

Focus on Southland District

SOUTHLAND DISTRICT COUNCIL
ANNUAL PLAN 2011/2012

 *People First*
Southland District Council
Te Rohe Pōtae O Murthiku

About Southland

One of the essential characteristics of Southland is its strong community ethic. Each of Southland's communities has a special character, ranging from the popular coastal township of Riverton, the bustle of a busy tourist destination in Te Anau, to the quiet yet beautiful town of Riversdale and tranquillity of Oban, Stewart Island/Rakiura. In all these communities it is the norm to know your neighbours; people are open and friendly and can be relied upon. This sense of community has created a reputation of Southland being one of the safest family environments in the country.

The spirit of community is also seen in the way in which people work together for the development of their township and local area. Southlanders are generally very resourceful but conservative, preferring to learn from past experiences and be cautious and thoughtful in their approach rather than be impulsive and take risks.

One of the attractions of living in Southland is the lifestyle. Outdoor pursuits abound in Southland, from trout fishing in the Mataura River, water skiing at Lake Manapouri, a huge range of walks and tramps, and a large number of golf courses. Residents are generally active, typically involved in a range of sporting and recreational activities such as rugby, golf, netball and bowls. Southlanders also value arts and cultural activities and participation in community activities is high with interests ranging from the fellowship of service groups to the creativity of arts groups.

Agriculture remains the cornerstone of the Southland economy with agriculture, forestry and fishery workers being the most numerous occupational groups in the District. The continued expansion and development of the dairying industry, in particular, looks likely to underpin future growth. At the same time, with exploration for lignite, gas, oil, coal and recent development of wind power and a well established hydroelectric power station, energy opportunities also look likely to play an increased role in the District economy in the future. With six iconic tourist destinations (Milford Sound, Doubtful Sound, Fiordland National Park, Southern Scenic Route, the Catlins and Stewart Island) located in Southland, the District continues to be well-known for its unique and diverse tourism attractions.

Key Statistics

Population	28,440 ¹
Māori	9% ²
European	79% ²
Other ethnic groups ³	19% ²
Median household income	\$48,700 ¹
Median house price	\$193,250 ⁴
Land area	30,753 km ²
Length of coastline	3,400 km
Average annual rainfall	1,112 mm
Average annual sunshine hours	1,614 hours
Average summer temperature high	19 °C ⁵
Average winter temperature high	10°C ⁵
Number of Councillors	12
Number of Community Boards and Community Development Area Subcommittees	12 (CBs) 16 (CDAs)
Total Rateable Rating Units	20,859 ⁶
Contiguous Rating Units	15,993 ⁷
Area of parks and reserves	1,249 ha
Number of sports fields and playgrounds	70
Number of libraries	12
Length of sealed roads	1,951 km
Length of gravel roads	3,010 km
Length of footpaths	193 km
Number of bridges	974
Number of streetlights	2,416
Length of wastewater pipes	205 km
Length of stormwater pipes	107 km
Length of water pipes	632 km

¹ Census 2006

² More than 100% as respondents can choose more than one ethnic group

³ 'New Zealander' responses in the Census form part of the 'Other ethnicity' category

⁴ www.interest.co.nz home loan affordability series April 2011

⁵ www.nzs.com/new-zealand-weather/southland

⁶ June 2011 based on properties subject to Council Offices and District Support Rate

⁷ June 2011 based on properties subject to Representation Rate

Overview

The overview explains what the Annual Plan is and describes the key issues for Council and the community as well as information about the overall financial effect. It also highlights the key changes made to the Plan as a result of submissions. In addition, the section describes the communities' seven key outcomes as well as details of other related planning documents.

From the Mayor and Chief Executive

Thank you for taking the time to read Council's 2011/2012 Annual Plan. This is a key communications document for Council and we hope that you, our ratepayers and residents, get a detailed overview of what Council is intending to do during the next 12 months. Thank you also to those that made submissions on the Draft Plan. We received 62 submissions which contained very constructive comments that Council has taken on board.

This Plan should be read in conjunction with Council's Long Term Council Community Plan (LTCCP) which was published two years ago. This Annual Plan covers the third 12-month slice of the LTCCP. Both documents have been difficult to put together due to the current economic uncertainty. The long term infrastructural needs of the District need to be balanced against community affordability and this has been challenging because of the increasing demands on infrastructure such as our roading network and escalating prices, particularly fuel and bitumen.

The overall aggregated district rate increase within this Annual Plan is below that signalled in our LTCCP. There have been a number of significant savings in expenditure, but these, unfortunately, have been offset by reduced income from external sources such as interest. Roothing costs are the main reason rates continue to increase and this is because heavy traffic volumes also continue to increase.

Roothing remains Council's most significant expenditure area and an increase in use from both dairying and forestry has put significant demands on Council's reconstruction programme. Council has adopted an approach which will maximise the use of Central Government's financial assistance rate (currently sitting at 54%). In this Plan, Council intends to only carry out work on roads where it can get funding assistance. Council has also adopted a policy of minimising the burden on future ratepayers as most of the work being undertaken relates to maintenance and renewals. Unfortunately there is still an element of borrowing in the Plan to pay for our proposed roading programme. We will continue to ensure that rural New Zealand's voice is heard by Central Government especially relating to issues around equitable road funding.

Council just implemented a long term sustainable solution for household waste collection which involves a change to a two bin wheelie bin service, one for waste and the second for recyclables. Recycling drop-off centres for those residents who are not on the collection continue to be provided. Council believes this is a positive step towards reducing the amount of waste to landfill. This has resulted in a one-off increase in the collection rate.

In this Plan, Council has also continued with Stage 2 of the change to the way that the cost of the water and wastewater operations and maintenance is paid for by communities. Instead of all communities paying a different amount based on the historical contract costs, the operational and maintenance costs of our schemes are now shared out among communities based on the number of units.

We will be looking at the pros and cons of setting a uniform cost across all schemes including the costs of renewals and upgrades as part of next year's new Long Term Plan.



Work continues on the review of our District Plan, which is being done in conjunction with Environment Southland. This collaboration is providing benefits in better ratepayer understanding and input as well as economic payback. Council is active in more than 50 shared services with other councils and is committed to exploring any opportunity that benefits its ratepayers.

In the 2011/2012 year we will no doubt continue to see a large number of policy and/or discussion documents from Central Government outlining proposed changes to legislation, structures and direction which could have significant impacts on Council, its ratepayers and residents. This is likely to include the reorganisation proposals, changes to the Building Act regulations and delivery agent, amendments to the Resource Management Act and revamping of the Local Government Act, to name a few. Submissions on these proposals take time and effort from Council to ensure they reflect the needs of rural New Zealand rather than only those areas of high density population.

We are disappointed to see the Stewart Island Visitor Levy legislation has been tabled at the Select Committee, but has not made any further progress due to bureaucracy in Wellington. This is an example of a community seeking empowerment to proactively look after their own destiny, only to be delayed by officials.

Progress is being made on the Round the Mountain bike trail and it is hoped that physical work will start in the period covered by this Plan. This trail will be a great asset for Northern Southland and will form an excellent base from which other tracks can radiate creating links to the whole region.

In conclusion we would like to again thank all those who have taken the time to read this document and who made submissions on our Draft Annual Plan. We look forward to another 12 months of ensuring Council works proactively to put our "People First".

Frana Cardno

**Frana Cardno, QSO JP
MAYOR**

D. P. Adamson

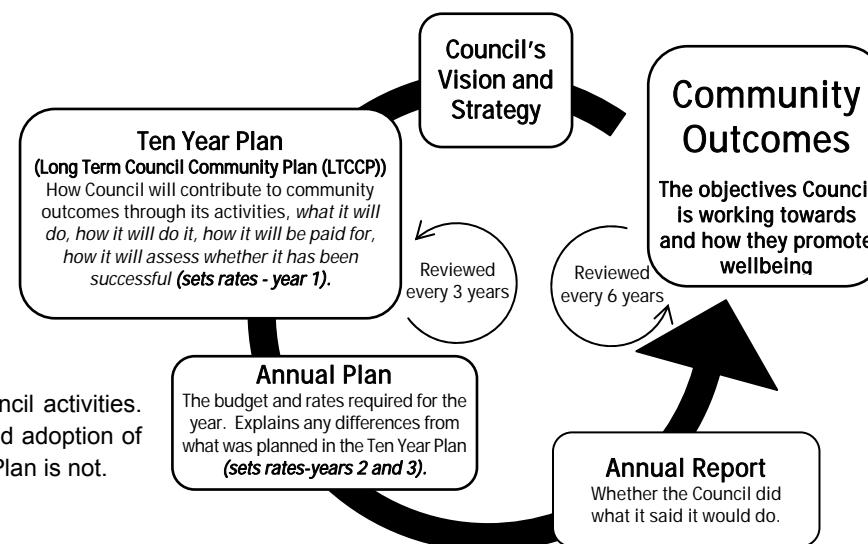
**David Adamson
CHIEF EXECUTIVE**

What is the Annual Plan?

The Annual Plan provides an update of what the Council is proposing to do in the coming year compared to what was proposed for that period in its Ten Year Plan 2009-2019. The Annual Plan includes information on how much it is going to cost to deliver the Council's proposed activities, how it proposes to pay for these, as well as outlines how the Council's performance will be measured. Minor changes in the timing or cost of projects that were described in the Ten Year Plan 2009-2019 are also explained.

The Annual Plan does not focus on the role, scope, service levels and priority of Council activities. These wider 'strategic' matters are intended to be dealt with through the preparation and adoption of the Ten Year Plan. Note that an Annual Plan is produced every year that the Ten Year Plan is not.

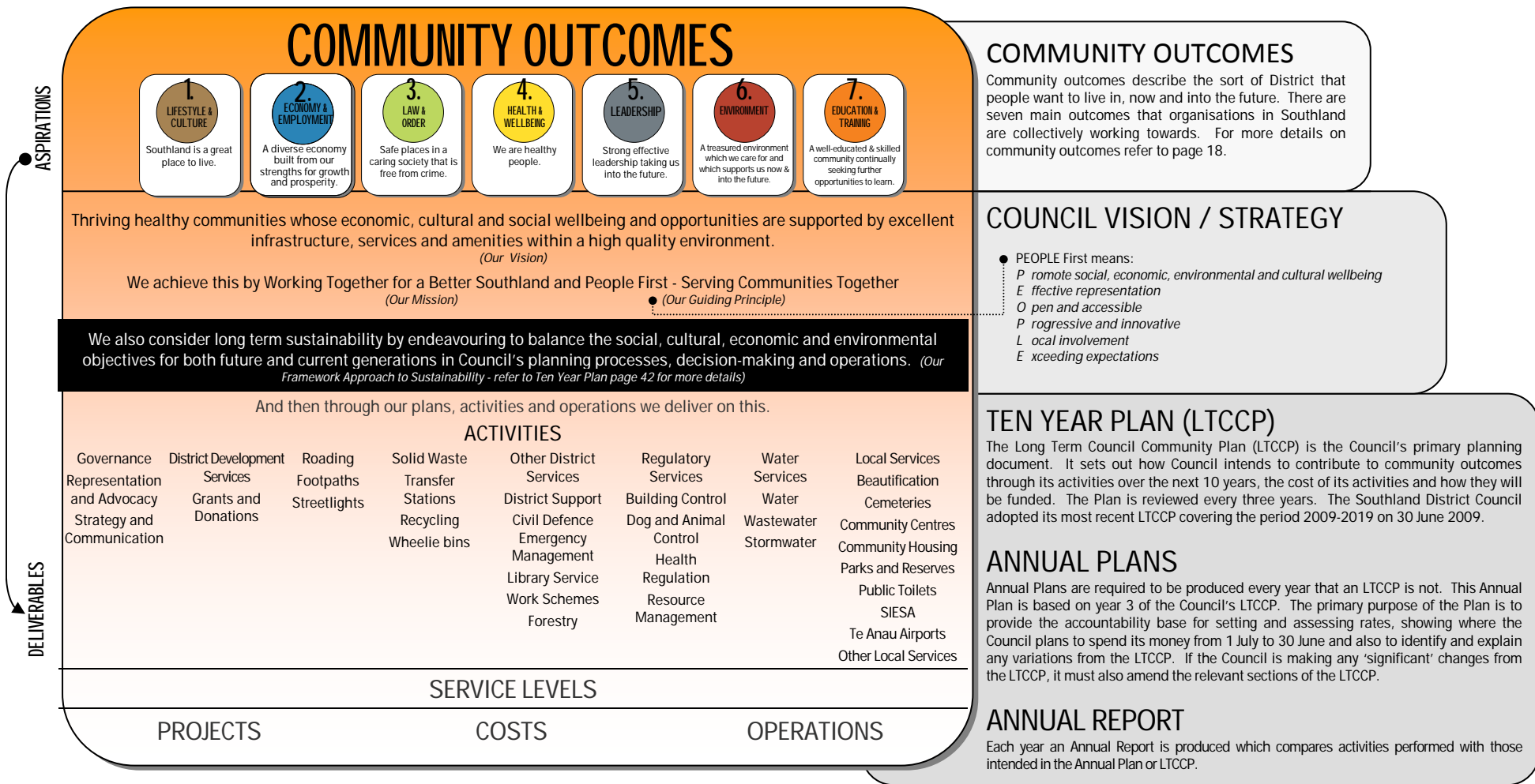
The Annual Plan is made up of several sections as follows:



Overview (page 4)	Activities - Council's Planned Actions (page 26)	Council Controlled Organisations (page 119)	Financial Forecasts (page 123)	Other Information (page 169)
The overview explains what the Annual Plan is and describes the key issues for Council and the community as well as information about the overall financial effect. It also highlights the key changes made to the Plan as a result of submissions. In addition, the section describes the communities' seven key outcomes as well as details of other related planning documents.	This section looks in more detail at what services the Council provides and why. It details what level of service will be provided and how this will be measured as well as some of the key issues related to the activity. It also includes details of projects (operational or capital) which are planned and explains any variations from what was planned for the 2011/2012 year against what had been included in the Ten Year Plan. Lastly it details how much it will cost and how it will be funded.	Provides an overview of Council Controlled Organisations and their activities.	Presents the financial implications of the Plan. It looks at the net worth, cashflows, performance and the overall position for the 2011/2012 year compared to what was forecast in the Ten Year Plan. This section also details any changes to the assumptions made by Council in preparing the Plan as well as information about the revised rates for 2011/2012 in the funding impact statement and whether the Council is balancing its budget. The section also includes variations to fees and charges as well as the Accounting Policies used to prepare the financial information.	Provides information about the Mayor and Councillors, the structure of Council, Community Boards and other Subcommittees and Management.

Our Council

Council works towards its vision in its plans, strategies, and policies and also through the activities outlined in its Ten Year Plan. The seven community outcomes support the vision, mission and guiding principle for the Southland District Council (see below). The Council has a Mayor and 12 Councillors representing 12 Wards. Due to the diversity of the needs and priorities of our local communities, we also have 12 Community Boards and 16 Community Development Area Subcommittees. Council also directly supports a number of representative groups, including the Southland District Youth Council, Milford Community Trust and Te Ao Mārama, and engages with a wide range of stakeholder groups on a regular basis. More information about the Council can be found on page 170.



Overview of submissions and changes

The community must be consulted when developing and adopting an Annual Plan. A Statement of Proposal (incorporating Southland District Council's Draft Annual Plan 2011/2012) was considered and approved by Council on 6 April 2011. It was then made available for public consultation during the period from 9 April to 11 May 2011. The Draft Plan Summary was distributed to all households in the District and posted to non-residential ratepayers. In addition, around 200 copies of the full Draft Annual Plan were distributed to other local authorities, public libraries, and interested organisations and individuals who requested these. Both the summary and full draft document contained a freepost submission form.

Responses to the Draft Annual Plan

62 submissions were received to the Draft Plan. The majority of submissions received were on:

- The proposed grant to Te Hikoi Southern Journey Museum in Riverton (14).
- Various local parks and reserves projects (13).
- Roading issues including the impact of heavy traffic on the roads, particular road improvements needed, and the amount of renewal work planned (13).
- Various local public toilet projects (11).
- Resource Management fees and the District Plan review, including some requests for funding for landscape and biodiversity projects (10).
- The proposed grants for the Southland Coastal Heritage project, the Swim Safe Southland programme and the Junior World Track Cycling Championships (9).
- The Council's roading rate model, in particular the proportion which various sectors should pay towards roading (7).
- Solid waste management issues (6).

A hearing was held in Invercargill on 14 June 2011 with 10 submitters speaking to their submission. Council then considered all 62 submissions and indicated three key amendments should be made to the Plan as a direct result. These amendments included establishing a rating area for the Aparima hall, spreading the \$20,000 grant to Cycling Southland over two years instead of one, and contributing \$39,000 towards the region-wide landscape assessment project being undertaken by Environment Southland. In addition, the Council indicated a number of issues to be considered as part of the Long Term Plan 2012-2022. Several staff changes to the document were also approved (which mainly related to carrying forward projects not completed in the 2010/2011 year to 2011/2012).

All amendments to the Draft Plan were confirmed at a meeting of Council on 29 June, where the final Annual Plan was adopted. Each submitter receives a letter outlining any changes made to the Plan as a result of their submission. A more detailed overview of submissions and amendments are detailed below:

Grants and Donations - Te Hikoi Museum

Council received 14 submissions on the proposed \$44,000 grant to the Te Hikoi Southern Journey Museum in Riverton to cover an expected deficit in operating costs in 2011/2012. Eight supported Council giving the grant, commenting that it is an excellent asset for Riverton and Southland tourism and that it has had a lot of positive feedback from visitors and locals. Six supported a grant of some degree, however, said that the money should be distributed among other museums as well, particularly Waikawa.

After considering the submissions, Council decided to retain the grant to Te Hikoi in the Annual Plan as it believes that it is the only Museum of this type and scale in the District and tells Southland's history, not only Riverton's. Council also recognised that Te Hikoi is looking at ways to become more financially sustainable, is implementing a number of changes to their governance arrangements to improve operations, and that there is a very large number of volunteers who have put in a lot of work.

Council has requested that Te Hikoi provide a progress report on their financial position, numbers visiting the centre and measures they have undertaken to improve revenue and reduce expenditure during 2011/2012. Council also said that it will look at other museums in the District who request funding on a case-by-case basis and could apply for grants through the Regional Heritage fund.

Parks and Reserves

Council received 13 submissions on parks and reserves. Four of these were on the proposed Riverton Focal Point frame sculpture with one supportive of the idea and three against. Submitters said that other artists should have the opportunity to submit ideas, that it was a waste of money and could be better spent on footpaths or the cemetery toilet, and that the sculpture would make it difficult using the frame for photography. Four submissions were also received on the proposed Henry Street playground upgrade in Te Anau with all submitters opposed to it saying that the equipment is still suitable, the playground does not get a lot of use and that it would be more appropriate to upgrade other playgrounds. The last five submissions were on various topics including support for the development of Otautau walking tracks, support for playgrounds in general, positive feedback on Manapouri Frasers Beach, a request to improve parking at Colac Bay and a comment about the landscaping of the Te Anau lake edge.

Council passed on the parks and reserves submissions to the local Community Boards and Community Development Area Subcommittees to consider. The Riverton Community Board will be deciding on the Riverton Focal Point frame sculpture at the beginning of the financial year (it has no impact on rates) and the Henry Street playground upgrade will continue to go ahead, however, the scope of this upgrade is yet to be decided. Improvements to parking at Colac Bay were made in 2010/2011 and the area will be monitored to see if more is needed in the future.

Roading

Thirteen submissions were also received on various roading matters. There were comments about the poor standard of the roads due to heavy vehicles from the dairy and forestry sectors, opposition from road construction companies about cuts in the roading budget (particularly reductions in capital works) and support and opposition for reducing Council roading debt. There were also requests for roading work on particular intersections and bridges and suggestions that the Council should discuss levels of service options with the community in the future and continue to advocate for increased Government funding. A submission was received from Roslyn Road requesting that the road be sealed or residents be surveyed about getting Otta seal. A submission was also received from the NZ Automobile Association requesting the Annual Plan document have more detail on road safety. In addition, a staff submission requested that the Plan include road funding carried forward from underspends in 2010/2011.

While considering the roading submissions, Council discussed its difficult position of trying to keep the roads in a good condition and rates at an affordable level, while facing reduced financial assistance from the New Zealand Transport Agency, particularly for renewal work. Council decided to retain its programme as outlined in the Draft Annual Plan with the addition of the carried forward work from 2010/2011. Council also decided to continue with the approach of maintaining last year's roading rate increase to minimise roading debt. Council assigned specific roading requests to engineering staff to investigate. Council also discussed that it was unable to fund half the cost of an Otta seal for Roslyn Road, however, requested that information on costs and funding options for the seal be passed on to residents so it can undertake a survey to see if residents would be willing to pay for the seal themselves. Council also said that the level of detail on road safety will be looked at for the Long Term Plan after the review of the Roothing Asset Management Plan.

Public toilet projects

Council received eleven submissions on various public toilet projects. Five people submitted on the proposal to remove the Riverton Cemetery toilet, with three in support of an upgrade and two believing it should be removed. Other submitters supported the planned toilet at Colac Bay, requested change tables be installed in all public toilets, requested a public toilet for Wallacetown and supported a contribution from the Riverton Community Board for a campervan dump station in Riverton. In addition, submitters commented that the Mossburn toilet should not become user-pays and that research needs to be done on how the Te Anau Lions Park user-pays system is going. A staff submission requested that the Tuatapere toilet project originally planned for 2010/2011 be carried forward to 2011/2012.

Council passed on the public toilets submissions to the local Community Boards and Community Development Area Subcommittees to consider. The Riverton Community Board will be deciding on the future of the cemetery toilet for the Long Term Plan and the Wallacetown Community Board has retained its decision to not construct a toilet for the town due to the ongoing costs associated with it to local ratepayers and proximity to Invercargill. Council commented that the operation of the Te Anau Lions Park toilet is currently being reviewed and the outcome of this will determine whether improvements need to be made or if the user-pays system is implemented in other toilets in the District. In addition, Council approved the carry forward of the Tuatapere toilet project.

Resource Management

Ten submissions were received on resource management related topics. Three opposed the increase in resource consent fees and/or queried parts of the Resource Planning budget and two supported the District Plan review collaborative approach with Environment Southland. There was a funding request from Environment Southland of \$39,000 in 2011/2012 for Phase 2 of the region-wide landscape assessment project. There was also a request from Biodiversity Southland for Council to contribute \$20,000 towards Environment Southland's Biodiversity Enhancement fund. In addition, Biodiversity Southland thanked Council for its continued funding of \$10,000 for the co-ordinator's role and \$15,000 for the High Value Area Survey.

After considering the submissions, Council decided to retain the level of resource management fees that were in the Draft Annual Plan as it recognised that the fee is only based on an average and consent applicants will be refunded if the cost to process the consent is lower. Council approved the funding request of \$39,000 for the region-wide landscape assessment project as the information will be useful for the District Plan review and will save costs by taking a collaborative approach with Environment Southland. Council said this can be paid for out of the existing District Plan budget for 2011/2012. Council, however, did not approve the \$20,000 funding request for Environment Southland's Biodiversity Enhancement fund as it felt it was not currently in a position to do so (as the Council was already giving a number of additional grants to other causes this year) but said that it may support it in the future.

Grants and Donations

Nine submissions related to the proposed grants (excluding Te Hiko) in the Draft Annual Plan. Four were in support of the \$15,000 for the Southland Coastal Heritage Project, two were in support of the \$20,000 to Cycling Southland for the Junior World Track Cycling Championships and three supported the \$17,400 a year for three years for the Swim Safe Southland programme. One submitter commented that the proposed grants should be coming from Venture Southland rather than Council and another requested that money should be allocated in the Annual Plan for owners of heritage buildings. In addition, a staff submission requested that the budget for the Friendship Committee be funded from reserves rather than rates for 2011/2012 and that the budget include a possible Thai exchange.

Council decided to retain the grant to the Southland Coastal Heritage Inventory Project in the Annual Plan as the information will be useful for the new District Plan. The Council recognised that the knowledge of where culturally or archaeological significant areas are will mean the areas can be better protected. The Council also decided to retain the grant for the Junior World Cycling Championships, however, instead of providing \$20,000 in one year the funding will be spread over two years with \$10,000 given in 2011/2012 and \$10,000 in 2012/2013. Council believes it will bring benefits to the Southland District through visitor numbers before and after the event. The Council also decided to retain funding for the Swim Safe programme given the importance of children knowing how to swim in the District's many rivers, lakes, coastal areas and pools. Council has requested a report back in March of each year on progress and results from the programme.

In terms of the request that money to be allocated in the Annual Plan for owners of heritage buildings, Council said it is already committed to providing annual funding to the Southland Regional Heritage Committee for the preservation of Southland's heritage and that currently it believes that the responsibility for the upkeep and maintenance of these private buildings rests with the building owners. Council also clarified that Venture Southland provides tourism, economic and community development activities for Council rather than gives grants to the community, however, Venture Southland and the services it provides to the Council will be reassessed during the review of the Venture Heads of Agreement in 2012. In addition, Council agreed to the Friendship Committee's request of funding its operating costs from reserves rather than rates.

The roading rate model and sectors percentage share of costs

Seven submissions were received on the roading rate model. Three submitters believed that dairy tankers are damaging the roads and therefore the dairy sector should pay a higher proportion than currently proposed, two opposed the increase in share of costs for Forestry, one suggested that in the future Council should not depart from the share of costs in the roading rate model and one opposed the Morrison Low method and wanted the GHD model brought back. Various changes to the model were also recommended such as the removal of Meridian from the 'other' sector, including more tonnage information on feed movements, use of a flat targeted rate across all ratepayers in the District to fund costs associated with aggregates and fund 20% of general costs, and developing a separate land-use sector for tourism orientated business and accommodation.

After considering the submissions, Council decided to retain the percentage share of costs that were proposed in the Draft Annual Plan as it believes it is a fair reflection of each sector's use of and impact on the District's roading network. However, Council asked that the submitters' specific model suggestions (about additional tonnage information that could be included in the model, the categorisation of Meridian, the allocation of costs for aggregates and general costs) be investigated during the update of the model for the Long Term Plan 2012-2022.

Solid Waste Management

Six submissions were received on solid waste related topics. Three submitters made positive comments about the introduction of the new two bin kerbside waste system and one opposed the new service. Of these, one also asked for free dumping of greenwaste at transfer stations. In addition, a submission was received suggesting a review of the Rakiura Recycling centre, particularly to improve efficiencies and one also thanked Council for its continued support of the Enviroschools programme.

Council noted the support and opposition for the new two bin kerbside waste system which was introduced in May 2011. It clarified that the disposal of greenwaste is currently free of charge for carloads and \$12 for larger loads. Council also said that the operators of the Rakiura Recycling centre will investigate what other local recycling operations do for ideas on best practice.

Aparima Hall

Council received one submission from the Aparima Hall Committee asking for a rating area for the hall to be established and for Council to collect rates (of approximately \$35 per rateable property) on its behalf. The Committee had undertaken consultation with the ratepayers in the area and had large community support. Council resolved that the Aparima Hall rating area be established.

In addition, the following minor changes were made to the Plan:

- Some projects not completed in 2010/2011 for stormwater, wastewater and water and Ohai footpaths were carried forward to 2011/2012.
- The rates example table in the Financial Overview section of the Plan was corrected to ensure no contiguous properties were included.
- A sentence on Council's partnership with the Police and Public Health South was included in the Health Regulation section of the Plan.
- The initial roading staff submission was to carry forward capital works of \$2,495,000 to over numerous activities. Due to more timely and accurate information adjustments was made and the changes were to carry forward capital works \$2,500,000. This has also been reapportioned over numerous capital activities.

The following changes will also be considered as part of the Long Term Plan:

- Investigate a targeted tourism rate as part of the Revenue and Financing Policy review.
- Review and expand on example properties to demonstrate the effect of Council's proposed activities on rates.
- Expand on Road Safety in the roading section of the Long Term Plan.
- Consult with stakeholders and community on levels of service options for roading.
- Investigate additional tonnage information and suggestions on how costs should be distributed for the roading rate model.
- Investigate fully rating Meridian.

Register and Acknowledgement of Submissions

Alan Petrie
 Alina Suchanski
 Aparima Hall Committee
 Beth Wilson
 Brian Thomson
 Bruce and Gaye Lamb
 Bruce Ford
 Catherine Hill
 Christopher Shaw
 Craig Hodsell
 Cycling Southland
 Doetie Keizer-vdWal
 Earnslaw One Limited
 Emergency Management Southland
 Environment Southland
 Erin Farrant
 Federated Farmers of New Zealand
 Grant Chapman
 Heather Buckingham
 Helen Prendergast
 Historic Places Trust
 Ian Munro
 Invercargill Parents Centre Incorporated
 Irene Barnes
 Janette Buckingham
 Janice Templeton
 Jeanna Rodgers
 Jim More
 Joy and Dave Crouchley

June Stratford
 Ken Buckingham
 L F (Tony) Strang
 Leah Boniface
 M C and R J De Clifford
 NZ Automobile Association Southland District
 NZ Landcare Trust
 Phil Tisch
 Phillip Owen
 Public Health South
 R F Durham
 Riverton Area Promotions Incorporated
 Riverton Heritage and Tourist Centre Trust
 Robin McCall
 Roslyn Road Residents
 Ruth Hayes
 South Catlins Development and Environmental Charitable Trust
 Southland Farm Forestry Association
 Southroads (Grant Isaacs)
 Stephen Keach
 Stewart Fleck
 Susan Williams
 Te Ao Mārama Incorporated
 The EnviroSchools Foundation
 The Roding Company Limited
 Trevor and Marie Anderson
 Water Safety NZ & Sport Southland
 William J Watt Consulting Limited
 Staff Submissions
 – Southland District Council Friendship Committee
 – Finance
 – Roding
 – Stormwater, Water and Wastewater
 – Area Engineers

Key Issues and Projects

Emphasis on Minimising Rooding Debt –

Council's last LTCCP in 2009 identified that a number of the District's sealed roads (built during a peak period in the 1960's and 1970's) were coming to the end of their economic life and that a significant increase in renewals and other capital work was needed to ensure that roads were capable of delivering the level of service set by Council. Financially the LTCCP showed that expenditure needed to be about \$2.4 million higher than the previous year (and rates approximately \$1.1 million higher) to complete the revised programme of work. At that time, instead of increasing rates in one year to get to the required level, the Council decided to gradually increase rates over the 10 year period and "borrow" funds in the early years to do the extra work. The idea was that by 2013/2014 rates would be at the level needed to fund the roading programme, and with the required programme of works flattening out, the annual increase in rates after that would be used to repay all of the loans by 2018/2019.

Shortly after the Council adopted that plan, the New Zealand Transport Agency (who provides financial assistance for roading from petrol tax and road user charges) announced that the Government was limiting the amount of funding that it would provide for the three years to six years, and that it would not provide enough funding to pay for 'any' increased programme. Despite this, Council decided to keep the budgets unchanged in the hope that additional funding from NZTA would be made available. Since then, the Government has signalled that there is unlikely to be any increases in their funding and that their contribution towards roads is likely to stay the same or even drop in the future, particularly given current economic conditions and the significant recovery effort that will be needed for the recent earthquake in Christchurch. This combined with the impact of rapid increase in fuel costs would mean that rates would have to increase significantly if the planned programme was to be carried forward as it currently stands.

As a result, this year the Council has been looking at how it can use the funding that it does have to keep roads in a good condition and at the same time, reduce the amount of funds "borrowed" to smooth out rate increases. The Council cut the level of roading expenditure by around \$1.5 million for 2011/2012 from what was previously targeted in the LTCCP to match the funding programme from Government (including expenditure that is still subject for NZTA funding approval on a project basis) and has carried over funding for roading from the 2010/2011 year as not all work scheduled to be done is expected to be completed by 30 June 2011. The majority of the cuts in expenditure are for capital work which had been planned to renew or improve sealed and unsealed roads. At the same time Council has maintained last year's roading rate increase of 7.08% which will mean that less has to be "borrowed" to fund the work. The current roading debt of \$6.9 million will increase to \$8.4 million by June 2012, reaching a maximum of \$8.5 million by June 2013 before reducing and being paid off by June 2018.

Given that Council will be preparing a new Rooding Activity Management Plan and Long Term Plan during 2011, the Council has indicated that it will consider the appropriate level of rates and associated level of service during that process. Once this work is done, the impacts of any long term reductions in expenditure will be better understood and the Council will be able to discuss the options available with the community to find a compromise. At this stage it looks likely that the Council will need to look at reducing the standard of roads, particularly given the increases in the cost of oil (which is a core component of roading costs including bitumen) and the cap on the level of financial assistance coming from the Government. Both of these factors mean that roading is likely to cost ratepayers more in the future, even to do the same amount of work. If the community wants to reduce roading rates further, the only way to achieve this in the future will be to make significant cuts to the level of service and standard of roads throughout the District.

Focus on Rooding

Rooding is the Council's single biggest area of expenditure, and is crucial to the economic and social well-being of the District. It provides the means for moving goods and services and a corridor for utility companies to provide services. It also provides people with access to their land, homes, schools, and social and recreational centres.

Work over the 2011/2012 year will seek to improve the sustainable management of the network, including funding, physical asset management, and securing cost-effective resources.

Paying for Roads - Roading Rate Model Updated –

For a number of years Council has shared out the cost of roading amongst properties in the District based on a model. The model's formula provides a way to allocate the costs of roading to those sectors that create the costs through their use of the network.

In the Annual Plan, the variables in the formula have been updated including the number of properties in each sector, the volumes (tonnes) produced by each sector (table opposite), the total roading budget and where that budget is spent. The table below shows the effect of the changes on the Model's Share of Costs (C) as well as the Share of Costs (D) that Council will use for the 2011/2012 year. In developing the 2011/2012 share of costs, Council considered the following:

- The 'other' sector continues to pay a 1% cost share because it includes a number of not for profit organisations.
- The 'residential' share to pay a 9.5% cost share allowing for unquantified heavy vehicle movement.
- The 'mining' sector continues to pay around half of the model's cost share due to there being a small number of properties in this sector.
- The 'non-dairy' sector to pay cost shares as derived from the model.
- The 'forestry' sector cost share to pay at 6% reflecting current activity impacting on the roading network.
- The 'dairy' sector to pay cost shares as derived from the model.
- The 'commercial', 'industrial' and 'lifestyle' sectors to pay the model's share of costs.
- Costs shares should be rounded to half percents.

Change in Tonnage

Sector	2009	2010	2011
Mining	251,686	386,164	510,089
Aggregates	461,471	433,952	392,862
Non-Dairy	425,045	422,800	396,992
Dairy	1,490,448	1,874,026	2,081,210
Forestry	488,902	520,984	575,639
Industrial	53,244	222,099	263,746
Total	3,170,795	3,860,025	4,220,539

The land use sectors with increases in tonnage were Dairy, Mining, Forestry and Industrial. The Dairy sector significantly influenced changes in tonnage for the Mining and Industrial sectors as both these sectors provide service dairy farms (e.g. fertiliser). Growth in the Forestry sector reflects a maturing of harvestable logs in Southland, a trend expected to continue over the next few years.

Comparison of Share of Costs for Each Sector (Model versus Adopted)

Comparing the 2010/2011 share of costs with the revised model for 2011/2012 and Council's split (GST exclusive)

Sector	Rating Units (UTR)	2010/2011 Model Share of Cost (A)		Current 2010/2011 Share of Costs (B)		Updated Model Share of Costs (C)		Adopted 2011/2012 Share of Costs (D)		% Change (B to D)
		%	Dollars	%	Dollars	%	Dollars	%	Dollars	
Mining	23	3.33%	\$336,285	1.5%	\$151,414	3.88%	\$419,769	2.0%	\$216,186	42.8%
Non-Dairy	3,207	39.40%	\$3,977,509	39.0%	\$3,936,775	37.88%	\$4,094,820	37.5%	\$4,053,483	3.0%
Dairy	744	32.88%	\$3,318,995	31.0%	\$3,129,231	32.75%	\$3,540,279	33.0%	\$3,567,065	14.0%
Forestry	175	4.88%	\$492,447	5.5%	\$555,186	4.78%	\$517,092	6.0%	\$648,557	16.8%
Industrial	327	4.07%	\$410,554	4.0%	\$403,772	4.02%	\$435,041	4.0%	\$432,371	7.1%
Commercial	462	2.70%	\$273,035	3.0%	\$302,829	2.56%	\$277,079	3.0%	\$324,279	7.1%
Lifestyle	2,280	3.72%	\$375,566	5.0%	\$504,715	3.84%	\$414,729	4.0%	\$432,371	-14.3%
Residential	7,891	6.19%	\$624,930	10.0%	\$1,009,429	6.28%	\$678,612	9.5%	\$1,026,882	1.7%
Other	316	2.82%	\$284,972	1.0%	\$100,943	4.00%	\$431,867	1.0%	\$108,093	7.1%
	15,424		\$10,094,294		\$10,094,294		\$10,809,287		\$10,809,287	7.08%

Grants and Donations –

Council has decided to make a number of one-off grants and donations in this Plan for the Southland Coastal Heritage Inventory Project, the Swim Safe Programme, Te Hikoi Museum and the Junior World Cycling Championships. These will be funded from a mixture of reserves and by applying a Regional Initiative rate of \$4.13 (GST exclusive) on all properties, with all properties paying the same.

Swim Safe Programme – Council approved \$17,400 per annum for three years (totalling \$52,200) to Water Safety New Zealand and Sport Southland to deliver a life skills swim programme which aims to have every child in Southland to be able to swim 200 m by the age of 12 years old.

Southland Coastal Heritage Inventory Project – Council has set aside \$15,000 for this project which aims to update Southland's archaeological records along the coast before these are lost. This an inter-agency project between the Department of Conservation, Environment Southland, Te Ao Mārama Incorporated, the New Zealand Historic Places Trust and the New Zealand Archaeological Association.

Te Hikoi Museum – Council will provide a grant of \$44,000 to cover an expected deficit in operating costs in 2011/2012. The Museum is currently looking at different marketing strategies to increase revenue.

Cycling Southland - Cycling Southland will be holding the Junior World Track Cycling Championships in 2012 and Council has agreed to give a grant of \$10,000 in 2011/2012 and \$10,000 in 2012/2013 as it is anticipated the event will attract a high number of visitors/supporters to Southland.

Additional Projects – Council also approved a funding request of \$39,000 for a region-wide landscape assessment project being undertaken by Environment Southland as the information will be useful for the Council's District Plan review and by taking a collaborative approach Council will save costs. This grant will be paid for out of the existing District Plan budget for 2011/2012.

Cycle Trail Update –

The Southern region has been developing the concept of the 'Around the Mountain' Cycle Trail from Walter Peak to Kingston ever since the Government proposed the development of a National Cycle Trail at the Jobs summit in the later part of 2008/2009. In July 2010 the Ministry agreed to fund \$4 million (excl GST) for Stage 1 (from Walter Peak to Mossburn) of the Trail's development. Resource consent applications are currently being prepared for the Trail and if obtained parts of the Trail will be completed during 2011/2012.

Economic Value of Roads

Council has been undertaking a project to develop an Economic Network Plan of the District's roads to help understand the impacts of land use changes on Southland's economy and associated Council infrastructure. The Plan will also identify the varying economic values of roads within the Council's network. This information, once completed will be used to help forecasting and long term planning, in particular for infrastructure needs.

Gravel Resources

Council is also reviewing the sustainability of gravel resources which comprise around 20% of the roading budget. Increased controls on taking gravel from rivers have resulted in a reduction in the availability of gravel for roading works.

As such the Council is looking at how it can better use its own gravel reserves, work more collaboratively with existing gravel providers as well as liaise with Environment Southland and Fish and Game to identify gravel sites at key locations throughout the District that may be suitable for extraction, while minimising environmental impact.

Stormwater Consents

Environment Southland's Regional Water Plan (which became fully operative in November 2008) requires Council to more actively manage stormwater discharges. As a result, Council has applied for resource consents for stormwater in many townships and these consents will require monitoring to determine the quality of the stormwater which is released into waterways. At this stage Environment Southland is still processing the resource consents and has requested that a one-off stormwater sample be provided so that consent limits can be set. Budgets for these consents have been carried forward from last year into this Annual Plan.

New Waste Contract Starts for Wheelie Bins and Transfer Stations –

A new contract for waste management services with BCL (Bond Contracts Limited) started in May 2011 which covers the operation of transfer stations, greenwaste sites and recycling drop-off centres throughout the District as well as the new two bin kerbside waste and recycling service. As decided last year, the new kerbside service comprises of two 240 litre bins - a waste bin and a recycling bin - with each bin collected on alternate weeks. The charge for the new service has been standardised so that urban and rural properties using the service pay the same amount rather than differing amounts. Approximately 8,300 properties will be receiving the service which equates to a rate of approximately \$231 (excl GST) which is inside the indicative cost of \$236 (excl GST) that was highlighted in last year's Annual Plan. Details of the rates and the area serviced can be found on page 160.

Council's transfer stations and recycling drop-off centres opening hours, and fees will remain unchanged at this stage. One key change will be that in addition to being able to pay by tokens, Eftpos will be available at all transfer stations (excluding Stewart Island which has its own contract).

In this Plan, income from refuse fees is also projected to drop because material which previously would be disposed of as rubbish will now be able to be recycled. As such there is projected to be a reduction in the amount of rubbish passing through transfer stations and a reduction in revenue. The Te Anau contractor will also be using their own transport depot for handling recyclables rather than the Te Anau transfer station. This decrease in refuse fees (\$125,060) will require an increase in the Waste Management rate to meet the remaining fixed operational costs. In the Plan the Council has smoothed in the effect of the drop in income over 10 years resulting in a 7.56% increase, which means. Council is effectively borrowing from reserves in the short term and repaying these back in the longer term. The other option that the Council did consider was a one-off increase in the rate to offset the drop in income but this would have resulted in an increase in the Waste Management rate of around 15.95%.

Water and Wastewater Operations and Maintenance Contract –

As part of last year's Annual Plan Council decided to change the way that the Water and Wastewater Operations and Maintenance Contract cost is shared out amongst schemes over two years. 2011/2012 will see the final stage of the change phased in. The cost of the contract will now be fully allocated according to the number of units across the District with every unit paying the same amount. This varies from prior years where schemes paid different amounts based on historical costs for each scheme.

Change in Ministry of Health Subsidy Criteria for Water and Sewerage Schemes –

In September 2009, the Minister of Health put the drinking-water subsidies programme on hold in order to conduct a review of the eligibility criteria. Central Government were looking to confirm that the drinking-water subsidies were operating under the best possible process to ensure that the communities with the greatest need were accessing the available Government funding.

Changes to Fees and Charges

A number of fees and charges have been revised for 2011/2012 as shown from page 161. An overview of the changes are detailed below and more detail on these are included in the relevant Activity Statement section.

Building Control - Building control fees have been reviewed to recover the increased cost of carrying out the activity.

Resource Management - Several changes have been made to resource consent related fees. The charge for notified consents has been increased to reflect the average actual cost of processing this type of consent however. refunds or additional charges may also apply depending on the actual cost incurred. Subdivision approval fees have also increased slightly to more accurately reflect the time that it takes to process these approvals. In addition, the charge out rate for consent monitoring and investigation has increased for the 2011/2012 year to recover the costs involved.

Animal Control Fees - The dog registration fee will increase from \$17.78 to \$21.74 (GST exclusive) to recover increased costs relating to rangers, pound (maintenance and possible joint pound development) and microchipping. Impounding costs have also moved to a flat structure of \$100 (GST exclusive).

School Water Supply Sampling Charge - A new annual charge (\$400 GST exclusive) has been brought in for schools who receive monthly sampling of their private water supplies to cover the cost of undertaking the work.

Headworks and Financial Contributions - Headworks contributions for water supplies have mainly decreased for most water supplies. Financial contributions for water and sewerage schemes have also changed with some decreasing and others increasing.

Te Anau Airport - Certain landing fees have been increased to reflect market rate.

Stewart Island Electricity Supply Authority - Unit and distribution and development charges have increased by 4% to cover the increased costs of electricity generation (primarily due to increases in diesel costs).

The Minister was concerned that the first-come, first-served format of the previous programme structure meant that most funding was only available in the initial stages of the programme and some communities in need of subsidies might be missing out. The review of the criteria has been completed reflecting the advice received from local government, health officials and other interested parties. Essentially the eligibility criteria remain largely unchanged but will be restricted to those communities with a deprivation index or score (DI) of 7 and above (based on geographical meshblock areas). Council is now working through the revised criteria to determine the scale of the impact on our community water supplies.

In the Council's Ten Year Plan there were two new water schemes planned in Waikaia and Riversdale. These projects have now been cancelled as Council has been unable to obtain any funding from the Ministry of Health for the work and it is no longer affordable for the community without this subsidy. Council was also looking at options to extend the Browns Sewerage Scheme which has struggled to comply with resource conditions for several years, however, it has also been unable to secure funding. At this stage, Council plans to undertake a treatment upgrade at the Browns scheme and will monitor the results to see whether the larger project is still needed in the future.

Forestry Return –

Over the past couple of years Council has not received a return from the Forestry activity to offset rates as the economic downturn had a significant impact on the prices that Council received for the sale of its timber. However, the returns received for harvesting in 2010/2011 has improved by about 56% over the 2009/2010 prices, due to strong demand for export logs from China, Japan and Korea. This demand has been holding since mid-2010 and it is anticipated that this may maintain at current levels for some months to come. As a result of this, revenue from harvesting has exceeded expectations and in 2011/2012 it is expected that \$300,000 will be available to offset rates.

Te Anau Airport –

The Te Anau Airport Manapouri rate will remain unchanged for the coming year. The old airport site at Waiau has not yet been sold as economic conditions have not been favourable for a sale, however, a decision was made in 2010/2011 to lease the Waiau Airport site and the revenue is being used to help fund operational costs and the short term loan for the new airport. This income is helping to offset rates with the increase in GST. Over the past year there has been an increase in the number aircraft using the airport and a large amount of work is being done to increase this more with an airport designation change approved to allow for jet aircraft over 5,700 kg to land there. Council will also continue focusing on marketing the airport to increase use over the coming year.

District Plan Review Update –

Council is continuing to review its District Plan, a document that manages land use and development in Southland, in collaboration with Environment Southland and their Regional Policy Statement. The initial policy drafting stage was completed in November 2010 and the draft objectives and policies are now being used in the current method drafting stage of both reviews. The District Plan methods drafting stage will progress through the first half of 2011 with Council is aiming to have a Draft Second Generation Southland District Plan ready for notification to the public by the end of 2011.

Other Rates Related Information

Aparima Hall Rate –

Council approved a request from the Aparima Hall Committee to establish new rate to collect funds to pay for the maintenance of the Aparima Public Hall (Hundred Line Road West). The rate is \$35 (excl GST) and will be paid by ratepayers with properties that have dwellings surrounding the hall not already paying a hall rate. More details about the new rate can be found on page 159.

Level of Uniform Targeted Rates –

Under the Rating Act, Council is limited to collecting 30% of its total rates using certain Uniform Targeted Rates (UTR - a flat charge so that everyone pays the same fixed amount). Based on the total rates to be collected in 2011/2012 (\$36,628,692 excluding GST), Council will be collecting 24.32% of its total rates on a uniform basis (excluding water, wastewater and wheelie bin rates). While this percentage is slightly lower than last year, the total rates to be collected has increased which effectively increases the amount which is collected by UTR. This has resulted in every property paying an extra \$20 in uniform charges in 2011/2012 with uniform rates now totalling \$557 per property. Generally, any move to increase the amount of rates collected on a uniform basis will shift rates from properties with high capital and land values to lower valued properties. This means shifting rates from rural to urban properties and from businesses to households and would increase rates in townships like Tuatapere, Ohai, Wyndham and Nightcaps.

Finance Overview

Funding

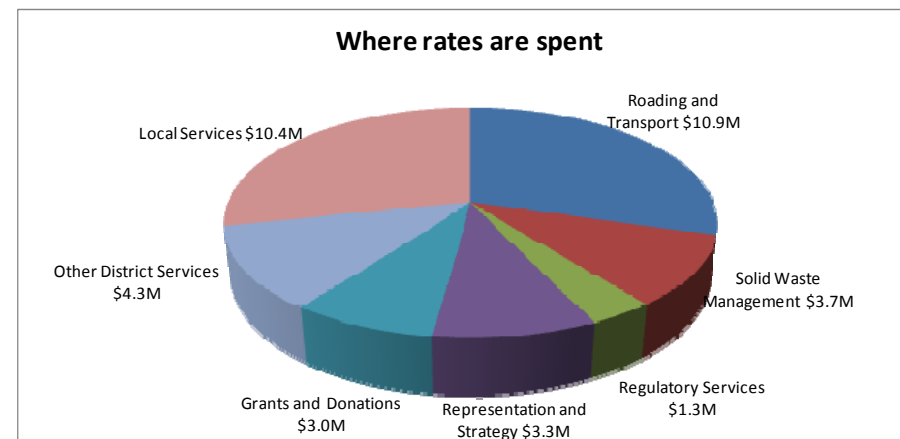
Rates –

Council is proposing a District rate increase of 6.55% in 2011/2012, of which 0.26% is due to the inclusion of the Regional Initiative rate. The proposed increase is lower than the 6.89% forecast in the Long Term Council Community Plan (LTCCP). All ratepayers in the Southland District pay District rates for services such as roads, libraries, regulatory activities and representation.

The above percentage is an average of the District rate types. The individual rate increase for each property will depend on the value of the property and the type of services it receives. The rates change for each local area will also vary depending on the township, the services provided in that township and the local projects and priorities that have been identified by local community representatives.

In addition, individual property's rates will vary as a result of the full impact of the GST rate increase from 12.5% to 15% on 1 October 2010. The level of variation will depend on whether or not the 2010/2011 rates for each property was paid by instalment or in a lump-sum prior to the change in GST rate.

The pie graph opposite shows where rates are spent by activity. The Council's 27 activities have been grouped into seven main activity types to enable the graph to be easily read.



Activity Grouping

Other District Services includes activities such as Libraries, District Offices, Civil Defence, and Community Housing.

Local Services includes activities such as local area Footpaths, Stormwater, Water, Wastewater, Beautification, and Playgrounds.

Regulatory Services includes Building Control, Dog Control, Health Regulation and Resource Management.

Rates Examples –

The table opposite shows examples of the changes in rates for a median capital value property in the various land use sectors. The rate types applicable to each example vary depending on the services received and the property location.

