



NOTICE OF MEETING

**Notice is hereby given of the Extraordinary Meeting
of the Invercargill City Council
to be held in the Council Chamber, Civic Theatre,
88 Tay Street, Invercargill on
Tuesday 22 October 2024 at 1.00 pm**

Mayor W S Clark
Cr A J Arnold
Cr R I D Bond
Cr P M Boyle
Cr S J Broad
Cr T Campbell
Cr A H Crackett
Cr G M Dermody
Cr P W Kett
Cr D J Ludlow
Cr I R Pottinger
Cr L F Soper
Cr B R Stewart

MICHAEL DAY
CHIEF EXECUTIVE

Extraordinary Council - Public

22 October 2024 01:00 PM

Agenda Topic

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1. Apologies
2. Declaration of Interest
3. [Te Unua Museum of Southland Deliberations \(A5580813\)](#) 3

TE UNUA MUSEUM OF SOUTHLAND DELIBERATIONS

To:	Council
Meeting Date:	Tuesday 22 October 2024
From:	Rhiannon Suter, Manager – Strategy, Policy and Engagement
Approved:	Trudie Hurst - Group Manager - Community Engagement and Corporate Services
Approved Date:	Tuesday 15 October 2024
Open Agenda:	Yes

Purpose and Summary

Council consulted with the community on options for funding the vision for Te Unua between 23 August and 23 September 2024. Hearings took place on 8 October 2024 and this report provides advice to support deliberations and the choice of the preferred option for Te Unua.

Recommendations

That the Council:

1. Receives the report "Te Unua Museum of Southland Deliberations".
2. After considering the submissions received, strategic and financial implications, and risks agrees the following option for funding of delivery of Te Unua:
 - a. Option 1 – Proceed with the final design based on brief.
 - b. Option 2 – Remove Green Star Accreditation.
 - c. Option 3 – Remove Green Star Accreditation and delay the car park (Council's preferred option at the time of Consultation).
 - d. Option 4 - Reduce the digital/ static ratio of 70:30 in the experience, in addition to Option 3.

Background

286 submissions were received through the community consultation. The hearings report of 08 October 2024 provided the full submissions, along with a summary of submissions, and the social media report. The analysis is included again below for Council's consideration.

Issues and Options

Analysis

Council received a diversity of views through the consultation process. The full analysis of which is provided below under community views. This diversity of views was brought to the table by those who spoke to their submissions, although spoken submissions were more representative of those who are passionate about the project and wanted to proceed with the original design.

Cost Savings and If or How They Should be Made

As described in more detail below, Option 1 was the first ranked option of most, but Option 3 received the most points overall when ranking is considered. Options 2, 3 and 4 which all included some form of cost savings options were the preferred options of 63%.

Many submitters, whichever option they choose, spoke of the most important part of the museum being the experience and wanting access to the region's tāoka/ treasures. There was also broad consensus that some form of interactivity (whether physical or digital) was important. It seems likely that there would have been clearer consensus around the digital options if more information about offerings could look like had been available to share at this stage of the process.

Option 4 was the preferred option of 29%. Option 2 or Option 3 was the preferred option of 34%. This suggests a fairly equal preference for making cost savings via savings to the building or via savings to the experience, with a slight preference towards the building. This is supported by the ranked preference of all options which is for Option 3.

In making its decision Council may find it useful to consider the extent to which cost savings are their priority and whether the trade-offs of the cost saving options are significant enough to outweigh the cost savings available. Impact on the critical success factors for the project are discussed further below under strategic alignment.

Significance

This issue is significant and has been consulted on.

Options

Option 1: Is to proceed with the final design brief.

This option would mean that Council would continue as per original brief and increase the overall budget to match the proposed cost plans. Both the museum build and experience budget would increase, delivering a green star accredited building, a 71 space car park and a full multi-sensory immersive experience.

