

# *Working Together*



**ANNUAL REPORT** 2013/2014

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# Overview

The overview describes the key highlights from the past year and gives a summary of how Council has performed against its financial and service performance measures. The section also reports on progress made towards achieving community outcomes, opportunities for Māori to contribute to decision-making and explains other related documents. The section finishes off with a report from Audit New Zealand which gives an opinion on whether the financial statements and service performance information fairly represent the Council's financial performance and position and also how accurately we have monitored and reported on our activities.

## Goods and Services Tax (GST)

Many monetary amounts in this document are reported as GST exclusive. When a GST exclusive number is multiplied by 1.15 it gives the GST inclusive amount. Where a number is reported as GST inclusive divide it by 1.15 and it will give the GST exclusive amount.

## Message from the Mayor



2013/2014 has been a year of changes for Southland District Council. Council farewelled long serving Mayor Frana Cardno, Deputy Mayor Jim Copland, Te Anau Cr Diane Ridley and Waihopai Cr Wallace Jack. I was elected as the new Mayor at the October 2013 elections, along with three new Councillors - Crs Alistair Jukes, Julie Keast and Neil Paterson. Then in June 2014, the Chief Executive of 10 years, David Adamson, moved on to a new position in Christchurch.

Among these major personnel changes, central government continued to develop its "Better Local Government" reform package, with ongoing changes ensuring Council continued to voice a southern rural perspective for its ratepayers. Council's mission of "*Working together for a better Southland*" remains the same and this year has seen it continue to work towards having strong and vibrant communities while meeting the new purpose of local government.

Council has continued to face significant increases in costs and has had a reduction in the financial assistance rates for roading. Roading remains our biggest spend and staff have worked extremely hard to develop innovative ways to manage Southland roads. Staff and Councillors have done significant work around economic modelling of its road network to ensure investment provides maximum value for money. This will be ongoing as some of our roads are nearing the end of their lives and hard decisions need to be made about levels of service and the standard to which roads will be maintained to.

This Annual Report shows that Council remains in a strong financial position. Surplus for the year was \$7.6 million, which is \$10.2 million above budget. This predominantly related to increased revenue from government grants, forestry sales and vested assets totalling \$6.7 million, as well as reduced expenditure of \$3.5 million. Council remains externally debt free.

One of the highlights of the year was the introduction of the Stewart Island visitors' levy, which began on 1 October 2013. \$85,000 was given out to five projects on the Island this year, after only nine months of collecting the levy.

Council appreciates the support received from the transport businesses, which are collecting the levy on behalf of Council. The money from the levy will continue to go towards Island projects to enable the best possible visitor experience.

During the year several major projects progressed markedly. After several years of planning and investigations, a resource consent application for the treatment and disposal of wastewater from Te Anau was lodged with Environment Southland in November 2013. The project proposes to pipe the treated wastewater to land near the airport and irrigate it via centre pivot. Open days at the Te Anau Airport Manapouri were held in January to explain the proposal and encourage people to have their say to Environment Southland. A total of 152 submissions were received, with seven in support, four neutral, one part supported and part opposed and 140 opposed. A hearing was held in front of three independent commissioners in Te Anau in July 2014. The project, at a cost of approximately \$13 million, is being undertaken because the present consent expires in 2014 and disposal to water, as is now happening, is unlikely to be allowed.

Hearings began on the proposed District Plan after 288 submissions were received in the first round of consultation. A further 28 submissions were received in the second round. The first hearings were held in Te Anau in May, with the others in Invercargill. A recommending report is likely to go to Council late in 2014.

By the end of June 2014, most of Stage One of the Around the Mountains Cycle Trail (from Kingston to Mossburn) had been constructed, with only five swing bridges and a small section of the trail near Athol to be completed. Plans are well underway for Stage Two from Mossburn to Walter Peak.

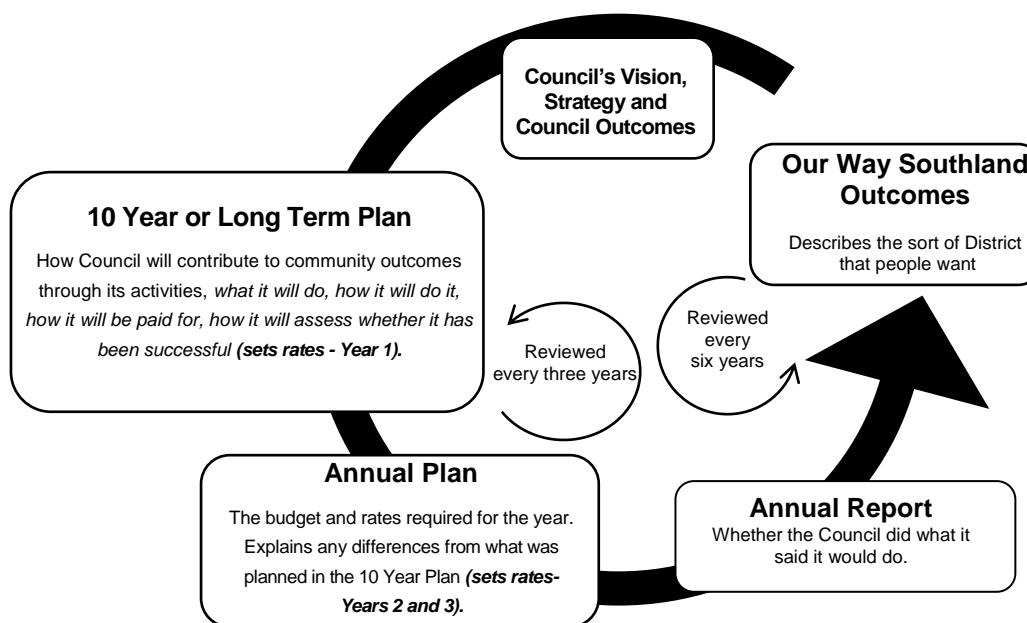
I recommend that you read this Annual Report as it gives you a detailed view of the significant progress made by Southland District Council on behalf of its residents and ratepayers. Council and staff are proud of the year's achievements and would like to thank Councillors, Community Board and Community Development Area subcommittee members for their commitment towards "*Working together for a better Southland*".

# What is an Annual Report?

This Annual Report tells you how well we did against what we said we were going to do in the 10 Year Plan 2012-2022, how much it cost to do this and how we paid for it.

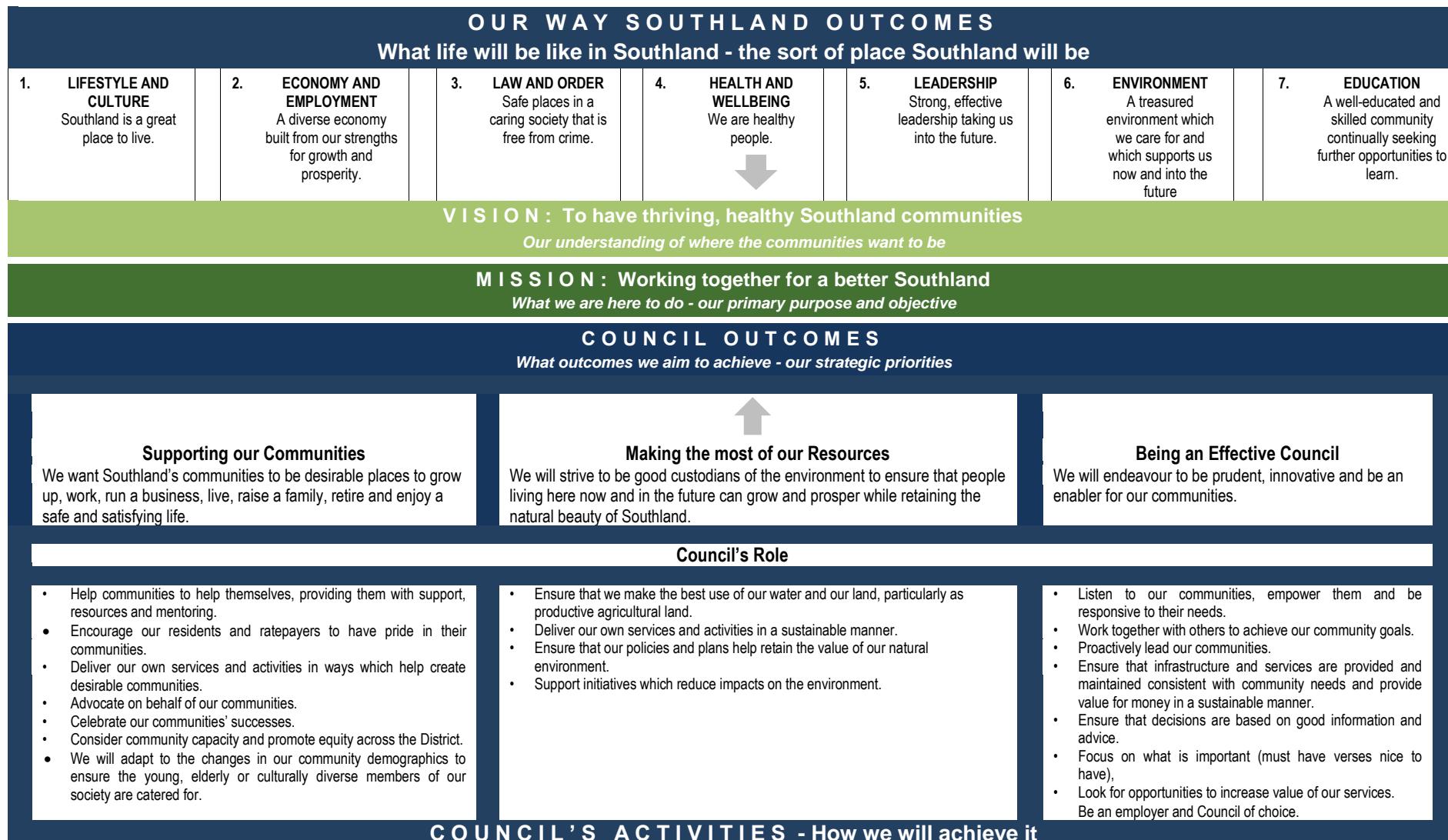
Audit New Zealand gives its opinion on whether the financial statements fairly reflect the Council's financial performance and financial position and comply with generally accepted accounting practice. Additionally, the opinion is given on how accurately we have monitored and reported on our activities and whether what we have reported on is a good reflection of our performance.

This document reports on the Council's activities during the year 1 July 2013 to 30 June 2014



# Vision, Mission and Guiding Principle

\*Note - Council updated this in 2014 and the new version is below



# Key Highlights

## Roading

The New Zealand Transport Agency (NZTA) has capped funding for 2012-2015 and has reduced its financial assistance rate by 1% to Council. Capped funding heightens the pressure on managing our roads effectively. During the year, Council proactively focused on improving value for money and increasing efficiency. Strategies were put in place around safety and network planning that will better manage our transport systems.

NZTA has also introduced a national standard road classification called One Network Road Classification or ONRC. Council personnel participated in national workshops to help develop the classification system. The ONRC is designed to be a standard framework for specifying levels of service for different classes of roads that have the same functional purpose across the country. ONRC will be implemented in 2014/2015.

Road Safety Southland is a shared service with Southland territorial authorities to oversee our community based road safety initiatives. Road Safety Southland is funded from the National Land Transport Programme and local funding providers. This year, community initiatives focused on three areas of road safety concern on Southland District roads that contribute to deaths and serious injuries. These were: young drivers, rural roads (including crashes on bends and at intersections) and motorcycle safety - all highlighted in the Southland Regional Road Safety Strategy and Police Crash reports. During this period, we were pleased to report a reduction of around 50% in all areas of focus except young driver crashes which remained relatively the same.

## Water and Waste

Resource consent applications for a new wastewater treatment and disposal system for Te Anau were lodged with Environment Southland in late 2013. Open days on the proposed scheme were held at the Te Anau Airport Manapouri to raise public awareness and to answer questions. Environment Southland received 152 submissions. The hearing before three independent Commissioners was held in July 2014 in Te Anau and was adjourned for further information.

Council continued to work towards upgrading its treatment schemes to improve compliance with national standards for schemes. Council continued to assess the conditions of all its schemes to work out the optimum timing of renewals.

## Around the Mountains Cycle Trail

The majority of Stage One of Around the Mountains Cycle Trail (Kingston to Mossburn) was completed by the end of June 2014, with only the swing bridges and a small section at Athol to be finished. An opening of the stage is planned for October 2014. Planning also got under way for Stage Two - from Mossburn to Walter Peak. During the year extra funding of \$500,000 was received from government to change the trail route to go through Athol. In addition, the funding from the Ministry of Business Innovation and Employment's of \$3.7 million, along with funding from Council grants over two financial years (2013/2014 and 2014/2015) and New Zealand Transport Agency, provided total funding of \$4.51 million towards this project. The estimated cost of completion of Stage One is \$4.58 million.

Funding of \$1 million was also approved from the Lotteries Commission for Stage Two, which has an estimated cost of \$4.77 million.

Overall for the total project (Stage One and Stage Two) the balance of funding needed is \$3.84 million. This has been underwritten by Southland District Council but funding is being sought from several different sources.

The trail is expected to offer considerable long term benefits to the communities and is expected to be fully completed by December 2015.

## Stewart Island/Rakiura Visitor Levy

The Stewart Island/Rakiura Visitor Levy fund collected \$113,566 in its first nine months. An allocation committee was established and allocated \$85,000 to various projects on the Island. The levy helps pay for infrastructure, services and amenities that are used by visitors. The cost of the levy is \$5.

## District Plan Update

Hearings began into the proposed Southland District Plan in May after it was publicly notified at the end of November 2012. A total of 288 submissions were received and another 28 were received after a call for further submissions was held. The first hearing was held in Te Anau, with the rest being held in Invercargill.

## Local Government Reforms

As at 30 June 2014, local government was still waiting on the outcome of the Local Government Act 2002 Amendment Bill which was still passing through Parliament. The amendment bill was enacted in August 2014. This Bill made a number of changes to councils' governing legislation including providing more flexibility around how councils engage with its residents and ratepayers. In addition, councils will be required to develop an infrastructure strategy that shows planned capital works over the next 30 years.

## Venture Southland

In 2014 a new Heads of Agreement was agreed between the funding councils: Southland District Council, Invercargill City Council and Gore District Council. The new agreement changed the governance structure of the organisation to reflect what was occurring in practice. The Directorate became the Joint Committee and the Joint Committee became an Advisory Subcommittee. New planning and reporting processes were also included.

## Local Body Elections

Council has a new Mayor - Gary Tong and three new councillors - Crs Alistair Jukes, Julie Keast and Neil Paterson, after the local body elections were held in October 2013. The elections saw a major change in the way councillors are elected, as the Representation Review held in 2012/2013 replaced the previous 12 wards with a five ward system - three with three councillors, one with two councillors and one with one councillor. The number of community boards was decreased to eight and the number of community development area subcommittees (CDAs) increased to 19. The community development area subcommittee elections were held from March to June 2014.

## Southern Field-days a success

Council had a presence at the Southern Field-days in Waimumu in February 2014. Hundreds of people came through the site during the three days, with many stopping to have a chat to Mayor Gary Tong or to talk to staff about various projects, such as the Around the Mountains Cycle Trail or the proposed Te Anau wastewater scheme. Many also took part in creating a Southland heirloom, made out of flax weaving and other natural items, like stone and shell.

## Youth Council

The Southland District Youth Council had a busy year, with a hugely successful youth forum held in September and a Clash of the Youth Councils in May. Youth Council members also made a submission to Council's 2014/2015 draft Annual Plan supporting the Around the Mountains Cycle Trail. A community spirit award was given out at the end of the 2013 year.

## Citizenship Ceremonies

Council welcomed 29 new citizens in two citizenship ceremonies in the 2013/2014 year. The naturalised, New Zealand citizens came from around the world and are living across the District.

## New mobile library commissioned

Southland District Council launched a new mobile library in February 2014. The mobile library is a Mercedes Sprinter which has been customised specifically for the delivery of library services. It is safer to drive and is more comfortable for librarians to work in. Library users are encouraged to order items through the SDC website or 0800 number and books will be delivered at their local stop.

# Summary Activity Report

The Annual Plan for 2013/2014 included 158 projects and 99\* service performance targets. Eighty nine of the 99 performance targets were measured and ten were not measured as they were part of several surveys that happen either every two or three years. The graphs and table opposite and below provide a snapshot of the status of projects and achievements of targets as at 30 June 2014. More detail about the individual results including commentary on specific projects is included in the activity sections.

Of the 158 projects scheduled for the 2013/2014 financial year (including carried forward projects), overall, of all projects, 70 (44%) were completed by the end of the year, with a large proportion of the 32 projects (20%) that were still in progress and 40 projects (25%) deferred and due to be completed in 2014/2015. Six projects were not started (4%) and 10 projects (6%) were deleted. Generally, projects which are not completed are multi-year projects.

In terms of service performance targets, 60 targets (67%) were achieved which is an increase in achievement compared to last year's 64%. A total of 29 targets (33%) were not achieved. Some of those "not achieved" were very close to being achieved. The table below groups the Council's 26 activities into eight broad categories and shows the performance breakdown in the different categories.

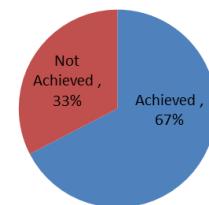
\* Note that some survey questions were split out into more than one question which is why the service performance level targets appear to have increased from the previous year.

Activity	Capital Projects			Performance Targets							
	Completed <sup>1</sup>	In Progress	Not Started <sup>2</sup>	Achieved	Not Achieved	Not Measured					
Roading and Transport	3	6	13	8	1	0					
Solid Waste Management	0	0	0	2	4	0					
Other District Services	1	0	0	20	7	6					
Stormwater, Wastewater, Water	55	22	28	6	3	1					
Other Local Services	11	4	15	11	6	0					
Regulatory Services	0	0	0	10	5	3					
Governance, Strategy Communication	0	0	0	2	3	0					
Grants and Donations	0	0	0	1	0	0					
<b>Total 2013/2014</b>	<b>70</b>	<b>44%</b>	<b>32</b>	<b>20%</b>	<b>56</b>	<b>35%</b>	<b>60</b>	<b>67%</b>	<b>29</b>	<b>33%</b>	<b>10</b>
<b>Total 2012/2013</b>	<b>37</b>	<b>27%</b>	<b>40</b>	<b>29%</b>	<b>61</b>	<b>42%</b>	<b>42</b>	<b>64%</b>	<b>24</b>	<b>36%</b>	<b>26</b>

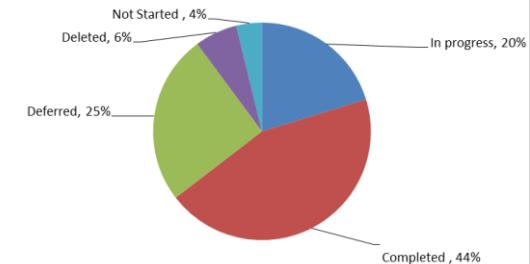
<sup>1</sup>. In addition to the 83 projects identified for 2013/2014 being completed, Council also completed several projects carried forward from previous years. Details of individual projects are included in the project tables in the Activity.

<sup>2</sup>. Includes projects which were not started, deferred or deleted.

## Key Service Performance Measure Targets 2013/2014



## Project Status 2013/2014



### Activity Grouping:

**Other District Services** includes Civil Defence, Community Housing, District Support, Forestry, Libraries and Work Schemes.

**Other Local Services** includes Cemeteries, Community Centres, Airports, Parks and Reserves, Public Conveniences, SIESA and Council Buildings and Property.

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

# Financial Overview

The financial overview provides a summary of the year-end financial results for the Southland District Council. The information contained in this overview has been extracted from the full financial statements which contain detailed information about Council's finances and service performance. The financial results include information about the Council, Stewart Island Electricity Supply Authority and Venture Southland. The table shows the financial year-end results, as at 30 June 2014 and includes comparisons from the previous financial year and the budget as outlined in the 2013/2014 Annual Plan.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand.

Full details of the Council's accounting policies can be found on page 144.

The Financial Report has been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The Annual Report complies with NZ International Financial Reporting Standards, as appropriate for public benefit entities.

The information included in the summary report has been prepared in accordance with FRS 43: Summary Financial Statements.

## Definitions

### **COMPREHENSIVE INCOME**

What income Council has left after operational costs are paid.

### **EQUITY**

Net assets owned by ratepayers.

### **NET ASSETS**

What Council owns and what it owes at the end of the year.

