

**Minutes of the Resumed Ordinary Meeting of the  
Southland Regional Council, held in Regional House,  
corner North Road and Price Street, Invercargill, on  
Tuesday, 29 June 2021, at 9.04 am**



**Present:** Chairman N Horrell (Chair)  
Cr A Baird  
Cr N Cook  
Cr L Esler  
Cr R Guyton  
Cr L Ludlow – part meeting  
Cr L McCallum  
Cr P McDonald  
Cr J McPhail  
Cr D Stevens  
Cr E Roy

**In Attendance:** Mr R Phillips (Chief Executive) – by Zoom link  
Mrs W Falconer (GM, Strategy Planning & Engagement)  
Ms A Kubrycht (GM, Organisational Development & Transformation)  
Mr D Rule (Interim GM, Integrated Catchment Management)  
Mrs T Hawkins (Finance Manager)  
Ms R Millar (Strategy & Partnerships Advisor)  
Mrs T McCann (Communications Co-ordinator)  
Mrs J M Brown (Executive Assistant)

**1 Welcome (*Haere mai*)**

The Chairman welcomed members to the meeting of Council.

**2 Apologies (*Nga Pa Pouri*)**

***Resolved:***

Moved Cr McPhail, seconded Cr Ludlow, that apologies for absence be accepted on behalf of Cr B Mager.

**Carried**

**3 Declarations of Interest**

There were no declarations of interest made at this time.

#### **4 Public Forum, Petitions and Deputations (*He Huinga tuku korero*)**

There were no Public Forum, Petitions and Deputations.

#### **5 Notification of Extraordinary and Urgent Business (*He Panui Autaia hei Totoia Pakihi*)**

##### **5.1 Supplementary Reports**

There were no supplementary reports tabled for inclusion in the agenda.

##### **5.2 Other**

There were no other items of business raised by Councillors for inclusion in the agenda.

#### **6 Staff Report – 21/C/47**

##### **⇒ Item 1 – Consideration of 2021-2031 Long-term Plan Submissions and Views and Decisions**

This item was prepared for Council to provide direction about changes to be included in the final 2021-2031 Long-term Plan as a result of feedback on the consultation document titled “To tatou haerenga – Our journey” and the supporting documents.

Appended to the staff report was a summary of submissions which contained staff recommendations on possible responses to the submissions that had been lodged.

The meeting agreed at the outset to discuss the key issues at a high level, before considering submissions individually.

Firstly, it was noted that there had been an error in the staff report which submitters had received, where reference was made to general rate increases as opposed to total rate increases. This was to be corrected.

Cr Baird commented landowners own large assets, and a 20% lift in their rates was significant in dollar terms, compared to someone owning a smaller property in an urban area. He also noted the difference between a tax deductible expense v a non-tax deductible expense and GST aspects as well, but irrespective of those matters, he felt that Council needed to consider funding the short-fall from the cruise ship/coastal work in a different way, and suggested that increasing the UAGC to cover those matters may well assist.

Chairman Horrell expressed concern and disappointment at the assertions that Councillors had not done their homework on the UAGC, and reminded members of the lengthy discussions that had occurred, where Council had considered various options in an endeavour to address concerns that were being raised. He also expressed surprise at

the fact that there had not been a strong “push back” with regard to the proposed 20% rate increase, and felt that this reflected the community’s understanding that Council was between a “rock and a hard place” in this current situation. He was supported in these views by Cr Roy, who had taken offence at the suggestion that Councillors had not been fully involved in the work around the LTP, noting they had committed a full 17 days of meetings listening to and working through information and providing direction. It may be that people could criticise the plan, but not the involvement of Councillors.

Cr Ludlow also noted the many requests for funding that had been received, noting that such income for those groups was as important to them as it was to assist Council’s work programmes. She also highlighted a number of submitters had favoured a 16% increase as opposed to 20% increase, and suggested their views needed to be considered equally with those who had spoken at the hearing.

Cr Stevens sought an update on the current financial position of Council, which he felt was important to receive before making any final decisions. Cr McCallum felt that was irrelevant, as the outcome for the financial year would only impact the amount of debt Council took on, and should not impact the rate increase. The gains from a positive year this year would be in Council adhering to the committed 5% increase in the following years.

Cr Esler noted ICC had a fund to which people apply for grants, and suggested something similar might be appropriate for ES. The meeting was advised of the Environmental Enhancement Fund and Ms Millar noted that revisions were being made to this fund given that going forward there would be approximately \$100,000 a year which could be applied for.

