

### Council Members

Chairman Ali Timms	Cr Grant Hubber
Cr Nicol Horrell (Deputy)	Cr Peter Jones
Cr Ross Cockburn	Cr Brian Mason
Cr Neville Cook	Cr Marion Miller
Cr Rowly Currie	Cr Jan Riddell
Cr Robert Guyton	Cr Maurice Rodway

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## Extraordinary Meeting of Council

1.30 pm

7 September 2011

### A G E N D A

1. Welcome
2. Apologies
3. Public Forum, Petitions and Deputations
4. Notification of Extraordinary and Urgent Business
  - 4.1 Supplementary Reports
  - 4.2 Other

*NB: Councillors are reminded to advise the Chairman, at least a day prior to the meeting, of your intention to raise any matters.*

5. Questions
6. Chairman and Councillors' Reports
7. Staff Report - 11/C/112

Item 1

8. Extraordinary and Urgent Business
9. Public Excluded Business



The Chairman of Council

7 September 2011  
1.30 pm

Item:

Page:

**Policy Issues and Decisions**

1. 103/08/04 – Proposal for Amendment to the 2009-2019 Long-term Council Community Plan..... 1



Graham Alswailer  
Director of Corporate Services

RECOMMENDATIONS IN COUNCIL REPORTS ARE NOT TO BE CONSTRUED  
AS COUNCIL POLICY UNTIL ADOPTED BY COUNCIL

*for now and your future*



## Policy Issues and Decisions

### Item 1 103/08/04 – Proposal for Amendment to the 2009-2019 Long-term Council Community Plan Compiled by Graham Alsweller, Director of Corporate Services

#### Summary

When adopting the 2011/12 Annual Plan, the Council resolved to propose an amendment to the current Long-term Council Community Plan (LTCCP).

The following report contains the Statement of Proposal required by the Local Government Act 2002 that is taken to the community using the Special Consultative Procedure.

The proposal is to undertake work in the Waituna catchment aimed at preventing the Waituna Lagoon “flipping”. The Statement of Proposal has been audited and the signed report of the auditors will be available immediately after the meeting.

#### Recommendation

**It is recommended that Council resolve to adopt the Statement of Proposal and proceed to undertake the necessary consultation using the Special Consultative Procedure contained in the Local Government Act 2002.**

#### Report

The Council was advised in a legal opinion that it should seek an amendment to the Long-term Council Community Plan 2009-2019 (LTCCP) for the work proposed in the Annual Plan 2011/12 in the Waituna Lagoon and catchment. An amendment to the LTCCP is achieved using the special consultative procedure set out in the Local Government Act 2002. The auditors have reviewed the proposal and a copy of their draft opinion is attached.

#### Context

During the development of the Annual Plan 2011/12, the Council was advised, and in turn the Council advised the regional community, that there was a problem in the Waituna Lagoon. The problem means the lagoon could “flip” from its current state to one where slime algae and phytoplankton become dominant meaning the water quality decreases rapidly and the ecosystem is negatively and permanently altered.

The recognition of the advance state of deterioration occurred about the same time as the draft Annual Plan 2011/12 was being prepared. The complexity of analysing the causes and preparing a response plan meant that the proposed action could not be detailed in the draft plan and the scale of the response could not be judged in terms of the Council’s Significance Policy.

However, a full disclosure of the issues being presented by the change in the state of the lagoon accompanied the material released in support of the draft Annual Plan e.g. in the Council’s EnviroSouth publication, which contained the summary of the draft annual Plan, in media releases, at briefings, and in information on our website.

In the draft plan, we referred to the issue and noted that a response plan was being developed in parallel with the Annual Plan. The publicity, together with the discussion and consultation with individuals, groups and organisations directly involved, meant that supportive comments were received in the submissions made to the draft Annual Plan. During the Council meeting on 7/8 June 2011, which heard the submissions, it was resolved that a proposed programme of work and associated costs and revenue sources be included in the final plan.