Option 1 would require additional investment of \$13 million. It will increase the total project cost to \$87 million and the total investment by Council to \$76.7 million. This will require a 1.54% rates increase.

Option 2: Would proceed the same as for Option 1, with the exception of removal of the Green Star Accreditation. The Council would aim to continue to build as sustainable building as possible. As well as costs linked to the accreditation, there would also be different concrete used and fewer electric vehicle parks.

Option 2 would require additional investment of \$12.1 million (\$900,000 less than for Option 1). It will increase the total project cost to \$86.2 million and the total investment by Council to \$75.8 million. This will require 1.48% rates increase.

Option 3: In addition to the removal of Green Star Accreditation, Option 3 involves the delay of the car park.

Option 3 would require \$10.6 million additional budget. It will increase the total project cost to \$84.7 million and the total investment by Council to \$74.3 million. This will require a 1.54% rates increase.

Options 1 – 3 include an \$11.8 million experience budget, increased from the original budget of \$1 million.

Option 4: Offers a reduced digital experience in addition to the savings included in Option 3 – through reducing the ratios of the digital to static displays. Compared to Option 1, a saving of between \$4 - \$6 million could be made depending on the final ratio chosen.

Option 4 would require \$9 million additional investment. It will increase the total project cost to between \$81 - \$83 million and the total investment by Council to between \$81 - \$70.7 million, depending on the digital ratio. This will require a 1.07% – 1.23% rates increase.

Community Views

Option 1 (36%) was the most chosen preferred option, followed by Option 4 (29%).

Not proceeding, or pausing and completely rethinking the whole project were not given as an option as part of the consultation although this was raised by about 45 submitters (16%). Of these, half were clear that they didn't like any of the options, or stated that any rates rise or budget increase at all would be unacceptable.

In addition, submitters were asked to rank all the options and a score was assigned to each option based on ranking.¹ This additional analysis is useful to Council where public opinion is quite polarised as it gives further understanding of which option is the least popular and/or where there may be a compromise option.

While Option 1 was the most often chosen first preference, in the scored ranking, the highest combined score option was Option 3, Council's preferred option.

There may have been a clearer result if there was only one cost saving option on the external building / landscaping (i.e. a combined green/ car park option). Together these were the combined preference of 33% and the ranked preference of 52%.

¹ A Borda Count analysis was used, where a score of 4 was given to the first ranked preference, 3 to the second ranked preference, 2 to the third ranked preference and 1 to the 4th ranked preference. The highest sum score is the highest ranked preference.

One of the cost saving options (Option 2, 3 or 4) was the first preference of 63%.

The table below shows the full results for both the first preference option and the combined rank preference score.

Option	First Preference	Number of submitters	Ranked Preference (Combined score – see above and in the footnote for explanation) ¹
Option 1	36%	96	24%
Option 2	12%	32	25%
Option 3	22%	59	27%
Option 4	29%	78	24%

Themes

In relation to Option 1 there were a number of consistent themes. Those in support made comments such as “Just get it done” and “Do it once and do it right”, while those who were not in favour of this option were concerned about the cost and impact on the ratepayer, particularly in this economic environment.

Some who were in favour of Option 1 were concerned about more wasted time and money as a result of any change to the design, with more delay impacting children growing up without a museum and costs only rising further over time. Others were concerned about a compromise of outcome which could negatively impact Invercargill.

Some spoke for the benefits of Green Star Accreditation and asked the Council to show leadership, but more thought this was not worth it unless operational savings would accrue over time. Others were committed to sustainability but thought the green star accreditation a tick box exercise which wasn't needed.

The benefits of looking at another location were raised, with the old Farmers Building and the old H&Js Building mentioned. There was also some concern about the number of meeting spaces and whether there was enough exhibit space. Others were concerned that the original design concept had already been compromised (the waka design and viewpoint) and that given this, further cost savings could be made by reducing these features further.

