



NOTICE OF MEETING

**Notice is hereby given of the Meeting of the
Infrastructural Services Committee to be held via the
audio visual platform of Zoom, on Tuesday 7
September 2021 at 3.00 PM**

Cr I R Pottinger (Chair)
Cr A H Crackett (Deputy Chair)
His Worship the Mayor, Sir T R Shadbolt
Cr R L Abbott
Cr R R Amundsen
Cr A J Arnold
Cr W S Clark
Cr P W Kett
Cr G D Lewis
Cr M Lush
Cr D J Ludlow
Cr N D Skelt
Cr L F Soper

CLARE HADLEY
CHIEF EXECUTIVE

Infrastructural Services Committee - Public

07 September 2021 03:00 PM

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b. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.	
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Public Excluded Session

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting; with the exception of the external appointees, Mr Jeff Grant and Mr Lindsay McKenzie, namely,

- (a) *Confirmation of Minutes of the Public Excluded Session of the Infrastructural Services Committee meeting held on 3 August 2021*
- (b) *Ocean Beach Remedial Issues*
- (c) *Recyclables Acceptance Contract*

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the local government official information and meetings act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
(a) Confirmation of Minutes of the Public Excluded Session of the Infrastructural Services Committee meeting held on 3 August 2021	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
(b) Ocean Beach Remedial Issues	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
(c) Recyclables Acceptance Contract	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

Declaration of Interest

1. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.
2. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.

**MINUTES OF A MEETING OF THE INFRASTRUCTURAL SERVICES COMMITTEE HELD
IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING,
101 ESK STREET, INVERCARGILL ON TUESDAY 3 AUGUST 2021 AT 3.00 PM**

PRESENT: Cr I R Pottinger (Chair)
Cr A H Crackett (Deputy Chair)
His Worship the Mayor, Sir T R Shadbolt
Cr R L Abbott
Cr R R Amundsen
Cr A J Arnold
Cr W S Clark
Cr P W Kett
Cr G D Lewis
Cr M Lush
Cr D J Ludlow
Cr N D Skelt
Cr L F Soper
Mr J Grant – External Appointee
Mr L McKenzie – External Appointee (via zoom)

IN ATTENDANCE: Mrs G Henderson– Bluff Community Board Member
Mr N Peterson – Bluff Community Board Member
Mrs C Hadley – Chief Executive
Ms E Moogan – Group Manager – Infrastructure
Mr M Day – Group Manager – Finance and Assurance
Ms T Hurst – Group Manager – Customer and Environment
Mr S Gibling – Group Manager – Leisure and Recreation
Mr A Cameron – Strategic Advisor / GM - ICHL
Mr R Pearson – Manager – Roading
Mr A Cocker – Operations Technologist
Ms H McLeod – Strategic Projects Communications Lead
Ms K Davidson – Digital Content Creator
Ms M Cassiere – Executive Governance Officer

1. **APOLOGIES**

Nil.

2. **PUBLIC FORUM**

Audio Crossing Signals – Mr Vic West

Mr Vic West was in attendance to speak to this item. He noted that he represented the Blind Citizens Association and spoke about issues with audio crossing signals. He noted that the length of time required to fix the issues were too long and requested that some action be taken to restore the audio signals to their original states.

Mr Pearson was invited to provide a background to the functionalities of the audio crossing signals. He noted that maintenance and checks were conducted on a fairly regular basis with the most recent being done in March 2021. He stated that he would arrange for a team to look into the issues.

The Chair thanked Mr West for taking the time to attend the meeting.

3. **MAJOR LATE ITEM**

Moved Cr Abbott, seconded Cr Kett and **RESOLVED** that the Infrastructural Services Committee receive the major late item in Public Excluded session.

1. Change to Delegations in Relation to Property Sale Lower Esk Street.

4. **DECLARATIONS OF INTEREST**

Nil.

5. **MINUTES OF THE INFRASTRUCTURAL SERVICES COMMITTEE MEETING HELD ON 1 JUNE 2021**

A3420991

Moved Cr Soper, seconded Cr Amundsen and **RESOLVED** that the minutes of the Infrastructural Services Committee held on 1 June 2021 be confirmed.

6. **MINUTES OF THE EXTRAORDINARY MEETING OF THE INFRASTRUCTURAL SERVICES COMMITTEE HELD ON 27 JULY 2021**

A3479076

Moved Cr Crackett, seconded Cr Lewis and **RESOLVED** that the minutes of the Extraordinary meeting of the Infrastructural Services Committee held on 27 July 2021 be confirmed.

7. **WATER REFORM UPDATE**

Ms Moogan provided a verbal update of this item and noted that this report was to initiate a discussion among the elected members around the 3 Waters Reform.

Discussion around the Reform took place over a range of topics and included the \$2.5 Billion package, whether the assets would be privatised, whether the cost of water would increase, and whether ICC would gain any benefits of discounts by opting in to the Reform.

It was noted that as per current legislation, Council could not make a decision on the assets without going out to public for a special consultation. Discussions took place on whether the legislation would change to allow for the Reform to take place or whether being part of the Reform would be mandated.

8. **DRINKING WATER COMPLIANCE WITH DRINKING WATER STANDARDS OF NEW ZEALAND**

A3495739

Mr Adrian Cocker was in attendance to speak to this report. He noted that future of reporting would potentially change from Public Health South to Taumata Arowai.

Moved Cr Abbott, seconded Cr Lewis and **RESOLVED** that the Infrastructural Services Committee:

1. Receive the report "Compliance with Drinking Water Standards of New Zealand".

9. **ELECTRICITY INFRASTRUCTURE CAPACITY TO SUPPORT ELECTRIC VEHICLES**

A3495112

Mr Andrew Cameron was in attendance to speak to this item and noted that information from Electricity Invercargill Limited was at a high level at this stage. Mr Cameron also noted that Electricity Invercargill Limited were satisfied that they could meet the projected demand for electricity through the increase in usage of electric vehicles.

Moved Cr Soper, seconded Cr Ludlow and **RESOLVED** that the Infrastructural Services Committee:

1. Receives the report "Electricity Invercargill Limited – Electric Vehicle Capacity".
2. Notes that Electricity Invercargill Limited is well placed to meet projected demand as a result of vehicle electrification and decarbonisation.

10. **ACTIVITY REPORT**

A3482028

Mr Gibling spoke to the item on the Leisure and Recreation part of the report. He noted that performance reviews of 182 parks were undertaken of which 6 parks were in poor condition and for which resources would be focused in the coming months. In response to a query whether the data on the users of the hydro slides could be financially quantified, Mr Gibling said that he would bring a report at the next meeting.

In response to a query about lack of sufficient car parking at venues during events which attract high volumes of people and whether these issues would be addressed in the future, Mr Gibling said that the standards of car parking in infrastructure and reserves were undergoing an assessment, and stated that some of the parks may be included in the master planning. He further noted that some of the parks were jointly owned with other stakeholders, and identification of responsibilities for the parks were being worked on by his team.

