



Southland District Council

## ANNUAL PLAN 2008/2009

*Incorporating amendments to the  
Long-term Council Community Plan  
2006-2016*



*People First*

**Southland District Council**

*Te Rauhe Pōtae O Muritiki*



# 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 group 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 five iconic tourist destinations (Milford Sound, Doubtful Sound, Fiordland National Park, Southern Scenic Route, Stewart Island) located in Southland, the District continues to be well-known for its unique and diverse tourism attractions.

Key Statistics	
Land area	30,753 km
Length of coastline	3,400 km
Population	28,440
European	79% <sup>1</sup>
Māori	9% <sup>1</sup>
Other ethnic groups	19% <sup>1</sup>
Number of rateable properties	20,073 <sup>2</sup>
Number of Councillors	12
Number of Community Boards and Community Development Area Subcommittees	28
Median house price	\$225,000 <sup>3</sup>
Median household income	\$48,700 <sup>4</sup>
Average annual rainfall	1,029 mm
Average annual sunshine hours	1,619 hours
Average annual temperature	15°C

<sup>1</sup>Totals more than 100% as respondents can choose more than one ethnic group

<sup>2</sup>July 2007

<sup>3</sup>Fairfax media home loan affordability series February 2008

<sup>4</sup>Census 2006

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# From the Mayor and Chief Executive



Southland is a great place to live and visit and Council's 2008/2009 programme clearly outlines Council's intentions to preserve the long term wellbeing of our District and its communities.

This plan is based on year three of Council's Long Term Council Community Plan (LTCCP) 2006 – 2016. It is about building on the District's strengths and on the Council's vision which focuses on thriving, healthy communities, whose economic, cultural and social wellbeing is supported by excellent infrastructure, services and amenities within a high quality environment. Council appreciated the time people took to make submissions on the plan as these added to the plans transparency and robustness.

Maintaining and enhancing our road network is a major activity for the District Council and accounts for 42% of the total costs of all services provided by Council. Contained within this plan is an amendment to our Long Term Plan. This change shifts the underlying rating for roads from a land value basis to a capital value basis. Associated with this change is a revised methodology used to derive the percentage share cost that each land use sector pays towards the District's roads. The change provides advantages in that the land sector use percentage better reflects the drivers of the significant expenditure on our roads, removes the huge anomalies that occurred between different towns due to varying land values and is a better expression of the benefits of public good provided in different locations, including an indication of the intensity of development.

There is a second amendment to our Long Term Plan which relates to the Development and Promotions rate. In the past this rate was collected by a combination of uniform annual charge (a flat charge set on each property) and a residual gathered by capital value. Council's change means that this rate will now be collected fully on uniform annual charge. The reason for the amendment is the relationship between the services provided within the Development and Promotions rate and the way a uniform annual charge reflects the people-based use of those services. Council thought that this may be limited by the legislative ceiling of a maximum of 30% uniform annual charge. Calculations, however, have determined that Council can move this rate to a uniform annual charge and still keep the total uniform annual charge to 28.08% of the total rate take.

In the LTCCP, Council signalled that in 2008/2009 it would move towards providing greater recycling services. Over the last seven years recycling has consistently been in the top three priority issues in the Southland District annual ratepayer surveys. Council has looked at its obligations under the proposed new waste legislation and has studied systems up and down the country which maximise the environmental outcomes through waste reduction and recycling. In preparing the Draft Annual Plan Council incorporated several options for improved recycling services, with one option being an exciting three-bin recycling system which caters for recyclables, organic waste collection and residual refuse collection. While this service costs more than the current wheelie bin refuse collection, a trial carried out at Winton clearly showed the three bin system to provide excellent environmental outcomes, especially in the reduction of residual waste going to landfill, while also delivering a high customer satisfaction level. A number of submissions raised the issue of the additional costs and as a result Council has indicated that it will undertake further investigations into kerbside recycling with a preference to developing a regional service for possible rollout in the 2009/2010 year. Council is striving to work with neighbouring Councils, both in the Southland and Otago to ensure the benefits are broadly spread and costs are minimised. Council sees its role in providing improved solid waste services as not only satisfying the expectations of the community, but also ensuring that Southland District fulfils its requirements under the New Zealand Waste Strategy while maximising the benefits for the environment.

With the current economic boom in Southland showing no let-up, the securing of staff, especially in technical and professional roles, is proving to be a challenge. This is particularly true in three water areas, water, wastewater and stormwater, and unfortunately has created a backlog of projects. We've had to prioritise our key projects and reschedule others into following years. It should be noted that no project has been lost; and we wish to assure you all that this reprioritisation will not compromise the environment or the public health of residents within Southland.

The Ministry of Health have recently finalised the rules associated with the water subsidy criteria and its linkage to the community's deprivation index. These changes could be seen as favourable to our communities. The delay in the finalisation of the rules has slowed down the approval process, but it is pleasing to note that Edendale is the first Southland scheme to get Ministry of Health funding through this new criteria. This project has been included as part of the work programme in the 2008/2009 year and it is hoped that future approvals for other communities will be also confirmed during the year.

It's important that ratepayers read this Annual Plan in conjunction with Council's Long Term Council Community Plan as there are a number of large and significant projects proceeding that were detailed in this earlier document. An example is the changes and the redrafting of the District Plan, whose objectives are to preserve this amazing District of ours in the broad context of the four wellbeings – social, cultural, economic and environmental. Through Venture Southland we continue to provide support for economic development and community wellbeing, as required under the Local Government Act.

Council's 2008/2009 work programme, as set out in this Annual Plan, aims to enhance the wellbeing of Southlanders and deliver on Council's mission of *Working Together for a Better Southland*. With the guiding principle of *People First* we thank all of the residents and ratepayers who made submissions on our draft Annual Plan as it is through co-operative partnerships that we will successfully deliver the sort of District that people want to live in as outlined in the Community Outcomes.

Council will endeavour to live up to its Maori name *Te Rohe Potae O Murihiku* in providing an all-embracing shelter for the people of our District.



Frana Cardno, QSO JP  
**MAYOR**



David Adamson  
**CHIEF EXECUTIVE**

# SECTION 1: Overview

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# Explaining the Planning Framework

## The Long Term Council Community Plan

Under the Local Government Act 2002 the Council is required to prepare a Long Term Council Community Plan (LTCCP). The Southland District Council's LTCCP, which covers the period 2006-2016, was adopted in June 2006. The plan identifies the directions or outcomes the community desires and the role of Council in achieving these outcomes. The plan also details the costs of Council's activities over the next ten years and how they will be funded. The plan is the Council's primary planning document and is reviewed every three years.

## Community Outcomes

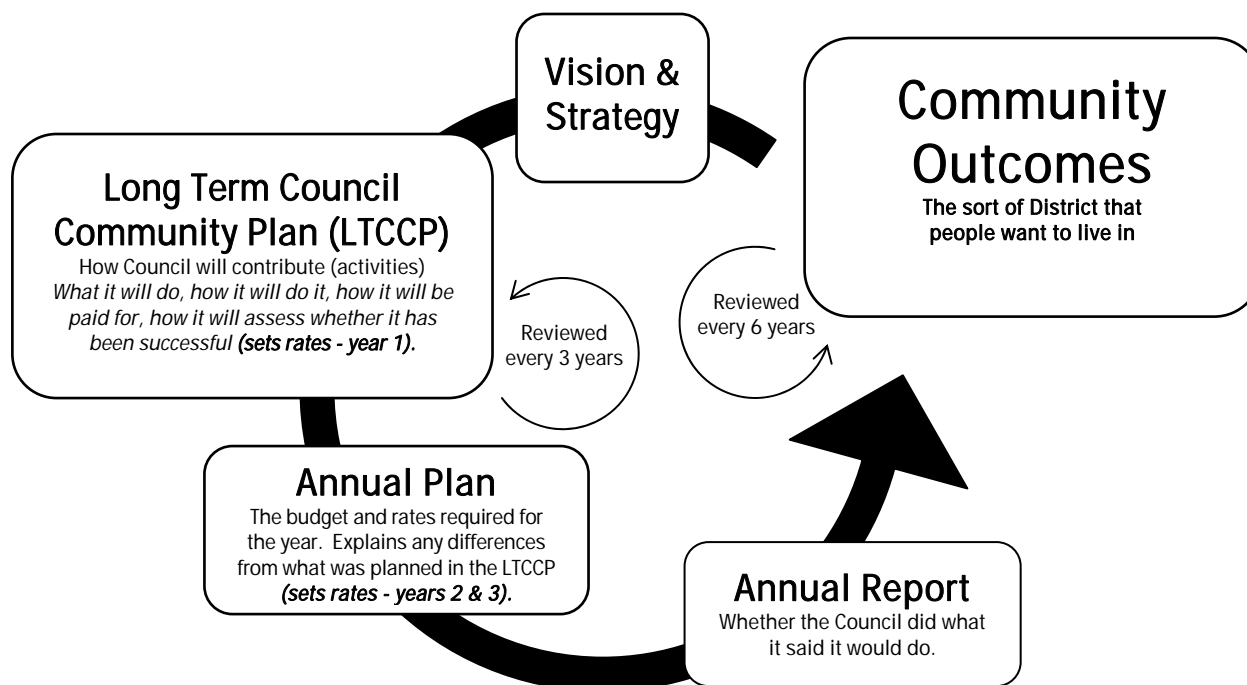
The direction of the LTCCP is based on what are called community outcomes. Community outcomes describe the sort of District that people want to live in, now and into the future. For example one of the outcomes Council works towards is *Southland is a great place to live*. For more details on community outcomes refer to page 27.