When the final plan was considered and adopted on 22 June 2011, it included funding and activity plans to resource the response Council considered necessary. That meeting considered the legal advice obtained in the interim between the two meetings. The opinion advised, in summary, that:

- (a) the proposed response in the Waituna catchment is significant in terms of the Council's Significance Policy so should be subject to consultation with the community using the special consultative procedure contained in the Local Government Act 2002;
- (b) despite the best efforts made, the timing of the preparation of the plan and the response had not allowed sufficient detail of the response to be included in the draft Annual Plan so that the consultation process it went through was not adequate to meet the needs for the Waituna response;
- (c) that additional consultation is required and given that there was no provision for a Waituna response in the present LTCCP, that an amendment to the LTCCP should be sought;
- (d) given the "late breaking" nature of the issue and the need for a quick response, the provisions of Section 80 of the Local Government Act 2002 (Identification of Inconsistent Decisions) could be relied upon to include the proposed activity, revenue and expenditure proposals in the adopted Annual Plan 2011/12.

### Proposal

The nature of the planned response is predominantly investigative, with future actions being dependent on the knowledge gained from the information obtained. The proposed amendment to the LTCCP is for the 12 month period to 30 June 2012. Any further activity beyond that will need to be included in the Long-term Plan being developed in the next few months. Accordingly, the information proposed for the LTCCP amendment is an update of the context of the proposed action together with the statement of service performance information included in the new Annual Plan.

The legislation covering the area requires the following:

1. the preparation of a statement of proposal (SOP) and the inclusion thereof on the agenda for the Council meeting. This report meets those requirements;
2. the preparation of a summary of the SOP and wide distribution of it. The report from the section noted below is the SOP and the summary is attached. We will advertise the existence of the SOP, as required, and include the summary in the next EnviroSouth publication due for distribution on 22 September 2011.

The following is the proposed timetable for the consultation:

- 7 September 2011 ⇒ Adopt the SOP and summary (Extraordinary Council meeting on Committee Day).
- 10 September 2011 ⇒ Advertise by public notice and on our website the SOP and the consultation timetable.
- 22 September 2011 ⇒ Publish the summary document in the EnviroSouth, which goes to each household in the region and to non-resident ratepayers.
- 19 October 2011 ⇒ Submissions close (at 4.30 pm).
- 9 November 2011 ⇒ Consider submissions (at an Extraordinary Council on Committee Day).

**Amendment to the Environment Southland Long-term Council Community Plan 2009-2019 to enable an urgent response to the rapidly deteriorating water quality in the Waituna Lagoon**

When the Long-term Council Community Plan was compiled in 2008/09, we did not anticipate the urgent response needed for the Waituna Lagoon. Monitoring shows that since 1995 the water quality in the Waituna Lagoon and its tributaries has increasingly deteriorated, to a point where the lagoon is at imminent risk of flipping. Doing nothing is not an option. The Waituna Lagoon is a unique ecosystem, highly valued in Southland, and recognised internationally. We need to respond dynamically, not knowing the full scientific picture, yet needing to make adaptive decisions along the way for the sake of restoring the lagoon.

Increasing contributions of nitrogen, phosphorus and sediment are the main causes of the lagoon's deteriorating state. The cumulative effects of land development and drainage over many years, and recent land use changes and intensification are known to be significant contributors to the increasing rate of eutrophication and sedimentation.

The Waituna Lagoon is unique, and is one of the few remaining examples of a natural coastal lagoon in New Zealand. The lagoon adjoins the Waituna and Awarua Wetlands and is one of only six Ramsar sites (internationally significant wetlands) in the country. The lagoon sits at the bottom of a small, intensively farmed catchment. It is a well known area for fishing and hunting and highly significant to Ngai Tahu and Southlanders alike.

The rate of deterioration has increased markedly since 2007 and the lagoon has now been assessed as eutrophic and at imminent risk of "flipping". "Flipping" would see the lagoon change from having clear water and an aquatic environment dominated by seagrass (*Ruppia*) to turbid water dominated by algal slime, a state which may not be able to be recovered from.