Ms Moogan spoke to the Infrastructure part of the report. In response to a query about abandoned bus shelters, Ms Moogan said that they were working on them and noted that some of the bus shelters were owned by a range of stakeholders. She further explained that they were working on either getting them tidied up or be removed.

Moved Cr Pottinger, seconded Cr Clark and **RESOLVED** that the Infrastructural Services Committee:

1. Receives the report "Activity Report".

11. **URGENT BUSINESS**

Nil.

12. **PUBLIC EXCLUDED SESSION**

Moved Cr Abbott, seconded Cr Soper and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, with the exception of the External Advisors, Mr Jeff Grant and Mr Lindsay McKenzie; namely:

- (a) *Confirmation of Minutes of the Public Excluded Session of the Infrastructural Services Committee meeting held on 1 June 2021*
- (b) *Confirmation of Minutes of the Public Excluded Session of the Extraordinary meeting of the Infrastructural Services Committee held on 27 July 2021*

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There being no further business, the meeting finished at 3.59 pm.

TO: INFRASTRUCTURAL SERVICES COMMITTEE

FROM: RHIANNON SUTER, MANAGER – STRATEGY AND POLICY

AUTHORISED BY: MICHAEL DAY, GM – FINANCE AND ASSURANCE

MEETING DATE: 7 SEPTEMBER 2021

MATTERS FOR CONSIDERATION FOR ENGAGEMENT

SUMMARY

This report provides an outline of matters for consideration for effective engagement to inform Council's feedback to Government on the three waters proposals.

RECOMMENDATIONS

That the Committee

1. **Receive the report “Three Waters Engagement or Consultation – Matters for consideration”.**
2. **Note the following issues:**
 - a. **Simpson Grierson advice (A3525401) engagement is optional and not required to respond to Government’s request for feedback, and under current legislation prior to any decision to opt in or out consultation will be required as it will be an LTP amendment.**
 - b. **Any engagement now could either inform feedback to Government or be pre-engagement for a future consultation. This could not be delivered before the end of September.**
 - c. **For any engagement to be effective Council will need to give direction on the issues it wants feedback on. To be meaningful, engagement should provide alternative options, although there is the option to present the Government’s position and seek feedback only on that.**
 - d. **Covid-19 and limited team resources mean a digital led approach will be required due to the challenges of organising physical events and then rearranging them as alert levels change.**
 - e. **There are risks to undertaking engagement and to not undertaking engagement. The primary risks are as follows:**
 - **Significant resource will be required to undertake engagement – this will not replace the need for consultation which will be required unless there is legislative change.**
 - **Undertaking engagement without presenting meaningful alternatives is of limited value. Government has indicated it does**

not require councils to consult at this point and that it intends to seek public input at a later date. Unless the Council has alternative proposals it wishes to seek feedback on the benefit of engagement may be limited.

- **Not undertaking engagement also carries risks. There may not be another opportunity for councils to seek the views of the local community on this matter ahead of national consultation.**

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> The issue of three waters was signalled in the Long-term plan but no statement of proposal was included.
2.	<i>Is a budget amendment required?</i> Not at this time.
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> Any decision to opt in or out is significant. The issue of feedback to Government in the interim is not significant.
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> The decision to opt in would require an amendment to the LTP.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> This report outlines the options for engagement and consultation on the issue of three waters.

FINANCIAL IMPLICATIONS

The financial implications of engagement are not significant, although there are resource implications in terms of contribution of staff resource.

BACKGROUND

The Government is in the process of undertaking wide reaching reform to the regulation and delivery of three waters: drinking water; stormwater and wastewater. The Government's proposal would involve the creation of a new entity which would deliver water services for the majority of the South Island: Ngāi Tahu's rohe, which includes Southland.

Government has announced local authorities have until the end of September 2021 to:

- 5.1 consider the impact of the reforms (including the financial support package) on them and their communities;
- 5.2 seek clarification; and
- 5.3 provide feedback.

Simpson Grierson have indicated that in their view councils are not required to engage in order to respond to this request. They have indicated it would not be possible to meet the requirements of formal consultation within the timeframe, but that some form of engagement would be possible.

Some councils have taken an alternative view, including for example Christchurch and Waimakariri, whose materials are viewable at the links provided. They have taken the position they cannot meaningfully provide feedback without seeking the views of the community. The Committee will need to determine its view on this.

At a future point councils will be required to opt in or opt out of the new entity. At that point the issue is likely to be assessed by Council to be of the highest level of significance under the Council's Significance and Engagement Policy which has the following main criteria:

- Importance to the Invercargill City Council – the extent to which the matters impact on the social, cultural, economic or environmental wellbeing of the district.
- Community Interest – the extent to which individuals, organisations, groups and sectors in the community are affected by the Council's decisions.
- Inconsistency with existing policy and strategy – the extent of inconsistency and the likely impact.
- The impact on the Council's capability and capacity – the impact on the objectives set out in the Financial Strategy, Ten Year Plan and Annual Plan.
- Cost to Council and impact on funders, including ratepayers.

In addition the following part of the policy on assessing significance also applies:

Any decision relating to the sale or transfer or sale of shareholding of any significant strategic assets is assessed as a matter of high impact and will trigger the Special Consultation Process.

To clarify:

- Any decision that transfers or changes ownership or control of strategic assets to or from the Council.
- The sale or transfer of shareholding of any of the Significant Strategic Assets (outlined in Schedule 1).
- Any long term lease of strategic assets (other than land).

Under current legislation and Council's Significance and Engagement policy, consultation as part of an LTP amendment, utilising the special consultative procedure will be required prior to either opting in or out.

Approaches for engagement and consultation are discussed below.

ENGAGEMENT

Under Council's Significance and Engagement Policy, engagement which does not meet the standards of formal consultation is allowed for. The policy notes: differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

This engagement approach has been developed for use in either one or both of the following scenarios:

- to seek public input to enable Council to provide feedback to the Government (noting that Simpson Grierson's view this is optional and not required).
- as pre-engagement to inform a future formal consultation should that take place.

Legally, this engagement could not be used to make a decision to opt in or out. As a result there is a risk that in undertaking this engagement, this process would then need to be repeated in more depth as formal consultation when the time came for any decision to opt-in or opt-out.

Alternatively, the risk to not proceeding is this may be the only opportunity Council has to present its views to the public, should the Government proceed to legislation change and any national public consultation.

Engagement Materials

Engagement materials would need to be developed. These do not need to include fully scoped issues, as for consultation. The focus of engagement should be on gathering the information which Council requires to give feedback to the Government and/or develop its position for full consultation at later date should that occur.