### **CASHFLOW**

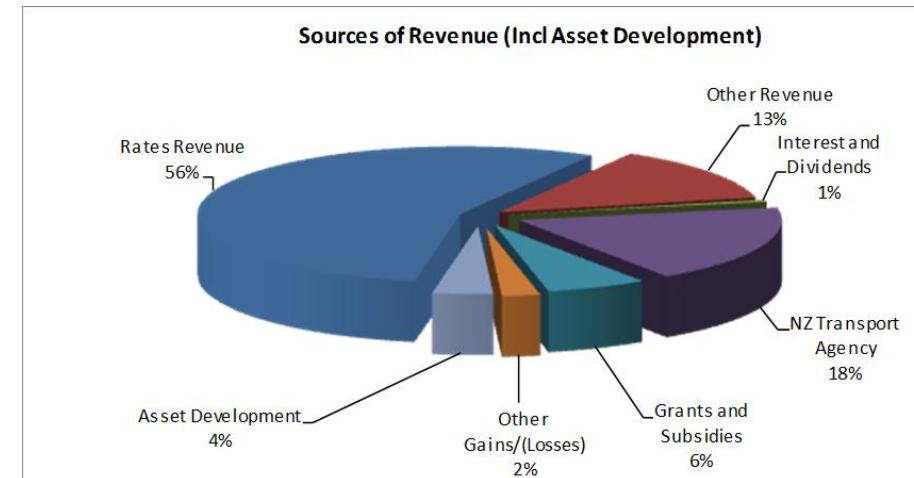
How Council generated and used cash during the year

## FINANCIAL SUMMARY

Actual 2012/2013 (\$000)	Comprehensive Income	Actual 2013/2014 (\$000)	Budget AP 2013/2014 (\$000)
65,085	Revenue Earned (incl Asset Development)	71,180	64,465
61,714	Less Total Expenditure	63,526	67,056
44	Less Finance Costs	21	20
(5)	Plus Share of Associate Surplus/(Deficit)	-	-
3,322	Net Surplus/(Deficit) after Tax	7,633	(2,611)
(10)	Movement in Fair Value Reserve	15	
21,516	Movement in Asset Revaluation Reserve	(11,246)	44,149
<b>24,827</b>	<b>Comprehensive Income</b>	<b>(3,598)</b>	<b>41,538</b>
<b>CHANGES IN EQUITY</b>			
1,369,113	Equity at Start of Year	1,393,940	1,420,255
24,827	Total Comprehensive Income	(3,598)	41,538
<b>1,393,940</b>	<b>Equity at the End of the Year</b>	<b>1,390,342</b>	<b>1,461,794</b>
<b>FINANCIAL POSITION</b>			
<b>1,393,940</b>	<b>Total Equity</b>	<b>1,390,342</b>	<b>1,461,794</b>
16,746	Current Assets	20,878	7,523
1,387,245	Non-Current Assets	1,380,739	1,465,863
<b>1,403,992</b>	<b>Total Assets</b>	<b>1,401,617</b>	<b>1,473,385</b>
9,844	Current Liabilities	11,089	11,412
208	Non-Current Liabilities	186	180
<b>10,052</b>	<b>Total Liabilities</b>	<b>11,275</b>	<b>11,592</b>
<b>1,393,940</b>	<b>Net Assets (Assets less Liabilities)</b>	<b>1,390,342</b>	<b>1,461,794</b>
<b>CASH FLOWS</b>			
19,885	Operating Cashflow	24,376	20,759
(12,782)	Investing Cashflow	(21,637)	(24,987)
(131)	Financing Cashflow	(17)	(300)
<b>6,971</b>	<b>Net Cashflow Increase/(Decrease)</b>	<b>2,722</b>	<b>(4,528)</b>
<b>1,884</b>	<b>Opening Cash Balance</b>	<b>8,855</b>	<b>3,209</b>
<b>8,855</b>	<b>Closing Cash Balance</b>	<b>11,577</b>	<b>(1,319)</b>

## Where the revenue came from

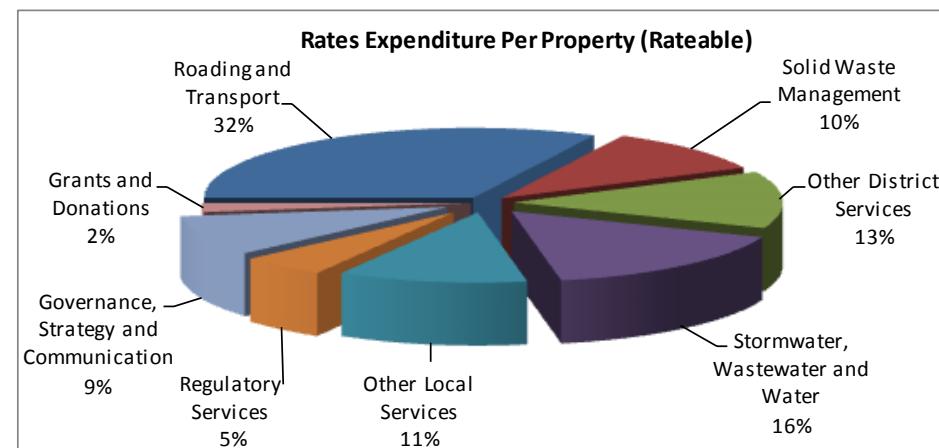
Council's consolidated revenue this year is \$71.2 million, including \$39.5 million from rates. The breakdown of this revenue is shown in the graph (right).



## Where your rates were spent

The pie chart (opposite) shows the breakdown of where the rates per property were spent in 2013/2014. The most significant areas were Roading and Transport, followed by Stormwater/Water and Sewerage, Other District Services, Other Local Services, Governance, Strategy and Communication and Solid Waste Management. "Other District Services" groups together the Civil Defence, District Support and Library activities. "Other Local Services" groups together community buildings, pools, water structures, jetties etc.

The majority of Council's expenditure (operational and capital) is on essential infrastructure such as roads, sewerage and water.



## Revenue

\$71.2 million of revenue was collected during the financial year. Overall revenue is \$7.6 million more than budget. Key variances are summarised below:

Increases	Decreases
<ul style="list-style-type: none"> <li>▪ Additional government grants of \$2.1 million towards Around the Mountains Cycle Trail, as a result of the timing of planned works.</li> <li>▪ \$0.5 million of additional forestry income, due to an accelerated harvest in the current financial year.</li> <li>▪ \$0.9 million additional relating to forestry valuation.</li> <li>▪ \$0.4 million additional interest earned.</li> <li>▪ \$1.6 million vested assets received.</li> <li>▪ \$0.9 million Ministry of Health subsidies.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No significant variances.</li> </ul>

## Operational Expenditure

\$63.5 million was spent on operating expenditure with nearly half of this going to Roading and Transport services (43.2%). Overall operating expenditure was under budget by \$3.5 million. Key variances are summarised below:

Increases	Decreases
<ul style="list-style-type: none"> <li>▪ \$0.3 million of additional forestry costs relating to the accelerated harvesting.</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$3.3 million less depreciation than budgeted primarily relating to roading.</li> <li>▪ \$0.4 million relating to timing of costs for the District Plan.</li> </ul>

## Net Assets and Equity

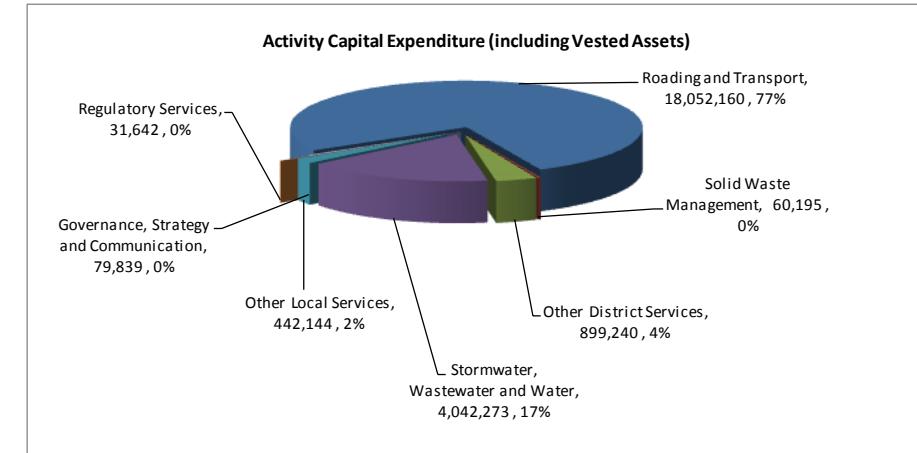
Overall Council's total net assets have slightly decreased from last year (Council has total assets of approximately \$1.4 billion). Additionally, as a result of internally funding projects from existing cash reserves, long term projected external borrowings were not required, this meant that non-current liabilities are lower than expected in the budget (refer to the Financial Summary table on page 8).

## Cash Flow

Council's operating cash flow was \$3.6 million more than forecast. This is primarily due to Grants and Subsidies being \$1.6 million higher than budgeted, and by decreased cash expenditure of \$1.0 million. Council's net cash out flow from investing activities was \$3.3 million less than forecast due to lower than expected capital works. Overall, Council has ended the year with a cash balance of \$11.6 million which is \$12.9 million higher than budget.

## Capital Expenditure

Council spent \$22.1 million on capital projects in 2013/2014. Of this total, \$18.1 million (77%) was spent on roading and transport projects throughout the District and \$4.0 million (17%) was spent on stormwater, water and sewerage projects in local townships. The capital project spending was lower than the \$25.5 million budgeted in the Annual Plan due to a number of stormwater, water and wastewater capital projects still in progress or not yet started at 30 June 2014. Additionally, the level of vested assets is \$1.6 million more than budgeted. More detail on these is shown in the activity reports.



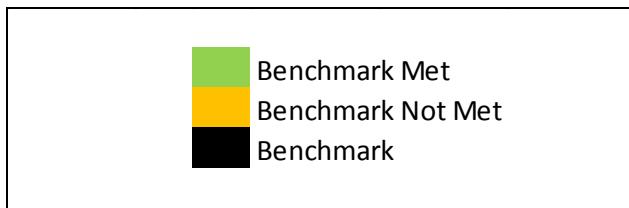
# Financial Prudence Benchmarks

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this Statement in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Please note, prior to the 2012-2022 10 Year Plan, these benchmarks were not required, and therefore are missing from the following graphs. Actual results from the three years preceding the 2012-2022 10 Year Plan have been included to assist in providing context to the benchmarks and results.

## Key



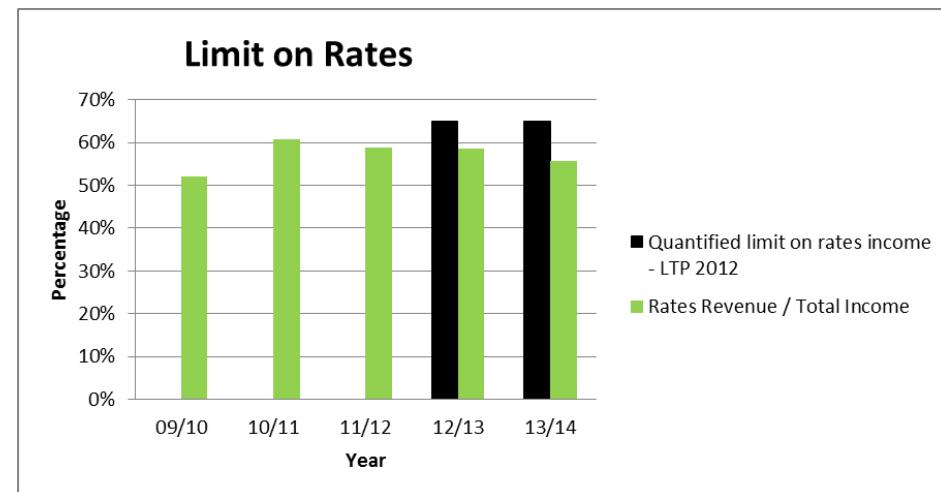
## Rates (Income) Affordability Benchmark

The Council meets the rates affordability benchmark if:

1. Actual rates income equals or is less than each quantified limit on rates; and
2. Actual rates increases equal or are less than each quantified limit on rates increases.

### 1. Limit on Rates

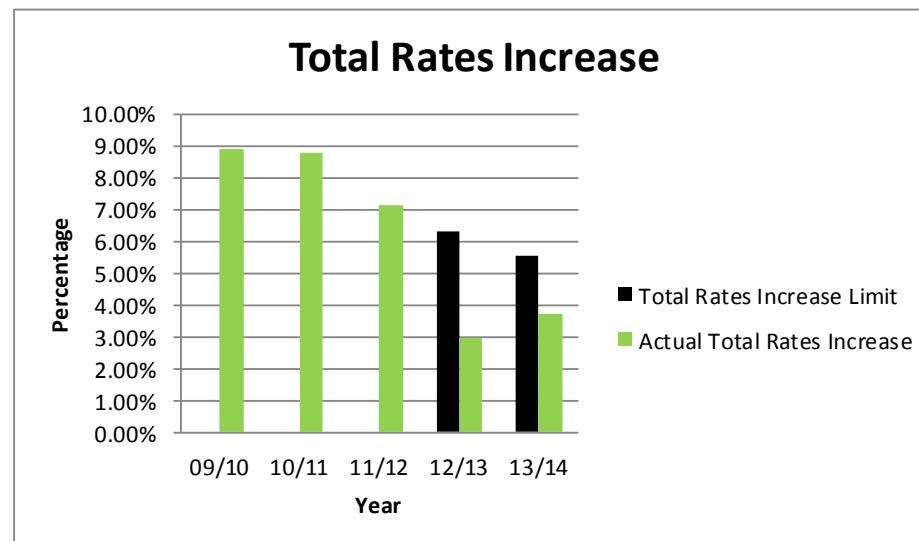
The following graph compares the Council's actual rates income with the limit imposed in the 2012-2022 Long Term Plan being "Rates revenue as a source will not exceed 65% of its total revenues".



Council has been mindful of the amount of rates compared to total income and as such has been within the limit on total rates income over the last two years.

## 2. Total Rates Increase

The following graph compares the Council's actual rates increases with the limit imposed in the 2012-22 Long Term Plan being "total rates increase will be limited to LGCI + 2.5%".



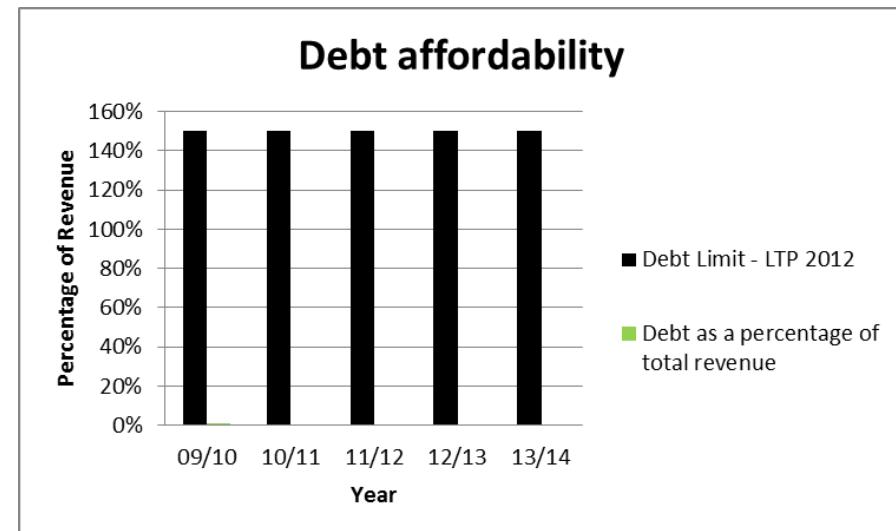
As per the Financial Strategy included in the 2012-2022 Long Term Plan, Council has aimed to limit rates increases to LGCI + 2.5%. As outlined above, Council has achieved this goal since it was set.

## Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its actual borrowings are within each quantified limit on borrowing.

Council's current limit per the 2012-2022 Long Term Plan is that borrowing of external funds is limited to 150% of total revenue.

The following graph compares the Council's actual borrowing with this limit.

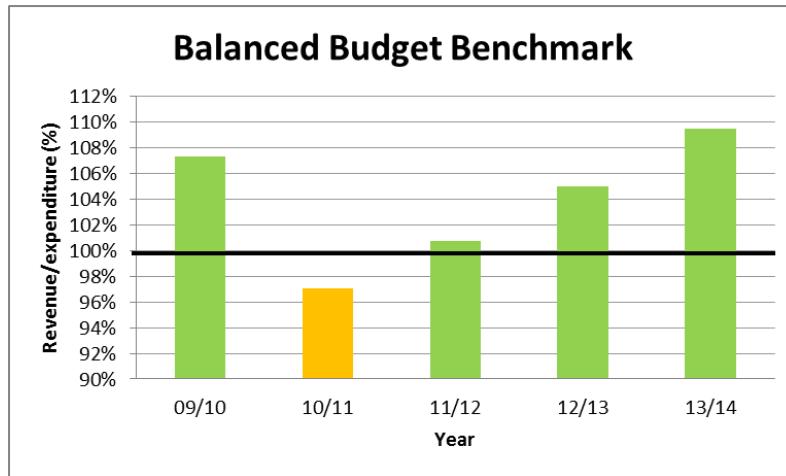


Council currently has minimal debt, (hence the lack of visible actual results) which are finance leases. No other external borrowings have been required.

## Balanced Budget Benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

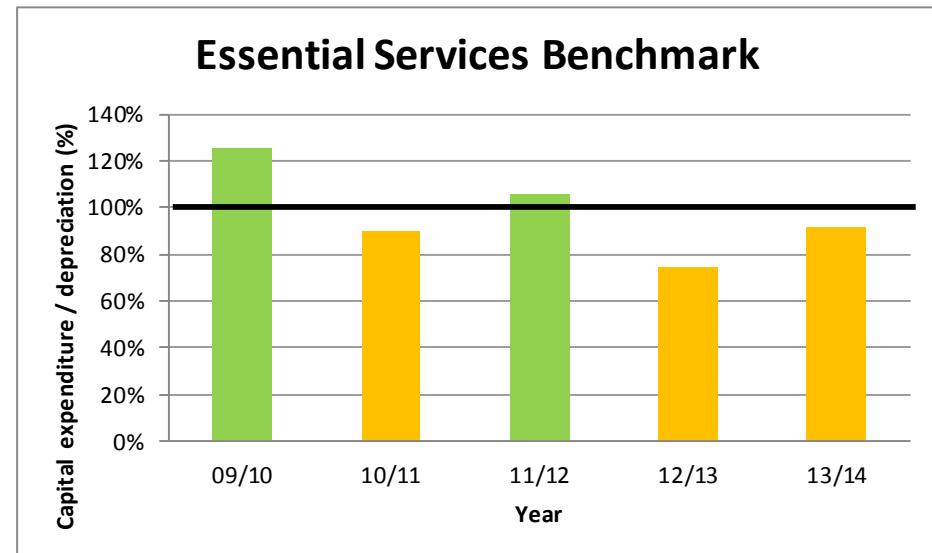
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Council aims to limit rates increases by only rating what is required each year; however, in the 2010/2011 financial year, Council had a policy of rates smoothing which meant rates revenue collected was less than the expenditure required. Council originally adopted this policy to smooth out any large rates increases over several years; however, the policy was removed as part of the 2012-2022 Long Term Plan.

## Essential Services Benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on the network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

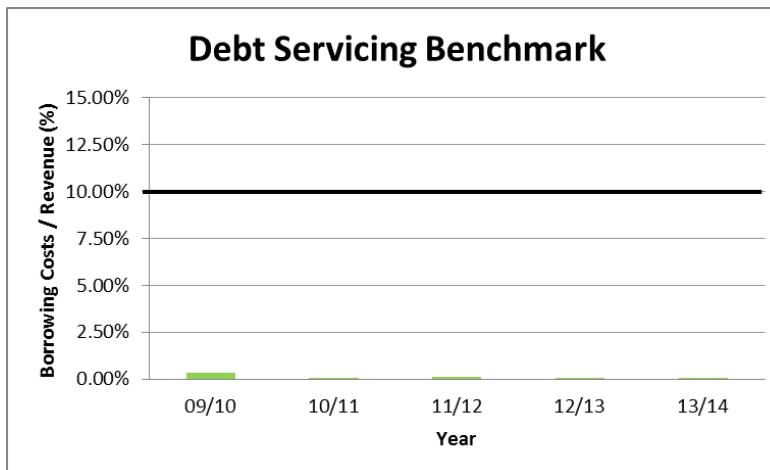


Over time Council's capital expenditure should equal its depreciation, which will mean Council is replacing its assets as they deteriorate, however due to some projects being large it is difficult to assess this on a year by year basis. Council is currently spending less than the annual depreciation incurred, due to several project delays.

