ratepayers.

This rate is intended to fund the Flood Protection and Control activity as described in the Funding Needs Analysis on page 9.

“This activity delivers a range of services designed to protect people, property and livelihoods from flooding, and to provide land drainage.”

Meridian submitted that:

*“Currently Meridian pays a contribution in relation to the Lower Waiau catchment in accordance with an agreement entered into between Environment Southland, Federated Farmers and ECNZ (now Meridian) in 1996 when the MPS was last consented. The new proposal will effectively replace the rating basis applicable and pursuant to that agreement. It cannot be both.” *staff underline*

In their verbal submission on 20 May 2024, Meridian stated:

“This new funding model effectively replaces the existing catchment-based rating approach, so effectively the [preliminary] position that it will bring to an end the 1996 funding stream, if this proposal is accepted and adopted as currently set out.” [Video Submissions and views to Council’s Long-term Plan – 3pm 20 May 2024 starting at 8:30 minutes.](#)

Submissions were also received from the Waiau Catchment Liaison Committee expressing concern about losing the Meridian Funding. A copy of the 1996 Waiau Agreement is attached to their submission.

In year one of the Long-term Plan, Meridian’s contribution under the 1996 Waiau Agreement is budgeted at \$445,106.

Staff have considered the matter of the Waiau Agreement. The conclusion of this review has led to the following options for Council consideration:

1. no change to the rating allocation proposals.
2. maintain current rating allocation policy.
3. modify the Funding Needs Analysis (page 9) to better reflect the functions of the Flood Protection Infrastructure and Control activity and to retain the Waiau catchment and budgets separate from the rest of the region.
4. combine option 3, with other matters addressed in this consideration of submissions on the Statement of Proposal and introduce a transition period to spread the impact of the changes.

In the context of the Waiau Agreement, and particularly the annual external funding of \$445k (2024-25), options three and four are designed to remove the risk of change to the catchment, its targeted rating area and the maintenance of matters listed in the purpose of the funding provided by Meridian in the Agreement. Option 4 provides better equity for the Waiau change alongside other catchments.

Concern about the use of debt to fund infrastructure.

Council proposed to fund Flood Protection Infrastructure investment from borrowing. This is a policy decision made in the Revenue and Financing Policy page 5 in the following sentences.

“New assets may be funded from external sources (e.g. government), borrowing, reserve funds or rates (general and targeted). The costs of finance and debt repayments would be funded in this same way as the operating costs of the activity. This choice may be modified should it be appropriate having considered the requirements of s101(3)(a) and (b). ...

We plan to fund new and replacement flood protection infrastructure primarily from external sources and borrowing.”

The current, 2021 adopted policy, had already allowed for borrowing. The proposed change is being clearer that this is the intent, given the proposals in the Long-term Plan 2024-34 and Infrastructure Strategy to invest.

As the 2021 policy shows, by having the ability in the Revenue and Financing Policy does not in itself mean that Council will choose to use it. As with all decisions, elected members would take into account its Significance and Engagement Policy before making such a decision.

It is unclear the extent to which submitters who submitted against borrowing for infrastructure investment were focussing on the Long-term Plan investment proposals or the Statement of Proposals policy re when borrowing could be used.

Staff advise that the option should remain in the Revenue and Financing Policy, noting that the Long-term Plan is where decisions to use borrowing are made.

Concern over the consultation process for this consultation.

It is not possible to separate this concern from the Long-term Plan consultation and the Statement of Proposal consultation.

A strong process was followed to get to the point of proposing three significant changes to the Revenue and Financing Policy. As outlined in the Overall Summary (above) a detailed and complex process has been completed, that brings Council to this deliberations meeting.

Councillors have read and heard from many submitters that the consultation process lacked information, time and opportunity to participate. Submitters asked for more time, with some seeking an extension for a further year.

Council extended the submission period beyond the one-month statutory minimum in recognition of the impact the Easter break could have on submitters. During the consultation Council heard that submitters needed more time. In response to those calls, an additional week was provided.

Council has met the legal requirements for consultation. However, it is acknowledged that there are many in the community who feel more was required.

In response to the views of these submitters staff have considered the following options for Council consideration.