## The Annual Plan

Annual Plans are required to be produced every year that an LTCCP is not. This Annual Plan is based on year 3 of the Council's LTCCP. The Annual Plan has an operational function to implement the strategy developed and adopted through the LTCCP. The primary purpose of the Annual Plan is to provide the accountability base for setting and assessing rates, showing where the Council plans to spend its money from 1 July 2008 to 30 June 2009 and also to identify and explain any variations from year 3 of the LTCCP. If the Council is making any 'significant' changes from the LTCCP, it must also amend the relevant sections of the LTCCP.

## The Annual Report

Each year an Annual Report is produced which compares activities performed with those intended in the Annual Plan or LTCCP.



### Vision, Mission and Guiding Principle

The seven community outcomes support the vision, mission and guiding principle for the Southland District Council. The Council has had “People First” as its guiding principle since 1991; “Serving communities together” was added in 1996. Its vision and mission have had a number of iterations, with the vision reworded into one sentence in 2006, while still encapsulating the four aspects of community wellbeing: economic, environmental, social and cultural.



#### Vision

*Thriving, healthy communities whose economic, cultural, and social wellbeing and opportunities are supported by excellent infrastructure, services and amenities within a high quality environment.*

#### Mission

*Working together for a better Southland.*

#### Guiding Principle

##### *People First*

- P*romote social, economic, environmental and cultural well-being
- E*ffective representation
- O*pen and accessible
- P*rogressive and innovative
- L*ocal involvement
- E*xceeding expectations

*Serving Communities Together*

# Overview of submissions and changes to the draft Annual Plan

## Consultation

The community must be consulted when developing and adopting an Annual Plan (or amendment to the Long Term Council Community Plan). Consultation was undertaken prior and after the adoption of the draft plan, with public meetings on the proposed changes to the roading rate (held on 22/23 April 2008) and a kerbside recycling trial in Winton (held between 17 March through to 26 May 2008).

A Statement of Proposal (incorporating Southland District Council's Draft Annual Plan 2008/2009 and proposed amendments to the Long Term Council Community Plan 2006 – 2016) was considered and adopted by Council at an extraordinary meeting on 9 April 2008. It was then made available for public consultation during the period from 17 April to 21 May 2008. The draft document was advertised by newspaper and radio and a summary distributed to all households in the District and posted to non-resident ratepayers. About 200 copies of the full Draft Annual Plan were also distributed to other local authorities, public libraries, and interested organisations and individuals. Both the summary and full draft document contained a freepost submission form.

## Responses to the Draft Annual Plan and proposed LTCCP amendment

98 submissions were received to the draft plan. The majority of submissions received were on:

- The kerbside recycling proposal (46).
- Proposed changes to the roading rate (17).
- Suggestions for improving the District Plan and various resource management issues (16).
- Comments and suggestions on roading and transport (16).
- Rates increases (10).
- Riverton Heritage and Tourist Centre grant (10).
- Support and opposition to the funding of Venture Southland (8).
- Opposition to changing the Te Anau township boundary (8).
- Proposed water schemes and other issues related to water (6).
- The Te Anau Airport funding and land (5).

Hearings were held in Invercargill on 10 and 11 June 2008 and the submissions were considered at an extraordinary meeting on 11 June 2008. At this meeting Council indicated that three amendments would be made to the Annual Plan as a direct result of the submissions. These were confirmed at a meeting of Council on 25 June, where the Annual Plan was adopted. The Council also indicated a number of issues to be considered as part of the next Long Term Council Community Plan.

As shown above, a large proportion of submissions were received on the proposal to introduce kerbside recycling. Of the 46 submissions received on this topic, just over half were in support, with some preferring the two-bin system and others preferring the three-bin system. The main reasons submitters indicated opposition to the proposal was because of the cost, that many people already composted themselves, issues with holiday homes in Te Anau, and the belief that the existing recycling drop off points are sufficient. In addition to the submissions, a kerbside recycling trial was conducted in Winton on 100 properties. At the conclusion of the trial participants answered a survey, which showed that 84% of respondents approved of the multi-bin system and that 66% were willing to pay for it if introduced. Council believes that reducing the amount of waste going to landfill is important and therefore supports the introduction of a three bin system on a regional basis. However, with the project dependent on other councils, Council has decided to remove \$450,000 for kerbside recycling from the 2008/2009 financial year budget (retaining \$65,000 of the \$515,000 in the draft Plan for the costs associated with extending the existing wheelie bin contract) until a regional agreement can be reached. Council has also recommended that WasteNet begin planning and investigations into regional service for a possible roll out during the 2009/2010 financial year.

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Council also received 17 submissions about the proposed changes to the roading rate. A number of these provided suggestions for changing the consultant's model and the mining and forestry sectors were particularly concerned about the large increases on their roading rates. Although the Council decided to implement the modified differentials and new model as outlined in the draft plan, Council believes that the submissions raised some very good points and as a result has resolved to work with affected groups over the next year to go through some of these issues.

In the draft plan, a change was proposed to the Te Anau township rating boundary. Eight submissions from Patience Bay residents were received and all were strongly opposed to the proposal to include the subdivision in the new rating boundary. The submitters argued that Patience Bay, 2km from the existing township boundary, does not receive all or the same level of services as those in the town and no consultation was undertaken before the Draft Annual Plan. Council decided to remove Patience Bay from the new township boundary for 2008/2009 and has asked the Te Anau Community Board to undertake further consultation during the year with those affected.

Council received several submissions about Venture Southland activities and funding. While Councillors were strongly supportive of Venture Southland's activities, they were concerned about the impact that the reduction in income from Venture for services provided would have on ratepayers. The reduction relates to Venture providing its support services such as accounting, records management and human resources in-house, rather than buying them from the council. Council requested that overall funding be reduced by \$100,000 to offset this reduction in income.

Three submissions were received stating that Council needs to ensure people with disabilities are not disadvantaged in the Southland District. The submissions increased awareness of the challenges that people with disabilities face and as a result Council has requested that a Disability Strategy be developed for the Southland District.

The Southland Healthy Eating Healthy Action (HEHA) Reference group submitted about the importance of encouraging a healthy lifestyle and that a number of Council's activities already support this (e.g. providing parks and reserves, footpaths to walk on and community centres). The group requested that the Council sign a HEHA charter. This requires Council to lead by example as an employer and provider of services to the community and contribute resources, time and funding as appropriate to achieve goals in the HEHA plan. Council has agreed to sign this charter as it considers this fits in with achieving community outcomes and improving community wellbeing.

Council received a submission from Biodiversity Southland requesting continued funding of \$10,000 per year until 2010 to help fund the Biodiversity Southland Coordinator position. Council agreed to this request as it supports the work of the coordinator as a non-regulatory approach to matters under Section 6c of the Resource Management Act 2001 which covers the protections of areas of significant indigenous vegetation and significant habitats of indigenous fauna.

Council also received a submission from EnergySmart requesting \$35,000 in 2008/2009 to go towards a Southland Warm Homes project. This project involves carrying out energy assessments at a number of households in Southland and then undertaking insulation retrofits and heating appliance replacements to encourage healthier warmer homes and smaller power bills. Council was supportive of the project in principle; however, it has indicated that it wants more detail on the project before setting aside funding. These details would include what will be delivered and the benefits from the project, a business plan on how it will be delivered, a budget breakdown, and information on how many Southland District homes (compared to Gore and Invercargill) will be included in the project. Council suggested that if the evaluation is completed in 2008/2009, EnergySmart could apply to the Allocations committee for part year funding and Council will look at ongoing funding as part of the LTCCP 2009 -2019.

The Council received a number of submissions about Resource Management issues particularly related to the District Plan. A number of these submissions will be considered as part of the District Plan review. The issues include:

- The need to do more monitoring of compliance with District Plan rules.
- Protection of the Riverton coastal areas.
- Tighter rules on the heights of buildings and the distance between buildings.

- The need for tighter controls on dairy farms.
- The need to identify and preserve heritage. Suggestions included developing a heritage strategy and inventory, employing a part time Heritage Planner and providing funding to assist with the preservation of heritage items in the District.
- The issue of poor water quality in local rivers and its effect on recreational use.
- Funding for Biodiversity Southland to undertake a biodiversity strategy which would provide input into the District Plan.
- Protection of landscapes from windfarms.
- The need to control urban sprawl to preserve good farm land for food production.

In addition, the following changes were made:

- Correction to the Tuatapere Sewerage Rating Boundary map.
- Addition of WasteNet and the Southland Regional Heritage Committee in the list of Council’s “Joint Committees.”
- Correction to some hall committee rates – Riversdale (from \$35.70 to \$35.00), Tuturau (from \$34.80 to \$33.75) and Myross Bush (from \$23.50 to \$25.00).
- Amendment to Fees and Charges for building new dwellings (from \$1,389 in the draft Plan to \$1,559) and Commercial Accommodation, commercial crowd, and commercial working (from \$987.50 in the draft Plan to \$1,219).

The following changes will be considered as part of the LTCCP review:

- Include Civil Defence levels of service statements relating to maintaining a state of readiness.
- Review the NZ Disability Strategy and Inclusive Communities documents.
- Review regional kerbside recycling in 2009/2010.
- Consider funding for the Southland Warm Homes project.
- Undertake benchmarking (showing the effect of rating proposals on a group of properties).
- Itemise all uniform annual charges in the Revenue and Financing Policy.
- Ensure there is an equitable distribution of parks and reserves.
- Include funding to contribute towards a biodiversity strategy undertaken by Biodiversity Southland.
- Investigate alternative roading opportunities for coastal roads.
- Review the types of pest plants that Council controls.