Sector	Land Value	Capital Value	Rates 2010/2011 per year (GST excl)	Rates 2011/2012 per year (GST excl)	Rates Increase per year	Rates 2011/2012 per week (GST excl)	Rates Increase per week	% Increase
Residential	\$10,000	\$155,000	\$1,549	\$1,638	\$88	\$31	\$1.70	5.71%
Lifestyle	\$125,000	\$251,000	\$1,037	\$1,079	\$42	\$21	\$0.80	4.03%
Pastoral Farming	\$1,100,000	\$1,300,000	\$1,602	\$1,681	\$79	\$32	\$1.51	4.91%
Mining	\$25,000	\$27,000	\$702	\$882	\$180	\$17	\$3.46	25.66%
Industrial	\$105,000	\$115,000	\$1,232	\$1,528	\$296	\$29	\$5.70	24.07%
Commercial	\$70,000	\$225,000	\$1,623	\$1,774	\$152	\$34	\$2.92	9.35%
Dairy	\$2,300,000	\$2,475,000	\$3,326	\$3,638	\$311	\$70	\$5.99	9.36%
Forestry	\$109,000	\$1,110,000	\$986	\$1,093	\$107	\$21	\$2.06	10.89%
Other	\$60,000	\$60,000	\$426	\$439	\$13	\$8	\$0.25	3.06%

Other Sources of Funding –

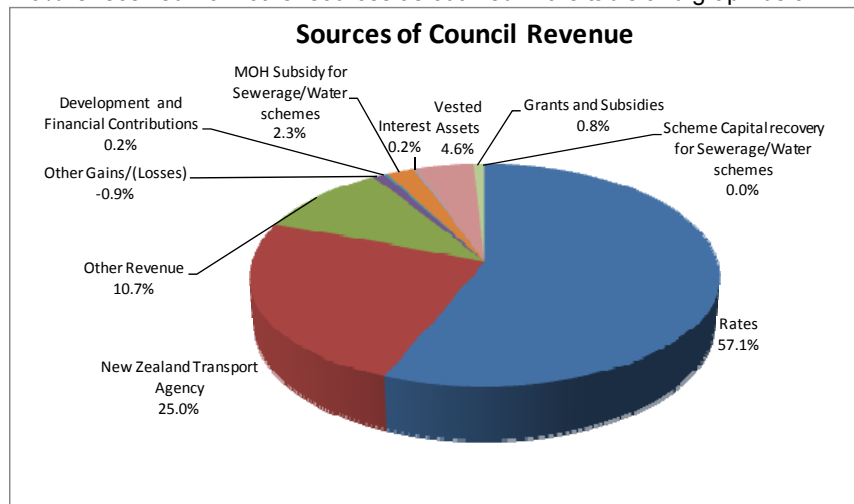
In 2011/2012 rating will provide 57.1% of the Council’s total revenue. The remaining 42.9% is received from other sources as outlined in the table and graph below.

REVENUE	LTCCP Annual Plan	
	2011/2012	2011/2012
Rates ¹	36,606,388	36,628,664
New Zealand Transport Agency	15,439,720	15,995,821
Other Revenue ²	6,553,659	6,857,867
Other Gains/(Losses) ³	(443,280)	(594,977)
Development and Financial Contributions	439,527	150,273
MOH Subsidy for Sewerage/Water Schemes	1,369,758	1,472,397
Interest and Dividends	522,125	113,465
Vested Assets	-	2,973,123
Grants and Subsidies	389,698	530,393
Scheme Capital Recovery for Sewerage/Water schemes	919,267	-
TOTAL PROJECTED REVENUE	61,796,862	64,127,026

¹Rates excludes Rate Penalties of \$300,000.

²Other Revenue includes items such as rates penalties and fees and charges.

³Other Gains/(Losses) includes items such as asset sales and the forestry gain/(loss).



Of the 42.9% funding from other sources, the majority is from financial assistance received from the New Zealand Transport Agency towards the Council’s roading programme (25.0%) as well as subsidies from Central Government (Ministry of Health) (2.3%). The key financial differences between the Annual Plan and the LTCCP are the increased New Zealand Transport Agency (NZTA) revenue and the inclusion of vested assets. Due to a number of roading projects being moved to the 2011/12 financial year from 2010/11, the NZTA funding share of these costs has also been moved. Additionally, vested asset revenue has increased due to the anticipated completion of the Delta and Landcorp subdivisions in Te Anau and Manapouri respectively. Vested assets are assets, such as roads, water, sewerage and stormwater, which are given to Council by developers at the completion of their development. The decrease in the scheme capital recovery income is as a result of the Riversdale and Waikaia water supply projects now being removed as projects as funding is no longer available from Central Government. Scheme capital recovery is the contribution from those connecting to each scheme to assist in funding the cost of the capital project.

Reserves –

The Council has a number of reserve funds which are used to fund particular projects or are set aside for future use. As at 30 June 2010 Council had total financial reserves of \$18.9 million. It is projected that these will decrease to \$12.3 million by 30 June 2012. The projected decrease is mainly due to money being drawn down to fund rates smoothing. It is budgeted that these reserves will be repaid within any 10 year plan. For further information on Council’s rates smoothing approach please refer to page 168.

Loans –

Council is anticipating an internal loan balance of \$27.7 million at 30 June 2012. This balance represents loans made by Council from cash reserves, investments and external borrowing in order to fund various Local and District projects. These loans are repaid through rates. It is anticipated that all cash reserves and investments will be utilised at 30 June 2012, and therefore external funding will be required. Council expects the external loan balance to be \$14.6 million at 30 June 2012.

Expenditure

Operating Expenditure –

Council's operating expenditure including depreciation (shown separately in the graph on the right) totals \$63.5 million in 2011/2012. This includes items like repairs and maintenance costs, salaries and electricity costs. As per the graph, the major activities of operational expenditure are roading and transport at \$28.2 million and water, wastewater and stormwater at \$7.9 million. The \$63.5 million is higher than the \$62.5 million forecast for 2011/2012 in the LTCCP primarily due to:

- Increased maintenance costs (by \$1.0 million), predominantly as a result of the new Water and Waste contract as well as various proposed maintenance projects around the district.
- Increased roading costs (by \$500,000), primarily due to changes in timing of planned maintenance expenditure.
- Increased interest costs (by \$400,000), being an increase in internal interest of \$1.3 million offset by a decrease in external finance costs of \$900,000. This variation is as a result of the revised timeline for delivery of capital projects and changes between internal and external funding of these projects.

These increased costs have been offset by:

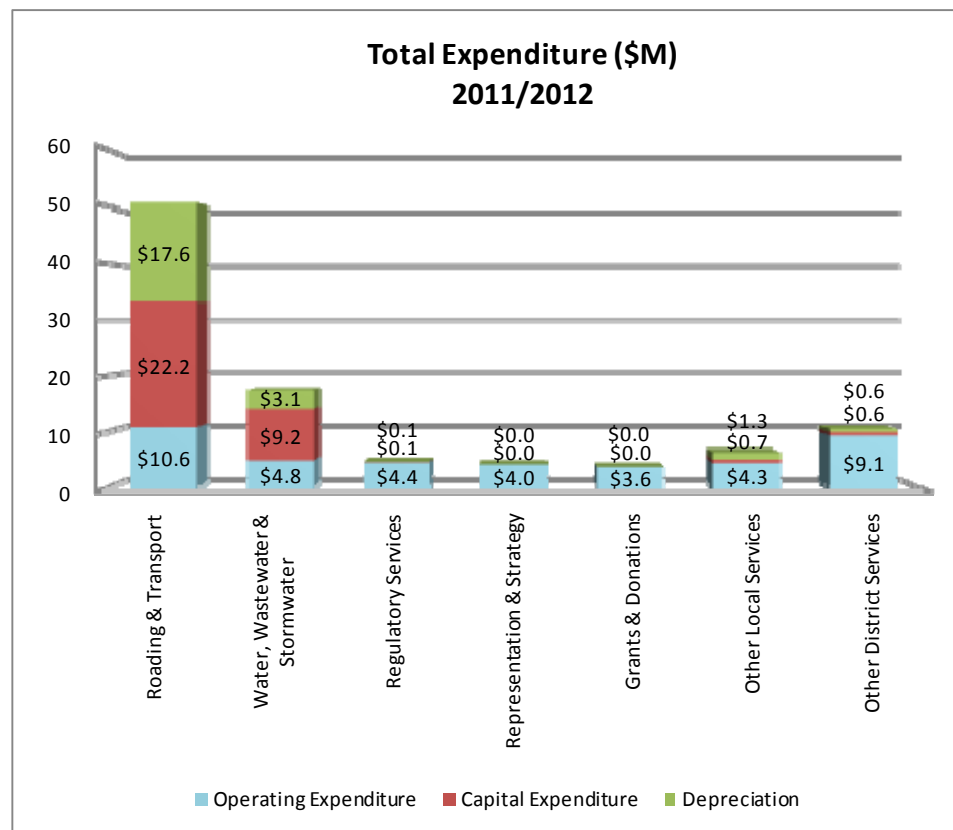
- Lower waste management costs (by \$700,000), predominantly due to the kerbside recycling system, changing from a three bin option, fully operational in 2010/2011, to a two bin option which is now commencing in May 2011. The estimated cost of this additional service and the associated impact on waste transfer stations has accordingly been revised down from what was included in the LTCCP.
- Reduction in various other expenditure (by \$200,000).

Capital Expenditure –

Capital expenditure includes the costs of renewing, purchasing or improving infrastructure. Council's capital expenditure (including vested assets) totals \$32.7 million in 2011/2012. This includes renewing the District's roading network and major water and sewerage projects. Overall, the capital expenditure is \$3.3 million higher than projected in the LTCCP due to changes in scope and anticipated completion date for a number of projects (including roading and the Ohai/Nightcaps, Riversdale, Riverton, Waikaia and Winton water supplies). Major project variations can be found under each activity section of the Plan.

Surplus/(Deficit) –

The projected surplus for 2011/2012, after accounting for depreciation, is \$0.7 million, which is \$1.4 million more than the forecasted deficit of \$0.7 million for 2011/2012 in the LTCCP. Variances in individual components of revenue and expenditure are explained above, as well as under each activity section of the Plan. For further information on Council's finances, please refer to the full financial statements from page 123 and each of the statements for each activity which are included in the Plan from pages 26 to 118.



Our Way Southland Community Outcomes

SOUTHLAND'S COMMUNITY OUTCOMES - 'The Community's Blueprint For The Future'

1.
LIFESTYLE and CULTURE

Southland is a great place to live.

2.
ECONOMY and EMPLOYMENT

A diverse economy built from our strengths for growth and prosperity.

3.
LAW and ORDER

Safe places in a caring society that is free from crime.

4.
HEALTH and WELLBEING

We are healthy people.

5.
LEADERSHIP

Strong effective leadership taking us into the future.

6.
ENVIRONMENT

A treasured environment which we care for and supports us now and into the future.

7.
EDUCATION and TRAINING

A well-educated and skilled community continually seeking further opportunities to learn.

Intermediate Outcomes

- 1.1 We value our history and heritage.
- 1.2 We have a choice of quality places to go and things to do.
- 1.3 We embrace and respect a diverse community.
- 1.4 We are proud to be Southlanders.
- 1.5 We live in a creative place.

- 2.1 We have a quality infrastructure with potential for growth.
- 2.2 We have an innovative and vibrant culture that supports business.
- 2.3 We have a business friendly environment in which to operate.
- 2.4 We have an economy built on our competitive advantage.
- 2.5 We have full employment and rewarding careers.
- 2.6 We retain and build on our skills base.
- 2.7 We keep the things about living here that we value.

- 3.1 We have safe roads.
- 3.2 We have safe homes.
- 3.3 We have public places safe for children and families.
- 3.4 We apprehend and hold law breakers appropriately accountable.
- 3.5 We support the victims of crime.

- 4.1 We are able to live healthy lifestyles.
- 4.2 We have good quality affordable housing.
- 4.3 We live in a compassionate caring community.
- 4.4 We have equity of access to health services.

- 5.1 Citizens and communities are inspired, motivated and empowered.
- 5.2 Decisions are progressive, forward looking and robust.
- 5.3 The community has confidence in its leaders.

- 6.1 We have an informed community caring for the environment.
- 6.2 We have a healthy, safe and accessible built environment.
- 6.3 We have an environment protected from the negative effects of human activities.

- 7.1 We have accessible learning opportunities.
- 7.2 We have high quality learning opportunities available to meet community needs and demands.
- 7.3 We deliver innovative, integrated and effective learning programmes.
- 7.4 We have a culture of continuous learning.

Overview of Activities for 2011/2012

During 2011/2012, Our Way Southland will continue to co-ordinate three focus groups which are developing collaborative regional approaches to key regional issues first identified at the Southland Leaders' Forum in 2009: parenting, leadership and youth. While separate workstreams have been developed, the common purpose of all three projects is to strengthen and co-ordinate community networks across the region.

- The Strengthening Parenting Focus Group is working towards a regional parenting strategy to best support parents and children, and to increase general awareness of the importance of parenting to the health and wellbeing of the community. The research phase of this project will include a stock take of service providers, and surveys of parents/caregivers and children and young adults. The results of this work will help ensure that the parenting strategy will focus primarily on families and their needs, rather than solely on issues of service provision.
- The Leadership Focus Group is considering how best to enhance current and future leadership at all levels of the community by means of a leadership incubator. The incubator model, which requires leadership trainees identified within the community, a mentor, and a project capable of being realised with minimal resources and within a short timeframe, will be trialled in 2011.
- The Regional Youth Focus Group will continue to examine the key youth issues identified at the June 2010 Our Way Southland Youth Forum; in particular the leading issue identified at the Youth Forum "we don't have a lot to do at night (weekends etc)" and how this issue might best be addressed across the region. Consideration will also be given to best to connect youth issues with the parenting and leadership projects, and with other youth initiatives in Southland.
- The third most significant regional issue identified at the September 2009 Leaders' Forum was the management of growth to ensure that 'things we like are not lost'. Our Way Southland will facilitate further discussion on this issue to identify key action points.

The monitoring work for 2011/12 will include updating the Community Outcomes Monitoring Report for the period 2009-2012. The revised outcomes monitoring report will incorporate the results of the first Southland Quality of Life Survey which was released by Our Way Southland in September 2010. The Quality of Life Report is modelled on the New Zealand 12 Cities Quality of Life project, and provides a comprehensive assessment of how Southlanders perceive their quality of life to be. The purpose of the report is to provide information that contributes to the understanding of social, economic and environmental conditions, which can be used to describe and quantify the quality of life of those living in Southland.

The results of the telephone survey of 1,522 respondents, which was conducted in May 2010, indicated that 91% of Southlanders consider that they have a 'good' or 'extremely good' quality of life, compared with the 90% of New Zealanders surveyed for the 12 Cities Quality of Life Report. This key result reflected a trend across many indices measured. Other key findings included:

- Southland residents are proud of, and connected to their communities.
- Southlanders generally feel safe, and are trusting.
- Southlanders have a favourable work/ life balance.
- Southlanders are satisfied with the condition of their environment.
- Southlanders are satisfied with their leadership.
- Southlanders are generally healthy.
- Southlanders feel there is some level of cultural diversity within the region.

Copies of the report can be downloaded from the Our Way Southland website: www.ourwaysouthland.org.nz. Printed copies are available from Our Way Southland, Private Bag 90116, Invercargill 9840.

Council's contribution

It is up to a wide range of organisations, groups and people to work towards community outcomes. As one of the key players, Council identifies the role that it will play and how it will allocate resources to contribute towards achieving community outcomes in its own plans. The table below shows that most of Council's activities contribute to more than one outcome to varying degrees. The primary outcome (●) is where Council believes that activity has the most impact. The shading shows the level of contribution to community outcomes. (○) indicates where the activity contribution has an associated level of service and key performance indicator link. More information about the contributions can be found under 'Why we do it' in each Activity Statement.

COMMUNITY OUTCOME	1. LIFESTYLE & CULTURE Southland is a great place to live.					2. ECONOMY & EMPLOYMENT A diverse economy built from our strengths for growth and prosperity.							3. LAW & ORDER Safe places in a caring society that is free from crime.					4. HEALTH & WELLBEING We are healthy people.				5. LEADERSHIP Strong effective leadership taking us into the future.			6. ENVIRONMENT A treasured environment which we care for and which supports us now & into the future.			7. EDUCATION & TRAINING A well-educated & skilled community continually seeking further opportunities to learn.				
	1.1	1.2	1.3	1.4	1.5	2.1	2.2	2.3	2.4	2.5	2.6	2.7	3.1	3.2	3.3	3.4	3.5	4.1	4.2	4.3	4.4	5.1	5.2	5.3	6.1	6.2	6.3	7.1	7.2	7.3	7.4	
INTERMEDIATE OUTCOME																																
Beautification				●○											○																	
Building Control																																
Cemeteries	○	○		○											○																	
Civil Defence Emergency Management															○																	
Community Centres		●○													○																	
Community Housing															○																	
District Support																																
Dog and Animal Control															○	○	○															
Forestry															○	○	○															
Grants	●○																															
District Development (Venture Southland)	○	●○	○	○			●○		○	○	○																					
Health Regulation																																
Library Service		●○																														
Parks and Reserves		●○													○																	
Public Conveniences																																
Representation and Advocacy				○		○																										
Resource Management	○		○																													
Roading and Transport		○				●○	○						●○																			
SIESA						●○		○																								
Solid Waste Management						○																										
Stormwater						○							○	○	○			○														
Strategy and Communication				○																												
Te Anau Airports						●○									○																	
Wastewater						○		○										●○														
Water Supply						○			○					○	○			●○														
Work Schemes		●○		○						○					○	○																
Other Local Services		○				●○									○																	
WELLBEING INFLUENCE																																
Social																																
Environmental																																
Cultural																																
Economic																																
KEY TO SHADING - OUTCOMES	Outcome Contribution																															
	Negligible (1) - Negligible/very limited contribution to community outcomes.																															
	Minor (2) - Minor contribution to community outcomes.																															
	Moderate (3) - Moderate contribution to community outcomes.																															
	Major (4) - Major contribution to achieving the community outcomes.																															
Extreme (5) - Widespread contribution / effect on community outcomes.																																
KEY TO SHADING WELLBEING INFLUENCE	Wellbeing Influence																															
	Shows where community outcomes influences wellbeing.																															
Shows where wellbeing influences community outcomes.																																

Māori Contribution to Decision-Making

Introduction

Nine percent of the Southland District's population is Māori, with Ohai, Nightcaps and Riverton having a higher proportion of Māori than other areas of Southland at 42%, 19% and 18% respectively. The Southland District Council acknowledges the importance of tikanga Māori and values its relationship with both Ngāi Tahu (through the four Southland papatipu rūnanga) and ngā matawaka (other Māori who are not Ngāi Tahu) living within Murihiku/Southland. The Council has a Māori name 'Te Rohe Pōtae o Murihiku' and a charter of understanding with Te Ao Mārama Incorporated.

Māori Name - 'Te Rohe Pōtae o Murihiku'

The Council was officially gifted its Māori name 'Te Rohe Pōtae o Murihiku' at a naming ceremony at Takutai o te Tītī marae at Colac Bay/Ōraka in November 2005, strengthening links between Council and the tāngata whenua and emphasising the importance of Council's partnership with Ngāi Tahu. The Māori name acknowledges the Council's role as an all-embracing shelter ("umbrella/lid") for the District. The four Ngāi Tahu Papatipu Rūnanga of Murihiku deliberated over several years before authorising the phrase Te Rohe Pōtae o Murihiku, which gives it special significance. The Council's logo has been updated to include the Māori name and official signage will be updated progressively, along with Council's stationery.

Charter of Understanding

To help promote and develop its relationship with Māori, the Southland District Council (together with four other local authorities in Southland/Otago, namely Environment Southland, Invercargill City Council, Gore District Council and Queenstown Lakes District Council) is an active participant and signatory to the charter of understanding 'He Huarahi mō Ngā Uri Whakatapu (A Pathway for the Generations Coming Through)' between the five councils and Te Ao Mārama Incorporated. The charter was revised in 2003 to incorporate the wider responsibilities under the Local Government Act 2002; and underpins all dealings between the Council and Te Ao Mārama. The charter of understanding provides:

- The basis for an ongoing relationship between the five councils and the tāngata whenua of Murihiku to assist in developing the capacity of Māori to contribute to decision-making processes.
- A foundation for consultation on a wide range of local government issues.
- For the recognition and willingness of Te Ao Mārama to assist all councils in consultation with all ngā matawaka living in Murihiku.

Te Roopū Taiao is the collaborative structure put in place for the purposes of giving effect to the charter of understanding and the obligations of the parties to the charter. Senior Councillors and Council staff involved in resource management regularly attend Te Roopū Taiao meetings. Te Roopū Taiao has recently been extended to include ngā matawaka (other Māori who are not Ngāi Tahu) representatives.

Fostering Māori Capacity

To further foster Māori capacity to contribute to decision-making processes of the Southland District Council, the Council proposes to:

- Continue to hold regular liaison meetings between Te Ao Mārama and Southland District Council Executive and Senior Managers (at least once per annum).
- Provide an interpreter on request should Māori wish to present submissions to Council in Te Reo Māori.
- Invite Māori to attend Council meetings and hearings to become familiar with Council protocol.
- Give consideration to appointment of Iwi representatives to act as hearing commissioners on key issues, such as major resource consent applications that have issues of iwi significance. In this regard, an approach has been made to Te Ao Mārama to identify parties who may be suitable from an Iwi perspective to act in this role.
- Maintain existing protocols with Māori in relation to the ways in which Council undertakes its statutory duties, and continue with the integration of protocols into the Southland District Council organisation (e.g. information in HR Manual, GIS, Ngāi Tahu Claims Settlement Act 1998, training and displays).
- Regularly refer to and report against Te Tangi a Taura, the new Ngāi Tahu Murihiku Resource Management Plan when assessing resource consent applications.
- Maintain its commitment to ongoing funding of Te Ao Mārama Incorporated, the Ngāi Tahu (Murihiku) Resource Management Agency.
- Provide training to all new staff and councillors on marae protocol, local history and related legislation.
- Provide regular monthly contact sessions for SDC staff to interact with Te Ao Mārama staff on topical matters of mutual interest, so as to maintain and enhance the relationship between the agencies.
- Display Ngāi Tahu taonga items, following agreement with Murihiku Ngāi Tahu Papatipu Rūnanga at its Invercargill office and all Area Offices, to acknowledge the strength and importance of its relationship with Ngāi Tahu.

Activities

This section looks in more detail at what services the Council provides and why. It details what level of service will be provided and how this will be measured as well as some of the key issues related to the activity. It also includes details of projects (operational or capital) which are planned and explains any variations from what was planned for the 2011/2012 year in the Ten Year Plan. Lastly it details how much the activities will cost and how it will be funded.

Guide to Activities

This section sets out the 27 activities that the Council will provide in an effort to work towards the communities' outcomes. For each activity it identifies what we do, why we do it, the level of service that Council will provide, any key issues, projects planned for the year and how much it will cost and be funded. It also explains any differences between the Annual Plan 2011/2012 and what was planned in the Ten Year Plan 2009-2019.

1 Beautification

Aim: People feature which contribute to township visual focus and attractiveness.

What we do
Beautification can be described as enhancing public areas within the community. For example plantings, flower baskets or gardens, mowing and maintenance of grassed areas, painting and maintenance of trees and hedges, structures like walkways and seating areas, and the development of urban design guidelines are all part of the beautification activity.

Why we do it
Beautification features contribute to making Scotland a great place to live by enhancing the visual appeal of townships which also helps to build community pride. These features also contribute to safe places by reducing a residential area - traffic calming and a covered environment through use of mature plants or plantings which help to reduce noise.

What are the key issues?
There are no key issues for this activity.

What level of service will Council provide?
Primary outcome: Scotland is a great place to live (1)
Intermediate outcome: We are proud to be Scottish (1, 2)

What Council will provide	How Council will measure the service provided	Actual 2010	Target 2012	Source
Level of Service Quality New amenity features enhance the township features and provide visual and/or physical enjoyment.	Key Performance Indicator Percentage of residents who agree that beautification features enhance the local township.	90%	85%	Survey - Resident
Quality Beautification features look good and are well maintained.	Percentage of residents who are satisfied with the maintenance of beautification features.	90%	85%	Survey - Resident
Responsiveness Vandalism and graffiti is responded to promptly.	Percentage of reports of vandalism and graffiti responded to within five working days.	90%	80%	Partners

1. Reports of vandalism or graffiti responded to within five working days on paths, playgrounds, public amenity areas, community housing built out the building.
2. A Resident survey will be undertaken in 2010/2011 to measure the level of satisfaction.
Note that the targets above are the same for the next 10 years.

5

What are the projects and variances from the LTCCP?
Asset Acquisition Projects - Covered by changes to levels of service.

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Obelisk - Township-Walking Trails - 101.8		\$0.000	Reserves	This is a new project to develop walking tracks on the strip lands around the Obelisk. It is part of a project that will be completed over four years costing \$20,000 in total. It replaces the project planned for 2010/2011 to develop a track from Obelisk to the Adoration as it is believed it will be more accessible and safe.
To Area - Replace concrete wall blocks around garden (at the rear street - 011.8)	\$4,201	\$4,201	Rates	-

Cost of Service Statement Variances
There are no major variances from the LTCCP.

7

What does it cost?
The local community is the primary beneficiary of beautification activity, though it also witnesses other experiences. Beautification projects have long term benefits, but require annual maintenance to retain their value. Operating expenses are funded from local rates, with recoveries where appropriate for specific projects. Capital costs for this activity are limited to the usual overheads - office buildings, vehicles and equipment - and are funded through accumulated depreciation (vehicles only), rate smoothing for small projects and loans for large projects (usually interest), all of which are recovered through rates.

LTCCP 2010/2011	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE		
Operating Revenue		
Rates	\$76,416	\$71,548
Grants and Donations	-	\$2,000
Total Operating Revenue	\$76,416	\$73,548
Operating Expenditure		
Depreciation	\$6,234	\$6,234
Other Operating Costs	\$74,200	\$67,313
Less Total Operating Expenditure	\$80,434	\$73,547
Operating Surplus/Deficit	(\$3,998)	(\$3,999)
Operating Surplus/Deficit transferred (Included Total Reserves)	(\$3,998)	(\$3,999)
CAPITAL AND RESERVES		
Acquisition-Level of Service	4,231	34,219
Renewals		
Total Capital Expenditure	4,231	34,219
Transfers to Reserves	194	4,201
Total Capital Movements	194	3,999
Operating Deficit	(\$3,998)	(\$3,999)
Total Funding Required	\$6,231	\$37,268
Funded By		
Non Cash Expenditure	\$6,234	\$6,234
Transfers from Reserves	2,000	\$6,235
Operating Surplus		
Total Funding Applied	\$8,234	\$12,469

1. **Aim and what we do** - Details the aim of the activity as well as a brief description of what is involved in the activity.
2. **Why we do it** - Details the reasons why we provide the activity and how this contributes to community outcomes (performance management framework).
3. **What are the key issues** - This section explains the key issues related to the activity which the Council wants to highlight.
4. **What level of service will Council provide?** - The level of service that will be delivered for each activity and how Council will measure its performance including the target for 2010/2011. This also details the most recent achievement from the Annual Report. The note at the end of the table also indicates whether the Council's target is improving over time.
5. **What are the projects and variances from the LTCCP?** Includes a table of any projects which are to be carried out in 2010/2011 as well as any variations in cost/timing from the LTCCP. Projects are broken into operations and maintenance, renewal/replacement and asset acquisition in each township. Asset acquisition projects relate to proposals for new or enhanced assets to meet changes in demand (D) or levels of service (LoS). Also explains any key financial variances which are shown in the cost of service statement for the activity.
6. **Who benefits from the activity and how is it funded?** - This section identifies who benefits from the activity and therefore how the activity should be funded. This may be through rates (District and local), fees, charges, borrowing, interest and dividends, grants and subsidies or any other sources. This information is taken from the full Revenue and Financing Policy.
7. **What does it cost?** - This section provides a summary of the expenses and revenues of the activity for 2010/2011. Operating Revenue includes rates, fees and charges (such as building consents, hire fees or dog registration fees), any subsidies or grants received and investment income from interest on funds invested. Operating Expenditure relates to the routine or day-to-day running costs of the activity. It includes the cost of maintaining assets, repairs, salaries and contracts, interest expenses and depreciation. Capital Expenditure includes expenditure to renew, replace or purchase new assets. This expenditure has been broken down into renewals, acquisitions related to service levels, acquisitions due to demand and also assets vested to Council (Vested Assets) as a result of development such as subdivisions. This statement also shows how loans and reserves are used during the period. Transfers to reserves are generally monies that are being put aside for future projects or repaying funds that have been used in the past. Transfers from reserves are generally monies that have been set aside for projects which are now being undertaken. These transfers may also be for alternative projects with the reserves paid back in the future. For more information on the terms used in the financial statements, please refer to the glossary on page 174.

ANNUAL PLAN 2011/2012

ACTIVITIES ◀

27

Beautification

Aim: Provide features which contribute to townships visual theme and attractiveness.

What we do

Beautification can be described as enhancing public areas within the community. For example plantings, flower baskets or gardens; mowing and maintenance of grassed areas; planting and maintenance of trees and hedges; structures like walkways and seating areas; and the development of urban design principles are all part of the beautification activity.

Why we do it

Beautification features contribute to making Southland a great place to live by enhancing the visual appeal of townships which also helps to build community pride. These features also contribute to safe places (by indicating a residential area - traffic calming) and a treasured environment (through use of native plants or plantings which help to reduce noise).

What are the key issues?

There are no key issues for this activity.

What level of service will Council provide?

What Council will provide		How Council will measure the service provided			
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source	
Primary outcome: Southland is a great place to live (1) 1. LIFESTYLE and CULTURE 3. LAW and ORDER 6. ENVIRONMENT Intermediate outcome: We are proud to be Southlanders (1.4)					
Quality Beautification features enhance the township features and provide visual and/or physical enjoyment.	Percentage of residents who agree that beautification features enhance the local township.	96% ²	85%	Survey - Resident	
Quality Beautification features look good and are well maintained.	Percentage of residents who are satisfied with the maintenance of beautification features.	93% ²	85%	Survey - Resident	
	Percentage of beautification features that are maintained in accordance with contractual standards.	98%	90%	Audit Inspections	
Responsiveness Vandalism and graffiti is responded to promptly.	Percentage of reports of vandalism and graffiti responded to within two working days. ¹	56%	80%	Pathways	
1. Reports of vandalism or graffiti may relate to a range of activities such as parks, playgrounds, public conveniences, community housing, halls and other buildings. 2. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.					

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

Asset Acquisition Projects - Caused by changes to levels of service

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Otautau – Township Walking Tracks – 651.a	-	\$5,000	Reserves	This is a new project to develop walking tracks on the stop banks around the Otautau township and will be completed over four years costing \$20,000 in total. It replaces the project planned for 2010/2011 to develop a track from Otautau to the Arboretum as it is believed it will be more accessible and safe.
Te Anau – Replace concrete wall blocks around garden plots main street – 611.b	\$4,231	\$4,231	Rates	-

Cost of Service Statement variances

There are no major variances from the LTCCP.

Who benefits from the activity and how is it funded?

The local community is the primary beneficiary of beautification activity, though it also enhances visitor experiences. Beautification projects have long term benefits, but require annual maintenance to retain their value. Operating expenses are funded from local rates, with recoveries where appropriate for specific projects. Capital costs for this activity are limited to the usual overheads - office buildings, vehicles and equipment - and are funded through accumulated depreciation (vehicles only), rate smoothing for small projects, and loans for large projects (usually internal), all of which are recovered through rates.

What does it cost?

LTCCP 2010/2011	Beautification	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
772,940	Rates	676,418	711,848
-	Grants and Donations	-	13,000
772,940	Total Operating Revenue	676,418	724,848
Operating Expenditure			
19,662	Depreciation	18,534	18,534
681,734	Other Operating Costs	674,086	707,973
701,396	Less Total Operating Expenditure	692,620	726,507
71,544	Operating Surplus/(Deficit)	(16,202)	(1,659)
71,544	Operating Surplus/Deficit transferred to/(funded from) Reserves	(16,202)	(1,659)
CAPITAL AND RESERVES			
123,720	Acquisition-Level of Service	4,231	34,219
15,495	Renewals	-	-
139,215	Total Capital Expenditure	4,231	34,219
252	Transfers to Reserves	194	1,391
252	Total Capital Movements	194	1,391
-	Operating Deficit	16,202	1,659
139,467	Total Funding Required	20,627	37,269
Funded By			
19,662	Non Cash Expenditure	18,534	18,534
48,261	Transfers from Reserves	2,093	18,735
71,544	Operating Surplus	-	-
139,467	Total Funding Applied	20,627	37,269

Building Control

Aim: To provide a safe built environment.

What we do

The Building Control activity involves the regulation of building work through processing and issuing consents, carrying out inspections and certifying work to ensure that buildings are safe and sanitary. In 2007 Council became an accredited Building Consent Authority, and to remain accredited, the Council is regularly reviewed in terms of its processes and competency. The activity also involves inspections of amusement devices to ensure they have appropriate barriers and are sited safely.

Why we do it

Building Control contributes to a treasured environment by helping to create a healthy, safe and accessible built environment. Building consents and inspections ensure new buildings and building work in the District are of good quality so that they are safe, do not endanger public health and have appropriate facilities for their intended use. The activity also contributes to creating safe public places by ensuring appropriate provisions are made to enable people to escape in the event of fire. In the activity, the Council must comply with the legal requirements of the Building Act 2004, NZ Building Code, Building Regulations 2004, Machinery Act 1950, Amusement Device Regulations 1978 and Fencing of Swimming Pools Act 1987.

What are the key issues?

Earthquake-prone and Insanitary Building Policy

Council has recently reviewed its Dangerous Earthquake-prone and Insanitary Building Policy. Previously Council had quite a passive policy, but recent natural disasters have highlighted the significance of this matter and Council has moved to a more proactive policy requiring strengthening of earthquake prone buildings over defined timeframes.

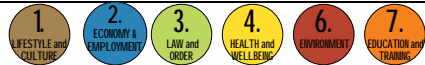
Building Control Fees

Building control fees are calculated on recovering costs associated with its activities. Expenses in 2011/2012 are estimated to increase therefore the fees charged have increased. Despite the increase in fees these are still much lower than a lot of other lower South Island Building Consent Authorities.

Building Activity

The decline in building activity currently being experienced is expected to continue during 2011/12 financial year. Changes to the Building Act around exempting a broader range of building work where a licensed building practitioner is involved is expected to further reduce consent workloads for Council staff towards the end of 2011/12 financial year.

What level of service will Council provide?

Primary outcome: A treasured environment which we care for and which supports us now and into the future (6) 				
Intermediate outcome: We have a healthy, safe and accessible built environment (6.2)				
What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Responsiveness Process all applications lodged under the Building Act within the timeframes specified within the Act.	Percentage of Building consents, Project Information Memoranda (PIMs), Land Information Memoranda (LIMs) and Certificate of Acceptance (COA) applications processed within statutory timeframes ¹ .	97%	100%	Quarterly Report
Responsiveness Undertake inspections in a timely manner.	Percentage of final inspections on completed building work carried out within 20 working days of application.	52%	100%	Quarterly Report
	Percentage of applicants that agree that on-site building inspectors provide a consistent, timely and professional service.	77% ²	80%	Survey - User
Responsiveness Appropriate and timely guidance is provided regarding building control matters as requested by customers.	Percentage of applicants satisfied with the service provided.	71% ²	80%	Survey - User
Quality Ensure that the Council remains a Building Consent Authority to help ensure buildings are safe.	Maintain accreditation as a Building Consent Authority.	Yes	Yes	Accreditation
Quality Ensure that building work complies with the Building Code to ensure communities are safe.	Number of potential liability claims against Council.	9	0	Register
1. Statutory timeframes for the various applications are as follows - PIMs (12 working days), LIMs (10 working days), Building Consents (20 working days) and Certificates of Acceptance (20 working days). 2. A Building Control User survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.				

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

There are no projects planned or any major variances from the LTCCP.

Cost of Service Statement variances

There are no major variances from the LTCCP.

Who benefits from the activity and how is it funded?

These benefits are distributed between individual building owners, potential purchasers and all members of the community (who are assured that buildings are constructed to a recognised standard). Those involved in construction and renovation create the need for this activity. Council estimates that 80% of the benefit from this activity accrues to private individuals and businesses, the majority of which is funded through user charges. Unfortunately, not all activities with private benefit are recoverable under the Building Act 2004. Therefore 20 - 25% of the cost of this activity is funded through the Building Regulation rate levied District-wide. Capital costs for this activity are limited to the usual overheads - office buildings, vehicles and equipment - and are funded through accumulated depreciation (vehicles only), rate smoothing for small projects, and loans for large projects (usually internal), all of which are recovered through rates.

What does it cost?

LTCCP 2010/2011	Building Control	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
250,670	Rates	277,362	270,327
1,032,253	Activity Revenue	1,053,760	1,038,242
1,282,923	Total Operating Revenue	1,331,122	1,308,569
Operating Expenditure			
31,090	Depreciation	30,710	32,111
1,284,038	Other Operating Costs	1,319,695	1,308,405
1,315,128	Less Total Operating Expenditure	1,350,405	1,340,516
(32,205)	Operating Surplus/(Deficit)	(19,283)	(31,947)
(32,205)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(19,283)	(31,947)
CAPITAL AND RESERVES			
-	Acquisition-Level of Service	-	650
32,978	Renewals	33,156	66,568
32,978	Total Capital Expenditure	33,156	67,218
25,468	Transfers to Reserves	18,225	17,457
25,468	Total Capital Movements	18,225	17,457
32,205	Operating Deficit	19,283	31,947
90,651	Total Funding Required	70,664	116,622
Funded By			
1,934	Non Cash Expenditure	1,554	1,554
88,717	Transfers from Reserves	69,110	115,068
-	Operating Surplus	-	-
90,651	Total Funding Applied	70,664	116,622

Cemeteries

Aim: To provide burial facilities that meets the needs of the community.

What we do

This activity involves providing burial and interment facilities for the 21 cemeteries administered by the Council. The activity also involves ensuring interments are carried out to an acceptable standard and that the cemetery grounds are maintained and accurate records of interments are kept.

Why we do it

The cemetery activity contributes to ensuring public health by providing appropriate facilities for interments, as well as encouraging a compassionate and caring community by providing facilities where families and friends can remember others. The activity also contributes to making Southland a great place to live by providing a record of a community's history and heritage as well as information for people interested in their ancestry. In the activity, the Council must comply with the legal requirements of the Burial and Cremation Act 1964 and the Health Act 1956.

What are the key issues?

Culturally Appropriate Burial Options –

Council adopted a revised Inclusive Communities Strategy and Action Plan in 2011 and as part of this Council said it would investigate culturally appropriate burial options, and enhance internal processes for supporting these over the coming year. Council has had discussions with the Multi-Nations Council, and through the Council the local Muslim community and in their view the facilities currently available at the Invercargill Cemetery are sufficient to meet the needs of Southlanders. An option for Māori is also currently being considered by the Waihopai runaka. Council will regularly reassess what services it is able to provide as part of its review of the Inclusive Communities Strategy and any individual requests will be considered.

What level of service will Council provide?

Primary outcome: We are healthy people (4)

Intermediate outcome: We are able to live healthy lifestyles (4.1)



What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator			
Quality The cemeteries are pleasant areas with appropriate grassed areas for mourners.	Percentage of community satisfied with the appearance of cemeteries.	93% ¹	90%	Survey - Resident
	Percentage of cemeteries where lawns are mown as specified in maintenance contracts.	93%	90%	Audit Inspections
Reliability Requests for burial plots are dealt with as requested.	Percentage of funeral directors satisfied with the service provided.	100%	100%	Survey - Funeral Directors
	Percentage of burial plots prepared by the time requested.	100%	100%	Quarterly Report
Accessibility Cemetery records are kept up to date and held in an appropriate format to allow ongoing access.	Provide access to cemetery records through the Council website.	Yes	Yes	Council website statistics

1. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

Operational and Management Projects

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Woodlands – Tree and Hedge tidy up – 704.a	\$6,000	\$5,000	Rates	Decrease in budget due to the scope of the project being revised, to reflect actual work required.

Cost of Service Statement variances

There are no major variances from the LTCCP.

Who benefits from the activity and how is it funded?

The estate and family of deceased persons, residents, and the public at large benefit from the provision of cemeteries. The Council's position is that direct costs of burial, including plot preparation and staff administration are recovered through interment fees while the maintenance of cemeteries, such as mowing, is funded from local rates. Capital costs (largely limited to land acquisitions) may be funded from reserves, or loans that are, in turn, funded from local rates. The reason for this is because the benefits of individual burials largely accrue to the deceased's estate, therefore it is appropriate that these direct costs are funded by that estate. However, there is benefit to the local area in a well maintained cemetery, both in terms of maintaining its historical value, and amenity values. Therefore the maintenance costs are funded by the local community.

What does it cost?

LTCCP 2010/2011	Cemeteries	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
65,410	Rates	65,701	65,835
107,169	Activity Revenue	109,626	122,529
-	Grants and Donations	-	1,150
172,579	Total Operating Revenue	175,327	189,514
Operating Expenditure			
4,429	Depreciation	3,480	3,480
168,463	Other Operating Costs	175,327	192,070
172,892	Less Total Operating Expenditure	178,807	195,550
(313)	Operating Surplus/(Deficit)	(3,480)	(6,036)
(313)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(3,480)	(6,036)
CAPITAL AND RESERVES			
8,248	Acquisition-Level of Service	-	-
8,248	Total Capital Expenditure	-	-
-	Total Capital Movements	-	-
313	Operating Deficit	3,480	6,036
8,561	Total Funding Required	3,480	6,036
Funded By			
4,429	Non Cash Expenditure	3,480	3,480
4,132	Transfers from Reserves	-	2,556
-	Operating Surplus	-	-
8,561	Total Funding Applied	3,480	6,036

Civil Defence Emergency Management

Aim: To ensure planning, systems and resources are in place for individuals and communities to proactively respond to and recover from emergencies that threaten life, property or infrastructure.

What we do

Civil Defence Emergency Management focuses on ensuring that communities are prepared for emergencies and that they are able to respond to and recover from these when they do happen. The activity also involves reducing the potential risks which may occur to people and property through lifelines planning. Southland's councils along with key emergency services (Fire, Police, Ambulance) and other agencies work together to deliver emergency management services across communities and co-ordinate the response efforts. One of the key aspects of preparedness in Southland (because of its geographic spread and potential for isolation) is having a pool of appropriately trained personnel available throughout the District who are able to respond locally and educating residents on what to do in an emergency.

Southland District Council now delivers its civil defence responsibilities under the Civil Defence and Emergency Management Act 2002 via its participation in Emergency Management Southland, which is a shared service funded by Environment Southland, Invercargill City Council, Gore District Council and Southland District Council. Emergency Management Southland's Emergency Operations Centre is based on the Environment Southland site.

Emergency Management Southland produces an annual Statement of Intent outlining its proposed activities and operates under a Heads of Agreement between the four Councils, and employs four full time staff as well as managing a large network of volunteers.

Why we do it

The activity mitigates negative impacts on many community outcomes in the event of civil emergency. Council promotes the need for individuals and communities to prepare for emergencies and assists them to build their capacity to effectively respond to and recover quickly from emergency events. Council also has in place systems and processes to help co-ordinate and respond to emergency events. This contributes to restoring quality infrastructure, safe roads, safe homes, healthy lifestyles, access to health services, and ensuring a safe, healthy and accessible built environment. Preventative/proactive work also reduces the costs of recovering from emergencies.

The Council also has a responsibility to protect life, health and property under the Civil Defence Emergency Management Act 2002. The activity must also give effect to the Civil Defence Emergency Management Group Plan.

What are the key issues?

Emergency Management Southland's Activities

Emergency Management Southland will be focusing on sector and staff training during 2011/2012, as well as maintaining and enhancing public awareness of pertinent emergency management and natural hazard issues such as flood, tsunami and earthquake risks, and preparedness for natural disasters.

What level of service will Council provide?

Primary outcome: We are healthy people (4)

Intermediate outcome: We are able to live healthy lifestyles (4.1)



What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator			
Access Provide Civil Defence Emergency Management services throughout the District via a distributed organisational system.	Number of Civil Defence Sectors capable of responding to an emergency. ¹	15	15	Audit
Readiness Ensure that Civil Defence Emergency Management personnel are adequately trained.	Percentage of District Emergency Operations Centre personnel trained to Co-ordinated Incident Management System (Level 2).	Not measured	80%	Quarterly Report
	Percentage of Sector personnel trained to Co-ordinated Incident Management System (Level 2).	Not measured	80%	Quarterly Report
Readiness Provide public education on hazards, hazard reduction and emergency event readiness.	Number of public education activities delivered to residents, schools and interest groups.	12	10	Quarterly Report
	Percentage of residents aware of the need to be prepared for a Civil Defence emergency.	98% ²	80%	Survey - Resident
	Percentage of residents prepared for a civil defence emergency.	64% ²	80%	Survey - Resident
Readiness Provide Emergency Operations Centres to enable the management of civil defence emergencies.	Number of primary emergency operations centres, emergency power generator and alternative communication systems available.	EOC - 1 Power - 1 Comms - 3	EOC - 1 Power - 1 Comms - 3	Audit
	Percentage of District and Sector Emergency Operations Centres with required number of standard operating procedures (SOPs). ³	100%	100%	Audit
Responsiveness Maintain a level of preparedness to ensure a timely and effective emergency response is able to be delivered when required.	Facilitate an annual Civil Defence exercise to test readiness/response arrangements.	0	1	Report to CDEM Committee
	Participate in national exercise programmes to test readiness/response arrangements.	0	1	Report to CDEM Committee

1. "Capable of responding" means having a sector Emergency Operations Centre (EOC) with a Sector Manager and 10 - 20 volunteer staff.

2. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.

3. Total of 20 SOP's required (5 held in the District EOC; 15, one in each of the Sector EOCs)

Note the above levels of service and key performance indicators may be reviewed in the future by the new regional agency.

What are the projects and variances from the LTCCP?

There are no major projects planned for 2011/2012.

Cost of Service Statement variances

Although the operations of Civil Defence have become a shared service, existing commitments in terms of internal services provided and interest costs on the generator purchased to provide power in an emergency have increased costs in the current year. In addition, operating costs for Emergency Management Southland have increased, and therefore the Council's share of these costs, by way of a grant, has also increased.

Who benefits from the activity and how is it funded?

Benefits are distributed between those affected by the emergency, ratepayers and the public in general whose assets may be protected or reinstated. The activity should be 100% funded through the Civil Defence and Rural Fire rate levied on land value, District-wide, with input from Government funding where applicable, and cost recoveries if feasible. Capital costs for this activity are limited to the usual overheads - office buildings, vehicles and equipment - and are funded through accumulated depreciation (vehicles only), rate smoothing for small projects, and loans for large projects (usually internal), all of which are recovered through rates.

What does it cost?

LTCCP 2010/2011	Civil Defence and Emergency Management	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
265,079	Rates	277,197	296,042
265,079	Total Operating Revenue	277,197	296,042
Operating Expenditure			
8,817	Depreciation	8,289	2,553
265,410	Other Operating Costs	269,161	345,687
274,227	Less Total Operating Expenditure	277,450	348,240
(9,148)	Operating Surplus/(Deficit)	(253)	(52,198)
(9,148)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(253)	(52,198)
CAPITAL AND RESERVES			
-	Total Capital Expenditure	-	-
11,752	Loans Repaid	12,690	13,060
11,752	Total Capital Movements	12,690	13,060
9,148	Operating Deficit	253	52,198
20,900	Total Funding Required	12,943	65,258
Funded By			
3,081	Non Cash Expenditure	2,553	2,553
17,819	Transfers from Reserves	10,390	62,705
-	Operating Surplus	-	-
20,900	Total Funding Applied	12,943	65,258

Community Centres

Aim: Provide facilities that meet the social, cultural, recreational and educational needs of the community.

What we do

The Council owns (on behalf of local communities) community centres in 35 locations throughout the District and contributes funding to various other community owned halls. The operation of these halls is generally carried out by individual Hall Committees or local Community Board or Community Development Area Subcommittee members. These groups manage bookings and use of the halls and work with Council Property staff regarding maintenance of the buildings involved.

Why we do it

Community centres contribute to making Southland a great place to live by providing accessible facilities for communities, clubs, organisations and individuals to enjoy sporting, social, cultural, educational and recreational pursuits. Community centres also contribute to community pride as they form a physical heart of a community and serve as a record of the community's achievements. In addition they provide safe public places for children and families as well as contributing to healthy lifestyles by hosting active recreational pursuits.

What are the key issues?

Aparima Hall Rate –

Council approved a request from the Aparima Hall Committee to establish a new rate to collect funds to pay for the maintenance of the Aparima Public Hall (Hundred Line Road West). The rate is \$35 (excl GST) and will be paid by ratepayers with properties that have dwellings surrounding the hall not already paying a hall rate. More details about the new rate can be found on page 159.

What level of service will Council provide?

Primary outcome: Southland is a great place to live (1)

Intermediate outcome: We have a choice of quality places to go and things to do (1.2)



What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator			
Quality Community centres are appropriate to the community needs.	Percentage of residents satisfied with the standard of their local hall/community centre for public use.	95% ¹	90%	Survey - Resident ¹
Access Community centres are available for public use.	Percentage of residents satisfied with the availability of their local hall/community centre for public use.	97% ¹	90%	Survey - Resident
Safety All facilities are safe.	Percentage of community centres that are safe. ²	87%	100%	Annual Inspections

1. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.

2. "Safe" means meeting Fire and Building Act requirements.

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

Operational and Management Projects

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Otautau – Seismic Testing - hall0018.a	-	\$270,000	Loan	This project was originally planned for 09/10 however was put on hold while the Board looked at options around disposing the hall. A community group

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
				interested in saving the hall has now formed a Trust and . . are looking at options for the town and consulting with potential user groups.

Cost of Service Statement variances

The deferral of the Otautau Hall Seismic Strengthening Project (as mentioned above) from 2009/2010 to 2011/2012 has resulted in other operating costs and loans raised increasing. The Te Anau carpark loan is to be repaid from Te Anau General reserves, therefore reducing loans repaid and associated interest expense.

Who benefits from the activity and how is it funded?

The whole community benefits, as the halls are a place to meet and interact. In particular clubs and individuals who hire the halls benefit. Approximately 90% of operating costs are sourced from community centre levies; additional funding is through user pays, fundraising and grants. Capital expenditure is funded in a similar manner, but may also include the use of loans for significant projects, to be repaid by rates.

What does it cost?