## Debt Servicing Benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property plant or equipment).

Because Statistics New Zealand forecasts that the Council's population will grow more slowly than the national population growth rate, Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Council currently has minimal debt, which are finance leases. No other external borrowings have been required.

## Debt Control Benchmark

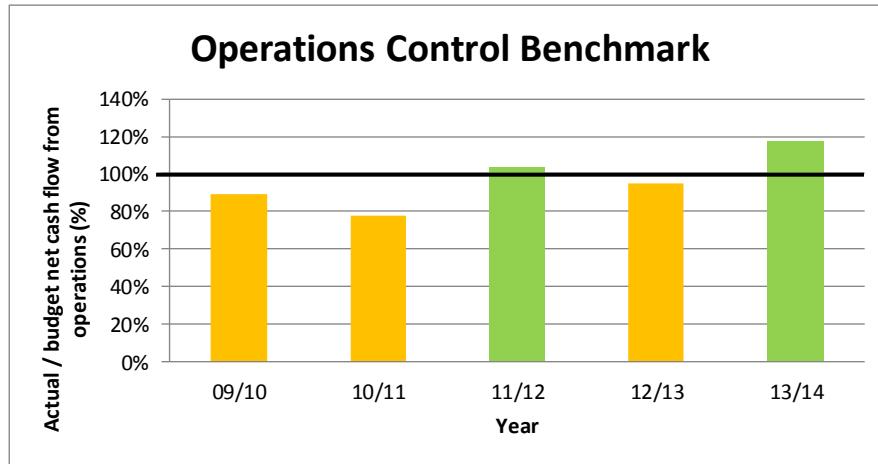
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Council maintains a strong statement of financial position with financial assets currently exceeding financial liabilities. Council did plan to be requiring external debt from 2012/2013, however, due to the delay in capital work undertaken in the last two financial years, no external debt has been required.

## Operations Control Benchmark



This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

The years that the Council did not meet the benchmark, cash from revenue other than rates was lower than anticipated. In these years there was no material variance in cash payments.

# Shared Services Annual Report Statement

## Building Control

The Shared Services Forum requested the progression of a combined Building Control Shared Service between the three Southland TLAs who currently provide this service under the Building Act 2004 - being Southland District, Invercargill City and Gore District. Clutha District Council also opted to participate in this initiative.

A project team of staff from the four councils was established and has made some very good progress. Two key milestones achieved during the 2013/2014 year have been the development of a combined Process and Quality Manual which the four Councils have adopted and are implementing, which standardises consent processing methodology and quality assurance measures across the four councils, and the standardisation of the 16 types of application forms required by the Building Act 2004. An IANZ approved auditor has been closely involved throughout this process, to ensure any changes made will meet IANZ requirements. The Shared Services Forum also agreed that this project would be progressed by process of evolution, rather than by combining all staff into one new entity from the outset.

## Emergency Management

Emergency Management Southland (EMS) is a shared service between Southland District Council, Environment Southland, Invercargill City Council and Gore District Council. It focuses on ensuring communities are prepared for emergencies and that they are able to respond to and recover from these when they do happen. Specific actions include public education and ensuring a pool of trained personnel.

In 2014/2015 there was a high demand for public education talks from various interest groups and several business continuity workshops were delivered in conjunction with the NZ Fire Service. EMS also attended the Southern Field-days at Waimumu in conjunction with the Southland Rural Support Trust.

## Information Technology

The IT Shared Services Operations Sub-Committee over the past 12 months has undertaken a number of activities that aim to provide services and activities to be undertaken between the member Councils.

Three work streams were identified - network consolidation and integration, shared service desk implementation and disaster recovery and business continuity. These three streams will ultimately provide Councils with an environment that will easily and in a controlled manner support the wider requirements that are been investigated.

## Iwi Liaison

All four Southland councils have continued to fund and support Te Ao Mārama, the agency approved by Te Rūnanga o Ngāi Tahu to act on iwi liaison matters in Murihiku/ Southland under the Resource Management Act 1991 and the Local Government Act 2002. Since its inception, Queenstown Lakes District Council, Otago Regional Council and Clutha District Council have also joined Te Ao Mārama. The papatipu runanga and the participant councils continue to meet quarterly at the Te Roopu Taiao hui, which provides for excellent partnership and exchange of information. A key focus in 2013/2014 has been to seek to give these meetings more of a strategic focus and less focus on day to day operational / retrospective reporting back.

## Library Consortium

The partners in the SouthLib Consortium have continued to share a range of services during 2013/2014. These include the Symphony Library Management system which allows access to the complete catalogues of Dunedin and Invercargill City Libraries and Queenstown Lakes, Central Otago and Southland District Libraries for all residents. Reciprocal membership is available at all Libraries from Waitaki south for any resident of those local authorities.

Training and Professional Development is at the forefront of SouthLib activities as this reduces costs, allows access to national and international speakers and offers benchmarking opportunities, which would possibly be outside the scope of a single authority. This also allows for networking and a spirit of collegiality for staff who often work in isolation.

## Rural Fire

The Southern Rural Fire Authority was formed on 7 August 2003 and amalgamated the rural fire responsibilities of Southland District Council, Gore District Council, Invercargill City Council, Southern Plantations Rural Fire Authority and Department of Conservation Southland Conservancy.

In total, about 3.5 million hectares or one eighth of the land area of NZ is within the Southern Rural Fire Authority. The District has eight Volunteer Rural Fire Forces: Athol, Garston, Blackmount, Waikawa, Hedgehope, Beaumont, Drummond and Milford Sound.

This year, the authority has been involved in the setting up of a Milford Sound Emergency Response Team Fire Station, which was opened on 5 December. Another key project was the development of a public fire danger web page, which is updated hourly.

## Venture Southland

The 2013/2014 year has been one of challenges, opportunities and ongoing improvements benefiting the region and Southland communities. Venture Southland's work can be measured on results that have been achieved, experiences gained, meeting visitor expectations, economic development, community engagement, events and festivals attended, and new technologies or management training principles delivered.

International and regional exposure was critical to ensuring Southland benefitted from a growing economy through direct export earnings, new jobs, education and local initiatives such as the Canterbury South Strategy to involve Southland companies in the Christchurch rebuild. Venture Southland has received tremendous feedback from the community and stakeholders for initiatives such as the Business Mentor programme, Lean Management programme, Southland Festival of the Arts, ILT Kidzone, Burt Munro Challenge and Education Southland international student marketing programme.

## WasteNet

Council is part of WasteNet, a shared services arrangement between SDC, GDC and ICC, which actively promotes and advocates waste minimisation initiatives. Through WasteNet, Council provided a weekly kerbside collection for rubbish and recycling in areas where it was cost-effective to do so (in townships and on travel routes), and provided waste transfer stations, recycling services, and greenwaste sites.

## Our Way Southland Community Outcomes

In 2013 Council asked its residents and ratepayers whether to continue supporting the Our Way Southland programme. While there was some support for the programme, Southland District Council resolved to continue funding on the condition that the other funding partners' support continued. Consequently, as part of the 2014/2015 Annual Plan process, the Invercargill City Council resolved not to restore funding to Our Way Southland and Southland District Council followed by pulling its funding. However, Southland District Council also resolved to make funds available for project work within the Southland District Council area. Our Way Southland ceased to function as a shared council service effective 30 June 2014.

During the 2013/2014 financial year, the following was achieved as part of the Our Way Southland programme:

# Our Way Southland

## Monitoring and Reporting

Our Way Southland Community Quality of Life Survey 2013. The second Southland Quality of Life Survey was conducted in July and August 2013, when 1,585 people aged 18 and over across the region were asked for their perceptions about life in Southland. The 2013 survey built upon the results of the 2010 Southland Quality of Life Report and tracked changes in community perceptions over the past three years.

There were no major shifts in sentiment since 2010, with nine out of 10 people rating their overall quality of life as Good or Excellent. Southland District East and Invercargill City North residents were the most satisfied in the region, as were people aged 45 to 54 and 75 and over. The younger age groups were the least likely to answer Good or Excellent, but were nonetheless quite satisfied. People's health, their sense of community and access to education were considered the most important factors contributing to their happiness, while family and community were of very high importance to Southlanders' quality of life. The most common responses to the question: 'What is the one big thing that would make your area a better place to live?' were 'the economy', followed by 'a vibrant CBD' and 'community spirit'. Suggestions for improvement were largely related to the built environment; in particular the general maintenance of public spaces, buildings and roads, followed by improving opportunities and activities for young people. In 2013, the survey had a strong focus on identifying environmental issues, with water quality and the impact of dairying representing the most significant concerns for residents. The topics most commented upon were water quality, general maintenance of the built environment and the economy.

The findings of the Our Way Southland Quality of Life survey were circulated to councils and agencies in Southland to assist planning and policy development relating to the social, economic and environmental conditions and quality of life of those living in the region. The full report is available online at [www.ourwaysouthland.org.nz](http://www.ourwaysouthland.org.nz). Our Way Southland also promoted opportunities during 2014 and 2015 for the effective alignment of survey work in the region, particularly between local and central government agencies, in order to minimise duplication of effort and the over-surveying of communities.



## Regional Projects - Parenting, Leadership and Youth

In 2013 and 2014, Our Way Southland promoted three collaborative regional projects with the common purpose of enhancing community resilience throughout Southland. Each of these projects addresses one of the four key themes and regional issues for Southland's communities identified at the September 2012 Our Way Southland Leaders' Forum:

3. Economy, Employment and Youth - Training and Opportunities.
4. Education and Parenting - especially the first 1,000 days (0-3 years).
5. Leadership - particularly amongst those who stay in Southland.
6. Support for Families - especially for those under stress.

Our Way Southland hosted an update forum for the Parenting Project at the Ascot Park Hotel on 23 October 2013, at which agency representatives received updates on the 1000 Days Trust, Family Works' Dedicated Intake Programme and the Parenting Portal. Our Way Southland also presented the regional parenting strategy concept at a presentation by Dr Russell Wills, Commissioner for Children, in Invercargill on 15 November 2013. The Leadership in Southland Project saw Our Way Southland continue to promote the identification, promotion and mentoring of current and future leaders. Leadership incubator courses were in preparation for Eastern and Western Southland, to be held in 2014/2015.

The Regional Youth Project continued to promote the key issues of 'Economy, Employment and Youth - Training and Opportunities' which were identified as the most important regional issue by the 2012 Southland Leaders' Forum. Our Way Southland worked with existing youth-related initiatives across Southland to promote positive career and life outcomes for Southland's young adults through community involvement and action.

# Opportunities for Māori to Contribute to Decision-Making

## Introduction

9% 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 tangata 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 five other local authorities in Southland/Otago, namely Environment Southland, Invercargill City Council, Gore District Council, Queenstown Lakes District Council and Clutha District Council signed with Te Ao Mārama Incorporated the Charter of Understanding 'He Huarahi mō Ngā Uri Whakatapu (A Pathway for the Generations Coming Through)'.

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 six councils and the tangata 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. This is important in terms of Māori contribution to decision-making in the Southland District, particularly as the Local Government Act responsibilities of the Council in relation to Māori are with all Māori, not solely the local Iwi.

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. Consistent with the changes to the Charter referred to above, Te Roopū Taiao includes ngā matawaka (other Māori who are not Ngāi Tahu) representatives; and meetings are usually held quarterly, with minutes reported back to the participant councils.

## Fostering Māori Capacity

The table below highlights progress with a number of initiatives aimed at fostering Māori capacity to contribute to decision-making processes:

Initiatives	Status	Progress
Continue to hold regular liaison meetings between Te Ao Mārama and Southland District Council Executive and Senior Managers (at least once per annum).	Achieved.	Te Ao Mārama staff and SDC staff have regular monthly contact sessions at the SDC Invercargill office.
Provide an interpreter on request should Māori wish to present submissions to Council in Te Reo Māori.	Achieved.	Interpreter available on request.
Invite Māori to attend Council meetings and hearings to become familiar with Council protocol.	Achieved.	Standing invitation. Also in this reporting period, Te Ao Mārama collaborated with Council in developing the 2013/2014 Annual Plan by participating at the Council table.
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.	Achieved.	Mr Don Mowat sat as Iwi representative on the District Plan hearing committee in the 2013/2014 year.
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 (eg, information in HR Manual, GIS, Ngāi Tahu Claims Settlement Act 1998, training and displays).	Partially Achieved.	Existing protocols maintained and updated.
Regularly refer to and report against Te Tangi a Tauira, the new Ngāi Tahu Murihiku Resource Management Plan when assessing resource consent applications.	Achieved.	Te Tangi a Tauira is factored into the Resource Management staff assessment of each resource consent application. For major notified applications, the provisions of Te Tangi a Tauira and assessment of the application against these is part of the standard reporting template.
Maintain its commitment to ongoing funding of Te Ao Mārama Incorporated, the Ngāi Tahu (Murihiku) Resource Management Agency.	Achieved.	Council has continued its commitment to co-fund Te Ao Mārama and also to co-fund the operation of Te Roopu Taiao, the joint Runaka/Council management committee, as articulated in the 2012-2022 Long Term Plan.
Provide training to all new staff and Councillors on marae protocol, local history and related legislation.	Not Achieved.	This is being reviewed and will be incorporated into the new term of Council.
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.	Achieved.	Te Ao Mārama staff and SDC staff have regular monthly contact sessions at the SDC Invercargill office.
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.	Not Achieved.	Awaiting collection of Pounamu for Invercargill Office and arrangement for display of other taonga items.

# Statement of Compliance and Responsibility

## Compliance

The Council and management of the Southland District Council hereby confirm that all statutory requirements in relation to the annual report, as outlined in the Local Government Act have been complied with.

## Responsibility

The Council and management of the Southland District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of the Southland District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and Management of the Southland District Council, the annual financial statements for the year ended 30 June 2014 fairly reflect the financial position and operations of the Southland District Council.



Gary Tong  
**MAYOR**



Stephen Ruru  
**CHIEF EXECUTIVE**

**Date: 8 October 2014**

**Date: 8 October 2014**

# Audit Report

## Independent Auditor's Report to the readers of Southland District Council's annual report for the year ended 30 June 2014

The Auditor-General is the auditor of Southland District Council (the District Council). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council that comprise:
  - the statement of financial position as at 30 June 2014 on page 159 ;
  - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2014 on pages 157, 158 and 160;
  - the funding impact statement of the District Council on page 161;
  - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 29 to 137;
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 163 to 213;
  - the statement of service provision (referred to as Activities) of the District Council on pages 29 to 137 and the funding impact statements in relation to each group of activities of the District Council on pages 29 to 137; and

- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 12 to 16.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
  - internal borrowing on page 186;
  - reserve funds on pages 202 to 213;
  - each group of activities carried out by the District Council on pages 29 to 137;
  - remuneration paid to the elected members and certain employees of the District Council on page 166 and 167;
  - employee staffing levels and remuneration on page 167;
  - severance payments on page 198;
  - rating base units on page 163;
  - insurance of assets on page 179;
  - a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Māori to contribute to the District Council's decision-making processes on pages 21 and 22; and

- a statement of compliance signed by the Mayor, and by the District Council's chief executive on page 23.

## Opinion

### ***Audited information***

In our opinion:

- the financial statements of the District Council on pages 143 to 213:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - . the District Council's financial position as at 30 June 2014; and
    - . the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the District Council on page 161, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 29 to 137, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's annual plan; and
- the statement of service provision (referred to as Activities) of the District Council on pages 29 to 137:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the District Council's levels of service for the year ended 30 June 2014, including:

- the levels of service as measured against the intended levels of service adopted in the long-term plan; and
- the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 29 to 137, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

### ***Compliance with the other requirements of schedule 10***

In our opinion, which is not an audit opinion, the District Council's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 8 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the District Council and our responsibilities, and we explain our independence.

### **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand).

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and Activities of the District Council. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the District Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported Activities within the District Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

### **Responsibilities of the Council**

The District Council is responsible for preparing:

- financial statements and Activities that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the District Council's financial position, financial performance and cash flows; and
  - fairly reflect its service performance, including achievements compared to forecast.
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;

- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The District Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The District Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The District Council's responsibilities arise under the Local Government Act 2002.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the District Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you.

Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

### **Independence**

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the *Other Requirements*, we have no relationship with, or interests, in the District Council.



Ian Lothian  
Audit New Zealand  
On behalf of the Auditor-General  
Dunedin, New Zealand

# Council Activities

This section looks at each of Council's activities in more detail and compares the year's results against what was intended in the 10 Year Plan 2012-2022. It includes how Council performed against key service performance indicators (and describes any additional factors that show how Council performed during the year), the status of key projects, any key achievements and any identified effects the activities have had on community wellbeing. It also includes financial tables showing the cost of service for the past year and explains any variations from the budget.

## Resident Survey

A number of the key service performance indicators are measured through the Resident and Satisfaction Survey. The Residents' Satisfaction and Opinion Survey is conducted every three years. The survey consists of 62 questions and involves a phone survey amongst residents over the age of 18 who reside in the Southland District. The next survey is scheduled for 2017.

The last survey period took place in March 2014. The results for this period of the study (n=751) have a margin of error of 3.42% at the 95% confidence level.

## Variations to budget

Commentary provided for "Variation from the budget" in each activity is a comparison between the Annual Plan 2013/2014 and the actual result for 2013/2014. For a comparison between the budget in the 10 Year Plan for the year 2013/2014 and the Annual Plan 2013/2014 this can be found in the published Annual Plan for 2013/2014.

## Projects

Please note that projects written in bold italics in the project reports in the activity sections indicate that the project was carried forward from a previous financial year.

# Building Control

**Aim:** To provide a safe built environment for the community through the effective implementation of the Building Act.

## 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. The activity also involves inspections of amusement devices to ensure they have appropriate barriers and are sited safely.

In 2007 Council became an accredited Building Consent Authority and, to remain accredited, the Council is regularly externally audited in terms of its processes and competencies.

## Effects this activity has had on the community

Building Control primarily contributed to the Council's outcome of supporting our communities. Building consents and inspections ensured new buildings and building work **is** in accordance with the Building Code so that they are safe, do not endanger public health and have appropriate facilities for their intended use. The activity contributed to this outcome by ensuring appropriate provisions were made to enable people to escape in the event of fire.

## How well we did

The performance of the Building Control activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. The Building Control activity achieved the four targets that were measured for the year.

## Key highlights

### Southland District Council Earthquake-prone Building Policy

During the year, Parliament considered submissions to proposed earthquake-prone building legislation. Initial indications were that all commercial buildings would need an engineering assessment (IEP assessment) funded by territorial individual authorities within five years of the earthquake-prone legislation coming into effect. Southland District was part of a combined submission on the proposed legislation by southern South Island councils. This submission raised concerns about the "one size fits all" approach applying big urban solutions to small town situations creating the potential to decimate smaller rural township street scapes. The earthquake-prone legislation is not expected to be enacted until early 2015 and then the definition of buildings needing to be assessed needs to be put into regulations.

### Contributions to Riskpool

Payments of \$22,898 and \$49,063 during the 2009/2010 and 2010/2011 financial year were made from Building Control reserves to Riskpool in response to funding calls to balance shortfalls resulting from leaking buildings. Riskpool initially indicated potential for further funding calls of \$49,063 during 2012/2013 and 2013/2014, but these did not eventuate.