Mrs Hawkins then updated the meeting on the current financial position, reminding them that the April forecast of \$1M savings in expenditure had improved to a potential \$2M saving (plus/minus \$500,000). During the last financial year the Executive and Leadership Team worked hard to achieve substantial savings, and to allow funds to be moved into key areas. Those savings were a fundamental part of the LTP financial assumptions and were on track. It is not something that needs to be adjusted, but is an indicator. \$1M on projected expenditure on debt of \$7M is a small buffer it was noted, and Mrs Hawkins encouraged Council to think of it that way, as it provided options going forward.

In addition, there had been some big variations in the market portfolio during the year – both up and down. Currently the portfolio was \$3M above where it started out. Those gains were not consolidated however, and could not be relied on at this time.

The Chairman noted that even with the efficiency gain of \$2M, the organisation was still operating in deficit. Cr McDonald noted that good discipline was being shown, and noted during the submission process there had been strong support for regional leadership and community resilience, not just opposition to the rate increase.

Cr McPhail noted that despite Council being comfortable moving into debt, if it was in a financially better position than was being anticipated, the rate increase should be reconsidered.

Cr Baird noted he had delved into the numbers in recent days and felt that Council was in something of a dilemma – central government had provided Council with money ahead of time to spend on projects – shovel ready, jobs for nature, replacing a pump – all involving significant sums. This would result in Council reporting a surplus of \$7M at the same time as Council it was asking for a rate increase of 20%. He asked if the shovel ready money could be used to assist the loss of income. Also, given the improvement in the financial position, he was of the view that Council would be at a break-even position, which could result in less debt being taken on. The Chairman reminded the meeting that the shovel ready funding was specific, and allocated, and could not be spent on anything else.

Cr Ludlow noted that she was taking a 10-year view, and if Council did go ahead with a 20% increase now, it was beholden to the 5% in the forthcoming year. However, If there was an unexpected and improved performance this year it would enable Council to keep to the promised 5% in the coming years.

Following these initial discussions, it was agreed to work through the individual submissions and consider all matters raised, except the rate increase at this time.

**Submission 31 – Doug Fraser and Submission 48 – Federated Farmers:** Noted these raise issues in common, so would be considered jointly at this time.

Mrs Hawkins noted that there had been an error in the staff response contained in the report, where reference was made to the “general rate” as opposed to “total rate”. She noted that Mr Fraser calculated correctly using the term general rate, but noted that the information provided throughout the workshops was based on the total rate. The total rate was 20%, the UAGC was 20%.

The meeting discussed the rating tools available to Council – CV, LV and UAGC, and also noted it had spent considerable time looking at the impacts of various options of the different rates, and the impacts of changing valuations during a number of workshops. Graphs showing “Analysis of Total General rates paid per sector where UAGC is at proposed LTP” were once again revisited. The discussions from the workshop meeting on 7 February 2021 were recalled, including the sample properties that were considered.

Cr Guyton noted that some suggested changes could be considered to be favouring the farming community but Chairman Horrell noted Councillors had undertaken an oath to work for the best of Southland. He felt that it had been useful to be reminded of the information that had been presented. The meeting was reminded that it had considered this information at a workshop in February and then reconsidered the information in light of changed valuations in Invercargill and reviewed the impacts and what options could be taken. There had been lengthy discussions, and significant time had been spent focused on how the UAGC affected all members of the community.

The meeting agreed that Mr Fraser should be thanked for pointing out the error that has been identified, via the discussion about the general/total rate. It was further agreed that as a decision had yet to be made on rating, the generic recommendation in this and remaining submissions should be amended to not state what the Council was doing with regard to rates, but to note the submissions made.

***Resolved:***

**Moved Cr McPhail, seconded Cr Baird, that Council thank Mr Fraser for his submission and identifying the error re the general/total rate, and adopt the staff recommendation, minus reference to the proposed rate increase at this time.**

**Carried**

**Submission 41 – Jenny Campbell:** The meeting agreed to provide a general response to Ms Campbell – thanking her for her continued interest and involvement in various workstreams of Council, which is appreciated. To also acknowledge the time and effort put in to her submission, which was appreciated.

***Resolved:***

**Moved Cr McCallum, seconded Cr Ludlow, that Council amend the staff recommendation and respond as discussed.**

**Carried**

**Submission 32 – Murihiku Kai Collective:** At the conclusion of the hearing of submissions, Council had asked what the support “in kind” could be provided and what impact this may have on budgets. Staff advised that at this time it was difficult to identify what that may look like, but that they would be aiming to ensure that any support fitted into the communications, climate resilience and EMS work programmes and budgets so that there was no requirement for additional budget. It was noted that EnviroSchools may be able to provide some support here as well. Questions were posed as to whether there was governance involvement being sought, and this is to be clarified with the submitter, and would be reported back to Council if this was required.