LTCCP 2010/2011	Community Centres	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
335,073	Rates	340,970	319,722
48,379	Activity Revenue	49,473	51,261
383,452	Total Operating Revenue	390,443	370,983
Operating Expenditure			
122,961	Depreciation	122,575	122,575
414,457	Other Operating Costs	336,273	605,767
537,418	Less Total Operating Expenditure	458,848	728,342
(153,966)	Operating Surplus/(Deficit)	(68,405)	(357,359)
(153,966)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(68,405)	(357,359)
CAPITAL AND RESERVES			
-	Total Capital Expenditure	-	-
19,048	Loans Repaid	20,567	-
35,903	Transfers to Reserves	37,219	42,112
54,951	Total Capital Movements	57,786	42,112
153,966	Operating Deficit	68,405	357,359
208,917	Total Funding Required	126,191	399,471
Funded By			
-	Loans Raised	-	270,000
122,961	Non Cash Expenditure	122,575	122,575
85,956	Transfers from Reserves	3,616	6,896
-	Operating Surplus	-	-
208,917	Total Funding Applied	126,191	399,471

Community Housing

Aim: Provide affordable community housing where needed.

What we do

The activity provides 69 housing units located in Edendale, Lumsden, Nightcaps, Ohai, Otautau, Riversdale, Riverton, Tuatapere, Winton and Wyndham. These units are let primarily to those persons who are on a pension, or those that are not on a pension but for some reason require this type of housing. The units are inexpensive and suit those on a fixed income and the small size suits those that are unable to maintain large properties. Rents from tenants are used to maintain and upgrade the units as required.



Why we do it

Community housing contributes to a healthy community by providing good quality affordable housing to a group with specific needs. It also fosters a compassionate caring community by allowing people, where possible, to remain living in their local community if their family home becomes inappropriate for their individual circumstances. The Council also has a responsibility under the Residential Tenancies Act 1986. The activity is also associated with the New Zealand Housing Strategy.

What are the key issues?

Community Housing rentals will be increasing by \$5 in 2011/2012. Details of this increase can be found in the Fees and Charges section on page 161.

What level of service will Council provide?

Primary outcome: We are healthy people (4)  				
Intermediate outcome: We have good quality affordable housing (4.2)				
What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator			
Quality Suitable housing is provided for tenants which have pleasant surroundings.	Percentage of tenants who believe that the housing facilities are maintained satisfactorily and are suitable for use.	Maint - 82%, Suitable - 89%	80%	Survey - Tenant
	Percentage of tenants who are satisfied with the surroundings in which they live.	96%	80%	Survey - Tenant
Safety A safe environment is provided.	Percentage of residents who feel safe and secure when living in the Community Housing building.	96%	80%	Survey - Tenant
Responsiveness Tenants receive prompt response to identified problems.	Percentage of requests for maintenance actioned within agreed timeframes. ¹	100%	90%	Quarterly Report
Cost Efficiency There is efficiency and economy in how Community Housing is managed.	Average occupancy rate for rental housing.	92%	80%	Quarterly Report
1. "Agreed Timeframes" means urgent matters are responded to within four hours and other matters are responded to within five days. Response refers to contacting the tenant regarding their request and does not include actioning the request.				

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

There are no major projects planned or any major variances from the LTCCP.

Cost of Service Statement variances

There are no major variances from the LTCCP.

Who benefits from the activity and how is it funded?

These benefits are distributed between the tenants, the families of tenants (as the units allow them more freedom) and the community who benefit from having a range of age-groups in the town. Direct operating costs are met from user charges (tenant rents), the Council meets the associated overhead costs and other indirect costs, approximately 15% of activity costs. There is little capital expenditure associated with this activity, as it is a declining activity. Government subsidy is sought where modifications are required to meet the physical needs of tenants, and will be utilised, where applicable, for other projects. Proceeds from sales of housing no longer required may be applied to the remaining housing stock.

What does it cost?

LTCCP 2010/2011	Community Housing	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
46,437	Rates	47,847	47,065
222,396	Activity Revenue	239,696	240,157
268,833	Total Operating Revenue	287,543	287,222
Operating Expenditure			
42,322	Depreciation	43,343	43,343
259,391	Other Operating Costs	252,011	248,246
301,713	Less Total Operating Expenditure	295,354	291,589
(32,880)	Operating Surplus/(Deficit)	(7,811)	(4,367)
(32,880)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(7,811)	(4,367)
CAPITAL AND RESERVES			
10,847	Acquisition-Level of Service	11,096	11,205
10,847	Total Capital Expenditure	11,096	11,205
24,052	Loans Repaid	25,971	25,850
132,190	Transfers to Reserves	147,395	146,588
156,242	Total Capital Movements	173,366	172,438
32,880	Operating Deficit	7,811	4,367
199,969	Total Funding Required	192,273	188,010
Funded By			
42,322	Non Cash Expenditure	43,343	43,343
157,647	Transfers from Reserves	148,930	144,667
-	Operating Surplus	-	-
199,969	Total Funding Applied	192,273	188,010

District Development Services

Aim: Work with groups and organisations to identify opportunities and facilitate the development of projects and initiatives that will enhance the prosperity and quality of life of Southland communities.

What we do

Currently the Southland District Council has a level of service agreement with Venture Southland to deliver District Development Services which includes Regional Development, Destination Promotion and Economic Development. The Council also places extra emphasis on community development in the Regional Development area to reflect the work needed for the diverse communities in the District to ensure local priorities are identified and addressed. Venture Southland is a joint initiative of the Invercargill City, Southland District and Gore District Councils, and is the agency responsible for the region's economic, tourism, promotion and community development initiatives. The region-wide level of delivery enables economies of scale, and a stronger voice for Southland and this delivery is overseen by a joint committee of the three councils. The table below provides a summary of the activities provided which are described in more detail in Venture Southland's Strategy for Development and annual Action Plan. The Council has input into the priorities, Strategies and Action Plans of Venture Southland through its appointees on the joint committee (Mayor, two councillors, and two appointed independent persons) as well as the Subcommittee known as the directorate. The directorate has two of these Council appointees sitting on it and it has delegated authority to monitor and overview the implementation of the annual Action Plan.

Regional Development	Destination Promotion	Economic Development	
<p>Goal - To support and assist groups and organisations to identify and develop opportunities and provide advocacy for community services.</p> <p>The activity involves working alongside community organisations to identify and assist the development of projects at both a regional and local level as well as assisting with events and assessing new event opportunities.</p> <p>Community Planning particularly Community Concept Plans is a key element of this activity. Other key strategies include the Southland Leisure Strategy, the Community Facilities Inventory, Story of Southland, and the Regional Strengths Strategy (Southern Odyssey). In addition, the activity also supports the Mayor's Taskforce for and the ALIVE programme which aims to provide assistance to at risk youth.</p>	<p>Goal: To promote Southland as a quality destination for visitors, skilled migrants, investors, students, and conferences and events; to assist in destination management and visitor industry development.</p> <p>The activity involves marketing Southland to audiences, both within and external to Southland, as a region in which to live, work, play, learn and visit. The approach to marketing involves communicating the strengths of the region to various sectors of the market, leveraging positive exposure in the media through events, promoting business opportunities and highlighting Southland's lifestyle benefits. The activity also provides services and information in relation to accommodation, attractions, transport/travel, conferences, trade, media, industry information, images, brochures and branding.</p> <p>The Southland Tourism Strategy 2005-2015 has been developed by Venture. Local Visitor Sector strategies have also been developed for Fiordland and Stewart Island.</p>	<p>Goal: To proactively identify and promote opportunities for diversification, employment and business growth in Southland.</p> <p>The activity involves working with industry sectors, training and educational bodies, and local and central government agencies to support economic development opportunities. These opportunities may relate to new projects, diversification, adding value or innovation. The support provided also includes assessing the availability and suitability of resources and infrastructure needed to support development as well as workforce skills and opportunities for investment.</p> <p>Venture Southlands strategies within the scope of the activity also include the Southland Workforce Strategy and Water Strategy.</p>	<p>Goal: To promote the positive aspects of Southland, and identify and facilitate the development of projects of regional significance in association with local organisations.</p> <p>The activity involves working closely with other groups and organisations with mutual goals and objectives to provide a co-ordinated approach to research, obtaining and disseminating information, in particular for issues with potential region-wide implications. The support provided includes playing a facilitation role, providing access to required expertise, undertaking modelling, and co-ordinating communications.</p> <p>Venture Southland's other strategies within the scope of the activity also include the Energy Strategy, Transport Strategy, and Digital Strategy.</p>
NB - Venture Southland works with communities and organisations through Project Advisory Groups in developing strategies.			

The table below shows the funding provided by the Council compared to total funding for Venture Southland's operation and how these contributions are split amongst the four sub-activity areas.

Contribution	Regional Development	Destination Promotion	Economic Development	Annual Plan 11/12 Total	LTCCP 11/12 Total	Explanation of Variance
Southland District Council	\$855,100	\$376,300	\$478,900	\$1,710,300	\$1,730,760	The inflation rate is less than estimated therefore the grant amount has been adjusted.
Invercargill City Council	\$789,500	\$347,400	\$442,100	\$1,579,000		
Other Contributions ¹	\$964,300	\$405,300	\$527,700	\$1,897,300		
<i>Total Regional Output</i>	<i>\$2,608,900</i>	<i>\$1,129,000</i>	<i>\$1,448,700</i>	<i>\$5,186,600</i>		

Why we do it

District Development Services (provided via Venture Southland) contributes to making Southland a great place to live by promoting Southland's image, supporting creative and heritage activities, developing recreational activities and assisting with development initiatives for communities. The activity also supports a diverse economy by facilitating infrastructure improvements, identifying and promoting areas of competitive advantage, facilitating job creation and attracting/retaining a skilled labour force and promoting Southland as a tourism destination, as well as a place to live and invest. It also contributes to strong effective leadership by empowering citizens and communities and supporting project development and seeking engagement through concept plans which promotes community cohesion and pride. The activity also influences a treasured environment through working with businesses to improve their resource use and projects that assist in working with the environment.

The table below (from Venture Southland's Action Plan) indicates the joint objectives supported by the various activity areas of District Development Services.

Regional Development	Destination Promotion	Economic Development	
<p>Southlanders have access to a diverse range of cultural, recreational and lifestyle opportunities.</p> <p>Southland communities have identified and implemented development opportunities.</p> <p>Southland is recognised for its creative and active communities.</p> <p>Southland has a diverse range of events that are supported by the community and attract visitors to the region.</p> <p>Southland has a thriving tourism industry with quality attractions, activities and services for visitors.</p> <p>Visitors can access quality information on Southland's attractions and activities.</p>	<p>Southland is recognised as a desirable destination for domestic and international visitors.</p> <p>Southland's visitor industry is compatible with the community and the environment.</p> <p>Southland is recognised as a desirable location for international/national conferences and events.</p> <p>Southland is seen as a desirable region by skilled migrants and students.</p>	<p>Southland has a diversified economy.</p> <p>Southland has a skilled workforce that meets the needs of the economy.</p> <p>Southland attracts investment to utilise resources and create employment.</p> <p>Southlanders are aware of opportunities to grow their businesses, including processing and exports.</p> <p>Innovation and entrepreneurship remain part of the Southland culture.</p>	<p>Businesses and organisations have quality information on which to base decisions.</p> <p>Southlanders have objective assessments of their resources to enable long term decision-making.</p> <p>Southland infrastructure supports the community and economic growth.</p> <p>Opportunities for economic and community growth are developed and implemented.</p> <p>People want to visit, invest, live, work and learn in Southland.</p> <p>Southlanders are proud of their region and are good ambassadors.</p>

¹ Other contributions are provided by Gore District Council, Community Trust of Southland, Invercargill Licensing Trust and Central Government.


What are the key issues?

A new activity “District Development Services” has been included in the Plan to separately show the various services which are provided on Council’s behalf by Venture Southland. These activities have previously been included as part of the existing activity “Grants and Donations”. The new activity statement explains the various services provided including Regional Development, Destination Promotion and Economic Development. In reviewing this information, Council has also updated the level of service information and some key performance indicators to better align with Venture Southland’s own Action Plan and provide greater clarity. The specific changes are detailed below.

Levels of Service Statements – A new separate level of service statement has been prepared for the “Governance” sub-activity. In addition, a number of separate statements have now been grouped together into one statement which while is a change to wording, does not change their intent. Heritage related levels of service have been shown in the “Grants and Donations” activity.

Key Performance Indicators – Three new key performance indicators have been added and previous indicators relating to heritage and survey local businesses have been removed.

What level of service will Council provide?

Primary outcome:					
Southland is a great place to live (1) A diverse economy built from our strengths for growth and prosperity (2) Strong, effective leadership taking us into the future (5)					
What Council will provide	How Council will measure the service provided				
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source	
Governance					
Accountability – Maintain strong Governance overview of Venture Southland	Representatives attendance on Venture Southland Joint Committee.	New Measure	20	Attendance Register	
Regional Development					
Support and assist groups and organisations to identify and develop opportunities, events and provide advocacy for community services and to assist in destination management and visitor industry development.	Outcome ² - Number of community groups assisted.	120	80	Annual Report	
	Output ¹ - Number of programmed Concept Plan reviews carried out.	100%	100%	Annual Report	
	Output ¹ - Percent of programmed events carried out.	100%	100%	Annual Report	
	Outcome ² - Number of people attending Venture Southland events each year.	15,000	8,000	Annual Report	
Economic Development					
Proactively identify and promote opportunities for diversification, employment and business growth in Southland.	Output ¹ - Number of sector groups engaged with.	7	5	Annual Report	
	Output ¹ - Number of initiatives identified and developed.	20	12	Annual Report	
	Outcome ² - Growth and diversity of businesses evidenced by economic growth statistics comparing favourably with similar regions.	Just over 1% contraction.	Compare favourably	Annual Report	
	Output ¹ - Training programmes meet the needs of local business.	92%	90%	Survey - User	

Primary outcome: Southland is a great place to live (1) A diverse economy built from our strengths for growth and prosperity (2) Strong, effective leadership taking us into the future (5)				
What Council will provide	How Council will measure the service provided			
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Promote the positive aspects of Southland, and identify and facilitate the development of projects of regional significance in association with local organisations.	Output ¹ - Number of Strategic Projects facilitated.	New Measure	4	Annual Report
	Output ¹ - Inwards investment opportunities identified and promoted.	New Measure	2	Annual Report
Destination Promotion				
Promote Southland as a quality destination for visitors, skilled migrants, investors, students, and conferences and events.	Output ¹ - Percent of programmed promotional activities undertaken (trade shows, publications, electronic promotions).	100%	100%	Annual Report
	Output ¹ - Number of conferences and events assisted.	58	10	Annual Report
	Outcome ² - Perceptions of Southland study shows improving results (suggesting Venture is targeting the right areas).	Not measured	Increasing trend	Annual Report
	Outcome ² : Average length of stay and spend for tourists increases over time.	0.9% increase (length of stay)	Increasing trend	Annual Report
<p>1. Outputs are indicators related to activities which Venture is directly accountable for.</p> <p>2. Outcome indicators can be affected by factors other than Venture's activities such as opportunities in other regions, fuel costs, availability of finance for key projects, the exchange rate, labour mobility etc. Consideration will also be given to these other factors, and Council will benchmark data against other regions.</p>				

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

Projects planned for Venture Southland are outlined in their Action Plan for 2011/2012.

Cost of Service Statement Variations

There are no major variances from the LTCCP.

Who benefits from the activity and how is it funded?

Individual businesses, business networks, community groups, individual residents and the community as a whole benefit from Venture Southland's activities. Many of Venture Southland's activities will have a lasting benefit, particularly facilitating infrastructure development.

The Council believes that the costs should be recovered from a regionally based funding formula, adjusted for specific service provision to any territorial authority. Council's portion is funded through uniform annual charge per rateable unit. In addition Venture actively pursues external sources of funding for specific projects. Any capital expenditure is covered by the Council's grants and external funding.

Some projects do have benefits for individuals, or defined groups. However as a whole, Venture Southland activities directly benefit a wide range of individuals and groups, and there are strong spillover benefits from economic development and stronger communities for the district as a whole. A full user pays system would not be affordable for vulnerable groups in our community, and would be inconsistent with the purpose of Venture Southland (development and promotion of the region).

This activity is rated for jointly with Grants and Donations, as the outcomes for these activities are similar.

What does it cost?

LTCCP 2010/2011	District Development Services	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
1,691,847	Rates	1,730,760	1,698,562
173,047	Activity Revenue	180,687	199,310
-	Grants and Donations	-	14,000
1,864,894	Total Operating Revenue	1,911,447	1,911,872
Operating Expenditure			
1,864,894	Other Operating Costs	1,911,447	1,911,872
1,864,894	Less Total Operating Expenditure	1,911,447	1,911,872
-	Operating Surplus/(Deficit)	-	-
-	Operating Surplus/Deficit transferred to/(funded from) Reserves	-	-

District Support

Aim: Provide convenient access to Council information and services and support for local communities.

What we do

District support covers the operation of eight Area Offices as a first point of contact for residents and ratepayers (located in Invercargill, Winton, Te Anau, Otautau, Lumsden, Wyndham, Stewart Island and Riverton) as well as District reserves and various corporate services including information management, records and financial services. Many of the Council's services are provided through the office staff, including enquiries, rate rebate applications, dog registration and fire permits. Staff also provide secretarial support for Community Boards, Community Development Area Subcommittees, Committees of Council and other organisations. All Area Offices except the main Invercargill office, Te Anau office and the office on Stewart Island are accommodated with local libraries, following the Council's "one-stop shop" concept.

Why we do it

District support contributes to strong effective leadership by providing support to local decision-makers. The activity also strengthens Council's links with the numerous communities in Southland by having local staff situated in local offices in or near these communities. The activity also contributes to a diverse economy by making the Council's services and information more easily accessible across the District.

What are the key issues?

There are no key issues for this activity.

What level of service will Council provide?

Primary outcome: Strong, effective leadership taking us into the future (5)				
Intermediate outcome: Citizens and communities are inspired, motivated and empowered (5.1)				
What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Access Access to services during normal business hours.	Percentage of residents satisfied with the hours of operation.	96% ¹	90%	Survey - Resident
Responsiveness All requests, issues, queries and faults dealt with in a timely fashion.	Percentage of customers who are satisfied with response to enquiries.	62%	80%	Survey - Customer
	Percentage of response times kept within defined limits. ²	79%	85%	Quarterly Report
	Percentage of residents satisfied with contact with Council (visits and telephone calls).	Visits - 92% ¹ , Calls - 88% ¹	85%	Survey - Resident
1. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009. 2. The "defined limit" for responses is five working days for correspondence and other requests. This will not include requests that are resolved at first point of contact.				

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

Operational and Management Projects

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Invercargill Office - Improvements - CS00039.a, CS00001A	-	\$61,980	Loan	This is a new project which has been added because of needed improvements to the Invercargill office building.

Cost of Service Statement Variations

A change in policy in relation to the allocation of interest has resulted in a reduced level of interest received.

The planned improvements at the Invercargill office (as noted above) as well as acquisition of additional information archiving software has resulted in increased loans raised, previously anticipated to be rates funded. Timing differences has resulted in reduced capital renewals.

Who benefits from the activity and how is it funded?

These benefits accrue to ratepayers and residents who live in the areas around each office. Benefits are also received by the organisations that Council acts as an agent for, or provide accommodation for. Operating costs for this activity should be 100% funded by the Council Offices and District support rate levied District-wide based on capital value. Capital costs for this activity are limited to the usual overheads - office buildings, vehicles and equipment - and are funded through accumulated depreciation (vehicles only), rate smoothing for small projects, and loans for large projects (usually internal), all of which are recovered through rates.

What does it cost?

LTCCP 2010/2011	District Support	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
2,760,693	Rates	2,833,108	2,805,345
181,281	Activity Revenue	214,991	216,571
752,392	Interest & Dividends	512,212	85,345
3,694,366	Total Operating Revenue	3,560,311	3,107,261
Operating Expenditure			
280,267	Depreciation	275,986	281,933
-	Finance Costs	-	541,871
3,302,143	Other Operating Costs	3,277,427	2,089,619
3,582,410	Less Total Operating Expenditure	3,553,413	2,913,423
111,956	Operating Surplus/(Deficit)	6,898	193,838
111,956	Operating Surplus/Deficit transferred to/(funded from) Reserves	6,898	193,838
CAPITAL AND RESERVES			
41,837	Acquisition-Level of Service	79,785	84,317
64,014	Renewals	157,284	92,348
105,851	Total Capital Expenditure	237,069	176,665
12,849	Loans Repaid	-	-
1,477,045	Transfers to Reserves	1,196,036	1,472,813
1,489,894	Total Capital Movements	1,196,036	1,472,813
-	Operating Deficit	-	-
1,595,745	Total Funding Required	1,433,105	1,649,478
Funded By			
-	Loans Raised	-	106,178
450,605	Non Cash Expenditure	446,324	442,833
1,033,184	Transfers from Reserves	979,883	906,629
111,956	Operating Surplus	6,898	193,838
1,595,745	Total Funding Applied	1,433,105	1,649,478

Dog and Animal Control

Aim: To protect public safety and reduce nuisances.

What we do

This activity is about providing controls for dogs and stock to reduce any risks to public safety. The activity involves registering dogs, investigating complaints about dogs and wandering stock, formulating policy on issues relating to nuisance dogs and legal responsibilities, as well as promoting responsible dog ownership. There are around 13,000 dogs registered in Southland.

Why we do it

Dog and Animal Control contributes to creating safe places (homes, public places and roads) through education, registration of dogs and Dog Control Officer activities and responding to instances of wandering stock. The activity also contributes to a treasured environment where control activities also help to protect wildlife. In the activity, the Council must comply with the legal requirements of the Dog Control Act 1996 and associated amendments and the Impounding Act 1955.

What are the key issues?




Animal Control Fees

This year the dog registration fee has increased from \$17.78 to \$21.74 (GST excl). The increase is due to a number of factors including the Dog Control Officer position being increased from a part time to a full time position (due to an increase in animal control requests), the employment of an additional ranger for more comprehensive after-hours coverage, an increase in pound maintenance costs with the possibility of a new joint pound being developed with Invercargill City Council and microchipping expenses. Impounding costs have also moved to a flat structure (\$100 regardless of whether dogs are registered or unregistered, and regardless of how many previous seizures of dogs there have been).

Pound Facilities

Southland District Council pound facilities are very limited and work is being progressed on possibly contributing towards a new pound as above, which Council could utilise a portion of. This is seen as a more cost-effective option than developing a stand-alone facility and a possible contribution towards this has been factored into the dog control budget.

What level of service will Council provide?

Primary outcome: Safe places in a caring society that is free from crime (3)   				
Intermediate outcome: We have public places safe for children and families (3.3)				
What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator			
Quality Actively control the actual and potential nuisance from dogs and animals.	Percentage decrease in the number of complaints concerning dog control and wandering stock received each year.	44% Increase	10% Decrease	Quarterly Report
	Percentage of residents satisfied with the service provided.	Dog - 80% ¹ , Stock - 91% ¹	Dog - 75%, Stock - 80%	Survey - Resident
Responsiveness All complaints are addressed in a timely manner.	Percentage of complaints investigated within set timeframe. ²	68%	80%	Quarterly Report

Primary outcome: Safe places in a caring society that is free from crime (3)				
Intermediate outcome: We have public places safe for children and families (3.3)				
What Council will provide	How Council will measure the service provided			
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Responsiveness Facilitate and provide appropriate guidance and advice on Dog and Animal Control matters.	Hours of public education activities carried out per year.	107	72	Quarterly Report
1. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.				
2. The timeframe for investigation of complaints is 24 hours.				

Note that Council is aiming to increase its target for the percentage of residents satisfied with the Dog Control service to 80% from 2012/2013 onwards.

What are the projects and variances from the LTCCP?

There are no major projects planned for 2011/2012.

Cost of Service Statement variances

An increase in fee revenue has been proposed to cover the increased operating costs associated with dog registration, microchipping, and the capture and impounding of dogs within the District. Operating costs and transfers from reserves have increased as a result of Council's proposed contribution to the Invercargill City Council Pound.

Who benefits from the activity and how is it funded?

The benefits are distributed to users of public grounds and reserves/parks, the farming and general community, and dog owners. Animal owners who do not restrain/contain their animals appropriately create the need for this activity. Dog registration fees should be set at a level that will allow the recovery of costs of retaining and updating dog registration records, the process of undertaking the registration, and the cost of employing a part time Dog Control Officer. The remainder of costs including the cost of rangers and other animal control activities should be funded by the Development and Promotions rate, which is a uniform annual charge (approximately 10% of the cost of Dog and Animal Control). Capital costs for this activity include the usual overheads - office buildings, vehicles and equipment, as well as capital works for animal control facilities - and are funded through accumulated depreciation (vehicles only), rate smoothing for small projects, and loans for large projects (usually internal), all of which are recovered through rates.

What does it cost?

LTCCP 2010/2011	Dog and Animal Control	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
24,669	Rates	24,570	24,940
250,496	Activity Revenue	256,257	316,347
275,165	Total Operating Revenue	280,827	341,287
Operating Expenditure			
8,664	Depreciation	8,378	7,650
266,360	Other Operating Costs	272,941	393,805
275,024	Less Total Operating Expenditure	281,319	401,455
141	Operating Surplus/(Deficit)	(492)	(60,168)
141	Operating Surplus/Deficit transferred to/(funded from) Reserves	(492)	(60,168)
CAPITAL AND RESERVES			
-	Total Capital Expenditure	-	-
1,528	Transfers to Reserves	609	933
1,528	Total Capital Movements	609	933
-	Operating Deficit	492	60,168
1,528	Total Funding Required	1,101	61,101
Funded By			
1,387	Non Cash Expenditure	1,101	1,101
-	Transfers from Reserves	-	60,000
141	Operating Surplus	-	-
1,528	Total Funding Applied	1,101	61,101

Forestry

Aim: Maximise return on funds whilst operating forests in a sustainable and environmentally friendly manner.

What we do

The Southland District Council manages around 1,800 hectares of land (1,510 hectares of this is planted in introduced plantation species).

Why we do it


Forestry operations provide alternative income to offset rates but also support the achievement of other Council or community goals. This activity links most strongly with the community outcome of Southland's diverse economy being built from our strengths for growth and prosperity, as well as contributing to a treasured environment.

What are the key issues?

Forestry Dividend

Over the past couple of years Council has not received a return from the Forestry activity to offset rates as the economic downturn had a significant impact on the prices that Council received for the sale of its timber. However, the returns received for harvesting in 2010/2011 has improved by about 56% over the 2009/2010 prices, due to strong demand for export logs from China, Japan and Korea. This demand has been held since mid-2010 and it is anticipated that this may maintain at current levels for some months to come. As a result of this, revenue from harvesting has exceeded expectations and in 2011/2012 it is expected that \$300,000 will be available to offset rates.

What level of service will Council provide?

Primary outcome: A diverse economy built from our strengths for growth and prosperity (2) 				
Intermediate outcome: We have an economy built on our competitive advantage (2.4)				
What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator			
Commercial return To ensure that the forests are managed in a business-like way with a long term focus.	Percentage of returns met.	0%	100%	Business Plan Reports
Sustainable Management To achieve an appropriate balance between harvesting and restocking Council and community forests.	Percentage of Forestry Management Business Plan objectives met. ¹	87%	100%	Management Reports
	Number of environmental issues notified.	1	0	Management Reports

1. Objectives relate to periodical review of Forestry Management Plan, forestry asset replacement and observation of environmental protocols.

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

There are no major projects planned for 2011/2012.

Cost of Service Statement variances

There are no major variances from the LTCCP.

Who benefits from the activity and how is it funded?

The District as a whole benefits from this activity, as it generates income for Council which is used to offset general rates. The benefits of this activity are long term, as it generates ongoing revenue streams. Revenue generated from sale of wood covers all of the expenses of the forestry activity.

What does it cost?

LTCCP 2010/2011	Forestry	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
738,700	Activity Revenue	970,800	970,800
738,700	Total Operating Revenue	970,800	970,800
Operating Expenditure			
5,445	Depreciation	5,445	5,445
397,685	Other Operating Costs	344,894	328,481
403,130	Less Total Operating Expenditure	350,339	333,926
(685,560)	Forestry Revaluation	587,350	692,240
1,021,130	Operating Surplus/(Deficit)	33,111	(55,366)
1,021,130	Operating Surplus/Deficit transferred to/(funded from) Reserves	33,111	(55,366)
CAPITAL AND RESERVES			
-	Total Capital Expenditure	-	-
505,622	Transfers to Reserves	765,106	776,112
505,622	Total Capital Movements	765,106	776,112
-	Operating Deficit	-	55,366
505,622	Total Funding Required	765,106	831,478
Funded By			
(685,560)	Non Cash Expenditure	587,350	692,240
170,052	Transfers from Reserves	144,645	139,238
1,021,130	Operating Surplus	33,111	-
505,622	Total Funding Applied	765,106	831,478

Grants and Donations

Aim: Provide assistance to a range of organisations for projects and activities which promote community wellbeing.

What we do

Council provides funding for scholarships, grants, and donations so that District residents have access to community funding and to help finance cultural, social, and recreational services. An annual grant is also provided to the Southland Regional Heritage Trust who is a strong supporter of museums in Southland and supports specific heritage projects that preserve or promote the Story of Southland. Specific activities of the Trust include making grants to community groups, provision of a Roving Museum Officer who supports small, community-based museums, and grants to the region's major museums. An annual contribution is also made to the Southern Rural Fire Authority to manage rural fire responsibilities at a regional level, including training fire fighters and public education. By supporting a regional effort, the District benefits from economies of scale.

Why we do it

Primarily this activity empowers citizens and communities by providing financial assistance for their activities, which in turn may promote any of the seven community outcomes, depending on the nature of the project. Scholarships promote a well-educated and skilled community; and other grants promote better community facilities, community self help, and encouragement of young people contribute to making Southland a great place to live. The Regional Heritage Grant contributes to making Southland a great place to live, by valuing our history and heritage, and supporting a range of quality places to go and things to do. The grant also supports a well educated community by providing high quality and ongoing learning opportunities through museums, heritage publications and other activities. As Rural Fire protects economic assets, it supports the outcome of a diverse economy and by protecting against and responding to hazardous fire also supports a treasured environment.

What are the key issues?

The "Grants and Donations" activity no longer includes information for services which are provided on Council's behalf by Venture Southland. This information is now included in a separate activity called "District Development Services". In addition, the activity also includes information on the activities on the Southern Rural Fire Authority. This information was previously included in the Council Controlled Organisation (CCO) section of Council's Annual Plan as the Authority was a CCO. However in December 2010 the Authority changed its Constitution and Rules of Governance to include an independent member on its Board bringing the total number of members to nine. The addition of the independent member effectively changes the organisation from being a Council Controlled Organisation to a Council Organisation under Section 6 of the Local Government Act 2002 because local authorities no longer control 50% or more of the votes or have the right to appoint 50% or more of the members of the Board (with just four Board members coming from local authorities).

Additional Grants and Donations –

Council has decided to make a number of one-off grants and donations in this Plan for the Southland Coastal Heritage Inventory Project, the Swim Safe Programme, Te Hiko Museum and the Junior World Cycling Championships. These will be funded from a mixture of reserves and by applying a Regional Initiative rate of \$4.13 (GST exclusive) on all properties, with all properties paying the same.

Swim Safe Programme - Council approved \$17,400 per annum for three years (totalling \$52,200) to Water Safety New Zealand and Sport Southland to deliver a life skills swim programme which aims to have every child in Southland to be able to swim 200 m by the age of 12 years old.


Southland Coastal Heritage Inventory Project - Council has set aside \$15,000 for this project which aims to update Southland's archaeological records along the coast before these are lost. This an inter-agency project between the Department of Conservation, Environment Southland, Te Ao Mārama Incorporated, the New Zealand Historic Places Trust and the New Zealand Archaeological Association.

Te Hikoi Museum - Council will provide a grant of \$44,000 to cover an expected deficit in operating costs in 2011/2012. The Museum is currently looking at different marketing strategies to increase revenue.

Cycling Southland - Cycling Southland will be holding the Junior World Track Cycling Championships in 2012 and Council has agreed to give a grant of \$10,000 in 2011/2012 and \$10,000 in 2012/2013 as it is anticipated the event will attract a high number of visitors/supporters to Southland.

Additional Projects - Council also approved a funding request of \$39,000 for a region-wide landscape assessment project being undertaken by Environment Southland as the information will be useful for the Council's District Plan review and by taking a collaborative approach Council will save costs. This grant will be paid for out of the existing District Plan budget for 2011/2012.

What level of service will Council provide?

Primary outcome: Southland is a great place to live (1) A diverse economy built from our strengths for growth and prosperity (2) Strong, effective leadership taking us into the future (5) 				
What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Regional Heritage and Grants				
Access - Support heritage activities.	Provide funding annually to Southland Regional Heritage Committee.	Yes	Yes	Annual Report
Access and Equity - Enhance the quality of life through grants / donations to community and regional organisations.	Percentage of residents that are aware of the availability of grants.	76% ¹	60%	Survey-Resident
1. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.				
Rural Fire				
Readiness - Support Southern Rural Fire Authority to prepare and respond to rural fires.	Annually review and approve the Southern Rural Fire Authority's Statement of Intent (SOI) and monitor their performance through the Authority's half yearly and annual reports. ¹	SOI - 21 May HYr -24 Feb ARep - 28 Aug	SOI -30 May HYr -30 Feb ARep -30 Sep	Annual Report
Quantity - Provide Rural Fire organisation resources that are adequate to manage fire events anticipated within the SRFD.	Number of rural fire personnel. ²	397	No less than 250	SRFA training register
Reduction - Provide public education on fire risks, risk reduction and fire event readiness.	Number of public education initiatives completed. ³	0 leaflet drops 400 radio slots 0 education visits	1 leaflet drop 650 radio slots 5 education visits	File
	Decreasing number of rural fire vegetation calls. ⁴	146	95	Quarterly Report

Primary outcome: Southland is a great place to live (1) A diverse economy built from our strengths for growth and prosperity (2) Strong, effective leadership taking us into the future (5)				
What Council will provide	How Council will measure the service provided			
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Readiness - Ensure that Rural Fire personnel are adequately trained.	Percentage of key rural fire personnel that are trained to or training towards the appropriate Fire and Rescue Services Industry Training Organisation (FRSITO) Unit Standards for their duties. ⁵	100%	100%	Training Register
Response - Ensure that the Rural Fire organisation responds appropriately to fire events.	Percentage of initial attacks on fires commenced within 30 minutes of receiving a fire call.	100%	100%	Fire Log FIRS
<ol style="list-style-type: none"> Southern Rural Fire is required to prepare a draft Statement of Intent and deliver this to stakeholders by 1 March each year. Council is required to provide any comment on this by 30 May. "SOI" - Statement of Intent, "HYR" - Half Year Report, "ARep" - Annual Report. 170 Firefighters, 40 Crew Leaders, 40 Incident Management. "Public education initiatives" include one information leaflet drop annually to all rural properties, radio advertising campaign of at least 25 daytime slots per week from 1 October to 30 March, 10 education visits (rural residents, schools and interest groups) annually. This is the annual average for vegetation calls which relates to the objectives of the SRFA, who has a target that over a five year rolling average, the number of rural fires should decrease. "Key Rural Fire Personnel" includes the Principal Rural Fire Officer (PRFO), Deputy Principal Rural Fire Officers (DPRFO's), Rural Fire Officers (RFO's) and Fire Fighters (FF's). 				

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Explanation of Variance
Grants			
Citizens Advice Bureau	\$2,200	\$2,200	
Friendship Committee	\$13,304	\$17,202	\$2,102 for a debating competition removed as no actual costs have been occurred in the past. \$6,000 included for a Thai exchange programme.
Gore Counselling Services	\$1,000	\$1,000	
IWI Funding	\$41,320	\$37,177	The grant has been adjusted to reflect 2010/2011 actual figures plus inflation.
Life Education Trust	\$5,000	\$5,000	
Miscellaneous Grants	\$2,000	\$2,000	
Southland Indoor Leisure Centre	\$50,000	\$50,000	
St Johns Ambulance	\$1,400	\$1,400	
Southland Regional Heritage Committee	\$388,379	\$394,337	Inflation in the 10/11 Annual Plan was 1.7% this has now been revised to 3%.
Lifelines	\$30,000	\$30,000	
Warm Homes Trust	\$35,000	\$35,000	
Swim Safe	-	\$17,400	\$17,400 per annum for 3 years (total \$52,200) to deliver a life skills swim programme to Southland School children.
Southland Coastal Heritage Inventory	-	\$15,000	One-off grant of \$15,000 to assist with updating archaeological records for along Southland Coast.
Te Hiko	-	\$44,000	One-off grant to cover anticipated operating deficit for 2011/2012.
Cycling Southland	-	\$10,000	\$10,000 per annum for 2 years (total \$20,000) to assist with costs associated with hosting the Junior World Track Cycling Championships in August 2012.
Scholarships			
Bursaries	\$4,500	\$4,500	
Community Service Award	\$1,000	\$1,000	
Debating Competition	\$600	\$600	
Outward Bound Scholarship	\$8,000	\$8,000	
Funding Assistance			
Contribution to Public Toilets	\$249,424	\$280,934	Toilet upgrade in Colac Bay was originally budgeted in 08/09 is now budgeted in 11/12. Plus inclusion of new project to upgrade the Lumsden toilets in 11/12.
Contribution to Dog / Animal Control	\$32,564	\$31,832	
Holiday Programmes	\$20,000	\$20,000	
Santa Parade Trust	\$2,400	\$2,400	
Contribution to Stewart Island Jetties	\$5,000	\$5,000	
Contribution to Parks and Reserves	\$14,729	\$14,891	
Destination Fiordland	\$11,624	\$25,738	New \$14,000 budget to help fund the new marketing position for Destination Fiordland.
Allocation Grants			
Amenity Development	\$30,000	\$38,800	
Community Development	\$70,000	\$70,000	
Contributions and Levies	\$15,000	\$15,000	
Creative Communities	\$21,630	\$21,030	
Ohai Railway Fund ¹	\$80,058	\$80,058	
Northern Southland Development Fund	\$15,000	\$15,000	
Other			
Southern Rural Fire Authority	\$205,417 ²	\$205,417	
<p>1. The Plan shows grants made from the Ohai Railway Board at \$80,000 per annum. The actual amount granted by the Board each year may vary to take into account any policy changes and actual returns on funds invested.</p> <p>2. The Southern Rural Fire Authority is funded from its stakeholder organisations with total levy funding in 2011/2012 budgeted to be \$610,794. Funding is provided from Southland District Council (\$205,418), Invercargill City Council (\$56,981), Gore District Council (\$49,859), Department of Conservation (\$142,974), Forest Members (\$155,562). Budgeted operating and capital costs in 2011/2012 are \$1,003,372 and \$123,400 respectively.</p>			

Cost of Service Statement Variations

Operating costs have increased as a result of the proposed grants/donations to a number of entities, as discussed in the "Key Issue and Projects" section of this plan.

Who benefits from the activity and how is it funded?

Grants - These benefits are distributed between the community at large; sports, recreational and other groups; and individuals (sponsorship recipients). There is also benefit to the wider community, as grants generally support activities where there is a broader interest (grants policies generally require applicants to have raised a "local share" to demonstrate this). There are no capital costs for this activity. This operation costs are funded from a range of resources:

- Development and Promotions rate levied District-wide, which is a uniform annual charge;
- Specific rates for one-off projects, where appropriate, such as the Regional Initiative rate 2008/2009;
- Council Reserves where appropriate; and
- Investment income from specific funds (such as the Ohai Railway Fund).

Regional Heritage - The District as a whole benefits from the preservation of our heritage, and the provision of the cultural and recreational opportunities associated with it. Further, the benefit extends to all residents in and visitors to the Southland region. There are no capital costs for Council in this activity. Any capital expenditure the Trust may choose to undertake is funded from grants it receives (including the Council grant). The Council believes that the costs should be recovered from a regionally based funding formula with Council's portion being funded through a uniform annual charge per separately used or inhabited part of a rating unit (the Regional Heritage Rate).

Rural Fire - The benefits are distributed between the public, who are protected from fire hazards; asset owners, as risks and insurance costs are reduced; and the environment, as damage from fire is minimised. The grant to Southern Rural Fire is funded 100% by the Civil Defence and Rural Fire rate levied District-wide based on land value. The grant contributes to both capital and operating expenditure.

What does it cost?

LTCCP 2010/2011	Grants and Donations	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
1,156,652	Rates	1,214,289	1,294,231
36,246	Activity Revenue	37,401	48,408
22,230	Grants and Donations	22,230	33,230
1,215,128	Total Operating Revenue	1,273,920	1,375,869
Operating Expenditure			
6,640	Depreciation	6,640	6,640
1,623,474	Other Operating Costs	1,490,066	1,685,044
1,630,114	Less Total Operating Expenditure	1,496,706	1,691,684
(414,986)	Operating Surplus/(Deficit)	(222,786)	(315,815)
(414,986)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(222,786)	(315,815)
CAPITAL AND RESERVES			
-	Total Capital Movements	-	-
414,986	Operating Deficit	222,786	315,815
414,986	Total Funding Required	222,786	315,815
Funded By			
6,640	Non Cash Expenditure	6,640	6,640
408,346	Transfers from Reserves	216,146	309,175
-	Operating Surplus	-	-
414,986	Total Funding Applied	222,786	315,815

Health Regulation

Aim: To improve, promote, and protect public health, reduce liquor abuse and prevent or manage the adverse effects of hazardous substances.

What we do

The activity involves registration and inspection of licensed premises, liquor licensing (including monitoring compliance), and controlling nuisances in the District such as noise, insanitary conditions and hazardous substance activities. The activity also undertakes school water and pool testing and provides advice on environmental health and hazardous substances, particularly during the resource consent and building consent process. The Council also carries out a range of education and information activities.

Why we do it

Health regulation contributes to having healthy people by protecting public health through registration and inspection of premises that prepare or sell food, licensing and monitoring premises that sell alcohol to ensure that they conduct their business to required standards and carrying out hazardous substance inspection and enforcement on behalf of Occupational Safety and Health. The investigation of nuisance complaints such as noise, smoke, odours and pests also contribute to a healthy community and a treasured environment by minimising the effect of such nuisances on people or the receiving environment. Council also works together actively with the Police and Public Health South to address licensing issues, compliance matters and alcohol harm reduction initiatives in the community. In the activity, the Council must comply with the legal requirements of the Sale of Liquor Act 1989, Health Act 1956, Food Act 1981 and Hazardous Substances and New Organisms Act 1996.

What are the key issues?

Food Safety Plans

Legislation is moving through Parliament that will require retail food premises to adopt Food Control Plans which is a very different approach to regulating food premises than the current Food Hygiene Regulations. Council's Environmental Health Officers are promoting food safety plans during the current voluntary implementation phase which will continue into 2011/2012.

Alcohol Reform Bill

Council will be developing a Local Alcohol Plan over the coming year which will be a more comprehensive document than the current Sale of Liquor Policy. A key impact for the Southland District will be the end of the 24 hour licensing permitted by the Southland District Licensing Agency.

School Water Supply Sampling Charge

A new \$400 annual charge has been introduced for schools who receive monthly sampling of their private water supplies. Previously Council provided this service for free, however it is now the service is offered on a user pays basis to cover the cost of undertaking the work.

What level of service will Council provide?**Primary outcome: We are healthy people (4)**

Intermediate outcome: We are able to live healthy lifestyles (4.1)

What Council will provide	How Council will measure the service provided			
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Quality Implement actions and measures that provide for the health, safety and wellbeing of the community.	Number of public awareness initiatives undertaken.	Radio - 0 Schools - 4 Publication - 5	Radio - 3 Schools - 5 Publication - 4	Quarterly Report
	Percentage of customers satisfied with how their nuisance complaints have been dealt with.	Staff - 70% Time - 68%	80%	Survey - Customer
Quality Ensure that all premises operating under the requirements of the Health Act, Food Act, Sale of Liquor Act and associated regulations operate in accordance with the requirements of the legislation.	Percentage of registered premises inspected annually. ¹	97%	100%	Quarterly Report
Responsiveness Process all applications lodged under the Sale of Liquor Act administered by Health Regulation within the timeframes specified within the relevant Act.	Percentage of applications for liquor licensing and managers' certificates are processed within 35 working days.	93%	95%	Quarterly Report
Responsiveness All complaints are assessed in a timely manner.	Percentage of complaints responded to within 24 hours (or within the timeframe advised when the complaint was lodged). ²	60%	95%	Quarterly Report
1. Registered premises include food premises, camping grounds, hairdressers, offensive trade premises and premises selling liquor.				
2. "Responded to" means contacting the customer/complainant.				

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

There are no projects planned or any major variances from the LTCCP.

Cost of Service Statement Variations

There are no major variances from the LTCCP.

Who benefits from the activity and how is it funded?

Food and Beverage Premise Regulation benefits are distributed to consumers who benefit from the knowledge that the food purchased is being processed and stored in accordance with current standards. In addition, regular inspections of Sale of Liquor premises ensure that the premises have a certified manager in charge to ensure that the requirements of the Act are being complied with, with benefits to patrons and the wider public. Suppliers of food and alcohol create the need for this activity, as their businesses must be monitored. The control of nuisances including noise, hazardous substances, infectious disease and pests benefits the wider public. Those responsible for creating nuisances and those dealing with hazardous materials create the need for this activity. Nuisance control is funded mainly from the Environmental Health Monitoring rate levied District-wide via a uniform annual charge, with additional funding also provided by Occupational Safety and Health for part of the activity (related to hazardous substances). Inspection of food premises, investigation of food complaints, and liquor licensing is funded from user charges. Capital costs for this activity are limited to the usual overheads - office buildings, vehicles and equipment - and are funded through accumulated depreciation (vehicles only), rate smoothing for small projects, and loans for large projects (usually internal), all of which are recovered through rates.

What does it cost?

LTCCP 2010/2011	Health Regulation	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
158,158	Rates	177,177	154,414
234,805	Activity Revenue	239,885	292,721
392,963	Total Operating Revenue	417,062	447,135
Operating Expenditure			
20,160	Depreciation	20,160	13,797
408,899	Other Operating Costs	419,548	437,639
429,059	Less Total Operating Expenditure	439,708	451,436
(36,096)	Operating Surplus/(Deficit)	(22,646)	(4,301)
(36,096)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(22,646)	(4,301)
CAPITAL AND RESERVES			
31,137	Renewals	30,916	30,916
31,137	Total Capital Expenditure	30,916	30,916
10,280	Transfers to Reserves	10,200	19,137
10,280	Total Capital Movements	10,200	19,137
36,096	Operating Deficit	22,646	4,301
77,513	Total Funding Required	63,762	54,354
Funded By			
77,513	Transfers from Reserves	63,762	54,354
-	Operating Surplus	-	-
77,513	Total Funding Applied	63,762	54,354

Library Service

Aim: To connect residents to local, national and global communities, information and ideas.

What we do

The co-ordinated District Library Service includes 12 local community libraries, a Mobile Library Service and access to library resources via the internet. A reciprocal membership arrangement gives free membership to all libraries within the Southland, Gore, and Clutha Districts and Invercargill City. A proposal to give the same access to the Dunedin library is currently before the Dunedin City Council for approval.

The libraries are free to access by all members of the community and act as community hubs, providing social spaces where people meet and relax. The libraries are recognised as safe and trusted places which offer programmes and events that promote reading as an enjoyable activity and provide materials for reading, listening and viewing. They provide information about the local community as well as connecting people to national and global communities. Library staff guide and support people to access information and help users to participate in the digital world. Libraries support formal education and encourage lifelong learning: the development of skills, creativity and confidence and also are a source of local information and history and connect people to their heritage/whakapapa.

Southland District Libraries have a number of partnership agreements which provide an extended range of opportunities for residents of the district. These include:

- Aotearoa People's Network Kaharoa, in association with National Library of New Zealand, giving access to free internet services to library users and visitors alike. Terminals are situated at Lumsden, Otautau, Riverton, Stewart Island, Te Anau, Winton and Wyndham and wireless access is also available at Stewart Island, Te Anau and Winton. This service has been universally embraced by both residents and travellers and as well as providing internet access, allows for the use of SKYPE and also high speed downloads in digital formats.
- Wriggle and Rhyme, in association with Sports Southland and SPARC. This is a targeted programme for babies and toddlers bringing together music and movement with books and also the opportunity for social networking for young mums. Led by trained facilitators this programme stimulates hand/eye co-ordination in a relaxed, fun environment. The programme is delivered weekly at Winton, Riverton, Te Anau, Otautau and Lumsden libraries.
- SouthLib Consortia, a partnership between Dunedin and Invercargill City Libraries, Queenstown Lakes, Central Otago, Waitaki, Gore, Clutha and Southland District Libraries has resulted in the shared purchase and installation of a sophisticated Library Management System giving all residents of the area access to an extensive range of resources. The new system went live and has been operating in Southland libraries since April 2010. Investigation into the shared supply of multi media resources including large print books, audio recordings, e-books and other digitally recorded items is presently underway and should add to the range of formats already on offer in the coming year.

Why we do it

The Library Service contributes to making Southland a great place to live by providing quality places to go and things to do through the services provided as well as a place where history and heritage is recorded. As a community recreation facility they are accessible and their services can enrich people's lives and expand their horizons. As public spaces they allow for social contact and are a reflection of the local community identity. The Library Service also assists in creating a well-educated and skilled community by providing access to a range of resources and information as well as making learning opportunities accessible and delivering innovative programmes. Libraries also contribute to creating a diverse economy by supporting skill development, empowering people to be self-sufficient and providing information relevant to both individuals and businesses.

What are the key issues?

Aotearoa People's Network Kaharoa

Council will be required to make a contribution towards the purchase of updated software and ongoing maintenance in the coming year to ensure the continued Aotearoa People's Network Kaharoa Service.

The cost of this is approximately \$9,000 (which is around 25% of the total cost of the service) and the amount has been included in the budgets. Council believes the benefits of providing free internet in every library throughout the District far outweigh this cost and places the level of service in line with that found internationally.

Mobile Library

The Mobile Bookbus Service has remained relatively unchanged since inception 21 years ago and Council intends to review the service in light of changes to lifestyle patterns, community changes and technology to see if a more user targeted focus could better serve the District's residents. One option is to use a smaller vehicle carrying pre-arranged selections which have been booked through the Council's website which may have a positive affect on the current operating costs. However, changes to the service will not be made without a full review of the service and community consultation. The current vehicle is close to the end of its economic life and at this stage a replacement cost has been included in the budgets.

New Books in Filipino/English

A recent initiative with the Multi Nations Council of Southland and the Philippines Embassy has seen the donation of 200 items in the Filipino/English language to assist many of the new immigrants to the District. Dairying has attracted many Filipino workers to the area and this collection of books which is to be used at Winton, with exchanges sent to Otatau and Lumsden regularly will contribute positively to their social wellbeing.

What level of service will Council provide?