**Register and Acknowledgment of Submissions**

Tony O’Loughlin and Colin Sinclair  
 Sally Duston  
 John Hall-Jones  
 Harvey Quirke  
 J A Mowat  
 John Baird  
 Dorothy Willis  
 Noel and Margaret Curtin  
 Euphemia McGlen  
 Alan Collett  
 Mrs E G Bennett  
 G R & H M Moore

S Gamble  
 W A Gray  
 Pamela Yorke  
 Te Hikoi Southern Journey  
 Alistair Jukes  
 John Barnett  
 Brian Henderson  
 David and Raelene Greer  
 A Thomson  
 S C Lewis  
 WasteNet  
 Brian Thomson

AB Lime Ltd  
 Karl Robinson  
 Takitimu Primary School  
 EA & MM Loose  
 Dave and Robin Frew  
 Wallace Early Settlers Association  
 Murray Knowles  
 Catherine Henderson  
 RH and HM Richardson  
 Wayne Muntz  
 Jill Tauri  
 Astride Von Sommaruga  
 Peter Beal  
 Brian Smith  
 Carl Uren  
 Marcia Ahern  
 Te Hikoi Southern Journey  
 Marcia Ahern  
 Environment Southland  
 The Western Star  
 Roslyn Road residents  
 Erin Farrant  
 Derek & Lynley Barclay  
 Keith Collinson  
 New Zealand Historic Places Trust  
 Te Ao Marama Inc.  
 Riverton Area Promotion Inc.  
 Southern Wood Council  
 DPA Southland  
 Public Health South  
 Karen Cooper and John Vermeulen  
 Stewart Dawson  
 Lyndsay McDonald  
 DE Marshall  
 Gwen Foster  
 Mary Napper  
 John Reynolds  
 Chris Shaw

Stephen Keach  
 Biodiversity Southland  
 Ernslaw One Ltd.  
 Mrs Chris Henderson  
 Vivienne Shaw  
 Dorothy Mollett  
 EnergySmart Ltd  
 Federated Farmers of New Zealand: Southland Province  
 NZ Forest Owners Association Inc  
 Susanne Smith  
 NZ Farm Forestry Association: Southland Branch  
 Department of Conservation  
 Southwood Export Ltd  
 Dean & Helen Bell  
 Fiordland Motel Association  
 Dorothy Bulling  
 Jocelyn Hodges  
 Southland HEHA Reference Group  
 Bruce Brown  
 Matariki Forests  
 Irene Barnes  
 Tony and Denise Austin  
 Wendy and Tom Holder  
 T A Davidson  
 GS and SA McCorkindale  
 Jim Flett  
 Lottie R Werner  
 Peter Dolamore  
 Don Hawinkels  
 New Zealand Automobile Association  
 Nathan Stewart  
 Lex and Pauline Dawson  
 Dawn Barry  
 Clarrie and Tanea Hawkins  
 Real Journeys  
 Ohai CDA (Sue Samson)  
 Ethel Barnes

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# Key Issues and Projects

## Change to the way the Roothing Rate is Calculated and Charged

In the draft Annual Plan Council proposed to change the way it collects the roading rate, from a uniform annual charge (UAC) and a targeted differential rate based on the land value of a property to a uniform annual charge and a targeted differential rate based on the capital value of a property. This change formed an amendment to the Council's Revenue and Financing Policy which is set out in the Long Term Council Community Plan 2006-2016. The Revenue and Financing Policy sets out how the Council intends to fund its activities.

The Council also proposed to use a revised methodology (developed by consultants Morrison Low) to derive the percentage share of costs that each land use sector pays towards roads. While the methodology for calculating the share of costs is not a Revenue and Financing Policy amendment, it does change the amount of total rates each sector will contribute. The revised methodology allocates the costs of roading rates to those sectors that create the costs through their use of the network. This is done using a three step process that determines the percentage share of roading costs to be collected from the various land use sectors (known as a differential).

Council received 17 submissions on the draft plan about the proposed changes to the roading rate. A number of these provided suggestions for changing the consultant's model and the mining and forestry sectors were particularly concerned about the large increases on their roading rates. Although the Council decided to implement the modified differentials and consultants new model as outlined below and in Section 2 of this plan, Council believes that the submissions raised some very good points and as a result has resolved to work with affected groups over the next year to go through some of these issues.

The table on the next page uses 2007/2008 budget figures to show the 2007/2008 share of costs (A) for each land use sector compared with what the share of costs would be using the Morrison Low revised methodology (B) or the Council's Modified share of costs (C). The changes are explained in more detail in Section 2 from page 173.

It is important to note that the changes do not relate to an increase in roading costs, only to how these costs are shared out amongst ratepayers. Also note that the percentage share of costs using the Morrison Low methodology (B) has been altered since the draft Annual plan as the result of new tonnage data for the dairy and forestry sectors becoming available.

## 3 Step Process: Determining the share of roading costs

- 1 Heavy vehicle costs are identified and then allocated between the rural and urban sectors. A simplified tonnage-based formula is then used to calculate the distribution of costs within the rural sector while the urban sector costs are distributed by property numbers.
- 2 General vehicle costs are identified and allocated to all sectors based on capital value.
- 3 As most aggregates are sourced from non-rateable land such as rivers, these costs are allocated across all sectors based on land value.

These three steps determine the percentage share of costs to be applied to each land use sector. Once this is completed, the percentage share is then applied to the total amount of roading rates required for the year with the amount calculated for each sector collected by a proposed combination of uniform annual charge and capital value.

## What is a Uniform Annual Charge (UAC)?

A Uniform Annual Charge (UAC) is a flat charge which is set on each property so that everyone pays the same fixed amount per property.

The Local Government (Rating) Act 2002 sets a limit on the amount of funding that the Council can collect using UACs. This limit is set at 30% of the Council's total rate take.

Sector	Number of Properties	(A)		(B)		(C)	
		07/08 Allocation Method Percentage Share of Costs*		Morrison Low Model Percentage Share of Costs*		Modified Percentage Share of Costs	
Commercial	571	2.89%	\$233,591	3.19%	\$257,994	3%	\$242,628
Dairy	1,069	21.08%	\$1,704,901	26.78%	\$2,165,858	25%	\$2,021,899
Farming	5,296	53.39%	\$4,317,725	39.36%	\$3,183,277	44%	\$3,558,541
Forestry	330	2.84%	\$230,007	9.73%	\$786,923	7%	\$566,132
Industrial	416	4.16%	\$336,121	2.49%	\$201,381	4%	\$323,504
Lifestyle	2,930	4.84%	\$391,586	3.83%	\$309,755	4%	\$323,504
Mining	34	0.25%	\$20,957	4.19%	\$338,870	2%	\$161,752
Other	653	0.51%	\$41,007	3.55%	\$287,110	1%	\$80,876
Residential	8,752	10.04%	\$811,700	6.88%	\$556,427	10%	\$808,759
<b>Total</b>	<b>20,051</b>	<b>100%</b>	<b>\$8,087,595</b>	<b>100%</b>	<b>\$8,087,595</b>	<b>100%</b>	<b>\$8,087,595</b>

\* The table includes rounding errors in column (A) and (B) as percentages (%) have been rounded to two decimal places. The figures in the table do not include GST.

#### Change to the way the Development and Promotions Rate is Charged

The Council has changed the way it collects the Development and Promotions rate which funds the Grants and Donations activity (which includes the grant made to Venture Southland). This change is considered to be an amendment to the Council's Revenue and Financing Policy which is set out in the Long Term Council Community Plan 2006-2016. The Revenue and Financing Policy sets out how the Council allocates the cost of its activities against available sources of funds.

In the past the Revenue and Financing Policy stated that this would be recovered from a District-wide rate based on a uniform annual charge with the balance coming from a capital value rate. The Council has changed this to a District-wide rate based solely on a uniform annual charge.

For some time the Council has believed that the activities funded by the Development and Promotions rate provide benefits for the whole Southland community, however it has been unable to fully fund these from a uniform annual charge as the legislation sets a limit on the amount of funding which can be collected this way (30% of the total rate). The Council believes that these services benefit the Southland community as a whole through increased employment opportunities, business development, community pride, coordination of opportunities and approach, recreational opportunities for local people, realising the potential of community attractions, enhanced quality of life in local communities, better community facilities, community self help and encouragement of young people. Overall, it is appropriate that all properties should share this cost equally and that a uniform annual charge be used if possible. The effect of the change is to remove the rate on capital value and increase the uniform annual charge from \$150.28 to \$156.00. The changes are explained in more detail in Section 2 from page 173. It is important to note that the changes do not relate to an increase in costs, only to how these costs are shared out amongst ratepayers.

**Options Reviewed for Waste - Rubbish, Recycling and Organic Kerbside Collections**

Waste minimisation is becoming an increasingly important issue in New Zealand. Recycling has been consistently identified as a top priority by Southland residents<sup>1</sup> and the Government has identified that reducing waste going to landfill is crucial if New Zealand is to reach the true sustainability necessary to protect the environment. As a result, the Government has developed a preferred waste minimisation policy which proposes more use of regulatory back-up and price-based mechanisms to reduce waste in addition to the current, largely voluntary approach to waste minimisation.