Many thought the current car park would be ample but others questioned the sustainability of creating a new attraction without the space for visitors to park. Accessibility for people with disabilities was mentioned. Others thought this was short-term thinking and that the delay of the car park would just bring more costs later. Some argued the car park should be removed completely rather than just delayed and more investment made into creating a city for walking and cycling.

Option 4 with a reduced digital option was felt as a step back by many. Others were concerned that digital displays were soon out of date and bring with them high maintenance and replacement costs and that displaying the actual tāoka (treasured possession) was a bigger priority. Youth Council noted in their submission that it was the actual heritage of the region which they wanted access to rather than digital content.

Some submitters believed Option 1 was ideal but Option 3 was a good compromise given the cost constraints.

Some submitters were concerned as to why not proceeding at all was not an option and some noted that all the savings options were insignificant in the bigger picture. Others believed further rates funding should not be necessary and that Central Government and/or private funders should step in. Comments against the presented options included suggestions to scale back the design, to do something simpler, or to use an existing building as a new building was seen as unnecessary, and arguments were made that the suggested cost savings don't go far enough. Most of these submitters still ranked the options provided, though there was no option on the online form to provide feedback without doing so.

Informal Feedback

Community engagement took place in Invercargill Central on Saturday 7 September. People were asked to rank their preferences using a yellow pom pom to identify their preferred option, red their next preferred option, blue their third preferred option and green their least preferred option. Noting some people voted only for their preferred option, Option 1 received 56% of the first preference votes, Option 2 got 13%, Option 3 got 17% and Option 4 got 14%. Applying weighted ranking analysis, Option 1 got 43% of the overall votes, Option 2 got 18%, Option 3 got 28% and Option 4 got 12%.

The image below shows the results:



Figure 1: Community Engagement Ranked Option Preferences.