## Performance measures

**Community Outcome:** A treasured environment which we care for and which supports us now and in the future.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source																		
<b>Responsiveness</b> Process 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. <sup>1&amp;2</sup>	98%	99%	<b>Achieved.</b> In 2012/2013 it was 99%. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Type</th> <th>Applications Received</th> <th>Issued in timeframes</th> </tr> </thead> <tbody> <tr> <td>Building Consent</td> <td>1,060</td> <td>1,053</td> </tr> <tr> <td>PIMs</td> <td>42</td> <td>42</td> </tr> <tr> <td>LIMs</td> <td>448</td> <td>447</td> </tr> <tr> <td>COA</td> <td>22</td> <td>17</td> </tr> <tr> <td>Total</td> <td>1572</td> <td>1,559</td> </tr> </tbody> </table>	Type	Applications Received	Issued in timeframes	Building Consent	1,060	1,053	PIMs	42	42	LIMs	448	447	COA	22	17	Total	1572	1,559	Pathway.
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PIMs	42	42																					
LIMs	448	447																					
COA	22	17																					
Total	1572	1,559																					
<b>Responsiveness</b> Undertake inspections in a timely manner.	Percentage of final inspections completed or alternate inspection date agreed upon within 20 working days of Form 6 entered. <sup>2</sup>	98%	99%	<b>Achieved</b> 1,117 out of 1,128 Code of Compliance inspections were carried out within 20 working days. In 2012/2013 it was 98%.	Form 232 Applications for CCC.																		
<b>Responsiveness</b> Appropriate and timely guidance is provided regarding Building Control matters as requested by customers.	Percentage of applicants satisfied with the service provided.	80%	-	<b>Not Measured</b> In 2012/2013 the result was 76% against a target of 80%.	Two yearly user survey.																		
<b>Quality</b> Ensure that building work complies with the Building Code to ensure communities are safe.	Number of proven liability claims against Council.	0	0	<b>Achieved</b> There were no proven liability claims against Council. The result in 2012/2013 was also zero.	Form 231 - Insurance Notification Claim Register.																		
<b>Quality</b> Workplaces and public buildings having life safety compliance schedule features maintained in safe work condition.	Undertake an annual audit of buildings having a compliance schedule.	10%	12.5%	<b>Achieved</b> 12.5% of building were audited (80 out of 641). In 2012/2013, 8% of buildings were audited.	Form 228 CS Audit Register.																		

1. Statutory timeframes for the various applications are as follows - PIM's (12 working days), LIMs (10 working days), Building Consents (20 working days) and Certificates of Acceptance (20 working days).

2. Building Control Authority accreditation auditors have determined compliance for meeting legislative timeframes to be in the 95% to 100% range.

## Project report

There were no capital expenditure projects scheduled for this activity in the 2013/2014 financial year.

## Variation from the budget

Please see the following Funding Impact Statement. Fees and charges were under budget due to a lower than expected amount of building activity in the District. This has been offset by a reduction in payment to staff and suppliers as well as additional funding from other receipts where consent and inspection work has been completed for a range of other councils. Internal charges are an estimate of anticipated costs and where expenditure is above budget in this activity, there is an activity with an equivalent variance in internal revenue. There were no significant variances in relation to capital funding.

## Funding impact statement - Building Control

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
		<b>Sources of operating funding</b>			
340	348	General rates, uniform annual general charges, rates penalties	336	368	375
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
1,055	1,089	Fees, charges and targeted rates for water supply	946	996	1,073
106	109	Internal charges and overheads recovered	119	94	94
10	10	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	57	79	10
<b>1,511</b>	<b>1,556</b>	<b>Total operating funding</b>	<b>1,458</b>	<b>1,538</b>	<b>1,552</b>
		<b>Applications of operating funding</b>			
1,179	1,217	Payments to staff and suppliers	1,115	1,198	1,232
1	1	Finance costs	15	(4)	1
291	294	Internal charges and overheads applied	402	376	281
-	-	Other operating funding applications	-	-	-
<b>1,471</b>	<b>1,513</b>	<b>Total applications of operating funding</b>	<b>1,533</b>	<b>1,570</b>	<b>1,514</b>
<b>40</b>	<b>43</b>	<b>Surplus (deficit) of operating funding</b>	<b>(75)</b>	<b>(32)</b>	<b>38</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
(9)	(9)	Increase (decrease) in debt	(9)	(10)	(10)
7	6	Gross proceeds from sale of assets	13	7	6
-	-	Lump sum contributions	-	-	-
<b>(1)</b>	<b>(3)</b>	<b>Total sources of capital funding</b>	<b>4</b>	<b>(2)</b>	<b>(4)</b>
		<b>Applications of capital funding</b>			
		Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
1	1	▪ to improve the level of service	-	-	1
32	27	▪ to replace existing assets	31	32	27
6	12	Increase (decrease) in reserves	(102)	(66)	7
-	-	Increase (decrease) in investments	-	-	-
<b>38</b>	<b>40</b>	<b>Total applications of capital funding</b>	<b>(71)</b>	<b>(34)</b>	<b>35</b>
<b>(40)</b>	<b>(43)</b>	<b>Surplus (deficit) of capital funding</b>	<b>75</b>	<b>32</b>	<b>(38)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Cemeteries

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

## What we do

The Cemeteries 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 appropriately maintained and accurate records of interments are kept.

## Effects this activity has had on the community

Cemeteries primarily contributed to the Council's outcome of supporting our communities. The activity contributed to this outcome by providing facilities where family and friends can remember others, as well as providing a record of a community's history and heritage for people interested in their ancestry.

The activity also protected public health by providing suitable facilities for interments.

## How well we did

The performance of the Cemeteries activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. The two key performance indicator targets that were measured were both achieved. Both of the projects that were carried forward were completed.

## Key highlights

During the year Council explored the options around using an electronic management system for the activity. It is anticipated that this will improve efficiencies and make information more readily available to the public and interested parties such as genealogists.

## Performance measures

**Community Outcome:** We are healthy people.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Quality</b> Cemeteries are maintained to a standard acceptable to the public.	Percentage of community satisfied with the appearance of cemeteries.	90%	93%	<b>Achieved</b> The latest survey was in 2014. In 2010/2011 the result was 94%.	Three Yearly Residents' Survey.
<b>Quality</b> Cemeteries are maintained to a standard acceptable to the public.	Percentage of cemeteries where lawns are mown as specified in maintenance contracts.	100%	100%	<b>Achieved</b> 80 out of 80 inspections undertaken for the year met contract standards. In 2012/2013 the result was 100%.	Annual inspections.

## Project report

Project Description	Budget \$	Status
<b>Riverton - 757.A - New berms</b>	5,000	<b>Completed.</b> Actual cost \$6,499.
<b>Winton - 758.A - New berms</b>	7,718	<b>Completed.</b> Actual cost \$5,450.

## Variation from the budget

Please see the following Funding Impact Statement. Other receipts were higher than anticipated due to unbudgeted harvesting of trees at two cemeteries. There were no significant variances in applications of operating funding and sources of capital funding. No significant assets were acquired or disposed during the year.

## Funding impact statement - Cemeteries

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
-	-	<b>Sources of operating funding</b>	-	-	-
76	70	General rates, uniform annual general charges, rates penalties	-	-	-
1	1	Targeted rates (other than a targeted rate for water supply)	74	70	71
126	130	Subsidies and grants for operating purposes	1	2	1
67	69	Fees, charges and targeted rates for water supply	117	123	130
1	1	Internal charges and overheads recovered	73	75	73
		Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	4	92	1
<b>271</b>	<b>272</b>	<b>Total operating funding</b>	<b>269</b>	<b>362</b>	<b>276</b>
		<b>Applications of operating funding</b>			
269	268	Payments to staff and suppliers	225	281	269
-	-	Finance costs	-	-	-
3	3	Internal charges and overheads applied	12	6	3
-	-	Other operating funding applications	-	-	-
<b>272</b>	<b>270</b>	<b>Total applications of operating funding</b>	<b>237</b>	<b>287</b>	<b>271</b>
-	<b>2</b>	<b>Surplus (deficit) of operating funding</b>	<b>32</b>	<b>75</b>	<b>4</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	2	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	<b>Total sources of capital funding</b>	<b>2</b>	-	-
		<b>Applications of capital funding</b>			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	4	-	-
-	2	▪ to replace existing assets	-	-	-
-	-	Increase (decrease) in reserves	30	75	4
-	-	Increase (decrease) in investments	-	-	-
-	<b>2</b>	<b>Total applications of capital funding</b>	<b>34</b>	<b>75</b>	<b>4</b>
-	<b>(2)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(32)</b>	<b>(75)</b>	<b>(4)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Civil Defence Emergency Management

**Aim:** To enhance Southland's ability to reduce risk, respond to and quickly recover from an emergency event.

## 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. Specific actions include public education and ensuring a pool of trained personnel. The activity also involves reducing the potential risks which may occur to people and property through lifelines planning, monitoring and planning for the uncertainty of climate change.

The activity is delivered through Emergency Management Southland (EMS), which is a shared service between Southland District Council, Environment Southland, Invercargill City Council and Gore District Council.

## Effects this activity has had on the community

Civil Defence Emergency Management primarily contributed to the Council's outcome of supporting our communities. The activity contributed to this outcome by helping people to prepare for emergencies and building their capacity to effectively respond to and recover quickly from these events. Council also continued to develop systems and processes to help co-ordinate and restore a safe, healthy and accessible built environment in the event of an emergency.

## How well we did

The performance of the activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. The three key performance indicator targets that were measured were achieved and one was not measured.

## Key highlights

A high demand for public education talks from various interest groups continued. Several business continuity workshops were delivered in conjunction with the New Zealand Fire Service and a positive response was received from those who attended. Further workshops are scheduled for 2014/2015. A full report on activities is made via an Annual Report which is received by the Southland CDEM Group joint committee.

## Performance measures

**Community Outcome:** We are healthy people.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Responsiveness</b> Enhancing the community's capability to respond to and recover from Civil Defence emergencies.	Number of Council staff who undertake annual Civil Defence training.	60	78	<b>Achieved</b> In 2012/2013, 81 staff undertook training across participant councils.	Training register.
<b>Responsiveness</b> Enhancing the community's capability to respond to and recover from Civil Defence emergencies.	Number of sectors who have completed bi-annual exercise.	10	10	<b>Achieved</b> On top of the normal training programme a number of workshops were delivered to sector volunteers on welfare arrangements. In 2012/2013, 11 sectors took part.	Training register.
<b>Readiness</b> Increasing community awareness, understanding and preparedness and participation in Civil Defence Emergency Management.	Number of public education activities delivered to residents, schools and interest groups.	30	43	<b>Achieved</b> In 2012/2013 there were 38 public education initiatives.	Reports to Executive Group.
<b>Readiness</b> Increasing community awareness, understanding and preparedness and participation in Civil Defence Emergency Management.	Percentage of residents who have a plan for coping with a Civil Defence emergency.	55%	-	<b>Not Measured</b> The 2013/2014 results will not be available until too late in the year. In 2012/2013 the result was 52%.	EMS survey resident.

## Project report

There are no capital expenditure projects scheduled for this activity in the 2013/2014 financial year. The only capital expenditure budgeted for this activity relates to renewals of vehicles and equipment.

## Variation from the budget

Please see the following Funding Impact Statement. There were no significant variances between the Annual Plan and the actual result.

## Funding impact statement - Civil Defence Emergency Management

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
309	312	<b>Sources of operating funding</b>			
-	-	General rates, uniform annual general charges, rates penalties	309	310	310
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-
61	61	Internal charges and overheads recovered	56	64	63
-	-	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	-	-	-
<b>370</b>	<b>373</b>	<b>Total operating funding</b>	<b>365</b>	<b>374</b>	<b>373</b>
		<b>Applications of operating funding</b>			
5	6	Payments to staff and suppliers	1	1	6
-	-	Finance costs	-	-	-
122	121	Internal charges and overheads applied	112	116	120
223	226	Other operating funding applications	219	226	226
<b>350</b>	<b>352</b>	<b>Total applications of operating funding</b>	<b>331</b>	<b>344</b>	<b>352</b>
<b>20</b>	<b>21</b>	<b>Surplus (deficit) of operating funding</b>	<b>34</b>	<b>30</b>	<b>21</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
(20)	(21)	Increase (decrease) in debt	(20)	(21)	(21)
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
<b>(20)</b>	<b>(21)</b>	<b>Total sources of capital funding</b>	<b>(20)</b>	<b>(21)</b>	<b>(21)</b>
		<b>Applications of capital funding</b>			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
-	-	▪ to replace existing assets	-	-	-
-	-	Increase (decrease) in reserves	14	9	-
-	-	Increase (decrease) in investments	-	-	-
<b>(20)</b>	<b>(21)</b>	<b>Total applications of capital funding</b>	<b>14</b>	<b>9</b>	<b>-</b>
<b>(20)</b>	<b>(21)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(34)</b>	<b>(30)</b>	<b>(21)</b>
<b>-</b>	<b>-</b>	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> includes all other operating funding from sources not identified above.

# Community Centres

**Aim:** To provide accessible facilities for communities, clubs, organisations and individuals to enjoy for sporting, social, cultural, educational and recreational pursuits.

## What we do

The Council provides 32 individual community centres in the District for use by community groups and individuals. The operation of these facilities is generally carried out by individual hall committees, community boards or community development area subcommittees. These groups manage bookings and use of the halls and work with Southland District Council Property staff regarding maintenance of the buildings involved.

This activity is limited to the Council owned and provided facilities, however, there are also numerous non-Council trusts or incorporated societies undertaking the same activity within the District.

## Effects this activity has had on the community

The Community Centres activity primarily contributed to the Council's outcome of 'supporting our communities'. The activity contributed to this outcome by providing accessible facilities for clubs, organisations and individuals to enjoy sporting, social, cultural, educational and recreational pursuits.

Community centres also provided safe public places for children and families and contributed to community pride as community centres form a physical heart of a community.

## How well we did

The performance of the Community Centres activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget.

Of the three key performance indicator targets that were measured results were that one was achieved and two were not achieved.

Of the seven projects, one was completed and six were deferred. The projects were deferred for a variety of reasons including insufficient funding, hall committees changing priorities or unavoidable delays.

## Key highlights

The key project highlights were:

- An upgrade of the RSA rooms and an external paint of the Winton RSA Hall. This was funded from reserves.
- An external paint of the Limehills Community Centre. This was funded from reserves.
- Re-roofing the Wyndham Public Hall. This was funded by grants and reserves.
- Some external recladding of the Colac Bay hall in substitution of floor resurfacing planned project.

While the Otautau Hall has been closed for some time, the Otautau Community Board has been progressing a recommendation to Council to dispose of this facility. The Edendale-Wyndham Community Board is progressing towards a similar position for the Edendale Hall and an alternative facility for the town.

## Performance measures

**Community Outcome:** Southland is a great place to live.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Quality</b> The community centres are appropriate to the community needs.	Percentage of residents satisfied with the standard of their local hall/community centre for public use.	90%	83%	<b>Not Achieved</b> The provision of these services in the District is a combination of both council and non-council facilities. The survey comments included the recent closure of some centres, the need to replace other centres and some centres not being Council owned. In 2010/2011 the result was 93% against a target of 90%.	Three Yearly Residents' Survey.
<b>Access</b> The community centres are available for public use.	Percentage of residents satisfied with the availability of their local hall/community centre for public use.	90%	85%	<b>Not Achieved</b> The provision of these services in the District is a combination of both council and non-council facilities. The survey comments included the recent closure of some centres, the need to replace other centres and some centres not being Council owned. In 2010/2011 the result was 96% against a target of 90%.	Three Yearly Residents' Survey.
<b>Safety</b> Community centres are safe to use for their intended purpose.	Percentage of community centres (that require them) hold current warrants of fitness.	100%	100%	<b>Achieved</b> The warrant of fitness certificates of all eight of the community centres requiring a warrant of fitness were kept current throughout the year. In 2012/2013 the result was 100%.	Annual inspections.

## Project report

### Operating and Maintenance Projects

Project Description	Budget \$	Status
Athol - Ath02.A - Paint main hall	3,506	Deferred - Was originally scheduled for 2018/2019 at a cost of \$3,506 but moved forward and cost increased. Expected to be completed 2014/2015 year.
<b>Manapouri - Man.01.A - Paint roof</b>	<b>6,632</b>	<b>Completed. Actual cost \$7,198. Work done in 2012/2013. Moved back from scheduled year 2014/2015.</b>
Ryal Bush - Hall0016.A - Repaint roof and exterior	3,078	Deferred to 2015/2016.
Tuatapere - Hall0012.A - Repainting exterior	6,464	Deferred to 2015/2016.

### Level of Service Projects

Project Description	Budget \$	Status
<b>Edendale - 762.A - Community centre upgrade</b>	<b>883,518</b>	<b>Deferred - Still under consideration by the Edendale-Wyndham Community Board. Moved to 2014/2015.</b>

### Renewals

Project Description	Budget \$	Status
<b>Colac Bay - col.A - Flooring, re-sanding and polyurethane Colac Bay/Orepuki Hall</b>	<b>9,200</b>	<b>Deferred - Community Board changed the project to replacing rear wall cladding and quotes have been obtained. Cladding has been completed. Actual cost \$4,500. The balance of the budget is to be spent on the roof and south wall and is expected to be completed in 2014/2015 financial year.</b>
Winton - hall0031.A - Memorial Hall	300,000	Deferred - New project in 2013/2014. The Community Board approved the drawings and gave approval to Opus to come back with concept drawings and Initial Evaluation Procedure (IEP) report. In March 2014 the IEP report was received and discussed. The Community Board agreed to proceed with a detailed seismic and concept strengthening scheme report. Deferred to 2014/2015 - costs and components still to be assessed by Community Board.

## Variation from the budget

Please see the following Funding Impact Statement. There are no significant variance between the Annual Plan and total operating funding. Payments to staff and suppliers are higher than budgeted as the majority of reserves held for independent hall committees were paid out during the year along with some projects in the Annual Plan as capital being completed as maintenance. No significant assets were acquired or disposed during the year.

## Funding impact statement - Community Centres

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
-	-	<b>Sources of operating funding</b>	-	-	-
361	395	General rates, uniform annual general charges, rates penalties	360	405	407
-	-	Targeted rates (other than a targeted rate for water supply)			
-	-	Subsidies and grants for operating purposes	30	19	-
-	-	Fees, charges and targeted rates for water supply	63	41	-
31	28	Internal charges and overheads recovered	32	32	25
50	51	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	15	3	51
<b>442</b>	<b>475</b>	<b>Total operating funding</b>	<b>500</b>	<b>500</b>	<b>483</b>
		<b>Applications of operating funding</b>			
425	414	Payments to staff and suppliers	433	657	422
-	-	Finance costs	-	-	-
1	2	Internal charges and overheads applied	28	33	1
14	15	Other operating funding applications	13	63	35
<b>440</b>	<b>431</b>	<b>Total applications of operating funding</b>	<b>474</b>	<b>752</b>	<b>458</b>
<b>2</b>	<b>44</b>	<b>Surplus (deficit) of operating funding</b>	<b>26</b>	<b>(252)</b>	<b>25</b>
		<b>Sources of capital funding</b>			
478	-	Subsidies and grants for capital purposes	-	15	-
-	-	Development and financial contributions	-	-	-
18	11	Increase (decrease) in debt	-	-	13
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
<b>496</b>	<b>11</b>	<b>Total sources of capital funding</b>	<b>-</b>	<b>15</b>	<b>13</b>
		<b>Applications of capital funding</b>			
-	-	Capital expenditure	-	-	-
884	-	▪ to meet additional demand	13	26	-
9	-	▪ to improve the level of service	14	-	300
(395)	56	▪ to replace existing assets	(1)	(263)	(262)
-	-	Increase (decrease) in reserves	-	-	-
-	-	Increase (decrease) in investments	-	-	-
<b>498</b>	<b>56</b>	<b>Total applications of capital funding</b>	<b>26</b>	<b>(237)</b>	<b>38</b>
<b>(2)</b>	<b>(44)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(26)</b>	<b>252</b>	<b>(25)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Community Housing

**Aim:** Provide affordable community housing where needed.

## What we do

Council has 69 individual housing units available for rental in Edendale, Lumsden, Nightcaps, Ohai, Otautau, Riversdale, Riverton, Tuatapere, Winton and Wyndham. These units are let primarily to those persons who receive National Superannuation. The units are inexpensive 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.

## Effects this activity has had on the community

Community Housing primarily contributed to the Council's outcome of supporting our communities. The activity contributed to this outcome by providing good quality affordable housing to a group with specific needs and by allowing people, where possible, to remain living in their local community if their family home becomes inappropriate for their individual circumstances.

## How well we did

The performance of the Community Housing activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the key performance indicator targets measure all four were achieved.

## Key highlights

There is an ongoing programme of refurbishment as units requiring this are vacated. External painting was completed at the Trotters Courts units at Riverton. Significant refurbishments were undertaken at three units and lesser amounts of refurbishment at a further five other units.

## Performance measures

**Community Outcome:** We are a healthy people.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Quality</b> Suitable housing is provided for tenants who have pleasant surroundings.	Percentage of tenants who believe that the housing facilities are maintained satisfactorily and that the housing facilities that are suitable for use.	80%	<b>89%</b>	<b>Achieved</b> Maintenance - 89% of residents were satisfied with the maintenance of the housing facilities and 97% said it was suitable for their needs. In 2011/2012 the result was 93% against a target of 80%.	Two yearly Tenant Survey.
		80%	<b>97%</b>	<b>Achieved</b> Suitability - 97% said that the housing facilities were suitable for their needs. In 2011/2012 the result was 93%.	
<b>Safety</b> A safe environment is provided.	Percentage of residents who feel safe and secure when living in the Community Housing building.	100%	<b>99%</b>	<b>Not Achieved</b> Safety - 99% felt safe and secure. In 2011/2012 the result was 98%.	Two yearly Tenant Survey.
<b>Responsiveness</b> Tenants receive prompt response to identified problems.	Percentage of requests for maintenance actioned within agreed timeframes. <sup>1</sup>	100%	<b>100%</b>	<b>Achieved</b> Of the two requests for maintenance both were carried out within agreed timeframes. In 2012/2013 the result was 100%.	Customer Service system (Pathway).