Primary outcome: Southland is a great place to live (1).				
Intermediate outcome: We have a choice of quality places to go and things to do (1.2)				
What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Access Library services are available at convenient times and locations.	Percentage of residents who identify opening hours as a barrier to using libraries.	9% ¹	Less than 10%	Survey - Resident
	Percentage of residents satisfied with the location of libraries in Southland and/or the ability to access the Mobile Library.	98% ¹	80%	Survey - Resident
Quality Library facilities are clean and comfortable.	Percentage of users satisfied with look, cleanliness and comfort of libraries.	Look-96% ² Cleanliness-98% ² Comfort-98% ²	90%	Survey - User
	Percentage of users satisfied with the choice of books and other resources available.	95%	90%	Survey - User
Quality A wide range of books and materials, In a variety of formats, are able to be accessed by users.	Percentage of fiction less than three years old.	35%	33%	Quarterly Report
	Percentage of population who use the library.	51% ¹	60%	Survey - Resident
Quantity Library services are being increasingly used.	Percentage increase in the number of issues over the previous year.	-4%	1.5%	Quarterly Report
	Turnover rate (the number of books issued divided by the total stock held) increases.	2.2	2.6	Quarterly Report

1. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.

2. A Library User survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

There are no projects planned or any major variances from the LTCCP.

Cost of Service Statement Variations

To date Government have funded the internet services at public libraries, but from July 2011 25% of the cost of these services are required to be funded by the Council. This, in addition to maintenance of the software of the library sharing programme and changes in overheads, has resulted in increased operating costs. Renewals and loans raised have increased as a result of the proposed acquisition of a replacement book bus. Financing costs have decreased, with a corresponding increase in operating costs as a result of changing some loan funding of projects from external to internal.

Who benefits from the activity and how is it funded?

Individuals who use the library benefit from this service, as does the community as a whole, through spill over benefits. Operating costs for this activity is funded 90-95% from rates, levied through a combination of a District-wide uniform annual charge (the Library Services Rate), and local rates depending on local community preferences. The remaining 5-10% is funded from user charges and overdue fines. Council aims to move to 90% rates funding over time. In addition, internet services are funded by Central Government. The usual overheads also apply - office buildings, vehicles and equipment - and are funded through accumulated depreciation (vehicles only), rate smoothing for small projects, and loans for large projects (usually internal), all of which are recovered through rates.

What does it cost?

LTCCP 2010/2011	Library Service	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
1,043,827	Rates	1,081,321	1,099,723
68,761	Activity Revenue	59,027	79,553
3,099	Grants and Donations	3,170	3,201
1,115,687	Total Operating Revenue	1,143,518	1,182,477
Operating Expenditure			
178,595	Depreciation	191,149	191,149
7,841	Finance Costs	6,682	-
959,873	Other Operating Costs	987,172	1,078,426
1,146,309	Less Total Operating Expenditure	1,185,003	1,269,575
(30,622)	Operating Surplus/(Deficit)	(41,485)	(87,098)
(30,622)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(41,485)	(87,098)
CAPITAL AND RESERVES			
184,203	Acquisition-Level of Service	189,496	202,432
27,380	Renewals	-	85,000
211,583	Total Capital Expenditure	189,496	287,432
14,531	Loans Repaid	15,691	8,451
10,950	Transfers to Reserves	-	-
25,481	Total Capital Movements	15,691	8,451
30,622	Operating Deficit	41,485	87,098
267,686	Total Funding Required	246,672	382,981
Funded By			
-	Loans Raised	-	65,000
161,047	Non Cash Expenditure	173,601	173,601
106,639	Transfers from Reserves	73,071	144,380
-	Operating Surplus	-	-
267,686	Total Funding Applied	246,672	382,981

Parks and Reserves

Aim: To provide a mix of parks and reserves that provide for quality recreation while at the same time enhancing Southland's natural landscape.

What we do

The activity involves providing and maintaining areas for active and passive recreation throughout Southland. These areas include parks, reserves, green spaces, playgrounds and sports fields.

Why we do it

Parks and reserves contribute to making Southland a great place to live because they give the community a choice of quality places to go and things to do. They provide areas for people to socialise and participate in a range of recreation and sporting activities which also supports healthy lifestyles. They also contribute to a treasured environment where reserves and open spaces give people an appreciation of the natural environment and also provide protection for specific areas of native flora and fauna. The maintenance of parks and reserves also ensures that they are public places which are safe for children and families. Parks and reserves also contribute to a diverse economy by providing places of interest for tourists as well as forming part of the Southland lifestyle that helps to attract and retain the workforce. In the activity, the Council must comply with the legal requirements of the Reserves Act 1977.

What are the key issues?

District-wide Management Plan Review

The Council has a District-wide Management Plan which contains objectives, policies and recommended actions for the day-to-day management, conservation and future development of its reserves. The Plan was adopted in 2003 and under the Reserves Act 1977 must be reviewed at least every 10 years. Council has started this review which is intended to be completed in 2011/2012.

What level of service will Council provide?

Primary outcome: Southland is a great place to live (1)				
Intermediate outcome: We have a choice of quality places to go and things to do (1.2)				
What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator			
Quality High quality parks, reserves, playgrounds and sports fields.	Percentage of residents satisfied with the reserves, parks, sports fields and playgrounds.	Parks - 96% ³ , Sports - 96% ³ , Playgrounds-94% ³	85%	Survey - Resident
	Percentage of parks, reserves, playgrounds and sports fields that are maintained in accordance with contractual standards. ¹	88%	90%	Audit Inspections
Safety and Responsiveness Maintenance safety, queries and faults dealt with promptly.	Percentage of repairs are carried out within required timeframes. ²	33%	90%	Quarterly Report
Quantity Provide a wide variety of recreational facilities.	Percentage of residents satisfied with the choice of parks, recreational facilities and open spaces.	Not measured ³	85%	Survey - Resident
1. "Contractual standards" cover lawn mowing, weed removal and equipment inspection and maintenance. 2. "Timeframes" means urgent repairs (those affecting safety) are fixed within two days; and non urgent repairs fixed within ten days. 3. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.				

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

Operational and Management Projects

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Otautau - External repaint for amenity building - 653.s	\$7,397	\$7,397	Reserves	-
Otautau - Internal painting and floor vinyl replacement - 652.s	\$18,493	\$18,493	Rates	-
Tuatapere - Greenheart Reserve - 703.A	-	\$2,000	Rates	This is a new project to do maintenance of the trees at the Greenheart Reserve and will be completed over the next three years. The trees in the reserve and adjacent to the walking tracks require maintenance however there was previously no budget set to do the work. They will either be pruned or removed.

Maintenance, Renewal and Replacement Projects

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
District Reserves (Dunsdale) - Revegetation - 716.A	\$2,116	-	Reserves	Deleted as no planting is required in 2011/2012.
Lumsden - New playground equipment - Lmsgp1A	-	\$10,000	Reserves	A new project to install playground equipment is planned for 2011/2012 which is an initiative from the new Community Board. Funded by reserves.
Lumsden - Replacement of fall material - LmsgpA	-	\$6,183	Reserves	A new project to replace the fall material with pea grave is planned for 2011/2012 to meet safety requirements.
Te Anau - Gum Trees - Trimming and Replacement - 705.a	\$15,867	\$15,867	Rates	-

Asset Acquisition Projects - Caused by changes to levels of service

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
District Reserves - Lynwood Reserve - Information Sign at Entrance - 715.A	\$2,116	-	Reserves	This project has been deleted. The reserve is not suitable for recreation therefore an information sign would be inappropriate.
Lumsden - Upgrade railway reserve - 79.A	-	\$25,000	Reserves and Grants	A new project to upgrade railway reserve is planned for 2011/2012 which is an initiative from the new Community Board. Funded by \$12,000 General Reserves and \$13,000 Grants.
Nightcaps - Playground upgrade - 687.A	\$10,578	\$10,578	Reserves	-
Ohai - Playground equipment - 640.s	\$6,347	\$6,347	Reserves	-
Te Anau - Henry Street play equipment - 615.b	\$52,890	\$52,890	Rates	-

Cost of Service Statement variances

There are no major variances from the LTCCP.

Who benefits from the activity and how is it funded?

The community as a whole benefits from recreational opportunities. There are also benefits to businesses, such as tourism. The majority of operating costs are funded from rates (a mix of local and district, depending on who holds responsibility). Rates may be offset by revenue from reserve users and occupiers, such as sports groups or events. These vary between grounds and over time. Capital works are also funded this way, though loans may also be used. Capital works related to expansion of facilities may be funded through financial or development contributions.

What does it cost?

LTCCP 2010/2011	Parks and Reserve	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
616,583	Rates	674,632	697,632
35,526	Activity Revenue	49,490	56,104
273,255	Development & Financial Cont	-	-
925,364	Total Operating Revenue	724,122	753,736
Operating Expenditure			
127,604	Depreciation	128,749	128,749
581,667	Other Operating Costs	607,474	613,063
709,271	Less Total Operating Expenditure	736,223	741,812
216,093	Operating Surplus/(Deficit)	(12,101)	11,924
216,093	Operating Surplus/Deficit transferred to/(funded from) Reserves	(12,101)	11,924
CAPITAL AND RESERVES			
252,595	Acquisition-Demand	-	-
86,435	Acquisition-Level of Service	71,931	69,611
17,527	Renewals	51,403	76,562
356,557	Total Capital Expenditure	123,334	146,173
28,210	Transfers to Reserves	41,753	60,385
28,210	Total Capital Movements	41,753	60,385
-	Operating Deficit	12,101	-
384,767	Total Funding Required	177,188	206,558
Funded By			
120,925	Non Cash Expenditure	122,070	122,070
47,749	Transfers from Reserves	55,118	72,564
216,093	Operating Surplus	-	11,924
384,767	Total Funding Applied	177,188	206,558

Public Conveniences

Aim: To provide good quality public toilets at key locations.

What we do

There are 70 public conveniences in the Southland District that are operated and maintained by Council. In addition, Council provides a small amount of funding for cleaning of three privately owned toilets which are available for public use. These facilities are located along key travel routes and at key destinations such as reserves, beaches and other public gathering spots. A number of toilets are also located at playgrounds or recreation areas in townships. The Council manages the cleaning and maintenance of these facilities.

Why we do it

Public conveniences contribute to a treasured environment, in particular a healthy safe environment by providing facilities to appropriately deal with human waste from visitors and residents. The conveniences, located throughout Southland, also minimise the negative effects of human activities and help to protect public health by preventing contamination caused by indiscriminate fouling, which could otherwise pollute waterways, road sides and recreational areas throughout the District.

What are the key issues?

Lions Park Toilet

The new Lions Park Toilet was completed and opened in December 2010. The new toilets operate on a user pays basis and Council will be monitoring this system over the coming year in order to determine whether it can be applied to other tourist toilet facilities in the District.

Riverton Cemetery Toilet

The Draft Annual Plan sought feedback from the community on whether the toilet at the Riverton Cemetery should be replaced or removed in the future. Replacement would cost \$25,000 with yearly maintenance costing around \$5,000. The toilet is currently in poor condition and is subject to vandalism. Five people submitted on the subject, with three in support of an upgrade and two believing it should be removed. Council passed this on the Riverton Community Board and the Board will be deciding on the future of the cemetery toilet for the Long Term Plan.

What level of service will Council provide?

Primary outcome: A treasured environment which we care for and which supports us now and into the future (6)				
Intermediate outcome: We have a healthy, safe and accessible built environment (6.2)				
What Council will provide		How Council will measure the service provided		
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Quality Maintain public conveniences in a good and clean condition.	Number of complaints about the cleanliness and safety of public conveniences.	35	Less than 10	Quarterly Report
	Percentage of toilets that are cleaned in accordance with contractual standards.	96%	90%	Audit Inspections
Quantity Provide sufficient ¹ toilets at convenient locations.	Percentage of Council public toilets within 65 km of each other along key travel routes.	97%	97%	GIS Map
1. "Sufficient" means within 65 km of each other on key travel routes (3/4 hour travel time if travelling at 85 km/hr) - there are 30 toilets on these routes. Sufficient can also relate to having enough pans to meet normal demand at each location and being in other key locations (such as playgrounds).				

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

Asset Acquisition Projects - Caused by changes to levels of service

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Colac Bay - Toilet upgrade - 570.z	-	\$25,000	Rates	The Colac Bay toilet upgrade has been carried forward from 2008/2009 to 2011/2012 with work already underway sorting out boundaries and resource consent.
Garston - Toilet upgrade - 568.z	\$316,414	-	Loan	Toilet upgrade was budgeted to be undertaken in 2011/2012 in last year's Annual Plan however it has now been deferred to 2012/2013 in order to gather information on the new Te Anau Lions Park toilet user pays system, as the toilet may operate in a similar manner.
Lumsden - Painting in and out and new handryers - 735.a	-	\$15,000	Rates	A new project to paint the Lumsden toilets and install new hand dryers is planned for 2011/2012 as it has been identified that this work will need to be completed prior to the toilets major upgrade in 2018/2019. The new cycle trail may also have an impact on what work is needed for this facility in the future.
Mossburn - Toilet upgrade - 578.z	\$317,342	-	Loan ^{UPAYS}	Deferred until 2012/2013 in order to gather information on the Te Anau Lions Park toilet user pay model.
Tokanui - Toilet upgrade - 594.z	\$5,289	\$5,289	Rates ^{D/L}	-
Tuatapere - Mural on side of toilet building – 661.z	-	\$4,000	Reserves	The budget for the mural has been carried forward from 2010/2011. The mural has been partially completed.

UPAYS - Indicates proposed user pays funding to repay loans

D - Funded from District contributions

L - Funded from Local rates (township/ward)

Cost of Service Statement Variations

Capital expenditure and loans raised has decreased as a result of the Mossburn toilet project being deferred until 2012/2013 as noted above. Financing costs have decreased, with a corresponding increase in operating costs as a result of changing some loan funding of projects from external to internal.

Who benefits from the activity and how is it funded?

Public conveniences benefit residents and visitors through the provision of facilities, as well as the broader public through public health benefits. Visitors and users of recreational spaces create the need for these facilities. Council applies a range of funding policies, depending on the nature of the facility. The funding mix for each type of facility is made up of different types of rates (District, local or ward) and, where appropriate, user charges. This funding formula is used for both capital and operating expenses. Capital works may be funded from reserves or loans in the first instance and recovered by rates.

What does it cost?

LTCCP 2010/2011	Public Conveniences	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
104,456	Rates	106,930	127,141
115,166	Activity Revenue	152,861	148,467
219,622	Total Operating Revenue	259,791	275,608
Operating Expenditure			
89,833	Depreciation	121,574	121,574
48,658	Finance Costs	68,164	-
(25,233)	Other Operating Costs	118,933	206,993
113,258	Less Total Operating Expenditure	308,671	328,567
106,364	Operating Surplus/(Deficit)	(48,880)	(52,959)
106,364	Operating Surplus/Deficit transferred to/(funded from) Reserves	(48,880)	(52,959)
CAPITAL AND RESERVES			
484,570	Acquisition-Level of Service	322,631	45,274
484,570	Total Capital Expenditure	322,631	45,274
51,857	Loans Repaid	67,405	27,341
51,857	Total Capital Movements	67,405	27,341
-	Operating Deficit	48,880	52,959
536,427	Total Funding Required	438,916	125,574
Funded By			
309,300	Loans Raised	317,342	-
89,833	Non Cash Expenditure	121,574	121,574
30,930	Transfers from Reserves	-	4,000
106,364	Operating Surplus	-	-
536,427	Total Funding Applied	438,916	125,574

Representation and Advocacy

Aim: Represent communities and provide leadership and advocacy on their behalf. Provide for local decision-making and encourage local involvement to ensure decision-makers are aware of and understand local views. Provide opportunities for young people to participate and develop leadership skills.

What we do

The purpose of the Council is to enable democratic local decision-making and action on behalf of local communities in an open and transparent manner and to promote the wellbeing of communities. The Mayor and Councillors fulfil a governance role, which involves representing the community, setting direction, and monitoring and reviewing Council performance. Council also encourages decision-making at a range of levels, centrally by Council (Mayor plus 12 Councillors elected via Wards), and at local levels, through its 12 Community Boards, 16 Community Development Area Subcommittees (six members on each) and various other committees. This is to ensure, as far as practicable, that those paying for and receiving services are also making the decisions about those services. Council also seeks input from young people in the District through the Youth Council and provides support to other representative groups such as the Milford Community Trust.

The Council also plays a strong advocacy role in representing local interest by way of submissions, deputations and lobbying regional and central government and other agencies on issues affecting the residents and ratepayers of the District. Council is proactive in ensuring that there is appropriate representation on national working parties and organisations so that a southern and rural perspective is heard.

Key aspects of the activity include three yearly elections for the Mayor, Councillors, Community Boards and Community Development Area Subcommittees, six yearly representation reviews to determine the representation structure, as well as Council's delegations for decisions.

Why we do it

This activity primarily contributes to strong, effective leadership, by empowering and enabling local people to make decisions and encouraging youth participation. Decentralised decision-making structures tend to make community leaders more accessible therefore helping to build confidence in them and the Youth Council helps to build future leaders. It also contributes to Southland being a great place to live, by ensuring that local perspectives are considered in decisions and a Southland perspective is heard in national decision-making. In the activity, the Council must comply with the legal requirements of the Local Government Act 2002, Local Government Official Information and Meetings Act 1987 and Local Electoral Act 2001.

What are the key issues?

Representation Review

A key initiative this year is to begin the review of representation for the Southland District Council. This includes ensuring that the representation is fair and effective (via the number of Councillors and the way they are elected) across the District. It will also look at the different communities of interest in Southland and whether these are fairly and effectively represented through Community Boards.

Shared Services

Council is firmly committed to exploring shared services opportunities with the other councils in the region where they will provide benefits to the District's ratepayers. Through shared services Council believes it can retain the rural autonomy and voice which is important for the district while delivering the benefits of sharing expertise, purchasing power and avoiding any duplication. It also can provide better value for money and better services. The Auckland supercity will develop momentum over the period of this Annual Plan and lessons may be learned and applied to the shared services in Southland. 'Shared Services' is run by a joint committee of councils which is independently chaired.

What level of service will Council provide?

Primary outcome: Strong, effective leadership taking us into the future (5)

Intermediate outcome: Citizens and communities are inspired, motivated and empowered (5.1)



What Council will provide	How Council will measure the service provided			
Level of Service	Key Performance Indicator	Actual 08/09	Target 10/11	Source
Access - Maintain a structure that allows for local decision-making.	Percentage of resident satisfaction with the performance of Community Boards and local Committees (local decision-making and planning).	88% ¹	85%	Survey - Resident
	Percentage of agreement that Council allows decisions to be made locally by local people.	Not measured ¹	75%	
Leadership - Council to provide leadership and advocacy on major issues affecting residents.	Percentage of resident satisfaction with Council decision-making and leadership.	86% ¹	85%	
	Percentage of residents who agree Council represents the interests, values and desires SDC residents.	88% ¹	85%	

1. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

There are no projects planned or any major variances from the LTCCP.

Cost of Service Statement variances

An increase in contributions to township activities has resulted in increased operating costs.

Who benefits from the activity and how is it funded?

The whole community benefits from this activity, including residents and ratepayers. It ensures people can have input to establishing the policies of Council, and there is representation from communities of interest. This activity is funded by a mix of local rates and the Representation rate, which is a uniform annual charge per rateable unit District-wide. Capital costs for this activity are limited to the usual overheads - office buildings, vehicles and equipment - and are funded through accumulated depreciation (vehicles only), rate smoothing for small projects, and loans for large projects (usually internal), all of which are recovered through rates.

What does it cost?

LTCCP 2010/2011	Representation and Advocacy	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
2,449,466	Rates	2,540,995	2,576,757
81,607	Activity Revenue	39,289	22,969
2,531,073	Total Operating Revenue	2,580,284	2,599,726
Operating Expenditure			
15,189	Depreciation	15,101	17,068
2,644,787	Other Operating Costs	2,541,399	2,668,513
2,659,976	Less Total Operating Expenditure	2,556,500	2,685,581
(128,903)	Operating Surplus/(Deficit)	23,784	(85,855)
(128,903)	Operating Surplus/Deficit transferred to/(funded from) Reserves	23,784	(85,855)
CAPITAL AND RESERVES			
-	Renewals	39,336	-
-	Total Capital Expenditure	39,336	-
(47,051)	Transfers to Reserves	76,517	58,600
(47,051)	Total Capital Movements	76,517	58,600
128,903	Operating Deficit	-	85,855
81,852	Total Funding Required	115,853	144,455
Funded By			
575	Non Cash Expenditure	487	487
81,277	Transfers from Reserves	91,582	143,968
-	Operating Surplus	23,784	-
81,852	Total Funding Applied	115,853	144,455

Resource Management

Aim: To ensure the development of the District and use of its resources is carried out in a sustainable manner that is compatible with community values.

What we do

The Resource Management activity involves the preparation and updating of the District Plan and processing resource consent applications. The District Plan is reviewed and changed to ensure it remains current, relevant, legally robust and addresses all relevant environmental issues appropriately. Resource consent applications are processed under the Resource Management Act 1991 (RMA) to ensure sustainable management of natural and physical resources is achieved.

Why we do it

The Resource Management activity contributes to a treasured environment by ensuring sustainable management of natural and physical resources in a way that retains the unique values, character and biodiversity of the District. This is managed through the District Plan and resource consent processing, both of which help to ensure that land use is appropriate, that there is sound planning surrounding land development and any effects on the environment are monitored. The activity also contributes to healthy people (through a clean environment), a great place (by protecting significant heritage sites), safe places (by setting development standards), and a diverse economy (by having clear and stable regulation). The Resource Management activity also contributes to strong effective leadership by ensuring that people can have input into the management of Southland's natural resources. In the activity, the Council must comply with the legal requirements of the Resource Management Act 1991, Ngāi Tahu Claims Settlement Act 1998, Local Government Act 2002 and Local Government Official Information and Meetings Act 1987. The activity must also give effect to Environment Southland's Regional Policy Statement.

What are the key issues?

District Plan Review Update

Council is continuing to review its District Plan, a document that manages land use and development in Southland, in collaboration with Environment Southland and its Regional Policy Statement. The initial policy drafting stage was completed in November 2010 and the draft objectives and policies are now being used in the current method drafting stage of both reviews. The District Plan methods drafting stage will progress through the first half of 2011 with Council aiming to have a draft second generation Southland District Plan ready for notification to the public by the end of 2011.

Both the District Plan review and the Resource Consent process will need to take into account changes in the legislative landscape due to both National Policy Statements (NPS) and National Environmental Standards (NES). The review of the New Zealand Coastal Policy Statement was the first of these to be released although the Government has signalled that they want to produce more of them. The Government's current work programme includes NPSs' on Biodiversity, Electricity Transmission, Renewable Electricity Generation, Freshwater Management and Urban Design. It is also working on NESs' for Contaminants in Soil, Plantation Forestry, Future Sea-Level Rise, and Ecological Flows and Water Levels.

New Resource Management Charges

The charge for notified consents has been increased from \$2,222 to \$4,348 based on the average cost incurred in processing this type of consent. Note however that this is the basic charge with applicants getting refunded if less work is required to process the consent or charged more if more work is needed. Subdivision approval fees have also increased slightly to more accurately reflect the time that it takes to process these approvals.

The charge out rate for Compliance Officers undertaking consent monitoring and investigation has been proposed to increase for the 2011/12 year. Where it has been established that a breach of a resource consent has occurred or monitoring is needed, the time taken for a Compliance Officer to investigate, visit, research, or attend to correspondence/administration shall be charged at between \$107 and \$113 per hour.


Landscape Assessment Project

Council received a submission from Environment Southland requesting funding of \$39,000 in 2011/2012 for Phase 2 of the region-wide landscape assessment project. Council approved this funding request as the information will be useful for the District Plan review and will save costs by taking a collaborative approach with Environment Southland. This will be paid for out of the existing District Plan budget for 2011/2012. There was also a request from Biodiversity Southland for Council to contribute \$20,000 towards Environment Southland's Biodiversity enhancement fund however Council did not approve this request as it felt it was not currently in a position to do so (as the Council was already giving a number of additional grants to other causes this year) but said that it may support it in the future.

What level of service will Council provide?

Primary outcome: A treasured environment which we care for and which supports us now and into the future (6)				
Intermediate outcome: We have an environment protected from the negative effects of human activities (6.3)				
What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Sustainability Ensure that natural and heritage value of the District is protected and amenity levels for residents are maintained through the provisions in the District Plan.	Percentage of residents who agree that the quality of environment in Southland District is being maintained or getting better.	Not measured ²	80%	Survey - Resident
Quality Provide assistance and information to help applicants understand the District Plan rules and consent process.	Percentage of users satisfied with the overall service provided, performance of staff and the information provided.	Overall - 59% ³ Staff - 71% ³ Info - 74% ³	70%	Survey - User
Quality Ensure adequate opportunities are provided for public and Iwi input into policy development and consent processes.	Number of procedural errors.	1	0	Quarterly Report
Quality Provide and maintain an operative District Plan that is consistent with sustainability and community values.	Report on the appropriateness of the District Plan, any changes required and recommended implementation plan.	By 30 June	By 30 June	Report to Council
	Regularly review subdivision standards to reflect best practice.	Not measured	-	Report to Council
Quality Monitor resource consents to ensure that they comply with conditions.	Percentage of applications monitored where resource consent conditions are met or follow up action is taken.	100%	100%	Quarterly Report
Efficiency Ensure consents are processed efficiently.	Percentage of applications processed within required timeframes. ¹	79%	90%	Quarterly Report
Responsiveness Provide appropriate and timely guidance and advice as requested.	Percentage of users who agree that timely guidance and assistance is provided by Resource Planning staff.	65% ³	70%	Survey - User



Primary outcome: A treasured environment which we care for and which supports us now and into the future (6) 				
Intermediate outcome: We have an environment protected from the negative effects of human activities (6.3)				
What Council will provide	How Council will measure the service provided			
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Responsiveness All public complaints about effects on the environment are investigated and reported on, in a timely/professional manner.	Percentage of complaints investigated within five working days or the timeframe advised.	96%	100%	Quarterly Report
1. Timeframes for processing non-notified resource consent applications is 20 working days. "Receipt" means all the required information has been supplied. 2. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009. 3. A Resource Management User Survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.				

Note the Council is aiming to increase the target for the percentage of users satisfied with the overall service provided, performance of staff and the information provided and the percentage of users who agree that timely guidance and assistance is provided by Resource Management staff from 60% in 2009/2010 to 75% for 2012/2013 and onwards. The target is also increasing for the percentage of applications processed within required timeframes from 80% in 2009/2010 to 95% for 2012/2013 onwards.

What are the projects and variances from the LTCCP?

There are no projects planned (apart from the District Plan review) or any major variances from the LTCCP.

Cost of Service Statement variances

Activity revenue has decreased as a result of consent monitoring now being undertaken by the Health Regulation Compliance Officer. Operating costs and loans raised have increased as a result of carrying forward District Plan costs, and the proposal to fund these costs from a loan.

Who benefits from the activity and how is it funded?

These benefits are distributed between the applicant (who has the legal certainty to proceed with their activity), and the general public (who are assured that environment is managed). Both rural and urban development create the need for this activity, as they use resources including land, and this use needs to be managed in a sustainable manner for the District as a whole. At least 85% of costs associated with resource consent applications (processing and scheduled monitoring) are to be funded through user pays (resource consent fees, PIM and LIM fees). Development and review of the District Plan; investigation of complaints (where not recoverable); any unrecovered costs associated with consents; and provision of general information are funded by the Strategy Policy and Planning rate, which is made up of a uniform annual charge per rateable unit and a capital value rate. Capital costs for this activity are limited to the usual overheads - office buildings and equipment - and are funded through accumulated depreciation (vehicles only), rate smoothing for small projects, and loans for large projects (usually internal), all of which are recovered through rates.

What does it cost?

LTCCP 2010/2011	Resource Management	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
898,934	Rates	1,057,768	896,880
413,423	Activity Revenue	422,508	376,887
1,312,357	Total Operating Revenue	1,480,276	1,273,767
Operating Expenditure			
4,409	Depreciation	4,409	5,291
1,901,149	Other Operating Costs	1,919,026	2,236,209
1,905,558	Less Total Operating Expenditure	1,923,435	2,241,500
(593,201)	Operating Surplus/(Deficit)	(443,159)	(967,733)
(593,201)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(443,159)	(967,733)
CAPITAL AND RESERVES			
-	Total Capital Expenditure	-	-
-	Total Capital Movements	-	-
593,201	Operating Deficit	443,159	967,733
593,201	Total Funding Required	443,159	967,733
Funded By			
-	Loans Raised	-	701,836
593,201	Transfers from Reserves	443,159	265,897
-	Operating Surplus	-	-
593,201	Total Funding Applied	443,159	967,733

Roading and Transport

Aim: Provide a land transport network that enables people and goods to be moved throughout the District safely, conveniently, comfortably and efficiently.

What we do

The activity involves the administration and maintenance of the District's roading and bridging network, excluding State Highways and National Park roads.² The activity also provides other infrastructure such as footpaths, carparks and streetlights and ensures that roadside pest plants are controlled as well as making a contribution to the Total Mobility scheme which helps to ensure that transportation is available for all members of our community, including those with limited mobility.

The activity ensures that the network is maintained through regular maintenance and is renewed and improved through a programme of resealing, pavement rehabilitation, widening and minor safety works. This work aims to ensure that the network provides safe and comfortable travel. The Council has prepared a Land Transport Activity Management Plan which determines the level of funding that is required to maintain the network to the required standard. The Council receives financial assistance for most transportation activities from the New Zealand Transport Agency (NZTA) which subsidises road maintenance, renewal and construction work between 54% and 64% which means that the true cost of the activity is around double that funded by rates.

Why we do it

This activity contributes to a diverse economy by providing an effective network for moving goods and services and a corridor for utility companies to establish their networks. It also contributes to safe places, by maintaining the roads so that they are safe. The activity, through the total mobility scheme and disabled parking, contributes to healthy people by assisting with transport for those who are less mobile. Active aspects of the network (walkways, footpaths, cycleways) also assist people to be active and healthy. The activity also contributes to making Southland a great place to live by providing people with access to their land, homes, schools, social centres and recreational centres. In the activity, Council must comply with the New Zealand Transport Act 2003, Land Transport Act 1998, Transport Act 1962 and the Local Government Act 2002. The activity must also give effect to the New Zealand Transport Strategy, Government Policy Statement and Regional Land Transport Strategy.

What are the key issues?

Emphasis on minimising roading debt –

Council's last LTCCP in 2009 identified that a number of the District's sealed roads (built during a peak period in the 1960's and 1970's) were coming to the end of their economic life and that a significant increase in renewals and other capital work was needed to ensure that roads were capable of delivering the level of service set by Council. Financially the LTCCP showed that expenditure needed to be about \$2.4 million higher than the previous year (and rates approximately \$1.1 million higher) to complete the revised programme of work. At that time, instead of increasing rates in one year to get to the required level, the Council decided to gradually increase rates over the 10 year period and "borrow" funds in the early years to do the extra work. The idea was that by 2013/2014 rates would be at the level needed to fund the roading programme, and with the required programme of works flattening out, the annual increase in rates after that would be used to repay all of the loans by 2018/2019.

Shortly after the Council adopted that plan, the New Zealand Transport Agency (who provides financial assistance for roading from petrol tax and road user charges) announced that the Government was limiting the amount of funding that it would provide for the three years to six years, and that it would not provide enough funding to pay for 'any' increased programme. Despite this, Council decided to keep the budgets unchanged in the hope that additional funding from NZTA would be made available. Since then, the Government has signalled that there is unlikely to be any increases in its funding and that its contribution towards roads is likely to stay the same or even drop in the future, particularly given current economic conditions and the significant recovery effort that will be needed for the recent earthquake in Christchurch. This combined with the impact of rapid increase in fuel costs would mean that rates would have to increase significantly if the planned programme was to be carried forward as it currently stands.

² State Highways are operated and maintained by the New Zealand Transport Agency while National Park roads are owned and managed by the Department of Conservation.

As a result, this year the Council has been looking at how it can use the funding that it does have to keep roads in a good condition and at the same time, reduce the amount of funds “borrowed” to smooth out rate increases. The Council cut the level of roading expenditure by around \$1.5 million for 2011/2012 from what was previously targeted in the LTCCP to match the funding programme from Government (including expenditure that is still subject for NZTA funding approval on a project basis) and has carried over funding for roading from the 2010/2011 year as not all work scheduled to be done is expected to be completed by 30 June 2011. The majority of the cuts in expenditure are for capital work which had been planned to renew or improve sealed and unsealed roads. At the same time Council has maintained last year’s roading rate increase of 7.08% which will mean that less has to be “borrowed” to fund the work. The current roading debt of \$6.9 million will increase to \$8.4 million by June 2012, reaching a maximum of \$8.5 million by June 2013 before reducing and being paid off by June 2018.

Given that Council will be preparing a new Roading Activity Management Plan and Long Term Plan during 2011, the Council has indicated that it will consider the appropriate level of rates and associated level of service during that process. Once this work is done, the impacts of any long term reductions in expenditure will be better understood and the Council will be able to discuss the options available with the community to find a compromise. At this stage it looks likely that the Council will need to look at reducing the standard of roads, particularly given the increases in the cost of oil (which is a core component of roading costs including bitumen) and the cap on the level of financial assistance coming from the Government. Both of these factors mean that roading is likely to cost ratepayers more in the future, even to do the same amount of work. If the community wants to reduce roading rates further, the only way to achieve this in the future will be to make significant cuts to the level of service and standard of roads throughout the District.

Roading Contracts Up for Review

Several key roading related contracts have recently been extended or are up for renewal in 2011/2012. Three of the regional maintenance contracts have been extended including the Central Alliance Contract (until 30 June 2013), the North-West Contract (until 30 June 2013) and the South East Alliance (Foveaux Alliance) Contract (until 30 April 2014). The capital works reseals programme contract has also been out for tender and was being finalised at the time this Annual Plan was published. In addition, the Professional Services Contract which is for the provision of contract administration, design and survey services and management of data related to roading has also been extended to 2011/2012 and will be revised in future to more of an alliance collaboration contract.

The Council is currently working through the best way to structure new contracts to ensure that they continue to deliver the best value for money, encourage efficiencies and allow Council to adapt to our changing financial conditions, particularly as they make up a large part of the Council’s roading activity costs and Council is faced with the possibility of funding being flat lined from NZTA in the future. This will include the promotion of collaboration and alliance performance contracting, aligning the Council and the contractors with changing community needs.

Economic Value of Roads and Gravel

Council has been undertaking a project to develop an Economic Network Plan of the District’s roads to help understand the impacts of land use changes on Southland’s economy and associated Council infrastructure. The Plan will also identify the varying economic values of roads within the Council’s network. This information, once completed will be used to help forecasting and long term planning, in particular for infrastructure needs.

Gravel resources

Council is also reviewing the sustainability of gravel resources which comprise around 20% of the roading budget. Increased controls on taking gravel from rivers have resulted in a reduction in the availability of gravel for roading works. As such the Council is looking at how it can better use its own gravel reserves, work more collaboratively with existing gravel providers as well as liaise with Environment Southland and Fish and Game to identify gravel sites at key locations throughout the District that may be suitable for extraction, while minimising environmental impact.

Roading Model Updated

For a number of years Council has shared out the cost of roading amongst properties in the District based on a model. The model's formula provides a way to allocate the costs of roading to those sectors that create the costs through their use of the network.

In the Annual Plan, the variables in the formula have been updated including the number of properties in each sector, the volumes (tonnes) produced by each sector (Table 1), the total roading budget and where that budget is spent. Table 2 shows the effect of the changes on the Model's Share of Costs (C) as well as the Share of Costs (D) that Council is proposing to use for the 2011/2012 year. In developing the 2011/2012 share of costs, Council considered the following:

- The 'other' sector continues to pay a 1% cost share because it includes a number of not for profit organisations.
- The 'residential' share to pay a 9.5% cost share allowing for unquantified heavy vehicle movement.
- The 'mining' sector continues to pay around half of the model's cost share due to there being a small number of properties in this sector.
- The 'non-dairy' sector to pay cost shares as derived from the model.
- The 'forestry' sector cost share to pay at 6% reflecting current activity impacting on the roading network.
- The 'dairy' sector to pay cost shares as derived from the model.
- The 'commercial', 'industrial' and 'lifestyle' sectors to pay the model's share of costs.
- Costs shares should be rounded to half percents.

Table 1: Change in Tonnage


Sector	2009	2010	2011
Mining	251,686	386,164	510,089
Aggregates	461,471	433,952	392,862
Non-Dairy	425,045	422,800	396,992
Dairy	1,490,448	1,874,026	2,081,210
Forestry	488,902	520,984	575,639
Industrial	53,244	222,099	263,746
Total	3,170,795	3,860,025	4,220,539

The land use sectors with increases in tonnage were Dairy, Mining, Forestry and Industrial. The Dairy sector significantly influenced changes in tonnage for the Mining and Industrial sectors as both these sectors service dairy farms (e.g. fertiliser). Growth in the Forestry sector reflects a maturing of harvestable logs in Southland, a trend expected to continue over the next few years.

Comparison of Share of Costs for Each Sector (Model versus Adopted)

Comparing the 2010/2011 share of costs with the revised model for 2011/2012 and Council's split (GST exclusive)										
Sector	Rating Units (UTR)	2010/2011 Model Share of Cost (A)		Current 2010/2011 Share of Costs (B)		Updated Model Share of Costs (C)		Adopted 2011/2012 Share of Costs (D)		% Change (B to D)
		%	Dollars	%	Dollars	%	Dollars	%	Dollars	
Mining	23	3.33%	\$336,285	1.5%	\$151,414	3.88%	\$419,769	2.0%	\$216,186	42.8%
Non-Dairy	3,207	39.40%	\$3,977,509	39.0%	\$3,936,775	37.88%	\$4,094,820	37.5%	\$4,053,483	3.0%
Dairy	744	32.88%	\$3,318,995	31.0%	\$3,129,231	32.75%	\$3,540,279	33.0%	\$3,567,065	14.0%
Forestry	175	4.88%	\$492,447	5.5%	\$555,186	4.78%	\$517,092	6.0%	\$648,557	16.8%
Industrial	327	4.07%	\$410,554	4.0%	\$403,772	4.02%	\$435,041	4.0%	\$432,371	7.1%
Commercial	462	2.70%	\$273,035	3.0%	\$302,829	2.56%	\$277,079	3.0%	\$324,279	7.1%
Lifestyle	2,280	3.72%	\$375,566	5.0%	\$504,715	3.84%	\$414,729	4.0%	\$432,371	-14.3%
Residential	7,891	6.19%	\$624,930	10.0%	\$1,009,429	6.28%	\$678,612	9.5%	\$1,026,882	1.7%
Other	316	2.82%	\$284,972	1.0%	\$100,943	4.00%	\$431,867	1.0%	\$108,093	7.1%
	15,424		\$10,094,294		\$10,094,294		\$10,809,287		\$10,809,287	7.08%

What level of service will Council provide?

Primary outcome: A diverse economy built from our strengths for growth and prosperity (2) and Safe places in a caring society that is free from crime (3)				
Intermediate outcome: We have a quality infrastructure with potential for growth (2.1) and We have safe roads (3.1)				
What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Accessibility - Roads to provide a smooth and comfortable ride quality.	Percentage of sealed roads providing a smooth and comfortable ride. ¹	95%	85%	Roughness Rating Survey RAMM Database
	Percentage of requests to fix roading surface faults are completed within the timeframe specified in contracts.	77%	85%	Pathways
	Percentage of gravel road tests where the roughness of the road does not meet acceptable standards. ³	96.9%	85%	Optigrade Survey - Contractor
	Response to defects identified by customer service request system within timeframes (as measured by the time between receiving the complaint and the time that the customer is advised of response being taken). ²	Not measured	85%	Pathways
Accessibility - To provide an adequate level of streetlighting for safe and efficient movement of vehicles, cyclists and pedestrians.	Percentage of residents satisfied with basic lighting levels in urban streets.	85% ⁵	80%	Survey - Resident
Accessibility - Footpaths to be provided where needed - wide enough to carry the users, and free of overhanging obstructions.	Percentage increase of resident satisfaction with footpaths over the previous year.	Decrease of 7% ⁵	Increasing trend	Survey - Resident
Accessibility - Roads to be maintained to an appropriate standard.	Percentage of residents that agree that sealed roads are adequately maintained.	71% ⁵	75%	Survey - Resident
	Length (or percentage) of the roading network rehabilitated this year compared with targets.	51%	100%	RAMM
	Length (or percentage) of the roading network resealed this year compared with targets.	85%	100%	RAMM
Accessibility - Assistance is provided for people with impairments to get around.	Funding assistance provided for transport within Southland via the Total Mobility initiative.	Yes	Yes	Quarterly Report
Road Safety - Roads and bridges to provide a safe roading network for all users.	Reducing number of total injury crashes due to road factors (average).	75 ⁴	Reducing trend	NZTA reports
1. "Smooth and comfortable" for sealed roads means roads that meet the NAASRA counts are lower than 220 for urban roads and 120 for rural roads. 2. Response times are set out in contracts and vary from two working days to several weeks depending on the type of fault and the type of road. 3. The acceptable standard for gravel roads is a road which scores 90 or less in the Optigrade survey. The KPI compares the number of road sections scoring 90 or less (acceptable) versus the total number of road sections sampled in a six monthly survey. 4. While the target is reported on annually, the indicator is best looked at over a five year period. 5. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.				

Note the Council is aiming to improve its targets for a number of roading key performance indicators from 2009/2010 to 2012/2013 including the percentage of sealed roads providing a smooth and comfortable ride, the percentage of requests to fix roading surface faults completed within the timeframe specified in contracts and the percentage of gravel road test where roughness of the road does not meet acceptable standards.

What are the projects and variances from the LTCCP?

Project Description	LTCCP 2011/2012	NZTA Approved 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Roading - Operating and Maintenance Projects					
Sealed Pavement Maintenance	\$3,358,877	\$2,415,167	\$2,415,167	Rates, Financial Assistance (NZTA) and Loans	LTCCP operating and maintenance expenditure has been adjusted to match the revised NZTA Approved Programme as described in the "Key Issues" section above. In addition, the Annual Plan 2011/2012 includes an allowance for an additional project related to studies and strategies which will be submitted for approval to NZTA on an individual project basis and is subject to approval. Overall, operating and maintenance expenditure is \$405,000 higher than the LTCCP with the increase in maintenance to offset reductions in capital works explained below.
Unsealed Pavement Maintenance	\$1,972,600	\$2,059,021	\$2,059,021		
Routine Drainage Maintenance	\$622,599	\$913,886	\$913,886		
Structures Maintenance	\$576,009	\$259,935	\$259,935		
Environmental Maintenance	\$555,773	\$1,164,654	\$1,164,654		
Traffic Services Maintenance	\$264,710	\$455,000	\$455,000		
Cycle Path Maintenance	\$15,883	-	-		
Level Crossing Warning Devices	\$26,471	\$25,825	\$25,825		
Network and Asset Management	\$1,209,196	\$1,707,263	\$1,707,263		
Studies & Strategies	\$158,826	-	\$158,826		
TOTAL MAINTENANCE	\$8,760,944	\$9,000,751	\$9,159,577		
Roading - Renewal and Capital Expenditure Projects					
Unsealed Road Metal - Acquisition LOS	\$316,488	\$272,502	\$272,502	Rates, Financial Assistance (NZTA) and Loans	LTCCP renewal and capital expenditure was reduced to around \$16.5 million in the Draft Annual Plan to match the revised NZTA Approved Programme as described in the "Key Issues" section above. These reductions have been partially offset by an increase in minor improvement works. In addition, \$2.5 million has been carried forward from work not completed in 2010/2011 to bring the total renewal and capital expenditure programme for 2011/2012 to nearly \$19 million. The Annual Plan 2011/2012 includes an allowance for three additional projects related to bridges which will be submitted for approval to NZTA on an individual project basis and are subject to this approval. In addition, Minor Improvement works originally programmed for 2010/2011 have been carried over into the 2011/2012 year resulting in a variance from the LTCCP.
Sealed Road Resurface - Renewal	\$5,649,976	\$4,900,000	\$5,900,000		
Drainage Renewals - Renewal	\$79,413	\$96,125	\$96,125		
Drainage Renewals - Acquisition LOS	\$79,413	\$96,125	\$96,125		
Pavement Rehabilitation - Renewal	\$4,849,788	\$4,222,160	\$4,222,160		
Sealed Roads - Acquisition LOS	\$105,884	-	-		
Structure Component - Renewal	\$105,884	\$250,000	\$450,000		
Traffic Services - Renewal	\$1,081,246	\$932,735	\$932,735		
Traffic Services - Acquisition LOS	\$60,185	\$67,265	\$67,265		
Associated Improvements - Acquisition LOS	\$709,000	\$400,000	\$400,000		
Unsealed Road Metal - Renewal	\$2,848,388	\$2,452,522	\$3,052,522		
Bridges - Acquisition LOS	\$58,236	-	\$51,500		
Bridges - Renewal	\$524,126	-	\$863,500		
Minor Improvements Renewals	\$725,094	\$170,000	\$170,000		
Minor Improvements - Acquisition LOS	\$1,087,641	\$2,077,000	\$2,077,000		
Pedestrian Facility - Acquisition LOS	\$52,942	-	-		
Cycle Facilities - Acquisition LOS	\$52,942	-	-		
Bus Services	\$15,883	-	-		
PT Operations Maintenance	\$52,942	-	-		
Preventive Maintenance	-	-	\$300,000		
TOTAL CAPITAL	\$18,455,471	\$15,936,434	\$18,951,434		
TOTAL	\$27,089,355	\$24,937,185	\$28,111,011		

Footpath - Maintenance, Renewal and Replacement Projects

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Edendale - Footpath upgrade - 633.s	\$10,568	\$10,568	Reserves	-
Ohai - Upgrade Footpaths - 681.z	\$3,170	\$6,300	Rates	The \$3,099 budgeted for a footpath upgrade in 2010/2011 has been carried forward and will now be undertaken with the upgrade planned for 2011/2012.
Orepuki - Information Kiosk - 641.s	-	\$8,000	Rates	The information kiosk has been carried forward from 2010/2011 as it is still in progress.
Otautau - Footpaths Upgrade - 706.A	\$10,568	-	Rates	Deleted because \$60,000 is being spent on footpath upgrades in the 2010/2011 year.
Riverton - Footpaths - 717.A	\$42,270	\$42,270	Rates	-
Te Anau - Concrete kerbing - 604.s	\$6,869	\$6,869	Rates	-
Tokanui - Upgrade existing footpaths - 635.s	\$5,284	\$16,005	Rates and Reserves	Projects carried forward from 2009/2010 and 2010/2011.
Tuatapere - Footpath reconstruction project - 701.S	-	\$6,700	Rates	This is a project which was originally planned for 2009/2010 with a budget of \$60,000. Reconstruction of the footpath started in 2010/2011 with stage one south of the Town Hall and stage two alongside the Four Square shop complete. The remaining part of the project has been carried forward to 2011/2012.
Wyndham - Footpaths - 721.A	\$3,170	\$3,170	Reserves	-

Footpath Asset Acquisition Projects - Caused by changes in levels of service

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Lumsden - Footpath replacement - 78.A	-	\$35,000	Reserves	A new project to replace the footpath on Maria Street is planned for 2011/2012 because it is in need of repair.
Manapouri - Footpath upgrade - 600.s	-	\$400,000	Rates & Reserves	The View Street footpath upgrade has been carried forward from 2010/2012 to 2011/2012 and the budget adjusted down from \$650,000 to \$400,000 as NZTA have advised that the anticipated funding of \$250,000 is not available because of the low traffic volumes.
Manapouri - Kerb upgrade - 601.s	-	\$250,000	District Contribution	The View Street Kerb upgrade has been carried forward from 2010/2012 to 2011/2012 due to delays in finding out whether NZTA funding would be available for the upgrade.
Nightcaps - Footpath Upgrade - 686.A	\$52,838	\$47,354	Reserves	\$5,484 was already spent in 2010/2011 for this project.
Riverton - Streetlights - 718.A	\$555	-	Rates	This project has been deleted as it is expected to be no longer required.
Stewart Island - New footpaths - 657.A	\$10,568	\$10,568	Rates	-
Stewart Island - Streetlights - 658.A	\$8,454	\$8,454	Rates	-
Thornbury - Footpath opposite museum - 648.s	-	\$4,000	Rates	This project was scheduled for 2009/2010 however will now happen in 2011/2012.
Tuatapere - Concrete kerbs - 702.s	\$2,695	\$2,695	Rates	-
Tuatapere - Frontage at Information Centre - 736.A	-	\$6,500	Reserves	This is a new project which includes minor drainage, reshaping and resealing of the carpark area in the front of the Information Centre.
Wallacetown - Footpath upgrade - 668.s	\$42,270	\$42,270	Reserves, Rates and Loan	-
Wallacetown - Kerb and Channel - Dunlop Street upgrade - 665.s	\$52,838	\$52,838	Reserves, Rates and Loan	-
Winton - Concrete kerbs - 720.A	\$5,284	\$5,284	Rates	-

Cost of Service Statement Variations

Operating costs have increased due to carrying forward programmed expenditure from 2010/2011 year. Capital renewals have decreased as a result of timing differences in the spend on the NZTA approved programme. Loans raised are in relation to the Manapouri streetworks project. Financing costs have decreased, with a corresponding increase in operating costs as a result of changing some loan funding of projects from external to internal.

Who benefits from the activity and how is it funded?