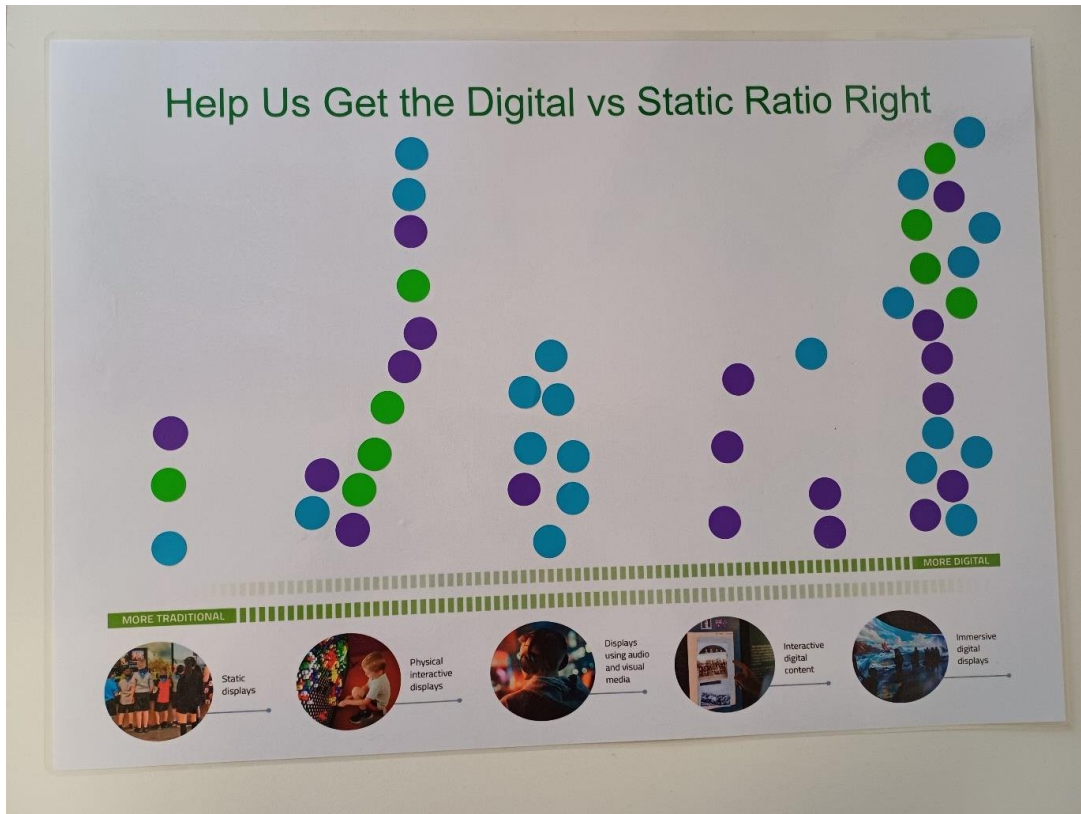


Figure 2: Community engagement – Feedback on digital vs static displays.

Young people were asked through the mall engagement about what level of digital experience was right. Fully immersive digital experiences were the most popular followed by interactive physical experiences. Static physical and digital displays were less popular.

Social Media

Social Media analysis is high level, noting some people comment many times and the format of social media is conversational.

Commentary on social media leaned towards more frequent support for Option 4 than that received through formal submissions. This was broadly driven by two factors – cost savings and support for a non-digital museum option. There was frequent mention that a basic museum which met the needs of local people and enabled them to view their tāoka directly was needed.

Cost saving options comments tended to deal with the removal of green accreditation and delay of the car park separately, with a slightly stronger level of support for removal of green accreditation.

Some comments questioned the options provided, with the use of another building in the city centre the most often mentioned, and with smaller, but roughly equal numbers wanting either for the project to be stopped completely or for the original more ambitious design to be continued with.

Concern about costing and project management processes was frequently mentioned as were calls for Council to manage costs when rate increases are already high more strongly.

Many comments were negative about the benefits of submitting with concerns about whether Council was listening and the pre-determination factor. Others were positive about the consultation but this was a smaller group.

Implications and Risks

Strategic Consistency

All options are consistent with the Council's strategic priorities laid out in the Long-term plan, although an additional budget than that allowed for within the plan will be required.

The Museum Governance Group set the following critical success factors for the project:

Connecting

Visitors to Te Unua will enjoy an immersive experience. This experience, be it exhibition, education, research, staff contact, performance or reflection, will leave the visitor with a deeper awareness of Murihiku's land, sea, sky, and its people. This will make Te Unua unique to Southland and unprecedented in New Zealand. Te Unua will be inviting, a community precinct of internal and external spaces that connect people. Welcoming all, Te Unua is inclusive, accessible, and diversely appealing to all ages, cultures and demographics of the region, nation, and the world – a reflection of the people of Southland. This will be achieved through consultation and collaboration with the community.

Inspiring

Te Unua will be an experiential visitor journey based on tāoka, art, the natural world and compelling storytelling. The visitor experience will be a narrative through people and time rather than an ordered sequence of artefacts. The visitor will leave Te Unua with a deeper understanding of the history of Murihiku and New Zealand, and the people and stories behind the exhibited collection. Aspiring Te Unua will be an enquiry hub that sparks curiosity for continuous learning. It will offer a variety of formal and informal learning opportunities, within the built space and throughout the adjoining precinct. Te Unua's approach to storytelling will include tactile and technological interactive exhibits that engage both young and more mature minds.

Protecting

Te Unua will be a safe environment for people and the collection, achieving agreed resilience for seismic and flood risks and providing appropriate environmental controls to protect tāoka over time. Design approach, materials and systems will be selected to ensure permanence and managed to reduce load on the present and future environment.

Engaging

Te Unua will be designed as a highly flexible space for exhibition and service with sufficient volume, floor area, and systems to enable future reconfiguration. Physical and technological aspects of development are provided to accommodate future change and development.