1. "Agreed Timeframes" means matters are responded to and a course of action agreed on the same day (within 24 hours) for urgent requests and other matters within five days.

## Project report

There were no capital expenditure projects planned for this activity for the 2013/2014 financial year.

## Variation from the budget

Please see the following Funding Impact Statement. There were no significant variances between the Annual Plan and the actual result.

## Funding impact statement - Community Housing

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
49	49	<b>Sources of operating funding</b>			
-	-	General rates, uniform annual general charges, rates penalties	49	49	49
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-
-	1	Internal charges and overheads recovered	-	-	2
240	257	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	248	261	257
<b>289</b>	<b>307</b>	<b>Total operating funding</b>	<b>297</b>	<b>310</b>	<b>308</b>
106	114	Applications of operating funding			
-	-	Payments to staff and suppliers	106	110	120
154	163	Internal charges and overheads applied			
-	-	Other operating funding applications	166	192	164
<b>261</b>	<b>277</b>	<b>Total applications of operating funding</b>	<b>273</b>	<b>302</b>	<b>284</b>
<b>28</b>	<b>30</b>	<b>Surplus (deficit) of operating funding</b>	<b>25</b>	<b>8</b>	<b>24</b>
-	-	Sources of capital funding			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	<b>Total sources of capital funding</b>	-	-	-
-	-	<b>Applications of capital funding</b>			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
12	12	▪ to improve the level of service	-	-	12
-	-	▪ to replace existing assets	-	-	-
17	18	Increase (decrease) in reserves	25	8	12
-	-	Increase (decrease) in investments	-	-	-
<b>28</b>	<b>30</b>	<b>Total applications of capital funding</b>	<b>25</b>	<b>8</b>	<b>24</b>
<b>(28)</b>	<b>(30)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(25)</b>	<b>(8)</b>	<b>(24)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Council Facilities (Council Offices, Buildings and Water Structures)

**Aim - To provide facilities that support Council's activities, including Council offices, buildings and water structures.**

## What we do

Council facilities cover Council offices, buildings and water structures. Buildings include depots, offices, libraries and other miscellaneous buildings.

Water structures include Riverton Harbour wharves, boat ramps, navigation aids and five wharves at Stewart Island.

## Effects this activity has had on the community

Council facilities primarily contributed to the Council's outcome 'supporting our communities'. The activity contributed to this outcome by providing buildings to support Council and community activities. Council harbours, jetties, boat ramps and associated structures provided access to the water for recreational use and supported the operation of businesses such as scenic and charter boats, as well as commercial fishing/harvesting. Council navigation aids also helped to provide safe navigation in the water to avoid underwater hazards.

## How well we did

The performance of the Council Facilities activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget.

Of the key performance indicator targets measured, one was achieved and two were not achieved. Of the six projects, three were completed, one was deleted and two were deferred.

## Key highlights

### Earthquake-prone Buildings

Council carried out engineering assessments to establish the seismic performance of the Council offices.

No offices require immediate upgrading. Council also considered its options around a number of potentially earthquake-prone buildings which will need to be considered and addressed in the future as legislative requirements become clearer.

### Riverton Harbour

Staff investigations into the powers of the Riverton Harbour Board Committee revealed that changes to legislation over time had created a situation where the Board to a large degree was powerless. The wharf and jetty structures generally did not have consents to occupy the sea bed, and the Board had little legislative power to manage the harbour.

Staff continue to work with jetty owners and the subcommittee to identify assets and liabilities of the harbour and to identify where the income streams should come from and what if any operational changes need to be made.

### Stewart Island Jetties

There was a major project planned for the Stewart Island jetties - Port William in the 2013/2014 year. The project aims to bring the structure up to a satisfactory standard that meets regulatory and user requirements. This project has been deferred until the 2014/2015 year.

## Performance measures

**Community Outcome:** A diverse economy built from our strengths for growth and prosperity.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Safety</b> Facilities meet their statutory requirements.	Percentages of Council buildings (that require them) hold current warrants of fitness.	100%	<b>100%</b>	<b>Achieved</b> 100% - the warrant of fitness for all six buildings requiring a warrant of fitness was kept current. In 2011/2012 the result was 96% against a target of 90%.	Council records.
<b>Quality</b> Buildings are appropriate to the needs of the occupier.	Percentage of building occupants satisfied with the standard of their building.	80%	<b>30%</b>	<b>Not Achieved</b> The result was 30% satisfied. This is a new measure with the first survey done in the 2013/2014 year so there are no results for comparison. The survey comments included reasons for the dissatisfaction and these were predominately around issues with heating/ventilation and the age of the buildings. A process is being developed to make improvements.	Tenant Survey.
<b>Safety</b> Harbour facilities and jetties are safe for users.	Number of safety issues reported.	0	<b>1</b>	<b>Not Achieved</b> One safety issued was reported in the March quarter. A handrail was vandalised which made it unsafe and this was promptly repaired. In 2011/2012 the result was zero.	Reported issues by users.

## Project report

### Level of Service Projects

Project Description	Budget \$	Status
Te Anau - New helipad on sportsground/boating reserve - 771.A	5,145	Deleted. Not required.
Council Offices and Depots - Seismic upgrade - 728.A	300,000	Deferred. Due to scope and timing.
Wallace (Otautau) - Purchase and install surveillance cameras - 783-AA	20,000	Completed. Actual cost \$7,000.

## Renewal Projects

Project Description	Budget \$	Status
Stewart Island - Fred's camp - 755.A	20,640	Completed in 2011/2012. Actual cost \$38,026.
Stewart Island Jetties - Port William - 756.A	32,000	Deferred. Engineer engaged for this no longer able to deliver. Funding secured from visitor levy.
Wallace (Otautau) - Holt Park - replace roof - 777.A	3,602	Completed. Actual cost \$2,930.

## Variation from the budget

Please see the following Funding Impact Statement. Internal charges are an estimate of anticipated costs and where income is above budget in this activity there is an activity with an equivalent variance in internal expenses. Gross proceeds from the sale of assets were received on abandoned land sales for rating recoveries and the sale of a Council property at Waikaia, which were not budgeted for. Capital expenditure is lower than budgeted due to an anticipated project not being required during the year.

## Funding impact statement - Council Facilities

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
		<b>Sources of operating funding</b>			
1 96 97 26 753 200	1 81 10 27 768 199	General rates, uniform annual general charges, rates penalties Targeted rates (other than a targeted rate for water supply) Subsidies and grants for operating purposes Fees, charges and targeted rates for water supply Internal charges and overheads recovered Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	1 94 205 - 962 188	1 119 35 - 1,064 170	1 119 73 27 970 354
<b>1,173</b>	<b>1,087</b>	<b>Total operating funding</b>	<b>1,451</b>	<b>1,389</b>	<b>1,544</b>
		<b>Applications of operating funding</b>			
909 - 295 65	891 - 297 46	Payments to staff and suppliers Finance costs Internal charges and overheads applied Other operating funding applications	1,117 5 255 60	922 - 305 127	1,073 - 251 117
<b>1,269</b>	<b>1,234</b>	<b>Total applications of operating funding</b>	<b>1,437</b>	<b>1,353</b>	<b>1,441</b>
<b>(96)</b>	<b>(147)</b>	<b>Surplus (deficit) of operating funding</b>	<b>14</b>	<b>36</b>	<b>103</b>
		<b>Sources of capital funding</b>			
- - (4) - -	- - (5) 16 -	Subsidies and grants for capital purposes Development and financial contributions Increase (decrease) in debt Gross proceeds from sale of assets Lump sum contributions	- - (4) 2,040 -	50 - (5) 220 -	- - (5) 16 -
<b>(4)</b>	<b>11</b>	<b>Total sources of capital funding</b>	<b>2,036</b>	<b>265</b>	<b>11</b>
		<b>Applications of capital funding</b>			
- 2 8 (110) -	- - 93 (229) -	Capital expenditure ▪ to meet additional demand ▪ to improve the level of service ▪ to replace existing assets Increase (decrease) in reserves Increase (decrease) in investments	- 175 12 1,862 -	- 56 75 170 -	- 302 104 (292) -
<b>(100) 96</b>	<b>(136) 147</b>	<b>Total applications of capital funding</b>	<b>2,050</b>	<b>301</b>	<b>114</b>
<b>-</b>	<b>-</b>	<b>Surplus (deficit) of capital funding</b>	<b>(14)</b>	<b>(36)</b>	<b>(103)</b>
<b>-</b>	<b>-</b>	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> includes all other operating funding from sources not identified above.

# 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

Council undertakes a range of activities that contribute towards the development of the Southland District. Council continuously makes decisions that impact on and influence achieving the community and economic outcomes for Southland including for example through its 10 Year Plan, Annual Plan, District Plan and bylaws.

The range of activities that contribute directly or indirectly towards developing the district include, for example, infrastructure investment decisions that facilitate economic development, like providing roads that meet the needs of the dairy industry; providing for specific zonings in the District Plan that allow for and enable economic activity; and the adoption of bylaws that may impact on economic activity.

The District Development Services activity includes a number of community and economic development activities such as operating the Stewart Island/Rakiura Visitor Levy, co-funding a Roving Museum Officer to assist local museums with their collections and providing visitor information sites.

Council undertakes its economic and community development activities through a range of mechanisms including through Venture Southland which is a joint committee of councils with Invercargill City Council and Gore District council. Venture Southland acts as Council's service delivery arm around economic development; destination marketing; community development and events for the Southland region as a whole.

A region-wide approach enables economies of scale and a stronger voice for Southland. The Council has a service agreement with Venture Southland that emphasises particular services for the District. The Council purchases additional community development capacity to work with our diverse communities and ensure local priorities are identified and addressed. The Council makes an annual grant to Venture Southland for these activities.

## Effects this activity has had on the community

District Development Services primarily contributed to the Council's outcome of 'supporting our communities'. The activity contributed to this outcome by assisting groups and organisations with community projects, promoting Southland's image to visitors and migrants, creating and assisting with a diverse range of events and recreation activities and identifying and developing business opportunities.

## How well we did

The performance of the District Development Services activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the key performance indicator targets seven were achieved and one was not measured.

## Key highlights

### Community Development/Events

- Co-ordinated preparation of Around the Mountains Cycle Trail Lotteries application which secured \$1 million grant.
- Telecommunications coverage in the southern Catlins took big step forward as Vodafone delivered its first cell-site as part of the Community Cell Site Scheme initiative. Venture Southland co-ordinated the Catlins application for the scheme.
- The Arts South Charitable Trust held its inaugural meeting in July 2013 with trustees aiming to create a more robust southern arts scene. Venture Southland helped facilitate Project Art Southland which led to the establishment of the Trust.

- Burt Munro Challenge 2013 drew record entries with 530 competing and thousands attending racing events from 28 November - 1 December, including the Wyndham street races.
- Venture Southland secured external funding in excess of \$240,000 for WW1 100th anniversary commemoration projects. An online inventory of more than 400 Southland war memorials has been established, with funding also secured for Southland Museum WW1 exhibitions, the Southland Gallipoli Heritage Trail and other related projects.
- ILT Kidzone attracted more than 10,000 people over its six days in July 2013.
- Southland Festival of the Arts audiences topped 9,000 across 76 performances at 22 venues in eight regional locations from 24 April - 22 May. Numbers were up from about 5400 the previous year.
- The Southland District Council holiday programme attracted 573 participants across 10 District locations from 6-23 January. Numbers were up from 499 the previous year.
- Approximately 200 SDC not for profit community groups worked with (or supported) in the past year providing a range of services for communities in the District and helping enhance their quality of life.
- Assisted SDC to administer two funding rounds in the past year with six funds in each and approximately 200 applications assisted with and prepared for consideration by council committees.
- Supported SDC community boards and CDA subcommittees by attending approximately 70 meetings during the year and working alongside them and SDC staff on projects.
- Partnered with the Southland Community Law Centre to hold eight governance workshops throughout Southland which 48 trustees of various community organisations attended.
- More than 240 Southland businesses signed up to the Southland Supply Initiative database of companies interested in the Christchurch rebuild. The initiative was rebranded as Canterbury South in late 2013.
- The Energy Efficiency and Conservation Authority (EECA) awarded a \$1.5 million contract to Venture Southland to establish a Renewable Energy Heat Hub as part of a three year project investigating the potential of wood energy.
- Southland's diverse landscapes are increasingly catching the eye of film crews with 10 film shoots taking place in the region in the past year.
- Southland Business Survey took the pulse of the region's businesses with 507 responding to give valuable data about challenges and opportunities in the Southland environment.
- The Venture Southland-run Business Mentors NZ programme was judged the best in the country for client satisfaction in the small-medium category at the programme's annual awards in June - defeating 28 other agencies across the country.

### **Tourism/Destination Promotion**

- The international student education market grew by 8% in 2013 through the Venture Southland co-ordinated Education Southland initiative, which includes secondary schools in Te Anau and Winton.
- Fiordland had the second-highest guest night growth rate of New Zealand's 30 regional tourism organisations in 2013/2014, with 15% more guest nights than in 2012/2013. Destination Fiordland is the regional tourism organisation for Fiordland.
- The Southern Scenic Route Committee (which Venture Southland chairs) held a public celebration in Tuatapere on 24 November to celebrate the 25th anniversary of its founding - 500 people attended.

### **Economic Development**

- \$400,000 Research and Development funding plus \$197,000 business training funding distributed to Southland businesses.
- Five Southland businesses and eight dairy farms successfully took part in the Lean Manufacturing and Dairy programmes respectively with businesses reporting efficiency gains of 30% plus.

### **Stewart Island Visitor Levy**

The Stewart Island/Rakiura Visitor Levy fund collected \$113,566 in its first nine months. An allocation committee was established and allocated \$85,000 to various projects on the Island. The levy helps pay for infrastructure, services and amenities that are used by visitors. The cost of the levy is \$5.

### **Museum Services**

The Roving Museum Officer spent time on the following projects:

- Waikaia Museum - assisting with collection storage and conservation projects.
- Rakiura Museum - assisting with collection storage and conservation projects.
- Chatham Islands - to assist Russell Beck in a report on its proposed museum as they are also looking at a museum redevelopment as part of a larger community project.
- Mataura and Districts Historical Society Inc - housing its small to medium sized objects before the move to the new storeroom at the Clematis Cottage redevelopment in Mataura.
- Lumsden Museum - inventory of the Masonic collections held at the Lumsden Museum.

A further highlight was the Riverton Heritage Society's three year Taonga project being one of three finalists in the 'Best Museum Project' in the Museums Aotearoa Awards in 2014 and continuing work on the 'Southland Gallipoli Heritage Trail' for small museums and the book of Southland Military Treasures as part of the 'Southland at Gallipoli 1915-2015' programme of commemorative events.

## Performance measures

**Community Outcome:** Southland is a great place to live. A diverse economy built from our strengths for growth and prosperity. Strong, effective leadership taking us into the future.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
Support and assist groups and organisations to identify and develop opportunities and provide advocacy.	Number of Strategic Projects Facilitated (Economic Development (ED), Regional and Community Development (RCD).	5 - ED 5 - RCD	<b>ED = 8 CD = 6</b>	<b>Achieved</b> Economic Development: Methane Recovery, Oats, Wood Energy, Southland Futures (Youth employment), Silica, Canterbury South, Regional Tax intake, Southland Economic Profile. Community Development: Around the Mountains Cycle Trail, Te Anau and Environs Cycling Opportunities, Curio Bay Heritage, Rakiura Heritage, WWI and Gallipoli project coordination, Waikaia Switzers Museum. In 2012/2013 the result was not achieved - (11 projects in total were completed).	Activity Reporting records
Support and assist groups and organisations to identify and develop opportunities and provide advocacy.	Number of advocacy issues addressed (Regional and Community Development).	10	<b>15</b>	<b>Achieved</b> More than 15 issues including Haast-Hollyford Road, Energy Pricing, Regional Tax intake, Rural Health, Migrant Support, Water Resources - Mapping, Monorail, Aquaculture, NZTA data for FAR process, Treasury data, NZTA infrastructure data, DOC CMS strategy, Rural broadband frequency review, EECA on Wood Energy. In 2012/2013 the result was 33.	Activity Reporting records
Support and assist groups and organisations to identify and develop opportunities and provide advocacy.	Number of community groups engaged with (Regional and Community Development).	80	<b>200</b>	<b>Achieved</b> In 2012/2013 the result was 94.	Activity Reporting records
Proactively identify and promote opportunities for diversification, employment and business growth in Southland.	Number of Sector Groups engaged with (Economic Development).	5	<b>8</b>	<b>Achieved</b> Groups included Engineering, Dairy, Manufacturing, Tourism, Information, Communication and Technology, Education, Agricultural contractors and Transport. In 2012/2013 the result was five.	Activity Reporting records
Promote the positive aspects of Southland and identify and facilitate the development of projects of regional significance in association	Number of Investment Opportunity Proposals facilitated (Economic Development).	12	<b>12</b>	<b>Achieved</b> Including Education, Agriculture (utilising Topoclimate), Biotechnology, Silica. Space and Science, ICT, Energy. In 2012/2013 the result was 14.	Activity Reporting records.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
with local organisations.					
Promote the positive aspects of Southland and identify and facilitate the development of projects of regional significance in association with local organisations.	Number of people attending Venture Southland Events (Regional and Community Development).	8,000	20,000	<b>Achieved</b> Including ILT Kidzone, SDC Holiday Programme, Matariki, Southland Buskers Southland Festival, Arts Festival, Burt Munro Challenge, plus various Destination Fiordland/Te Anau Events Trust events. In 2012/2013 the result was 22,180.	Event Reports.
Promote the positive aspects of Southland and identify and facilitate the development of projects of regional significance in association with local organisations.	Strategies (Energy, Tourism, Arts etc) produced according to timeframes set out in "Strategy for Development 2012-2022". <sup>1</sup>	100%	-	<b>Not Measured</b> The Strategy for Development 2012-2022 was not finalised. Aspects of the actions arising from the Art Southland Strategy were completed and reviews for the Southland Digital Strategy and Southland Workforce Strategy Review were commenced. Venture Southland worked on the following additional strategies during the year: <ul style="list-style-type: none"> <li>• Southland Futures (Youth Retention &amp; Development) Strategy research/survey/report done - steering group established.</li> <li>• Southland Aquaculture Strategy - completed.</li> <li>• Stewart Island Energy Strategy - wind, solar and hydro data being collected before analysis to determine feasibility of renewable sources.</li> <li>• Southland Supply Initiative (rebranded as Canterbury South) - more than 240 Southland businesses are engaged in the Christchurch rebuild.</li> <li>• Catlins Tourism Strategy - reviewed and updated.</li> <li>• Southland Leisure Strategy - review underway led by Sport Southland with support from Venture Southland.</li> </ul>	Annual Report
Promote Southland as a quality destination for visitors, skilled migrants, investors, students, conferences and events; to assist destination management and visitor industry development.	Percentage of programmed promotional activities delivered (Destination Promotion). <sup>2</sup>	100%	100%	<b>Achieved</b> 20 media and trade famils facilitated and developed. The result from 2012/2013 was 100%.	Activity Reporting records.

1. Southland workforce strategy, southland digital strategy, southland tourism strategy, southland leisure strategy and implement VS actions arising from the Arts Southland Strategy.

2. Percentage of total number of programmed promotional activities set out in Venture Southland's 2013/2014 Action Plan.

## Project report

There were no capital expenditure projects planned for this activity for the 2013/2014 financial year.

## Variation from the budget

Please see the following Funding Impact Statement. Other receipts and other operating funding applications have both increased from the Annual Plan as this activity as the actual result includes the Stewart Island Visitor Levy and Museum Services which were included in the Annual Plan elsewhere. No significant assets were acquired or disposed during the year.