***Resolved:***

**Moved Cr Ludlow, seconded Cr Roy, that Council adopt the staff recommendation.**

**Carried**

**Submitter 26 – Water Safety NZ:** Cr Esler noted the discussion on the Maori drowning figures, which in this region he noted were zero, and thus the submission was slightly

patronising. Maori do not appear to have an issue with drowning in Southland, and perhaps the response should be factored on a needs base, not race base.

Cr Cook noted one or two submissions had been outside the purview of Council and that should be noted. It appeared they had also been presented, generically, across the country.

***Resolved:***

**Moved Cr Ludlow, seconded Cr Cook, that Council note the submission.**

**Carried**

**Submitter 16 – Mamaku Point Conservation Reserve:** Rachael Millar updated the meeting on funding being provided via the Environmental Enhancement Fund – noting that over various programmes sums in the order of \$180,000 over the period of the current LTP had been granted. Going forward an improved approach was to be developed whereby the funding would be contestable, and staff were working on some revised criteria for the fund which will be submitted for consideration by Council. The sums available have increased, given the central government funding – from the current \$180,000 over three years, to \$100,000 p.a., and possibly more once contracts with MfE are signed.

Cr McCallum noted the need for larger applications to be considered by Council. He also felt that some applications needed to be more connected – e.g. Stewart Island.

Chairman Horrell felt that the approach going forward would be helpful – particularly for things such as the beach clean-up, etc.

Cr Esler felt the submitter needed to be congratulated on their plan, and his close working relationship with other projects on the Island.

Cr Cook felt that the proposed new funding approach would allow a more structured approach to be taken by Council, and ensure the best benefit was obtained for the sums involved.

The meeting agreed that the recommendation be amended to include congratulations to the submitter, and also to outline the new approach that is being developed.

***Resolved:***

**Moved Cr Cook, seconded Cr McCallum, that Council note the submission and provide feedback as outlined in the discussions today.**

**Carried**

**Submitter 40 – New River Estuary:** Noted there is an ongoing relationship with ICC in regard to New River Estuary. Cr McCallum was concerned that the public was not aware of the work that was occurring in this regard. He also felt it was important that there was co-ordination between all the parties to ensure the right work was occurring.

Cr McDonald suggested that “discussions” in the draft response did not convey the right message, but Mrs Falconer noted it represented the current situation. Mrs Millar noted that ICC requested their staff to report back at the time of the next annual plan, as to how things were advancing, and Council’s recommendation could provide for that to.

It was also noted further information on monitoring had been sought. There will also be another workshop relating specifically to the monitoring and the landfill. At that time Cr Esler may wish to make his presentation on the history. This will also be the time when consideration can be given as to how to involve ICC in these matters.

***Resolved:***

**Moved Cr Baird, seconded Cr McCallum, that the staff recommendation be adopted.**

**Carried**

**Submitter 34 – Christine Henderson:** With regard to the SNA surveys, Cr McDonald felt that this related to the Council’s goals around regional leadership and that this was a first step to look at as Council moved forward to work together with others.

In further considering the written response, it was agreed to amend the staff commentary by noting the support for Option 1 of regional rating and to remove the balance of that paragraph, as it contained opinion.

***Resolved:***

**Moved Cr Cook, seconded Cr McCallum, that Council note the submission and support for Option 1.**

**Carried**

**Submitter 14 – Stewart Island/Rakiura Community Trust:**

***Resolved:***

**Moved Cr Cook, seconded Cr Ludlow, that Council adopt the staff recommendation.**

**Carried**

**Submitter 12 – Fiordland Marine Guardians:**

***Resolved:***

**Moved Cr Cook, seconded Cr Stevens, that Council adopt the staff recommendation.**

**Carried**

**Submitter 47 – Wendy Joy Baker:** The information Ms Baker sought re air quality matters is to be provided to her. The meeting was also advised that the sample provided by Ms Baker had been provided to staff for testing.

Cr Baird noted the spending that was to occur on air quality matters over the life of the plan and how it fluctuates. He asked if Council did have a focus on these matters? Chairman Horrell advised that the messaging from central government was that the PM10 measure was to move to PM2.5, but as this had yet to occur, it was creating something of a state of flux.

Cr Cook noted that a consideration of the whole province was out of scope and out of resources as well. It was noted that most of the direct discharges have monitoring associated with them. The air quality work has a more general focus across the community.

Cr McDonald felt that this was going to be an emerging problem going forward, and Council needed to be aware of that. Cr Ludlow felt the resources were not available for the current work, let alone any changes to the NESAQ and was concerned that Council may not be able to fund the further work that will be required.

[Cr Ludlow left the meeting at this time – 10.17 am]

Chairman Horrell noted that there was information and education that can be provided, but that it was also clear some houses were not complying, and it may require follow-up work. He agreed the loan approach was less relevant currently with the low interest rates that were available commercially. He suggested this was more a discussion for a future workshop than today's meeting, however.

