

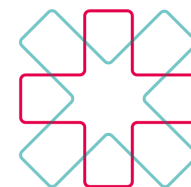


Environment Southland Business Plan

Governance Report

November 2023

Commercial in Confidence



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Preface

This report has been prepared for Environment Southland by Jo Perry and Kevin Jenkins from MartinJenkins (Martin, Jenkins & Associates Ltd).

For 30 years MartinJenkins has been a trusted adviser to clients in the government, private, and non-profit sectors in Aotearoa New Zealand and internationally. Our services include organisational performance, employment relations, financial and economic analysis, economic development, research and evaluation, data analytics, engagement, and public policy and regulatory systems.

We are recognised as experts in the business of government. We have worked for a wide range of public-sector organisations from both central and local government, and we also advise business and non-profit clients on engaging with government.

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Introduction

Environment Southland is responsible for the sustainable management of Southland's natural resources - land, water, air and coast - in partnership with the community.

Environment Southland operates in a highly complex environment and manages a wide range of obligations, partners and stakeholders.

A draft business plan has been developed to support Environment Southland to understand what work is being undertaken in the organisation, test whether this is aligned to the strategic direction of the organisation and understand how costs and resourcing may grow over time.

The business plan establishes the current programme of work that Environment Southland is expected to deliver in the current year (2022/23) and how costs and resourcing are allocated to these programmes.

It also projects how resources are used in the future as some programmes of work finish and new programmes start. It provides a view of

where growth in resourcing and costs may be required across the organisation.

The business plan has been developed in conjunction with the General Managers of Environment Southland. To support the connection of the business plan to the Environment Southland strategy, we have had several workshops with the Executive team to understand what activities are aligned with the strategic priorities of the organisation and to understand its regulatory obligations.

The draft business plan focusses on the core operating costs for Environment Southland – internal resourcing, contractors and external operating costs. We have worked with the General Managers to identify 66 current and future work programmes that will require cost and resources to be allocated over the next five years.

The business plan does not include any allocation of overheads to programmes.

The following draft business plan sets out the forecast costs for internal resourcing, contractors and external operating costs over the next three years under a zero-growth scenario (ie, no additional resourcing or significant increases in costs).

The draft business plan sets out a high-level overview of the work programme, including identifying the core areas of activities with the highest allocation of costs and the cross-organisational projects that are drawing widely on resources.

It provides a summary of the top 20 programmes of work which account for approximately three quarters of all programme costs in the current year.

It also provides breakdown of all the programmes of work by portfolio.

In addition, the business plan outlines where additional growth in resourcing and costs have been signalled across the organisation.



Overview of work plan

Environment Southland has a complex range of obligations concerned with environmental resource management, flood control, air and water quality and quantity, pest control, and coast and marine operations.

New or expanded programmes of work are currently required to respond to new obligations created by government policy. These will need to be supported by resources from across the organisations.

The organisation will also need to continue with its regular programmes of work to meet its ongoing obligations.

To manage these new obligations and meet ongoing expectations, some work will need to be stopped, phased or delayed.

The council executive team has identified areas of work that need to be prioritised (imperatives). The following section outlines the key programmes of work included in 5-year business plan and how they are aligned to the council's imperatives.

We manage flood risk

Catchment operations and river management

River management and flood protection schemes are why many New Zealanders do not face the full consequences of damaging flood events; the most frequent natural hazard experienced in Aotearoa New Zealand.

Environment Southland is engaged in projects to help ensure vulnerable towns in the region are more resilient for the future. In Waihōpai Invercargill and the Matura catchment, we are working on projects to bolster flood protection in response to a changing climate. These projects will build greater resiliency in the face of climate change for our communities and critical infrastructure.

The catchment operations programme includes drainage schemes, Catchment Liaison Committee support, maintenance programme, and climate resilience capital works.

The river works programme includes flood protection scheme reviews, flood plain management and master plan development.