1. no change to the rating allocation proposals.
2. revert to current rating allocation proposals and start again.
3. introduce a transition period to spread the impact of the changes.

Requests to modifying the proposal by introducing a differential.

Council had proposed that the Flood Protection Infrastructure rate be undifferentiated.

Council's existing policies have the General Rate differentiated by territorial council boundaries for equalization purposes, and the Biodiversity rate and Land Sustainability rate differentiated on the current land value and future capital value rate.

One submitter requested a differential adjustment to reduce their rates on the basis of benefit. Another submitter observed that the forestry sector will pay less rates than they have done with a land value rate.

The Revenue and Financing Policy, (top of page 4) General Rates states.

"The Council also considered the impacts of various types and locations of properties and concluded that a general rate differential is not appropriate."

The Policy does allow for a differential for Targeted Rates in the sentence.

"Full descriptions of categories for differential rating and the relationships between categories are contained in the Funding Impact Statement."

Councillors sought a Revenue and Finance Policy that is flexible. Having the options to differentiate the General and Targeted rates supports this.

This would allow Council, in developing a Long-term Plan or an Annual Plan, to consider using a differential after consideration of the consequence of any change against all impacted ratepayers.

Transition Options

Councillors have requested options to transition the rates changes to mitigate the impact rates increases resulting from of the change in rating policy.

Changing from very detailed targeted rates over parts of the region to new, regional rates, is very complex. It requires a model that starts with the old and that transfers to the new. The new rates will

likely look different to the proposal, as they evolve further in the coming year. Additionally, the Waiau Catchment needs to be kept separate from the development of a regional approach in order that the Waiau Agreement funding remains secure.

Staff have considered both a two year and a three year option for transition. The complexity of the changes is such that a reasonably practical three year option has not been found.

To achieve the two year model there is a need to:

1. Significantly modify the Funding Needs Analysis to break the Flood Protection and Control Activity into its parts.
 - a. Catchment Planning (staff costs)
 - b. River Management (traditional Riverworks)
 - c. Flood Infrastructure Investment (investment in creating or renewing assets)
 - d. Land Drainage (unchanged)
2. For year one it is proposed:
 - a. Catchment Planning (excluding Waiau) is funded 100% from the general rate.
 - b. Catchment Planning for the Waiau catchment does not change from current policy and remains funded through the Waiau Agreement.
 - c. River Management (excluding Waiau) stays with the existing catchment and classifications, with the regional share changing from 30% to 50%.’
 - d. River Management for the Waiau catchment does not change from current policy and remains funded through the Waiau Agreement.
 - e. Flood Infrastructure Investment is a new rate and funds the financing costs of new investment, debt repayment, interest and depreciation as a targeted rate to all ratepayers on capital value.
 - f. Land Drainage was not changed in the Statement of Proposal and continues unchanged.
3. Also year one would see 50% of Biodiversity and Land Sustainability rates transfer to the General rate.
4. Year two it is proposed:
 - a. Catchment Planning no change from year one.
 - b. River Management (excluding Waiau) remove catchment rates and transfer to regional share changing from 50% to 100%.
 - c. River Management for the Waiau catchment no change.
 - d. Flood Infrastructure Investment no change.
 - e. Land Drainage no change
 - f. Biodiversity and Land Sustainability change to 100% General Rate
5. In each year a review of the UAGC would occur on equity matters²

This transition option has some flexibility, especially with what happens in year two. For example, there is time to consider whether it is appropriate to: change funding from Catchments to Freshwater Management Units, modify the funding of Stead Street investment, or introduce differentials.

Graphic illustration of the transition options appended.

² The UAGC is considered by Council each year in setting the Funding Impact Statement. This consideration is documented in the Revenue and Financing Policy (page 6, item (b))

Summary of the Options arising from the Statement of Proposal and the Advantages and Disadvantages of these Options