## Funding impact statement - District Development Services

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
1,743	1,787	<b>Sources of operating funding</b>	1,724	1,717	1,742
-	-	General rates, uniform annual general charges, rates penalties	-	-	-
14	14	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	14	81	14
-	-	Fees, charges and targeted rates for water supply	-	-	-
12	12	Internal charges and overheads recovered	30	30	12
206	209	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	205	360	202
<b>1,975</b>	<b>2,022</b>	<b>Total operating funding</b>	<b>1,972</b>	<b>2,188</b>	<b>1,971</b>
		<b>Applications of operating funding</b>			
-	-	Payments to staff and suppliers	-	79	-
-	-	Finance costs	1	(1)	-
206	209	Internal charges and overheads applied	195	244	202
1,769	1,813	Other operating funding applications	1,769	1,854	1,769
<b>1,975</b>	<b>2,022</b>	<b>Total applications of operating funding</b>	<b>1,964</b>	<b>2,177</b>	<b>1,971</b>
-	-	<b>Surplus (deficit) of operating funding</b>	<b>8</b>	<b>11</b>	
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	<b>Total sources of capital funding</b>	-	-	-
		<b>Applications of capital funding</b>			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	4	-
-	-	▪ to replace existing assets	-	-	-
-	-	Increase (decrease) in reserves	8	7	-
-	-	Increase (decrease) in investments	-	-	-
-	-	<b>Total applications of capital funding</b>	<b>8</b>	<b>11</b>	
-	-	<b>Surplus (deficit) of capital funding</b>	<b>(8)</b>	<b>(11)</b>	
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# 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 offices as a first point of contact for residents and ratepayers. The main office is located in Invercargill and Area Offices are located in Winton, Te Anau, Otautau, Lumsden, Wyndham, Stewart Island/Rakiura and Riverton. Many of Council's services are provided through the office staff, including general enquiries, rate rebate applications, dog registrations, fire permits, interments, requests for service and licensing. Staff also provide secretarial support for community boards, community development area subcommittees, committees of Council and a Council Controlled Organisation (CCO). All Area Offices, except the Invercargill, Te Anau and Stewart Island/Rakiura Offices are co-located with local libraries, in line with Council's 'One Stop Shop' concept.

## Effects this activity has had on the community

District Support primarily contributed to the Council outcome of being an effective Council. The activity contributed to this outcome by providing local offices throughout the District so Council's services and information are more accessible and prevent residents and ratepayers from having to travel large distances to one main office. The activity also strengthened Council's links with the numerous communities in Southland by having local staff situated in local offices in or near these communities. It also provided efficiencies by having Area Offices and Libraries jointly located in most cases. Secretarial and administrative support provided to local elected members (councillors, community boards and community development area subcommittees, water supply subcommittees) helped to empower and motivate these communities.

## How well we did

The performance of the District Support activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the key performance indicator targets, three were achieved and three were not achieved. The project was completed.

## Key highlights

### Representation changes

Representation review changes to wards, community boards and community developments area subcommittees took effect from the October 2013 elections.

Changes included:

- The number of wards reduced from 12 to five.
- The number of community boards reduced from 12 to eight.
- The number of community development area subcommittees increased from 16 to 19.

Workshops were held for the newly elected community boards and the newly elected community development area subcommittees.

### Customer Services

Results from the Residents Survey which was undertaken in March 2014, show that the most preferred method of contacting Council is still the telephone (around 6,000 calls per month to the free phone 0800 732 732) followed by visits to offices. 87% of those surveyed were satisfied with their contact via telephone and 94% were satisfied with their contact when personally visiting the various offices.

### Online Services

The ability for customers to enter requests for service, pay rates online and re-register dogs on the Southland District Council website went live in September 2013. Council customers have made 297 requests for service, re-registered 339 dogs and made numerous rates payments in the 10 months through to 30 June 2014.

## Performance measures

**Community Outcome:** Strong effective leadership taking us into the future.

**Council Outcome:** Being an effective council - Council will be prudent, innovative and be an enabler for its communities.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Access</b> Access to services during normal business hours.	Percentage of residents satisfied with the hours of operation (Residents' Survey).	90%	<b>96%</b>	<b>Achieved</b> In 2012/2013 the target was not measured as the survey is conducted every three years. In 2011 the result was 97%.	Three Yearly Residents' Survey.
<b>Responsiveness</b> All requests, issues, queries and faults dealt with in a timely fashion.	Percentage of customers who are satisfied with response times, staff helpfulness and outcome of enquiries (Survey - Customer). <sup>2</sup>	90%	<b>91%</b>	<b>Achieved</b> 214 were surveyed in 2013/2014. 91% were satisfied with staff helpfulness, 78% were satisfied with response times and 79% were satisfied with the outcome of enquiries. In 2012/2013 the results were 93% of the 135 surveyed were satisfied with staff helpfulness, 83% were satisfied with response times and 80% were satisfied with the outcome of enquiries.	(Survey - Customer). <sup>2</sup>
	Staff helpfulness				
	Response time	90%	<b>78%</b>	<b>Not Achieved</b> The target was not achieved but improvements are being put in place to improve the result and manage customer expectations. Customers were asked "were you satisfied with the time it took to resolve your problem or query". There are different timeframes set for each of the activities. Customers may not have been aware of these set timeframes when they responded to the survey. A number of the requests for service related to ongoing issues.	
	Outcome	90%	<b>79%</b>	<b>Not Achieved</b> The target was not achieved but improvements are being put in place to ensure the customer is contacted about their request. Customers often expect that that the issue is fixed permanently but this is not always possible (eg a reoccurring pothole).	
<b>Responsiveness</b> All requests, issues, queries and	Percentage of response times kept within defined limits (Quarterly)	85%	<b>91%</b>	<b>Achieved</b> Of the 6,049 requests for service 5,477 were actioned	Customer Service System

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
faults dealt with in a timely fashion.	Report).			within defined limits. In 2012/2013 the result was 86%.	(Pathways)
<b>Responsiveness</b> All requests, issues, queries and faults dealt with in a timely fashion.	Percentage of correspondence responded to within defined limits. <sup>1</sup>	85%	<b>70%</b>	<b>Not Achieved</b> At present within the system there is no reminder prior to the action becoming overdue. In the future improvements will be made to the system to seek to ensure correspondence is responded to within defined limits. In 2012/2013 was 72%.	Internal Document Control System (TRIM).
<p>1. The defined limit for correspondence is 20 working days if an official information request, 10 working days if action required (but not an OIA request) and five working days if just for the staff member's information.</p> <p>2. The survey is conducted by telephone and undertaken by the Customer Services Interdepartmental Support Officer six times a year.</p>					

## Project report

Project Description	Budget \$	Status
Finance and Administration - Ongoing Customer Service Improvements - CS00001A	6,000	Completed. The project related to the implementation of e-pathway's requests for service. Budget not required as costs were shared with Information Management department.

## Variation from the budget

Please see the following Funding Impact Statement. There are no significant variance between the Annual Plan and total operating funding. Internal charges are an estimate of anticipated costs and where expenditure is above budget in this activity, there is an activity with an equivalent variance in internal revenue. The variance in sources of capital funding is due to Council not being required to raise external debt during the current financial year. Capital expenditure is due to the replacement of motor vehicles.

## Funding impact statement - District Support

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
2,180	3,147	<b>Sources of operating funding</b>			
441	432	General rates, uniform annual general charges, rates penalties	2,172	3,171	3,193
-	-	Targeted rates (other than a targeted rate for water supply)	437	300	302
18	19	Subsidies and grants for operating purposes	9	7	-
628	648	Fees, charges and targeted rates for water supply	-	-	14
76	92	Internal charges and overheads recovered	633	681	684
		Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	96	110	59
<b>3,342</b>	<b>4,338</b>	<b>Total operating funding</b>	<b>3,347</b>	<b>4,269</b>	<b>4,252</b>
		<b>Applications of operating funding</b>			
1,441	1,484	Payments to staff and suppliers	1,461	1,441	1,443
83	185	Finance costs	5	4	5
3,267	3,274	Internal charges and overheads applied	2,882	3,078	3,303
5	5	Other operating funding applications	1	41	5
<b>4,796</b>	<b>4,947</b>	<b>Total applications of operating funding</b>	<b>4,348</b>	<b>4,564</b>	<b>4,756</b>
<b>(1,454)</b>	<b>(609)</b>	<b>Surplus (deficit) of operating funding</b>	<b>(1,001)</b>	<b>(296)</b>	<b>(504)</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	2	-	-
-	-	Development and financial contributions	-	-	-
2,584	749	Increase (decrease) in debt	523	(17)	738
-	17	Gross proceeds from sale of assets	-	9	17
-	-	Lump sum contributions	-	-	-
<b>2,584</b>	<b>766</b>	<b>Total sources of capital funding</b>	<b>525</b>	<b>(8)</b>	<b>755</b>
		<b>Applications of capital funding</b>			
-	-	Capital expenditure	-	-	-
80	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	7	20
-	74	▪ to replace existing assets	-	162	74
40	58	Increase (decrease) in reserves	(476)	(473)	157
1,010	25	Increase (decrease) in investments	-	-	-
<b>1,130</b>	<b>157</b>	<b>Total applications of capital funding</b>	<b>(476)</b>	<b>(304)</b>	<b>251</b>
<b>1,454</b>	<b>609</b>	<b>Surplus (deficit) of capital funding</b>	<b>1,001</b>	<b>296</b>	<b>504</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Dog and Animal Control

**Aim:** To protect public safety and reduce nuisances.

## What we do

The Dog and Animal Control service involves registering dogs, investigating complaints about dogs and wandering stock, formulating and enforcing animal control policy on issues relating to animal welfare, other statutory responsibilities such as dealing with nuisance dogs, as well as promoting responsible dog ownership. There are around 13,000 dogs registered in Southland.

## Effects this activity has had on the community

Dog and Animal Control primarily contributed to the Council's outcome of supporting our communities. The activity contributed to this outcome by reducing risks to public safety (at home, in public places and on roads) through effective response and management of instances of nuisance dogs and stock wandering on roads. Penalties were issued when requirements were breached, such as infringement notices or prosecution.

## How well we did

The performance of the Dog Control activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the key performance indicator targets measured three were achieved and one was not achieved.

Of the 32 respondents, 11 indicated that dog control needs to be stricter (though two indicated it was too strict) and eight indicated there were too many roaming dogs. Other reasons for dissatisfaction included dog droppings, low ranger profile and limited exercise areas.

## Key highlights

The combined pound facility between Southland District Council and Invercargill City Council is in use and working well.

Southland District Council has access to five of the 28 bays in the pound.

The "attack pack" is a resource for council officers for the investigation, assessment and response to dog rushing and attack incidents. This has been used extensively over the year with constant fine tuning of processes. As a result the evidence collected for attacks is robust and accurate and has contributed to more effective decision-making. With senior staff involved in each case, a high degree of consistency in decision-making has been achieved.

A comprehensive review of health and safety has been completed. A range of safety gear has been purchased and procedures reviewed for the purpose of eliminating, isolating and minimising hazards.

An online registration payment system was created that a number of dog owners have used in the 2013/2014 year.

## Performance measures

**Community Outcome:** Safe places in a caring society that is free from crime.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Quality</b> Actively control the actual and potential nuisance from dogs and animals.	Percentage of residents satisfied with the service provided.	Dog 75%	<b>Dog 71%</b>	<b>Not Achieved</b> Survey comments from some respondents were that they felt that dog control needs to be stricter and that there are too many roaming dogs. In 2011 the result was 79%.	Three Yearly Residents' Survey.
		Stock 80%	<b>Stock 84%</b>	<b>Achieved</b> In 2011 the result for Stock Control was 87%.	
<b>Responsiveness</b> All complaints are addressed in a timely manner.	Percentage of complaints investigated within set timeframes. <sup>1</sup>	85%	<b>89%</b>	<b>Achieved</b> In 2012/2013 the result was 83%.	Customer Service system (Pathway).
<b>Responsiveness</b> Facilitate and provide appropriate guidance and advice on Animal Control matters.	Number of public education initiatives carried out per year. <sup>2</sup>	72	<b>78</b>	<b>Achieved</b> In 2012/2013 the result was 73 hours. (One radio slot, seven First Edition articles, 65 microchipping clinics).	Timesheets, receipts and Council newsletter.

1. The timeframe for investigation varies according to the type of request ie - a dog attack will be investigated more urgently (4 hours) than for example a lost dog (24 hours)

2. The education target is based on 64 free microchipping clinics per year, two radio slots, four articles in First Edition and two school visits each year.

## Project report

There were no capital expenditure projects planned for this activity for the 2013/2014 financial year.

## Variation from the budget

Please see the following Funding Impact Statement. There were no significant variances between the Annual Plan and the actual result.

## Funding impact statement - Dog and Animal Control

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
27	27	<b>Sources of operating funding</b>			
-	-	General rates, uniform annual general charges, rates penalties	27	24	24
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
297	307	Fees, charges and targeted rates for water supply	303	310	305
40	40	Internal charges and overheads recovered	48	52	50
32	33	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	90	61	22
<b>396</b>	<b>407</b>	<b>Total operating funding</b>	<b>468</b>	<b>447</b>	<b>401</b>
268	273	Applications of operating funding			
1	1	Payments to staff and suppliers	292	316	274
98	100	Finance costs	11	(11)	1
71	1	Internal charges and overheads applied	95	100	99
		Other operating funding applications	115	1	1
<b>437</b>	<b>374</b>	<b>Total applications of operating funding</b>	<b>512</b>	<b>405</b>	<b>373</b>
<b>(41)</b>	<b>33</b>	<b>Surplus (deficit) of operating funding</b>	<b>(43)</b>	<b>42</b>	<b>28</b>
-	-	Sources of capital funding			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	11	Gross proceeds from sale of assets	-	-	11
-	-	Lump sum contributions	-	-	-
-	<b>11</b>	<b>Total sources of capital funding</b>	-	-	<b>11</b>
-	-	<b>Applications of capital funding</b>			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
-	48	▪ to replace existing assets	2	-	48
(41)	(4)	Increase (decrease) in reserves	(46)	42	(9)
-	-	Increase (decrease) in investments	-	-	-
<b>(41)</b>	<b>44</b>	<b>Total applications of capital funding</b>	<b>(43)</b>	<b>42</b>	<b>39</b>
<b>41</b>	<b>(33)</b>	<b>Surplus (deficit) of capital funding</b>	<b>43</b>	<b>(42)</b>	<b>(28)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Environmental Health

**Aim - To promote the health, safety and wellbeing of the community, through the effective implementation of a range of public health related legislation.**

## What we do

Environmental Health is concerned with all aspects of the natural and built environment that may affect human health. Key activities include registration and inspection of licensed premises, noise control, liquor licensing, insanitary conditions, hazardous substances, freedom camping, litter and the regulation of the bylaws relating to the keeping of animals and trading in public places. The activity also undertakes school water and pool testing and provides advice on environmental health, particularly during the resource consent and building consent process. The Council also carries out a range of education and information activities.

## Effects this activity has had on the community

The Environmental Health activity primarily contributed to the Council outcome 'supporting our communities'. The activity contributed to this outcome by protecting public health through registration and inspection of premises that prepare or sell food, **and** licensing and monitoring premises that sell alcohol. The investigation of nuisance such as noise, smoke, odours, pests and insanitary buildings supported our communities by minimising the effect of such nuisances on people or the receiving environment.

## How well we did

The performance of the Environmental Health activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the four key performance indicator targets that were measured, two were achieved and two were not achieved.

## Key highlights

The Food Act 2014 commenced in June 2014 and regulations have not been made that specify transitional arrangements, though it is thought that types of food premises will be required to meet new rules in stages over about five years. A number of premises are already working under the voluntary food control plan system. The Annual Plan advised that Council would consider introducing a Food Grading Bylaw in partnership with the Invercargill City Council, where food premises are graded according to criteria set out in the bylaw. The new Food Act 2014 has implications for new grading bylaws and staff are awaiting further advice. Staff are continuing to focus on the preparation and implementation of the new Act, in particular the promotion of food control plans.

**Sale and Supply of Alcohol Act** - The Sale and Supply of Alcohol Act 2012 has completed all transitional periods and is in force. Council has successfully created a new District Licensing Committee that has a shared member list with the Gore District and Invercargill City Councils. The three councils also have created draft combined Local Alcohol Policy. A new business unit has been created for Alcohol Licensing, funded 90% from the default statutory fees and 10% from rates.

**Psychoactive Substances** - The new Psychoactive Substances Act 2013 enabled councils to adopt local approved products policies that regulate the location of retail stores. In response the Southland, Gore and Invercargill City Councils developed a draft policy during 2013/2014 which went out for public consultation.

**Skin Piercing** - Both the Southland District and Invercargill City Councils have each conducted research into the regulation of tattooists and other skin piercing activities. A report will be presented to the councils at a later stage.

## Performance measures

**Community Outcome:** We are healthy people.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Quality</b> Implement actions and measures that provide for the health, safety and wellbeing of the community.	Percentage of customers satisfied with how their nuisance complaints have been dealt with.	90%	81%	<b>Not Achieved</b> 81% of the 113 surveyed were satisfied with how their complaint had been dealt with. 88% for staff helpfulness and 71% for timeliness. In 2012/2013 the result was 86%. Of the 106 surveyed, 86% were satisfied.	Survey - Customer.
<b>Quality</b> 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.	100%	100%	<b>Achieved</b> There were 252 premises that required inspection throughout the year and 262 that were inspected as some premises were inspected more than once as some required a follow-up inspection. In 2012/2013 the result was 93%.	Customer Service system (Pathway).
<b>Responsiveness</b> 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.	95%	80%	<b>Not Achieved</b> Following a resignation, the business unit only had two officers performing duties rather than the normal complement of three, for two months of the first quarter. The vacancy was filled but this affected the year to date results throughout the year. This along with the significant amount of time needed to prepare for and implement the new Sale and Supply of Alcohol Act is the reason for the off-target result. System improvements are being implemented to improve this result, including placing holds while waiting to conduct applicant's interviews. In 2012/2013 the result was 94%.	Customer Service system (Pathway).
Responsiveness All complaints are assessed in a timely manner.	Percentage of complaints investigated within two working days from the date of receipt. <sup>1</sup>	95%	96%	<b>Achieved</b> Of the 196 complaints, 189 were investigated within two working days. In 2012/2013 the result was 94%.	Customer Service system (Pathway).

<sup>1</sup>"Investigated" means to enquire into the complaint and determine the appropriate response required, whether by phone or site visit.

## **Project report**

There were no capital expenditure projects planned for this activity for the 2013/2014 financial year.

## **Variation from the budget**

Please see the following Funding Impact Statement. There were no significant variances between the Annual Plan and the actual result.

## Funding impact statement - Environmental Health

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
279	253	<b>Sources of operating funding</b>	278	262	263
-	-	General rates, uniform annual general charges, rates penalties	-	-	-
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
155	160	Fees, charges and targeted rates for water supply	185	171	155
-	-	Internal charges and overheads recovered	22	23	-
44	45	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	23	53	34
<b>478</b>	<b>458</b>	<b>Total operating funding</b>	<b>509</b>	<b>509</b>	<b>451</b>
334	313	<b>Applications of operating funding</b>	305	376	311
-	-	Payments to staff and suppliers	7	(4)	-
129	130	Finance costs	120	130	125
-	-	Internal charges and overheads applied	-	-	-
-	-	Other operating funding applications	-	-	-
<b>463</b>	<b>443</b>	<b>Total applications of operating funding</b>	<b>432</b>	<b>502</b>	<b>436</b>
<b>15</b>	<b>15</b>	<b>Surplus (deficit) of operating funding</b>	<b>76</b>	<b>7</b>	<b>15</b>
-	-	<b>Sources of capital funding</b>	-	-	-
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	7	Gross proceeds from sale of assets	-	-	7
-	-	Lump sum contributions	-	-	-
-	<b>7</b>	<b>Total sources of capital funding</b>	-	-	<b>7</b>
-	-	<b>Applications of capital funding</b>	-	-	-
-	-	Capital expenditure	-	-	-
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
-	32	▪ to replace existing assets	-	-	32
15	(10)	Increase (decrease) in reserves	76	7	(10)
-	-	Increase (decrease) in investments	-	-	-
<b>15</b>	<b>22</b>	<b>Total applications of capital funding</b>	<b>76</b>	<b>7</b>	<b>22</b>
<b>(15)</b>	<b>(15)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(76)</b>	<b>(7)</b>	<b>(15)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Forestry

**Aim - To ensure sustainable management of Council forests to provide the best possible return.**

## What we do

The Council owns around 1,841 hectares of plantation forest. These are located in four blocks but are administered and managed as if one entity. The primary reason for the Council owning and operating a forestry operation is to generate revenue to help offset rates requirements.