During the State of the Environment Reporting process, staff asked the question "How close is the Waituna Lagoon to flipping?" Water quality data and *Ruppia* data (from the Department of Conservation) were analysed, and the answer was – very, very close. This is why Environment Southland is leading a multi-agency response to prevent the lagoon from flipping and restore it to a healthy state. If we do not take action now, we risk losing this unique

ecosystem, and its ability to support plants and animals that live within the lagoon. The estimated cost of the response is \$2,681,636, of which we had provided \$686,636, leaving another \$1,995,000 required.

We need robust science to inform the decisions we make, for both regulatory and non-regulatory approaches. Although it is hard to know what action is appropriate to take, because of Waituna Lagoon's highly complex and unique ecosystem we have to gather as much information as quickly as possible to make the best decisions we can.

To enable this to happen, two technical groups have been formed – one focusing on science within the lagoon, the other on science in the catchment above the lagoon. The Lagoon Technical Group has produced “Interim recommendations to reduce the risk of Waituna Lagoon flipping to an algal-dominated state”. These recommendations suggest Nitrogen and Phosphorus load reductions of approximately 50% are required to return the lagoon to 1995 water quality levels. Further work is needed to set sediment loads, and to set catchment loads.

Since February 2011, Environment Southland staff have been more rigorously monitoring seagrass, slime algae and water quality within the lagoon, and sediments and nutrients from the three watercourses that feed into the lagoon. It is intended that this work will feed into catchment and lagoon models. Staff have worked with industry partners and visited farmers in the catchment to identify possible hot spots and to discuss good environmental practices with many farm activities, particularly winter cropping. Flights were undertaken to identify and help prioritise this work.

Environment Southland has been working many stakeholders on the issues in the Waituna catchment including landowners, consent holders and community members, DairyNZ, Fonterra, Federated Farmers, Ngai Tahu, Te Ao Marama Inc, Southland District Council, Waituna Landcare Group, Fish and Game Southland, the Department of Conservation, the Ministry and Minister for the Environment, Lake Waituna Control Association, and the Awarua Waituna Advisory Group. We intend to further strengthen these relationships in the future, particularly by co-ordinating the Waituna Catchment Group.

Together, we are trying to prevent the Waituna Lagoon from flipping by working together to restore it to a healthy state.

Over the next financial year we intend to:

- develop and implement a science plan to undertake investigations/research in the Waituna Lagoon and its catchment to enable better understanding of this complex ecosystem and to inform and report on the effectiveness of catchment and lagoon management options and interventions;
- investigate, and where possible and necessary, undertake physical works to reduce the risk of Waituna Lagoon “flipping” from its current state to an algal-dominated state;
- develop and implement a monitoring programme for the Waituna Lagoon and its catchment to report on the state and trend in the lagoon; and
- develop and implement a regulatory policy framework that addresses intensification of land use in the Waituna catchment to mitigate detrimental environmental effects on the catchment, in particular, nutrient and sediment loads to Waituna Lagoon.

The \$1,995,000 proposed additional spending will not be the full cost of the Waituna response. The work previously scheduled in the Waituna catchment is augmented by the provision of the funding for senior planner to address issues in sensitive catchments, especially Waituna in the 2011/12 Annual Plan. In addition, other planned work considering responses to land use intensification issues will be focused on the Waituna catchment. Beyond that, the time and costs incurred by management will also be incurred and that will be costed as Waituna. The estimated cost of this already budgeted effort, which will now be necessarily recorded as Waituna so we can accurately track the costs, is \$686,636.

This work is budgeted to cost \$2,681,636. This work was unforeseen when the Long-term Plan was originally set, but \$686,636 is to come from existing programmes through redirection. The remaining \$1,995,000 is additional. Environment Southland intends to apply to the Government’s Fresh Start for Fresh Water Clean-up Fund for one-third (\$665,000) of the additional costs, and will seek assistance from industry partners for one-third (\$665,000) of the additional costs.

We intend to fund the remaining one-third from our own funds sourced from a past special dividend from our shareholding in South Port New Zealand Limited, which is held in our reserves. That will mean there is no direct effect on rating levels for our ratepayers in the 2011/12 financial year.