Emergency Management Southland

In conjunction with the three other councils, Emergency Management Southland is responsible for the delivery of and preparation for Civil Defence and Emergency Management responses throughout this region. Emergency Management Southland is responsible for the 24/7 operation of the Emergency Coordination Centre which facilitates planning and operational activity before and during an event.

Flood warning and hydrology programme

This programme encompasses monitoring of climate, rainfall, water levels and river flows across the region. This monitoring programme improves understanding of the region's water resources, informing predicative modelling to inform stakeholders of flood peak timing and magnitude at strategic locations. The information is made available through dial up services, the council's website and via media. It also supports real time decision making for Emergency Services and other stakeholders.

Hazard advice and planning

We provide advice on natural hazard risks to our communities, local developers and the other three Councils. This is primarily provided on a



case-by-case, property-specific basis in response to enquiries and to inform the regional plans including the Regional Policy Statement and District Plans.

We achieve freshwater outcomes

Plan Change Tuatahi

The proposed Southland Water and Land Plan needs to be amended to include additional freshwater objectives, outcomes and limits, and targets developed through a community and council process. It must also include policies and methods to achieve those limits, in accordance with the NPS-FM.

This programme is drawing on resources from across the organisation including material contributions from:

- Regional planning
- Catchment integration
- Consents
- Community engagement
- Science strategy and investigations
- Strategy and partnerships

Environment Southland has committed to a public consultation throughout the development

of the plan through 2023/24 before it is finalised at the end of 2024.

Catchment integration

Integrated catchment management is an approach that involves communities and staff working together in river catchments, to achieve the best outcomes for the environment.

This programme includes:

- implementation work for the proposed Southland Water and Land Plan, Plan Change Tuatahi and NPS IB
- land management advice and support
- catchment coordination, facilitation and planning
- education programmes
- pollution prevention and contaminated sites

Freshwater farm plans

Establishing a certified freshwater farm plan system is part of the Essential Freshwater package introduced by the Government in 2020.

Freshwater farm plans are being phased in region-by-region. The rollout began on 1 August 2023 in Waikato and Southland. It's expected the full rollout will be completed by the end of 2025.

The proposed Southland Water and Land Plan has the region specific elements and requires farm plans.

This programme is drawing on resources from across the organisation including material contributions from:

- Catchment integration
- Resource management (compliance)
- Regional planning
- Community engagement

We understand what matters to our community, iwi and staff and have joined-up arrangements with partners

The stakeholder and partnership strategy programme is focussed on:

- Building, maintaining and monitoring Iwi Partnerships with Ngāi Tahu, TAMI, Rūnanga and Rūnaka; and
- Building, maintaining and monitoring stakeholder relationships at National, Regional and Community levels.

The Communications programmes is responsible for Environment Southland's communications strategy including strategic communications, managing digital and channel communications



and corporate communications. It also provide communications advice and support to other programmes. The communications programmes is expected to provide support to the Plan Change Tuatahi in years 1 and 2 of the business plan which will reduce its availability to support other major programmes in the short term.

Our monitoring enables us to meet our obligations

Water and land science programme

This programme includes existing science programmes such as freshwater ecosystem health, groundwater, soil and land, water management tools, cultural health and recreational waters.

The water and land science programmes prioritises its efforts to provide data and analysis in to inform water policy such as the current work on Plan Change Tuatahi.

Coast and marine science programme

This programme includes existing science programmes for coastal marine and estuarine environments such as sea level monitoring, mapping of marine ecosystems, estuary monitoring and reporting, new river estuary landfill leachate studies, and tidal river reviews.

Our regulations are fit for purpose

Government reform programme

The government reform programme responds to new obligations created by the Government. In particular, the programme is supporting the organisation in responding to the recently published National Policy Statement for Indigenous Biodiversity (NPS-IB) which provides direction to councils to protect, maintain and restore indigenous biodiversity requiring at least no further reduction nationally.