A workshop with councillors should be held to identify what questions they themselves have. Pre-engagement will need to also take place with Mana whenua to inform this process. From this, Q&As can be developed and questions for engagement finalised.

Key issues of interest identified from the Government's own materials, discussions with other councils and public engagement in other areas of the country appear to be:

- Need for reform - Is reform of the delivery (as opposed to regulation) of three waters required?
- Local democracy – Is the proposed governance model the best model to enable local communities to have a voice?
- Efficiency and costs to the consumer – is the model going to provide the consumer with the best value for money (both in terms of increased standards and price paid)?
- Risk of privatisation – are people satisfied that the protections outlined are sufficient?
- Impact on Council's ability to deliver other services (debt, retaining staff, impact on local contractors) – Do people have concerns about impact on other services of Council?
- Balance of what is good for Invercargill vs what is right for the country as a whole – Do people see the value in taking a New Zealand Inc. approach?

If Council agrees these are the primary issues, any engagement will be designed to focus on these areas. This will require presenting the policy papers and modelling provided by the DIA, as well that developed for local government by consultants and any other evidence officers can develop within the constrained timeframe.

The engagement materials will need to indicate where there are information gaps. The most significant information gap appears to be in the area of what solutions, at what cost will be required to meet future standards. Without an assessment of this it will be difficult to meet the Government's request to ensure Council is not communicating about the status quo.

Given time constraints, it is proposed to use either Waimakariri or Christchurch's documents as a base to work from. This will require Council to workshop where their position is similar to the other councils and where it varies.

The materials referenced can be found at the following links:

[Government's Three Waters Reform | Let's Talk Waimakariri](#)

<https://www.ccc.govt.nz/services/water-and-drainage/water-reform/>

Engagement delivery

Covid will likely require a largely digital engagement, as numbers able to attend engagement events at Level 2 will be limited. The following approach is proposed:

- Workshop to identify issues of focus with councillors/pre-engagement with Mana whenua – If possible these could be combined
- Adoption of engagement materials and online publication
- Confirmation of a Councillor and Officer Communications Lead
- Social media/ traditional media advertising
- Three or four zoom/ facebook livestreamed events (Local Iwi focused/ urban residential/ rural residential/ Bluff). These can be supplemented or replaced by physical events if possible. Each event would be a panel discussion format with Mana whenua invited to participate at each. Break out groups can be utilised to allow smaller group discussion.
- Provision of hard copy documents in key locations if we re-enter Level 2. If this is not possible larger newspaper adverts in the primary papers could be utilised with summaries of the information and feedback forms
- Online feedback form, supplemented by mailout hard copy forms.

As it is not a formal consultation no hearings would be required. As a result the online events would be important to ensure people have the opportunity to speak to Councillors.

Time to deliver this engagement before the end of September is now constrained. It is recommended to respond to Government that Covid has caused delays in Council's ability to respond and indicate feedback cannot be provided until October or November.

CONSULTATION

Under existing legislation, consultation would be required prior to the decision to either opt in or opt out of the new three waters entity. The Government may make legislation change but, as the Simpson Grierson advice notes, Councils cannot anticipate what this change may be and must operate under existing legislation.

Legal requirements

In order to enable Council to make a decision to divest control of its water assets and responsibility to provide water services (noting that this is not what the Government requires for feedback), consultation would be required in line with the Local Government Act (note the relevant Sections are included as appendices):

- In line with Section 97 of the Act, consultation on this issue will need to take the form of an LTP amendment. In the 2021 – 2031 Long-term Plan, Council indicated it was participating in the Government's engagement process regarding Three Waters. This could be argued to meet Section 97.2.a. but not 97.2.b. which requires a statement of proposal was included in the Long-term Plan, which was not possible at the time as the required information was not available.
- In line with Section 93A and 93B, the Special Consultative Procedure must be utilised for an amendment of the Long-term Plan. This will require a consultation document, a four week period for submissions, hearings and deliberation process. The consultation document will need to outline the significant issues, the options available and the implications of those options on rates, debt and levels of service.
- In line with Section 93D the consultation document will need to outline the reasons for an amendment of the LTP, the terms of the amendment, the implications and other options available. It needs to contain a statement from the Auditor-General that it is a fair representation of the issues.
- In addition it will also need to meet Section 93E which relates to matters covered by Section 97 relating to sale of strategic assets. In addition to further detail on options,

section 93E requires information on accountability and monitoring to be provided as well as potential conflicts of interest of the new provider.

- It should be noted that under Section 130 Council may not sell its water assets to any other organisation other than a local authority and must not lose control of its infrastructure unless it can show it can still meet its obligations in relation to water services. This matter should be dealt with in the consultation document in relation to discussion of the options.

Consultation document

In order to complete the consultation document the following information will be required:

- Description of the issue, including the Government’s proposals, the standards achieved by our three waters service and any areas where Council disagrees with the Government’s modelling for the future entity
- All practicable options – Council must present at least two options, including Council’s preferred option. The status quo and the new proposed entity are two options. An additional third option has been partially scoped for the Southland/ Otago region. Councillors may also want to consider a Southland-only option. Council will need to reach a position on what its preferred option is as this will underpin the amended LTP budget modelling.
- The implications for each option on rates, debt and levels of service. To complete this we need to confirm that the information provided as part of modelling is satisfactory and gather additional information as required. One specific factor for consideration: is that the modelling options rest on forecasting future costs for a higher level of service than seen today (i.e. increased health standards and freshwater standards). Council has consents due in 2025 and 2029 for its wastewater plants. In preparation for the 2024 – 2034 Long-term Plan work will need to be completed to assess what will be required to meet those consents and where discharge to land requirements are likely, what the technological and cost implications are. At a minimum, initial work to give guidance on these matters should be undertaken.
- If Council is going to amend the LTP, it will need to deal with other matters which would have been annual plan matters at the same time. This includes issues such as the NZTA shortfall in funding. A full list of Annual Plan matters is not yet available. Annual Plan consultation would normally take place in March.

Consultation timings and other considerations

Undertaking an LTP amendment requires considerable resource and will result in delay to other policy development and engagement work. The table below provides an approximate overview of the process involved from the time of decision to consult.

Task	Time estimate	Factors for consideration
Preparation of consultation document, including research, data collection, pre-engagement with mana whenua, workshopping of issues, including identifying Council’s preferred option, drafting and graphic design of document.	Eight – twelve weeks	Principle constraints will be development of options (particularly if including options to increase standards if Council maintains service in house) and budget development for those options Modelling of other Annual issues
Audit of consultation	Four weeks	Given no auditors are available for the Annual

document		Report until December this could be a significant constraint
Adoption of consultation document	Three working days following completion of Audit	
Consultation period	20 working days	Dec and Jan will need to be avoided to give fair option to the public to participate. Full programme of engagement events and communication plan will be required.
Hearings	Two weeks will be needed between the end of consultation and hearings	
Deliberation	One week between hearings and deliberation	
Finalisation of amendment including audit	Four weeks	
Adoption of amendment	Three working days	
Total time	24 – 28 weeks	

CONCLUSION

The three waters reform is a significant issue with wide ranging implications for levels of service, local democracy and the wider structure and role of Council. There are benefits and risks with undertaking engagement. Under current legislation, formal consultation will be required prior to Council making a decision to either opt in or opt out of the new entity.