There is a greater degree of uncertainty than is usual in preparing this proposal because of the rapid deterioration of the lagoon and the consequent urgency to understand the complex issue and respond. All of the costs are estimates which have been prepared with the best understanding at the time. It is possible or even likely that the costs and revenues will change before the special consultation process is complete or before the end of the financial year.

The proposed spending is allocated to the following areas:

<b>Areas</b>	<b>Total Anticipated Expenditure</b>	<b>Already Budgeted</b>	<b>Additional Spending Proposed</b>
Lagoon Science/Management	798,162	114,010	684,152
Catchment Science/Management	1,189,358	297,408	891,950
Works	362,398	-	362,398
Policy Framework	154,183	154,183	-
Community Relations and Project Management	177,535	121,035	56,500
<b>Total</b>	<b>\$2,681,636</b>	<b>\$686,636</b>	<b>\$1,995,000</b>

When allocated to our usual disclosing expenditure in the LTCCP, the \$1,995,000 additional spending proposed is as follows:

**Water**

**Works and Services**

- ▲ An additional \$360,000 is required to enable any physical works, which are possible and necessary to reduce the risk of the Waituna Lagoon flipping.

**Extension and Education**

- ▲ An additional \$35,000 is required to enable community involvement in the Waituna Lagoon catchment

**Monitoring**

- ▲ An additional \$280,000 is required to monitor catchment inputs of nutrients and sediments to the Waituna Lagoon.

**Investigations/Research**

- ▲ An additional \$1,320,000 is required to develop and implement investigations in the Waituna Lagoon and catchment.

It is proposed that the following information be added to the LTCCP at the page number noted.

**(Insert on page 20 of existing LTCCP)**

It is proposed that the following additional activity be undertaken and that provision for \$360,000 expenditure additional to that proposed in the draft Annual Plan 2011/12 be made.

**Works and Services – Service Delivery**

**We will:**

- investigate, and where possible and necessary, undertake physical works to reduce the risk of Waituna Lagoon “flipping” from its current state to an algal-dominated state. That may involve opening the lagoon to the sea to avoid prolonged phytoplankton blooms by diluting nutrients and sediment, and increasing flushing to the sea when critical trigger levels are exceeded and when hydrological conditions allow.

**Measure:**

**Primary Indicators**

Chlorophyll *a*

**Secondary Indicators**

Total Phosphorus

Total Nitrogen

**Target:**

**Primary Indicators**

Chlorophyll *a*

**Critical Trigger**

0.012 mg/L

**Secondary Indicators**

Total Phosphorus

0.045 mg/L

Total Nitrogen

0.700 mg/L

**Baseline measure:**

- No existing baseline measure. Previous lagoon openings have been for provision of local drainage outfall and not necessarily related to lagoon health. Critical trigger levels are interim only and are to be reviewed by 30 November 2011.

Works and Services activities to be undertaken	2011/12
<p><b>Waituna Lagoon</b></p> <ul style="list-style-type: none"> <li>• Complete report on review of costs and risks of various options for lagoon physical management, including openings at different sites, chemical treatment, diversion, siphoning and dredging.</li> <li>• Obtain necessary resource consents to permit any practicable physical management works.</li> </ul>	<p>√</p> <p>√</p>

Year ended Water - Works & Services 30 June 2011 \$000	Year ended 30 June 2012 \$000	LTCCP 30 June 2012 \$000
<b>Projects Resourced by</b>		
5 Council Policy & Planning	0	0
127 Regional Planning	448	11
49 Catchment Planning	275	38
2 Pest Plants	3	2
1,035 Land Drainage	1,070	1,004
2,791 River Works	3,071	3,114
<b>4,009</b>	<b>4,867</b>	<b>4,169</b>
<b>Funded by</b>		
354 Investment Income	405	322
35 Prior Years Surplus	11	43
626 General Rates	619	591
2,556 Separate Rates	2,682	2,799
0 External Recoveries	280	0
165 Investment Income Allocated	165	168
421 Local Contribution	458	464
-148 Reserves / Capital / Surpluses	247	-218
<b>4,009</b>	<b>4,867</b>	<b>4,169</b>

**(Insert on page 29 of existing LTCCP)**

It is proposed that the following additional activity be undertaken and that provision for \$35,000 expenditure additional to that proposed in the draft Annual Plan 2011/12 be made.