These benefits are distributed between the community as a whole, utility companies, commercial enterprises and individuals. Freight of goods is a significant generator for the need for the level of this activity, particularly in maintenance and upgrade of the roads, as trucks do the most structural and pavement damage. Roothing is funded from a mix of rates and Central Government financial assistance. Roothing costs are funded from Central Government financial assistance; uniform annual charge set at 10% of roading costs funded by rates; and targeted roading rate for each of the following sectors - commercial, dairy, farming, forestry, industrial, lifestyle, mining, residential, and 'other'. The targeted rate is calculated as follows and covers both capital and operating expenditure:

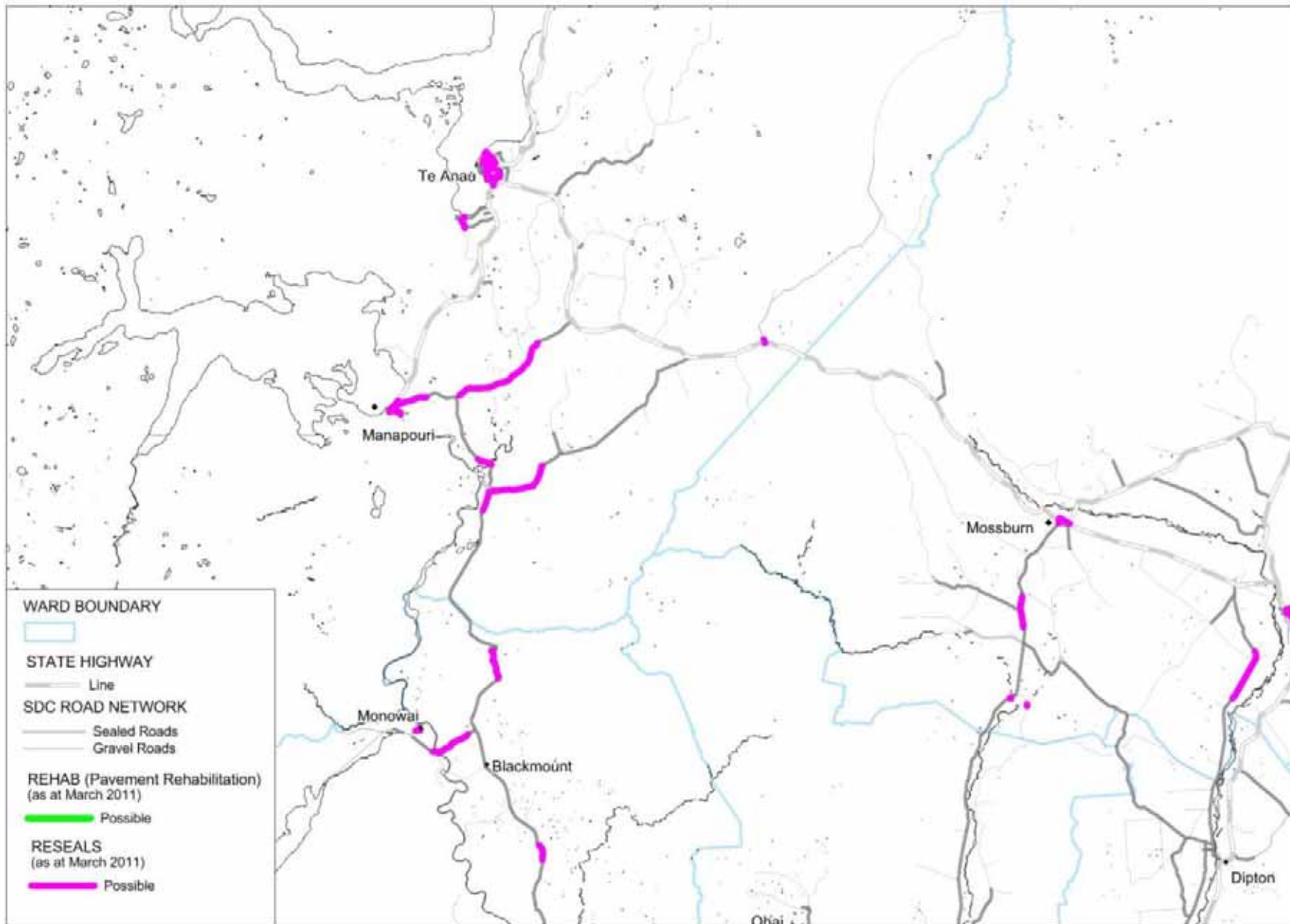
- General roading costs are allocated between sectors by capital value.
- Structural/pavement costs, which are generated by heavy traffic, are allocated by tonnage in the case of rural sectors, and apportioned between the commercial and industrial sectors by the number of properties.
- A percentage share of costs is then established for each sector.
- A targeted rate is set for each sector based on their share of costs and levied on the capital value of each rateable unit.

Local amenities are funded through local rates (streetworks and noxious plant control), with some capital projects and emergency repairs (such as slips) funded through loans (recovered from rates subsequently). The Council may require subdividers and developers to pay a financial contribution under the Resource Management Act 1991 towards the capital cost of upgrade works required to cater for the increased demand generated by the development, the lending costs associated with capital works may also be recovered through financial contributions. The amount of the contribution is assessed on a case-by-case basis, (District Plan, Financial and Development Contributions Policy refer). There are also some services provided on a user pays basis and these charges are described in the Fees and Charges section of the LTCCP.

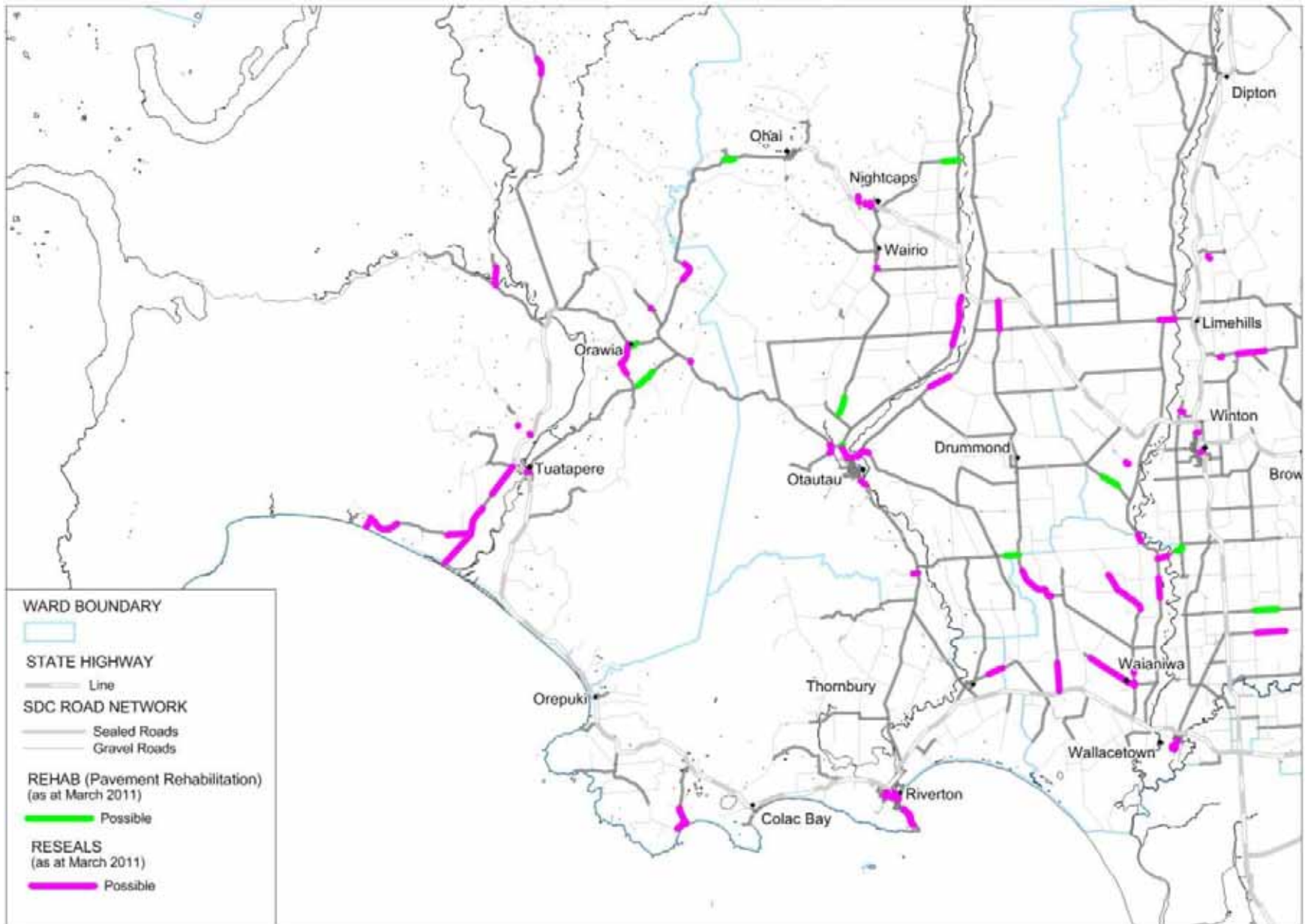
What does it cost?

LTCCP 2010/2011	Roothing and Transport	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
10,709,769	Rates	11,560,561	11,388,974
65,795	Activity Revenue	56,975	53,414
14,840,615	NZ Transport Agency	15,439,720	15,995,821
351,220	Grants and Donations	359,298	2,612,810
25,967,399	Total Operating Revenue	27,416,554	30,051,019
Operating Expenditure			
16,982,836	Depreciation	17,608,212	17,608,185
221,715	Finance Costs	189,341	-
9,676,329	Other Operating Costs	10,025,820	10,611,920
26,880,880	Less Total Operating Expenditure	27,823,373	28,220,105
(913,481)	Operating Surplus/(Deficit)	(406,819)	1,830,914
(913,481)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(406,819)	1,830,914
CAPITAL AND RESERVES			
2,352,215	Acquisition-Level of Service	2,698,233	3,840,048
-	Vested Assets	-	2,250,000
15,522,776	Renewals	15,945,814	16,087,540
17,874,991	Total Capital Expenditure	18,644,047	22,177,588
531,252	Loans Repaid	573,637	411,499
23,199	Transfers to Reserves	13,170	13,000
554,451	Total Capital Movements	586,807	424,499
913,481	Operating Deficit	406,819	-
19,342,923	Total Funding Required	19,637,673	22,602,087
Funded By			
-	Loans Raised	-	571,689
16,969,327	Non Cash Expenditure	17,594,703	17,594,703
2,373,596	Transfers from Reserves	2,042,970	2,604,781
-	Operating Surplus	-	1,830,914
19,342,923	Total Funding Applied	19,637,673	22,602,087

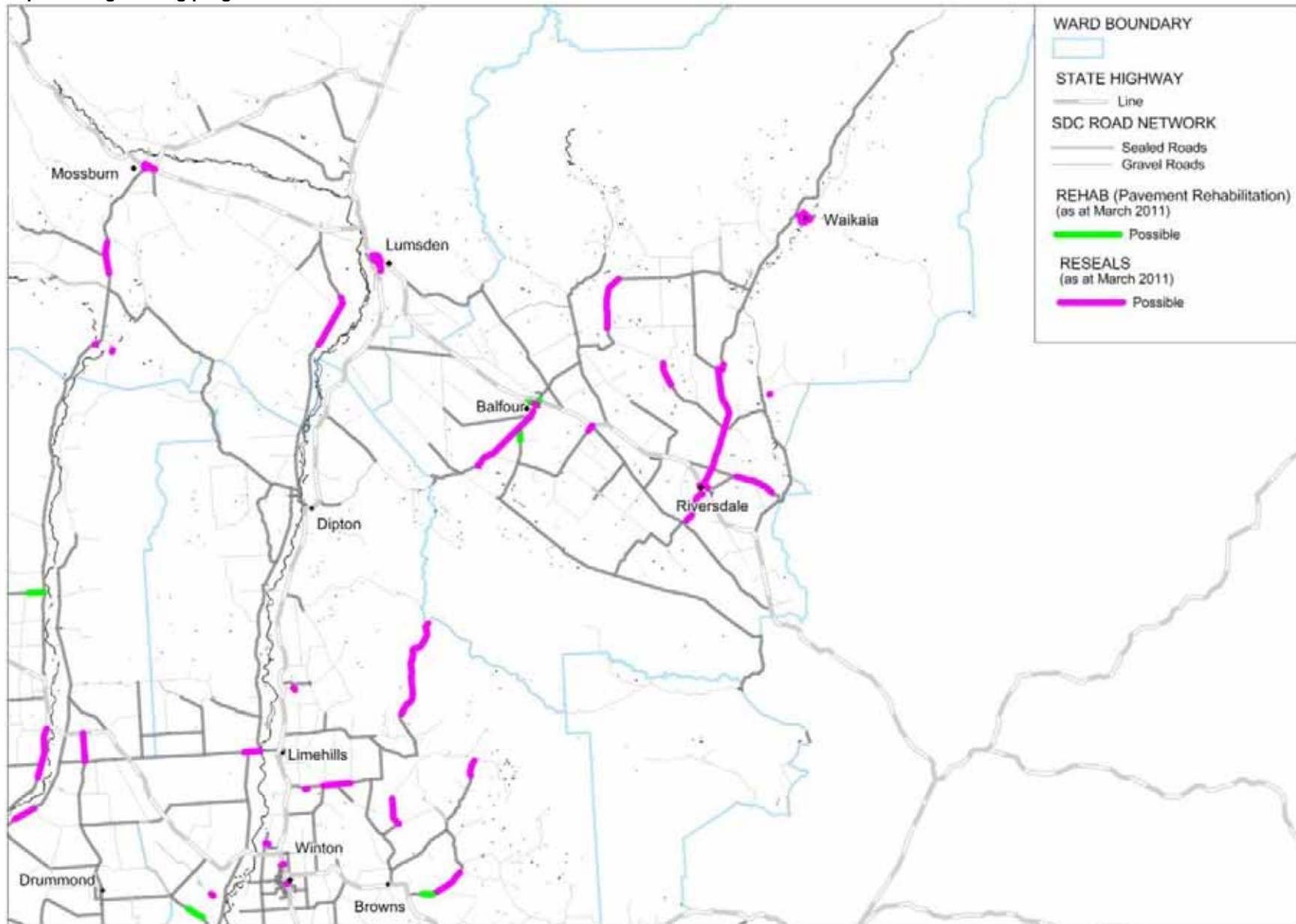
Map showing roading programme 2011/2012 - North/West Southland



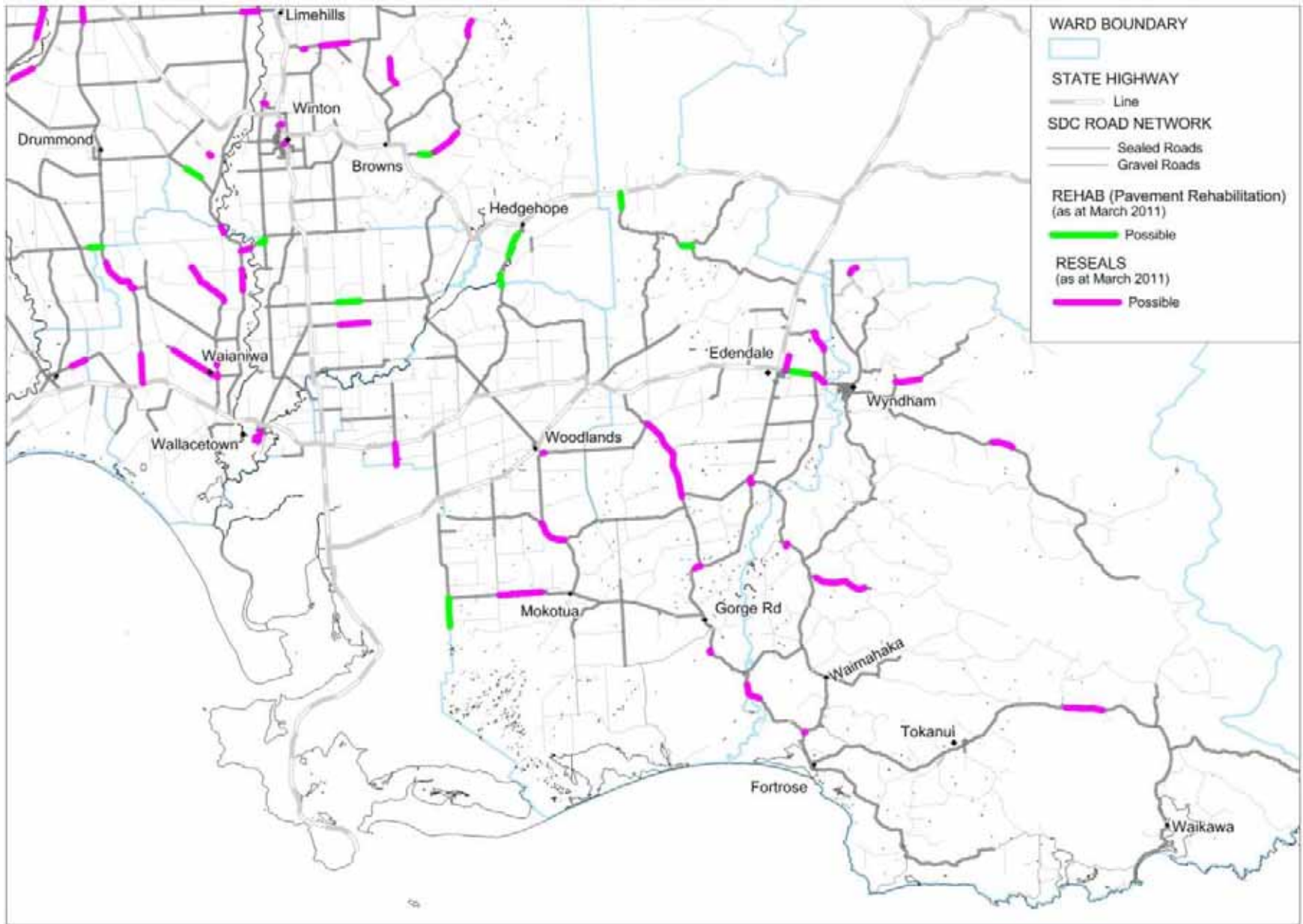
Map showing roading programme 2011/2012 - South/West Southland



Map showing roading programme 2011/2012 - North/East Southland



Map showing roading programme 2011/2012 - South/East Southland



SIESA (Stewart Island Electrical Supply Authority)

Aim: To provide a reliable and viable electricity supply for Stewart Island.

What we do

The Stewart Island Electrical Supply Authority (SIESA) activity involves the supply of electricity and installation of reticulation to consumers on Stewart Island. This activity also involves the investigation and promotion of alternative generation to reduce the reliance of fossil fuels and energy efficiency on the Island with a specific focus on healthier homes. SIESA also undertakes other commercial activities on Stewart Island, including waste collection and operation of the Rakiura Resource Recovery Centre.

Why we do it

A reliable and economically viable electricity supply is an important component of community wellbeing and as such contributes to several outcomes. The supply contributes to a diverse economy by generating and supplying electricity which enables both business and industry to operate on Stewart Island. By providing a single electricity supply with multiple consumers, the committed costs are shared, which reduces costs to individuals thereby assisting the local economy. The service also contributes to healthy people through energy efficient initiatives which have benefits by creating warmer, healthier homes. In addition, one reliable electricity supply also contributes to a treasured environment by negating the necessity of each individual supplying their own generating system which could generate more carbon emissions and noise. In the activity, Council must comply with the Electricity Act 1992 and also give effect to the New Zealand Energy Strategy to 2050 - Powering Our Future.

What are the key issues?




Increasing Diesel Prices

The cost of generating electricity on the Island is increasing as diesel prices rise to very high levels. As a result, SIESA has increased the annual unit and distribution and development charges by 4% which may need to be reviewed again in the future.

Renewable Energy

Council is still looking into renewable energy options and in the past year engaged the Massey University Centre for Energy Research to provide an assessment and advise this. Massey University's report will be considered at a workshop with the Community Board in the near future.

What level of service will Council provide?

Primary outcome: A diverse economy built from our strengths for growth and prosperity (2)   				
Intermediate outcome: We have a quality infrastructure with potential for growth (2.1)				
What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator			
Affordability SIESA is able to operate in a cost-effective manner.	Ongoing reduction in financial deficit.	Decrease	Decrease	Financial Accounts
Responsiveness SIESA is responsive to customer's needs.	Percentage of complaints/requests responded to within agreed timeframes.	No complaints	90%	Monthly reports
Reliability All SIESA consumers connected are provided with reliable and continuous service.	Number of unplanned interruptions.	8	Less than 6	Monthly reports
	Percentage of service interruptions reinstated within eight hours.	88%	100%	Monthly reports

Primary outcome: A diverse economy built from our strengths for growth and prosperity (2)				
Intermediate outcome: We have a quality infrastructure with potential for growth (2.1)				
What Council will provide		How Council will measure the service provided		
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Sustainability Maximise the use of renewable energy sources for electricity generation.	Reduce the amount of diesel used to generate electricity per kilowatt. ¹	3.2%	10%	Financial Accounts
1. The target to reduce diesel use is dependent on the economic viability of obtaining funding for additional wind turbines as well as encouraging reduced energy use through initiatives such as home insulation. Over the next 10 years there is a programme of investigation and implementation for wind turbines which sees the targets of reduction in diesel use changing over the period depending on the phase.				

Note the Council is aiming to improve its targets from 2009/2010 to 2011/2012 for a number of SIESA key performance indicators including the percentage of complaints/requests responded to within agreed timeframes and the number of unplanned interruptions.

What are the projects and variances from the LTCCP?

Maintenance, Renewal and Replacement Projects

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Replacement Generator/Turbine - 710.A	-	\$260,000	Reserves	The replacement generator has been carried forward from 2010/2011. Generator requirements are being relooked at due to a decrease in electricity demand on the Island. These projects have been carried forward from 2010/2011 as it was unable to be completed at that time.
Surge arrestors - 708.1	-	\$5,000	Reserves	
Day Tank Replacement - SIESA713.A	-	\$40,000	Reserves	
Replace circuit breakers on 400V Main switchboard - SIESA714.A	-	\$76,590	Reserves	
Modifications to Generator 5 - SIESA715.A	-	\$20,000	Reserves	
Fit Blackstart relays to all large loads - SIESA716.A	-	\$7,500	Reserves	

Cost of Service Statement Variations

Changes have been made to operating costs to reflect the current cost of operations, particularly fuel prices. Capital renewals have increased as a result of the new projects as outlined above.

Who benefits from the activity and how is it funded?

Residents, businesses, and visitors on Stewart Island both create the need for and benefit from this activity. Electricity generation and distribution is recovered through a tariff structure applicable to consumers. Waste management (including recycling) is funded through a uniform annual charge per separately used or inhabited part of a rating unit (the Stewart Island Waste Management Rate). In general, capital expenditure is funded from reserves and asset sales, though loans may also be used for urgent repairs or upgrades. The renewable energy and energy efficiency sub-activities are (or will be) funded from a range of sources, including tariff structure applicable to consumers, externally sourced subsidies, reserves and loans. The details will be determined based on the results of the 2008/2009 trial, and available funding opportunities.

What does it cost?

LTCCP 2010/2011	SIESA	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
1,221,204	Activity Revenue	1,251,552	1,174,578
11,984	Interest & Dividends	9,913	28,120
1,233,188	Total Operating Revenue	1,261,465	1,202,698
Operating Expenditure			
152,068	Depreciation	152,068	145,661
1,254,277	Other Operating Costs	1,245,803	1,143,673
1,406,345	Less Total Operating Expenditure	1,397,871	1,289,334
(173,157)	Operating Surplus/(Deficit)	(136,406)	(86,636)
(173,157)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(136,406)	(86,636)
CAPITAL AND RESERVES			
46,485	Renewals	5,284	409,090
46,485	Total Capital Expenditure	5,284	409,090
29,695	Transfers to Reserves	30,016	43,970
29,695	Total Capital Movements	30,016	43,970
173,157	Operating Deficit	136,406	86,636
249,337	Total Funding Required	171,706	539,696
Funded By			
249,337	Transfers from Reserves	171,706	539,696
-	Operating Surplus	-	-
249,337	Total Funding Applied	171,706	539,696

Solid Waste Management

Aim: To reduce waste to landfill and provide reliable and convenient waste collection methods to ensure proper disposal.

What we do

The activity involves promoting waste minimisation, collecting waste from households and transfer stations, collecting recyclables from drop-off centres and creating compost from greenwaste sites. The activity also involves the safe disposal of hazardous substances. The Council provides a weekly kerbside collection for solid waste through a wheelie bin service to townships and voluntary refuse collections to properties on vehicles' travel routes, with the exception of Stewart Island, where Council provides a weekly kerbside refuse bag, recycling and food scrap collection. In addition, the District is serviced by seven transfer stations with integrated refuse, greenwaste and recycling services, eleven recycling drop-off centres with unrestricted access (including three at transfer stations) and two greenwaste sites. Residential waste is transported to the regional landfill operated by AB Lime at Kings Bend (near Winton) for disposal. The Council is also a member of WasteNet Southland (joint committee of the Invercargill City, Southland and Gore District Councils) which provides the mechanism for councils in the region to work together collectively on waste issues, including delivering solid waste services and waste minimisation.

Why we do it

Solid waste management contributes to a treasured environment which we care for, through the controlled disposal of waste (kerbside collections and transfer stations), reducing litter and illegal dumping and ensuring resources are used efficiently through initiatives to minimise waste such as recycling drop-off centres and possible kerbside collection of recyclables and organics. Solid waste management also contributes to healthy people (by reducing the risk of diseases spreading), safe public places and quality places to go (by reducing litter and illegal dumping) as well as a diverse economy (by ensuring that business and industry have access to secure waste disposal services to support their operations).

In the activity, Council must comply with the Waste Minimisation Act 2008 and Health Act 1956. The activity must also give effect to the New Zealand Waste Strategy and Regional Solid Waste Management Plan. A summary of the Council's Waste Management Plan is included in the Council's Ten Year Plan 2009-2019. This Plan makes provision for the collection of waste produced within the District and the reduction, reuse, recycling, recovery, treatment and disposal of waste.

What are the key issues?

New Waste Contract Starts for Wheelie Bins and Transfer Stations

A new contract for waste management services with BCL (Bond Contracts Limited) started in May 2011 which covers the operation of transfer stations, greenwaste sites and recycling drop-off centres throughout the District as well as the new two bin kerbside waste and recycling service. As decided last year, the new kerbside service comprises of two 240 litre bins - a waste bin and a recycling bin - with each bin collected on alternate weeks. The charge for the new service has been standardised so that urban and rural properties using the service pay the same amount rather than differing amounts. Approximately 8,300 properties will be receiving the service which equates to a rate of approximately \$231 (excl GST) which is inside the indicative cost of \$236 (excl GST) that was highlighted in last year's Annual Plan. Details of the rates and the area serviced can be found on page 160.

Council's transfer stations and recycling drop-off centres opening hours, and fees will remain unchanged at this stage. One key change will be that in addition to being able to pay by tokens, Eftpos will be available at all transfer stations (excluding Stewart Island which has its own contract).

In this Plan, income from refuse fees is also projected to drop because material which previously would be disposed of as rubbish will now be able to be recycled. As such there is projected to be a reduction in the amount of rubbish passing through transfer stations and a reduction in revenue. The Te Anau contractor will also be using its own transport depot for handling recyclables rather than the Te Anau transfer station. This decrease in refuse fees (\$125,060) will require an increase in the Waste Management rate to meet the remaining fixed operational costs. In the Plan the Council has smoothed in the effect of the drop in income over 10 years resulting in a 7.56% increase, which means Council is effectively borrowing from reserves in the short term and repaying these back in the longer term. The other option that

the Council did consider was a one-off increase in the rate to offset the drop in income but this would have resulted in an increase in the Waste Management Rate of around 15.95%.

Resource Consents for Closed Landfills

In the future Environment Southland may require resource consents for closed landfills which will affect the Southland District Council as it administers approximately 60 closed landfills throughout the District. Council has been working with Environment Southland on this issue with the view that there should only be a focus on higher risk closed landfills for consenting requirements rather than all.

Waste Minimisation Officer

WasteNet Southland carried out a range of administrative and educational activities on behalf of the three territorial authorities. With the implementation of new recycling services across Invercargill City Council and Southland District there will be an ongoing drive to promote the service and minimise the volume of waste that gets sent to landfill. In addition the new contracts will require additional resources to implement and administer, for example educating the community on how to use the new service, what to recycle, and enforcement duties. Funding of the additional resource is proposed to be via the three member councils and would be calculated on a population percentage basis as education services would cover all residents in the region.

What level of service will Council provide?

Primary outcome: A treasured environment which we care for and which supports us now and into the future (6)				
Intermediate outcome: We have an environment protected from the negative effects of human activities (6.3)				
What Council will provide		How Council will measure the service provided		
Level of Service	Key Performance Indicator	Actual 09/10	Target 10/11	Source
Access Provide convenient solid waste management facilities and solutions throughout the District.	Percentage of resident satisfaction with the services provided. ¹	W Bins - 96% ⁴ TS Lcn - 84% ⁴ TS Hrs - 84% ⁴ Rec Lcn - 80% ⁴	W Bins - 80% TS Lcn - 80% TS Hrs - 80% Rec Lcn - 80%	Survey - Resident
Quantity Provide for the sustainable minimisation and management of solid waste quantity being generated within the District.	Percentage of residents that agree that the amount of waste going to landfill is being minimised.	63% ⁴	80%	Survey - Resident
	Percentage of waste recovered at transfer stations and recycling drop-off centres which is saved from landfill.	14.4%	15%	Quarterly Report
	Percentage of waste collected at kerbside that is diverted from landfill.	0%	20%	Quarterly Report
Quantity Provide guidance to the public about quality solid waste management practices.	Number of public education initiatives completed. ²	13 school visits	10 school visits 1 Info brochure	Quarterly Report
Responsiveness Provide new or replacement wheelie bins in response to legitimate requests.	Percentage of wheelie bins provided within seven working days of a request being received. ³	70%	90%	GEAC Pathway
1. "Services provided" means wheelie bins, transfer stations (locations and hours) and recycling centres (location). 2. "Public education initiatives" include at least one additional information brochure every two years and at least 10 school visits per year. 3. Request timeframes will only be met where all the appropriate information is provided to the Council. 4. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.				

The Council is increasing its target for the percentage of waste recovered at transfer stations from 8% in 2009/2010 to 15% in 2011/2012 and then down to 8% after that due to an anticipated change in habits once kerbside recycling is introduced. The target for the percentage of waste collected at kerbside that is diverted from landfill is increasing from 15% in 2010/2011 to 55% in 2012/2013 and onwards.

What are the projects and variances from the LTCCP?

There are no projects planned or any major variances from the LTCCP.

Cost of Service Statement Variations

Rates revenue and other operating costs have decreased as a result of the implementation of a two bin collection service, rather than a three bin service as included in the LTCCP. Financing costs have decreased, with a corresponding increase in operating costs as a result of changing some loan funding of projects from external to internal.

Who benefits from the activity and how is it funded?

All residents and visitors to Southland create the need for this activity. There is also a need for, and education about, waste minimisation. The benefits are distributed between residents of the area, and the District as a whole where the environment is kept clean and waste is minimised. Litter collection from street bins should be fully funded from local rates. Rubbish collection services (wheelie bins, and if introduced, kerbside recycling) shall be funded from targeted rates. Other operating expenditure under this activity should be funded:

- 40-75% funded through the Waste Management rate levied District-wide based on a targeted uniform annual charge per rateable unit and a capital value rate; and
- 25-60% user charges via transfer station charges, these charges are standardised across the District.

There is a wide range in funding sources due to the potential introduction of multi-bin kerbside recycling, and the impacts that may have on transfer station volumes. Capital expenditure (such as land acquisition) is funded from reserves or rates, as appropriate.

What does it cost?

LTCCP 2010/2011	Solid Waste Management	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
4,136,611	Rates	4,367,017	3,670,028
411,501	Activity Revenue	412,265	531,150
4,548,112	Total Operating Revenue	4,779,282	4,201,178
Operating Expenditure			
74,344	Depreciation	74,323	74,219
434,798	Finance Costs	462,480	-
4,481,398	Other Operating Costs	4,580,314	4,419,138
4,990,540	Less Total Operating Expenditure	5,117,117	4,493,357
(442,428)	Operating Surplus/(Deficit)	(337,835)	(292,179)
(442,428)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(337,835)	(292,179)
CAPITAL AND RESERVES			
-	Total Capital Expenditure	-	-
156,388	Loans Repaid	176,012	231,387
-	Transfers to Reserves	-	28,465
156,388	Total Capital Movements	176,012	259,852
442,428	Operating Deficit	337,835	292,179
598,816	Total Funding Required	513,847	552,031
Funded By			
59,185	Non Cash Expenditure	58,675	58,675
539,631	Transfers from Reserves	455,172	493,356
-	Operating Surplus	-	-
598,816	Total Funding Applied	513,847	552,031

Stormwater

Aim: Provide a reliable stormwater system with adequate capacity, to protect people and property from flooding.

What we do

A total of 27 towns within the District have reticulated stormwater infrastructure that is owned and maintained by Council. This infrastructure manages the disposal of surface water, particularly after periods of sustained heavy rainfall. This helps reduce surface flooding that can lead to risks to public health and safety, damage to property and to avoid dangerous road conditions. A number of other smaller towns have partial services, and the Council manages open watercourses in several rural catchments.

Why we do it

Stormwater makes a contribution to ensuring a treasured environment by preventing rainfall from causing flooding. As such, the activity protects people's property (the built environment), improves safety by reducing likelihood of flooding and prevents accessibility problems which may otherwise be caused during flooding events. In addition, the system helps to protect the environment and protect public health by disposing of stormwater in a controlled process. The prevention of flooding also contributes to a diverse economy by protecting businesses and infrastructure from flooding. In the activity, the Council must comply with the legal requirements of the Local Government Act 2002 and the Health Act 1956. The activity must also give effect to the Regional Water Plan.

What are the key issues?

Stormwater Consents

Environment Southland's Regional Water Plan (which became fully operative in November 2008) requires Council to more actively manage stormwater discharges. As a result, Council has applied for resource consents for stormwater in many townships and these consents will require monitoring to determine the quality of the stormwater which is released into water ways. At this stage Environment Southland is still processing the resource consents and has requested that a one-off stormwater sample be provided so that consent limits can be set. Budgets for these consents have been carried forward from last year into this Annual Plan.

What level of service will Council provide?

Primary outcome: A treasured environment which we care for and which supports us now and into the future (6)				
Intermediate outcome: We have a healthy, safe and accessible built environment (6.2)				
What Council will provide	How Council will measure the service provided			
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Reliability Maintain the drainage system to protect public and property during periodic rainfall events.	Number of complaints about flooding in urban areas. ¹	44	Less than 50	Pathways
Responsiveness Prompt response to complaints about flooding.	Percentage of complaints that meet response timeframes. ²	13%	90%	Pathways
Quality Minimise effects on the environment by complying with discharge permits and resource consents.	Percentage of monitoring results that show compliance with resource consent conditions.	Not Measured ³	60%	Quarterly Report



Primary outcome: A treasured environment which we care for and which supports us now and into the future (6)				
Intermediate outcome: We have a healthy, safe and accessible built environment (6.2)				
What Council will provide		How Council will measure the service provided		
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Quantity Provide a drainage system with adequate capacity to protect public and property from major storms. ⁴	Percentage of scheme improvement projects completed in order to maintain safe and adequate collection and disposal of stormwater.	15%	90%	Quarterly Report
<p>1. Urban areas are townships that are serviced by a piped stormwater network with service connections. Rural areas are townships and rural areas serviced by roadside ditches, swales and sumps.</p> <p>2. Response times vary according to the type of problem.</p> <p>3. Council has a new requirement (under Environment Southland's Regional Fresh Water Plan) to obtain resource consents for, and monitor discharges from, reticulated stormwater systems. As the Council is in the initial phases of working towards this requirement, the targets that have been set are indicative only. These targets will be revised once further information is known.</p> <p>4. "Major storms" means a 1 in 50 ARI year event. This does not cover flooding of areas influenced by river flooding or failure of river works. Council has yet to establish the percentage of properties protected from major storms and as such the targets aim at reaching 100% compliance by 2015.</p>				



Note the Council is aiming to improve its targets for the percentage of monitoring results that show compliance with resource consent conditions from 40% in 2009/2010 to 90% for 2012/2013 onwards.

What are the projects and variances from the LTCCP?

Maintenance, Renewal and Replacement Projects

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Balfour - Condition Assessment - pls2.A	\$6,076	\$6,076	Rates	-
Stewart Island - Reticulation Renewal - 551B	-	\$62,100	Rates	This project was added into the programme during last year's Annual Plan process because an issue was identified with stormwater pipe sizes in the Main Road area.
Te Anau - Condition Assessment - pls65A	-	\$10,840	Rates	This project has been carried forward to 2011/2012 as it was unable to be completed last year.
Te Anau - Replace Stormwater Sump Leads - pls81A	-	\$5,000	Rates	A new project has been added to replace sump leads. There are a number of old sumps where the tops are collapsing and grills broken. Also some sump leads have been poorly constructed leading to blockages. Areas that will be focused on include Te Anau Terrace, Mokonui Street and Quintin Drive.
Te Anau - Reticulation Renewal Town Centre - pls65.B	-	\$133,860	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Winton - Reticulation Renewal - pls99.A	\$121,527	\$121,527	Rates	-
Wyndham - Condition Assessment - pls114.A	\$36,458	\$36,458	Rates	-

Asset Acquisition Projects – Caused by changes in demand

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Te Anau - Improve Discharge Quality -	\$238,405	-	Development	This project has been deleted as there has been no development contributions

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
pls67.A			contributions	collected for stormwater to date. However discharge quality will still be improved through rates funding in project pls67B below.

Asset Acquisition Projects - Cause by changes to levels of service

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Balfour - Resource consent - pls1.A	-	\$9,816	Rates	The resource consent application has been in progress since 2009/2010 and the remaining funds for the project have been carried forward into the 2011/12 financial year. Environment Southland is still processing the resource consent and has requested that a one-off stormwater sample be provided so that consent limits can be set.
Browns - Resource consent - pls115.A	-	\$2,392	Rates	As above.
Dipton - Resource consent - pls5A.A	-	\$3,000	Rates	
Edendale - Resource consent - pls7.A	-	\$10,000	Rates	
Lumsden - Resource consent - pls10.A	-	\$5,500	Rates	
Manapouri - Resource consent - pls17.A	-	\$13,404	Rates	
Mossburn - Resource consent - pls24.A	-	\$9,815	Rates	
Nightcaps - Resource consent - pls29.A	-	\$9,816	Rates	
Ohai - Resource consent - pls34.A	-	\$9,816	Reserves	
Riversdale - Resource consent - pls46.A	-	\$9,816	Rates	
Te Anau - Resource consent - pls62.A	-	\$21,076	Rates	
Tokanui - Resource consent - pls84.A	-	\$2,392	Rates	
Tuatapere - Resource consent - pls85.A	-	\$13,403	Reserves	
Waikaia - Resource consent - pls88.A	-	\$10,000	Rates	
Wallace (Otautau) - Resource consent - pls37.A	-	\$5,656	Rates	
Wallacetown - Resource Consent - pls94.A	-	\$5,656	Rates	
Winton - Resource Consent - pls96.A	-	\$9,239	Rates	
Riversdale - New soak holes - pls47.A	-	\$3,450	Reserves	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Te Anau - Strategic Assessment - pls64.A	-	\$64,626	Rates	This project has been ongoing since 2009/2010 and is expected to continue into the 2011/12 year.
Te Anau - Improve Discharge Quality - pls67.B	\$238,405	\$238,405	Rates	-
Te Anau - Stormwater Connection Identification - pls83.A	-	\$30,000	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Te Anau - Flooding Relief SH94 Crossing - pls63.A	-	\$73,172	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Wallace (Otautau) - Reticulation Upgrade - pls40A	-	\$35,450	Rates	Phase 1 at Clitheroe Street has been carried forward from 2010/11 to 2011/2012 as awaiting outcome of ditch maintenance.
Wallace (Otautau) - Reticulation Upgrade - pls40B	-	\$62,445	Rates	As above.
Winton - Essex Street Stormwater Improvements - pls200.A	-	\$10,671	Rates	This is a new project which has been added because specific improvements are needed in this area, namely dish channel to mitigate surface runoff.

Cost of Service Statement Variations

Level of service and renewal projects have increased due to a number of new minor projects as outlined above.

Who benefits from the activity and how is it funded?

Property owners benefit from flood protection and the community as a whole benefits from environmental, health, and economic outcomes. Increasingly, spillage of chemicals (including detergents) into stormwater systems is creating a need to treat stormwater discharges. Local stormwater systems are funded through local rates. Rooding stormwater systems (not in townships) are funded through the Rooding rate (refer to the Rooding and Transport section). Rates are used for both capital and operating expenditure, loans and reserves may also be used. New developments may also contribute to capital works, or financing costs, through financial or development contributions where applicable.

What does it cost?

LTCCP 2010/2011	Stormwater	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
480,206	Rates	755,673	1,124,891
-	Development & Financial Cont	238,405	-
-	Grants and Donations	-	256,155
480,206	Total Operating Revenue	994,078	1,381,046
Operating Expenditure			
527,772	Depreciation	548,888	548,888
330,728	Other Operating Costs	336,262	325,617
858,500	Less Total Operating Expenditure	885,150	874,505
(378,294)	Operating Surplus/(Deficit)	108,928	506,541
(378,294)	Operating Surplus/Deficit transferred to/(funded from) Reserves	108,928	506,541
CAPITAL AND RESERVES			
-	Acquisition-Demand	238,405	-
62,445	Acquisition-Level of Service	238,405	669,016
-	Vested Assets	-	256,155
103,300	Renewals	164,061	375,861
165,745	Total Capital Expenditure	640,871	1,301,032
30,284	Loans Repaid	13,521	20,331
3,500	Transfers to Reserves	3,500	3,500
33,784	Total Capital Movements	17,021	23,831
378,294	Operating Deficit	-	-
577,823	Total Funding Required	657,892	1,324,863
Funded By			
527,772	Non Cash Expenditure	548,888	548,888
50,051	Transfers from Reserves	76	269,434
-	Operating Surplus	108,928	506,541
577,823	Total Funding Applied	657,892	1,324,863

Strategy and Communication

Aim: Ensure Council's direction is in line with community expectations and that communities are kept informed of Council issues and have the opportunity to contribute to decisions which affect or interest them.

What we do

The Council's planning processes, along with the development of policy, are the main ways that Council, Community Boards and Community Development Area Subcommittees have of ensuring community requirements and priorities are identified and met.

The Council's Ten Year Plan (LTCCP) which is produced every three years (as required under the Local Government Act 2002) sets out the communities' desired outcomes and how Council activities will contribute to their achievement, including associated 10 year financial forecasts and targets to achieve these. In other years an Annual Plan is prepared, which contains the proposed annual budget and performance targets, noting any variation from the Ten Year Plan in particular. An Annual Report is prepared that details achievement against targets for the previous year. In addition, Council is required to monitor and report on progress being made towards community outcomes every three years.

Public input is a vital element in the formation of plans and policies that relate to community requirements. The Council communicates with residents and ratepayers in a variety of ways, to keep the public informed and enable people to participate in the consultation process from a sound base of knowledge.

Why we do it

The Strategy and Communication activity contributes to strong effective leadership by ensuring decisions are forward looking and in line with the communities' expectations. As this activity enables the community to engage with decision-making, it also empowers citizens. Robust strategy and communication in particular also enhance the communities' confidence in their leaders by ensuring that people are informed of Council's decisions and have the opportunity to participate. In the activity, the Council must comply with the legal requirements of the Local Government Act 2002 and Local Government Official Information and Meetings Act 1987.

What are the key issues?

Preparation of the next Ten Year Plan

Over the coming year Council will begin preparing its Ten Year Plan for 2012-2022. This will involve reviewing Asset Management Plans for each activity and a number of policies such as the revenue and financing policy (which describes how different activities will be funded).

Stewart Island Visitor Levy

The Council in conjunction with Eric Roy, MP for Invercargill is developing the Southland District Council (Stewart Island Visitor Levy) Empowering Bill to enable a visitor levy for Stewart Island. A visitor levy is proposed to help pay for infrastructure, services and amenities that are used by visitors. Due to an increasing number of visitors coming to the Island, including from cruise ships, significant pressure has been put on the Island's infrastructure and a visitor levy is seen as a fair and efficient way of ensuring the cost of visitors is not unfairly borne by residents and ratepayers alone.

The Southland District Council (Stewart Island Visitor Levy) Empowering Bill 2010 had its first reading in Parliament in June 2010 and then went out for public submission. There were 21 submissions made on the Bill with 17 submitters expressing support and four submitters expressing general opposition. The Local Government and Environment Select Committee is considering the submissions and possible technical changes to the Bill as a result of those submissions and will report back to Parliament.

What level of service will Council provide?

Primary outcome: Strong, effective leadership taking us into the future (5)



Intermediate outcome: Citizens and communities are inspired, motivated and empowered (5.1)

What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Quantity The community is regularly kept informed of Council issues and matters of interest.	Percentage of residents satisfied with how well they have been kept informed of Council activities.	90% ²	85%	Survey - Resident
	Percentage of residents who have read at least one issue of the Council's newsletter First Edition.	88% ²	85%	Survey - Resident
	Number of publications of Council's newsletter First Edition produced annually.	4	4	Quarterly Report
	Percentage of media releases published. ¹	86%	90%	Quarterly Report
Quantity Ensure that community volunteers are recognised.	Number of community service awards.	1	2	Quarterly Report
Quality The community is provided with opportunities to input into decisions and Council encourages feedback.	Percentage of residents who agree that their views and preferences have been received with an open mind and given due consideration by Council.	79% ²	80%	Survey - Resident ¹
	Percentage of residents satisfied with the level of consultation with the community, undertaken by Council, over important issues.	80% ²	80%	Survey - Resident
Quality Council encourages input into its planning.	Percentage of residents satisfied with Council (decision-making, planning and leadership).	86% ²	85%	Survey - Resident
	Percentage of submitters to the Ten Year Plan or Annual Plan satisfied with the content and readability of the Plan.	86%	80%	Survey - User
Quality Council planning looks long term and considers future generations.	Ten Year Plan is prepared in accordance with the Local Government Act.	Achieved	N/A	Audit Opinion
1. The number of press releases produced annually varies depending on the issues. 2. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.				

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

There are no projects planned or any major variances from the LTCCP.

Cost of Service Statement variances

There are no major variances from the LTCCP.

Who benefits from the activity and how is it funded?

The whole District benefits from long term and robust plans and activities that meet the needs of the community. Council believes that the activity should be largely funded by the Strategy, Policy and Planning rate which is made up of a uniform annual charge per rateable unit and a capital value rate. Additional funding may come from projects for external organisations that Council has connections with and may provide support to, from time to time. Capital costs for this activity are limited to the usual overheads - office buildings, vehicles and equipment - and are funded through accumulated depreciation (vehicles only), rate smoothing for small projects, and loans for large projects (usually internal), all of which are recovered through rates.

What does it cost?

LTCCP 2010/2011	Strategy and Communication	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
1,181,606	Rates	1,182,365	1,267,444
-	Activity Revenue	-	2,066
1,181,606	Total Operating Revenue	1,182,365	1,269,510
Operating Expenditure			
236	Depreciation	48	48
1,206,682	Other Operating Costs	1,242,899	1,358,126
1,206,918	Less Total Operating Expenditure	1,242,947	1,358,174
(25,312)	Operating Surplus/(Deficit)	(60,582)	(88,664)
(25,312)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(60,582)	(88,664)
CAPITAL AND RESERVES			
-	Renewals	-	4,000
-	Total Capital Expenditure	-	4,000
7,926	Transfers to Reserves	-	20,000
7,926	Total Capital Movements	-	20,000
25,312	Operating Deficit	60,582	88,664
33,238	Total Funding Required	60,582	112,664
Funded By			
236	Non Cash Expenditure	48	48
33,002	Transfers from Reserves	60,534	112,616
-	Operating Surplus	-	-
33,238	Total Funding Applied	60,582	112,664

Te Anau Airports

Aim: Provide a safe and reliable airport in the Te Anau Basin.

What we do

The Council owns and manages the Te Anau Airport at Manapouri as well as the old Waiau Airport site. Currently the Te Anau Airport (Manapouri) functions as an airport for heavy aircraft, some operated by Pionair Adventures under charter to tour companies. Occasional one-off flights are carried out by other operators on an as-needed basis. While the Council owns both airfields, it is in the process of exiting the operation of the Waiau site. The airport must meet standards associated with Civil Aviation rules and safety monitoring programmes.

Why we do it

The airport contributes to the community outcome of a diverse economy as it provides a transportation service to local tourism operators, industries and residents. The activity also contributes to safe places as the airports provide for air-based emergency access which can act as an alternative to road transport in an emergency.

What are the key issues?

The Te Anau Airport Manapouri rate will remain unchanged for the coming year. The old airport site at Waiau has not yet been sold as economic conditions have not been favourable for a sale however, a decision was made in 2010/2011 to lease the Waiau Airport site and the revenue is being used to help fund operational costs and the short term loan for the new airport. This income is helping to offset rates with the increase in GST.

Over the past year there has been an increase in the number of aircraft using the airport and a large amount of work is being done to increase this more with an airport designation change approved to allow for jet aircraft over 5,700 kg to land there. Council will also continue focusing on marketing the airport to increase use over the coming year.

What level of service will Council provide?

Primary outcome: A diverse economy built from our strengths for growth and prosperity (2)



Intermediate outcome: We have a quality infrastructure with potential for growth (2.1)

What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator			
Reliability and Safety Provide accessible, reliable and safe air facilities and operations for the Te Anau Basin.	Percentage of Civil Aviation Authority guidelines complied with.	100%	100%	Audit - Civil Aviation Authority
	Number of airports servicing the Te Anau Basin.	1	1	Council Property Records

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

Maintenance, Renewal and Replacement Projects

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Airports - Pavement Repairs - 624.a	\$45,652	\$45,652	Rates	-

Cost of Service Statement Variations

Due to the old airport at Waiau not yet being sold and current market conditions, the Te Anau Community Board has resolved to maintain the 2010/2011 rating level to cover current operational costs.

Who benefits from the activity and how is it funded?

The Te Anau Ward gains economic benefit from moving goods and people in and out of the Te Anau Basin. Council aims to fund operating costs through user charges, with contributions from local rates by uniform annual charge on all rateable units in the Te Anau Ward (Airport Rate) to make up any shortfall. Capital costs of the development of the Manapouri - Te Anau Airport are funded from the sale of the Te Anau Airport land and loans to be repaid via the Airport Rate.

What does it cost?

LTCCP 2010/2011	Te Anau Airports	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
141,841	Rates	141,838	404,337
150,142	Activity Revenue	198,982	119,667
291,983	Total Operating Revenue	340,820	524,004
Operating Expenditure			
518,641	Depreciation	518,641	518,641
150,144	Other Operating Costs	198,981	231,904
668,785	Less Total Operating Expenditure	717,622	750,545
(376,802)	Operating Surplus/(Deficit)	(376,802)	(226,541)
(376,802)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(376,802)	(226,541)
CAPITAL AND RESERVES			
-	Total Capital Expenditure	-	-
141,839	Transfers to Reserves	141,839	291,946
141,839	Total Capital Movements	141,839	291,946
376,802	Operating Deficit	376,802	226,541
518,641	Total Funding Required	518,641	518,487
Funded By			
518,641	Non Cash Expenditure	518,641	518,641
-	Transfers from reserves	-	(154)
-	Operating Surplus	-	-
518,641	Total Funding Applied	518,641	518,487

Wastewater

Aim: Provide a reliable, effective and environmentally friendly sewage collection, treatment and disposal system which protects public health.