The meeting also briefly discussed the use of acronyms and agreed they are to be minimised in any responses that are sent out.

***Resolved:***

**Moved Cr McDonald, seconded Cr McCallum, that the amended staff recommendation be adopted.**

**Carried**



**Submitter 25 – Invercargill City Council:** The meeting discussed the Bluff Boat Ramp proposal – it was noted that the total contribution of Council was \$400,000. A small amount of \$200,000 had been provided for the wash-down. The ES contribution was only one part of the slipway, and that a significant part of this work was still to be done. Options for taking the project forward would be provided and to come back with proposals will be provided in the future. Chairman Horrell noted that Dunedin did not have a suitable facility either and this may be something to be investigated further.

With regard to the submission in relation to consent fees rising, Cr Cook noted that the increases proposed related to those applications that are likely to proceed to hearing and perhaps this needed to be made clearer to the submitter. Mrs Hawkins advised that this was a deposit towards the total cost, which can be significantly higher. However, ultimately if the costs do not exceed the deposit, the difference is refunded to applicants.

***Resolved:***

**Moved Cr McCallum, seconded Cr Cook, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 23 – Southland District Health Board:**

***Resolved:***

**Moved Cr Roy, seconded Cr Stevens, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 33 – RSPCA:**

***Resolved:***

**Moved Cr Roy, seconded Cr Cook, that the staff recommendation be adopted.**

**Carried**

**Submitter 45 – R Hodgkinson:**

***Resolved:***

**Moved Cr Cook, seconded Cr Baird, that the staff recommendation be adopted.**

**Carried**

**Submitter 36 – Forest and Bird:** Cr McCallum noted that the work on climate change was now part of the day-to-day activity of Council, and that all Councils will be working on these matters, not just one. Noted that the levels of service in the LTP are being updated also.

***Resolved:***

**Moved Cr McPhail, seconded Cr Cook, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 48 – Federated Farmers:** At this time the meeting addressed the additional matters not covered under Mr Fraser’s submission which was discussed at the outset of the deliberations.

Cr Baird felt that the supporting information for the LTP consultation process could have been more readily found on the website than it was – he had found difficulties himself at times. He also noted that some of the reports had been truncated rather than being available in full.

Cr Roy noted the suggestion ECan reduced its proposed rate increase to 14%. He understood that this was because they were funding a significant part of its operational work from debt. This was clearly an approach that this Council did not support. However, Mrs Falconer reminded members that Council would indeed be funding operational work from debt for the next five years. The matters that were being consulted on included the level of debt and the length of that debt.

The meeting recalled that the Financial Strategy agreed to by Council was that Council will pay with everyday costs from everyday income, but that this was the approach it was endeavouring to get to, with the proposed rate increase being a step in that direction.

Cr McDonald noted Federated Farmers provided solutions to their concerns – e.g. cut coastal work altogether; or secondly to spread the debt over a longer period of time, which carries significant risk for the organisation. These options had been discussed at length at workshops. Council was reluctant to leave such a legacy of debt. Further Council has legal obligations to undertake work in the coastal area.

***Resolved:***

**Moved Cr Cook, seconded Cr Stevens, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 38 – Oreti Catchment Liaison Group:** Noted that regardless of the concerns raised by the submitter, the Invercargill airport was part of the Oreti FMU – they are linked together because they have a common discharge at the New River Estuary. They cannot be separated out and be isolated.

The point that resonated was that the airport is a Southland asset, that benefits all. Perhaps the difference will be in the management of v the capital asset cost. Mrs Falconer noted that a discussion was to be had as to how this would be funded. Council will be discussing that funding going forward.

Noted the separate consultation that has occurred over the use of lease land surpluses. The meeting agreed to remove reference to the leasehold reserve and reference more general funding from appropriate reserves.

***Resolved:***

**Moved Cr Roy, seconded Cr McCallum, that the amended staff recommendation be adopted.**

**Carried**

*[Adjournment 10.41 am to 11.01 am]*

**Submitter 1 – Hollyford Conservation Trust:** Noted this submitter will be put through the new process for grant funding that is being developed.

***Resolved:***

**Moved Cr Cook, seconded Cr Stevens, that the staff recommendation be adopted.**

**Carried**

**Submitter 2 – Nick-Round Turner:** Noted.

***Resolved:***

**Moved Cr Roy, seconded Cr Cook, that the staff recommendation be adopted.**

**Carried**

**Submitter 3 – Thomas Dean:** The submission was noted, and the fact that options are still being discussed. To remove the “opinion” sections from the staff recommendation.