One of the key mechanisms the Government is proposing is a levy on waste going to landfill which forms part of the Waste Minimisation (Solids) Bill. The levy is intended to influence the amount of waste people generate by shifting the cost away from those who take action to reduce waste, and onto those who do not. This will see the introduction of a levy for every tonne of rubbish going to landfill, initially expected to be set at \$10 it is estimated the levy will generate \$31 million nationally per annum. Around half of the money that is generated by the levy is expected to go to councils, on a population basis, so that they can improve waste minimisation in their area (expected to be around \$97,000 in Southland). The remaining funds will be put into a contestable fund to which councils, communities, businesses and other organisations can apply for funding to set up new waste minimisation activities.

The Council believes that its current practice (which last year resulted in just 8% of waste being diverted from landfill) is not an option for the future. As a result, Council consulted on the introduction of a kerbside recycling and/or organic collection during its draft Annual Plan process as a way to reduce the amount of waste going to landfill, and prevent Southlanders from paying a higher cost to dispose of their waste.

The Council has also been talking with neighbouring Councils (Invercargill City Council, Gore District Council and Clutha District Council) about the possibility of providing a regional kerbside recycling and/or organic service. This would not only consolidate the shared service approach that has been developed in Southland with the regional landfill, but it would result in economies of scale and reduce the cost per household of any service introduced. In addition, with the shared service, it would further strengthen Southland's position and likelihood of being successful in any application for funding from the contestable fund.

The Council engaged Timaru-based BioBiz to provide a report on the options for solid waste collection and processing. The report recommended that if Council wished to make a significant reduction in the waste going to landfill, then it needed to consider introducing kerbside recycling, preferably using a three-bin system to separate rubbish from recyclables and organic waste. The report also identified that the costs would reduce significantly if the service was provided on a regional basis (in conjunction with neighbouring Councils), particularly if processing facilities needed to be constructed.

**Organics and recyclables?**

Organic waste refers to waste which can be composted. This includes greenwaste like grass clippings, tree leaves as well as food scraps.

Recyclables refers to waste which can be recycled. This includes plastic, paper, tin, cans and glass.

Rubbish refers to all other types of household waste.

**Waste measures proposed by Government**

The waste minimisation measures being considered by the government include:

- Levy on waste going to landfill;
- Legislation for product stewardship (affecting manufacturers who produce waste/packaging);
- New requirements for reporting on waste;
- New structures for the governance of waste;
- A new body to advise the Minister for the Environment on waste.

<sup>1</sup> Southland District Council Residents' Satisfaction and Opinion Survey (2005, 2006, 2007, 2008).

This report resulted in the Council including two options for recycling in the Draft Annual Plan:

- A three (wheelie) bin system, with one bin for organics (food scraps and greenwaste), one bin for recyclables (plastic, glass, paper and cans) and one for rubbish (to undertake this system. Regionally the system would cost an additional \$108 per property and for Council to undertake it on their own it would cost an additional \$199 per property<sup>2</sup>)
- A two (wheelie) bin system, with one bin for recyclables (plastic, glass, paper and cans) and one for rubbish (this would cost an additional \$75 per property and would not be undertaken regionally<sup>3</sup>).

In addition, a trial of the two options was undertaken in Winton in order to establish whether there is support for such services and to see how well it would be used.

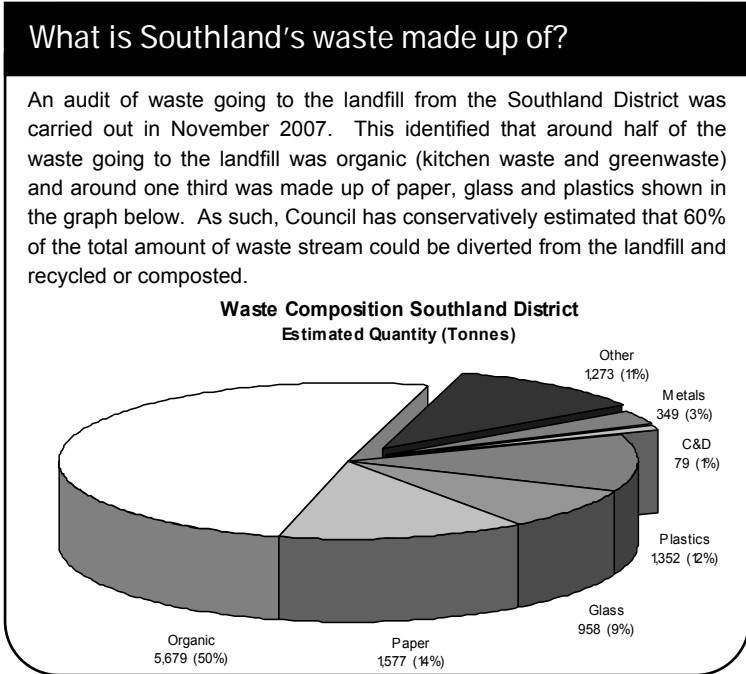
A three-bin system has been introduced in Timaru and has resulted in a significant drop in the amount of rubbish going to landfill (75%). Systems used across the State of Victoria in Australia have resulted in an average reduction of rubbish going to landfill by around 40%.

A large number of submissions were received on the proposal to introduce kerbside recycling. Of the 46 submissions received on this topic, just over half were in support, with some preferring the two-bin system and others preferring the three-bin system. The main reasons submitters indicated opposition to the proposal was because of the cost, that many people already composted themselves, issues with holiday homes in Te Anau, and the belief that the existing recycling drop off points are sufficient. In addition to the submissions, a kerbside recycling trial was conducted in Winton on 100 properties. At the conclusion of the trial participants answered a survey, which showed that 84% of respondents approved of the multi-bin system and that 66% were willing to pay for it if introduced.

Council believes that reducing the amount of waste going to landfill is important and therefore supports the introduction of a three bin system on a regional basis. However, with the project dependent on other councils, Council has decided to remove \$450,000 for kerbside recycling from the 2008/2009 financial year budget (retaining \$65,000 of the \$515,000 in the draft Plan for the costs associated with extending the existing wheelie bin contract) until a regional agreement can be reached. Council has also recommended that WasteNet begin planning and investigations into regional service for a possible roll out during the 2009/2010 financial year.

**Update on Proposed Levy for Takitimu Pool**

A submission was received to last year's Draft Annual Plan on introducing a levy for the upgrade of the Takitimu pool in Ohai. It was decided that a facility review needed to be completed and consultation undertaken with the affected community before the levy is introduced. Venture Southland has facilitated a meeting between the pool committee and the Ohai CDA and an audit of the Takitimu pool has taken place. The audit report for the pool will go to the Ohai CDA once finalised and a decision on the approach for further consultation will then be decided. As this consultation process is not yet completed the levy will not be considered until the Draft Long Term Council Community Plan 2009-2019.



<sup>2</sup> These costs are based on the 8,635 households which currently receive the weekly wheelie bin collection in the Southland District. The regional costs are based on 38,000 households. The enhanced service would be compulsory for all urban properties and optional for rural properties (which is the current system). In addition, it is assumed that no part services would be offered and properties would receive the total rubbish and recycling service or no service at all. The additional \$108 for the three-bin regional service is made up of an additional bin collection cost (\$91), a waste levy (\$3), Administration (\$11), Contingency cost (\$14) minus a landfill levy returned from government for Council undertaking waste minimisation initiatives (\$11). The additional \$199 for the three-bin SDC service only differs in the bin collection cost (\$182 versus \$91).

<sup>3</sup> The additional \$75 for the two-bin option is made up of an additional bin collection cost (\$55), a waste levy (\$6), Administration (\$11), Contingency cost (\$14) minus a landfill levy returned from government (\$11).

### Subsidy for roads higher than expected

Land Transport New Zealand (LTNZ) provides financial assistance to help Council to maintain and renew roads (excluding State Highways) throughout the District. In the Long Term Council Community Plan 2006-2016, the Council had budgeted for an expected decrease in the financial assistance rate from 54% to 53% in 2007/2008 and 2008/2009. This was because LTNZ had indicated that it would reduce the financial assistance rate by 1% for that period.

However, Council has again been advised by LTNZ that the financial assistance rate will remain at 54% and that a new fixed rate will not be set until the next LTCCP 2009-2019. This is the second year that the subsidy has remained the same despite earlier indications that it would decrease. As a result the Council will receive approximately \$236,000 of additional funding which had not been budgeted for in the current LTCCP.

In the Annual Plan, the Council will use this funding to reduce rates as it believes that Southland District ratepayers already contribute a significant amount to roading. This approach was also taken in 2007/2008.

### Venture Southland Grant

Venture Southland provides economic, tourism and community development functions on behalf of the Council and each year Council provides Venture Southland with a grant for these activities. As a result of Council reviewing the services which Venture Southland provides, the level of the grant has reduced from \$1,785,835 to \$1,590,095. In addition, Venture Southland has indicated that they will undertake a number of support services in-house rather than obtaining these from Council. These support services include accounting, records management, and human resources. While Councillors were strongly supportive of Venture Southland's activities, they were concerned about the impact that the reduction in income from Venture for services provided would have on ratepayers. The reduction relates to Venture providing its support services such as accounting, records management and human resources in-house, rather than buying them from the council. Council requested that overall funding be reduced by \$100,000 to offset this reduction in income and this has been taken into account in the grant figure above.