This programme is drawing on resources from across the organisation including material contributions from:

- Policy and government reform
- Biosecurity and biodiversity
- Science strategy and investigations
- Strategy and partnerships
- Corporate services

Coastal plan review

The review of the Regional Coastal Plan (RCP) has been underway for five years and is in its final stages. This will take a 'minimum viable' approach to ensure the work is complete as the RCP needs to be reviewed. There are pressures from wider demands on key resources to support

Plan Change Tuatahi and the Government Reform programme.

We understand the whole of region profile and risk

Spatial planning is a process of long-term strategy making and coordination. It involves identifying the big issues and opportunities facing a region, and developing a strategy to respond to them.

Regional spatial strategies will bring together a range of important factors – including land-use planning, environmental regulation, infrastructure provision and responses to climate change – that sit under different legislative functions. These include the Natural and Built Environment Act, Land Transport Management Act 2003 and Climate Change Response Act 2022.

The regional spatial strategy programme will need to set outcomes for how a particular area will grow, adapt and change over time, and how land, infrastructure and other resources will be used and integrated to promote wellbeing.



The way we work and the culture of the organisation is outcomes focussed

Corporate Services

Environment Southland's corporate services will continue to provide support to the organisation at its key stakeholders. In addition to its typical support, there are a number of key initiatives being undertaken in this area to improve the impact of Environment Southland and more towards a more outcomes focused method of planning.

These initiatives include:

- development of a customer strategy;
- reducing its own carbon impact;
- undertaking the IRIS next project; and
- the introduction of new software in support of Councillors.

Other core activities

Consents programme

Resource consents manage people or organisations that undertake activities that may have an effect on our environment.

All industries within Southland require a resource consent to discharge to air, water, coast and land. Types of consents include land use consents, discharge permits, water permits and coastal permits.

Compliance programme

When consents are issued, discharges are monitored to ensure compliance with consents and to minimise impacts on the environment. The Resource Management team is responsible for monitoring consents, investigating potential breaches and responding to incidents.

Biosecurity programme

Environment Southland is responsible for pest management within the Southland region. It

works with people to ensure pest plants and animals do not impact too severely on the values that give Southland a world class environment.

The biosecurity programme's work helps to protect New Zealand's economy and environment as well as people's social and cultural wellbeing and health from pests and diseases. It includes trying to prevent new pests and diseases from arriving, and controlling or eradicating those already present.

This programme includes pest plant and pest animal projects, pathway and management plans, Predator Free Southland, Southern Biosecurity Alliance and national alignment programmes, and government and partnership funding projects - excluding marine.



Top 20 programmes of work (no planned growth)

Figure 1: Top 20 programme of work for Environment Southland based on total cost (000s)

Programmes	Year 1 2024/25		Year 2 2025/26		Year 3 2026/27	
	External Costs	Internal Costs	External Costs	Internal Costs	External Costs	Internal Costs
River management	4,133	269	4,402	286	4,688	305
IT programme	2,183	1,118	2,390	1,852	2,621	2,677
Consent programme	1,376	1,604	1,465	1,730	1,560	1,842
Biosecurity programme	1,865	848	1,986	903	2,115	962
Compliance programme	1,065	1,499	1,134	1,663	1,208	1,771
Water and land science programme	1,441	1,118	1,534	1,191	1,634	1,269
Catchment operations programme	1,392	859	1,483	925	1,579	975
Catchment integration programme	568	1,227	378	1,307	402	1,392
Government Reform programme	692	815	737	891	785	949
People & Customer business as usual programme	494	808	526	861	560	917
Stakeholder and partnerships programme	940	234	1,001	249	1,066	265
Communications programme	489	668	521	754	555	803
Financial and staff contribution to Emergency Management Southland	122	952	130	1,013	139	1,079