***Resolved:***

**Moved Cr Roy, seconded Cr Stevens, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 4 – NZ Farm Environment Trust:**

***Resolved:***

**Moved Cr Cook, seconded Cr Ludlow that the staff recommendation be adopted, and Council note the submission.**

**Carried**

**Submitter 5 – S A Osborne:**

***Resolved:***

**Moved Cr Cook, seconded Cr McPhail, that the staff recommendation be adopted.**

**Carried**

**Submitter 6 – Wade Devine:** Council noted a significant part of the regional resilience work is the shovel ready projects. The confusion/misunderstanding in the community's mind that "Regional Leadership" was all Councillor funding, was noted. It was agreed that greater clarity needed to be provided around this to remove that misconception.

***Resolved:***

**Moved Cr Roy, seconded Cr McPhail, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 7 – Kieran Turner:** The meeting noted the submitter's concerns re salary information for staff, and believed there was sufficient transparency provided in the publication of wage bands.

***Resolved:***

**Moved Cr McPhail, seconded Cr McDonald, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 8 – Tim (no surname):**

***Resolved:***

**Moved Cr Cook, seconded Cr Roy, that the amended staff recommendation be adopted and the submission noted.**

**Carried**

**Submitter 9 – Aparima Catchment Liaison Committee:**

***Resolved:***

**Moved Cr McPhail, seconded Cr McCallum, that the staff recommendation be adopted.**

**Carried**

**Submitter 10 – Alistair McKenzie:** The meeting noted the commentary from the submitter – particularly in relation to vehicles, and there was agreement that there was a need for Council to ensure it was being economical with its vehicle use. Chairman Horrell also noted that Council was investigating the option of hybrids and was looking closely at its fleet to ensure it was fit for purpose. The staff recommendation was to be updated to reflect this.

***Resolved:***

**Moved Cr Cook, seconded Cr Ludlow, that the staff recommendation be amended and adopted.**

**Carried**

**Submitter 11 – Mataura Catchment Liaison Committee:** The submission requested an additional staff member be added to the team, but staff felt there was a need to review the programme of work before such decisions could be taken. At this time it was unclear whether an additional staff member sought could be funded through the shovel ready. It was agreed that the catchment division should review its requirements over the next 12-month period and reconsider this request at that time. If the catchment needs to fund a further FTE, it would require significant additional increase in funding from this area, which would then need to be considered at the Liaison Committee's annual meeting.

Noted there needs to be clarification around who owns what flood banks – many are privately owned in this area, and this aspect also impacts on whether there is a need for another staff member.

Cr McPhail noted there had been concerns about the minutes of the AGM of this group, which were being looked into. He also noted the Committee was wishing to spend more money in its area.

Clarity around the true cost of an additional person will be required going forward, as it was noted a vehicle would need to be funded.

***Resolved:***

**Moved Cr McPhail, seconded Cr McCallum, that Council note the submission and endorse the Mataura Catchment Liaison Committee accessing an additional \$50,000 for the 2021/22 year from its operating reserves.**

**Carried**

**Submitter 13 – Dave O'Connor:**

***Resolved:***

**Moved Cr Cook, seconded Cr McPhail, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 15 – Native Forest Restoration:**

***Resolved:***

**Moved Cr Cook, seconded Cr Stevens, that the staff recommendation be adopted.**

**Carried**

**Submitter 17 – John Johnstone:** In considering this submission, the general feeling of the meeting was expressed that it would be helpful if submitters gave their reasoning behind their submissions to show they have done some analysis. It would assist Councillors to have that understanding.

***Resolved:***

**Moved Cr Cook, seconded Cr Esler, that the staff recommendation be adopted.**

**Carried**

**Submitter 18 – Katie Jones:** Cr McCallum noted the comment about “blaming COVID” for everything. He agreed the sentiment being expressed, but it was noted that within the context of the LTP the reference to COVID and its impacts related to the impact of the loss of the marine fee from cruise ships. It was agreed this should be added to the response provided.

**Resolved:**

**Moved Cr Roy, seconded Cr Baird, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 19 – Alistair Calvert:** The meeting appreciated the feedback on all aspects that were out for consultation. The submitter is to be thanked, and the submission is to be noted.

**Resolved:**

**Moved Cr McPhail, seconded Cr Baird, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 20 – R Hodgson:**

**Resolved:**

**Moved Cr McCallum, seconded Cr Roy, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 21 – Predator Free Southland Governance Group:** Staff advised they had further feedback to provide on this matter, advising that the Executive suggested funding of \$106,000 pa for the next three years be provided, to allow Council to demonstrate a level of commitment for the project going forward. Noted funding is being sought from large charitable organisations, etc, who will be looking to see that the project has a longer term commitment made to it. Funding for this would come from the Council’s biosecurity reserve.