What we do

The wastewater activity involves collecting, treating and disposing of sewage from residential properties, business properties and public sanitary facilities. The wastewater systems consist of pipes, pump stations and treatment and disposal processes. Seventeen towns within the District are reticulated with Council owned and maintained infrastructure. There is also a new scheme under construction for Edendale and Wyndham. The wastewater system also deals with industrial liquid wastes (often known as trade wastes) from industry in the District.

Why we do it

Wastewater services contribute to healthy people as sewerage systems prevent the spread of disease. They also contribute to a treasured environment by treating sewage to reduce harmful nutrients, bacteria and odours before it is discharged into the environment. The discharge is also monitored to ensure that it is not harmful and controlled to reduce the likelihood of overflows and odours which otherwise may affect the environment. Wastewater services also support a diverse economy as sewerage systems are essential for business development, including tourism, and reticulated systems provide economies of scale. In the activity, the Council must comply with the legal requirements of the Local Government Act 2002, the Health Act 1956 and the Resource Management Act 2001. The activity must comply with Environment Southland's Regional Policy Statement and Regional Effluent Land Application Plan for Southland.

What are the key issues?

Water and Wastewater Operations and Maintenance Contract

As part of last year's Annual Plan, Council decided to change the way that the Water and Wastewater Operations and Maintenance Contract cost is shared out amongst schemes over two years. 2011/2012 will see the final stage of the change phased in. The cost of the contract will now be fully allocated according to the number of units across the District with every unit paying the same amount. This varies from prior years where schemes paid different amounts based on historical costs for each scheme.

No Ministry of Health Funding for Browns Sewerage Scheme

Council was looking at options to extend the Browns Sewerage Scheme which has struggled to comply with resource conditions for several years however it has also been unable to secure funding. At this stage Council plans to undertake a treatment upgrade at the Browns Scheme and will monitor the results to see whether the larger project is still needed in the future.

Te Anau Treatment and Disposal Project

The treated wastewater discharge consent to the Upukeora River / Lake Te Anau expires in 2014. A short term consent was renewed in 2004 on the basis that Council would upgrade the wastewater treatment plant with the expectation that the discharge would be removed from the lake and disposal would be to land going forward. Environment Southland has classified the lake a 'Natural State' waters meaning that any discharge to the lake must be of the highest environmental quality. As a result a project has been developed which involves pumping the treated wastewater effluent to a land disposal field between Te Anau and Manapouri. The scheme was also designed to cope with expected growth within the township and construction will be staged to cope with this growth which has seen a dramatic slow down in the current economic climate. Due to affordability issues, discussions with the key stakeholder group have been held to extend the date of the consent allowing discharge to the river for a longer period, with some upgrade work to the plant to allow the extension of time. To discharge to the river/lake in the future would require construction of a sophisticated multi stage treatment plant at considerable capital and operating costs.

What level of service will Council provide?

Primary outcome: We are healthy people (4)

Intermediate outcome: We are able to live healthy lifestyles (4.1)



What Council will provide		How Council will measure the service provided		
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Reliability Provide a reliable wastewater service.	Percentage of customers satisfied with the service.	93% ³	90%	Survey - Resident
Quality and Safety Provide a sewerage reticulation and treatment system that is safe and promotes public health.	Percentage of effluent tests which comply with relevant resource consent conditions. ¹	84%	100%	Quarterly Report
Responsiveness Prompt response to complaints.	Percentage of complaints responded to within required timeframes. ²	80%	90%	Quarterly Report
Quantity Provide a sewerage reticulation and treatment system that has sufficient capacity for the reasonable flows from the serviced area.	Number of system failures and pollution incidents (overflows) per year across all schemes.	37	Less than 20	Hansen IMS
	Percentage of scheme improvement projects completed in order to maintain safe and adequate collection and disposal of wastewater.	35%	90%	Quarterly Report
<p>1. The target is an average for all sewerage schemes where the quality of effluent is monitored.</p> <p>2. Response times are set out in contract conditions and vary according to the type of problem.</p> <p>3. A Residents' survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.</p>				

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

Maintenance, Renewal and Replacement Projects

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Balfour - Reticulation Renewal - plw4.A	\$18,338	\$18,338	Reserves	-
Manapouri - Electrical Upgrade - plw46.A, plw46.B	\$66,706	\$66,706	Rates	-
Manapouri - Reticulation Renewal - plw44.A	-	\$10,300	Rates	Project carried forward from 2010/2011 to 2011/12 as it has not been started yet.
Manapouri - Condition Assessment - plw44C	-	\$15,399	Rates	Project carried forward from 2010/2011 to 2011/12 as it has not been started yet.
Ohai - Renew/reconfigure wetwell at PS1 - plw88.A	\$24,353	\$24,353	Reserves	-
Ohai - Reticulation Renewals - plw84.A	-	\$10,300	Reserves	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Ohai - Treatment renewals - plw93.A	-	\$30,827	Reserves	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Riverton - Electrical Upgrade - plw132.B	\$219,180	\$219,180	Rates	-
Riverton - Electrical Upgrade - plw132.A	\$146,120	\$146,120	Rates and Reserves	-
Te Anau - Electrical Upgrade - plw170.A,	-	\$230,000	Rates	This project has been carried forward from 2010/2011 following on from a staff

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
plw170.B				submission to the Draft Annual Plan.
Te Anau - Reticulation Renewal - plw172.A	\$10,588	\$10,588	Rates	-
Wallace (Otautau) - Reticulation Renewal - plw98.A	\$25,571	-	Rates	Project shifted from 2011/12 to 2012/13 due to staff availability to undertake the work.
Winton - Condition Assessment - plw229.A	-	\$11,845	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Winton - Electrical Upgrade - plw231.A	\$146,120	\$146,120	Rates	-
Winton - Treatment Upgrade - plw232.A	\$13,735	\$13,735	Rates	-
Winton - Equipment Upgrade - plw230A	-	\$41,576	Rates	Aerator Project moved from 2010/2011 to align with Wastewater Treatment Plant improvements in 2011/12.

Asset Acquisition Projects - Caused by changes in demand

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Te Anau - Te Anau/Manapouri Treatment & Disposal Project - plw204.B	\$72,968	\$72,968	Development Contributions	-

Asset Acquisition Projects - Caused by changes to levels of service

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Balfour - Resource consent Project - plw5.A	\$12,177	-	Reserves	This project involves writing a report on the sewerage scheme's performance every five years. The last report was written in 2009/2010 therefore the next report is not due until 2014/2015.
Browns - Treatment Upgrade - plw14.A	-	\$80,000	Contributions & Loan	This project aims to improve the existing wastewater treatment system to meet resource consent conditions. It was originally budgeted to cost \$184,280 in 2010/2011 however this has been revised to around \$110,000 with \$30,000 of work to be completed in 2010/2011 and \$80,000 to be spent in 2011/2012. This project is to be funded by 50% from the ward, 16.67% internal loan and 33.33% from SDC. The project to extend the scheme has been deleted at this stage as no funding from MoH was available to do this however Council will monitor the results of the treatment upgrade works to see whether the project is still needed in the future.
Ohai - Compile Scheme Management Plan - plw85.A	-	\$2,000	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Ohai - Infiltration Investigations - plw99.A	-	\$35,535	Reserves	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Riversdale - Scheme Capacity Upgrade - plw122.A	\$151,822	-	Loan	Project deferred to 2012/2013 with further infiltration investigations being undertaken before the upgrade.
Riverton - Compile Scheme Management Plan - plw129.A	-	\$5,923	Reserves	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Riversdale - Sludge Removal - plw121.A	\$142,467	\$142,467	Loan	-

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Stewart Island - Odour Control - plw153.A	\$6,088	\$6,088	Reserves	-
Stewart Island - Scheme Capacity Upgrade - plw150.A	-	\$150,000		This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Te Anau - Scheme Operation and Management Plan - plw173.A	\$6,088	-	Rates	Project has been deferred to 2016/2017 to occur after the Treatment and Disposal Project is complete.
Te Anau - Te Anau/Manapouri Treatment & Disposal Project - plw204.A	\$55,046	\$55,046	Rates	-
Tokanui - Compile Scheme Management Plan and investigate land disposal options - plw219.B	-	\$15,250	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Tokonui - Treatment Upgrade - plw219.A	-	\$10,466	Rates and Reserves	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Wallace (Otautau) - Scheme Management Plan - plw102.A	\$3,653	-	Rates	Project deferred to 2012/13 due to staff availability to undertake the work.
Winton - Infiltration Investigations - plw90.A	-	\$46,000	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Winton - Electrical Upgrade - plw232.C	\$24,353	\$24,353	Loan	-
Winton - Scheme Capacity Upgrade - plw231.B	\$91,325	\$91,325	Loan	-
Winton - Treatment Upgrade - plw232.B, plw232.D	\$2,178,563	\$2,178,563	Loan	-

Cost of Service Statement Variations

Operating costs have increased as a result of the full implementation of the new operations and maintenance contract in the 2011/2012 year, as well as the effect of changing some loan funding of projects to internal from external. Accordingly, financing costs have decreased as a result of this reclassification.

Who benefits from the activity and how is it funded?

Residents, businesses and visitors benefit from the provision of wastewater services. The need for this activity is driven by high density communities, where on-site wastewater systems are not effective disposal methods for public health and/or environmental reasons. These schemes are funded through local targeted rates where communities pay different rates depending on the work that needs to be done on their particular scheme. Operating funding is 100% local rate funded, via a targeted rate based on household equivalent use of pans. Capital works are funded through Ministry of Health subsidy (where available), up to 16.67% District contribution (funded from the Waste Management Rate, which is a uniform annual charge per rateable unit), development or financial contributions (where applicable) and local contributions from those connecting or able to be connected (Sewerage Schemes Funding Policy refers). Smaller projects not eligible for subsidy may be funded through loans.

What does it cost?

LTCCP 2010/2011	Wastewater	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
2,677,705	Rates	2,759,846	3,238,029
68,691	Development & Financial Cont	72,968	72,968
-	Grants and Donations	-	376,340
2,746,396	Total Operating Revenue	2,832,814	3,687,337
Operating Expenditure			
1,366,748	Depreciation	1,437,038	1,437,038
428,874	Finance Costs	412,442	-
1,339,265	Other Operating Costs	1,367,023	2,133,388
3,134,887	Less Total Operating Expenditure	3,216,503	3,570,426
(388,491)	Operating Surplus/(Deficit)	(383,689)	116,911
(388,491)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(383,689)	116,911
CAPITAL AND RESERVES			
68,691	Acquisition-Demand	72,968	72,968
170,012	Acquisition-Level of Service	2,671,583	2,843,016
-	Vested Assets	-	376,340
363,813	Renewals	670,712	995,387
602,516	Total Capital Expenditure	3,415,263	4,287,711
418,705	Loans Repaid	370,712	484,654
148,384	Transfers to Reserves	346,596	371,277
567,089	Total Capital Movements	717,308	855,931
388,491	Operating Deficit	383,689	-
1,558,096	Total Funding Required	4,516,260	5,143,642
Funded By			
-	Loans Raised	2,588,531	2,476,708
1,366,748	Non Cash Expenditure	1,437,038	1,437,038
191,348	Transfers from Reserves	490,691	1,112,985
-	Operating Surplus	-	116,911
1,558,096	Total Funding Applied	4,516,260	5,143,642

Water Supply

Aim: Provide a reliable and adequate supply of water, which in urban areas is also safe to drink.

What we do

The Council operates 13 drinking-water supplies (11 urban and 2 rural) some of which share treatment facilities. It also controls nine untreated rural water schemes which are provided for stock-water where the use of water for domestic purposes is prohibited.

Why we do it

The water supply activity contributes to healthy people through the provision of safe drinking water as well as water to clean with. It also contributes to a diverse economy, where water supply infrastructure in urban areas provides reliable water in sufficient capacity to meet domestic, commercial and industrial needs and in rural areas, provide untreated water for stock. Public water supplies also assist in creating safe places by providing water for fire fighting which helps protect communities and visitors. It also contributes to making Southland a great place, with a choice of quality places to go and things to do, where reticulated water is used for recreational activities (swimming pools etc). In the activity, the Council must comply with the legal requirements of the Local Government Act 2002 and the Health Act 1956. The activity must also give effect to the Drinking-water Standards National Policy Statement in Freshwater Management and Regional Water Plan.

What are the key issues?

Water and Wastewater Operations and Maintenance Contract –

As part of last year's Annual Plan Council decided to change the way that the Water and Wastewater Operations and Maintenance Contract cost is shared out amongst schemes over two years. 2011/2012 will see the final stage of the change phased in. The cost of the contract will now be fully allocated according to the number of units across the District with every unit paying the same amount. This varies from prior years where schemes paid different amounts based on historical costs for each scheme.

Ministry of Health Subsidy Criteria Change –

In September 2009, the Minister of Health put the drinking-water subsidies programme on hold in order to conduct a review of the eligibility criteria. Central Government was looking to confirm that the drinking-water subsidies were operating under the best possible process to ensure that the communities with the greatest need were accessing the available Government funding. The Minister was concerned that the first-come, first-served format of the previous programme structure meant that most funding was only available in the initial stages of the programme and some communities in need of subsidies might be missing out.

The review of the criteria has been completed reflecting the advice received from local government, health officials and other interested parties. Essentially the eligibility criteria remain largely unchanged but will be restricted to those communities with a deprivation index or score (DI) of 7 and above (based on geographical meshblock areas). Council is now working through the revised criteria to determine the scale of the impact on our community water supplies.

No Ministry of Health Funding for Waikaia and Riversdale Schemes –

In the Council's Ten Year Plan there were two new water schemes planned in Waikaia and Riversdale. These projects have now been cancelled as Council has been unable to obtain any funding from the Ministry of Health for the work and it is no longer affordable for the community without this subsidy.

Tuatapere Water Upgrades –

The water supply at Tuatapere is being upgraded to meet Ministry of Health Drinking Water Standards, along with river bank protection at the treatment plant and replacement of the switchboard and monitoring equipment. These projects however have been deferred to 2012/2013 due the scheme no being eligible for Ministry of Health funding under the new subsidy criteria (see above). Council is currently in discussions about alternative funding with Meridian.

Change to Fire Hydrants Key Performance Indicator –

Council is proposing to change the key performance indicator 'Percentage of urban fire hydrant test that meet SNZ PAS 4509:2003,' to 'Percentage of successful urban fire hydrant tests,' with successful defined as hydrants having water available when valves are exercised. In the past the Fire Service undertook these tests however the results have not been readily available to Council. To ensure Council can monitor the performance of fire hydrants in a timely manner the information will now come from the new Water and Wastewater Contractors, Downers, who will undertake tests to make sure they are operational and can safely provide water for fire emergencies.

What level of service will Council provide?

Primary outcome: We are healthy people (4)				
Intermediate outcome: We are able to live healthy lifestyles (4.1)				
What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Quality Provide urban water supplies that are safe and promote public health.	Percentage of urban water supply tests that meet the requirements of the New Zealand Drinking-water Standards 2005.	98%	100%	WINZ ¹
	Percentage of urban water supplies that are capable of meeting the New Zealand Drinking-water Standards 2005.	0%	80%	WINZ ²
Quality Drinking-water quality is acceptable to users.	Percentage of customers satisfied with the quality of urban water supplies.	72% ⁶	90%	Survey - Resident
	Number of complaints about drinking-water quality across all schemes.	3	Less than 65	Quarterly Report ³
Quantity Provide an adequate quantity of water for daily use.	Number of complaints about supply quantity and pressure per scheme.	144	Less than 130	Hansen IMS ³
Quantity Provide a water supply adequate for fire fighting in urban areas.	Percentage of successful urban fire hydrant tests. ⁷	Not measured	90%	Hansen IMS ⁴
Reliability Provide a reliable water supply.	Percentage of resident satisfaction with the reliability of water supply.	95% ⁶	90%	Survey - Resident
	Total number of non-notified shutdowns across all urban schemes.	18	20	Hansen IMS ³
Responsiveness Prompt response to complaints.	Percentage of complaints responded to within required timeframes.	84%	90%	Hansen IMS ⁵

1. Water Information New Zealand (WINZ) is a national database of all community drinking-water supplies used to determine the public health grading. WINZ is managed by ESR on behalf of the MOH.
2. Capability to meet the standards is assessed through carrying out public health risk assessments which identify any capital work needed or operational processes which need to be put in place to minimise any risks to the public health. Council is yet to assess its water supplies against the New Zealand Drinking-water Standards 2005 using the process outlined. The targets aim at reaching 100% compliance by 1 July 2013.
3. Council has 13 water supplies that are treated for drinking (11 urban schemes and two rural schemes). The figure is a total across all schemes and uses a target of no more than five complaints per scheme for quality.
4. Minimum flow from a hydrant must be 12.5 litres per second. Hydrant testing is carried out by New Zealand Fire Service and at this time there is no fixed testing regime in place.
5. Resolution times are set out in contract conditions and vary according to the type of problem.
6. A Residents' Survey was not undertaken in 2009/2010 therefore the result shown is from 2008/2009.
7. "Successful" is defined as hydrants being in an operational state with water available when valves are exercised.

The Council is improving its targets from 2009/2010 to 2012/2013 for a number of key performance indicators including the percentage of urban water supplies that are capable of meeting the New Zealand Drinking-water Standards 2005, the percentage of urban fire hydrant tests that meet SNZ PAS 4509:2003 and the percentage of complaints responded to within required timeframes.

What are the projects and variances from the LTCCP?

Maintenance, Renewal and Replacement Projects

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Eastern Bush - Reticulation Renewal - pl137.A	\$307,614	\$307,614	Rates and Loan	-
Manapouri - Condition Assessment - pl216.A	\$4,871	\$4,871	Loan	-
Manapouri - Storage Improvements - pl104.B	\$58,236	-	Loan	Deferred to 2018/2019 as preliminary inspection found storage tanks to be in generally good condition.
Manapouri - Electrical Upgrade - pl105A	\$55,620	-	Reserves	The electrical upgrade was deferred from 2010/2011 to 2011/2012 in last year's Annual Plan and has been deferred further to 2013/2014 to align with the water treatment plant upgrade (project pl104c below).
Manapouri - Pump replacement - pl215.A	-	\$50,000	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Matuku - Electrical Upgrade - pl114.A	-	\$19,500	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Mossburn - Reticulation Renewal - pl122.A	\$17,656	\$17,656	Reserves	-
Ohai/Nightcaps/Wairio Water - Reticulation Renewal - pl131.A	\$52,942	\$52,942	Reserves	-
Ohai/Nightcaps/Wairio Water - Reticulation Renewal Programme - pl136.A	\$5,294	\$5,294	Reserves	-
Te Anau - Pump Replacement - pl190.A	\$12,177	-	Rates	The pump replacement has been deferred two years (to 2013/2014) due to pump being refurbished in 2009.
Te Anau Rural Water Supply - Electricity Upgrade - pl62.C	\$5,464	\$5,464	Rates	-
Te Anau Rural Water Supply - Storage Improvements - pl62.B	\$48,707	\$48,707	Rates	-
Te Anau Rural Water Supply - Electrical Upgrade (Princhester) - pl155.A	-	\$92,000	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Te Anau Rural Water Supply - Electrical Upgrade (Ramparts) - pl159.A	-	\$92,000	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Te Anau Rural Water Supply - Electrical Upgrade (Takitimu) - pl19.A	-	\$19,500	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Tuatapere - Reticulation Renewal - pl203.A	\$217,658	-	Mix1	Deferred to 2012/2013 pending review of Public Health Risk Management Plan.
Tuatapere - Electrical Upgrade - pl205.A	\$12,360	-	Mix1	This project was deferred from 2010/2011 to 2011/2012 in last year's Annual Plan and has now been deferred following review of MoH subsidy guidelines.
Tuatapere - Storage Improvements - pl205.B	\$155,736	-	Mix1	This project was deferred from 2010/2011 to 2011/2012 in last year's Annual Plan and has now been deferred following review of MoH subsidy guidelines. The budget has also been increased to \$170,000.
Wallace (Otautau) - Condition Assessment - pl146.A	\$5,559	\$5,559	Rates	-

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Wallace (Otautau) - Reticulation Renewal - pl150.A	\$132,117	-	Loan	This project was originally planned for 11/12 however it has been brought forward to be done in 2010/11 with the Main Street Water Main Project.
Wallace (Otautau) - Treatment Upgrade - pl27A, pl27B, pl27C	\$117,008	-	Mix2	This project is to renew the aerator, SCADA and contact tanks and was deferred from 2010/2011 to 2011/2012 in last year's Annual Plan. The budget has now been increased to \$149,400 and deferred further to 2012/2013 due to MoH subsidy being on hold for two years. This project may now not be eligible to receive MoH funding under the new criteria.
Winton - Treatment Upgrade - pl210.A	\$166,860	-	Mix4	This project was deferred from 2010/2011 to 2011/2012 in last year's Annual Plan and has been deferred further to 2012/2013 pending review of the Public Health Risk Management Plan.
Winton - Water Tower Maintenance Project - pl230.A	-	\$50,000	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Winton - Reticulation Renewal - pl221.A	\$1,567,502	-	Loan	Timing of the rising main replacement project has been reviewed to 2012/2013 due to staff availability to manage the work.
Winton - Electrical Upgrade - pl233.A	-	\$177,675	Loan	Timing of project changed to work in with new well project that is to be completed in 2010/11.

Asset Acquisition Projects - Caused by changes to demand

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Lumsden/Balfour Rural Water - Capacity Project - pl08.A, pl09.A, pl10.A	\$105,884	-	Development Contributions	Project no longer required as not enough capacity to increase.
Riverton - Scheme Improvements - Demand Portion - pl164.B	-	\$77,305	Development Contributions	This project has been carried forward from 2010/2011. It will fund the increase in size of the water scheme rising main and will be undertaken in conjunction with the levels of service project below.
Te Anau - Storage Improvements - pl212.A	\$24,353	-	Development Contributions	Project has been deferred to 2015/2016 due to low growth occurring in Te Anau.

Asset Acquisition Projects - Caused by changes to levels of service

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Lumsden - Public Health Risk Management Plan - pl22.A	\$1,059	\$1,059	Rates	-
Lumsden/Balfour Rural Water - Public Health Risk Management Plan - pl22.B	\$3,177	\$3,177	Rates	-
Manapouri - Construct Hydraulic Model - pl14.A	\$10,588	\$10,588	Loan	-
Manapouri - Equipment Upgrade - pl225.A	-	\$11,500	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Manapouri - Public Health Risk Management Plan - pl106.A	-	\$10,300	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Manapouri - Intake Upgrade - pl104.A	\$127,061	-	Loan	Timing of project has been changed to 2015/2016 pending review of Public Health Risk Management Plan.
Manapouri - Treatment Upgrade - pl104.C	\$121,767	-	Loan	Deferred to 2013/2014 pending review of Public Health Risk Management Plan.

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
Mossburn - Public Health Risk Management Plan - pl116.A	-	\$10,000	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Mossburn - Treatment Upgrade - pl117.A	\$213,092	-	Mix2	Deferred to 2012/2013 pending review of Public Health Risk Management Plan.
Mossburn - Intake Upgrade - pl125.A	\$73,060	-	Mix1	This project is deleted as it is expected to no longer be required once upgrades are completed to meet Drinking Water Standards.
Ohai/Nightcaps/Wairio Water - Public Health Risk Management Plan - pl135.A	\$5,294	-	Reserves	Will take place in 2012/2013 once water plant is upgraded to meet Drinking Water Standards.
Ohai/Nightcaps/Wairio Water - Treatment Upgrade - pl128B	-	\$819,000	Mix1	This project has been carried forward from 2010/2011 due to awaiting the outcome of MoH subsidy review and completing the initial design work. It forms part of the overall \$2.2 million project which began in 2009/2010 to upgrade the Ohai/Nightcaps/Wairio Water Supply to meet Drinking Water Standards.
Ohai/Nightcaps/Wairio Water - Intake Upgrade - pl143.A	-	\$301,450	Mix1	This project has been carried forward from 2010/2011 due to awaiting the outcome of MoH subsidy review and completing the initial design work. It forms part of the overall \$2.2 million project which began in 2009/2010 to upgrade the Ohai/Nightcaps/Wairio Water Supply to meet Drinking Water Standards.
Ohai/Nightcaps/Wairio Water - Resource Consent Project - pl129.A	-	\$20,500	Mix1	This project has been carried forward from 2010/2011 due to awaiting the outcome of MoH subsidy review and completing the initial design work.
Riversdale - New Scheme - pl04.A	\$133,943	-	Mix4	The new water scheme has been deleted as Council was unable to secure funding from the Ministry of Health.
Riversdale - New Scheme - pl04.B	\$1,132,112	-	Mix3	The new water scheme has been deleted as Council was unable to secure funding from the Ministry of Health.
Riverton - Treatment Upgrade - pl108A	-	410,187	Rates	Project has been carried forward to 2011/2012.
Riverton - Scheme Improvements - pl164A	-	\$1,144,923	Mix	This project will begin in 2010/2011 with the remaining budget carried forward to 2011/2012.
Riverton - Public Health Risk Management Plan - pl241.A	\$5,294	-	Reserves	Deferred to 2013/2014 to occur after treatment upgrade projects are completed.
Te Anau - Equipment Upgrade - pl29.A	-	\$11,500	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Te Anau - Treatment Upgrades - pl29B	\$260,590	-	Rates	The water scheme treatment upgrade was deferred from 2010/2011 to 2011/2012 in last year's Annual Plan and has been deferred further to 2012/2013 due to MoH Subsidy Scheme being on hold for two years. The budget for the project has also been increased to \$400,000 based on recently received tender costs.
Te Anau - Public Health Risk Management Plan - pl24.A	-	\$5,000	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Te Anau - Te Anau Water Strategy - pl24.B	-	\$10,000	Rates	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Tuatapere - Treatment Plant - River Protection Works - pl239.A	\$123,600	-	Mix1	The water scheme treatment upgrade was deferred from 2010/2011 to 2011/2012 in last year's Annual Plan and has been deferred further to 2012/2013 due to MoH Subsidy Scheme being on hold. The budget has also been increased to \$140,000.
Tuatapere - Treatment Upgrades -pl196.A	\$355,350	-	Mix1	The treatment upgrades were deferred from 2010/2011 to 2011/2012 in last year's Annual Plan and has been deferred further to 2012/2013 due to MoH subsidy funding being on hold for two years.

Project Description	LTCCP 2011/2012	Annual Plan 2011/2012	Funding	Explanation of Variance
				The project budget has also been increased to \$420,000 following recent tender costs received. There is a risk that this scheme will not be eligible for fund under revised criteria.
Tuatapere - Public Health Risk Management Plan - pl214.A	\$5,294	-	Rates	Deferred to 2013/2014 to occur after treatment upgrade projects are completed.
Tuatapere - Rising Main Project - pl238.A	-	\$10,000	Reserves	This project has been carried forward from 2010/2011 following on from a staff submission to the Draft Annual Plan.
Waikaia - New Scheme - pl111.A, pl111.B	\$1,107,182	-	Mix3	Project deleted due to MoH changing eligibility criteria of Water Subsidy Scheme. This project was dependant on receiving MoH funds to ensure affordability.
Wallace (Otautau) - Treatment Upgrade - pl27.E	-	\$50,000	Loan	This budget is for project design and applying for MoH funding. It was originally planned for 10/11 however has been carried forward to 11/12 due to awaiting the outcome of at Ministry of Health subsidy review.
Wallace (Otautau) - Treatment Upgrade - pl27D	\$88,838	-	Mix2	This project was deferred from 2010/2011 to 2011/2012 in last year's Annual Plan. The budget has now been increased to \$156,000 and has been deferred further to 2012/2013 subject to review of Public Health Risk Management Plan and revised MoH subsidy criteria.
Wallace (Otautau) - New Well - pl27G	-	-	Mix4	In last year's budgeting process a new project was planned for 2011/2012 to construct a new well (it was not in the LTCCP) at a cost of \$150,000 however this has been deferred to 2012/2013 subject to review of Public Health Risk Management Plan and revised MoH subsidy criteria.
Winton -Electrical Upgrades - pl234.A	\$112,528	-	Loan	This was deferred to 2011/2012 as part of last year's Annual Plan however it has been deferred further to 2012/2013 based on prioritisation of workload.
Winton - Treatment Upgrade - pl201.B	\$222,480	-	Mix4	This was deferred to 2011/2012 as part of last year's Annual Plan and now is deferred further to 2012/2013 MoH Subsidy Scheme being on hold. The budget has also increased to \$375,000 following recently received tenders.

Mix1 - MoH subsidy, Council 1/6 contribution and Rates. Mix2 - MoH subsidy, Council 1/6 contribution and Reserves. Mix3 - MoH subsidy, Council 1/6 contribution and Scheme Capital Recoveries.
 Mix4 - MoH subsidy, Council 1/6 contribution and Loan

Cost of Service Statement Variations

Changes to the timing of projects generally from 2010/2011 to 2011/2012 as outlined above, has resulted in a decrease in capital costs, loans raised and revenue from additional funding sources such as Council (contributions), Ministry of Health and ratepayers (by way of scheme recoveries). Financing costs have decreased, with a corresponding increase in operating costs as a result of changing some loan funding of projects from external to internal.

Who benefits from the activity and how is it funded?

Benefits are distributed to the community as a whole. Residents have access to a safe water supply that they do not have to maintain themselves. The local economy benefits through tourism (safe water supply encourages tourists), industry and agriculture (water supply certainty). These schemes are funded through local targeted rates where communities pay different rates depending on the work that needs to be done on their particular scheme. Operating funding is 100% local rate funded, via a targeted rate based on household equivalent use and/or metering. Capital works for urban schemes are funded through Ministry of Health subsidy (where available), up to 16.67% District contribution (funded from the Waste Management Rate, which is a uniform annual charge per rateable unit), development or financial contributions (where applicable) and local contributions from those connecting or able to be connected (Water Schemes Funding Policy refers). Smaller projects not eligible for subsidy may be funded through loans. Rural water supply capital works are funded solely through local contributions and loans.

What does it cost?

LTCCP 2010/2011	Water Supply	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
2,418,892	Rates	2,602,181	2,612,962
233,268	Activity Revenue	1,159,065	171,498
-	Development & Financial Cont	128,154	77,305
2,015,019	Grants and Donations	1,369,758	1,563,025
4,667,179	Total Operating Revenue	5,259,158	4,424,790
Operating Expenditure			
1,031,240	Depreciation	1,151,155	1,151,155
277,190	Finance Costs	290,638	-
1,974,363	Other Operating Costs	2,036,027	2,294,745
3,282,793	Less Total Operating Expenditure	3,477,820	3,445,900
1,384,386	Operating Surplus/(Deficit)	1,781,338	978,890
1,384,386	Operating Surplus/Deficit transferred to/(funded from) Reserves	1,781,338	978,890
CAPITAL AND RESERVES			
-	Acquisition-Demand	130,237	77,305
3,078,362	Acquisition-Level of Service	2,865,863	2,429,184
-	Vested Assets	-	90,628
1,220,616	Renewals	2,600,796	991,267
4,298,978	Total Capital Expenditure	5,596,896	3,588,384
114,759	Loans Repaid	119,924	151,148
130,530	Transfers to Reserves	591,413	273,043
245,289	Total Capital Movements	711,337	424,191
-	Operating Deficit	-	-
4,544,267	Total Funding Required	6,308,233	4,012,575
Funded By			
1,114,121	Loans Raised	3,155,700	916,268
1,031,240	Non Cash Expenditure	1,151,155	1,151,155
1,014,520	Transfers from Reserves	220,040	966,262
1,384,386	Operating Surplus	1,781,338	978,890
4,544,267	Total Funding Applied	6,308,233	4,012,575

Work Schemes

Aim: Co-ordinate community based projects which provide opportunities for individuals to fulfil community service commitments or gain work experience.

What we do

The Council is involved in government funded work schemes, which involves providing community work and community service clients with the opportunity to work on various projects throughout the Southland community. The scheme provides work experience placement for community work clients (from Work and Income New Zealand) to improve their employment skills. In addition, the scheme provides community service clients with a way of completing their court directed community services sentences. The scheme also makes it possible for small communities to undertake projects where they otherwise would not be able to due to costs or lack of resources.

Why we do it

This activity contributes to making Southland a great place to live through the completion of community projects such as weed control and township maintenance. Work schemes also contribute to a diverse economy (through developing people's skills and lowering unemployment), healthy people (through increased self-esteem of participants) and safe places (by providing accountability for crimes).

What are the key issues?

There are no key issues for this activity.

What level of service will Council provide?

Primary outcome:	Southland is a great place to live (1)	Safe places in a caring society that is free from crime (3)			
	A well-educated and skilled community continually seeking further opportunities to learn (7)				
Intermediate outcome:	We have a choice of quality places to go and things to do (1.2)		We apprehend and hold law breakers appropriately accountable (3.4)		
	We have accessible learning opportunities (7.1)				
What Council will provide	How Council will measure the service provided				
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source	
Access Provide a workforce to carry out a range of community projects.	Percentage of clients who indicate the work undertaken is largely community based (not-for-profit).	100%	80%	Survey - User	
Access The scheme provides opportunities for community service sentences to be served.	Percentage of community service clients who gain entry to the work scheme within 10 working days of their preferred start date.	100%	95%	Quarterly Report	
Quality Provide opportunities for individuals to develop their skills.	Percentage of community work participants who increase their skill base.	100%	100%	Participant Assessment	
Quality Work completed through the Work Scheme is 'fit-for-purpose'.	Percentage of clients satisfied that the work is completed according to the specifications.	100%	90%	Survey - User	

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

There are no projects planned or any major variances from the LTCCP.

Cost of Service Statement variances

There are no major variances from the LTCCP.

Who benefits from the activity and how is it funded?

These benefits are distributed between the individual people on courses, the community in which those individuals live, and communities in which projects are carried out. The majority of funding is sourced from local rates, with some contributions from Central Government.

What does it cost?

LTCCP 2010/2011	Work Schemes	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
32,791	Rates	33,783	40,189
31,344	Activity Revenue	69,321	77,163
64,135	Total Operating Revenue	103,104	117,352
Operating Expenditure			
20,103	Depreciation	20,103	21,939
38,485	Other Operating Costs	40,284	43,854
58,588	Less Total Operating Expenditure	60,387	65,793
5,547	Operating Surplus/(Deficit)	42,717	51,559
5,547	Operating Surplus/Deficit transferred to/(funded from) Reserves	42,717	51,559
CAPITAL AND RESERVES			
-	Renewals	112,671	112,671
-	Total Capital Expenditure	112,671	112,671
6,000	Transfers to Reserves	43,170	52,012
6,000	Total Capital Movements	43,170	52,012
-	Operating Deficit	-	-
6,000	Total Funding Required	155,841	164,683
Funded By			
453	Non Cash Expenditure	453	453
-	Transfers from Reserves	112,671	112,671
5,547	Operating Surplus	42,717	51,559
6,000	Total Funding Applied	155,841	164,683

Other Local Services

Aim: Provide water structures which enable recreational and commercial use. Provide facilities that support Council's activities.

What we do

'Other Local Services' covers Council buildings and property, Riverton Harbour, Stewart Island jetties and other water structures and engineering advice provided to community groups. Buildings include depots, offices, libraries and other miscellaneous buildings. Riverton Harbour and water structures cover the provision of boat ramps, jetties, associated marine walls and navigation aids. The provision and maintenance of the assets and operation of the Riverton Harbour is carried out by the Riverton Harbour Committee. The activity also includes contributions to assist with the operation of swimming pools not owned by Council.

Why we do it

This activity contributes to a diverse economy by having infrastructure (boat ramps, jetties, wharves and navigation aids) which enable recreational and commercial access to waterways as well as buildings needed to deliver activities and services (such as libraries and service centres). The activity also contributes to a treasured environment (by having stopbanks and marine walls which protect the environment from flooding) as well as contributing to safe places (by having aids which improve navigation safety).

What are the key issues?

There are no key issues for this activity.

What level of service will Council provide?

Primary outcome: A diverse economy built from our strengths for growth and prosperity (2)

Intermediate outcome: We have a quality infrastructure with potential for growth (2.1)



What Council will provide	How Council will measure the service provided	Actual 09/10	Target 11/12	Source
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Safety Buildings are safe to use.	Percentage of buildings that comply with legal requirements (checks).	96%	90%	Audit
Access and Safety Harbour facilities and jetties are accessible and safe to use.	Number of access or safety issues reported.	1	0	Reports

Note that the targets above are the same for the next 10 years.

What are the projects and variances from the LTCCP?

There are no major projects planned (apart from internal refurbishing of some Council offices) or any major variances from the LTCCP.

Cost of Service Statement variances

Grants and donations and operating costs have increased as a result of including estimates for 2011/2012 for Museum activities, not previously included in the LTCCP. Operating costs and transfers from reserves have also increased as a result of the Council's contribution to the Winton Medical Centre upgrade. This upgrade is being funded by Winton Community Board reserves.

Who benefits from the activity and how is it funded?

The community where the facilities are provided benefit from this activity. The District also benefits from having an effective network of Council buildings to support Council activities. With regard to harbour and jetty facilities, individuals or businesses benefit the most. Office and Library buildings - funding for maintenance and any capital works is funded through rates, reserves, and loans (usually internal). These costs are recovered through the relevant activity rates. Water structures and other buildings and property - overall, Council aims to recover at least 95% of funding from sources other than rates. Stewart Island Jetties Subcommittee is funded through a \$5,000 grant from Council, funds from Environment Southland, a South Port grant (\$5,000 per annum 2008/2009 to 2011/2012) and user charges. The Riverton Harbour is funded from user charges, including endowment land rentals and wharf leases. Other water structures, buildings and properties are funded through user charges, to the extent possible.

What does it cost?

LTCCP 2010/2011	Other Local Services	LTCCP 2011/2012	Annual Plan 2011/2012
REVENUE AND EXPENSE			
Operating Revenue			
131,202	Rates	76,079	95,346
404,790	Activity Revenue	393,085	345,267
5,000	Grants and Donations	5,000	103,002
540,992	Total Operating Revenue	474,164	543,615
Operating Expenditure			
220,427	Depreciation	216,689	214,123
406,569	Other Operating Costs	378,316	571,796
626,996	Less Total Operating Expenditure	595,005	785,919
(86,004)	Operating Surplus/(Deficit)	(120,841)	(242,304)
(86,004)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(120,841)	(242,304)
CAPITAL AND RESERVES			
-	Acquisition-Level of Service	8,454	20,037
-	Total Capital Expenditure	8,454	20,037
-	Loans Repaid	-	4,110
192,098	Transfers to Reserves	173,068	186,315
192,098	Total Capital Movements	173,068	190,425
86,004	Operating Deficit	120,841	242,304
278,102	Total Funding Required	302,363	452,766
Funded By			
199,648	Non Cash Expenditure	195,910	195,910
78,454	Transfers from Reserves	106,453	256,856
-	Operating Surplus	-	-
278,102	Total Funding Applied	302,363	452,766

Council Controlled Organisations

This section provides an overview of Council Controlled Organisations and their activities.

Milford Community Trust

Background

The Milford Community Trust was established in 2007 to provide leadership and governance, and supply infrastructure services for the Milford community. The Trust allows local people to determine their priorities and provides appropriate consultation and open public meetings, similar to one of the Council's Community Boards.

Ownership and control of the organisation

The Milford Community Trust was established following a process of consultation with residents, agencies and businesses with interests in Milford in accordance with the special consultation process set out in the Local Government Act 2002. In terms of the Local Government Act, the Trust is defined as a Council Controlled Organisation reporting to the Southland District Council. The Trust was incorporated under the Charitable Trusts Act 1957 pm 18 May 2007. The Charities Commission has approved the Trust as being exempt for tax purposes.

The Trust is governed by a board of seven Trustees. Current representatives from stakeholder groups are shown in the table below:

Designation	Name	Term Expires
Independent Chair	Michael Schuck	30 June 2014
Te Anau Ward Councillor	Diane Ridley	30 June 2013
Milford Community Association elected representative	Lou Huia	30 June 2014
Milford Community appointee	Andrew Welsh	30 June 2012
Milford Community appointee	Paul Phelan	30 June 2012
Milford Community appointee	Vacant	-
Milford Community appointee	Vacant	-

Significant Policies

The Trust has developed a Communications Policy of its own in relation to its activities. It is expected that a full set of all relevant policies will be developed within the period covered by this statement. The Council itself does not have any significant policies in relation to the ownership and control of the organisation except for the Trust Deed which sets out the way in which business of the Trust is to be conducted.

Nature and Scope of Activities

Milford Community Trusts vision is the long term sustainability of Milford Sound *Piopiota*. Outputs from the Milford Community Trust activity primarily contribute to the achievement of the Our Way Southland Community Outcome Six – A treasured environment which we care for and which supports us now and into the future. The planned activities of the Trust in 2011/2012 are:

- Prepare a set of values, significant policy statements and code of ethics.
- Complete a co-ordinated emergency response plan for fire, medical, civil defence and other events.
- Facilitate the purchase of emergency response equipment (including 4WD vehicle and garage to house vehicle).
- Facilitate village improvements in conjunction with flood protection works on the Cleddau River delta area.
- Facilitate improvements in the public facilities at Deepwater Basin through the Concept Plan for this area.
- Advocate for public toilets and shelter at the airport and completion of the walking track to the Lodge.

What are the Key Issues?

In February 2008 Government approved \$13.1 million in funding to the Department of Conservation to undertake flood protection measures in Milford Sound Piopiota alongside the Cleddau River and on the Cleddau Delta. The area is being upgraded to protect the area against a 1 in 100 year flood event as well as allowing for sea level rise and climate change.

Key Performance Measures and Targets

Primary outcome: A treasured environment which we care for and which supports us now and into the future (6)				
What will be provided	How we will measure the service provided			
Level of Service	Key Performance Indicator	Actual 09/10	Target 11/12	Source
Maintain a structure that facilitates local decision-making.	Hold Public forums in Milford each year. ¹	0	1	Agenda/minute records on file
Keep the Milford community informed about Trust plans and outcomes.	Community newsletters (Feb, June, Oct each year)	1	3	Agenda/minute records on file
Provide leadership and advocacy on major issues.	Number of Milford Community Trust meetings held annually.	Not measured	4	Agenda/minute records on file
Response to issues raised by the community.	Percentage of issues raised at Milford Community Association meetings responded to prior to next meeting.	Not measured	85%	Action sheets
1. The public forum meeting is likely to be held in association with November Trust meeting in order to assist with planning for the draft Statement of Intent.				

Sources of Funding

Southland District Council –

Southland District Council will provide administration and technical advice to support the Trust and contribute to the costs of the Independent Chairperson. This administrative portion of the operations will be funded by the Council the same as in any other community in the District with Community Boards and Community Development Area Subcommittees.

Milford Community –

The operational and project costs detailed in the table opposite are those which the Milford Community Trust considers will provide benefit for the concessionaires at Milford and should be recovered from the Milford concessionaires through the implied concessionaire fee, apportioned as per the Department of Conservation apportionment of cost schedule. The total annual concession charged will be the average of the three years shown in the table plus/minus the forecast actual surplus/deficit of the year preceding this plan and allowing for a \$20,000 (excl GST) reserve to be created. This will be reviewed annually. For 2011/12, the total amount being sought from concessionaires is \$35,664 (excl GST).

Other Income –

In addition to the operational and project costs, there are also costs associated with other significant projects that fall either directly or indirectly under the influence of the Milford Community Trust but have all or a majority of proposed funding through means other than apportioned implied concessionaires fees. There may also be a portion of public good associated with these projects. These projects include: Cleddau River flood protection, Cleddau Village development, Deep Water Basin redevelopment, waste minimisation and recycling, walking tracks and airport toilets.

Budgeted Operational and Project Costs 2011/2012 (excl GST)

	2011/2012 Forecast	2012/2013 Forecast	2013/2014 Forecast
<i>Operational Costs:</i>			
Governance Costs ¹	\$25,350	\$25,500	\$25,650
Emergency Response Team Operations	\$60,000	\$200,000	\$7,500
Roading Maintenance	-	\$5,000	\$5,000
<i>Projects</i>			
Project Development	\$20,000	\$20,000	\$20,000
ERT plant and equipment	\$5,000	\$5,000	\$5,000
Total (funded from Milford Community)	\$110,350	\$255,500	\$63,150

¹ Governance costs include Chairperson's fees, Trustees' fees, mileage allowances if applicable, insurance, accommodation costs and general meeting costs.

Southland Flood Relief Fund

The Southland Flood Relief Fund is a Council Controlled Organisation (CCO) that holds money left over from the donations and grants received to provide financial relief for the people of Southland who suffered financial hardship due to loss or damage as a result of the extensive and severe flooding that occurred in the Southland province in January 1984.

At the time of the 1984 flood the Government of the day enabled the establishment of the Southland Flood Relief Committee and granted it power to establish a flood relief fund. The original Committee comprised the Mayor of the City of Invercargill, the Chairman of the Southland County, and the Chairman of the Wallace County. The Southland Flood Relief Fund's powers were subsequently widened in scope by the Southland Flood Relief Committee Empowering Act 1992 which effectively discharged the Southland Flood Relief Committee from the administration of the Fund and appointed Trustees to administer the unexpended balance of the fund.

The Trustees of the Southland Flood Relief Fund are the Mayor of the Southland District, Mayor of the City of Invercargill and the Mayor of the Gore District. The Trustees have agreed that the Southland District Council administer the Fund on behalf of all the Trustees. The Trustees are required to administer the fund in their absolute discretion to meet any unpaid claims on the fund made by persons suffering financial hardship due to loss or damage from recurrences of flooding in any area or areas of Southland, and by persons suffering financial hardship due to loss or damage from flooding, storm, or other natural disaster, but excluding subsidence, in any area of New Zealand. The 1992 Act will expire on 23 March 2012 at which time the funds may be applied to any charitable purpose in Southland as the then Trustees think fit.

As such, given that the Fund is not involved in trading activities and is essentially a term investment (with legislative control over the use of funds), in January 2009 the Council resolved to exempt the Fund from the planning and reporting requirements of the Local Government Act 2002.

As of June 2011, the balance of the term investment of the Fund is \$150,984 (excluding accrued interest).

Financial Information

This section presents the financial implications of the Plan. It looks at the net worth, cashflows, performance and the overall position for the 2011/2012 year compared to what was forecast in the Ten Year Plan. This section also details any changes to the assumptions made by Council in preparing the Plan as well as information about the revised rates for 2011/2012 in the funding impact statement and whether the Council is balancing its budget. The section also includes variations to fees and charges as well as the Accounting Policies used to prepare the financial information.

Key Assumption Changes

The Long Term Council Community Plan (LTCCP) 2009-2019 included significant forecasting assumptions that had been applied to develop the 10 year forecast. The assumptions contained in the LTCCP remain unchanged in this Draft Annual Plan apart from the variations described below. For details of the unchanged assumptions, please see the Council's LTCCP 2009-2019.

Price Level Changes (Inflation)

In the past BERL indices for the coming 10 years have been provided on an annual basis by SOLGM. SOLGM has revised the indices in October 2010 and are shown in the table below. Please note BERL indices provided did not include 20/21 and therefore finance staff have made assumptions based on the trends indicated below for each of the cost areas. Please note the roading programme for the first three years will be based on the approved NZTA (New Zealand Transport Agency) budget, therefore, inflationary rates are not required for the 2011/2012 year. For the remaining nine years, inflation has been added to the proposed programme at rates indicated below.

YEAR	Roading <i>11/12 Annual Plan</i>	Property <i>11/12 Annual Plan</i>	Water <i>11/12 Annual Plan</i>	Energy <i>11/12 Annual Plan</i>	Staff <i>11/12 Annual Plan</i>	Other <i>11/12 Annual Plan</i>
11/12	2.6%	3.2%	4.3%	5.6%	2.8%	3.8%
12/13	2.6%	2.6%	3.4%	4.6%	2.3%	2.9%
13/14	2.7%	2.6%	3.4%	4.6%	2.3%	3.0%
14/15	2.6%	2.6%	3.4%	4.6%	2.3%	3.0%
15/16	2.5%	2.6%	3.4%	4.6%	2.3%	3.0%
16/17	2.5%	2.6%	3.5%	4.6%	2.3%	3.0%
17/18	2.6%	2.7%	3.5%	4.6%	2.3%	3.0%
18/19	2.6%	2.7%	3.5%	4.6%	2.3%	3.0%
19/20	2.7%	2.7%	3.5%	4.7%	2.3%	3.0%
20/21	2.7%	2.7%	3.5%	4.7%	2.3%	3.0%

Funding Sources

Development and Financial Contributions

It will be assumed that all "growth" roading, water, wastewater and stormwater projects will be funded totally from development and financial contributions. With changes to Council's accounting policies as a result of adopting International Financial Reporting Accounting Standards (IFRS) the recognition of income received from development is in the same year that the project is planned to be undertaken.

New Zealand Transport Agency (NZTA) subsidies for Roothing

The NZTA confirmed the base subsidy (FAR) rate for the first three years of the LTCCP at 54%. Council has set the base rate at 54% or where NZTA has indicated a higher percentage this is also reflected for all 10 years of the Plan.

Ministry of Health Subsidies

Funding of all Ministry of Health (MoH) water projects will be in line with the current funding guidelines set. These guidelines take into account a variety of factors, which means that each scheme will potentially receive a different level of funding.

Project funding, as possibly being entitled to funding in this manner, has been individually assessed against the criteria. Under current Council policy, funding of the total costs of any eligible project is as follows:

1. MoH funding applicable.
2. Up to a maximum of 16.67% district funding (paid by all district ratepayers through the Waste Management Rate)
3. The balance by local funding as follows:
 - (a) New Schemes - Those connecting to the scheme by either lump sum or by targeted rates.
 - (b) Existing Scheme Upgrade - Loans taken out by the Community Board (CB) or Community Development Area Subcommittee (CDA). The principal and interest repayments of these loans are to be made through the local targeted water rate of those connected.

As these projects are still subject to community approval, it is only planned to show the loan funding at this stage excluding repayments. This is because the rates smoothing process will include all projected repayment and interest on these loans.

Vested Assets

Council staff will include in the Annual Plan an estimation of the total amount of assets that may be vested to Council in the coming years by developers. This estimate will be based on subdivisions currently in the resource consent process.

Capital Costs

It will be assumed that on average actual capital costs for major projects will not significantly vary from the costs included in the Annual Plan.

Contracts

There is to be no allowance made in the 2011/2012 Annual Plan for possible increases in contract rates being re-tendered. Any actual variations will be accounted for in the year that the contract is re-tendered and let.

Interest Rate on Investments

The interest rate applicable to investments for each of the 10 years is 6.00% (LTCCP 6.4%). This has been based on the Reserve Bank's six month deposit rates for the last 10 years. Please note that the Bank's current six month term deposit rate is approximately 4.75%.