APPENDICES

97 Certain decisions to be taken only if provided for in long-term plan

- (1) This section applies to the following decisions of a local authority:
 - (a) a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority, including a decision to commence or cease any such activity;
 - (b) a decision to transfer the ownership or control of a strategic asset to or from the local authority.
- (2) A local authority must not make a decision to which this section relates unless—
 - (a) the decision is explicitly provided for in its long-term plan; and
 - (b) the proposal to provide for the decision was included in a consultation document in accordance with [section 93E](#).

83 Special consultative procedure

- (1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must—
 - (a) prepare and adopt—
 - (i) a statement of proposal; and

- (ii) *if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with [section 83AA](#)); and*
 - (b) *ensure that the following is publicly available:*
 - (i) *the statement of proposal; and*
 - (ii) *a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with [section 82\(1\)\(d\)](#); and*
 - (iii) *a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and*
 - (c) *make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation; and*
 - (d) *provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and*
 - (e) *ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d)—*
 - (i) *is given a reasonable opportunity to do so; and*
 - (ii) *is informed about how and when he or she may take up that opportunity.*
- (2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audiovisual link.
- (3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal, or both.

Section 83: replaced, on 8 August 2014, by [section 25](#) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

83A A Summary of information

A summary of the information contained in a statement of proposal must—

- (a) *be a fair representation of the major matters in the statement of proposal; and*
- (b) *be in a form determined by the local authority; and*
- (c) *indicate where the statement of proposal is available; and*
- (d) *state the period within which persons interested in the proposal may present their views to the local authority.*

Section 83AA: inserted, on 8 August 2014, by [section 25](#) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

93A Use of special consultative procedure in relation to long-term plan

- (1) Where the special consultative procedure is used in relation to the adoption or amendment of a long-term plan under [section 93](#)—
 - (a) *for the purpose of [section 83\(1\)\(a\)](#), instead of a statement of proposal and a summary of the information contained in the statement of proposal, a consultation document must be prepared and adopted in accordance with [sections 93B to 93G](#); and*
 - (b) *[section 83](#) applies as if references to “the statement of proposal” or “the proposal” or a “summary” were references to the consultation document.*
- (2) To avoid doubt, a draft long-term plan must not be used as an alternative to the consultation document.

Section 93A: inserted, on 8 August 2014, by [section 31](#) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

93B Purpose of consultation document for long-term plan

The purpose of the consultation document is to provide an effective basis for public participation in local authority decision-making processes relating to the content of a long-term plan by—

- (a) *providing a fair representation of the matters that are proposed for inclusion in the long-term plan, and presenting these in a way that—*
 - (i) *explains the overall objectives of the proposals, and how rates, debt, and levels of service might be affected; and*
 - (ii) *can be readily understood by interested or affected people; and*
- (b) *identifying and explaining to the people of the district or region, significant and other important issues and choices facing the local authority and district or region, and the consequences of those choices; and*
- (c) *informing discussions between the local authority and its communities about the matters in paragraphs (a) and (b).*

93D Content of consultation document for amendment of long-term plan

The content of the consultation document for the amendment of a long-term plan must be such as the local authority considers on reasonable grounds will achieve the purpose set out in [section 93B](#).

- (2) Without limiting subsection (1), the consultation document for an amendment to the long-term plan must include—
 - (a) *a description of the proposed amendment:*
 - (b) *the reasons for the proposed amendment:*
 - (c) *the implications (including financial implications) of the proposed amendment:*
 - (d) *any alternatives to the proposed amendment that the local authority may wish to discuss with its communities.*
- (3) The consultation document—
 - (a) *may have attached to it a copy of the proposed amendment to the long-term plan, if the local authority considers that the full copy of that proposed amendment will assist people to understand the amendment; but*
 - (b) *in any other case, must state where a copy of the proposed amendment to the long-term plan may be obtained.*
- (4) The consultation document must contain a report from the Auditor-General on—
 - (a) *whether the consultation document gives effect to the purpose set out in [section 93B](#); and*
 - (b) *the quality of the information and assumptions underlying the information provided in the consultation document.*
- (5) The report under subsection (4) must not comment on the merits of any policy content of the consultation document.

Section 93D: inserted, on 8 August 2014, by [section 31](#) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

93E Additional content of consultation document for adoption or amendment of long-term plan where section 97 applies to proposed decision

If a consultation document under [section 93C](#) or [93D](#) relates to a proposal to provide for the making of a decision to which [section 97](#) applies, that consultation document must include—

- (a) *the details of the proposed decision:*
- (b) *the reasons for the proposed decision:*

- (c) *an analysis of the reasonably practicable options, including the proposal, identified under [section 77\(1\)](#):*
- (d) *in respect of a proposal to transfer ownership or control of a strategic asset from the local authority to any other person,—*
 - (i) *a description of any accountability or monitoring arrangements to be used to assess the performance of that person and any other person in regard to the asset; and*
 - (ii) *an assessment of whether there are any conflicts of interest arising from the proposed transfer of the control or ownership of the asset, and, if so, what they are and how they will be managed.*

Section 93E: inserted, on 8 August 2014, by [section 31](#) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

130 Obligation to maintain water services

- (1) This subpart applies to a local government organisation that provides water services to communities within its district or region—
 - (a) *at the commencement of this section:*
 - (b) *at any time after the commencement of this section.*
- (2) A local government organisation to which this section applies must continue to provide water services and maintain its capacity to meet its obligations under this subpart.
- (3) In order to fulfil the obligations under this subpart, a local government organisation must—
 - (a) *not use assets of its water services as security for any purpose:*
 - (b) *not divest its ownership or other interest in a water service except to another local government organisation:*
 - (c) *not lose control of, sell, or otherwise dispose of, the significant infrastructure necessary for providing water services in its region or district, unless, in doing so, it retains its capacity to meet its obligations:*
 - (d) *not, in relation to a property to which it supplies water,—*
 - (i) *restrict the water supply unless [section 193](#) applies; or*
 - (ii) *stop the water supply unless [section 69S](#) of the Health Act 1956 applies.*
- (4) This section—
 - (a) *does not prevent a local government organisation from transferring a water service to another local government organisation; and*
 - (b) *does not override [sections 131 to 137](#).*

Our advice

Prepared for	Susan Freeman-Greene, Local Government New Zealand; and Karen Thomas, Taituarā
Prepared by	Jonathan Salter and Oska Rego
Date	30 July 2021