Programmes	Year 1 2024/25		Year 2 2025/26		Year 3 2026/27	
	External Costs	Internal Costs	External Costs	Internal Costs	External Costs	Internal Costs
Finance programme	-	1,061	-	1,129	-	1,203
Plan Change Tuatahi (and ongoing implementation)	324	590	113	335	121	357
Science strategy and social science programme	227	542	242	557	257	615
Flood warning and hydrology programme	110	653	117	695	124	741
Coast and marine operations	386	324	411	391	438	416
Marine Biosecurity and Biodiversity	617	1	657	2	700	2
Regional Policy Statement	266	3338	284	384	302	409
Total top 20 programmes	18,633	15,646	19,450	17,231	20,791	19,056
Total all programmes	22,733	22,737	23,019	24,984	24,501	27,312



Work plan by portfolio (no planned growth)

Water and Land

The water and land portfolio comprises the following programmes:

- Catchment integration
- Water and land science programme
- Plan change Tuatahi and implementation
- Freshwater farm plan
- Wetlands programme (strategy, mapping and monitoring)
- Proposed Southland Water and Land Plan (appeals)

The table below summarises the forecast total budget for the water and land portfolio over the 3-year period.

Figure 2: Water and land portfolio forecast costs under no planned growth scenario (000s)

Programmes	Year 1		Year 2		Year 3	
	External Costs	Internal Costs	External Costs	Internal Costs	External Costs	Internal Costs
Total	2,368	3,502	2,126	3,454	2,294	3,679



Coast and Marine

The coast and marine portfolio comprises the following programmes:

- Coast and marine operations programme (including harbour management)
- Coast and marine science programme
- Coastal Plan review

The table below summarises the forecast total budget for the water and land portfolio over the 3-year period.

Figure 3: Coast and marine portfolio forecast costs under no planned growth scenario (000s)

Programmes	Year 1		Year 2		Year 3	
	External Costs	Internal Costs	External Costs	Internal Costs	External Costs	Internal Costs
Total	771	794	633	876	674	933



Community Resilience

The community resilience portfolio comprises the following programmes:

- River management
- Financial and staff contribution to Emergency Management Southland
- Flood warning and hydrology programme
- Hazard advice and information
- Climate adaption science and modelling
- Flood response (First)
- Community climate change awareness programme
- Inter-agency climate change strategy
- Funding review
- Capex projects project management

The table below summarises the forecast total budget for the water and land portfolio over the 3-year period.

Figure 4: Community resilience portfolio forecast costs under no planned growth scenario (000s)

Programmes	Year 1		Year 2		Year 3	
	External Costs	Internal Costs	External Costs	Internal Costs	External Costs	Internal Costs
Total	5,263	2,371	5,378	2,633	5,607	2,804



Biodiversity and biosecurity

The biodiversity and biosecurity portfolio comprises the following programmes:

- Consent programme
- Catchment operations programme
- Compliance programme
- Biosecurity programme
- Marine Biosecurity and Biodiversity
- Biodiversity programme
- Rabbit Control
- RPMP 2019 - Gaps
- Bluff Haul Out Facility
- RPMP 2029
- Biosecurity Strategy & FMRPMP review
- Predator Free Rakiura

The table below summarises the forecast total budget for the water and land portfolio over the 3-year period.

Figure 5: Biodiversity and biosecurity forecast costs under no planned growth scenario (000s)

Programmes	Year 1		Year 2		Year 3	
	External Costs	Internal Costs	External Costs	Internal Costs	External Costs	Internal Costs
Total	6,696	5,513	7,132	5,960	7,595	6,348



Air Quality

The air quality portfolio comprises the following programmes:

- Air Quality Programme (strategy, science and engagement)

The table below summarises the forecast total budget for the water and land portfolio over the 3-year period.