Interest Rate on Borrowings and Internal Borrowings

The interest rate applicable to all external or internal borrowings for each of the 10 years is 6.18%. This has also been based on the Reserve Bank's interest rates for 90 day bank bills for the last 10 years. Council's current interest rate for 2010/2011 is 6.76% (LTCCP 7.75%).

Please note that the Bank's current one year term loan interest rate is approximately 6.45%. This rate has the potential to fluctuate; however, our interest rate of 6.18% remains fixed.

Financial Statements

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME For the year ending 30 June 2012

	LTCCP 2011/2012	Annual Plan 2011/2012
Income		
Rates Revenue	36,606,389	36,928,664
Other Revenue	6,553,659	6,557,867
Interest and Dividends	522,125	113,465
NZ Transport Agency	15,439,720	15,995,821
Grants and Subsidies	389,698	530,393
Other Gains/(Losses)	(443,280)	(594,977)
Vested Assets	-	2,973,123
Development and Financial Contributions	439,527	150,273
MoH Subsidy for Sewerage/Water Schemes	1,369,758	1,472,397
Scheme Capital Recovery for Sewerage/Water Schemes	919,267	-
	61,796,863	64,127,026
Expenditure		
Employee Benefit Expenses	9,248,645	9,531,924
Depreciation and Amortisation	22,731,687	22,721,789
Finance Costs	1,429,747	541,871
Other Council Expenditure	29,119,965	30,660,049
	62,530,044	63,455,633
OPERATING SURPLUS/(DEFICIT)	(733,181)	671,393
Share of Associate Surplus/(Deficit)	-	-
OTHER COMPREHENSIVE INCOME	(733,181)	671,393
Gain/(Loss) on Property, Plant and Equipment Revaluations	62,419,968	59,723,892
TOTAL COMPREHENSIVE INCOME	61,686,787	60,395,285

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
For the year ending 30 June 2012

	LTCCP 2011/2012	Annual Plan 2011/2012
Balance at 1 July	1,395,511,600	1,381,180,658
Net Comprehensive Income for the year	61,686,787	60,395,285
Total Recognised Income and Expenditure	61,686,787	60,395,285
Balance at 30 June	<u>1,457,198,387</u>	<u>1,441,575,943</u>

PROSPECTIVE STATEMENT OF FINANCIAL POSITION
As at 30 June 2012

	LTCCP 2011/2012	Annual Plan 2011/2012
Equity		
Retained Earnings	743,319,655	734,365,463
Asset Revaluation Reserves	705,326,125	694,235,167
Other Reserves	8,552,607	12,975,313
	1,457,198,387	1,441,575,943
Represented by:		
Current Assets		
Cash and Cash Equivalents	10,411,933	2,603,766
Trade and Other Receivables	7,370,707	7,389,888
Inventories	363,066	361,964
Work in Progress	-	20,268
	18,145,706	10,375,886
Non-Current Assets		
Property, Plant and Equipment	1,462,879,807	1,445,111,813
Intangible Assets	465,038	378,921
Forestry Assets	10,446,850	11,072,590
Internal Loans	-	-
Investments in Associates	-	5,852
Other Financial Assets	6,131,295	-
	1,479,922,990	1,456,569,176
TOTAL ASSETS	1,498,068,696	1,466,945,062
Current Liabilities		
Trade and Other Payables	5,974,264	5,834,777
Contract Retentions and Deposits	741,958	988,970
Employee Benefit Liabilities	1,262,984	1,653,637
Development and Financial Contributions	7,353,664	1,915,068
Provision for Decommissioning	10,786	14,000
	15,343,656	10,406,452
Non-Current Liabilities		
Employment Benefit Liabilities	420,026	276,417
Provision for Decommissioning	67,503	64,289
Borrowings	25,039,124	14,621,961
Internal Loans	-	-
	25,526,653	14,962,667
TOTAL LIABILITIES	40,870,309	25,369,119
NET ASSETS	1,457,198,387	1,441,575,943

PROSPECTIVE STATEMENT OF CASHFLOWS

	LTCCP 2011/2012	Annual Plan 2011/2012
CASHFLOWS FROM OPERATING ACTIVITIES		
Cash provided from		
Receipts from Rates Revenue	36,606,389	36,928,664
Receipts from NZ Transport Agency Funding	15,439,720	15,995,821
Interest and Dividends	522,125	113,465
Contributions from Developers	2,008,739	150,273
Receipts from Other Revenue	8,859,985	8,570,169
	<u>63,436,958</u>	<u>61,758,392</u>
Cash disbursed to		
Interest	1,429,747	541,871
Payments to Suppliers and Employees	38,313,114	39,808,161
	<u>39,742,861</u>	<u>40,350,032</u>
Net Cash Inflow(Outflow) from Operating Activities	23,694,097	21,408,360
CASHFLOWS FROM INVESTING ACTIVITIES		
Cash provided from		
Sale of Property, Plant & Equipment	144,070	97,263
Reduction in Investments	1,951,142	-
	<u>2,095,212</u>	<u>97,263</u>
Cash disbursed to		
Acquisition of Investments	-	-
Purchase of Intangible Assets	79,257	83,783
Purchase of Property, Plant & Equipment	29,335,494	29,415,150
	<u>29,414,751</u>	<u>29,498,933</u>
Net Cash Inflow(Outflow) from Investing Activities	(27,319,539)	(29,401,670)
CASHFLOWS FROM FINANCING ACTIVITIES		
Cash provided from		
Proceeds from Borrowings	6,061,573	8,824,260
Cash disbursed to		
Repayment of Borrowings	1,021,480	-
Net Cash Inflow(Outflow) from Financing Activities	5,040,093	8,824,260
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,414,651	830,950
Cash and Cash Equivalents at the beginning of the year	8,997,282	1,772,816
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10,411,933	2,603,766

Reconciliation between the Net Surplus (from the Statement of Comprehensive Income) and Net Cash from Operating Activities (from the Statement of Cashflows)

	LTCCP 2011/2012	Annual Plan 2011/2012
Surplus (Deficit)	(733,181)	671,393
<u>Add (Less) Non Cash Items</u>		
Depreciation and Amortisation	22,731,687	22,721,789
Vested Assets	-	(2,973,123)
Forestry Revaluation	587,350	692,240
<u>Add (Less) Movements in Working Capital Items</u>		
Trade and Other Receivables	(372,397)	9,512
Work in Progress	-	-
Trade and Other Payables	65,768	394,084
<u>Other</u>		
Gains/(Losses) on Disposal of Property, Plant and Equipment	(144,070)	(97,263)
Movement in Provision for Decommissioning	(10,272)	(10,272)
Movement in Development Contributions	1,569,212	-
 Net Cash Inflow/(Outflow) from Operating Activities	 <u>23,694,097</u>	 <u>21,408,360</u>

Note 1: Reconciliation between Prospective Cost of Service Statements and the Prospective Statement of Comprehensive Income

Activity	LTCCP 2011/2012		Annual Plan 2011/2012	
	Revenue	Expenditure	Revenue	Expenditure
Beautification	676,418	692,620	724,848	726,507
Building Control	1,331,122	1,350,405	1,308,569	1,340,516
Cemeteries	175,327	178,807	189,514	195,550
Civil Defence and Emergency Management	277,197	277,450	296,042	348,240
Community Centres	390,443	458,848	370,983	728,342
Community Housing	287,543	295,354	287,222	291,589
District Development Services	1,911,447	1,911,447	1,911,872	1,911,872
District Support	3,560,311	3,553,413	3,107,261	2,913,423
Dog Control	280,827	281,319	341,287	401,455
Forestry	383,450	350,339	278,560	333,926
Grants and Donations	1,273,920	1,496,706	1,375,869	1,691,684
Health Regulation	417,062	439,708	447,135	451,436
Library Service	1,143,518	1,185,003	1,182,477	1,269,575
Other Local Services	474,164	595,005	543,615	785,919
Parks and Reserve	724,122	736,223	753,736	741,812
Public Conveniences	259,791	308,671	275,608	328,567
Representation and Advocacy	2,580,284	2,556,500	2,599,726	2,685,581
Resource Management	1,480,276	1,923,435	1,273,767	2,241,500
Roading and Transport	27,416,554	27,823,373	30,051,019	28,220,105
SIESA	1,261,465	1,397,871	1,202,698	1,289,334
Solid Waste Management	4,779,282	5,117,117	4,201,178	4,493,357
Stormwater	994,078	885,150	1,381,046	874,505
Strategy and Communication	1,182,365	1,242,947	1,269,510	1,358,174
Te Anau Airports	340,820	717,622	524,004	750,545
Wastewater	2,832,814	3,216,503	3,687,337	3,570,426
Water Supply	5,259,158	3,477,820	4,424,790	3,445,900
Work Schemes	103,104	60,387	117,352	65,793
Total Activities	61,796,862	62,530,043	64,127,026	63,455,633
Gain/(Loss) on Property, Plant and Equipment Revaluations	62,419,968	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	124,216,830	62,530,043	64,127,026	63,455,633

Accounting Policies

Reporting Entity

The Southland District Council (referred to as “SDC” or “Council”) is a territorial local authority governed by the Local Government Act 2002. The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial profit. Accordingly, SDC has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements represent the results of the Council’s 27 significant activities (detailed on pages 26 to 118) including the Stewart Island Electrical Supply Authority (SIESA). SIESA is a business unit of the Council, which generates and reticulates electricity to the majority of Stewart Island residents and industry.

Venture Southland is a joint venture with Invercargill City Council and Gore District Council, for the development and promotion of Southland in terms of enterprise, tourism and the people of the province.

The prospective financial information reflects the operations of the SDC but do not include the consolidated results of Council controlled organisations and Venture Southland. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to the users.

The prospective financial statements of Council were authorised for issue by Council on 30 June 2011.

Basis of Preparation

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These prospective financial statements have been prepared in accordance with NZ GAAP. They also comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

Prospective Financial Information

The financial information contained within this Long Term Community Council Plan (LTCCP) is prospective financial information in terms of Financial Reporting Standard 42 (FRS 42) ‘Prospective Financial Statements’. The purpose for which is to enable ratepayers, residents and all other interested parties to obtain information about the expected future financial performance, position and cashflow of SDC.

The actual results achieved for any particular financial year are also likely to vary from the information presented, and may vary materially depending on the circumstances that arise during the period.

No actual financial results have been incorporated within the prospective financial statements.

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of heritage assets, certain infrastructural assets, and biological assets.

The financial statements are presented in New Zealand dollars (the functional currency of the SDC) and all values are rounded to the nearest dollar.

(a) Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Interest is recognised using the effective interest method.

Subsidies from New Zealand Transport Agency and grants from other Government agencies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests, and assets vested in the Council - with or without conditions - are recognised as revenue when control over the assets is obtained.

Development and financial contributions are recognised at the later of the point when the Council is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

Dividends are recognised when the right to receive payment has been established.

(b) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred. The Council has not capitalised borrowing costs associated with funding capital works in progress as required under NZ IAS (New Zealand equivalents to International Accounting Standards) 23 Borrowing Costs. Public benefit entities may defer adoption of NZ IAS 23 pending the completion of the Financial Reporting Standard Board's research project into the application of NZ IAS 23 (revised 2008) by public benefit entities.

(c) Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of SDC's decision.

(d) Leases

▪ *Finance Leases*

Finance leases effectively transfer to the lessee substantially all the risks and benefits incidental to the ownership of the leased item, whether or not title is eventually transferred. At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether SDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

▪ *Operating Leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

(e) Equity

Equity is the communities' interest in the Council as measured by total assets less total liabilities. Equity is classified into a number of reserves to enable clearer identification of the specified uses that the Council makes of its accumulated surpluses. The components of equity are:

- Retained Earnings
- Council created reserves (general reserve, separate account balances and rates appropriation balance)
- Special reserves (managed by Allocation Committees)
- Asset revaluation reserves

Reserves represent a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Council created reserves may be altered without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Special reserves are subject to specific conditions accepted as binding by the Council, which may not be revised by the Council without reference to the Courts or third party. Transfers from these reserves may be made only for specified purposes or when certain conditions are met.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(g) Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans, including loans to community organisations made by SDC at nil, or below-market interest rates are initially recognised at the present value of their expected future cashflows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cashflows of the loan is recognised in the Statement of Comprehensive Income as a grant.

A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted using the effective interest method.

(h) Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

The write down from cost to current replacement cost is recognised in the Statement of Comprehensive Income.

(i) Financial Assets

SDC classifies its financial assets into the following four categories; financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the Statement of Comprehensive Income. Purchases and sales of investments are recognised on trade-date, the date on which SDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cashflows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. SDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as estimated discounted cashflows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- Financial assets at fair value through profit or loss

This category has two sub-categories: Financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Statement of Comprehensive Income.

- Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Income. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

- Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that SDC has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Income.

- Financial assets at fair value through equity

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that SDC intends to hold long term but which may be realised before maturity; and
- Shareholdings that SDC holds for strategic purposes. SDC's investments in its associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, unless fair value cannot be reliably measured, in which case, the investments are measured at historical cost.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the Statement of Comprehensive Income. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in Statement of Comprehensive Income even though the asset has not been derecognised.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Statement of Comprehensive Income.

Council's investments in this category include: Civic Assurance (formerly the New Zealand Local Government Insurance Corporation Limited) and Milford Sound Development Authority.

(j) Impairment of Financial Assets

At each balance sheet date SDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the forecast Statement of Comprehensive Income.

(k) Non-current Assets Held For Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less disposal costs.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Statement of Comprehensive Income.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

(l) Goods and Services Tax (GST)

The forecast financial statements have been prepared exclusive of GST with the exception of receivables and payables, which are stated inclusive of GST. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cashflow in the Statement of Cashflows.

Commitments and contingencies are disclosed exclusive of GST.

(m) Property, Plant and Equipment

Property, plant and equipment consist of:

- *Infrastructure Assets*

Infrastructure assets are those systems taken as a whole that are intended to be maintained indefinitely. These assets include the Council's roading and bridge networks and the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewer pump stations.

- *Operational Assets*

These include land, buildings, improvements, library books, plant and equipment, and motor vehicles.

- *Restricted Assets*

Restricted assets are parks and reserves owned by the Council, which cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to SDC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to SDC and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment except land and heritage assets, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset Category	Estimated Economic Life (years)	Depreciation	
		Percent	Method
Operational Assets			
Improvements	10	10.00%	SL
Buildings	40	2.50%	SL
Light Vehicles	5	20.00%	SL
Other Plant	11	9.09%	SL
Furniture and Fittings	7-8	13.50%	SL
Office Equipment	3-8	12.50%-33.33%	SL
Computer Equipment	2-10	10.00%-50.00%	SL
SCADA Equipment	7-8	13.50%	SL
Other Equipment	7-8	13.50%	SL
Library Books	10	10.00%	SL

Infrastructural Assets

Electrical Generation Plant	10-100	1.00% - 10.00%	SL or DV
Sealed Roads	Various	2.07% - 6.94%	SL
Unsealed Roads	Various	4.05% - 20.41%	SL
Bridges	50-100	1.00% - 2.00%	SL
Footpaths	14-20	5.00% - 7.14%	SL
Streetlighting	15-20	5.00% - 6.67%	SL
Sewerage Schemes	Various	2.06% - 7.02%	SL
Stormwater Schemes	7-50	2.00% - 14.29%	SL
Water Supply Schemes	Various	1.82% - 13.09%	SL
Marine Assets	26-50	2.00% - 3.85%	SL
Transfer Stations	4	25.00%	SL
Landfill Sites	3	33.33%	SL

SIESA assets have the following useful lives and associated depreciation rates of major classes of assets for accounting purposes.

Asset Category	Estimated Economic Life (years)	Depreciation		Method
		Percent		
Plant	2-25	4.00% - 50.00%		SL or DV
Vehicles	8-15.5	12.50% - 26.00%		DV
Buildings	40-100	1.00% - 2.25%		SL or DV

The residual value and useful live of an asset is reviewed, and adjusted, if applicable, at each financial year-end.

Revaluations

Roads, water reticulation, sewerage reticulation and stormwater systems are revalued on an annual basis. Heritage assets are valued on a three yearly valuation cycle. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed each balance date to ensure that those values are not materially different to fair value. The valuation basis for the different asset categories are described in more detail below.

- *Land and Buildings*

The deemed cost of land and buildings were established by registered valuers from Quotable Value in accordance with the requirements of the Institute of Chartered Accountants of New Zealand Standards, as at 30 June 1993. Purchases made since 30 June 1993 are recorded at cost.

Endowment lands are vested in Council for specific purposes for the benefit of various communities. These vestings have been made under various pieces of legislation which restrict both the use of any revenue and any possible dispositions.

- *Infrastructural Assets*

Appropriately qualified personnel from MWH New Zealand Limited have completed a revaluation of District roading, footpaths and bridge asset networks as at 30 June 2009. This revaluation established a depreciated replacement cost to component level for those infrastructural assets as at 30 June 2009.

In-house staff with specialist knowledge in the area have completed a revaluation as at 30 June 2009 of the water supply, sewerage scheme and stormwater assets. This revaluation established a depreciated replacement cost to component level for those infrastructural assets as at 30 June 2009. Mr R Hayes who is appropriately qualified has reviewed the component rates and expected life estimates used in this valuation.

Revaluations of roading, water, sewerage and stormwater assets are carried out annually.

All other infrastructural assets (electrical generation plant, streetlighting and marine assets) are valued at their deemed cost, based on a revaluation of assets undertaken by appropriately qualified personnel from Royds Garden Limited in 1993.

- *Plant and Vehicles (including Electrical Generation Plant)*

Items are shown at historical cost less provision for depreciation.

- *Library Books*

Books have been valued by SDC staff on a depreciated replacement cost basis, using New Zealand Library Association guidelines, as at 30 June 1993 representing deemed cost. Additions to library book stocks since 30 June 1993 are recorded at cost.

- *Heritage Assets*

The only assets to be included under this category are art works owned by the Council, which have been valued by an independent valuer, Mr R Thomson of International Art Centre, Auckland, as at 30 June 2005 and recorded at fair value in accordance with NZ IAS 16.

Other assets, which would normally be classified under heritage assets, for example war memorials, have been included under 'Other Assets'.

Because of the nature of the item art works are revalued on a three to five yearly cycle and not depreciated.

- *Other Assets*

Other assets are shown at historic cost or depreciated replacement cost, less a provision for depreciation. Additions and deletions to other assets since 30 June 1993 are recorded at cost.

Accounting for revaluations

SDC accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

(n) Work in Progress

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

(o) Intangible Assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	2.5 - 10 years	10.00% - 40.00%	SL
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(p) Forestry Assets

Forestry assets are revalued annually at fair value less estimated point of sale costs as of 30 June by in-house staff with specialist knowledge in the area. This is peer reviewed by an independent valuer using standard forest valuation methodology. Fair value is determined based on the present value of expected net cashflows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Statement of Comprehensive Income.

The costs to maintain the forestry assets are included in the forecast Statement of Comprehensive Income.

(q) Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Properties leased to third parties to meet service delivery objectives are classified as property, plant and equipment.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, SDC measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the forecast Statement of Comprehensive Income.

(r) Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cashflows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the forecast Statement of Comprehensive Income.

(s) Employee Benefits

Short term benefits

Employee benefits that the SDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

Long term benefits

Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated by in-house staff. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cashflows. A discount rate of 7% and an inflation factor of 3% were used.

Superannuation schemes

Defined contribution schemes - obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Income as incurred.

(t) Provisions

SDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The change in the provision due to the passage of time is recognised in the Statement of Comprehensive Income.

Financial guarantee contracts

A financial guarantee contract is a contract that requires SDC to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if SDC assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Landfill post-closure costs

The Council, as operator, has a legal obligation under its resource consent to provide ongoing maintenance and monitoring services at their landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure costs arises.

The provision is measured based on the present value of future cashflows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

(u) Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Repayments

Most borrowings are repaid on a table basis (i.e. each repayment instalment consists of a mixture of both principal and interest). The one exception are the roading business unit loans, which are interest payments only.

(v) Budget Figures

The budget figures are those approved by the Council at the beginning of the year after a period of consultation with the public as part of the Annual Plan process. The budget figures have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and are consistent with the accounting policies adopted by the Council for the preparation of financial statements.

(w) Cost Allocation

SDC has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs have been allocated to all significant activities in two ways. Where appropriate, indirect costs are directly apportioned to activities. The remaining indirect costs are allocated either on a gross cost or activity/usage basis.

(x) Critical Accounting Estimates and Assumptions

In preparing these forecast financial statements SDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition assessments of underground assets;

- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then SDC could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income. To minimise this risk SDC's infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the SDC's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

(y) Critical Judgements in Applying SDC's Accounting Policies

Management has exercised the following critical judgements in applying the Council's accounting policies to the prospective financial statements.

Classification of property

SDC owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of rental income from these properties is incidental to holding these properties.

These properties are held for service delivery objectives as part of the Council's Social Housing Policy. These properties are accounted for as property, plant and equipment.

(z) Statement of Cashflows

Operating activities include cash and cash equivalents (as defined in (g) above) received from all the Council's income sources and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Council.

(aa) Cost of Services Statements

The cost of services statements, as provided in each of the Statements of Service Performance, report the net cost of services for each of the Council's significant activities, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

Changes in Accounting Policies

There have been no changes to the accounting policies since the date of the last audited financial statements

Funding Impact Statement

This statement details the revenue and financing mechanisms to be used by the Southland District Council, including the amount of funds to be produced by each mechanism. It also gives additional information on the calculation of District rates and local rates and charges, as well as a summary of variations to the Council's fees and charges.

Funding Sources

The following table shows the significant funding sources for the Southland District Council and compares this to what was proposed in the LTCCP for 2011/2012.

GST Exclusive	LTCCP 2011/2012	Annual Plan 2011/2012	Variance	Explanation of Variance
Rates	36,606,386	36,628,664	22,278	The overall net increase is due to a larger than expected uptake of the new wheelie bin service, offset by the change in costs associated with the revised two bin wheelie bin system, which was originally proposed to be a three bin system in the 2009-2019 LTCCP. In addition, the inclusion of the Regional Initiative rate and the Wyndham water and sewerage loans, for those connecting to the scheme, which were not planned for in the LTCCP.
Other Revenue ¹	6,553,659	6,857,867	304,208	Increase is due to the inclusion of expected rates penalty income not previously budgeted for in the LTCCP.
Interest and Dividends	522,125	113,465	(408,660)	Decrease is due to lower investments as a result of not converting internal loans to external loans as planned for in the LTCCP. The change between internal (use of investments) and external funding (term loans) is mainly the result of a revised timeline of capital projects.
New Zealand Transport Agency (NZTA)	15,439,720	15,995,821	556,101	The net increase is due to the carry forward of New Zealand Transport Authority's contribution to a number of capital projects originally planned for 2010/2011, and changes in the approved roading programme made by NZTA.
Grants and Subsidies	389,698	530,393	140,695	Increase is predominantly due to the inclusion for the first time of the budget for roving museum activities, and additionally, other minor grants for local projects.
Other Gains/(Losses) ²	(443,280)	(594,977)	(151,697)	Decrease is mainly due to a revised revaluation of the forestry assets resulting from a decline in logging prices based on recent tenders.
Vested Assets	-	2,973,123	2,973,123	Anticipated completion of the Delta and Landcorp sub-divisions in Te Anau and Manapouri respectively.
Development and Financial Contributions	439,527	150,273	(289,254)	Change in timing and scope of Te Anau water supply and storm water capital projects and also Lumsden/Balfour and Riverton water supply projects.
MOH Subsidy for Sewerage/Water Schemes	1,369,758	1,472,397	102,639	Change in timing of water supply capital projects mainly relating to Ohai/Nightcaps and Riverton, and cancellation of Waikaia and Riversdale water supply projects due to funding no longer being available.
Scheme Capital Recovery for Sewerage/Water schemes	919,267	-	(919,267)	Cancellation of Waikaia and Riversdale water supply projects.
Proceeds from Borrowings	6,061,573	5,107,679	(953,894)	Change in timing of capital projects mainly relating to the Winton, Waikaia, Riversdale, Tuatapere and Otahu Flat water supply projects.
	67,858,433	69,234,705	1,376,272	

¹Other Revenue includes fees and charges and rates penalties.

²Other gains/(losses) includes proceeds from the sale of assets and the forestry gain/(loss).

Breakdown of rates by rate type (2011/2012)

Rate Type	LTCCP 2011/2012	Annual Plan 2011/2012
Building Regulation	277,362	270,327
Civil Defence and Rural Fire	534,136	544,164
Council Offices and District Support	3,169,155	3,332,304
Development and Promotions	2,302,353	2,288,499
Library Services	898,942	907,072
Local Rates	9,131,024	9,928,589
Public Health Services	201,748	179,406
Representation	1,604,277	1,582,787
Roading	11,011,447	10,809,276
Regional Heritage and Initiative	385,757	456,209
Strategy and Advocacy	2,723,168	2,660,014
Waste Management	1,675,100	1,609,118
Wheelie Bin Collection	2,691,917	2,060,899
Total Rates to be collected (GST excl)	36,606,386	36,628,664

Council's revenue from rates set on a uniform basis is 24.32%. The maximum allowed under Section 21 of the Local Government (Rating) Act 2002 is 30%. The table below sets out the rating mechanisms to be used for the 2011/12 financial year.

Definitions

The following definitions relate to the terms used in the table below.

Accommodation (local rate) - A rate that is based on the QV classification of commercial - accommodation.

Commercial (Otautau - local rate) - A rate that is based on the QV classification commercial, industrial or other QV classifications (except farmland and residential QV classifications).

Commercial (Te Anau - local rate) - A rate that is based on the QV classification commercial, industrial or other QV classifications (except commercial - accommodation and residential QV classifications).

Farmland (local rate) - A rate that is applied to the total hectares within the town boundary less 1.2 hectares (being the urban) charge. Rating units less than 1.2 hectares are not charged.

Meridian rate types - (Strategy, Policy and Planning, Development and Promotions, Waste management, Council Offices and District Support, Building Regulation). These rate types apply to the three assessments (22639,23028,23127) owned by Meridian. These are to fund the same activities as the main rate types but are set to reflect an agreement between Meridian and Council.

Pan - A pan is the equivalent of a water closet or urinal.

Provision of service - The relevant service deemed by Council to be appropriate given the type of service, nature and location of the rating unit etc. (including trough, connection, meter, loan, three-quarter, one-quarter).

Residential (local rate) - A rate that is based on the QV classification of residential.

Rate in the Dollar (RID) - A rate that is based on the valuation (Land, Improvement, Capital) of the rating unit.

Sanitary Fixture - Means any fixture which is intended to be used for sanitation. This includes a sanitary convenience, a urinal and a wash/hand basin.

Separately used or inhabited part (SUIP) - This includes any part of a rating unit separately occupied by the owner or any other person who has the right to occupy that part by virtue of a tenancy, lease, licence or other agreement. Examples of a SUIP are any residential building or part thereof, which is separately inhabited, parts of a rating unit used for different reasons, a concession granted by the Department of Conservation for private or commercial purposes which has a footprint on the land, land that has been subdivided for sale and does not yet qualify as a rating unit on the district valuation roll.

Uniform Targeted Rates (UTR) - A rate that is set as a fixed dollar amount irrespective of the value of the rating unit.

Unit of Demand - A unit of demand is calculated as below. Note the primary use of the rating unit is used to determine the category used for the rating unit. This is based on the QV classification of the rating unit. The below are used when calculating total units of demand for the rating unit.

- Residential dwelling - 1 x each separately inhabited part of the rating unit plus an additional unit for every additional kitchen contained within the separately inhabited part = total units of demand.
- Hotel, Motel or Bed and Breakfast - 0.25 x each guest (based on maximum design occupancy) + 1 (if management lives on rating unit) = total units of demand.
- Camping Ground - 0.18 x each guest (based on maximum design occupancy, this includes cabins, tents and caravans) + 1 (if management lives on rating unit) = total units of demand.
- Restaurant - 0.04 x each guest per each hour the restaurant is open for service (based on maximum design occupancy) + 1 (if management lives on rating unit) = total units of demand.
- Offices - 0.08 x each employee (based on maximum design occupancy) = total units of demand.
- Industries and other rating units not classified above - the greater of total estimated waste in litres per day divided by 920 litres per day or total gm (BOD5) divided by 260gm (BOD5) = total units of demand.

Urban (local rate) - A rate that is applied to the first 1.2 hectares of the rating unit.

District Rates

	Basis of Rate	Uniform Charge	Rate in the \$	Rate
<u>Governance, Planning and Development</u>				
Representation	UTR per rating unit	102.57		1,582,787
Strategy, Policy and Planning	UTR per rating unit	14.13		218,012
	RID on capital value		0.00014343	2,387,413
Strategy, Policy and Planning - Meridian	UTR per rating unit	14.13		42
	RID on capital value		0.00008354	54,547
				<u>2,660,014</u>
Development and Promotions	UTR per rating unit	148.30		2,288,054
Development and Promotions - Meridian	UTR per rating unit	148.30		445
				<u>2,288,499</u>

A UTR reflects that the use on these services is people based - generally a rural rating unit with a family does not draw any more service than an urban rating unit with a family. The balance of the funding is provided through a rate based on capital value, as the most equitable form of "tax" available to the Council.

Regional Heritage, Regional Initiative and Library

Regional Heritage	UTR per SUIP of a rating unit	26.30		394,277
Regional Initiative	UTR per SUIP of a rating unit	4.13		61,932

The Regional Initiative rate is being collected by means of a UTR on every SUIP of a rating unit to part fund regional initiatives identified in this Annual Plan such as the Swim Safe programme, Te Hikoi Museum, the Junior World Cycling Championships and the Southland Coastal Heritage Inventory project.

Library Service	UTR per SUIP of a rating unit	60.50		907,072
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Council has set a level of user pays (10%) for its library service, however it recognises the wider benefits these services have in the District's communities. The use of UTR's on every SUIP of a rating unit to fund the rate reflects the 'people' based nature of these activities and recognises that rating unit size does not affect how much service is available. It is important to note that a charge is made whether or not the services are used.

Roading

Commercial - 3.0%	UTR per rating unit	70.10		31,896
	RID on capital value		0.00103339	292,382
				<u>324,277</u>
Dairy - 33.0%	UTR per rating unit	70.10		52,996
	RID on capital value		0.00081662	3,514,054
				<u>3,567,049</u>
Farming (non dairy) – 37.5%	UTR per rating unit	70.10		224,460
	RID on capital value		0.00044045	3,829,034
				<u>4,053,494</u>
Forestry – 6.0%	UTR per rating unit	70.10		12,268
	RID on capital value		0.00566718	636,287
				<u>648,555</u>

	Basis of Rate	Uniform Charge	Rate in the \$	Rate
Industrial - 4.0%	UTR per rating unit	70.10		22,958
	RID on capital value		0.00146241	409,412
				<u>432,370</u>
Lifestyle - 4.0%	UTR per rating unit	70.10		160,774
	RID on capital value		0.00027382	271,593
				<u>432,367</u>
Mining – 2.0%	UTR per rating unit	70.10		1,612
	RID on capital value		0.01603851	214,573
				<u>216,185</u>
Other - 1%	UTR per rating unit	70.10		20,925
	RID on capital value		0.00011780	87,170
				<u>108,095</u>
Residential – 9.5%	UTR per rating unit	70.10		553,124
	RID on capital value		0.00029363	473,759
				<u>1,026,883</u>

A UTR per rating unit is levied to give an approximate 10% level of user charge for access to the roading network. Until the government changes roading funding mechanisms the balance of roading funding that the Council is required to provide will be levied as a capital value rate, to reflect the extent of the rural roading network. The Council allocates the percentage share of costs within each land use sector by a UTR and targeted rate based on capital value. QV classifications are used to determine which roading rate type is charged to a rating unit.

Waste Management

Waste Management	UTR per rating unit	67.53		1,041,920
	RID on capital value		0.00003377	562,158
Waste Management - Meridian	UTR per rating unit	67.51		203
	RID on capital value		0.00000741	4,838
				<u>1,609,118</u>

A UTR per rating unit directs costs away from land value based rating effects and recognises the limitations of other rating mechanisms. A rate based on capital value reflects the benefits that environmental protection has in preserving values and potential service demand i.e. the more developed a property is, the more refuse it will generate.

Wheelie Bin Collection

Rubbish Bin Collection	UTR per provision of service	115.24		1,032,697
Recycle Bin Collection	UTR per provision of service	115.24		1,028,202
				<u>2,060,899</u>

These are both full cost-recovery services which are payable only by those receiving the service. Each rubbish bin is classified as a unit. Each recycle bin is classified as a unit. All rating units receiving this service are required to have a minimum of one rubbish bin and one recycle bin. The service is compulsory for all rating units within the Designated Urban Wheelie Bin Boundaries (copies of the boundary maps can be obtained from Council) other than commercial rating units, industrial rating

units, vacant land and other educational facilities as defined by QV land use classifications that do not contain a residential dwelling within their boundary. Nor is the service compulsory for community buildings that do not contain a residential dwelling within their boundary. This service is also optionally available to rating units able to transport their bins to the Designated Rural Wheelie Bin Route for collection. All rating units receiving the service have the option to receive further bins of each type over and above the minimum service. For each additional bin service supplied and additional UTR will be charged to the rating unit.

Council Offices and District Support

	Basis of Rate	Uniform Charge	Rate in the \$	Rate
Council Offices and District Support	RID on capital value		0.00019559	3,255,523
Council Offices and District Support - Meridian	RID on capital value		0.00011759	76,781
				3,332,304

This rate contributes to the operation of Council's eight area offices and a contribution to the funding of various corporate services. Currently Council considers a rate based on capital value is appropriate.

Building Regulation

Building Regulation	RID on value of improvement		0.00006303	264,097
Building Regulation - Meridian	RID on value of improvement		0.00000963	6,230
				270,327

80% of the costs of this service are recovered from users through building and other consent fees. An improvements value rate is used to fund the remainder as the use of these services is related to the level of property development.

Public Health Service

Public Health Service	UTR per SUIP of a rating unit	11.97		179,406
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Council considers a UTR per rating unit is the most equitable funding mechanism for these activities because of their focus on the natural environment.

Civil Defence and Rural Fire

Civil Defence and Rural Fire	RID on land value		0.00004367	544,164
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Wherever possible user pays principles are applied to the fighting of rural fires and fire permits. Ongoing 'prevention' costs and civil defence costs are considered by the Council to be most equitably funded from a rate based on land value, as this best reflects the level of risk.

Schedule of Local Rates

Local, Hall, Community Centre, Pool and Airport rates are assessed in addition to the above. Each of the following rates is set in respect of rating units within the particular named locality only. Information as to the boundaries of each locality for rating purposes, and whether or not a particular rating unit is within that area, can be provided on request.

Local Rates - are used to fund Beautification, Cemeteries, Community Centre (Carparking), District Support, Library Service, Other Local Services, Parks and Reserves, Public Conveniences, Representation and Advocacy, Roading and Transport and Stormwater activities in the named locality. Where differentiated based on use, eg urban, farmland, commercial, accommodation and residential the definitions of the categories are set out in the definitions section above.

Hall and Community Centre rates - are used to fund the Community Centre activity in the named locality.

Pool rates - are used to fund the swimming pools in the named locality. This activity is outlined within Other Local Services.

Airport rate - is used to fund the Te Anau Airports activity in the Te Anau Ward including Te Anau and Manapouri.

Loan rates (Edendale/Wyndham, Oban, Tuatapere, Otautau, Wallacetown and Gorge Road) - are used to fund sewerage and/or water capital contributions for the named scheme. Ratepayers may elect to pay the one-off capital contribution for a new scheme over a selected period.

Loan rates (Lumsden and Lumsden/Balfour) - are used to fund internal loans taken out for the deep bore project. The residential rates are charged on each SUIP within the locality and the rural rate is charged on any vacant section outside the Lumsden and Balfour townships based on the water units already allocated. The half charge is charged on residential vacant land within the Lumsden and Balfour townships.

Loan rates (Sandy Brown) - is used to fund the extension of the sewerage scheme into the Sandy Brown locality. All rating units are charged within this boundary.

Rural Water Rates - are used to fund the costs of providing water services. All rating units in a rural water locality can apply to Council to use the scheme. All rating units are required to pay one UTR for each unit available to the rating unit. One unit is calculated as follows, Lumsden Balfour Rural Water is 2,000 litres per day, Te Anau Rural Water, Eastern Bush, Otahu Flat, Orawia, Matuku Rural Water is 1,814.4 litres per day. Rating units of the Otautau Water Scheme which have water troughs with direct feed from Council's water mains pay 0.2 of a UTR per trough receiving this service. Rating units on the Te Anau Rural Water Schemes are required to pay a connection charge per supply tank with a restrictor on the rating unit. Rating units on the Te Anau Rural Water Schemes which are allocated more than 7.7 units are charged a 7.7 UTR for every 7.7 units allocated. Te Anau Rural Water Schemes rating units can apply to receive a half charge for 50% of a unit if they already receive at least 1 unit.

Sewerage Schemes (Balfour, Browns, Lumsden, Manapouri, Monowai, Nightcaps, Ohai, Otautau, Riversdale, Riverton, Te Anau, Tokanui and Winton) - are used to fund the costs of providing sewerage services. A unit is one pan or residential dwelling. Residential rating units with more than one kitchen are charged an extra unit for each subsequent kitchen. All non-contiguous rating units within the local boundaries are charged one unit for each separately inhabited part of the rating unit. All rating units within the local boundaries which contain a building with sanitary fittings are required to pay a minimum of one unit. Non-residential rating units that use more than the demand of 1 residential dwelling will be charged based on the number of pans within the rating unit. Schools are charged the 75% charge per pan. Vacant non-contiguous rating units within the designated boundaries are charged a "half charge" for the provision of the service due to the ability to be able to connect. Rating units in Te Anau are charged a 10 times rate instead of 10 full charges.

Sewerage Schemes (Edendale/Wyndham, Gorge Road, Oban, Tuatapere and Wallacetown) - are used to fund the costs of providing sewerage services. A unit is one unit of demand (refer to the definition section for how this is calculated). All rating units within the local boundaries which contain a building with sanitary fittings are required to pay a minimum of one unit. Vacant non-contiguous rating units within the designated boundaries are charged a "half charge" for the provision of the service due to the ability to be able to connect. A quarter charge is used when .25 of a unit of demand is required to be charged.

Stewart Island Waste Management Rate - is used to fund waste disposal on Stewart Island.

Urban Water rates - are used to fund the costs of providing water services. One unit is one standard domestic connection (20mm ID connection). All rating units without meters within the designated local boundaries are charged one unit for each separately inhabited part of the rating unit. Vacant non-contiguous rating units within the designated boundaries are charged a "half charge" for the provision of the service due to the ability to be able to connect. Rating units with meters are charged the meter rate for each meter used. All rating units including outside the boundary may apply to Council to use extra units and will be charged for the extra units.

Water Charged for Water Consumed - They represent the amount that will be rated per cubic meter of water used on rating units that have water meters. Woodlands Septic Tank Cleaning Rate - is used to fund the septic tank cleaning service in Woodlands. This is charged to rating units for each septic tank on the rating unit.

Wyndham Stormwater Rate - is used to fund the stormwater scheme in Wyndham. This is charged to rating units which use the stormwater system but are not included within the Wyndham township.

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Athol Local Rate	UTR per rating unit	87.97		5,014
Balfour Local Rate - Urban	Differentially RID on land value (1.00)		0.01605550	22,911
Balfour Local Rate - Farmland	Differentially RID on land value (0.25)		0.00401388	1,545
				<u>24,457</u>
Balfour Sewerage - Full Charge	UTR per provision of service	309.10		26,274
Balfour Sewerage - Half Charge	UTR per provision of service	154.55		1,236
				<u>27,510</u>
Browns Sewerage - Full Charge	UTR per provision of service	438.73		5,704
Browns Hall	UTR per SUIP of a rating unit	26.13		2,979
Dipton Town Local Rate	UTR per rating unit	60.71		1,761
Drummond Village Local Rate	UTR per rating unit	53.10		2,429
Eastern Bush Rural Water - Full Charge	UTR per unit supplied	356.52		47,774
Edendale Local Rate - Urban	UTR per rating unit	22.22		6,133
Edendale Local Rate - Urban	Differentially RID on land value (1.00)		0.00363702	47,712
Edendale Local Rate - Farmland	Differentially RID on land value (0.25)		0.00090925	4,212
				<u>58,057</u>
Edendale/Wyndham Sewerage Rate	UTR per provision of service	249.95		160,467
Edendale/Wyndham Sewerage - Half Charge	UTR per provision of service	124.97		6,749
				<u>167,215</u>
Edendale Sewerage Loan - 4 years (inc connection cost)	UTR per provision of service	2,218.58		48,809
Edendale Sewerage Loan - 10 years (inc connection cost)	UTR per provision of service	1,051.31		24,180
Edendale Sewerage Loan - 15 years (inc connection cost)	UTR per provision of service	800.42		8,004
Edendale Sewerage Loan - 25 years (inc connection cost)	UTR per provision of service	612.69		55,142
Edendale Sewerage Loan - 10 years (excl connection cost)	UTR per provision of service	870.05		3,480
Edendale Sewerage Loan - 25 years (excl connection cost)	UTR per provision of service	507.05		54,255
Edendale/Wyndham Water - Full Charge	UTR per unit supplied	225.27		139,892
Edendale/Wyndham Water - Half Charge	UTR per unit supplied	112.63		6,195

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
				146,087
Edendale Water Loan - 4 years	UTR per provision of service	510.03		10,711
Edendale Water Loan - 10 years	UTR per provision of service	241.55		5,797
Edendale Water Loan - 15 years	UTR per provision of service	184.00		920
Edendale Water Loan - 25 years	UTR per provision of service	140.84		18,310
Edendale Hall	UTR per SUIP of a rating unit	23.50		7,968
Fiordland Pool	UTR per SUIP of a rating unit	10.06		20,001
Five Rivers Wd Local Rate	RID on land value		0.00007815	84,217
Gorge Road Local Rate	UTR per rating unit	23.65		4,352
Gorge Road Sewerage - Full Charge	UTR per provision of service	260.87		9,130
Gorge Road Sewerage - Half Charge	UTR per provision of service	130.43		130
				9,261
Gorge Road Sewerage Loan	UTR per provision of service	420.62		4,206
Limehills Local Rate	UTR per rating unit	149.77		5,017
Limehills Hall	UTR per SUIP of a rating unit	49.25		8,422
Lumsden Local Rate	RID on land value		0.00826713	104,780
Lumsden Balfour Rural Water - Full Charge	UTR per unit supplied	259.80		191,213
Lumsden Balfour Rural Water Loan	UTR per provision of service	208.59		111,388
Lumsden Balfour Residential Water Loan	UTR per provision of service	32.62		6,589
				117,976
Lumsden Water - Full Charge	UTR per unit supplied	318.66		87,632
Lumsden Water - Half Charge	UTR per unit supplied	159.33		4,143
				91,774
Lumsden Residential Water Loan	UTR per provision of service	32.46		8,894
Lumsden Residential Water Loan - Half Charge	UTR per provision of service	16.23		373
				9,267
Lumsden Sewerage - Full Charge	UTR per provision of service	193.52		61,346
Lumsden Sewerage - 75% Charge	UTR per provision of service	145.14		1,016
Lumsden Sewerage - Half Charge	UTR per provision of service	96.76		4,548
				66,910
Lumsden Hall	UTR per SUIP of a rating unit	27.29		8,650
Manapouri Local Rate	RID on land value		0.00275652	113,610
Manapouri Sewerage - Full Charge	UTR per provision of service	247.22		77,626
Manapouri Sewerage - Half Charge	UTR per provision of service	123.61		7,046
				84,672

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Manapouri Water - Full Charge	UTR per unit supplied	281.21		66,646
Manapouri Water - Half Charge	UTR per unit supplied	140.60		7,874
Manapouri Water - Meter Charge	UTR per provision of service	147.83		443
				<hr/>
				74,964
Manapouri Water Charge for Water Consumed	\$ per m ³	0.84		
Manapouri Hall	UTR per SUIP of a rating unit	27.30		7,452
Matuku Rural Water	UTR per unit supplied	184.43		20,288
Monowai Sewerage - Full Charge	UTR per provision of service	155.87		2,338
Monowai Sewerage - Half Charge	UTR per provision of service	77.94		78
Mossburn Local Rate - Urban	Differentially RID on land value (1.00)		0.00859746	35,636
Mossburn Local Rate - Farmland	Differentially RID on land value (0.25)		0.00214937	1,060
				<hr/>
				36,696
Mossburn Water - Full Charge	UTR per unit supplied	188.14		21,072
Mossburn Water - Half Charge	UTR per unit supplied	94.07		1,411
Mossburn Water - Meter Charge	UTR per provision of service	147.83		2,070
				<hr/>
				24,552
Mossburn Charge for Water Consumed	\$ per m ³	0.56		
Nightcaps Local Rate	UTR per rating unit	199.00		38,009
Nightcaps Sewerage - Full Charge	UTR per provision of service	203.25		36,382
Nightcaps Sewerage - 75% Charge	UTR per provision of service	152.43		457
Nightcaps Sewerage - Half Charge	UTR per provision of service	101.63		3,354
				<hr/>
				40,193
Nightcaps Hall	UTR per SUIP of a rating unit	47.83		8,513
Ohai Local Rate	UTR per rating unit	259.17		50,991
Ohai Sewerage - Full Charge	UTR per provision of service	446.65		89,330
Ohai Sewerage - Half Charge	UTR per provision of service	223.33		8,933
				<hr/>
				98,264
Ohai Hall	UTR per SUIP of a rating unit	43.48		8,522
Ohai/Nightcaps/Wairio Water - Full Charge	UTR per unit supplied	408.27		161,675
Ohai/Nightcaps/Wairio Water - Half Charge	UTR per unit supplied	204.13		13,473
Ohai/Nightcaps/Wairio Water - Meter Charge	UTR per provision of service	147.83		5,026
				<hr/>
				180,173
Ohai/Nightcaps/Wairio Water Charge for Water Consumed	\$ per m ³	1.22		
Orawia Water - Full Charge	UTR per unit supplied	217.39		5,217
Otahu Flat Rural Water - Full Charge	UTR per unit supplied	391.30		45,978

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Riversdale Local Rate - Urban	Differentially RID on land value (1.00)		0.00379359	35,395
Riversdale Local Rate - Farmland	Differentially RID on land value (0.25)		0.00094840	82
				<hr/> 35,476
Riversdale Sewerage - Full Charge	UTR per provision of service	209.37		51,925
Riversdale Sewerage - 75% Charge	UTR per provision of service	157.03		314
Riversdale Sewerage - Half Charge	UTR per provision of service	104.69		2,512
				<hr/> 54,751
Riverton Tn Local Rate - Urban	Differentially RID on land value (1.00)		0.00302763	428,405
Riverton Tn Local Rate - Farmland	Differentially RID on land value (0.25)		0.00075690	3,537
				<hr/> 431,942
Riverton Pool	UTR per SUIP of a rating unit	18.43		29,920
Riverton Sewerage - Full Charge	UTR per provision of service	223.12		243,649
Riverton Sewerage - 75% Charge	UTR per provision of service	167.34		2,008
Riverton Sewerage - Half Charge	UTR per provision of service	111.56		15,729
				<hr/> 261,386
Riverton Water - Full Charge	UTR per unit supplied	256.07		274,507
Riverton Water - Half Charge	UTR per unit supplied	128.03		20,230
Riverton Water - Meter Charge	UTR per provision of service	147.83		4,139
				<hr/> 298,875
Riverton Charge for Water Consumed	\$ per m ³	0.76		
Riverton Ward Local Rate	UTR per rating unit	90.00		60,660
Riverton Ward Local Rate	RID on land value		0.00008175	45,249
				<hr/> 105,909
Stewart Island Local Rate	RID on land value		0.00079969	70,387
Oban Sewerage - Full Charge	UTR per provision of service	513.90		220,465
Oban Sewerage - Half Charge	UTR per provision of service	256.95		29,035
Oban Sewerage - Quarter Charge	UTR per provision of service	128.48		771
				<hr/> 250,271
Oban Sewerage - Loan Charge	UTR per provision of service	478.97		50,292
Oban Sewerage - Loan Charge Extension	UTR per provision of service	570.17		58,870
				<hr/> 109,163
Stewart Island Waste Management Rate	UTR per SUIP of a rating unit	271.47		104,516
Stewart Island Hall	UTR per SUIP of a rating unit	29.35		10,477
Te Anau - Manapouri Airport Rate	UTR per rating unit	153.57		404,337
Te Anau Tn Local Rate - Residential	Differentially RID on land value (1.00)		0.00218876	457,712
Te Anau Tn Local Rate - Accommodation	Differentially RID on land value (2.15)		0.00470583	135,396
Te Anau Tn Local Rate - Commercial	Differentially RID on land value (2.15)		0.00470583	150,591
				<hr/> 743,700

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Te Anau Sewerage - Full Charge	UTR per provision of service	339.11		684,669
Te Anau Sewerage - 75% Charge	UTR per provision of service	254.33		1,526
Te Anau Sewerage - Half Charge	UTR per provision of service	169.56		76,300
Te Anau Sewerage - Full Charge (x10)	UTR per provision of service	3,391.11		159,382
				<u>921,878</u>
Sandy Brown Rd Utility Loan2	UTR per rating unit	121.07		17,434
Te Anau Water - Full Charge	UTR per unit supplied	177.23		257,864
Te Anau Water - Half Charge	UTR per unit supplied	88.62		41,384
Te Anau Water - Meter Charge	UTR per provision of service	147.83		11,678
				<u>310,927</u>
Te Anau Charge for Water Consumed	\$ per m ³	0.53		
Te Anau Rural Water - Connection Charge	UTR per provision of service	433.63		88,026
Te Anau Rural Water - Full Charge	UTR per unit supplied	289.90		75,375
Te Anau Rural Water - Half Charge	UTR per unit supplied	144.54		1,590
Te Anau Rural Water - 7.7 Charge	UTR per unit supplied	2,225.94		166,945
				<u>331,937</u>
Te Anau Hall	UTR per SUIP of a rating unit	20.70		34,996
Te Anau Wd Local Rate	RID on land value		0.00009796	60,653
Te Tipua Ward Local Rate	RID on land value		0.00002558	23,867
Toetoes Ward Local Rate	RID on land value		0.00007768	71,890
Tokenui Local Rate	UTR per rating unit	169.87		9,343
Tokenui Sewerage - Full Charge	UTR per provision of service	301.46		19,294
Tokenui Sewerage - 75% Charge	UTR per provision of service	226.10		226
Tokenui Sewerage - Half Charge	UTR per provision of service	150.73		904
				<u>20,424</u>
Tuatapere Tn Local Rate	UTR per rating unit	261.97		77,806
Tuatapere Sewerage - Full Charge	UTR per provision of service	195.43		69,917
Tuatapere Sewerage - Half Charge	UTR per provision of service	97.71		1,661
				<u>71,578</u>
Tuatapere Sewerage Loan Charge - 4 Years	UTR per provision of service	1,617.08		40,427
Tuatapere Sewerage Loan Charge - 15 Years	UTR per provision of service	582.44		18,638
Tuatapere Sewerage Loan Charge - 25 Years	UTR per provision of service	445.24		54,542
				<u>113,607</u>
Tuatapere Water - Full Charge	UTR per unit supplied	324.48		99,290
Tuatapere Water - Half Charge	UTR per unit supplied	162.23		2,758
Tuatapere Water - Meter Charge	UTR per provision of service	147.83		1,330
				<u>103,379</u>