Theme	Option	Advantages	Disadvantages
Funding does not align with benefit	Do nothing	The majority of the Funding Needs Analysis was unchallenged.	Changes to the rates proposals and activities will require reconsideration.
	Consider as other options (e.g. transition and changing activities) are considered	Provides flexibility and ensures policy critical to lawful funding choices is complied with. Considers the views of submitters.	No substantive disadvantages identified.
Affordability concerns	Do nothing	No change to proposal.	Affordability concerns of those outside of current funded catchment remain.
	Revert to current rating allocation proposals.	Those outside of funded catchments would have no significant increase from the rate review.	This does not support the rates reviews reasons for change including that we all benefit from flood protection etc. The burden of increased expenditure on flood investment will continue to fall on a small part of the community whose rates will increase higher than the proposal.
	Introduce a transition period to spread the impact of the changes.	Provides flexibility and ensures policy critical to lawful funding choices is complied with. 15% of ratepayers have reduced rate increases over the first year. Supports a transition. Partially Supports the submitters request for more time to consider.	More investment in to review rates options for 2025/26. Ratepayers with an increase less than the median, may pay more in year one than in the proposal.
Waiau Catchment concerns	No change to the rating allocation proposals.	No substantive advantages identified.	High risk of a loss of income and significant consequential costs.
	Revert to current rating allocation proposals.	Very secure for the Waiau catchment.	This does not support the rates reviews reasons for change including that we all benefit from a network approach to flood protection etc.
	Modify the Funding Needs Analysis (page 9) to better reflect the functions of the Flood Protection Infrastructure and Control activity and to retain the Waiau catchment and budgets separate from the rest of the region.	Provides security for the Waiau catchment.	Compared to the Statement of Proposal this modification moves \$167,000 to all ratepayers outside of the Waiau Catchment. Waiau is disadvantaged as its separation from the regional approach restricts the Rating District to the maximum amount in the Waiau Agreement.
	Combine option 3, with other matters addressed in this	Provides security for the Waiau catchment.	All the matters above.

Theme	Option	Advantages	Disadvantages
	consideration of submissions of the Statement of Proposal and introduce a transition period to spread the impact of the changes.	Slightly more equity with other catchments in year one. Time to work on solutions to the Waiau situation.	
Debt concerns	No change to the rating allocation proposals.	The ability to borrow allows for the opportunity to invest sooner and provide for intergenerational equity.	No substantive disadvantages identified.
	Remove debt funding from the Revenue and Financing Policy	No substantive advantages identified.	All investment would need to be funded in advance of entering contracts. Invest would be more expensive, there would be less investment.
Consultation extension	No change to the rating allocation proposals.	No change to proposal.	Doesn't address submitters concerns. Risk of challenge on process.
	Retain current rating allocation policy and start again.	Opportunity to revisit the proposal and alternative options.	Does not support the work done and the outcomes sought for the whole community. Would cost a lot to do it again.
	Introduce a transition 7period to spread the impact of the changes.	Given other drivers to have a transition some of the concerns of submitters on process could be addressed with a transition.	No substantive disadvantages if transitions is happening for other reasons. Should there be no other reason to transition then this option would be expensive with little to be gained as council has from these submissions gained a good understanding of the communities views on the proposals.
Request for Differentials	No change to the policy proposal to not have differentials.	Not reasonably practical as the policy is incorrect.	A risk of the policy is challenged
	Change the policy to allow Council to consider the use of differentials on the General Rate	Aligns the policy with our practice.	No significant disadvantages.
Transition Options	Transition	The opportunity to be flexible and modify the proposal is created. Allows for the Waiau situation to be considered. Supports submitters concerns of affordability and depth of consideration.	Complex and open to change and redoing of work done.

Recommendations for changes to the Revenue and Financing Policy

The following changes are recommended to the Revenue and Financing Policy:

- a. Modify the Funding Needs Analysis to reflect the separate activities of Catchment Planning, River Management, Flood Infrastructure and Land Drainage
- b. Modify the Revenue and Financing Policy to allow differentials on the General Rate
- c. The Rates Review proposal be amended to a two-year transition as follows:
 - i. Catchment Planning (excluding Waiau)
 1. Year one - 100% General Rate
 2. Year two - no change
 - ii. Catchment Planning Waiau
 1. Year one – no change
 2. Year two – no change
 - iii. River Management (excluding Waiau)
 1. Year one - 50% General Rate
 2. Year two - 100% New Targeted Rate
 - iv. River Management Waiau
 1. Year one - no change
 2. Year two - no change
 - 3.
 - v. Flood Infrastructure Investment
 1. Year one - 100% New Targeted Rate
 2. Year two - no change
- d. That further options for year two will be considered including consideration of funding Fresh Water Management Units, Stead Street Pump funding and consideration of differentials.
- e. The Revenue and Financing Policy be modified to support a flexible transition.