Te Unua will be responsive to cultural change, how that affects the collection and how it is reflected in the stories we tell.

Value

When complete, Te Unua will represent excellent value for the community's investment. This consideration, while including monetary assessment, will extend to non-monetised aspects such as culture, energy, and resources. Te Unua will have delivered all foreseeable operational requirements, with appropriate materials for permanence, durability, and maintenance, while offering optimised ongoing running costs for future efficiency.

Option 1 aligns most closely with the critical success factors identified by the Museum Governance Group. Options 2, 3, 4 would save costs but would have impact on other critical success factors. Option 4 (adjustments to the experience) in particular would have impact on the inspiring and engaging critical success factors.

Any change to the location would be out of alignment with the decision made by Council on location as part of the 2021 – 2031 Long-term plan deliberations.

Financial Implications

Option 1 will increase the total project cost to \$87 million and the total investment by Council to \$76.7 million. This will require a 1.54% rates increase.

Option 2 will increase the total project cost to \$86.2 million and the total investment by Council to \$75.8 million. This will require a 1.48% rates increase.

Option 3 will increase the total project cost to \$84.7 million and the total investment by Council to \$74.3 million. This will require a 1.54% rates increase.

Option 4 will increase the total project cost to between \$81 - \$83 million and the total investment by Council to between \$81 - \$70.7 million, depending on the digital ratio. This will require a 1.07% – 1.23% rates increase.

Legal Implications

There are no identified legal options on the choices between the four options as consulted on.

Climate Change

Removing the Green Star Accreditation would have a potential impact on future decisions affecting the carbon impact of the building.

Risk

The risk section of the 30 July report to Council on this matter should be considered. This covered the following issues:

- Accelerated delivery risks related to Project 1225.
- Impact on Council ability to deliver other long-term objectives.
- Risks to other strategic objectives.

Next Steps

Following the Council's decision, the Project Governance Group will proceed to deliver the chosen option.

Attachments

Attachment 1 - Council Decision Making on SMAG / Project 1225 / Te Unua – Museum of Southland

Date/ Committee	Report	Decision
9 April 2018 EO Council	Southland Museum and Art Gallery closed	that Council endorses the Chief Executive's proposal to withdraw staff from the Southland Museum and Art Gallery building; AND Note that a report detailing the financial implications of this situation will be provided to a subsequent Council meeting; AND Signals to Southland Museum and Art Gallery Trust that Council sees the establishment of a temporary and limited museum presence within the City as desirable, but that it will need to consider this further against other priorities set out in the 2018-28 Long-term Plan Consultation Document.
3 March 2020 Council	Ownership of Museum Building	It has long been thought that the SMAG Trust Board owned the pyramid building, and Council owned the land on which the building sits. The report to Council in September 2019 referred to SMAG being the owner of the building. Research on this point suggests this is wrong. The Museum Trust Board wrote to Council 5 August 1960 clarifying "as you Council is the owner of the building and the Board is responsible only for the internal operations of the museum". In addition, there is nothing in the lease to indicate that (equitable) ownership of the museum building / improvements sits with the SMAG Trust. Clause 22 of the lease shows that a deed of surrender of the lease and cancellation of the leasehold title may be sufficient for the site and building/improvements to revert to ICC as fee simple owner/lessor. This clarification eases one part of the transition.
1 Dec 2020 Infrastructural Services	Southland Museum and Art Gallery Options	Option C 67%NBS and Full Refurbishment (estimated cost \$52.5 million be identified as the preferred option to be considered for inclusion in the review of strategic projects.
21 March 2021 Council	Adoption of the 2021 – 2031 Long-term plan Consultation Document	Adoption of the Consultation Document including the preferred option: We estimate it will cost \$52.5 million to reopen and refurbish the museum in its current location. Council would allocate up to \$39.4 million and seek external funding for the remaining costs. This will make the