## Effects this activity has had on the community

The Forestry activity primarily contributed to the Council outcome “making the most of our resources” The activity contributed to this outcome by ensuring that the forestry assets were managed in a sustainable manner and minimised negative effects on the environment.

This activity also helped reduce the rates burden to the community as well as offering recreational opportunities to adjacent communities.

## How well we did

The performance of the Forestry activity is assessed against a number of key performance indicators and projects set out in the Council’s 10 Year Plan as well as the activity’s financial results compared to the budget. Of the targets measured, one was not achieved, one was not measured and the other was achieved.

## Key highlights

The 2013/2014 year has been a profitable one for the Forestry unit.

Export log prices have been high and this matched well with the maturity of stands within the forestry estate.

Therefore the Council was able to harvest several stands in the Ohai and Waikai forests.

The financial return to Council was high and the allocation of surpluses to offset rates was therefore higher than expected. However, with harvesting, however goes the land preparation and the replanting. These harvesting activities resulted in expenditure costs being over budget. Overall, the financial net return was still a significant one for Council. The allocation of surpluses to offset rates was \$953,497 compared to a budget of \$505,000 (2013: \$355,000 compared to a budget of \$205,000).

Day to day management of the forestry business unit is outsourced to consultants IFS Growth. A key highlight they introduced was the way in which Health and Safety is managed in this industry. Their initiatives are trying to completely change the risk culture in this industry. The Council recognises the poor safety record of this industry is fully supportive of the IFS initiative.

## Performance measures

**Community Outcome:** A diverse economy built from our strengths for growth and prosperity.

**Council Outcome:** Making the most of our resources. We want to be good custodians of the environment to ensure that people living here now and in the future can sustain themselves and that the natural beauty of Southland is retained.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Sustainability</b> To achieve an appropriate balance between harvesting and restocking Council and Community forests.	Percentage of objectives met of the management and business plans. <sup>1</sup>	100%	100%	<b>Achieved</b> Re-planting of cut-over sites carried out across all harvested sites, except for Waikaia where the sustainable option is additional time is required for weed control. Replanting will occur in 2014/2015. In 2012/2013 the result was 100%.	Management objectives and physical programmes summaries.
<b>Sustainability</b> All operations compliant with environmental and Health and Safety requirements/objectives.	Number of environmental or Health and Safety issues notified/reported.	0	5	<b>Not Achieved</b> Five health and safety incidents were reported by contractors. No serious issues were detected during inspections and all minor to moderate issues detected were acted on and rectified. In 2011/2012 the result was zero.	Management Reports.
<b>Sustainability</b> All operations compliant with environmental and Health and Safety requirements/objectives.	Retain (environmental) certification ISO 14001.	Yes	n/a	<b>Not Measured</b> Council decided to no longer apply for certification for ISO 14001. The ISO certification process was deemed to have higher costs than the value of the benefits it delivered. The management company IFS Growth operates its own environmental policy so the same outcomes are achieved.	Audit.

1. There are 13 objectives in the Forestry Business Plan which each has their own performance indicators. These objectives cover a range of topics such as the size of the forest estate, quality management, improving profitability and revenue and the Emissions Trading Scheme.

## Project report

There were no capital expenditure projects planned for this activity for the 2013/2014 financial year.

## Variation from the budget

Please see the following Funding Impact Statement. Variance in Sources and Application of operating funding from budget is the result of an accelerated harvesting plan being followed. No significant assets were acquired or disposed during the year.

## Funding impact statement - Forestry

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
-	-	<b>Sources of operating funding</b>	-	-	-
-	-	General rates, uniform annual general charges, rates penalties	-	-	-
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-
-	-	Internal charges and overheads recovered	23	5	25
518	690	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	2,381	2,233	1,901
<b>518</b>	<b>690</b>	<b>Total operating funding</b>	<b>2,403</b>	<b>2,237</b>	<b>1,926</b>
280	341	Applications of operating funding	666	1,018	802
-	-	Payments to staff and suppliers	-	-	-
24	25	Finance costs	36	39	25
7	8	Internal charges and overheads applied	161	181	152
<b>311</b>	<b>374</b>	<b>Total applications of operating funding</b>	<b>863</b>	<b>1,238</b>	<b>979</b>
<b>207</b>	<b>316</b>	<b>Surplus (deficit) of operating funding</b>	<b>1,540</b>	<b>1,000</b>	<b>946</b>
-	-	Sources of capital funding	-	-	-
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
9	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
<b>9</b>	<b>-</b>	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
-	-	<b>Applications of capital funding</b>	-	-	-
-	-	Capital expenditure	-	-	-
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	197	13	-
39	-	▪ to replace existing assets	-	-	-
(28)	11	Increase (decrease) in reserves	988	33	441
205	305	Increase (decrease) in investments	355	953	505
<b>216</b>	<b>316</b>	<b>Total applications of capital funding</b>	<b>1,540</b>	<b>1,000</b>	<b>946</b>
<b>(207)</b>	<b>(316)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(1,540)</b>	<b>(1,000)</b>	<b>(946)</b>
-	-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> includes all other operating funding from sources not identified above.

# Grants and Donations

**Aim:** Provide assistance to a range of organisations for projects and activities which provide good quality public services that meet current and future needs of communities.

## 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 Committee (SRHC) who is a strong supporter of museums in Southland and supports specific heritage projects that preserve or promote the Story of Southland. An annual contribution is also made to the Southern Rural Fire Authority (SRFA) to manage rural fire responsibilities at a regional level, including training firefighters and public education.

## Effects this activity has had on the community

The Grants and Donations activity contributed to “supporting our communities”. Through providing financial assistance the activity contributed to this outcome by empowering community groups and individuals to undertake their activities. Scholarships also promoted a well-educated and skilled community. The Regional Heritage Grant supported community groups to provide a range of quality places to go and things to do and offer learning opportunities. The grant to Rural Fire supported our communities by helping Rural Fire to control fires in Southland and respond to incidences of rural fire.

## How well we did

The performance of the Grants and Donations activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. The key performance indicator target for this activity was achieved.

## Key highlights

Overall, Council continued to support heritage activities and the SRFA. Refer to the District Development Services Activity Statement for Venture Southland.

Council reviewed its grants and donations policy and activity this year and no major changes were made.

## Performance measures

**Community Outcome:** Southland is a great place to live.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Access and Equity</b> Enhance the quality of life through grants/donations to community and regional organisations.	Percentage of residents that are aware of the availability of grants.	60%	<b>77%</b>	<b>Achieved</b> In 2011 the result was 68%.	Three Yearly Residents' Survey.

## Project report

There were no capital expenditure projects planned for this activity for the 2013/2014 financial year.

## Variation from the budget

Please see the following Funding Impact Statement. The variance is rates is the result of a reallocation of rates received to more accurately reflect the activity that they were allocated and there is an activity with an equivalent over collection. Internal charges are an estimate of anticipated costs and where income is below budget in this activity there is an activity with an equivalent variance in internal expenses. Operating funding applications are lower than anticipated due to transfer being completed though the reserve movement rather than expenditure.

	2013/2014 Actual \$	2013/2014 Budget (AP) \$
<b>GRANTS</b>		
Citizens Advice Bureau	4,400	2,200
Friendship Committee	9,509	9,524
Gore Counselling Service	2,000	1,000
Iwi Funding	38,816	38,816
Life Education Trust	5,000	5,000
Miscellaneous Grant	624	2,000
Southland Indoor Leisure Centre	50,000	50,000
St Johns' Ambulance	2,800	1,400
Southland Regional Heritage Committee	423,450	423,950
Swim Safe	17,400	17,400
Te Hikoi	12,000	12,000
Enviroschools Programmes	8,966	10,000
Southland Coastal Heritage Inventory Project	15,000	-
Biodiversity Southland	10,000	-
Environment Southland - Waituna	16,688	-
Around the Mountains Cycle Trail	160,000	160,000
<b>SCHOLARSHIPS</b>		
Bursaries	6,143	4,500
Community Service Award	452	1,000
Debating Competition	522	600
Outward Bound	8,301	8,000
<b>FUNDING ASSISTANCE</b>		
Contributions - Toilets	535,240	535,116
Contributions - Dog & Animal Control	34,919	34,919
Contributions - Parks & Reserves	15,376	15,376
Santa Parade	500	2,400
Holiday Programmes	20,000	20,000
Destination Fiordland	12,464	12,464
<b>ALLOCATION GRANTS</b>		
Community Initiative	129,267	108,800
Contributions and Levies	70,000	15,000
Creative Communities	23,194	21,030
Ohai Railway Funds	32,000	80,058
Northern Southland Development Fund	17,225	15,000
Stewart Island Levy	85,682	-
John Beange Trust (Wyndham)	3,800	-
<b>OTHER</b>		
Southern Rural Fire Authority	229,503	229,503
Venture Southland	1,768,800	1,768,800
	<b>3,770,041</b>	<b>3,605,856</b>

## Funding impact statement - Grants and Donations

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
		<b>Sources of operating funding</b>			
1,740	1,306	General rates, uniform annual general charges, rates penalties	1,062	827	1,364
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
33	33	Subsidies and grants for operating purposes	241	44	33
-	-	Fees, charges and targeted rates for water supply	-	-	-
297	476	Internal charges and overheads recovered	263	214	379
51	52	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	130	62	53
<b>2,121</b>	<b>1,867</b>	<b>Total operating funding</b>	<b>1,696</b>	<b>1,147</b>	<b>1,828</b>
		<b>Applications of operating funding</b>			
26	26	Payments to staff and suppliers	16	26	26
-	-	Finance costs	71	(1)	-
939	795	Internal charges and overheads applied	258	264	815
1,293	1,239	Other operating funding applications	1,231	1,149	1,270
<b>2,258</b>	<b>2,060</b>	<b>Total applications of operating funding</b>	<b>1,577</b>	<b>1,438</b>	<b>2,112</b>
<b>(137)</b>	<b>(193)</b>	<b>Surplus (deficit) of operating funding</b>	<b>119</b>	<b>(291)</b>	<b>(283)</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
(4)	(5)	Increase (decrease) in debt	(6)	(6)	(6)
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
<b>(4)</b>	<b>(5)</b>	<b>Total sources of capital funding</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>
		<b>Applications of capital funding</b>			
-	-	Capital expenditure	-	-	-
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
-	-	▪ to replace existing assets	-	-	-
(38)	(45)	Increase (decrease) in reserves	291	179	(37)
(103)	(153)	Increase (decrease) in investments	(178)	(477)	(253)
<b>(141)</b>	<b>(198)</b>	<b>Total applications of capital funding</b>	<b>113</b>	<b>(298)</b>	<b>(289)</b>
<b>137</b>	<b>193</b>	<b>Surplus (deficit) of capital funding</b>	<b>(119)</b>	<b>291</b>	<b>283</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Library Service

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

## What we do

The library service includes 12 local community libraries, spread across the District, a mobile library service, educational programmes and activities and access to a range of library and information resources via the Internet. A reciprocal membership agreement known as the SouthLib Consortia gives all residents reciprocal membership to any library in the lower South Island.

## Effects this activity has had on the community

The Library Service activity primarily contributed to the Council outcome Supporting our Communities. The activity contributed to this outcome by providing people with quality places to enjoy reading, listening, viewing and interacting. The activity encouraged learning by providing a free community recreation facility with a range of resources and information. It provided a community hub, providing a social space where people could meet and relax in a warm, comfortable, safe and neutral environment. It also assisted communities to value their heritage and to embrace diversity and creativity and to value the Treaty of Waitangi. The library spaces fostered a sense of connection and belonging and supported strong local engagement.

## How well we did

The performance of the Library activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the five key performance indicator targets, three were not measured and two were achieved.

## Key highlights

A new mobile library was commissioned in February 2014. The vehicle is a Mercedes Sprinter which has been customised specifically for the delivery of library services.

A District-wide holiday programme has been developed by the Community Services Librarian and this means the same programme is run at all libraries throughout the District.

During December and January, a Southland Summer Reading Challenge, in collaboration with Invercargill City Libraries, was held and this attracted a large number of new readers. The challenge was successful and an expanded challenge is being prepared for the next summer.

A 31 Days of Art challenge took place in March 2014 where participants were required to undertake a portion of art work each day for 31 days and then bring these together for general exhibition in May.

Council's libraries are now able to loan out e-books which can be accessed from wherever the library member is situated and downloaded to their e-reader, be this a smart phone, laptop, PC, e-book or device of choice. This service does not attract charges and all that is needed is for the user to be a registered library member and to have the technology. Due to issues unresolved between authors and publishers the available content is not as current and extensive as might be expected, however, this may change in the future.

## Performance measures

**Community Outcome:** Southland is a great place to live.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Access</b> Library services are available at convenient times and locations.	Percentage of residents who identify opening hours as a barrier to using libraries.	Less than 10%	6%	<b>Achieved</b> In 2010/2011 the result was 5% against a target of less than 10%.	Three Yearly Residents' Survey.
<b>Access</b> Library services are available at convenient times and locations.	Percentage of residents satisfied with the location of libraries in Southland and/or the ability to access the mobile library.	95%	95%	<b>Achieved</b> In 2010/2011 the result was 98% against a target of 80%.	Three Yearly Residents' Survey.
<b>Quality</b> Library facilities look good and are comfortable.	Percentage of users satisfied with look and comfort of libraries.	95%	-	<b>Not Measured</b> The decrease in satisfaction for comfort and overall look of libraries is mainly due to the move of Wyndham library. In 2012/2013 the result was 91%.	Survey - User (Two Yearly).
<b>Quality</b> A wide range of books and materials, in a variety of formats, are able to be accessed by users.	Percentage of users satisfied with the choice of books and other resources available.	95%	-	<b>Not Measured</b> Library issues for the year are down and this is reflected in this figure. Due to the Wyndham move there was less space for displayed stock. In 2012/2013 the result was 92%.	Survey - User (Two Yearly).
<b>Quantity</b> Library services are being increasingly used.	Percentage increase in the number of people who visit the library (compared to the previous year).	5%	-	<b>Not Measured</b> The data was not measured correctly for the full year so therefore was not available to provide trend information. Whilst the electronic door counters were purchased for all Libraries/Area Offices at the beginning of the financial year there were delays in installation at three sites. These delays related, in part, to available connectivity and manpower and this has meant that complete records are not available for the full year. All equipment is now installed and operational.	Door count.

## Project report

There were no capital expenditure projects planned for this activity for the 2013/2014 financial year.

## Variation from the budget

Please see the following Funding Impact Statement. There were no significant variances between the Annual Plan and the actual result.

## Funding impact statement - Library Service

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
1,129	1,148	<b>Sources of operating funding</b>			
195	198	General rates, uniform annual general charges, rates penalties	1,127	1,142	1,147
3	3	Targeted rates (other than a targeted rate for water supply)	190	195	196
-	-	Subsidies and grants for operating purposes	24	17	3
255	260	Fees, charges and targeted rates for water supply	29	27	-
42	44	Internal charges and overheads recovered	257	265	262
		Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	9	7	44
<b>1,625</b>	<b>1,653</b>	<b>Total operating funding</b>	<b>1,636</b>	<b>1,653</b>	<b>1,652</b>
912	933	Applications of operating funding			
-	-	Payments to staff and suppliers	888	937	936
467	470	Finance costs	1	1	-
-	-	Internal charges and overheads applied	465	459	464
-	-	Other operating funding applications	-	-	-
<b>1,380</b>	<b>1,404</b>	<b>Total applications of operating funding</b>	<b>1,354</b>	<b>1,396</b>	<b>1,401</b>
<b>245</b>	<b>249</b>	<b>Surplus (deficit) of operating funding</b>	<b>282</b>	<b>256</b>	<b>251</b>
-	-	Sources of capital funding			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
40	(26)	Increase (decrease) in debt	(73)	(89)	(26)
21	1	Gross proceeds from sale of assets	-	-	1
-	-	Lump sum contributions	-	-	-
<b>61</b>	<b>(25)</b>	<b>Total sources of capital funding</b>	<b>(73)</b>	<b>(89)</b>	<b>(25)</b>
-	-	<b>Applications of capital funding</b>			
-	-	Capital expenditure			
202	204	▪ to meet additional demand	-	-	-
85	-	▪ to improve the level of service	196	170	207
20	20	▪ to replace existing assets	-	-	-
-	-	Increase (decrease) in reserves	13	(3)	19
-	-	Increase (decrease) in investments	-	-	-
<b>306</b>	<b>223</b>	<b>Total applications of capital funding</b>	<b>209</b>	<b>167</b>	<b>226</b>
<b>(245)</b>	<b>(248)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(282)</b>	<b>(256)</b>	<b>(251)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Parks and Reserves

**Aim:** To provide a blend of urban and rural reserves and open spaces which reflect Southland's commitment to township beautification, quality recreation and conservation.

## What we do

The Parks and Reserves activity involves providing and maintaining areas of beautification and parks and reserves. Beautification includes plantings, garden plots and hanging baskets, mowing of grassed areas and trees and hedges. Parks and Reserves also include areas such as walking tracks, green spaces, playgrounds and sportsfields.

## Effects this activity has had on the community

Parks and Reserves primarily contributed to the Council's outcome 'supporting our communities'. The activity contributed to this outcome by enhancing the visual appeal of townships and providing safe well maintained areas for people to relax and socialise or participate in recreation and sporting activities.

## How well we did

The performance of the Parks and Reserves activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the two key performance indicator targets one was not achieved but was close to the target and the other was achieved.

Of the 13 projects scheduled, one was in design phase, two were in construction, one was not started, five were deferred and four have been completed.

## Key highlights

Projects including the Orepuki viewing platform, Te Anau Town Square and entrance into the rugby grounds as well as the Otautau court resurfacing projects were completed.

A shared vision for Curio Bay is currently being developed between Southland District Council, Department of Conservation and the South Catlins Development and Environmental Charitable Trust so that the groups can work together to provide the required infrastructure for the area. Current infrastructure and the sensitive natural environment is struggling to cope with the numbers of visitors and their impacts, particularly the provision of public conveniences and drinking water, treatment of sewerage, parking and use of roads. The Council agreed to contribute around \$300,000 towards Curio Bay with the funding to come from existing financial reserves. The project commenced during the year with the resource consent for the wastewater treatment having been lodged. This application is being processed.

In June 2014 Council approved a draft Open Spaces Strategy to go out for community feedback.

## Performance measures

**Community Outcome:** Southland is a great place to live.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Quality</b> Appropriate and acceptable quality parks, reserves, playgrounds and sportsfields.	Percentage of residents satisfied with the beautification, reserves, parks, sportsfields and playgrounds.	90%	91%	<b>Achieved</b> In 2011 the result was 93% against a target of 85%.	Three Yearly Residents' Survey.
<b>Quality</b> Appropriate and acceptable quality parks, reserves, playgrounds and sportsfields.	Percentage of beautification areas, parks, reserves, playgrounds and sportsfields that are maintained in accordance with contractual standards. <sup>1&amp;2</sup>	100%	98%	<b>Not Achieved</b> Of the 543 inspections, 530 met or exceeded expectations. In 2012/2013 the result was 96%.	Annual Inspections.
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 10 days.					

## Project report

### Level of Service Projects - Caused by changes to levels of service

Project Description	Budget \$	Status
<i>Colac Bay - Colac Bay playground equipment - 684.A</i>	11,139	<i>Construction. Two items have arrived for installation, awaiting slide.</i>
<i>District Reserve - Curio Bay upgrade - 782.A</i>	15,597	<i>In progress - design phase. Water supply connected, wastewater consents being applied for.</i>
<i>Lumsden - Upgrade railway reserve - 79.A</i>	25,000	<i>In progress - construction phase. Ongoing development with Venture Southland and Community Board. Tables put in and planting completed. Work in progress. Jail has been shifted and painted. Railway Station painting completed.</i>
Orepuki - Viewing Platform - 643.s	5,567	Completed. Actual cost \$8,451.
<i>Te Anau - Town square upgrade - 610.B</i>	19,425	<i>Completed. Actual cost \$19,425.</i>

Project Description	Budget \$	Status
Wallace (Otautau) - Township Walking Tracks Project - 651.A	5,145	Construction. Barriers installed at rail crossing. Deed of Grant approval has been obtained. Some levelling work on crossing required to be completed.
<b>Wallace (Otautau) - Holt Park Outdoor stage - 778.A</b>	<b>19,000</b>	<b>Deferred. Planning underway, final siting required. Construction 2014/2015.</b>
Wallace (Otautau) - Additional Playground - 784.A	5,000	Deferred. New Project in 2013/2014. Deferred to 2014/2015. Awaiting additional funding.