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Tuatapere Charge for Water Consumed	\$ per m ³	0.97		
Tuatapere Hall	UTR per SUIP of a rating unit	26.24		9,526
Tuatapere Ward Local Rate	RID on land value		0.00005230	39,381
Waihopai Ward Local Rate	RID on land value		0.00002112	26,363
Waikaia Town Local Rate	RID on land value		0.00356855	29,390
Waikaia Ward Local Rate	RID on land value		0.00002999	39,405
Otautau Local Rate - Commercial	Differentially RID on land value (2.00)		0.03286239	41,834
Otautau Local Rate - Residential	Differentially RID on land value (1.00)		0.01643119	126,839
Otautau Local Rate - Farmland	Differentially RID on land value (0.25)		0.00410780	1,064
				<hr/> 169,737
Otautau Sewerage - Full Charge	UTR per provision of service	271.06		120,080
Otautau Sewerage - 75% Charge	UTR per provision of service	203.30		1,220
Otautau Sewerage - Half Charge	UTR per provision of service	135.53		4,608
				<hr/> 125,908
Otautau Sewerage - Loan Charge	UTR per provision of service	435.71		45,750
Otautau Water - Full Charge	UTR per unit supplied	231.42		97,890
Otautau Water - Half Charge	UTR per unit supplied	115.71		2,199
Otautau Water - Trough Charge	UTR per provision of service	46.29		833
Otautau Water - Meter Charge	UTR per provision of service	147.83		1,035
				<hr/> 101,956
Otautau Charge for Water Consumed	\$ per m ³	0.69		
Otautau Hall	UTR per SUIP of a rating unit	30.15		13,024
Wallace Ward Local Rate	RID on land value		0.00003412	57,273
Wairio Town Local Rate	UTR per rating unit	65.77		1,250
Wallacetown Tn Local Rate	RID on land value		0.00519480	57,592
Wallacetown Sewerage - Full Charge	UTR per provision of service	160.87		43,435
Wallacetown Sewerage - Half Charge	UTR per provision of service	80.43		2,333
				<hr/> 45,767
Wallacetown Sewerage-Loan Charge 15 Years	UTR per provision of service	417.99		16,302
Wallacetown Sewerage-Loan Charge 25 Years	UTR per provision of service	319.13		26,488
				<hr/> 42,789
Wallacetown Ward Local Rate	RID on land value		0.00002801	25,175
Winton Tn Local Rate	RID on land value		0.00320359	354,583
Winton Sewerage - Full Charge	UTR per provision of service	209.75		257,570
Winton Sewerage - 75% Charge	UTR per provision of service	157.31		2,045

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Winton Sewerage - Half Charge	UTR per provision of service	104.88		9,229
				268,845
Winton Water - Full Charge	UTR per unit supplied	349.09		414,366
Winton Water - Half Charge	UTR per unit supplied	174.55		11,346
Winton Water - Meter Charge	UTR per provision of service	147.83		2,365
				428,077
Winton Charge for Water Consumed	\$ per m ³	1.04		
Winton Hall	UTR per SUIP of a rating unit	17.24		22,451
Winton Pool Rate1	UTR per SUIP of a rating unit	10.00		12,970
Winton Ward Local Rate	RID on land value		0.00006730	115,681
Woodlands Local Rate	UTR per rating unit	157.93		9,199
Woodlands Septic Tank Cleaning Charge	UTR per provision of service	23.93		1,364
Wyndham Local Rate	RID on land value		0.01599608	100,299
Wyndham Stormwater Charge	UTR per provision of service	52.00		468
Wyndham Hall	UTR per SUIP of a rating unit	31.51		9,076
Wyndham Sewerage Loan - 2 years (inc connection cost)	UTR per provision of service	3,817.71		15,271
Wyndham Sewerage Loan - 4 years (inc connection cost)	UTR per provision of service	2,025.53		24,306
Wyndham Sewerage Loan - 10 years (inc connection cost)	UTR per provision of service	960.83		27,864
Wyndham Sewerage Loan - 15 years (inc connection cost)	UTR per provision of service	732.14		10,250
Wyndham Sewerage Loan - 25 years (inc connection cost)	UTR per provision of service	561.26		74,086
Wyndham Sewerage Loan - 2 years (excl connection cost)	UTR per provision of service	3,101.89		3,102
Wyndham Sewerage Loan - 4 years (excl connection cost)	UTR per provision of service	1,645.74		8,229
Wyndham Sewerage Loan - 10 years (excl connection cost)	UTR per provision of service	780.68		9,368
Wyndham Sewerage Loan - 15 years (excl connection cost)	UTR per provision of service	594.86		1,190
Wyndham Sewerage Loan - 25 years (excl connection cost)	UTR per provision of service	456.03		13,225
Wyndham Water Loan - 2 years	UTR per provision of service	954.43		5,727
Wyndham Water Loan - 4 years	UTR per provision of service	506.38		8,609
Wyndham Water Loan - 10 years	UTR per provision of service	240.21		8,167
Wyndham Water Loan - 15 years	UTR per provision of service	183.03		2,562
Wyndham Water Loan - 25 years	UTR per provision of service	140.31		21,749
<u>Individual Community Centre Levies</u>				
Aparima Hall	UTR per SUIP of a rating unit	35.00		2,030
Athol Memorial Hall	UTR per SUIP of a rating unit	43.82		2,892
Balfour Hall	UTR per SUIP of a rating unit	27.08		7,040
Brydone Hall	UTR per SUIP of a rating unit	20.60		1,360
Clifden/Orawia Hall*	UTR per SUIP of a rating unit	32.37		6,376
Colac Bay/Orepuki Hall	UTR per SUIP of a rating unit	33.10		8,839
Dacre Hall	UTR per SUIP of a rating unit	36.70		2,826

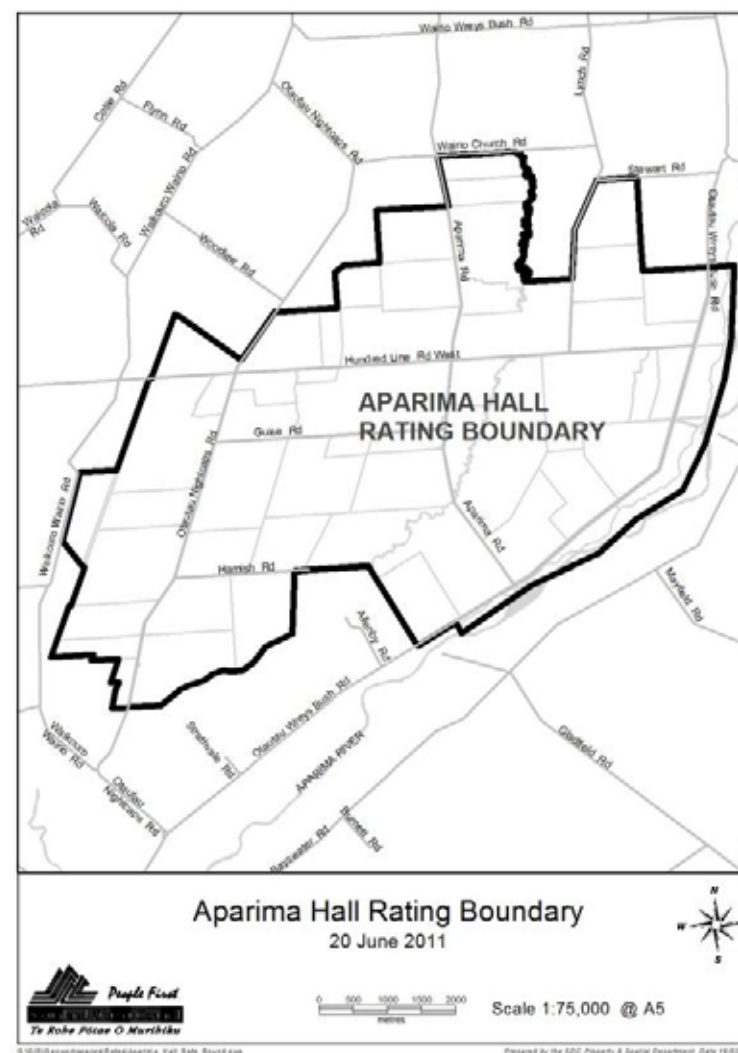
	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Dipton Hall	UTR per SUIP of a rating unit	28.39		5,196
Dunearn/Avondale Hall	UTR per SUIP of a rating unit	23.10		1,386
Eastern Bush Hall	UTR per SUIP of a rating unit	37.55		1,051
Five Rivers Hall	UTR per SUIP of a rating unit	39.13		3,052
Fortrose Domain	UTR per SUIP of a rating unit	20.09		1,065
Garston Hall	UTR per SUIP of a rating unit	27.65		1,217
Glenham Hall	UTR per SUIP of a rating unit	34.78		1,843
Gorge Road Hall	UTR per SUIP of a rating unit	36.49		8,939
Heddon Bush Hall	UTR per SUIP of a rating unit	53.83		3,068
Hedgehope/Glencoe Hall	UTR per SUIP of a rating unit	36.10		3,177
Hokonui Hall	UTR per SUIP of a rating unit	42.20		1,857
Lochiel Hall	UTR per SUIP of a rating unit	30.43		3,957
Mabel Bush Hall	UTR per SUIP of a rating unit	24.67		1,727
Makarewa Hall	UTR per SUIP of a rating unit	8.89		1,724
Mandeville Hall	UTR per SUIP of a rating unit	39.13		1,604
Mataura Island Hall	UTR per SUIP of a rating unit	17.17		978
Menzies Ferry Hall	UTR per SUIP of a rating unit	23.23		1,138
Mimihau Hall	UTR per SUIP of a rating unit	43.74		2,187
Mokoreta/Redan Hall	UTR per SUIP of a rating unit	78.26		5,322
Mossburn Hall	UTR per SUIP of a rating unit	32.31		7,820
Myross Bush Hall	UTR per SUIP of a rating unit	26.09		1,409
Oreti Plains Hall	UTR per SUIP of a rating unit	46.09		5,023
Otahuti Hall	UTR per SUIP of a rating unit	22.41		1,076
Otapiri/Lora Gorge Hall	UTR per SUIP of a rating unit	100.00		7,700
Riversdale Hall	UTR per SUIP of a rating unit	31.30		9,923
Ryal Bush Hall	UTR per SUIP of a rating unit	24.30		2,941
Seaward Downs Hall	UTR per SUIP of a rating unit	34.78		1,913
Spar Bush Hall	UTR per SUIP of a rating unit	22.32		982
Thornbury Hall	UTR per SUIP of a rating unit	45.76		3,889
Tokanui/Quarry Hills Hall	UTR per SUIP of a rating unit	42.12		4,086
Tussock Creek Hall	UTR per SUIP of a rating unit	19.65		1,513
Tuturau Hall	UTR per SUIP of a rating unit	29.65		1,156
Waianiwa Hall	UTR per SUIP of a rating unit	36.95		3,473
Waikaia Recreation	UTR per SUIP of a rating unit	44.10		12,523
Waikawa Community Centre	UTR per SUIP of a rating unit	24.94		3,092
Wallacetown Hall	UTR per SUIP of a rating unit	28.00		8,540
Waimahaka Hall	UTR per SUIP of a rating unit	34.78		3,096
Waimatuku Hall	UTR per SUIP of a rating unit	19.57		1,017
Wairio Community Centre	UTR per SUIP of a rating unit	32.13		2,570
Wreys Bush Hall	UTR per SUIP of a rating unit	23.91		813
Wrights Bush Hall	UTR per SUIP of a rating unit	23.35		1,261

Funding Impact Statement Variations

The Council has updated the information in its roading rate model which is used calculate the percentage share of costs which different sector pay towards roads and has adopted a slightly modified share of costs as a result (explained in more detail in the 'Key Issues and Projects' section of the Plan). This year the Council also introduced a new rate for the Aparima Public Hall as well as updating the rating boundary for the wheelie bin service to reflect the new two bin service.

(1) Aparima Public Hall Rating Area

The Aparima Hall Committee requested that a new rate be set up to collect funds to pay for the maintenance of the Aparima Public Hall (Hundred Line Road West). The rate is \$35 (excl GST) per dwelling (SUIP) and will be paid by ratepayers with properties surrounding the hall not already paying a hall rate. The map opposite shows the proposed Aparima Hall Rating Boundary. This new rate will replace the voluntary subscription which is currently in place and which relies on payment by invoice.



Fees and Charges Variations

The table below shows the fees and charges for 2011/2012 compared to 2010/2011. Note that the fees and charges which have not changed are not included. Additional information can be found in the Council's Schedule of Fees and Charges. All fees are exclusive of GST except where stated otherwise.

FEES AND CHARGES	2010/2011	2011/2012
Building regulation		
Building consent fees		
New dwelling < 300 m ² floor area (base fee)	\$1,641.77	\$1,747.83
New dwelling > 300 m ² floor area (base fee)	\$2,043.56	\$2,176.52
Addition to dwelling (base fee)	\$853.33	\$906.09
Altered dwelling (base fee)	\$528.00	\$558.26
Relocated dwelling (base fee)	\$690.67	\$732.17
Commercial accommodation / commercial crowd / commercial working (base fee)	\$1,598.23	\$1,700.87
Processing Limits: Occup >1000, WH and WF, FHC 4, >3 Floors, Spec Design, Alt Sol fire Design		
- Junior Engineer (per hour)	\$151.11	\$156.52
- Senior Engineer (per hour)	\$208.89	\$217.39
Inspection Limits: > 4 Floors		
- Junior Engineer (per hour)	\$151.11	\$156.52
- Senior Engineer (per hour)	\$208.89	\$217.39
Conservatory, Deck, Farm building, Dairy shed, Garage (base fee)	\$468.00	\$494.35
Freestanding Solid Liquid Gas Fired Heating Unit	\$192.71	\$205.87
Inbuilt Solid Liquid Gas Fired Heating Unit	\$355.37	\$379.78
Plumbing drainage swimming/spa pool fencing other minor works (base fee)	\$305.33	\$320.43
Land information memorandum and project information memorandum		
Land information memorandum	\$200.00	\$230.43
Project information memorandum	PIM Only Application	\$96.00
Project information memorandum	Issued with Consent	\$13.33
Site - Service Assessment	\$82.67	\$82.61
Other fees and charges		
Relocatable building report	\$222.67	\$237.83
Tent/marquee (>50 m ² public >100m ² private)	\$222.67	\$237.83
Compliance schedule/statement	\$120.00	\$127.83
Compliance schedule (amended)	\$60.00	\$63.91
Certificate of public use	\$342.67	\$365.65
Certificate of acceptance	\$342.67	\$365.65
Alternative solution/waiver	\$720.00	\$766.96
Property file search	\$29.33	\$28.70

FEES AND CHARGES		2010/2011	2011/2012
Community housing rentals³			
Edendale (56 Seaward Road)	- Single (per week)	\$78.50	\$83.50
	- Double (per week)	\$78.50	\$83.50
Edendale (Pioneer Place)	- Single (per week)	\$65.50	\$70.50
	- Double (per week)	\$78.50	\$83.50
Lumsden (Diana Street)	- Single (per week)	\$62.50	\$67.50
	- Double (per week)	\$75.50	\$80.50
Lumsden (Tauna Place)	- Single (per week)	\$65.50	\$70.50
	- Double (per week)	\$78.50	\$83.50
Nightcaps	- Single (per week)	\$62.50	\$67.50
Ohai	- Single (per week)	\$62.50	\$67.50
	- Double (per week)	\$78.50	\$83.50
Otautau	- Single (per week)	\$65.50	\$70.50
	- Double (per week)	\$78.50	\$83.50
Riversdale	- Single (per week)	\$65.50	\$70.50
	- Double (per week)	\$78.50	\$83.50
Riverton (111 Havelock Street)	- Single (per week)	\$78.50	\$83.50
	- Double (per week)	\$78.50	\$83.50
Riverton (127 Havelock Street)	- Single (per week)	\$65.50	\$70.50
	- Double (per week)	\$75.50	\$80.50
Tuatapere	- Single (per week)	\$62.50	\$67.50
	- Double (per week)	\$75.50	\$80.50
Winton	- Single (per week)	\$65.50	\$70.50
	- Double (per week)	\$78.50	\$83.50
Wyndham	- Single (per week)	\$65.50	\$70.50
	- Double (per week)	\$75.50	\$80.50
Dog registration and associated fees			
Registration			
(a) Registration per dog per annum		\$17.39	\$21.74
(b) Penalty for late payment		\$8.70	\$10.87
(c) Sale of collars		\$6.96	\$7.83
Dog impounding fees			
(a) Seizure of registered dogs		\$69.57	\$86.96
(b) Seizure of registered dogs for the second or subsequent time		\$95.65	\$86.96
(c) Seizure of unregistered dogs		\$95.65	\$86.96

³ No GST is charge on Community Housing Rentals.

FEES AND CHARGES	2010/2011	2011/212
(d) Destruction of any dog impounded	\$26.09	\$34.78
Impounding of stock charges		
(a) Fee for impounding of stock (per head)	\$8.70	\$26.09
(b) Time taken by Pound keeper or Animal Ranger per hour (incl. of GST)	\$43.48	\$65.22
Health inspections		
1. (a) Hawker/Pedlar - Food	\$106.67	\$104.35
(b) Non food	\$44.44	\$43.48
(c) Mobile/Travelling Shop - Food	\$220.00	\$253.91
(d) Non food	\$44.44	\$43.48
2. Funeral Directors - Licensing and registration	\$106.67	\$104.35
3. Certification of Mortuary Premises (one-off)	\$220.29	\$253.91
4. Registration of Hairdressers	\$220.29	\$253.91
5. (a) Registration of Food Premises including sports clubs permitting use of any other organisation or for any private functions	\$220.29	\$253.91
(b) Registration of Food Premises (any other sports club that holds a liquor licence)	\$110.00	\$126.96
6. Registration of Offensive Trade Premises	\$220.29	\$253.91
7. Registration of Saleyard Premises	\$220.29	\$253.91
8. Registration of Camping Grounds	\$220.29	\$253.91
9. Change of Ownership of Premises Fee	\$44.44	\$43.48
10. Special inspection	\$88.00	\$126.96
Notes		
Additional inspection (for 4-8 above)	\$88.00	\$126.96
Provision of advice to owner of new site - Hourly rate	\$88.00	\$126.96
Registration of Food Safety Programmes	\$88.00	\$126.96
Auditing compliance Food Safety Programmes	\$88.00	\$126.96
Additional time by Environmental Health Officer (per hour)	\$88.00	\$126.96
Additional time by Compliance Officer (per hour) - NEW CHARGE	-	\$93.04
Monthly Sampling of school water supplies – NEW CHARGE	-	\$347.83
Additional time if insufficient details provided to allow file to readily located - Hourly rate	\$88.00	\$126.96
Information Management		
Production of maps (excluding requests for property maps from ratepayers for their individual properties)	\$60.00	\$65.22
Library charges		
Processing fee - lost/damaged item	-	\$6.52
Colour printing A4 (per sheet)	-	\$0.43
Colour printing A3 (per sheet)	-	\$2.61
Fines (adult) (per week)	\$0.87	\$0.17
Fines (under 16) (per week)	\$0.17	\$0.09

FEES AND CHARGES	2010/2011	2011/2012	
Reserve and development contributions			
Development contributions for water and sewerage			
For Te Anau only, per lot charges (excl GST):	- Water	\$2,861.33	\$2,888.51
	- Sewerage	\$11,863.83	\$11,690.47
Headworks contribution for rural water supplies (per unit)			
For any new connection (or request for additional units) to the following supplies:			
Te Anau Rural		\$3,198.24	\$3,155.87
Eastern Bush		\$3,671.64	\$3,499.27
Otahu Flat		\$4,949.00	\$4,841.55
Matuku Unit		\$498.61	\$456.71
Matuku Trough		\$249.30	\$228.36
Lumsden Balfour	- 1 unit	\$3,904.47	\$3,914.53
	- 2 units	\$7,418.49	\$7,275.93
	- 3 units	\$10,542.06	\$10,339.48
	- 4 units	\$13,275.19	\$13,020.08
	- 5 units	\$15,617.87	\$15,317.74
	- 6 units	\$17,570.10	\$17,232.46
	- 7 units	\$19,131.90	\$18,764.23
	- 8 units	\$20,303.23	\$19,913.06
	- 9 units	\$21,084.12	\$20,678.95
	- Per additional one unit after 9	\$390.44	\$382.95
Financial contributions for water supplies			
For any new connection per household equivalent to the following supplies:			
Manapouri		\$2,761.63	\$2,892.14
Mosburn		\$3,733.73	\$3,854.20
Ohai/Nightcaps		\$2,531.68	\$3,426.90
Riverton		\$2,622.33	\$2,610.00
Tuatapere		\$3,307.90	\$4,995.17
Otautau		\$1,731.91	\$1,815.58
Winton		\$2,743.74	\$3,278.12
Financial contributions for sewerage supplies			
For any new connection per household equivalent to the following supplies:			
Balfour		\$2,988.90	\$3,516.28
Browns		\$4,341.59	\$5,028.40
Gorge Road		\$19,271.95	\$18,742.86
Lumsden		\$4,485.61	\$5,312.84

FEES AND CHARGES		2010/2011	2011/2012
Manapouri		\$3,379.93	\$4,179.86
Monowai		\$4,420.70	\$6,050.71
Nightcaps		\$8,004.85	\$8,455.66
Ohai		\$770.90	\$1,300.03
Riversdale		\$7,675.17	\$9,043.65
Riverton		\$3,228.99	\$4,103.09
Stewart Island		\$5,938.37	\$7,507.23
Tokanui		\$12,757.18	\$13,649.57
Otautau		\$5,356.47	\$5,767.68
Winton		\$10,714.47	\$12,253.14
Wallacetown		\$6,690.86	\$9,132.05
Tuatapere		\$1,433.44	\$2,306.15
Resource Management Act			
For applications requiring limited notification (i.e. Limited Notified) (each)	- Basic fee	\$562.13	\$869.57
For applications requiring notice (Notified) (each)	- Basic fee	\$2,222.23	\$4,347.83
Monitoring charges (per application) (per hour)	Assistant Officer	\$55.11	\$93.04
- NEW CHARGE	Compliance Officer	-	\$98.26
Resource Consent Breaches - NEW CHARGE	Assistant Officer	-	\$93.04
	Compliance Officer	-	\$98.26
Legal Consultant (per hour)		\$155.56	\$200.00
Subdivision Approval Fees			
For applications containing all necessary information and actions required are complete:			
(a) Section 223 certification only		\$46.84	\$93.69
(b) Section 224(c) certification only		-	\$93.69
(c) Section 223 and 224(c) certification fee		\$140.53	\$187.37
For applications that do not contain all necessary information and actions required are not complete:			
(d) Section 223 certification only		-	\$187.37
(e) Section 224(c) certification only		-	\$187.37
(f) Section 223 and 224(c) certification fee		-	\$374.75
<i>The above charges (a-f) are Deposit Fees and additional time will be charged at an hourly rate of \$93.69 excl GST.</i>			
Refuse site and transfer station charges			
Carload of greenwaste		\$0.00	\$0.00
Riverton harbour licensing fees			
Wharf fee per metre		\$8.27	\$8.70

FEES AND CHARGES	2010/2011	2011/212	
Te Anau Airport Manapouri			
Landing fees			
>5,701 - 10,000 kg	- Landing Charge - Honesty Box Landing Charge: By prior arrangement only	\$75.01 -	\$100.00 -
>10,001 - 20,000 kg	- Landing Charge - Honesty Box Landing Charge: By prior arrangement only	\$150.00 -	\$170.00 -
> 20,001 kg	- Landing Charge - Honesty Box Landing Charge: By prior arrangement only	\$250.00 -	\$280.00 -
Stewart Island Electrical Supply Authority			
General tariff			
Annual distribution and development charge		\$499.20	\$519.17
General tariff		\$0.48	\$0.50
Stewart Island Electrical Supply Authority			
Night rate[1]			
- Unit rate		\$0.41	\$0.43
Commercial connections[2]			
Standard rate (per unit)		\$0.48	\$0.50
Night rate (per unit)		\$0.42	\$0.43
Monthly charge		\$116.48	\$121.14
Temporary supplies			
Unit rate		\$0.48	\$0.50

[1] Suitable for space heaters, small freezers and special domestic outlet sockets. Time controlled 11.00 pm to 7.00 am daily. Domestic outlets to be labelled "NIGHTRATE".

[2] Unit charges and installation costs may be by negotiation (confirmed in writing by the Authority) for individual installations with an expected annual consumption of over 35,000 units. The Director's personal guarantees for all payments are required prior to a connection being completed.

Balancing the Budget

Balancing the budget –

Section 100 of the Local Government Act 2002 requires Council to ensure that each year that its projected operating revenues are set at a level sufficient to meet its projected operating expenditure. Council is projecting an operating surplus of \$0.7M for 2011/2012 and therefore will meet its balanced budget requirement in terms of the Act. The change from a projected deficit of \$0.7M for 2011/2012 in the LTCCP, to a forecast operating surplus of \$0.7M for the Annual Plan, is primarily due to Council including vested asset income as a result of the anticipated completion of two subdivisions. This has been offset by waste management costs as a result of changing from a three bin kerbside recycling system to a two bin option.

Year	LTCCP 2011/2012	Annual Plan 2011/2012
Operating Surplus/(Deficit)	(733,181)	671,393

The projected surplus takes into account revenue for capital projects or debt repayment but does not balance this against the related expenditure (such as loan principal repayments or capital costs). This can be shown as follows:

How the Operating Surplus/(Deficit) is used -

	LTCCP 2011/2012	Annual Plan 2011/2012
Property, Plant and Equipment	196,481	4,333,840
Loan Repayments	1,396,130	1,377,831
Reserves	(2,325,792)	(5,040,278)
Total Operating Surplus/(Deficit)	(733,181)	671,393

Rates Smoothing

The 2011/2012 rates in this Annual Plan were calculated based on the rate smoothing approach adopted by Council. Estimated revenue and expenditure for the next 10 years (using the LTCCP 2009-2019 as a starting point) were reviewed and amended for any changes needed such as updated costs or new projects. In particular Council focused on updating the 2011/2012 year of the LTCCP. This provided the basis for determining the rates required for 2011/2012.

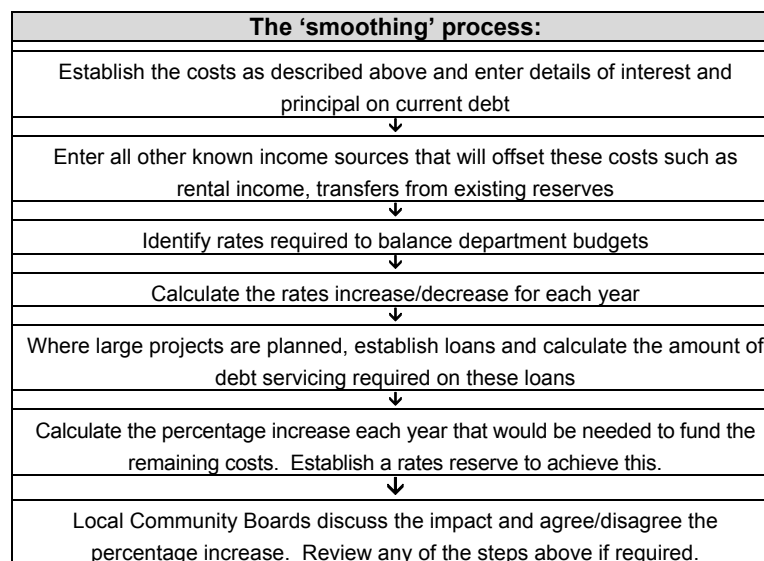
A detailed explanation of the rate smoothing approach follows:

Rates smoothing approach to the total rates collected in any year -

Given the number of communities within the Southland District and the number of significant infrastructural projects planned, the Council will require a number of new loans (either internal or external) to fund projects (particularly in the early years) over the next 10 years.

If all projects were to be funded by rates, this would have a major 'see-saw' effect on the projected rate increases. As a result of this Council has re-approached the way it determines the total rates to be collected in any year. The aim was to achieve a consistent percentage rates increase by funding projects over the next 10 year period. This has resulted in a 'smoothing' of the rates. In any given year the total amount of rates to be collected may be more or less than what is required. To fund the balance, Council intends to use existing reserves.

The amounts used to balance this will be identified separately through new rate reserve accounts. Loosely they could be called 'revolving credit facilities'. The purpose of these reserve accounts will be to manage this 'credit' by advancing funds for projects in early years and repaying these in later years once funds accumulate.



This means that instead of creating an individual loan for each community project, some projects undertaken can now be financed over the period from this new central reserve held by each community. This has enabled Council to ensure that projects planned can be managed within the projected rate increases while giving communities the flexibility to include projects that previously may have been deferred because the annual rate increase may have seemed too high.

Other Information

This section includes information about the Mayor and Councillors, the structure of Council, Community Boards and other Subcommittees and Management.

About the Council

Role of the Council

The purpose of the Southland District Council is to enable democratic decision-making to promote the social, economic, environmental and cultural wellbeing of communities within the District in the present and for the future.

To accomplish this, the Council has overall responsibility and accountability in a variety of roles including:

- Planning the District's strategic direction alongside local communities within the District as part of developing the Long Term Council Community Plan to promote the social, economic, environmental and cultural wellbeing of communities.
- Facilitating solutions to local issues and needs.
- Advocacy on behalf of the local community with central government, other local authorities and other agencies.
- Providing prudent stewardship and the efficient and effective use of resources within the District in a sustainable way.
- Risk management.
- Management of local infrastructure including network infrastructure (eg roads, sewage disposal, water, stormwater) and community infrastructure (eg libraries, reserves and recreational facilities).
- Administering various legal and regulatory requirements.
- Ensuring the integrity of management control systems.
- Informing and reporting to communities, ratepayers and residents.

Governance Systems

Council -

The Council consists of a Mayor and 12 Councillors - one from each of the District's wards - elected by Southland District residents/ratepayers triennially. The Council believes that its democratic election ensures that it is able to operate in the best interests of the District. The Council is responsible for:

- Representing the interests of the District.
- Developing and approving Council policy.
- Determining the expenditure and funding requirements of the Council through the planning process.
- Monitoring the performance of the Council against its stated objectives and policies.
- Employing, overseeing and monitoring the Chief Executive's performance (under the Local Government Act the local authority employs the Chief Executive, who in turn employs all other staff on its behalf).

Council Committees -

A number of committees have been established by the Council to assist with conducting the business of the Council; these are listed in the diagram on the following page.

Community Boards -

The Council has 12 Community Boards. Five of these have responsibility for an entire ward; the remaining seven have responsibility for their township only. Community Boards prepare local budgets, recommend local rates and exercise decision-making power on issues specifically delegated by the Council. The Council has a policy of decentralising responsibilities where practical to provide an effective means of ensuring local input into decision-making and the setting of priorities for issues of local concern.

Community Development Area Subcommittees (CDAs) -

Throughout the District 16 Community Development Areas have been identified and established, which include local townships and surrounding areas. The purpose of CDA's is to further encourage local input in addressing the needs of local communities and assessing priorities. Committees operate with powers mainly limited to recommendations to Community Boards and/or Council depending on their locality.

Water Supply Subcommittees -

The Council has constituted seven Water Supply Subcommittees, which are each responsible for the overall governance of the respective water supply scheme and set priorities for the operations of the schemes in accordance with the policies of the Council.

Other Committees -

Youth Council - A Southland District Youth Council was established in 2007/2008. It is made up of 12 representatives from the six secondary schools across the District and meets on a quarterly basis.

Hall and Reserve Committees - The Council has a working relationship with 56 Community Centre and Hall Committees and 16 Reserves Committees.

COUNCIL Mayor and 12 Councillors		
Community Boards and Committees	Council Committees	Joint Committees
<p>Community Boards responsible for Wards: <i>Stewart Island Te Anau</i> <i>Tuatapere Winton</i> <i>Wallace</i></p> <p>Community Boards responsible for Townships: <i>Balfour Edendale</i> <i>Lumsden Riversdale</i> <i>Riverton/Aparima Wallacetown</i> <i>Wyndham</i></p> <p>Community Development Area Subcommittees: <i>Athol Browns</i> <i>Colac Bay Dipton</i> <i>Garston Gorge Road</i> <i>Limehills Manapouri</i> <i>Mossburn Nightcaps</i> <i>Ohai Orepuki</i> <i>Thornbury Tokanui</i> <i>Waikaia Woodlands</i></p> <p>Water Supply Committees: <i>Te Anau (Rural Untreated)</i> <i>Five Rivers (Rural Untreated)</i> <i>Orawia</i> <i>Matuku (Rural Untreated)</i> <i>Lumsden/Balfour (Rural - Treated)</i> <i>Ohai/Nightcaps/Wairio</i> <i>Eastern Bush/Otahu Flat (Rural - Treated)</i></p> <p>Other Committees <i>Monowai Village Committee</i></p>	<p>Activities Performance Audit Committee (APAC) <i>Chair: Cr Lyall Bailey</i></p> <p>Allocations Committee <i>Chair: Cr Rodney Dobson</i></p> <p>Executive Committee <i>Chair: Mayor Frana Cardno</i></p> <p>Forestry Committee <i>Chair: Cr Brian Dillon</i></p> <p>Policy Review Committee <i>Chair: Cr Paul Duffy</i></p> <p>Resource Management Committee <i>Chair: Cr Diane Ridley</i></p> <p>Friendship Committee <i>Chair: Cr Paul Duffy</i></p> <p>Ohai Railway Fund Committee <i>Chair: Mr W S Mather</i></p> <p>Riverton Harbour Committee <i>Mr N White</i></p> <p>Stewart Island Jetties Committee <i>Chair: Cr Bruce Ford</i></p>	<p>Venture Southland</p> <p>Shared Services Forum</p> <p>Te Roopū Taiao (Iwi Liaison Joint Committee)</p> <p>Emergency Management Group</p> <p>WasteNet</p> <p>Southland Regional Heritage Committee</p>
		Youth Representation
		Southland District Youth Council
		Council Controlled Organisations
		<p>Milford Community Trust</p> <p>Southland Flood Relief Fund</p>

Mayor



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Wards and Councillors



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Waikaia
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Winton
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Council Operations

The Council has appointed a Chief Executive to be in charge of Council operations and has delegated certain powers of management to that position. The Chief Executive implements and manages the Council's policies and objectives within the budgetary constraints established by the Council.

The Chief Executive is responsible for:

- Implementing the decisions of the Council.
- Providing advice to the Council and Community Boards.
- Ensuring that all responsibilities, duties and powers delegated to the Chief Executive or to any person employed by the Chief Executive, or imposed or conferred by any Act, regulation or bylaw are properly performed or exercised.
- Managing the activities of the Council effectively and efficiently.
- Maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the Council.
- Providing leadership for the staff of the Council.
- Employing staff (including negotiation of the terms of employment for the staff).

The management of the Council is structured under three groups. Each group is led by a Group Manager and their areas of responsibility are shown in the table. The three groups are:

- Environment and Community
- Services and Assets
- Customer and Financial Services

The Management Team (comprising the Chief Executive, three Group Managers and Human Resources Manager) reviews all general organisation issues, providing a link between the Council and the staff.

Chief Executive <i>David Adamson</i>		
	Communications Human Resources Policy	
Group Manager Environment and Community <i>Bruce Halligan</i>	Group Manager Services and Assets <i>Erik Barnes</i>	Group Manager Customer and Financial Services <i>Phil Culling</i>
Area Offices Building Control Dog and Animal Control Health Regulation Library Services Resource Management Civil Defence Rural Fire	Beautification Cemeteries Community Centres Community Housing Forestry Parks and Reserves Public Conveniences Roding and Transport Solid Waste Management Stormwater Airports Wastewater Water Supply Work Schemes Stewart Island Electrical Supply Authority (SIESA)	Accounting Services Administration Customer Services District Support Finance Grants and Donations Information Technology Purchasing Rates Records and Archives Strategy Word Processing

Glossary

Activity: Goods or services provided by or on behalf of Council.

Advocate: Council acts as an advocate when it represents the views of community groups, organisations and residents to a range of organisations such as regional council, and central government.

Annual Plan: Produced in the intervening years between Ten Year Plans. Explains variations from the activities or budgets in the current Ten Year Plan and confirms arrangements for raising revenue for the financial year. It also includes the forecast financial statements and other relevant information for the year.

Annual Report: Reports on the performance of Council against the objectives, policies, activities, performance measures, indicative costs, and sources of funds outlined in the Annual Plan and the Ten Year Plan.

Asset: A resource owned by the Council such as roads, drains, parks and buildings.

Asset Acquisition: Capital expenditure on assets. Usually because of extra demand or to improve the level of service provided.

Activity/Asset Management Plan: A long term planning document for managing Council's assets and activities to ensure capacity to provide a service is maintained, and that costs over the life of the asset are kept to a minimum (e.g. water services).

Assumptions: A statement that is used as the basis for making particular predictions that may or may not occur.

Capital value: The estimated value of land and improvements (that it may realise at sale) assessed for rating purposes.

Catchment: The area of land that collects rain which then flows into a waterway.

Capital Costs: These include transactions that have an effect on the longer term (i.e. greater than 12 months) financial position of Council. Items include the repayment of loan principal, transfer of funds to reserve accounts and the purchase or construction of assets.

Capital Expenditure: Money spent to build or buy a new asset or to improve the standard of an existing asset.

Capital Financing: This includes transactions that have an effect on the longer term financial position of Council. Items include the raising of loan funds and transfers from reserve accounts.

Community Board (CB) / Community Development Area Subcommittee (CDA): People elected to represent a specific community. CB's are elected every three years by postal vote, CDA's are elected three yearly at public meetings.

Community Outcomes: A set of aspirations that reflect the communities' desires for economic, social, environmental, and cultural wellbeing.

Community Wellbeing: The overall wellbeing of the community including economic, cultural, social and environmental wellbeing.

Contract Standards: The standards defined in specific contracts for service delivery by contractors.

Council Controlled Organisations: Organisations in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

Current Assets: Assets which can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors, and operational investments.

Current Liabilities: Creditors and other liabilities due for payment within the financial year. Public Debt to be refinanced within the financial year is excluded.

Delineation: Visual road markings such as marker posts and reflective cat's eyes.

Design Life: The period of time for which an asset is expected to perform its intended function.

Depreciation: Depreciation is an accounting concept to recognise the consumption or loss of economic benefits embodied in items of property, plant and equipment. Depreciation spreads the cost of items such as property, plant and equipment over their useful lives as an operating expense.

Development Contributions: A contribution from developers to cover the cost of servicing growth.

Differential (Rating): A technique used to 'differentiate' or change the relative rates between different categories of rateable land in order to adjust the rating burden on one or more groups of ratepayers.

Distribution of Benefits: The degree or scope to which a Council activity generates benefits of individuals, parts of the community or the District as a whole.

District Plan: A plan under the Resource Management Act 1991 that manages, through objectives, policies and rules, the adverse impact of land uses on the environment of the district. The Southland District Plan became operative on 27 June 2001.

Drinking-water Standards: Standards about Drinking-water quality/treatment.

Economic Life: The period of time during which an asset will have economic value and be usable.

Emissions Trading Scheme: An administrative approach used to control pollution by providing economic incentives for achieving reductions in the emissions of pollutants. Creates permits for units of greenhouse pollution that can be traded.

Estimated Remaining Life: The estimated remaining life is an estimation of when buildings or assets would no longer be suitable to use. In the case of buildings, the remaining life of a building is when it is considered no longer suitable for the intended use, even though the building itself may still be structurally sound.

Equity: A financial term, also known as net worth. The total value of assets less total liabilities.

Facilitator: When Council works collaboratively or in partnership with others to organise, encourage or assist in projects or programmes which help to achieve the outcomes for the District, it acts as a facilitator.

Fixed Assets: These consist of land and buildings and infrastructural assets including sewer and water systems, and the transport network. Sometimes referred to as capital assets.

Funder: Council's funding role includes funding of core business and providing financial assistance to a range of organisations for various projects and programmes through grants.

Funding Impact Statement: A document that includes information that discloses revenue and financing mechanisms and indicates the level or amount of funds to be produced by each mechanism.

Infrastructural Assets: Infrastructural assets are utility service networks i.e. water, sewerage, stormwater, and roading. They also include associated assets such as pump stations, the treatment plant, streetlighting, and bridges.

Impairment: Where the book value of an asset exceeds its recoverable amount - can be caused by such things as a decline in market value.

Improved Value: The estimated value of improvements (that it may realise at sale) assessed for rating purposes. Does not include the value of any land.

Investment Policy: A document that states Council's policies in respect to investments.

Iwi: People or tribe.

Key Performance Indicators: The measures by which Council's performance is assessed. Council uses these measures when reporting on how it has performed in its various activities.

Land Value: The estimated value of land (that it may realise at sale) assessed for rating purposes. Does not include the value of any improvements

Levels of Service: The defined quality for a particular activity or service area against which performance may be measured. 'Levels of Service' usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

Liability Management Policy: A document that states Council's policies concerning the management of both borrowing and other liabilities.

Lifelines: Lifelines are the essential infrastructure and services that support the life of our community - utility services such as water, wastewater and stormwater, electricity, gas, telecommunications, and transportation networks including road, rail, airports and ports.

Local Authority: A regional, district or city council.

Local Government Act 2002 (LGA 2002): The Local Government Act 2002 received royal assent on 24 December 2002. It is the primary legislation that governs Council's operations and actions.

Monitor: Council has a monitoring role under the LGA to monitor and report three yearly on the progress made towards achieving community outcomes.

Non-Cash Expenditure: Expenditure that is identified for accounting purposes, but for which no cash (such as rates) are collected to pay for it, e.g. depreciation. Southland District Council pays for capital expenditure projects each year instead of accumulating depreciation funding for replacements in the future.

Operating Expenditure: Money spent to deliver a service, maintain an asset, or any other expenditure, which does not buy, or build on, a new asset.

Operating Revenue: Money earned through the activities in return for a service provided, or by way of a grant or subsidy to ensure particular services or goods are provided. For example New Zealand Transport agency subsidies, rental income, permits and fees.

Operating Surplus/(Deficit): The expressions "operating surplus" and "operating deficit" are accounting terms meaning the excess of income over expenditure and excess expenditure over income respectively. Income and expenditure in this context exclude "capital" items such as the receipt or repayment of loans, the cost of capital works and transfers to and from reserves.

An operating surplus/deficit is inclusive of non-cash items such as income and expenditure owing but not paid and depreciation.

Optimisation Strategies: Looking at ways to get the most out of assets.

Outcomes: See Community Outcomes.

Pavement: Paved surface usually either a footpath or description of seal on a roadway.

Period of Benefits: Time over which the benefit of engaging in a Council activity will occur. If required by statute, the activity's period of benefit may be ongoing as opposed to finite.

Potable: Suitable for drinking.

Rates smoothing: Averaging out year by year changes in the rates required establish a consistent percentage change needed over the 10 year period to fund the required programme.

Rehabilitation: Rebuilding of a road and restoring it to the original slope and natural drainage patterns.

Regulatory role: Council has a regulatory role as it operates under and enforces a range of legislation.

Renewal: Restore to a new condition.

Resealing: Putting a new layer of seal on a road. Involves spraying bitumen over existing sealed sections, and then applying a surfacing layer to help maintain resistance to water and cracking.

Resources: These are the assets, staff and funds needed to contribute to the activities of Council including goods, services and policy advice.

Reserves (financial): Monies held for specific purposes on either for Council or on behalf of local communities.

Residual Waste: Remaining waste material once activities to reduce, re-use, recycle, recover and treat have been undertaken.

Reticulated: Piped networks.

Revenue and Financing Policy: A comprehensive policy stating how each activity of Council is to be funded - from rates, user charges, subsidies, other income or a combination of these. It also includes details of the various rating mechanisms used by Council.

RMA: Resource Management Act 1991.

Rural Water Supply (RWS): This is an untreated supply which is provided primarily for stock-water.

Service Provider: Council provides services as required by law, e.g. sewerage, or by community mandate, e.g. parks.

Scheme Capital Recovery: Payment towards capital project/expenditure (generally related to a water or wastewater scheme).

Shared Services Forum: This is a collaborative arm of the four councils in Southland (Southland District Council, Gore District Council, Invercargill City Council and Environment Southland). The forum is made up of representatives of each Council who meet regularly to discuss common issues and opportunities for inter-council collaboration.

Significance: The degree of importance attached by Council to an issue, proposal, decision or other matter in terms of its likely impact on the wellbeing of the District.

Significance Policy: Sets out how Council determines how significant a project or decisions are and therefore the level of consultation and analysis required.

Significant Decision: A Council decision that has a high degree of importance in terms of economic, social, environmental, or cultural wellbeing.

SOLGM: Society of Local Government Managers.

Special Consultative Procedure: A process required by the Local Government Act 2002. This sets out a series of steps that a local authority must take when consulting on certain types of decisions.

Statutory/Legislative Requirements: Requirements identified and defined in law.

Survey - Residents: The residents' survey involves approximately 3,000 questionnaires posted to residents in Southland and undertaken by an independent market research company. The survey is a key source of information on resident perceptions and satisfaction with Council services and is carried out three yearly.

Survey - User (Key User): A targeted survey of customers or people who use a service. These surveys may use a variety of methods and have various timing.

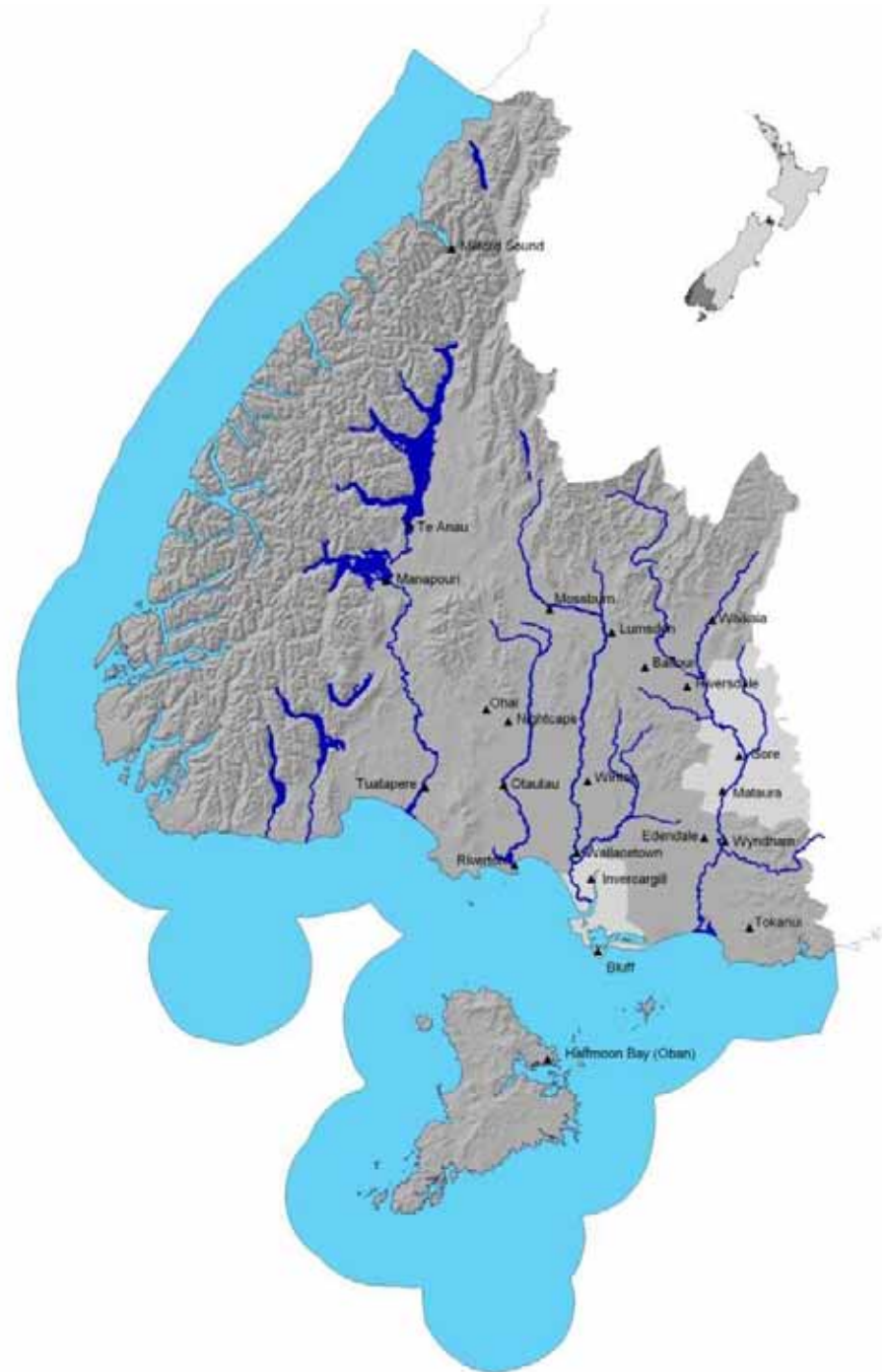
Sustainable Development: Endeavouring to balance the social, cultural, economic and environmental objectives for both future and current generations in Council's planning processes, decision-making and operations.

Ten Year Plan (Long Term Council Community Plan or LTCCP): A Ten Year Plan sets out Council's response to community outcomes and how Council will manage its finances and the communities' resources. The requirement for the Long Term Plan was introduced by the LGA 2002. The first Long Term Plan was adopted on June 2004 as required by the LGA 2002.

Territorial Authority: A city council or a district council.

Vested Assets: Vested assets are the assets which are given to Council by developers at the completion of their development, such as roads, water, sewerage and stormwater reticulation.

Wellbeing: In this document wellbeing includes the social, economic, cultural and environmental aspects of a community. The community outcomes are factors of wellbeing.





Southland District Council

Te Rohe Pōtae O Murihiku

www.southlanddc.govt.nz