Attachments

Graphic of Transition Options

Explanation of the Impact of Capital Value

Transition Options

Name	Transition Yr 1	Transition Yr 2 (test FMU model)	Transition Yr 2
Description	Transition option altered weightings Gen rate	FMU basis with Year 2 budget	Same as CD proposal, with Year 2 budget
Summary	Adjusted budget, moving towards new policy	Year 2 of transition with Year 2 adjusted budget, testing use of FMU for catchment basis	Year 2 of transition with Year 2 adjusted budget, 100% regional as proposed in CD
UAGC	Current UAGC \$143, moves down to proposed in Year 2	UAGC as proposed, \$120	UAGC as proposed, \$120
Catchment operations (planning)	100% cv but rated within General rate	100% cv but rated within General rate	
Riverworks	Retain current classification system another year, move from 30/70 to 50/50 share	Move to 50 general / 50 cv using FMU as basis for calculation. Targeted rate created per FMU based on cv within the FMU	CV targeted rate created for River Management, doesn't include Waiau area
Riverworks basis	same as current, based on existing catchments, Waiau own budget as per usual	Use of FMU to calculate local share, 50% cv within FMU, Waiau own FMU	100% cv regional other than Waiau
Flood Infrastructure	Targeted region wide rate, 100% cv. Contains only cost of financing regional infrastructure, interest, depreciation. Applied to all ratepayers.	Targeted region wide rate, 100% cv. Contains only cost of financing regional infrastructure, interest, depreciation. Applied to all ratepayers.	
Bio / Land sus	Move towards new policy, 50% land value, 50% cv in general rate	100% cv in general rate	

Capital Value Rating Valuations

Capital value rating

The proposed changes to the Revenue and Financing Policy have become known through the consultation process as “move to capital value rating”.

This is unfortunate, but understandable. It is unfortunate because it overlooks the purpose of the change. The proposal to move three land value rates to capital value was a policy decision made after reconsidering the activities and the changes in the community over the past 40 years. The mechanism chosen to implement the policy was the use of capital values (rateable values) region.

Councils have limited tools to use for setting rates – land value, capital value and area. After considering the overall benefit arising from Flood Infrastructure activities, Council chose to propose a move from land value rating to capital value rating. It was acknowledged that the economic benefits arising from flood mitigation are better reflected by considering the total value of a property vs only the land value.

The capital value of a property (rateable value) is determined independently by a valuer appointed by the Valuer General. In Southland QV assess the property values. It was acknowledged by the submitters that capital expenditure does not automatically increase capital value. Rateable values do not automatically increase by the amount spent on a property, neither does the market value.

QV determines the value of improvements for commercial and rural properties based on a combination of factors, including forecast market values. The market values of rural and commercial properties are determined QV on an economic return basis. Dams are an exception to this as they are rated on the lower of the depreciated value or economic return.

Submission on LTP (Long Term Plan) for Southland and Rakiura

J. Maass-Barrett

Environment Southland is asking for feedback on the proposal to:

Increase operating expenditure for:-

- increased flood modelling and data collection
- improved capability and maintenance
- investigation into ways to reduce flood risk for the longer term

I have several comments to make about the councils preferred option of creating a new Flood Protection Infrastructure Rate, and a couple of other issues.

We don't want Stewart Island ratepayers dragged into this new rate, we have enough extra high costs in our rates and living expenses that make it increasingly difficult to live here. People on low or fixed incomes are struggling with the rising costs of living, especially power costs, \$100 a month supply charge and \$0.85c per unit, without increased rates burdens.

It is not equitable for Stewart Island rate payers to be paying for services that are not directly benefitting them. This also applies to the rabbit rate, there are no wild rabbits on the Island and we are not allowed to even own domesticated rabbits. So we should not be penalised this way.

The consultation leaflet spells out that Southland has four main river systems, no mention of Stewart Island. Therefore we should not be burdened with paying for the newly proposed rate.

