

Draft Council Decision – 2024-2054 Infrastructure Strategy

Context

The 2024-2054 Infrastructure Strategy was adopted for consultation by Council on 27 March 2024 and consulted on from 28 March to 13 May 2024, as part of the supporting information for the 2024-34 Long-term Plan. The relevant documents can be accessed from the links below:

Consultation Document: [Investing in Southland Whakangao Ki Murihiku Draft Infrastructure Strategy 2024 - 2054](#)

As outlined previously, a proposal for ongoing and increased investment in flood protection was a key matter for consultation. Environment Southland is responsible for flood risk mitigation and the region’s network of flood protection infrastructure. The network comprises of over 500 kilometres of stop banks across the region, drainage networks, spillways, dams, tidal gates and pump stations.

The Long-term Plan Consultation Document, *Investing in Southland*, set out a proposal to increase flood protection operating expenditure by \$2.3 million per year to build expertise and capability in Environment Southland’s catchment team, respond to pressing maintenance issues and enable the planning of a significant new capital works programme based on improved data and information.

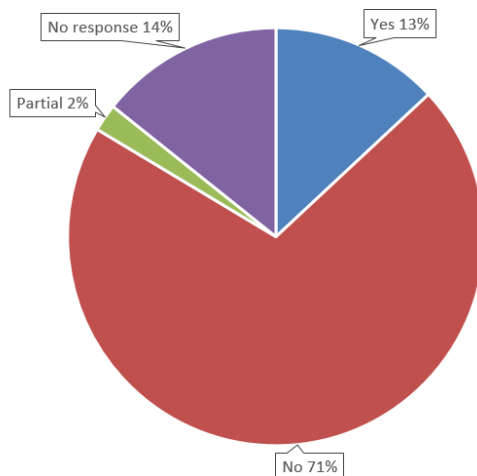
The proposed capital works programme for the next three years (2024/25 to 2026/27) at a total cost of \$14 million included some of the modelling to inform the planning of the capital works programme and potential projects at Winton, Lumsden and Waihōpai.

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. The planning during the next three years was to inform this provisional capital works programme, which would include replacement of existing infrastructure (renewals) as well as consideration of nature based solutions.

Submission themes

The following pie chart depicts the percentage of submitters supporting or opposing the proposed increase in flood protection operating expenditure:

Percentage of submitters supporting, opposing, partially supporting, or with no response to the proposal to increase the budget for Flood Protection Infrastructure by \$2.3m



As can be seen, the majority of submissions (71%) opposed the increase in expenditure with many submitters citing affordability issues.

Submissions raised concerns about river and gravel management.

Some 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.

Similarly, several submitters proposed 'slow the flow' or nature based solutions as an alternative to raising stop banks.

Council decision

Operating expenditure

Council noted that its legislative responsibilities in this space and that engagement undertaken at community events prior to the official consultation period (see [LTP 2024-34 Pre-consultation Feedback - Summary](#)) had indicated support for an increased investment in flood protection infrastructure. The majority of respondents at these events had indicated they would be willing to pay \$1-5 per week for an improved level of protection.

Notwithstanding the above, and in response to submitter feedback, Council decided to use reserves to fund a significant component of the new flood protection operating expenditure to offset the impact on ratepayers. In addition, the phasing of the work was changed with expenditure reduced by \$350,000 in Year 1 of the Long-term Plan by spreading the work over a longer period. In addition, some of the overhead costs were absorbed back into the rest of the business. See the Council decision on budgets for more detail.

Capital expenditure

Council noted that there was a need to improve data and modelling and build expertise and capacity over the next couple of years in order to undertake the planning for the capital works programme.

For the capital projects planned for Years 1 to 3 of the Long-term Plan (Winton, Lumsden and Waihōpai), full business cases are to be prepared and brought back to Council before these can proceed. These projects are fully debt funded with no central government contribution.

It was noted that approximately \$25 million per year of capital works indicated from Years 4 to 10 was provisional and subject to receiving central government funding (the assumption being that 75% of the funding would be from central government¹). Further consultation with the community will occur once this work has been planned and exact costings are known, with this likely to be a key matter for the 2027-37 Long-term Plan. Submitter concerns regarding debt levels were acknowledged.

Alternatives considered

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 estimated the cost to do this (based on current contractor rates) would be 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 stop bank assets (30 plus years old).

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

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.

In terms of concerns about river and gravel management, the increased expenditure will enable significantly more work to be undertaken in this space. For example, the necessary science and data to establish a sediment (gravel) budget per catchment and fairway capacity improvements.

Other matters

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 for the next three years outlined in the 2024-34 Long-term Plan Consultation Document, *Investing in Southland*, and 2024-54 Infrastructure Strategy. These projects were not put forward in the Before the Deluge bid as they were not considered to be 'shovel ready', with significant planning and design work still to be undertaken.

Over the coming months, the funding for the central government co-funded projects will become clearer and the planning and design work for the Long-term Plan projects will be advanced. The timing of the Long-term Plan projects may need to be rescheduled to accommodate the co-funded projects. This will be a subsequent Council decision.