PRIVILEGED AND CONFIDENTIAL

Local authority consultation obligations in relation to the proposed Local Government Three Waters Reform Programme

Background	<ol style="list-style-type: none"> 1. On 30 June 2021, the Government announced that Cabinet had agreed to details of, and changes to, the Local Government Three Waters Reform Programme (Three Waters) from what was signalled last year ahead of the Crown signing a Memorandum of Understanding with all territorial authorities in August 2020. 2. Some key aspects of Three Waters that have now been announced are: <ol style="list-style-type: none"> 2.1 four new independent regional water services entities (with indicative boundaries), to be owned by local authorities; 2.2 some local authority and iwi/Māori influence over the objectives and priorities of these entities; 2.3 a funding package to ensure no local authority is "worse off" from the reform; and 2.4 future funding to ensure the reform leaves all communities "better off". 3. Notably: <ol style="list-style-type: none"> 3.1 the funding arrangements that have been announced are different from the tranches two and three of funding that were indicated at the time of the tranche one funding; 3.2 timeframes have crystallised as the reform has evolved; 3.3 there is recognition that there is a sufficient, evidence-based case for national reform; 3.4 there are indications that the reforms need to apply to all local authorities to realise national interest benefits; and
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- 3.5 decisions have not yet been made about the reform process, including in relation to consultation or decision-making.
 4. Information is being publicly released on the case for change, and the Department of Internal Affairs (**DIA**) is providing each local authority with data and modelling specific to its situation. Details of what is being asked of councils, and specific guidance, is expected to be issued by 30 July 2021.
 5. The Government has announced that local authorities have until the end of September 2021 to:
 - 5.1 consider the impact of the reforms (including the financial support package) on them and their communities;
 - 5.2 seek clarification; and
 - 5.3 provide feedback.
 6. The Government will then consider next steps, including the process and revised timing for any consultation and decision-making.
-

	Page
Reasoning (summary)	
In our view, local authorities are not required to consult with their communities prior to providing feedback to the Government before the end of September 2021. This is because:	
• The Local Government Act 2002 (LGA) sets out decision-making requirements, including in relation to consultation.	3
• Local authorities have discretion in relation to consultation, and consultation is not generally required unless a decision is sufficiently significant.	4
• Significance and engagement policies (SEPs) guide consultation decisions, and certain requirements must be met when local authorities do consult.	5
• The current Three Waters feedback process does not trigger any LGA consultation requirements, and is unlikely to trigger consultation obligations under SEPs.	5
• Consultation requirements may be legislated; current local authority process requirements, beyond engagement, would be difficult to satisfy in time.	6
• A decision to opt out of Three Waters would be premature and requires consultation.	6

Reasoning explained

The Local Government Act 2002 sets out decision-making requirements, including in relation to consultation

7. Parliament is sovereign, and this sovereignty allows it to change the law that constitutes and empowers local authorities. In turn, local authorities are obliged to comply with relevant legislation while it is in force.
8. The Government is subject to the laws passed by Parliament, and cannot lawfully compel local authorities to comply with legislation that is not yet in force, or to act in breach of legislation that is still in force.¹
9. The LGA establishes the role, powers and duties of local authorities.² Sections 10 and 11 provide as follows:
 - 10 Purpose of local government**
 - (1) The purpose of local government is—
 - (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
 - (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.
 - (2) ...
 - 11 Role of local authority**

The role of a local authority is to—

 - (a) give effect, in relation to its district or region, to the purpose of local government stated in section 10; and
 - (b) perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment.
10. Local authorities must act in ways that are prudent and in the current and future interests of their communities.³ In performing its role, a local authority must act in accordance with the various principles in section 14, which include:
 - (b) a local authority should make itself aware of, and should have regard to, the views of all of its communities; and
 - (c) when making a decision, a local authority should take account of—
 - (i) the diversity of the community, and the community's interests, within its district or region; and
 - (ii) the interests of future as well as current communities; and
 - (iii) the likely impact of any decision on each aspect of well-being referred to in section 10.

¹ *Fitzgerald v Muldoon* [1976] 2 NZLR 615, at 622.

² See, in particular, sections 10 to 14 of the Local Government Act 2002 [LGA].

³ LGA, section 101(1).

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11. Part 6 of the LGA sets out highly-prescriptive decision-making process obligations. The fundamental obligations are to:
- 11.1 identify and assess all reasonably practicable options to achieve the objective of a decision;⁴ and
- 11.2 consider "*the views and preferences of persons likely to be affected by, or to have an interest in, the matter.*"⁵
12. These obligations apply to all local authority decisions,⁶ and vary in relation to the significance of decisions,⁷ and other contextual matters listed in section 79(1)(b).
-
- Local authorities have discretion in relation to consultation, and consultation is not generally required unless a decision is sufficiently significant**
13. Section 79(1) also "*makes it the responsibility of a local authority in its discretion to make judgements about how to achieve compliance with ss 77 and 78*",⁸ and compliance with these obligations does not necessarily require consultation.⁹
14. As stated in *Friends of Onekawa Aquatic Centre Society Inc v Napier City Council*:¹⁰
- There is no general consultation obligation attaching to all decisions of a local authority. The Court of Appeal has twice emphasised that "pt 6 of the LGA carefully and repeatedly rejects the idea that there is to be found in its provisions any *duty* to consult ...".
15. In that decision, the High Court went on to state that this point "*is put beyond doubt*" by amendments made to the LGA in 2010, which simplified decision-making processes. The Court quoted the following explanatory passage from the Bill which effected these amendments:¹¹
- Having more flexibility about how to consult will enable Councils to design decision-making and community engagement processes that are appropriate to different circumstances, and in proportion to the matter being considered.
16. Therefore, local authorities have discretion as to how and when they engage with their communities. This includes engaging in ways that do not amount to "*consultation*", particularly in circumstances where a significant decision is not being made.
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4 LGA, section 77(1).

5 LGA, section 78(1).

6 LGA, section 76(1).

7 LGA, section 79(1)(a).

8 *Friends of Onekawa Aquatic Centre Society Inc v Napier City Council* [2020] NZHC 850 [*Friends of Onekawa*], at [84]; citing *Wellington City Council v Minotaur Custodians Ltd* [2017] NZCA 302 [*Minotaur*], at [41] and [42].

9 LGA, section 78(3).

10 *Friends of Onekawa*, at [88]; citing *Evans v Clutha District Council* [2020] NZCA 5 at [24] and also referring to *Minotaur*, at [42].