**Extension and Education – *Provide advice and knowledge***

<b>Waituna Lagoon</b>	
<ul style="list-style-type: none"> <li>• Co-ordinate Waituna Catchment Group</li> </ul>	As and when required, at least quarterly
<ul style="list-style-type: none"> <li>• Provide update report to stakeholders.</li> </ul>	Monthly
<ul style="list-style-type: none"> <li>• Convene or participate in Waituna community meetings and workshops (either Environment Southland or other stakeholder led).</li> </ul>	As and when required
<ul style="list-style-type: none"> <li>• Produce “Anecdotes of Waituna” record of catchment personalities/history.</li> </ul>	December 2011
<ul style="list-style-type: none"> <li>• Update Southland region on Waituna progress through press releases or advertisements/supplements.</li> </ul>	As and when required, at least quarterly

Year ended Water - Extension & Education 30 June 2011 \$000	Year ended 30 June 2012 \$000	LTCCP 30 June 2012 \$000
<b>Projects Resourced by</b>		
169 Environmental Education	210	159
14 Environmental Monitoring	10	12
37 Harbour Management	41	35
4 Hazard Management	0	4
38 Regional Planning	187	36
44 Land Sustainability	45	44
6 Pest Plants	6	6
100 Consents Admin	101	105
<b>412</b>	<b>600</b>	<b>401</b>
<b>Funded by</b>		
93 Investment Income	153	76
9 Prior Years Surplus	4	10
164 General Rates	234	140
50 Separate Rates	51	6
157 External Recoveries	247	221
-61 Reserves / Capital / Surpluses	-89	-52
<b>412</b>	<b>600</b>	<b>401</b>

**(Insert on page 36 of existing LTCCP)**

It is proposed that the following additional activity be undertaken and that provision for \$280,000 expenditure additional to that proposed in the draft Annual Plan 2011/12 be made.

**Monitoring – Obtain information and report it**

**We will:**

- develop and implement a monitoring programme for Waituna Lagoon and its catchment to report on the state and trend of the lagoon.

**Measures:**

**Primary Indicators**

Chlorophyll *a*

**Secondary Indicators**

Total Phosphorus

Total Nitrogen

**Targets: Primary Indicators**

Chlorophyll *a*

**Critical Trigger**

0.012 mg/L

**Secondary Indicators**

Total Phosphorus

0.045 mg/L

Total Nitrogen

0.700 mg/L

**Baseline measures:**

- Interim catchment load reductions have not yet been finally determined, but guidelines suggest N and P load reductions of approximately 50% and significant sediment load reductions are required. These figures are subject to further work and will be revised in the 30 November 2011 review.

Monitoring activities to be undertaken	2011/12
<b>Catchment</b> <ul style="list-style-type: none"> <li>• Monitor catchment inputs of nutrients and sediment to Waituna Lagoon under a range of conditions from Waituna, Moffat and Carrans Creeks. Number of sites to be determined by catchment modelling requirements. Commencing with 7 sites.</li> <li>• Catchment hydrology</li> </ul>	Twice monthly for base flows. 2-8 hourly for representative floods. Continuously monitor flows at Waituna Creek.
<b>Waituna Lagoon</b> <ul style="list-style-type: none"> <li>• Monitor bottom water quality at 4 sites.</li> <li>• Monitor sediment at 4 sites.</li> <li>• Monitor phytoplankton abundance.</li> <li>• Monitor epiphytes and macroalgae.</li> <li>• Monitor ruppia.</li> </ul>	Monthly if triggers not exceeded (up to weekly if exceeded) 3 monthly Annually