### District Plan Review

The Southland District Plan outlines how the Council will manage the physical and natural resources of the District over a 10-year period. In 2007/2008 Council began a review of this plan which is expected to be carried out over five years at a total cost of \$3 million. In the 2007/2008 year some preliminary work was undertaken on the District Plan review in terms of a staff/councillor workshop and the establishment of an external stakeholder reference group. Council also advertised for additional staffing resources to commit to this project, however at this stage no appointments have been made. Council is currently considering whether the District Plan review will be managed in-house or outsourced, or a combination of both. The Southland District Council is also liaising closely with Environment Southland on this project. Environment Southland is in the initial stages of reviewing its Regional Policy Statement and under the Resource Management Act 1991 a District Plan must give effect to the Regional Policy Statement. A high level of collaboration is therefore intended, which should also hopefully achieve efficiencies and cost savings.

### "R" Funding for Road Projects

Council may receive an additional subsidy for some of its roading programme in 2008/2009 from LTNZ's Regional ("R") Funding Scheme.

"R" funds are sourced from a Government imposed petrol tax for use on projects within the area the tax is collected from. The Government expanded the guidelines for projects that qualify for these funds last year following submissions from the Southland District Council and the Southland Regional Land Transport Committee.

Council has taken advantage of this change to include \$1.2 million of "R" funded projects in the 2008/2009 programme and these funds will be used to strengthen some of the District's gravel roads which have heavy logging and tanker use.

### Lumsden/Balfour Deep Water Bore

There is increasing demand for water and a need to improve the water quality in both Lumsden and the Lumsden/Balfour area. In 2007/2008 the Lumsden Community Board and Lumsden/Balfour Rural Water Supply Committee decided to include an additional project in the Annual Plan to look for a new deep water source instead of continuing with the existing source. Since then, investigations have been carried out and a preferred site for the deep bore was identified for the new source.

The initial design for the treatment process and pipeline has begun, however the project's future is dependent on the outcome of a resource consent application with Environment Southland for the extraction of water from the site. Council has been made aware that the water source is currently fully allocated and that it is possible the resource consent may not succeed. Council is planning to look at other sites for a suitable water source if the resource consent is unsuccessful. The project is now expected to cost \$1.6 million (as opposed to the \$1 million indicated in last year's Annual Plan). Supply consumers were consulted on the project and the cost through the local newsletter late last year.

### Edendale/Wyndham Combined Water and Sewerage Scheme

Construction of the Edendale and Wyndham sewerage schemes began in mid February 2008 and are due to be completed around December 2010. Construction also began on the Edendale water supply extension in mid February 2008, after community consultation and MoH funding was approved.

The design of the Wyndham reticulated water supply is complete and an application for MoH funding for Wyndham will be made by 30 March 2008. The scheme will only proceed if MoH funding is approved and the outcome of this is expected to be known by August 2008.

### Tuatapere Sewerage

The official opening of the Tuatapere sewerage scheme was in April 2008. Initially the scheme was estimated to cost \$4.5 million and was to be funded from a Ministry of Health (MoH) subsidy which would cover 50% of capital costs of the scheme with the remainder of the funding to be shared between local ratepayers (33%) and a district contribution (17%). Given the length of time that elapsed since the scheme was first proposed, the cost of constructing the scheme was instead around \$6.2 million.

The Council was advised by the MoH that it may only pay the subsidy on the "provisionally approved" estimate of \$4.5 million even though the Ministry of Health's policy clearly states subsidies will be based on the final estimate. While the Council continues to lobby Central Government to encourage MoH to meet the full 50% subsidy the Council has indicated that it will fund the deficit in the interim (refer to the Capital Project Funding Plan for the Tuatapere Sewerage Scheme on page 159).

## Changes to subsidy criteria affects proposed water schemes

Last year the Ministry of Health (MoH) released new criteria for determining the level of Government funding for new water schemes. Council's LTCCP stated that Council would contribute 16.67% towards the cost of water schemes eligible for Government funding (which is the same level as for sewerage schemes) with 50% paid by MoH and 33.3% paid by those connecting.

Under the new criteria the level of funding from MoH will primarily be based around the "deprivation" of the community applying. This deprivation index takes into account factors such as each community's ability to contribute to the scheme, renting versus ownership of property, family size and family wellbeing. As a result, the Government subsidy provided may be anywhere between 30% and 95% of eligible costs.

Despite the change in the MoH funding criteria Council has decided to keep the level of its contribution up to 16.7% and therefore, depending on the level of Government funding, this may result in those connecting to a new water scheme not having to contribute.

## Water/Wastewater projects deferred

The Council's LTCCP included several projects related to construction of reticulated water supply and sewerage schemes. The Council has recently reviewed all water and wastewater projects and reprioritised these. As a result, two of the schemes programmed for 2008/2009 have been deferred to 2009/2010, one being the Waikaia combined water and sewerage scheme and the other the Riversdale water scheme. In addition, with the new funding criteria being established for water supplied (see above) coupled with the fact that the sewerage subsidy programme is becoming fully allocated, it is unlikely Waikaia will be eligible for any subsidy. As a result Council is reviewing this proposed scheme.

### Rating Areas

In 2008/2009 the Council will establish a new rating area for the Tuatapere sewerage scheme, Lumsden/Balfour Rural Water loan and Eastern Bush Hall. The Council has also begun a progressive review of its township rating areas, starting with Te Anau and Wyndham. The Te Anau Community Board is changing the township rating area boundary to incorporate the developments which have access to township services and the Wyndham Community Board is changing its area to remove a property.

Eight submissions from Patience Bay residents were received to the draft Annual Plan, all of which were strongly opposed to the proposal to include the subdivision in the new rating boundary. The submitters argued that Patience Bay, 2km from the existing township boundary, does not receive all or the same level of services as those in the town and no consultation was undertaken before the Draft Annual Plan. Council decided to remove Patience Bay from the new township boundary for 2008/2009 and has asked the Te Anau Community Board to undertake further consultation during the year with those affected.

The revised boundary of the Te Anau and Wyndham township rating areas as well other rating areas are shown on page 154.

### Council Takes Over Stewart Island Jetties

The Southland District Council took over ownership of five jetties at Stewart Island (located at Ulva Island, Millers Beach, Fred's Camp, Little Glory and Port William) from South Port in late 2007. This was because South Port had indicated it was not intending to maintain the jetties in the future and if an alternative owner could not be found they would be removed. The Stewart Island community and Council felt that the jetties are an important resource and without them many people would not be able to visit those parts of the Island.

A Stewart Island Jetties committee has been formed to manage the jetties. This is a sub committee of Council and will operate in a similar way to the Riverton Harbour Committee. Council will give a \$5,000 grant to the committee for administration and maintenance costs each year with the remaining funds coming from Environment Southland, a South Port grant (\$5,000 for the next four years) and operators/other users' charges.

### Funding Assistance for Riverton Heritage and Tourist Centre

Council has agreed to provide \$68,640 of funding for the Riverton Heritage and Tourist Centre (Te Hikoi) which was opened by the Prime Minister in December 2007. The total cost of the project to build and outfit the centre was \$1,740,367. While the majority of the funding was provided by the Community Trust of Southland, lottery grants, the Southland Regional Heritage Trust and the Government's significant community based projects fund, the Council also agreed to assist with this project as it believed it was of regional significance. This Council will collect this funding via a one-off rate set as a uniform annual charge across all properties in the District.

## Te Anau Projects

**Replacement of Te Anau Lions Park Toilets –**  
The Te Anau Lions Park toilets will be fully replaced in 2008/2009 rather than upgraded as initially planned in 2006/2007. The new facility will have a larger number of toilets to cater for the increasing number of tourists using the toilets in the summer season. The facility will also include showers and a family room. A business case was presented to Council in February 2008 which detailed the design, and confirmed income and funding requirements. The total cost of the project is expected to cost \$845,000 rather than the \$750,000 indicated in the draft Annual Plan 2007/2008. Council has agreed to provide a \$675,000 loan for the funding of the toilet with the loan and interest to be repaid via a \$1 charge payable by people using the toilets. The remaining funds will be covered by district rates.

**Manapouri Airport Nearing Completion –**  
The Te Anau Community Board is currently consolidating its two Te Anau airport activities onto the Manapouri site. Construction of the terminal building and all runways are almost complete. The airport officially opened on 19 April 2008 ahead of what was planned in the Long Term Council Community Plan 2006-2016.

**Wastewater Scheme Update –**  
Council plans to improve the sewerage system for Te Anau during the next five to ten years and also make the new system available to Manapouri in the future. It is proposed the present system of discharging treated wastewater to the Upukerora River would eventually cease and the treated effluent would be irrigated to land. Primary treatment using aeration would remain at the existing site, which would reduce in size, near the Upukerora River. That would mean flood protection work would be required. The treated effluent would then be pumped to maturation ponds beside the irrigation land. Agreements are in place to purchase 375ha of land surrounding the Manapouri Airport for this purpose. Discharge and land use consents are required and applications for these will be lodged in 2008.

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# Finance overview

## Rating –

The Council is proposing a district rate increase of 5.94% in 2008/2009. This is slightly lower than the 6.15% increase forecast in the Long Term Council Community Plan (LTCCP).

The table opposite indicates the rates income (for both district and local rates) and where it is scheduled to be spent in 2008/2009 compared to the LTCCP.