Figure 6: Air quality portfolio forecast costs under no planned growth scenario (000s)

Programmes	Year 1		Year 2		Year 3	
	External Costs	Internal Costs	External Costs	Internal Costs	External Costs	Internal Costs
Total	53	319	57	340	60	362



Regional Leadership

The regional leadership portfolio comprises the following programmes:

- Government Reform programme
- Regional Policy Statement
- Tiwai
- Long-term Plan (including Annual Plan and Annual Report)
- Performance ecosystem
- Regional Spatial Strategy
- Regional Land Transport Planning
- Leading on our land
- Insights programme
- Stakeholder and partnerships programme
- Science strategy and social science programme

- Waituna and Reimagining Matura
 - Outcomes strategy and implementation
- The table below summarises the forecast total budget for the water and land portfolio over the 3-year period.

Figure 7: Regional leadership portfolio forecast costs under no planned growth scenario (000s)

Programmes	Year 1		Year 2		Year 3	
	External Costs	Internal Costs	External Costs	Internal Costs	External Costs	Internal Costs
Total	2,397	1,906	2,129	1,863	2,267	1,984



Corporate

The corporate portfolio comprises the following programmes:

- IT programme
- People & Customer programme
- Communications programme
- Transformation programme
- Finance programme
- Project Management Office
- People Strategy
- Health and safety programme
- Democracy programme
- ES carbon net zero project
- Risk programme
- Investment strategy
- Infrastructure strategy and funding partnerships
- Staff accommodation
- Customer Strategy
- Organisational support and information management programme
- Staff accommodation post agree decision

The table below summarises the forecast total budget for the water and land portfolio over the 3-year period.

Figure 8: Corporate portfolio forecast costs under no planned growth scenario (000s)

Programmes	Year 1		Year 2		Year 3	
	External Costs	Internal Costs	External Costs	Internal Costs	External Costs	Internal Costs
Total	5,186	5,806	5,565	6,887	6,002	8,039



Proposed growth to support climate resilience

There has been a high demand for growth across the organisation that has had to be managed and prioritised. Additional responsibilities from new government requirements and improvements to current outcomes have driven proposals for additional resources and operating costs across the organisation.

Environment Southland is aware that in the current economic environment, that large increases in rates are not feasible and limited growth to its primary imperative relating to improving climate resilience.

The additional resourcing and costs for climate resilience is used to support the river management and catchment operations programmes.

The table below summarises the additional resources and costs proposed to support improvements in climate resilience.

A prioritised list of other areas of potential growth for Environment Southland is included as an appendix to this business plan.

Figure 9: Additional resource and expenditure including growth to support climate resilience over 3-year period of business plan (000s)

Programme / Division	Year 1	Year 2	Year 3	Total
Resources				
Catchment operations programme	7	2		9
Contractors and external operating costs				
Contractors and consultants	212	225	240	677
River management and external operating costs	2,288	2,775	3,760	8,823



Appendix 1 Other potential drivers of growth in resourcing and external costs

The business plan currently only includes growth relating to climate resilience. However, as noted previously, there has been a high demand for growth across the organisation. Increased responsibilities from new government requirements and projects seeking to drive improvements to current outcomes have resulted in proposals for additional resources and operating costs across the organisation.

Proposals for growth have had to be managed and prioritised through the business planning process. In some cases, there has been a re-prioritisation of existing budgets and resources. Work is ongoing to assess the value of current work programmes and projects and re-prioritise where necessary.

Key future growth areas that have been identified include:

- **Biodiversity:** some form of continuation of the biodiversity action on the ground programme that has been established from Jobs for Nature fund.
- **Land management:** while the 'Leading on our Land' project is focused on

scoping for the first two years of the Long-term Plan, it would be prudent to have some further funds available in year 3 to support the next steps of this project. In a similar vein, while funds have been redirected to undertake some preliminary landscape susceptibility work in Year 1 of the Long-term Plan, it is likely this programme could expand over time.

- **Digitisation project**
- **Wilding conifers**
- **Possum control**