Cr Guyton asked where Council would be left if the wider funding being sought was not achieved and was advised that the project would be able to be sustained, but not expanded as intended, should that occur.

In response to questions of clarification from Cr Baird, staff advised that Council currently funds a Project Manager for this project. That person was building a team to undertake the work. This is a Predator Free initiative, which is a national organisation, looking to work with regions that will support it. Council received a presentation on this some months ago by the Biosecurity and Biodiversity team – which had explained that the work was occurring from Bluff up. It is gaining “significant legs” around the country. The ES funding will be used to leverage further funding.

Mrs Hawkins noted the Shovel Ready projects have a 3:1 leverage. This project has much higher leverage with the \$106,000 net amount, plus a small sum coming from ICC, staff were attracting other funding, other parties were contributing, and the Government will be making a significant contribution to it as well. This work also links to the SNA work – about turning biodiversity into an asset.

Cr McDonald noted part of the Rakiura Predator Free, part of their area is Bluff, because that is a landing point. He also posed questions about whether or not the Southland District Council were involved in this project, which was to be clarified.

***Resolved:***

**Moved Cr Stevens, seconded Cr Cook, that Council note the submission and agree to commit funding of \$106,000 per annum for the next three years, to this project.**

**Carried**

[Cr Ludlow returned to the meeting at this time – 11.33 am]

**Submitter 22 – C Shaw:** Submitter to be provided with comment that his submission was read and considered. To add in other discussion points from the day as well.

***Resolved:***

**Moved Cr Roy, seconded Cr Cook, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 22A – ES Staff Submission:**

***Resolved:***

**Moved Cr McCallum, seconded Cr Roy, that the staff recommendation be adopted.**

**Carried**



**Submitter 24 – Carl McCrostie:**

***Resolved:***

**Moved Cr Cook, seconded Cr McPhail, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 27 – Real Journeys Ltd:** Cr Cook updated the meeting on the contribution ES has previously made in Fiordland and around the south coast with regards to the weather station and communication equipment. It was noted that ES is not the sole funder, but contributes to marine safety in this way.

Noted there is a risk to marine activities around Fiordland and the South Coast if there is not a good radio network. One repeater is planned and an upgrade is required of the repeater at Puysegur Point. Noted maintenance involves helicopter flights in and out, and if the weather is bad it can take two flights.

Cr McCallum noted that whilst historically this work was going to be funded from the marine fee, the work would continue. Noted this was included in the commentary, together with the fact that funding was also continuing to be provided for the Milford Harbour Control.

It was agreed that the VHF service was important and valued, and Council wished to see it continue.

***Resolved:***

**Moved Cr McCallum, seconded Cr McPhail, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 28 – J Bray:**

***Resolved:***

**Moved Cr Cook, seconded Cr McCallum, that the staff recommendation be adopted.**

**Carried**

**Submitter 29 – Cr Roy** was reluctant to accept a submission without a name. It was noted that contact details had been provided which would enable a response to be provided to the submitter.

***Resolved:***

**Moved Cr Esler, seconded Chairman Horrell, that the amended staff recommendation be adopted.**

**Carried**

Councillors sought clarification around whether or not submitters must provide their names/contact details before the submission is received and provided weight.

**Submitter 30 – Otago Rescue Helicopter Trust:**

***Resolved:***

**Moved Cr Cook, seconded Cr Baird, that the staff recommendation be adopted.**

**Carried**

**Submitter 35 – Andrew Gunn:**

***Resolved:***

**Moved Cr Roy, seconded Cr Ludlow, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 37 – Sarah Thorne:**

***Resolved:***

**Moved Cr Cook, seconded Cr Ludlow, that the amended staff recommendation be adopted.**

**Carried**

**Submitter 39 – Heritage New Zealand:**

***Resolved:***

**Moved Cr Ludlow, seconded Cr Cook, that the staff recommendation be adopted.**

**Carried**

**Submitter 42 – S D Payne:**

***Resolved:***

Moved Cr Cook, seconded Cr Stevens, that the amended staff recommendation be adopted.

**Carried**

**Submitter 43 – Andy Booth:**

***Resolved:***

Moved Cr Roy, seconded Cr Baird, that the amended staff recommendation be adopted.

**Carried**

**Submitter 44 – Milford Sound Tourism Ltd:** Noted this work had previously been funded from the Marine Fee, but Council is now having to fund it in other ways.

***Resolved:***

Moved Cr Ludlow, seconded Cr McPhail, that the amended staff recommendation be adopted.

**Carried**

**Submitter 46 – R L Johnston:**

***Resolved:***

Moved Cr Cook, seconded Cr McDonald, that the amended staff recommendation be adopted.

**Carried**

**Submitter 49 – A Deaker:**

***Resolved:***

Moved Cr McCallum, seconded Cr Guyton, that the amended staff recommendation be adopted.