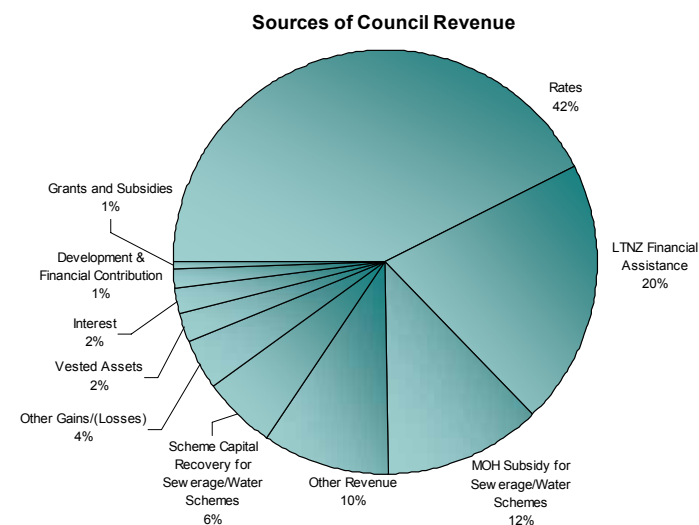
The individual rate increase for each property will depend on the value of the property and the types of services it receives. The rates change for each local area will also vary depending on the township, the services provided in that township and the local projects and priorities that have been identified by local community representatives. While the rates overall are increasing, a large proportion relates to new local rates which are being introduced for specific developments such as the Tuatapere sewerage scheme.

## Other Funding and Debt –

In 2008/2009 rating will provide 42% of the Council's total revenue. The remaining 58% is received from other sources as outlined in the table below.

REVENUE	LTCCP 2008/2009	Annual Plan 2008/2009
Rates	\$29,156,697	\$29,073,439
Other Revenue	\$6,502,849	\$6,649,746
Other Gains/(Losses)	\$2,591,207	\$2,573,796
Interest	\$1,504,174	\$1,504,174
Land Transport New Zealand financial assistance	\$13,043,415	\$13,886,728
Vested Assets	\$1,059,847	\$1,514,966
Grants and subsidies	\$393,710	\$384,457
Development and financial contributions	\$2,252,453	\$857,603
MOH Subsidy for Sewerage/Water schemes	\$1,448,766	\$7,984,814
Scheme Capital recovery for Sewerage/Water schemes	\$808,124	\$3,863,676
<b>TOTAL PROJECTED REVENUE</b>	<b>\$58,761,242</b>	<b>\$68,293,399</b>

Activity/Service	LTCCP 2008/2009	Annual Plan 2008/2009
Roading and Transport	\$9,372,520	\$9,323,650
Solid Waste Management	\$3,260,797	\$2,597,182
Governance, Strategy and Communication	\$3,243,195	\$3,264,142
Regulatory Services	\$1,164,533	\$1,169,773
Grants and Donations	\$2,766,111	\$2,720,291
Other Local Services	\$5,516,167	\$6,355,946
Other District Services	\$3,833,374	\$3,642,455
	<b>\$29,156,697</b>	<b>\$29,073,439</b>
District Rates	\$22,489,121	\$21,657,453
Local Rates	\$6,667,576	\$7,415,986
	<b>\$29,156,697</b>	<b>\$29,073,439</b>



*Other Revenue -*

Subsidies from Land Transport New Zealand contribute to 20% of Council's total revenue. The variation between the Annual Plan and the LTCCP figures above is the result of Council receiving the same financial assistance rate rather than a lesser budgeted rate as well as new R funding at a subsidy rate of up to 76% for certain projects. The other major source of revenue will be from Ministry of Health subsidies and connection fees for the new water and sewerage schemes in Tuatapere, Edendale, Wyndham and Lumsden. Income from fees, licences and recoveries will come primarily from compliance and project fees, SIESA revenue and forestry sales during the period. Council will receive a \$617,000 dividend from forestry in 2008/2009.

The amount of revenue budgeted for development and financial contributions is lower due to a change in accounting policy under NZ International Financial Reporting Standards (IFRS) which only recognises these contributions as revenue when the service for which it is levied for is provided. Previously in the LTCCP, these contributions were recognised as revenue immediately upon receipt.

*Reserves -*

Council has a number of reserve funds which are used to fund particular projects or put aside for future use. As of 30 June 2007, Council had total financial reserves of \$23,114,116 (excluding SIESA). It is projected that total reserves will decrease to \$14,148,719 (excluding SIESA) by 30 June 2009. The projected decrease is mainly due to a change in timing of the Te Anau/Manapouri Airport development (which is funded from the Luxmore reserves), no Luxmore subdivision sales occurring during the year (the budget assumed a \$1.2 million transfer to reserves from sale proceeds in 2007/2008) and \$4.8 million being drawn down from rates smoothing reserves. These reserves will be repaid in the next 10 years.

*Loans -*

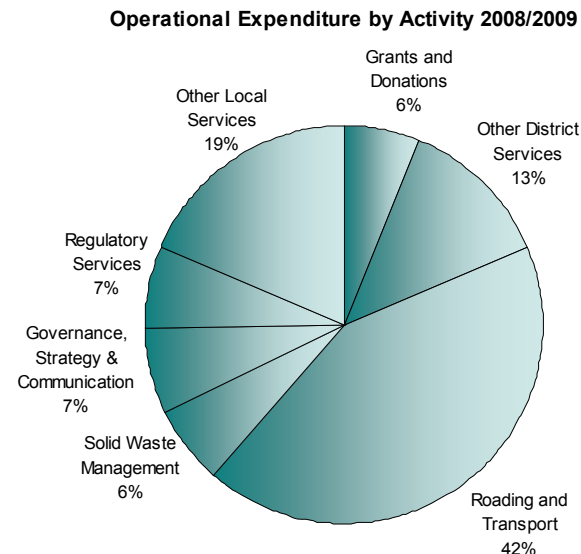
Council has a number of external loans to fund significant capital projects, primarily arising from stormwater, wastewater and water activities as well as loans for the roading programme. The level of these loans stand at \$6.1 million. Council also currently has a number of internal loans in place to fund various local projects. The level of these loans currently stand at around \$13.0 million.

<b>EXPENDITURE</b>	<b>LTCCP 2008/2009</b>	<b>Annual Plan 2008/2009</b>
Operating expenditure*	\$49,001,258	\$53,940,271
Capital expenditure**	\$27,699,267	\$34,847,871
<b>TOTAL PROJECTED EXPENDITURE</b>	<b>\$76,700,525</b>	<b>\$88,788,142</b>

\*Including depreciation. \*\*Excluding vested assets.

*Operating expenditure -*

Council's operating expenditure totals \$53.9 million in 2008/2009 which is spread over the 26 activities detailed in the plan. Operating expenditure includes items like repairs and maintenance costs, salaries and electricity costs. The major categories of operational expenditure are roading and transport at \$23.1 million and other local services such as water, stormwater, sewerage, community centres, beautification and local parks at \$10 million. The pie chart (right) shows the percentage of expenditure by activity. The 26 activities have been grouped into seven activity types to make the graph easier to read.



**Capital expenditure –**

The amount of capital expenditure (excluding vested assets) totals \$34.9 million in 2008/2009. This includes major projects such as the new Wyndham and Edendale sewerage schemes and renewing the District's roading network. The \$34.9 million is higher than the \$27.7 million in the LTCCP because a number of additional projects will be undertaken and several projects have been carried forward from 2006/2007 and 2007/2008 and are reflected in the 2008/2009 total. The table below shows the major project variations.

<b>Of the capital expenditure planned for 2008/2009:</b>
3% is related to growth (because townships are expected to grow and place extra demand on services)
10% is on renewals (to fix or maintain the assets we already have).
87% is related to increasing the level of service (to improve the standard of services provided to the community).

**Surplus/(Deficit) –**

The projected surplus for 2008/2009 after accounting for depreciation is \$14,353,128 compared to the estimated surplus of \$9,759,984 in the LTCCP for 2008/2009. The increase of \$4,593,144 is a reflection of funding of capital projects and assets vested to Council. For further information on Council's finances, please refer to the full financial statements (from page 121) and each of the statement for each activity which are included in the plan from pages 37 to 118.

**Major Project Variations from Year 3 of the LTCCP -**

<b>Project Description</b>	<b>LTCCP 2008/2009</b>	<b>Annual Plan 2008/2009</b>	<b>Funding</b>	<b>Explanation of Variance</b>
<b>Public Conveniences</b>				
Te Anau – replacement of toilets at Lions Park	-	\$845,000	Loan, User Charge	The upgrade of the Lions Park toilets was initially scheduled in the LTCCP for 2006/2007 at a cost of \$150,000. However it was decided last year as part of the Annual Plan 2007/2008 that the facility would be fully replaced to provide a higher level of service and improved tourist facility. This is expected to cost \$845,000.
<b>Stormwater</b>				
Te Anau – North Aparima Upgrade (D)	\$867,200	-	Development Contributions	All stormwater projects have been reprioritised and as a result this project has been carried forward to 2009/2010.
<b>Wastewater</b>				
Te Anau – Equipment renewals	-	\$233,000	Rates	The equipment renewals at Mokonui Street have been carried forward from 2006/2007 and have increased from \$86,000 to \$233,000 to reflect recent estimates of the cost.
Edendale – Reticulated sewerage scheme	-	\$4,976,590	Mix <sup>1</sup>	Construction of the scheme began in 2007/2008 with a budget of \$7,276,590. Some of this budget has been spent and the rest has been carried forward to 2008/2009. The scheme is due for completion in 2010.
Lumsden – Wastewater Treatment upgrade – Infiltration and disposal field (LoS)	-	\$291,480	Mix <sup>1</sup>	\$291,480 of the \$560,000 for the treatment upgrade has been carried forward from 2006/2007. The project is progressing and it is expected to be complete in early 2008/2009.
Te Anau – New treatment & disposal system(D)	\$1,675,560	\$81,000	Development Contributions	The land for the new treatment and disposal system was bought in 2007/2008. \$81,000 has been added in 2008/2009 to pay for extra costs associated with the land acquisition. The cost for this purchase is split between Level of Service (LoS) and Demand (D). Three other projects (\$260,160) included in this budget have been carried forward to 2009/2010 due to the reprioritising of all wastewater projects.