Date/ Committee	Report	Decision
		pyramid safer if there is an earthquake (67% of New Building Standards). This is a complex project which will take time to complete, particularly as there is so much construction going on in the city. The aim is for the museum to reopen in 2026.
18 May 2021 Performance Policy and Partnerships	Long-term Deliberations plan	<p>Confirm the preferred option to invest \$39.4 million of a \$52.5 million project to open an Invercargill Museum. Confirm its preferred location for the museum remains Queens Park.</p> <p>Request preparation of advice on a governance group for guiding the process of reimagining the offering of the museum to be reported to the Performance, Policy and Partnerships Committee on 25 June 2021, and an amount of \$60,000 be allocated for this work.</p> <p>Confirm delivery no more than one year later in 2026/2027 in order to allow for time to reimagine the offering of the museum when it is reopened.</p> <p>(The minutes note that a change was made from the preferred consulted option of a renewal of the existing building and the wording change of the resolution reflects that this may be a new building and noted the advice of officers that further budget may be required).</p>
15 March 2022 EO Infrastructural Services	The New Cultural Facility for Invercargill (Te Unua)	<p>Adopts the Vision and Critical Success Factors as proposed by the Museum Governance Group with one minor amendment with the expansion of Invercargill and Southland within New Zealand</p> <p>Confirm that Options 1, 2 and 3 are the options to be consulted on in the 2022 / 2023 draft Annual Plan.</p> <p>Confirm that, for the consultation process, Option 2 4,150m2 New Building is Council's preferred option.</p>
24 May 2022	Annual Plan 2022/2023 Deliberations	Determine to include Option 3 for Te Unua in the Annual Plan.
22 August 2023 Council	Project 1225 Concept and Museum Naming Approval	<p>Approves the 3,728m2 concept design and increase in "construction" budget of \$6,009,682.</p> <p>Approves the name of the new museum as Te Unua Museum of Southland</p>
19 Dec 2023 Council	LTP Budget Direction and Financial Policies	Adjust operational expenditure for maintenance for Te Unua, Tisbury Storage Facility and Tuatara facility across early years - \$850,000 in total reduction across ten years of the Long-term Plan.
27 Feb 2024 Council	Council Adoption of Long- term plan consultation document	<p>Te Unua Museum of Southland 2021 – 2027</p> <p>\$65 million of a \$74.9 million project</p> <p>\$13 million delivered to date</p> <p>Te Unua Museum of Southland is planned to open in 2026. We are so excited to see the new ways in which our people's stories and heritage will be presented. In addition to the investment in the museum building, Te Pātaka Taoka Southern Regional Collections Facility and the new Tuatara facility, additional landscaping within the park and at Tisbury will be required. We forecast from 2026, \$3.8 million operational funding will</p>

Date/ Committee	Report	Decision
		be required to run the new museum and pay for maintenance each year.
26 June 2024 Council	Adoption of the 2024 – 2034 Long-term plan	Adoption of the plan including: Te Unua Museum of Southland 2021 – 2027 \$65 million of a \$74.1 million project \$14 million delivered to date
30 July 2024 Council	Te Unua Museum of Southland Final Design and Proposed Budget Amendment	<p>Approved the options for consultation:</p> <p>Retain the status quo</p> <ul style="list-style-type: none"> b. Remove Green Star accreditation. c. Remove Green Star accreditation and delay the carpark (Council's preferred option) d. Reduce the digital / static ratio of 70:30 in the experience, in addition to Option c. <p>Note that the additional costs associated with these options were not included in the Long-term Plan adopted on 28 June 2024 as the developed cost was not available. Any further change to the project budget will be inconsistent with the adopted 2024-34 Long-term Plan.</p> <p>Note the continued uncertainty and risks related to the current projected operational costs and revenue.</p> <p>Approve the Chief Executive to sign the Naylor Love Construction Contract for the building only, being not inconsistent with the options consulted on.</p>