11 Local Government Act 2002 Amendment Bill (No 3) 2013 Stage One; cited in *Friends of Onekawa*, at [24].

Significance and engagement policies guide consultation decisions, and certain requirements must be met when local authorities do consult

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17. Each local authority's SEP must set out its "*general approach to determining the significance of proposals and decisions*".¹² This in turn informs compliance with the obligations outlined at paragraph 11 above, and how and when the local authority will engage with the community to obtain their views.
 18. SEPs are also required to list strategic assets.¹³ This will inevitably include the Three Waters assets that are subject to the proposed reforms. A local authority cannot decide to transfer ownership or control of a strategic asset without providing for such a decision in its long-term plan (**LTP**), and following specific consultation requirements.¹⁴
 19. Other situations where consultation is mandatory include before establishing a council-controlled organisation (**CCO**),¹⁵ or entering into a joint arrangement to provide a water service.¹⁶
 20. When a local authority does undertake consultation, the consultation principles in section 82 must be followed. Where the LGA expressly requires consultation that gives effect to the requirements of section 82, there are additional consultation requirements under section 82A relating to providing the public with a statement of proposal, reasons for the proposal, and analysis of options.
-

The current Three Waters feedback process does not trigger any LGA consultation requirements, and is unlikely to trigger consultation obligations under SEPs

21. In our view, there is no statutory trigger that requires local authorities to consult in relation to accepting an invitation to consider reform proposals and associated information, and provide feedback to the Government.
 22. Individual council SEPs may have provisions that indicate consultation should occur in these circumstances, but it seems unlikely that the thresholds or criteria requiring consultation in a SEP would be met – primarily because local authorities are not being asked to make a decision on their functions or assets.
 23. Essentially, local authorities are being asked to:
 - 23.1 fact-check data, which is a highly technical and operational exercise; and
 - 23.2 provide feedback, which will not in itself determine the outcome of the Three Waters process.
 24. These are not the sorts of matters that would normally trigger a consultation requirement.
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12 LGA, section 76AA(1)(a).
 13 LGA, section 76AA(3).
 14 LGA, sections 97 and 93E.
 15 LGA, section 56.
 16 LGA, section 137.

Consultation requirements may be legislated; current local authority process requirements, beyond engagement, would be difficult to satisfy in time

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- 25. Where local authorities have addressed the reforms in their 2021-2031 LTPs (which we expect is common), then they would have already given their communities information regarding the reforms, and possibly collected community views on this.
 - 26. Importantly, the reform will be implemented by legislation. The Government has indicated that this process will involve some form of public consultation, which is to be expected.
 - 27. On the other hand, in the time available prior to the end of September 2021, it is difficult to conceive how local authorities could consult in a way that meaningfully complies with the requirements of section 82 (including making information available, and receiving and considering submissions before making a decision).
 - 28. If section 82A applied in these circumstances, it would be even less conceivable that local authorities could meet the statutory requirements, which in that case would include making a proposal, reasons, and analysis of reasonably practicable options publicly available.
 - 29. In our view, it would be a reasonable exercise of discretion, even if there were indications in a SEP that consultation might be warranted, to decide not to consult in these circumstances.
 - 30. Depending on the content of the relevant SEP, an appropriate response to the situation may be to undertake a lesser form of engagement with the community, such as by making information publicly available and explaining the process in which the council has been invited to participate.
 - 31. We expect that this would comply with the requirements of Part 6 of the LGA, without inappropriately raising community expectations. It may engender public discussion on Three Waters issues, providing some opportunity to be informed about community views and preferences before providing feedback to the Government.

A decision to opt out of Three Waters would be premature and requires consultation

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- 32. Given the context of imminent reform, we consider that any local authority decision to opt in or out, or set its own terms of reform, would be a significant decision, both in terms of the LGA and most, if not all, SEPs. Such a decision can only be made after appropriate observance of sections 77 and 78 of the LGA.¹⁷
 - 33. However, it is not conceivable that any local authority could have appropriately identified and assessed options (as they were not developed until very recently),¹⁸ and there could not have been appropriate consideration of community views.¹⁹ Any existing consultation, such as for 2021-2031 LTPs, is very unlikely to have

17 LGA, section 76(3)(b).
 18 LGA, section 77(1).
 19 LGA, section 78(1).

been sufficient, as it would not have been informed by adequate information on options and their actual, quantifiable implications.

34. It would be completely at odds with the statutory role of local authorities,²⁰ and the obligation to act prudently and in the interests of communities,²¹ for a local authority to make an under-informed, early decision to opt out of a major reform aimed at improving community well-beings.
35. Therefore, we consider that a judicial review of a decision already made would be highly likely to succeed, leading to the decision being invalidated.
-

**Please call or
email to discuss
any aspect of this
advice**

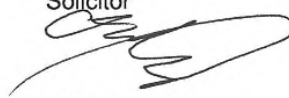
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20 LGA, sections 10 and 11.
21 LGA, section 101(1).

**Notice of Motion (amended) - Infrastructure Services Committee meeting 7
September 2021**

- (i) That Invercargill City Council (ICC) advise the Minister for Local Government, that ICC will not be making any decisions in regards to participation in the proposed 3 Waters reform program, until it can engage with its' community of these matters of significance.

That the Minister also be advised that the gathering of the necessary information, community engagement and subsequent analysis of the community feedback, is unlikely to be completed before 30 November 2021.

- (ii) That Council activate its Significance and Engagement policy as soon as possible.
-

TO: INFRASTRUCTURAL SERVICES COMMITTEE
FROM: ALISTER MURRAY – WATER MANAGER
APPROVED BY: ERIN MOOGAN – GROUP MANAGER INFRASTRUCTURE
MEETING DATE: TUESDAY 7 SEPTEMBER 2021

**EXPLANATION OF WATER SUPPLY GRADINGS AS APPLIED TO
 INVERCARGILL AND BLUFF**

SUMMARY

This report has been prepared in response to questions raised by elected members as to why the performance indicator of a water grading of Aa had not been obtained for Bluff.

Council has committed since 2009 to address shortcomings associated with the Bluff distribution system identified in the last grading exercise, expending \$5 million to date.

However the Ministry of Health are now no longer carrying out water grading exercises preferring instead to concentrate on ensuring each water undertaking has an approved Water Safety Plan subject to annually audit.

It is considered that under the rules of grading that last applied an Aa grading would have been achieved.

This will no longer be a performance measure in the new LTP.

RECOMMENDATIONS

That this report be received.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> No
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> N/A

FINANCIAL CONSIDERATIONS

None.

BACKGROUND

This report has been prepared to provide information to a query raised by elected members in relation to the non-achievement of an Aa water supply grading for Bluff.

Historically the Ministry Of Health Water Grading was issued to rate the condition and performance of a water suppliers undertaking of its water treatment and distribution system (its pipe network.) The grading was in the form of two letters, the first a capital related to water treatment, while the second in lower case related to the distribution system. The last grading conducted in 2009 was to issue Invercargill a grading of Aa and Bluff Ab. The 'b' grading for the Bluff distribution system was in recognition of the unfavourable features of large pressure variations, high rates of leakage and the poor state of some pipe work. Additionally although not part of the grading scope it was known that firefighting capacity in parts of Bluff was poor.