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Project Description	LTCCP 2008/2009	Annual Plan 2008/2009	Funding	Explanation of Variance
Te Anau – New treatment & disposal system (LoS)	\$1,255,575	\$69,000	Reserves & Loan	The \$1,205,712 for land acquisition was spent in 2007/2008. \$69,000 has been added in 2008/2009 to pay for extra costs associated with the land acquisition. The remaining \$49,864 for other system work has been increased to \$74,796 and has been carried forward to 2009/2010 as a result of all wastewater projects being reprioritised.
Te Anau – New treatment & disposal system: Milford Road Extension and Engineering (D)	-	\$212,492	Development Contributions	The Milford Road extension has been carried forward from 2006/2007. The Community Board is awaiting outcomes from the District Plan review before going ahead with the project. \$4,292 of the \$54,000 programmed for engineering in 2006/2007 has been carried forward to 2008/2009.
Te Anau – Mokonui Street upgrade (D)	-	\$413,500	Development Contributions	This new project has been added to increase storage capacity at Mokonui Street.
Waikaia – Reticulated sewerage scheme (subject to MOH funding and community consultation) (LoS)	\$487,800	-	Mix <sup>1</sup>	All wastewater projects have been reprioritised and as a result this project has been carried forward to 2009/2010.
<b>Water Supply</b>				
Otahu Flat RWS – Reticulation renewals	-	\$219,510	Loan	A new project has been programmed for 2008/2009 to replace 4.5km of main pipes which have needed continual repairs.
Winton – Reticulation & equipment renewals, tower assessment (06/07) and demolition of tower (09/10)	\$963,676	-	Loan	Some reticulation renewals (\$292,700) were completed in 2006/2007 while the remaining \$670,996 has been carried forward to 2009/2010.
Edendale – Supply extension (LoS)	-	\$1,533,755	Mix <sup>1</sup>	\$34,715 of the \$160,000 programmed for 2006/2007 has been carried forward along with the \$1,499,040 programmed for 2007/2008. Construction of the scheme began in February 2008
Lumsden – Deep Bore (LoS)	-	\$153,750	Mix <sup>1</sup>	In 2007/2008 the Lumsden Community Board decided to pursue a deep water source instead of continuing with the existing source. \$281,070 was spent last year for test bores (as stated in the Annual Plan 2007/2008) and an additional \$140,000 is needed to fund the project. \$13,750 has also been added for extra bore investigations due to the new preferred source not providing the full flow required to meet projected growth and demand on the Supply.
Lumsden/Balfour RWS – Deep Bore (LoS)	-	\$1,304,460	Mix <sup>1</sup>	In 2007/2008 the Lumsden Community Board decided to pursue a deep water source instead of continuing with the existing source. \$843,210 was added for deep bore construction and this has been carried forward to 2008/2009 as Council must wait for resource consent from Environment Southland before proceeding with the project. An additional \$420,000 has also been added to better reflect the costs of construction as well as \$41,250 for extra bore investigations due to the new preferred source not providing the full flow required to meet projected growth and demand on the Lumsden/Balfour Rural Water Supply.
Lumsden – Pressure project: Renewal of 20mm mains in township (LoS)	-	\$245,000	Mix <sup>1</sup>	This new project has been added to replace the mains pipes in the township so they can withstand the water pressure going through them.

Project Description	LTCCP 2008/2009	Annual Plan 2008/2009	Funding	Explanation of Variance
Ohai/Nightcaps/Wairio – Intake, treatment plant and Nightcaps failing main upgrade (LoS)	-	\$820,000	Mix <sup>1</sup>	A project was originally programmed for 2007/2008 at a cost of \$10,410 to upgrade the intake of the supply. However there have been recent problems with the intake, plant and mains so a more in depth project needs to be undertaken. Initially a feasibility study will be undertaken and a Public Health Risk Management Plan developed. The intake upgrade was carried forward to 2008/2009 because Council is awaiting a MoH funding application to be approved.
Riversdale – Reticulated water supply (subject to MOH funding and community consultation) (LoS)	\$1,073,160	-	Mix <sup>1</sup>	All water projects have been reprioritised and as a result this project has been carried forward to 2009/2010.
Riverton – Intake upgrade (LoS)	-	\$278,928	Mix <sup>1</sup>	The \$70,000 programmed in 2006/2007 has been carried forward and the estimate revised to better reflect the cost of the project.
Te Anau – Treatment upgrade (pending raw water monitoring) (LoS)	\$216,800	-	Mix <sup>1</sup>	All water projects have been reprioritised and as a result this project has been carried forward to 2009/2010.
Tuatapere – New source location (LoS)	-	\$200,000	Mix <sup>1</sup>	There have been ongoing issues with the water source for the water scheme and a new source needs to be found. The project is subject to an MoH funding application being approved.
Tuatapere – Riser main (LoS)	-	\$350,000	Mix <sup>1</sup>	This project is subject to a new source location being found.
Tuatapere – Treatment Plant: River Protection/Relocation (LoS)	-	\$1,000,000	Mix <sup>1</sup>	This project is subject to a new source location being found.
Waikaia – Reticulated water supply (subject to MOH funding and community consultation) (LoS)	\$108,400	-	Mix <sup>1</sup>	All water projects have been reprioritised and as a result this project has been carried forward to 2009/2010.
Winton – Intake upgrades (LoS)	\$216,800	-	Rates & Mix <sup>1</sup>	As above.
Wyndham – Reticulated water supply:	-	\$1,563,550	Mix <sup>1</sup>	Part of the 2006/2007 budget and the entire 2007/2008 budget has been carried forward to 2008/2009. Council is currently awaiting approval for a subsidy from MoH for the scheme.
Edendale – Supply extension (LoS)	-	\$1,533,755	Mix <sup>1</sup>	\$34,715 of the \$160,000 programmed for 2006/2007 has been carried forward along with the \$1,499,040 programmed for 2007/2008. Construction of the scheme began in February 2008

<sup>1</sup> 'Mix' refers to a mixture of funding sources - 50% of funding from Ministry of Health Subsidies, 33% from local rates and 17% from District rates

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# Outcomes Description

## Outcomes Description *(a joint statement by Gore District, Southland District, Invercargill City and Environment Southland)*

To maintain and improve the lifestyle we have in Southland, residents have identified, through the 'Our Way Southland' project, the following as the outcomes they want for themselves, their families and their communities. The 'Our Way Southland' report not only describes the seven community outcomes identified by Southlanders, it identifies the layers of intermediate outcomes and outputs that support them. The Long Term Council Community Plan contains further information on these outcomes.

<p><b>Outcome 1: Southland is a great place to live.</b></p> <p style="text-align: right;"><i>↳Lifestyle and Culture</i></p> <p>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</p>
<p><b>Outcome 2: A diverse economy built from our strengths for growth and prosperity.</b></p> <p style="text-align: right;"><i>↳Economy and Employment</i></p> <p>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</p>
<p><b>Outcome 3: Safe places in a caring society that is free from crime.</b></p> <p style="text-align: right;"><i>↳Law and Order</i></p> <p>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</p>

<p><b>Outcome 4: We are healthy people.</b></p> <p style="text-align: right;"><i>↳Health and Wellbeing</i></p> <p>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</p>
<p><b>Outcome 5: Strong, effective leadership taking us into the future.</b></p> <p style="text-align: right;"><i>↳Leadership</i></p> <p>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</p>
<p><b>Outcome 6: A treasured environment which we care for and which supports us now and into the future.</b></p> <p style="text-align: right;"><i>↳Environment</i></p> <p>6.1 We have an informed community            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</p>
<p><b>Outcome 7: A well-educated and skilled community continually seeking further opportunities to learn.</b></p> <p style="text-align: right;"><i>↳Education and Training</i></p> <p>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</p>

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# Associated Documents

A number of key planning and policy documents form the basis for this Annual Plan via the Long Term Council Community Plan. These provide additional details on specific issues and activities.

## Our Way Southland Community Outcomes Report

This report describes the seven community outcomes identified by Southlanders during the Our Way Southland project, and identifies the layers of intermediate outcomes and outputs that support them. The report also details the activities that are currently delivered by certain organisations and includes new activities that it is hoped will improve the region's social, economic, environmental and cultural wellbeing. Indicative success measures are also specified that could be used to assess the community's progress towards achievement of the outcomes identified.