**Carried**

The meeting then returned to consider the staff recommendations accompanying the report today, in particular the key options that were consulted on.

**Key Issue 1 – Rates:** Ms Millar noted the graph displayed showed responses to the two key issues. 56% of people did not comment on the different options that were being consulted on, and the remainder were shown in the breakdown. Mr Swinney advised that those submitters who suggested alternative options to the rating were listed under “other”. Where the submission did not make any comment at all about rates, they were part of the 56%. Option 1 – 10 submissions; Option 2 – 7; Other – 5; and 29 who were silent. Did not count the ES staff submission.

Cr Cook advised he had expected a stronger response from submitters around the rates increase proposed, but also noted he would have valued reasoned, logical explanations for the preferences put forward. Just saying “I don’t want any rate increases” was not helpful. Council had spent hours considering the information and developing the information for consultation. He felt Council needed to make a logical decision based on the facts in front of them. Submissions would have carried more weight if they had supporting information with them (some of which had). He did not see any barrier to Council arriving at a decision today.

Chairman Horrell agreed he had been expecting a stronger response to the proposals. He was still supportive of the 20% proposal (or very slightly below it).

Cr Ludlow advised based on the submissions, she felt quite strongly that people who do submit feel often notice is not taken of their views. However, she wanted a clear message provided that Councillors do consider each and every submission. The information provided had allowed Council to go in with their eyes open, and be as fully informed as it could be. However, she had not been swayed by the submissions received, to find a middle ground.

Cr Baird noted he was previously the Chair of Federated Farmers and knows who that organisation represents. He is aware an Executive of 10 people providing voice to the one submission. Submissions lodged by them and also for the likes of Forest and Bird, perhaps should carry more weight than submissions lodged by one individual – he asked are they the same? Cr Baird felt that the impact of the rate rise would hit those in the farming sector much higher than Forest & Bird members. Pro forma submissions do have more than one voice behind them. He favoured a 16% rate increase and felt there was a need to consider how to fund other capital costs such as shovel ready and Regional Software Holdings Ltd (RSHL).

Cr Baird discussed the loss of cruise ship revenue and the impact on the balance sheet over the 10 year life of the LTP. He felt this loss should be funded more by the community equally and suggested increasing the UAGC from 22% to 25% - to be reviewed at the end of three years once it is known where the marine fee funding is at.

At this stage a motion was proposed to allow discussion to occur:

***Motion:***

**Moved Cr McCallum, seconded Cr Cook, that Council adopt total rates option 1 (average 20% rate increase in year 1) for its rates increase proposal for the 2021-2031 Long-term Plan.**

Cr McPhail advised he was uncomfortable with this approach, and supported Cr Baird's views in regards to numbers of submitters. Time would tell regarding the financial situation of the organisation. He felt there would be a turn for the better, and thus he would prefer a 12% rather than 16% rate increase. He was concerned at the compounding effect. Ultimately he would be prepared to support a 16% increase, taking all matters in mind.

Cr McDonald asked if there was an option to look at Cr Baird's views. He was concerned about the impacts of COVID, and felt there was a need to retain flexibility – keep the buffer and then going forward to use the UAGC to make further amendments if needed.

Chairman Horrell was the concerned that Council should adhere to the pledge inherent in option 1 of next year the rate increase being 5%. He noted this would be difficult to achieve even with a 20% increase this year, but felt this should be the intention. He noted that Council had been clear this was a re-set, and going too far the other way was a concern. If there are improvements in the balance sheet, that will help that situation.

Cr Guyton was concerned about the direction being taken. He noted the workshops held on these matters, where the issues had been discussed clearly. He noted the submissions received were not large in number, and the fact there had not been an outcry from the population, he felt, was telling. There was nothing in the submissions that indicated a need to change tack. There had been a fight-back lead by Federated Farmers, which he acknowledged, and was concerned that Council was being somewhat de-railed. It was important to hold to the position agreed. He supported the 20%, followed by the proposed 5% increases.

Cr Stevens agreed with the points raised by Crs Baird and McPhail, and felt there was a major issue with the UAGC. The focus needed to be on the costs, not on the percentages, and he felt that in dollar terms the imposition was quite unfair on parts of the community. He also noted there was no clear indication for 16% increase. He would prefer 16%.

Cr Roy commented there were three bills he hated paying, and one was rates. But he noted Council had done "17 hard days" working out what was needed. He had received feedback from only one person asking what the proposed 20% rate increase was for and he had provided a response. The fact only 50 submissions received was significant. There was no outcry against the 20%.

With regard to collective v individual claims, he noted there was also the substance in the submissions. He was somewhat disappointed with the accuracy of claims made. Cr Roy advised he supported a 20% increase, but noted he would be holding to the 5% next year.