One part is headed "Investing in Flood Protection Infrastructure" and right beside this it asks "Do you support our preferred option?" This is a bit disingenuous, there are no real flood protection infrastructure projects on offer here unless I have misunderstood the reference to "improved capability and maintenance" above. (Even if ES was to spend say most of its new rate per year on raising stop banks in an area, if a major storm developed soon over Southland, it would be too little, too late.)

The proposed new rate is not for specific projects that will contribute to flood resilience for Southland, it will apparently be spent on more staff, for example, to write more reports about the need for resilience. We need to see the capital works being planned and done, not more paperwork.

In the Infrastructure document on pg. 9, Table of Assumptions, the last box at the LHS of the table notes:

"That national climate modelling is achievable, and that national data will be available in the next 12 months, with regional data available by 2025."

This means it will be unnecessary to spend a new rate on "increased flood modelling and data collection" as it will soon be provided.

If ES could see, all the answers except raising the funding, lie within the documents attached to or associated with this new LTP.

Look at the “pre consultation” consultation document that is included in the supporting documents provided. There must have been a few farmers at these meetings, their suggestions to increase flood protection is for gravel extraction, gravel extraction, gravel extraction with willow/vegetation removal if appropriate, and urgently making it easier in RMA terms to get consent.”

It would have to be done on such a scale ES would need to urgently think of ways to expedite the work. Pg.20/21 of the strategy hints at possible steps: Option 1, “...implementing prioritized work programmes in consultation with the community...” and Option 2, “... procurement practices will be improved including the exploration of longer term, large- scale contracts...”

Further, make the RMA the enabling legislation at local scale it was always supposed to be.

Work with farmers as contractors and other contractors included.

Pay farmers to retire floodplain riverbed areas from grazing to harvest and stockpile gravel from appropriate areas of elevated riverbeds, so it is not being double handled,

and it could be placed on adjacent stopbanks for efficiency in raising them if appropriate .

Scrapers and bulldozers might be more effective in some areas, rather than just diggers and trucks.

I could envisage a fleet of tractors or tracked vehicles with windbreak trimming circular saws or modified tree harvesting saws and log handling clamps, each protecting a strategic bridge before logs build up to dangerous levels in a big flood.

Pay cockies their costs if they are doing the work.

Gabion baskets work well as groynes in some places for flood water diversion and bank protection, plenty of job creation work there.

There must be dozens of other ways to get some “shovel ready” projects quickly off the ground. ES has already identified this issue of sedimentation through catchments and offered the solution, “extract gravel” on page 28 of their Draft Infrastructure Strategy 2024, so they don’t need consultants to point this out.

Because bureaucracy works at glacial pace it must be said that this will not achieve any resilience. The speed and severity of climate change is so obvious in many parts of the world today, urgency of action is paramount.

The next big floods could arrive before this comment is read. They could be a one in a thousand year flood, All four catchments in Southland could be involved, so could the rest of the South Island. Risk averseness and timidness and patch protection no longer have a place in resilience planning. We need people with vision and energy.

What is abundantly clear is that ES will have to work very closely with other agencies of central and local government because much of the flood protection work will be aimed at protecting the assets the other agencies are responsible for, namely highways, roads, bridges, water and waste water works, communications, etc etc. The problem is so big and so urgent amalgamation of authorities should be seriously considered.

I am heartened to note the Murihiku Southland Regional Climate Change Strategy is being developed with Te Ao Marama.

Page 25, Collecting and maintaining best possible data and information, according to this section, this work is ongoing and current. Which is admirable and necessary, so there is no need to employ more people to do this work, as suggested in the publicity pamphlet.

ES has identified another source of valuable internal knowledge on page 27 of their above strategy at bullet point one, "... historic asset data and the current knowledge held within the Catchment Operations Division." Luckily ES hasn't rushed off to engage consultants to (expensively) come up with this institutional knowledge that is already in ES's own hands after all.

On the same page 27, under the heading, Prioritisation and Climate Change, the table showing modelled Climate Change issues, offers some strategic solutions. Floodplain management plans are mentioned with options such as Council land purchases, changes to land use and of course gravel extraction where necessary. All recognized by Council without the need for consultants and raising rates to fund these solutions.