Since 2009 the Invercargill City Council has progressively committed to a substantial upgrade of the Bluff distribution system completely reconfiguring it from a single pressure zone to a two pressure zone. Previously the whole of the Bluff distribution network was pressurised by one reservoir located up Bluff Hill such that its top water level was 89 metres above mean sea level. In periods of low water demand the lower sections of Bluff were subject to high pressures in excess of 850 Kpa (127 pounds per square inch) then at times of high water demand such as sometimes exercised in the in the industrial parts of Bluff, pressures in the high residential areas experienced very low pressure. Ironically the high pressure was needed to drive water through the then undersized pipework.

Under the new two pressure zone system the line of zone separation roughly follows Foyle Street. The upper levels of Bluff, those above Foyle Street, continue to be supplied by the original Bluff Hill reservoir. Those properties below Foyle Street are supplied by a new reservoir in Shannon Street. That reservoir is set at a lower elevation than that of the Bluff Hill reservoir. Pressures in both zones are typically no more than 500 Kpa and are not subject to wide variation as the demand in each zone does not influence the pressure in the other. To make this possible a new reservoir/pump station in Shannon Street was built and large diameter mains were constructed primarily along the state highway and Bann Street to ensure sufficient capacity with the lower pressure. The new Shannon Street pump station transfers water from the new reservoir up into the Bluff Hill reservoir. Approximately \$5 million was expended on the upgrade.

The Long Term Plan (LTP) has up until the 2018 – 2028 version included the performance indicator of elevating the Bluff grading from Ab to Aa, the same as that for Invercargill. However the Ministry of Health now no longer supports the water grading exercise preferring instead to ensure that each water supply operator has a water safety plan which has been approved by the Ministry and is annually audited to check that planned improvements are undertaken. Consequently it is now no longer possible for this Council to have an 'a' grade recognised for the Bluff water distribution system. It is considered however that the upgrade works would have been sufficient to attain that grade and that the service provided is vastly improved to the degree that it aligns to that enjoyed by Invercargill residents. This Council does have a Water Safety Plan which has both been approved and subsequently successfully audited.

The new LTP (2021 – 2031 version) has dropped the water supply grading as a performance indicator. The financial year of 2020/21 is the last year that that performance indicator will be reported against.

CONCLUSION

That the Bluff Water Supply has received upgrades in order to bring it in line with an Aa water supply grading.

Although this is expected to have been achieved a formal grading has not been completed due to the process being discontinued by the Ministry of Health.

TO: INFRASTRUCTURAL SERVICES COMMITTEE
FROM: GROUP MANAGERS
AUTHORISED BY: CLARE HADLEY – CHIEF EXECUTIVE
MEETING DATE: TUESDAY 7 SEPTEMBER 2021

ACTIVITY REPORT

SUMMARY

This report provides an update on a wide range of activities across the Council.

RECOMMENDATIONS

That the Infrastructural Services Committee

- 1. Receives the report “Activity Report”.**
- 2. Note that the Hydroslide operations have generally exceeded the original business case objectives.**

LEISURE AND RECREATION

Aquatic Services – Splash Palace July 2021

July is historically a quieter month of the year at Splash Palace due to a combination of weather and other events being held within the city like the ILT Kidzone Festival.

To mitigate against this usual decline in participation, Splash Palace introduced a range of deals in the school holidays including the following:

- ILT Kidzone users got a 30% discount,
- Swim three times get the fourth free voucher
- Continued the partnership deal with ILT Stadium Southland Clip N Climb discount vouchers.

The impact of this approach has seen Splash Palace exceed historic participation numbers making it one of the busiest Julys on record with over 30,400 users through.

Hydroslide

For the period of 28 June to 2 July, the two body slides were closed to repair some of the joints inside the slide that both customers and staff had noticed. This involved FI Innovations grinding and building up a number of joints to align them better for a better slide experience.

On the 8 July, the Hydroslide contractor contacted the Aquatic Services Manager to explain and notify him of an issue with the raft slide. The instruction was to close the raft slide until further notice due to a defect observed in one of the columns. The raft slide was closed within minutes of being notified.

The raft slide has remained closed until a new column can be fitted, we are hoping to have this operational by the end of September.

This issue has not impacted in the safe operation of the other two body slides, but the impact of closing the most popular ride has understandably had an impact on participation numbers using the slide and likely also wider visitation to the facility as well as an impact upon expected revenue.

Hydroslide Review

It is appropriate that we review the budgets and assumptions that contributed to council approving the 2018 business case now that the hydroslide has been in operation, at least partially for a few months.

The problem that we had with the old hydroslide was:

- It had become a key part of the facility;
- It was nearing the end of its life; and
- Had potential to negatively impact on the operation of Splash Palace

To solve these problems opportunities were identified to:

- Build on the popularity of the hydroslide and develop it into an additional standalone reason for utilising; and
- Remedy a number of risk and operational related issues with the integration of the current operation into the Splash Palace facility.

Assumptions made in the 2018 business case can now be reviewed with actual evidence from operating the hydroslide facility for 15 weeks where the following has been identified:

- We have seen an increase in admissions over the 15 weeks and it has been one of the busiest periods on record compared to the same periods in previous years.
- The 2018 business case was based on getting an average of 1,109 hydroslide users per week. For the 15 weeks we have averaged 1,288 users per week.
- Health and Safety issues from having young children down the deep end of the main pool have significantly improved.
- We have seen 14% of casual entries come from outside of Invercargill in the 6 weeks up to the 3 August (provided at the point of sale).
- Heating capacity from the existing woodchip boiler has been able to sustain the increased load of the hydroslide facility.
- The hydroslide facility can run independently from any other pool within the facility, meaning when events and other bookings take up the leisure space the Hydroslide can still function, maximising participation opportunities.

Hydroslide Financial

At the last Infrastructure Services Committee meeting a question was asked as to the cost recovery status of the service. As at 3 August the hydroslide service had been open for 15 weeks. In reviewing the actuals for this period and compared them to the approved financial model in the 2018 Hydroslide Business Case the following has been identified.

- There was no allowance for any discounting in the 2018 financial model. During the first 15 weeks we have discounted entry price on three occasions (covering approximately 50% of the total operating time).
 - The initial 60% opening discount special for four weeks to manage expectations.
 - 60% discount for the week the two body slides were closed
 - Current discounting of 30% due to the closure of the raft slide.

- During the two weeks of the July school holidays alone it was estimated that due to the closure of the raft slide there was a potential loss of revenue of \$24,637.00.
- Actuals for the 15 week period are:
 - Revenue - \$70,554
 - Expenditure - \$81,795
 - The expenditure includes staffing, electricity, chemicals, loan repayments and depreciation.
- If no discounts had been applied at all then the hydrosides would have taken a revenue of \$136,829.00 in the 15 weeks. However, not having a discount could have potentially impacted the participation numbers and the actual revenue may be slightly lower than the estimate.