In response to question from Cr Baird, Mrs Hawkins referred to the 10-year financial strategy. A 16% option which was proposed v 20% - at the end of 10 years the difference of reserves and resilience was \$9.5M. The focus was on peak debt and how long it would take to pay off – there was a three year difference in repayment.

Mrs Hawkins worked through the financial information briefly, noting the financial statements were more complicated to write because of the shovel ready and Jobs for Nature (J4N) projects. She believed Council would come into the period in a stronger position with the 20% increase proposed.

Mrs Falconer reminded the meeting the focus was not only on the loss of income but also on the additional work that was required. The budgets had been required to increase to meet some of the known matters coming to Council from central government and the need to do further work; plus update IT systems and bring them up-to-date to provide a better experience and bring about efficiencies. Since the budget conversations, which had focused on the National Policy Statement – Freshwater Management (NPSFM), there was now much more work coming at Council – the Resource Management Act (RMA) reforms, the National Policy Statement for Indigenous Biodiversity (NPSIB), the National Policy Statement for Air – all of which were yet to be scoped. The work programme was expanding and not decreasing. There was a need for Council to be able to budget with what is known, and provide certainty for income to pay for everyday expenses. That conversation was basis for request for additional funding; and based on capacity for the organisation to create efficiencies. The \$2M efficiency that had been achieved had been factored into the calculations from the outset and still required the 20% rate increase.

Cr McPhail commented that with regards to reserves that are building, yet with signing up to the Local Government Funding Authority (LGFA) there was an ability to get funding tomorrow if required. He suggested the rebuilding of the reserves was not required, and was in effect, a doubling-up.

Cr Ludlow noted her webinar with the OAG recently where one of the learnings had been “would I spend this money if it was my own home budget”. She was also aware of the compounding cost to ratepayers.

Cr Ludlow reminded the meeting that a large proportion of submissions were requests for funding. People are coming to ES for assistance on the one hand, and wanting us to do more within our own work programmes and give them funding assistance, and also not increase their rates. That doesn't all fit together. This was all compounding the organisation's risk. A 5-10 year over-view was required to ensure Council meets the challenges coming at it (i.e. it did not see COVID coming), it would be remiss to not make sure there was funding available. Therefore, she advised, she would “spend that money if it was her own” to ensure she was able to have a resilient family. Cr Ludlow advised she supported the 20% increase – acknowledging the risks that are being faced by all (including those who have difficulty paying rates), as the most sensible option.

Chairman Horrell commented he would never have ever anticipated he would support a 20% rise in rates. He noted the difficult times, the negative aspects of taking a 16%

increase and increasing borrowing for matters that were not inter-generational; and was concerned about the legacy this Council would leave. He felt it was time for leadership to be shown. The motion was then put to the meeting and a show of hands was called for on the vote.

**Carried**

**[Crs Stevens, McPhail and Baird voted against]**

**Waituna:** Noted submissions received. In speaking to this proposal Cr McCallum noted that whilst there had been some in opposition, largely the community feedback had been in favour of the per hectare option.

**Resolved:**

**Moved Cr Cook, seconded Cr McCallum, that Council adopt Waituna Creek rate option 1 for the 2021-2031 Long-term Plan.**

**Carried**

**Resolved:**

**Moved Cr Ludlow, seconded Cr Guyton, that Council notes the submissions and:**

**(a) having considered the submissions and informal feedback received on the 2021-2031 Long-term Plan Consultation Document “*To tautou haerenga – Our Journey*” and the following supporting documents:**

- Levels of Service;
- Significance and Engagement Policy;
- Infrastructure Strategy;
- Revenue and Financing Policy;
- Fees and Charges Schedule 2021/22;
- Rates Remission and Postponement Policy (including for Maori freehold land); and
- Proposal to join New Zealand Local Funding Organisation (LGFA).

**(b) adopt the staff recommendations as amended during the discussions and meeting today;**

**(c) instruct staff to prepare the final 2021-2031 Long-term Plan and supporting documents in a way that reflects the decisions that Council has made in relation to the submissions received and staff recommendations in the report;**

- (d) note that the final 2021-2031 Long-term Plan will be presented (along with the audit report) for adoption at the scheduled Extraordinary meeting of Council on 30 July 2021;
- (e) note that any amended supporting documents will be presented for adoption at the scheduled Extraordinary Meeting of Council on 30 July 2021.

Advise submitters in writing of the Council's decisions on their submissions'/views and of the reasons for the decisions following the Extraordinary Meeting of Council on 30 July 2021, when the relevant documents are to be considered and adopted.

Carried

<b>Termination</b>
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There being no further business, the meeting closed at 12.30 pm.