Year ended Water - Monitoring 30 June 2011 \$000	Year ended 30 June 2012 \$000	LTCCP 30 June 2012 \$000
<b>Projects Resourced by</b>		
2,332 Environmental Monitoring	2,035	1,966
36 Harbour Management	40	34
4 Hazard Management	0	6
60 Regional Planning	285	54
4 Pest Plants	5	4
<b>2,436</b>	<b>2,365</b>	<b>2,064</b>
<b>Funded by</b>		
424 Investment Income	704	670
42 Prior Years Surplus	19	90
750 General Rates	1,075	1,230
4 Separate Rates	6	4
772 External Recoveries	537	94
444 Reserves / Capital / Surpluses	24	-24
<b>2,436</b>	<b>2,365</b>	<b>2,064</b>

**(Insert at page 39 of existing LTCCP)**

It is proposed that the following additional activity be undertaken and that provision for \$1,320,000 expenditure additional to that proposed in the draft Annual Plan 2011/12 be made.

**Investigations/Research – Apply science to increase understanding**

**We will:**

- develop and implement a science plan to undertake investigations/research in the Waituna Lagoon and its catchment to enable better understanding of this complex ecosystem and to inform, and report, on effectiveness of catchment and lagoon management options and interventions.

**Measure:**

**Primary Indicators**

Chlorophyll *a*

**Secondary Indicators**

Total Phosphorus

Total Nitrogen

**Target:**

**Primary Indicators**

Chlorophyll *a*

**Critical Trigger**

0.012 mg/L

**Secondary Indicators**

Total Phosphorus

0.045 mg/L

Total Nitrogen

0.700 mg/L

**Baseline measures:**

- No existing baseline measures.
- Interim catchment load reductions have not yet been finally determined, but guidelines suggest N and P load reductions of approximately 50% and significant sediment load reductions are required. These figures are subject to further work and will be revised in the 30 November 2011 review.

Investigations/Research activities to be undertaken	2011/12
<p><b>Catchment</b></p> <ul style="list-style-type: none"> <li>• Identify catchment research and modelling requirements.</li> <li>• Initiate a lagoon and catchment study to identify and evaluate contaminant (N, P and sediment) for different land uses in catchment.</li> <li>• Develop a catchment model of nutrient and sediment transport pathways under various management/mitigation options.</li> <li>• Undertake detailed investigations to better understand sources of, and transport paths from, various land use activities. <i>Note: To be undertaken as identified by outputs of other activities.</i></li> <li>• Undertake a review of drainage practices in the catchment.</li> </ul>	<p>30 July 2011</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p>
<p><b>Waituna Lagoon</b></p> <ul style="list-style-type: none"> <li>• Investigate lagoon response to contaminants under different management regimes.</li> <li>• Investigate methods of measuring and monitoring epiphyte (slime algae) production and biomass.</li> </ul>	<p>√</p> <p>30 November 2011</p>

Investigations/Research activities to be undertaken	2011/12
• Investigate salinity effects on ruppia for different lifecycle stages.	√
• Investigate relationship to Australian coastal lakes/lagoons where ruppia is present.	√
• Investigate nutrient and sediment spatial variability and movement within the lagoon.	√
• Undertake a comprehensive assessment of contaminant load guidelines.	30 November 2011
• Review “interim” recommendations to reduce the risk of the lagoon flipping to an algal-dominated state.	30 November 2011
• Investigate, and if practicable, undertake ecological modelling of the future environmental condition of the lagoon.	√
<p><i>Note: Both the above Catchment and Waituna Lagoon programmes are subject to continual review and are likely to change as further knowledge of the catchment and lagoon is obtained.</i></p>	

Year ended Water - Investigation & Research 30 June 2011 \$000	Year ended 30 June 2012 \$000	LTCCP 30 June 2012 \$000
<b>Projects Resourced by</b>		
459 Environmental Monitoring	475	446
0 Regional Planning	1,317	0
0 Civil Defence	0	3
4 Emergency Management Sthd	0	0
0 Hazard Management	0	2
8 Pest Plants	6	8
<b>471</b>	<b>1,798</b>	<b>459</b>
<b>Funded by</b>		
85 Investment Income	156	151
8 Prior Years Surplus	4	20
219 External Recoveries	953	3
150 General Rates	240	277
1 Reserves / Capital / Surpluses	439	0
8 Separate Rates	6	8
<b>471</b>	<b>1,798</b>	<b>459</b>