## Activity Management Plans

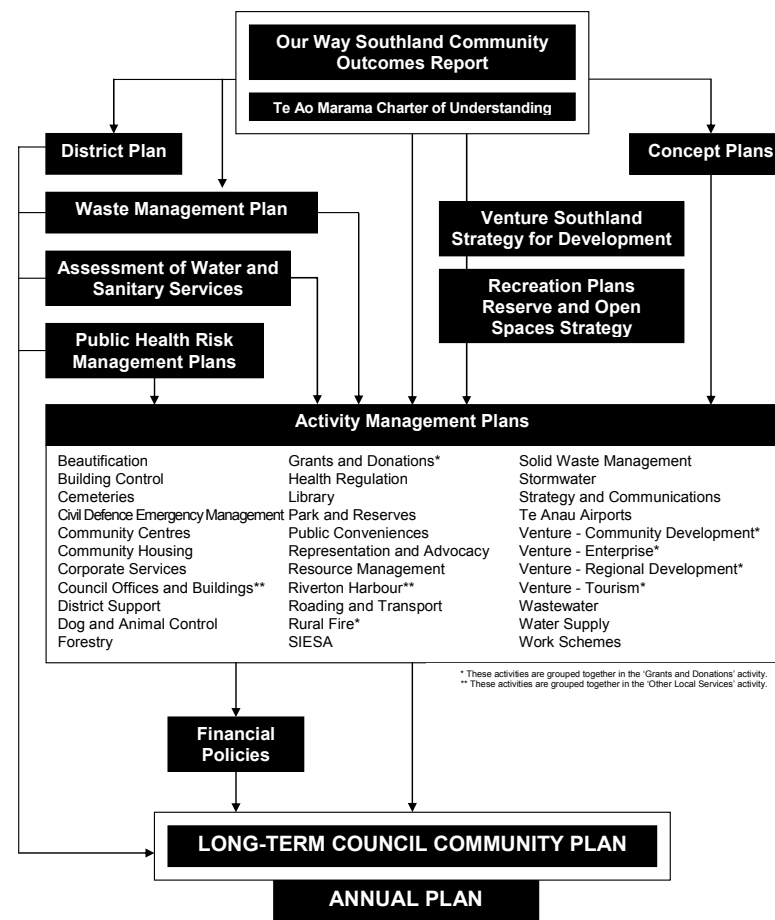
The key support documents to the LTCCP are the 33 activity management plans Council staff have prepared for the first time in the 2005/2006 year. These have replaced a number of other strategic planning documents prepared at an activity level, including the Advanced Roding Asset Management Plan, Solid Waste Management Strategy and township utility asset management plans (for water supplies, sewerage schemes and stormwater systems). The activity management plans detail how each Council service can be delivered effectively and efficiently over the next ten years. In doing so, the documents integrate information from the highest level - identifying community outcomes the service contributes to - to actual delivery issues at the lowest level. Specifically they describe the activity and the rationale for the Council's involvement; community outcomes to which the activity contributes; levels of service and performance targets; future demand; how any assets will be managed; and planned expenditure and how the activity will be paid for. This information is provided by the community, where applicable.

## District Plan

The District Plan states objectives, policies and rules for the sustainable management of natural and physical resources of the Southland District. It also sets out the reasons for adopting the policies and objectives and the means of implementation and the environmental results anticipated from such implementation. The District Plan is concerned with the "effects" of development and activities, not the actual development or activity itself. The Plan was made operative in June 2001, but is regarded as a "living document" that requires regular review and updating.

## Waste Management Plan

The Waste Management Plan outlines the vision of a sustainable Southland through the utilisation of the concepts of resource stewardship and waste minimisation. It details guiding principles such as sustainable management, extended producer responsibility and the life-cycle principle, as well as objectives - as the key goals of



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Council. Action plans are specified for several sub-categories, including waste management services, resource management, waste minimisation, education and promotion, and cost recovery and funding. Under each action plan there are methods to achieve one or more of the broad objectives of the Waste Management Plan, as a step towards realising the vision. The Waste Management Plan was prepared jointly under the banner of the WasteNet councils (Southland District Council, Invercargill City Council and Gore District Council). A summary is included in the LTCCP.

**Assessment of Water and Sanitary Services**

This four-part document details assessments on the provision of water and sanitary services within the Southland District. The assessments cover water, wastewater, stormwater drainage and sanitary services (public toilets, cemeteries and crematoria) and include areas not currently serviced by Council infrastructure. The assessments aim to demonstrate that water and sanitary services within the District are being undertaken to adequate standards to meet current and future communities' needs. Issues are identified and options developed for those issues of a high priority. A summary is included in the LTCCP.

**Public Health Risk Management Plans**

Public Health Risk Management Plans assess and manage the risks to public health associated with the 12 reticulated drinking water supplies within the District. The plans aim to identify all events that could lead to illness, and consider preventive measures, corrective actions and contingency plans; either in place now or improvements that can be made to reduce any identified risks.

**Venture Southland Strategy for Development**

The Venture Southland Strategy for Development outlines Venture Southland's approach to community and economic development activities over a ten year period; development activities comprise of strategic projects and integration, enterprise, tourism, conferences and events, and community. The strategy describes Venture Southland's vision for Southland's future, its mission and the building blocks to a prosperous/sustainable economy and community. Regional issues and opportunities are identified, and details provided on how these will be addressed by Venture Southland working proactively with other organisations and groups. Goals, objectives and broad actions are specified for each development activity, as well as which community outcomes the activities support. The document also explains the structure of Venture Southland, which is governed by a joint committee of councils.

**Concept Plans**

These plans - developed with and for local communities by Venture Southland - outline a vision and theme for the area, identify opportunities and determine priorities. The scope of the plans cover all aspects relevant to the community including recreation, promotion, enterprise, events, amenities and services. Concept plans encompass ideas for opportunities and projects from the wider community, in addition to the services provided by Council. There are currently concept plans for fourteen areas (Edendale, Garston, Lumsden, Northern Southland, Otautau, Riverton, South Catlins, Stewart Island, Takitimu, Te Anau, Tuatapere, Winton, Woodlands and Wyndham).

**Recreation Plan and Reserve and Open Spaces Policy and Guidelines**

The Recreation Plan provides a strategic direction for the development of recreation opportunities for the District's residents and visitors to 2017. It outlines options for Council regarding its role and level of involvement. The Recreation Plan focuses on the role and level of commitment of Council and strategies for combining resources through partnerships with the voluntary sector and key agencies in the community. The Reserves and Open Spaces Policy and Guidelines outlines Council's strategic approach to reserve management and provides vision, goals and objectives for the management of reserves and open spaces under its administration. The document ranks all reserves and open spaces in terms of their importance, use and benefit over the entire District. Open spaces include areas that are not vested as reserves, but are still retained by Council for recreation purposes.

**Key Council Plans, Reports, Policies and Strategies**

<b>Publication</b>	<b>Published/Adopted</b>	<b>Reviewed</b>
Activity Management Plans	June 2006	Full review 3-yearly. Some sections updated annually.
Annual Plan	30 June	Intervening years between LTCCPs
Annual Report	October each year	Annually
Assessment of Water and Sanitary Services	June 2005	3-yearly
Civil Defence Emergency Management Group (CDEMG) Plan	March 2005	3-yearly
Concept Plans	Variety	Within 7 years of adoption
District Plan	June 2001	Full review legally required 10-yearly, however a review was initiated in 2007/2008 and it is intended this will be completed within 5 years.
District-Wide Reserve Management Plan	May 2003	Within 10 years of adoption
Financial Policies	June 2006	3-yearly
Long Term Council Community Plan	June 2006	3-yearly
Our Way Southland Community Outcomes Report	July 2005	6-yearly
Public Health Risk Management Plan	Drafted January 2006	Sections reviewed 2-yearly
Progress Report on Community Outcomes	First to be done by July 2008	3-yearly
Recreation Plan	May 2002	As required (prior to 2017)
Reserves and Open Spaces Strategy	2000	As required
Southland District Local Civil Defence Plan	November 2005	Associated with CDEMG Plan. Likely to be formally reviewed when the CDEMG Plan is reviewed. However a living document, amended as required.
Venture Southland Strategy for Development	June 2005	3-yearly
Waste Management Plan	December 2004	6-yearly

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# Māori Contribution to Decision-Making

## Introduction

Nine percent of the Southland District's population is Māori, with the highest concentrations in Ohai (42% of the population), Nightcaps (19%) and Riverton (18%). 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 give 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 the other three local authorities in the Southland region, namely Environment Southland, Invercargill City Council and the Gore 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 four councils and Te Ao Mārama Incorporated. The charter was revised in 2003 to incorporate the wider responsibilities under the Local Government Act 2002.

The charter of understanding provides:

- The basis for an ongoing relationship between the four councils and the tāngata whenua of Murihiku to assist in developing the capacity of Māori to contribute to the 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 natural resource management regularly attend Te Roopu Taiao meetings.

## 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.
- Maintain existing protocols and with Māori in relation to the ways in which Council will undertake its statutory duties and continue with the integration of protocols into the Southland District Council organisation (eg information in HR manual, GIS, Ngāi Tahu Claims Settlement Act 1998 training and displays).
- The Council's Resource Management Department has set aside \$10,000 funding annually to assist the Murihiku Ngāi Tahu Papatipu Rūnanga to review Te Whakatau Kaupapa o Murihiku (Southland's Iwi resource management document). This project is being managed by Te Roopū Taiao, and the Council has also appointed an elected representative and staff member onto a working party, to review this document.
- The Council's Resource Management Department is contributing to a project being undertaken by the New Zealand Archaeological Association (NZAA) to improve the accuracy of the location of archaeological sites in Southland, including "sites of significance" to Ngāi Tahu iwi. This project began in 2006/2007.

Council has provided \$10,000 funding annually towards the review of Te Whakatau Kaupapa o Murihiku (Southland's Iwi resource management document). This review has been completed and the new resource management document "Te Tangi o Tauria - the Cry of the People" was officially launched at Murihiku Marae in March 2008 and is now in use.