Although we are slightly behind on recovering our costs after the first four months, the slide has only been charged normal entry prices for 50% of the times. When the operation of the hydrosides becomes more stable and consistent, management would expect to see better overall recovery on the hydrosides use.

Parks and Recreation (July 2021)

Community Planting days remained a feature of our Autumn workload with 9 days scheduled in this month where approx. 5000 plants went in the ground supported by SIT, community and school groups at Fosbender Park, Sandy Point Road, Dunns Road, Arun Crescent and Ottrey Street. For the last calendar year July 20 to June 21 a total of 583 individuals worked with us on community planting days.

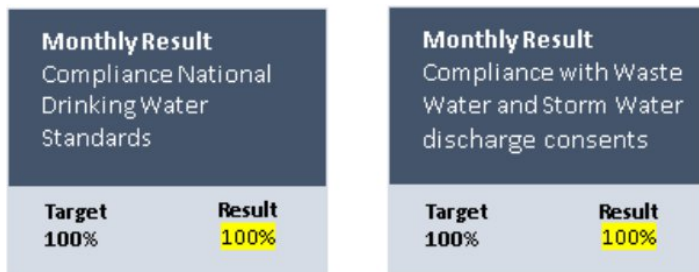
An application was made with regard to the Sir Joseph Ward Statue, Intersection Blackwater, Gore and Shannon Streets in Bluff, (List no. 9263) to be placed on the New Zealand Heritage List/Rārangi Kōrero ('the List'). Heritage New Zealand Pouhere Taonga has deemed the statue has sufficient significance to be entered on the List as a Category 2 Historic Place. The statue will be scheduled on the Invercargill City Council District Plan and a cyclic maintenance schedule will be developed.

The new Kākā welcomed in May by Invercargill City Council Parks staff and Ngai Tahu kaumatua Michael Skerrett, of Waihopai Runaka have paired well with the existing birds. They have explored their new facility extensively which has caused, as only Kākā can, a bit of maintenance work. We are liaising with the species co-ordinator to ensure we maintain best husbandry practises while their facility is being revamped.

INFRASTRUCTURE

Key Performance Indicators

Council's core infrastructure assets continue to perform at a high level. July saw 100% compliance of drinking water assets with National Drinking Water Standards and 100% compliance with our Waste Water and Storm Water discharge consents.



City Centre Streets Upgrade – Esk and Don

Work on the City Centre Streets Upgrade – Esk and Don commenced in the week prior to Level 4 lockdown. As work had commenced this is deemed an active project work and work was able to recommence under Level 3 in accordance with a strict Covid-19 Management Plan for the works. Staff are working with Downer to identify what programme delays have been incurred as a result of the lockdown period, disestablishment from site and new strict operating protocols.

Transfer Station Booking System

With the move to Covid Alert Level 3 the Transfer Stations can begin operation provided safe operating procedures are able to be implemented and access including traffic management can be adequately controlled. This includes contact tracing of all who enter the workplace or carry out work for the business or service.

Following lessons learned from the transition to alert level 3 after the first lockdown Council has implemented a booking system for the transfer station to better enable the contractor to comply with the safe operating procedures required. Council understands that this is not a convenient way for the public to access the facility but has requested understanding as it manages its services through the alert levels.

Expiration of Discharge to Air Consent

Council undertakes green waste processing at its Bond Street site in accordance with a consent for discharge of contaminants to air from a composting operation. Council's consent expired in late June without having provided Environment Southland with sufficient time to process its application for a replacement consent. This process had not been monitored as actively as normal following a key staff vacancy. Environment Southland investigated the incident and decided to take no enforcement action but did issue Council with a formal warning and investigation costs of \$462.

Unsealed Roads

Gravel roads continue to require ongoing maintenance as the regular rain has made improvements difficult. The Contractor continues to monitor these roads and undertake spot treatments. In the coming months Council will spray road shoulders, bring more material on to roads and improve cross fall in problem areas to make sure the water drains away.

This will also involve forming and cleaning water tables which will require discussion with property owners who have mowed frontages.

Compliance with the Drinking Water Standards

In August ICC staff reported to the Infrastructure Committee that a blown fuse at the Branxholme Water Treatment Plant had resulted in drinking water compliance reporting being interrupted for approximately 9 minutes and that leniency has been granted by Public Health South (contractor to the Ministry of Health) on the basis that although monitoring was absent, drinking water treatment remained unaffected throughout the outage.

Further analysis has now sourced back-up data that covers the missing 9 minutes of data making the plant fully compliant and no leniency being required.

3 Water SCADA System

The Council 3 Waters Network has a SCADA system that monitors and controls the the Water, Sewerage and Stormwater network that services Invercargill. This includes our treatment plants, pump stations and reservoirs.

ICC is in the process of making key upgrades to the system with work expected to be complete in the coming weeks. Work is being undertaken in collaboration with advisory firm AFI and our local maintenance contractor Wallace Murray electrical.

The work includes a new controls system, digital communication upgrades and computer system improvements. These upgrades are key to providing reliable monitoring and control of our 3 waters network and ensure ICC meets its public health and environmental obligations.

Alternative Water Source Investigations

Council is currently undertaking investigations to determine the feasibility of a secondary municipal water source in the Awarua area. The results of five investigation bores have identified the presence of a prospective aquifer which may be suitable as a supply source. Council will now progress with drilling of a test bore to determine likely yields and quality of water for a potable water supply.

Drill commenced on the first of 2 bore holes on Tuesday 17 August and achieved a deep of 42 m before work was halted due to COVID level 4 lock down. It is anticipated that this work will be completed in November 2021.

COVID LOCKDOWN

- The move to Alert Level 3 and 4, and the subsequent closure of our facilities to the public has impacted Council's revenue. Our current estimate of the lockdown's impact revenue is that there is a \$0.5 – \$0.75 million reduction for each month we are in Levels 3 or 4.
- We do expect that the lockdown may also result in increased costs in some areas as the resurgence of COVID in the community results in changes to how we would normally deliver our services. We will have a much better understanding of these once we start delivering services in Levels 1 and 2.

- While our customer service centres are still closed we are unable to take cash and eftpos payments for rates, dog registrations and other services. To support our community, penalties on rates and dog registrations will not be applied until after we are back at Level 2 for 14 days. This will allow sufficient time for those that still would prefer to make the payment in person to do so.
 - Other payment methods are available to customers – internet (via customers bank or our website) phone banking (via customers bank), direct debits (these can still be set up during lockdown provided customers can send us the direct debit form).
 - Unfortunately we cannot accept rates rebate forms until Level 2 as currently these cannot be submitted electronically.