While reading the documentation supplied on the ES website, in the Infrastructure Strategy there is a section on future budgets being developed. Within them was an entry for income titled "Gravel Income" with a reasonably modest figure of about \$200,000 per year initially.

What is ES thinking here? Is this income from royalties for gravel extraction by consented operators? Or are they thinking they will run their own companies extracting gravel? I would like some clarification on this please.

I recently attended a community meeting on Stewart Island, a catch up on developments affecting Island residents. Future power options, wharves and ES's LTP were among issues being discussed.

The Golden Bay wharf is now the responsibility of SDC while South Port owns the main wharf in Halfmoon Bay. As a member of Rakiura Marine Guardians and a management committee member of the Te Whaka a Wera/Paterson Inlet Mataitai reserve, it is within my area of interest to mention what is a growing problem in Stewart Island waters. It appears the issue is a sort of cross border one between SDC and ES but with a bit of goodwill it can be solved.

Visiting yachties predominately, but a growing number of other mostly pleasure vessels are spending more and more time lying at anchor in various places around the Inlet with a concentration around Golden Bay. Our Mataitai rules prohibit the dumping of sewerage in any form into the waters of the Mataitai.

However with no pumping facilities or even holding tanks available anywhere on the Island's two main wharves, it is hard to argue and not a desirable solution, they should travel at least 500m outside the mataitai to dump the contents of any holding tanks, if they have them.

There is a plan for the Golden Bay wharf to undergo a major refurbishment in the near future and I am trying to raise awareness of the problem and the need for a pump station to be sited at Golden Bay wharf. There is already a public toilet at Golden Bay and a nearby sewerage pump station for the local sewerage scheme, so this is an easy solution and I am pleased to say SDC

engineers have taken this on board with their plans for a great refurbishment of this wharf. Just letting ES know this should be in the pipeline in the not too distant future.

This would seem an opportune time to have a similar pump station installed at Halfmoon Bay, which is of course owned by Southport, of which ES is the major shareholder at 66%. Again there is a sewerage line at the wharf to service public toilets.

I was rather shocked that the view of getting agreeance from Southport to allow a pump out station on the main wharf was “you won’t get any help from them, they’re hopeless to deal with, they haven’t even got a pump out station at Bluff for the fishing boats.”

Three different people, independently, said similar words to me. So later I looked up Southport’s website as you do, and read their values. Aspirational, inspirational!

Manaaki tanga – Caring for our people, community and environment

One team – Working together supporting each other

Act with integrity – Be honest, do what is right

Go the extra mile – Delivering great outcomes, strive for excellence

Work smarter – Solutions focused, innovative and flexible

Why is the public perception of Southport on the Island so far removed from their stated values? I am not writing this to tattle on Southports management or directors but to show how far removed an organisation can become from their values, even a largely publicly owned one.

Is it time for ES to actually remind Southport of their values and obligations to live by them?

I intend to have a dialogue with Southport about this sewerage issue. Maybe some of the “cruise ship money” could be allocated to such a project.

In this vein, I consider that ES needs to continue the policy of not charging Stewart Islanders for boat moorings in general as we have a policy of non exclusive use, if the regular user of a mooring is not “in residence” the mooring is available for others to use.

The Annual plans, the LTPs, Coastal plans and Policy statements that ES is consumed by are onerous, repetitive and now prevent much progress in any given direction because they are completely bound up with the RMA processes. They will not serve Southland well in the future as they are too costly, too unwieldy, too hard to modify and too time consuming for practicality.

They could easily become irrelevant very quickly if ES cannot be agile enough to cope with a rapidly changing climate, throwing up ever greater challenges, or unforeseen ones.

My opinion is that ES needs, with great urgency to dig into their institutional knowledge and use that and all the planning tools available to find the answers that are sitting in plain sight in front of them, before wasting ratepayers money and ES time getting a new bunch of consultants who have no local knowledge. Much of this information is in the Strategy already, as I’ve noted above.

Involve the people out there who live in the valleys and flood plains, who know intimately their environment. It will be in the long run, cheaper, quicker and infinitely more effective at getting a head start on this unending challenge we have created for ourselves through Climate Change.

J Maass-Barrett

09 May 2024.