#### Asset Acquisition Projects - Caused by changes in demand

Project Description	Budget \$	Status
Manapouri - Commemorative Rock - 786.A	15,000	Deferred. Concept and design ongoing.
Te Anau - Upuk walkway improvements - 617.b	11,135	Deferred. First round of weed control done, awaiting confirmation of second round from DOC before vesting of land to SDC is completed.
Te Anau - Lions Park Playground Improvements - 754.A	20,580	Not started. Budget not required as re-budgeted in 2014/2015.
Te Anau - Upgrade entry into Park off Dusky Street - 761.A	27,783	Completed in previous year.

#### Ongoing and Maintenance Projects

Project Description	Budget \$	Status
<b>Wallace (Otautau) - Court resurfacing - 651.S</b>	<b>35,000</b>	<b>Completed. Actual cost \$16,995.</b>

#### Variation from the budget

Please see the following Funding Impact Statement. There were no significant variances between the Annual Plan and sources of operational funding. Payments to staff and suppliers were under budget predominately due to reduced maintenance costs. Internal charges are an estimate of anticipated costs and where expenditure is above budget in this activity there is an activity with an equivalent variance in internal revenue. There were no significant variances in relation to capital funding.

## Funding impact statement - Parks and Reserves

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
		<b>Sources of operating funding</b>			
150	163	General rates, uniform annual general charges, rates penalties	150	158	160
1,196	1,237	Targeted rates (other than a targeted rate for water supply)	1,180	1,198	1,209
-	-	Subsidies and grants for operating purposes	8	27	-
-	-	Fees, charges and targeted rates for water supply	-	1	-
216	217	Internal charges and overheads recovered	135	166	162
50	45	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	54	42	46
<b>1,612</b>	<b>1,662</b>	<b>Total operating funding</b>	<b>1,526</b>	<b>1,592</b>	<b>1,576</b>
		<b>Applications of operating funding</b>			
1,512	1,489	Payments to staff and suppliers	1,015	1,103	1,392
-	-	Finance costs	-	-	-
84	89	Internal charges and overheads applied	249	252	108
-	-	Other operating funding applications	-	-	-
<b>1,597</b>	<b>1,578</b>	<b>Total applications of operating funding</b>	<b>1,264</b>	<b>1,355</b>	<b>1,500</b>
<b>15</b>	<b>84</b>	<b>Surplus (deficit) of operating funding</b>	<b>262</b>	<b>237</b>	<b>75</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	10	26	-
181	59	Development and financial contributions	6	31	74
33	(5)	Increase (decrease) in debt	-	-	(3)
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
<b>214</b>	<b>54</b>	<b>Total sources of capital funding</b>	<b>16</b>	<b>57</b>	<b>72</b>
		<b>Applications of capital funding</b>			
		Capital expenditure			
159	59	▪ to meet additional demand	10	33	74
443	16	▪ to improve the level of service	127	91	21
-	-	▪ to replace existing assets	6	-	-
(373)	63	Increase (decrease) in reserves	135	170	52
-	-	Increase (decrease) in investments	-	-	-
<b>229</b>	<b>138</b>	<b>Total applications of capital funding</b>	<b>278</b>	<b>294</b>	<b>147</b>
<b>(15)</b>	<b>(84)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(262)</b>	<b>(237)</b>	<b>(75)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Public Conveniences

**Aim - To provide sufficient public conveniences within the District as a way to provide a healthy safe environment for residents and visitors.**

## What we do

The Council provides and maintains 70 public conveniences and six dump stations across the District. These facilities are located along key travel routes and at strategic locations such as reserves, beaches, playgrounds and other public gather spots. Most toilets are standalone, however, some are provided in conjunction with other locally owned buildings like garages.

## Effects this activity has had on the community

Public conveniences primarily contributed to the Council's outcome 'making the most of our resources'. The activity contributed to this outcome by providing facilities to appropriately deal with human waste from visitors and residents. In addition, by providing the facilities in convenient locations throughout Southland, it prevented contamination caused by indiscriminate fouling, which could otherwise pollute waterways, roadsides and recreational areas throughout the District.

## How well we did

The performance of the Public Conveniences activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the two key performance indicator targets one was achieved and the other was not achieved.

As this is the first time the KPIs were measured by way of a ratepayers' survey the "not achieved" may be because the target was set too high. Even though the result was 77%, ongoing monitoring will be undertaken to eventually set a realistic target as 90% was a best guess as an appropriate level.

Of the projects scheduled, one has been completed and the other was deferred.

## Key highlights

In upgrading the public conveniences, the Council will ensure the facilities are brought up to present day community expectations. To achieve this, the Council decided that:

- There needs to be a greater consistency in the type of toilet used throughout the District.
- The toilets need to be constructed in a way that is easy to clean and made of materials that are difficult to vandalise ie stainless steel bowls and hand basins.
- Signage and access need to be appropriate, including providing at least one fully accessible cubicle.
- The appearance of the toilet block needs to be appealing so people use them.
- Under used facilities need to reduce at the next replacement.
- Higher quality facilities need to be provided at high use locations.
- Exeloo type toilets are installed on the main travel routes in the larger towns of Lumsden, Riverton and Tuatapere when upgrades are due.

## Performance measures

**Community Outcome:** A treasured environment which we care for and which supports us now and in the future.

**Council Outcome:** Making the most of our resources. We want to be good custodians of the environment to ensure that people living here now and in the future can sustain themselves and that the natural beauty of Southland is retained.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Quality</b> Maintain public conveniences in a good and clean condition.	Percentage of toilets that are cleaned in accordance with contractual standards.	100%	100%	<b>Achieved.</b> Of the 240 inspections all meet the contractual standard. The result in 2012/2013 was 96%.	Annual inspections.
<b>Quantity</b> Provide sufficient toilets at appropriate locations.	Percentage of residents satisfied with the availability of public conveniences for residents and tourists.	85%	77%	<b>Not Achieved</b> The question was not included in last survey undertaken in 2011. As this is a new measure the target of 85% was a best estimate without any historical information. The main comments from the survey were around having to pay (one pay toilet only), need more toilets (total of 70 currently) and wanting upgrades (LTP already has Council lifting its level of service). Both additional toilets and upgrades come at significant cost to the ratepayer.	Three Yearly Residents' Survey.

## Project report

Project Description	Budget \$	Status
<i>Colac Bay - Toilet upgrade - 570.z</i>	25,000	<i>Deferred. Land purchase approved by Council, agreement with land owner to sign. Not received yet. Land owner asking for subdivision sign off. Area Engineer to follow up with planning staff.</i>
Stewart Island - Removal of Toilet - Bathing Beach - 585.A	5,000	Completed. Actual cost \$265. New project to remove toilet. Originally 585.z but it was not possible to upgrade so changed to removal.

## Variation from the budget

Please see the following Funding Impact Statement. The variance in rates is the result of a reallocation of rates received to more accurately reflect the activity that they were collected for and there is an activity with an equivalent under collection. Payments to staff and suppliers were under budget predominately due to reduced maintenance costs. No significant assets were acquired or disposed during the year.

## Funding impact statement - Public Conveniences

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
-	-	<b>Sources of operating funding</b>			
-	-	General rates, uniform annual general charges, rates penalties	668	535	-
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-
668	519	Internal charges and overheads recovered	-	-	535
45	75	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	45	50	40
<b>713</b>	<b>594</b>	<b>Total operating funding</b>	<b>712</b>	<b>585</b>	<b>575</b>
		<b>Applications of operating funding</b>			
475	490	Payments to staff and suppliers	393	430	482
-	-	Finance costs	1	-	-
46	43	Internal charges and overheads applied	64	57	43
-	-	Other operating funding applications	-	-	-
<b>521</b>	<b>534</b>	<b>Total applications of operating funding</b>	<b>458</b>	<b>487</b>	<b>525</b>
<b>192</b>	<b>60</b>	<b>Surplus (deficit) of operating funding</b>	<b>255</b>	<b>98</b>	<b>50</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
(42)	(45)	Increase (decrease) in debt	(42)	(92)	(45)
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
<b>(42)</b>	<b>(45)</b>	<b>Total sources of capital funding</b>	<b>(42)</b>	<b>(92)</b>	<b>(45)</b>
		<b>Applications of capital funding</b>			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	1	-	-
150	15	▪ to replace existing assets	98	6	5
-	-	Increase (decrease) in reserves	114	-	-
-	-	Increase (decrease) in investments	-	-	-
<b>150</b>	<b>15</b>	<b>Total applications of capital funding</b>	<b>213</b>	<b>6</b>	<b>5</b>
<b>(192)</b>	<b>(60)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(255)</b>	<b>(98)</b>	<b>(50)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Representation and Advocacy

**Aim:** To 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 Council encourages decision-making at a range of levels - centrally by the Council and at local levels, through community boards and community development area subcommittees and other committees. This is to assist, as far as practicable, that those paying for and receiving services are also making the decisions about those services. The Council also seeks input from young people in the District through the Youth Council and supports other representative groups such as the Milford Community Trust.

The Council plays a strong advocacy role in representing local interest by way of submissions, deputations and lobbying to regional and central government and other relevant agencies. The Council is proactive in ensuring there is appropriate representation on national working parties and organisations so that a southern and/or rural voice is heard. Key aspects of the activity include three yearly elections for the mayor, councillors, community boards and community development area subcommittees and six yearly representation reviews to determine the representation structure.

## Effects this activity has had on the community

Representation and Advocacy primarily contributed to the Council's outcome 'being an effective Council'. The activity contributed to this outcome by empowering and enabling local people (via community boards and community development area subcommittees, water supply subcommittees and hall committees) to make decisions regarding the facilities and services where they live. The Council also advocated to central government on behalf of the community to ensure that its funding and governance role in the region supports and empowers local communities.

## How well we did

The performance of the Representation and Advocacy activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. The two key performance indicator targets measured for the 2013/2014 financial year were both not achieved.

## Key highlights

The Council reviewed its representation arrangements in April 2013 and the new arrangements applied following local government elections in October 2013. Council is required to review its representation arrangements at least every six years.

During the year Council participated in public consultation processes on a wide range of issues including funding of roading, local government reforms, Clutha's Visitor Strategy, National Policy Statement for Freshwater Management, the Law Commission's Burial and Cremation Review, the Department of Conservation's Conservation Management Strategy Southland and the Ministry of Environment's National Monitoring System for the Resource Management Act.

## Performance measures

**Community Outcome:** Strong effective leadership taking us into the future.

**Council Outcome:** Being an effective council - Council will be prudent, innovative and be an enabler for its communities.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Access</b> 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).	85%	76%	<b>Not Achieved</b> There have been a number of high profile projects occurring in the District including the Around the Mountains Cycle Trail, Te Anau wastewater scheme and proposals around the tunnel and monorail. These issues may have contributed to the result. In 2010/2011 the result was 81%.	Three Yearly Residents' Survey.
<b>Leadership</b> Council to provide leadership and advocacy on major issues affecting residents.	Percentage of resident satisfaction with Council decision-making, planning and leadership.	85%	82%	<b>Not Achieved</b> The result was only slightly off target and the survey generally indicates that residents are satisfied with Council decision-making, planning and leadership. In 2010/2011 the result was 84%.	Three Yearly Residents' Survey.

## Project report

There were no capital expenditure projects planned for this activity for the 2013/2014 financial year.

## Variation from the budget

Please see the following Funding Impact Statement. There were no significant variances between the Annual Plan and the actual result.

## Funding impact statement - Representation and Advocacy

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
1,959	1,755	<b>Sources of operating funding</b>			
459	489	General rates, uniform annual general charges, rates penalties	2,059	1,746	1,690
-	-	Targeted rates (other than a targeted rate for water supply)	457	484	485
-	-	Subsidies and grants for operating purposes	5	1	-
-	-	Fees, charges and targeted rates for water supply	-	-	-
355	548	Internal charges and overheads recovered	387	343	459
61	127	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	79	155	128
<b>2,834</b>	<b>2,919</b>	<b>Total operating funding</b>	<b>2,987</b>	<b>2,729</b>	<b>2,762</b>
1,286	1,478	<b>Applications of operating funding</b>			
-	-	Payments to staff and suppliers	1,341	1,491	1,441
1,443	1,462	Finance costs	-	-	-
48	49	Internal charges and overheads applied	1,436	1,417	1,432
Other operating funding applications			30	51	48
<b>2,778</b>	<b>2,989</b>	<b>Total applications of operating funding</b>	<b>2,807</b>	<b>2,959</b>	<b>2,921</b>
<b>56</b>	<b>(70)</b>	<b>Surplus (deficit) of operating funding</b>	<b>180</b>	<b>(230)</b>	<b>(159)</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
(23)	(24)	Increase (decrease) in debt	(24)	(25)	(25)
-	34	Gross proceeds from sale of assets	-	15	34
-	-	Lump sum contributions	-	-	-
<b>(23)</b>	<b>10</b>	<b>Total sources of capital funding</b>	<b>(24)</b>	<b>(10)</b>	<b>10</b>
		<b>Applications of capital funding</b>			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	35	-
-	94	▪ to replace existing assets	-	45	94
136	(2)	Increase (decrease) in reserves	334	157	8
(103)	(153)	Increase (decrease) in investments	(178)	(477)	(253)
<b>33</b>	<b>(60)</b>	<b>Total applications of capital funding</b>	<b>156</b>	<b>(240)</b>	<b>(150)</b>
<b>(56)</b>	<b>70</b>	<b>Surplus (deficit) of capital funding</b>	<b>(180)</b>	<b>230</b>	<b>159</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# 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 development and review of the District Plan (which sets out the objectives, policies and rules and methods for land use and development in the District), monitoring compliance with the District Plan and the processing of resource consent applications.

## Effects this activity has had on the community

Resource Management primarily contributed to the Council's outcome 'making the most of our resources'. The activity contributed to this outcome by ensuring the natural and physical resources within the District were managed in a sustainable way that retained the unique values and character of the District. This process was managed through the District Plan and resource consents; both of which help to ensure that land use is appropriate, any potential negative environmental effects are minimised or mitigated and that any effects on the environment are monitored.

## How well we did

The performance of the Resource Management activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the key performance indicator targets that were measured, three were achieved and two were not achieved both of which related to the compliance function.

The year's results were significantly affected by staffing constraints which resulted in a lack of resourcing around monitoring consents. A programme has been put in place to deal with the backlog of monitoring required.

## Key highlights

### **District Plan Review**

Hearings began into the proposed Southland District Plan in May after it was publicly notified at the end of November 2012. A total of 288 submissions were received and another 28 were received after a call for further submissions was held. The first hearing was held in Te Anau, with the rest being held in Invercargill. The Council will release its decisions on the proposed District Plan in October 2014 and these will then be open to appeal by submitters to the Environment Court. When operative, the plan will make some activities permitted that currently require resource consent and change to the thresholds for other activities.

### **Legislation Changes**

During the year the government proposed changes to the Resource Management regime via the development of legislation. The National Policy Statements (NPS) and National Environmental Standards (NES) are likely to change the way the District Plan policy framework functions as all councils are required to give effect to them, including amending their plans.

### **Number of Consents**

The number of consents has remained relatively constant over the last five years with 298 consents processed in the 2013 calendar year compared to 310 in 2012 and 280 in 2011.

## Performance measures

**Community Outcome:** A treasured environment which we care for and which supports us now and in the future.

**Council Outcome:** Making the most of our resources. We want to be good custodians of the environment to ensure that people living here now and in the future can sustain themselves and that the natural beauty of Southland is retained.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Quality</b> Provide assistance and information to help applicants understand the District Plan rules and consent process.	Percentage of users satisfied with the service provided (staff assistance and the information provided).	80%	-	<b>Not Measured</b> In 2012/2013 the result for overall satisfaction was 66%, performance of staff was 66% and for information provided was 57%. In 2010/2011 the result was 77% for the overall service provided, 79% for the performance of staff and 71% for information.	Two yearly User Survey.
<b>Efficiency</b> Ensure consents are processed efficiently.	Percentage of applications processed within required timeframes. <sup>1</sup>	90%	99%	<b>Achieved</b> A total of 248 of 249 were processed with required timeframes. In 2012/2013 the result was 94%.	Customer Service system (Pathway).
<b>Sustainability</b> Provide and maintain an operative District Plan that appropriately addresses the environmental issues of the District.	District Plan reviewed for efficiency and effectiveness of policy and rules not less than every five years. <sup>2</sup>	See footnote <sup>2</sup>	-	<b>Not Measured.</b> See footnote. <sup>2</sup>	Report to Council.
<b>Responsiveness</b> All public complaints about effects on the environment are investigated and reported on, in a timely and professional manner.	Percentage of complaints where investigation commenced within five working days.	100%	71%	<b>Not Achieved</b> Of the 17 complaints received, 12 were investigated within timeframes. There was a significant gap between the previous compliance officer leaving and the current one starting, so the investigation of some complaints was not started within the required KPI timeframe. In 2012/2013 the result was 100%.	Customer Service system (Pathway).
<b>Quality</b> Monitor resource consents to ensure that they comply with conditions.	Percentage of consents that require monitoring that are monitored.	100%	20%	<b>Not Achieved</b> Of the 133 that required monitoring 26 were monitored. The year's results were significantly affected by staffing constraints which resulted in a lack of resourcing around monitoring consents. A programme has been put in place to deal with the backlog of monitoring required. In 2012/2013 the result was 100%.	Access Database.

1. Timeframes for processing non-notified resource consent applications is 20 working days. "Receipt" means all the required information has been supplied.

2. Section 35A report five year timeframe is based on the date the plan is made operative. Until such time as the plan is finished going through the RMA First Schedule process the review date cannot be determined. This will be revisited in 2015/2016 or in preceding Annual Plans as appropriate.

## Project report

There were no capital expenditure projects planned for this activity for the 2013/2014 financial year.

## Variation from the budget

Please see the following Funding Impact Statement. Internal charges are an estimate of anticipated costs and where income is above budget in this activity there is an activity with an equivalent variance in internal expenses. Payments to staff and suppliers are under budget due predominately to the timing of work on the District Plan. No significant assets were acquired or disposed during the year.

## Funding impact statement - Resource Management

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
1,359	1,448	<b>Sources of operating funding</b>			
-	-	General rates, uniform annual general charges, rates penalties	1,354	1,372	1,380
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
294	303	Fees, charges and targeted rates for water supply	277	224	302
14	14	Internal charges and overheads recovered	81	81	-
7	7	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	6	8	4
<b>1,674</b>	<b>1,773</b>	<b>Total operating funding</b>	<b>1,718</b>	<b>1,684</b>	<b>1,686</b>
		<b>Applications of operating funding</b>			
1,377	1,471	Payments to staff and suppliers	918	860	1,508
5	5	Finance costs	12	-	5
635	658	Internal charges and overheads applied	525	547	578
-	-	Other operating funding applications	-	-	-
<b>2,017</b>	<b>2,134</b>	<b>Total applications of operating funding</b>	<b>1,455</b>	<b>1,406</b>	<b>2,091</b>
<b>(343)</b>	<b>(361)</b>	<b>Surplus (deficit) of operating funding</b>	<b>263</b>	<b>278</b>	<b>(405)</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
347	365	Increase (decrease) in debt	(24)	(375)	410
-	9	Gross proceeds from sale of assets	-	13	9
-	-	Lump sum contributions	-	-	-
<b>347</b>	<b>374</b>	<b>Total sources of capital funding</b>	<b>(24)</b>	<b>(362)</b>	<b>419</b>
		<b>Applications of capital funding</b>			
-	-	Capital expenditure	-	-	-
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
-	32	▪ to replace existing assets	-	-	32
4	(18)	Increase (decrease) in reserves	239	(84)	(18)
-	-	Increase (decrease) in investments	-	-	-
<b>4</b>	<b>14</b>	<b>Total applications of capital funding</b>	<b>239</b>	<b>(84)</b>	<b>14</b>
<b>343</b>	<b>361</b>	<b>Surplus (deficit) of capital funding</b>	<b>(263)</b>	<b>(278)</b>	<b>405</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Roading and Transport

**Aim - To provide an interconnected and integrated transport network which allows individuals and communities to access their business and private destinations in a safe, responsive and sustainable manner.**

## What we do

Council administers and maintains the District's roading and bridging network (some 5,000 km of network), excluding State Highways and National Park roads [maintained by the New Zealand Transport Agency (NZTA) and the Department of Conservation (DOC)]. Council also provides footpaths, streetlights, carparks and noxious plant control. In addition Council contributes to the Total Mobility Scheme.

## Effects this activity has had on the community

Roading and Transport primarily contributed to the Council outcome "supporting our communities". The activity contributed to this outcome by providing a corridor for the efficient movement of goods and services and providing people with access to their land, homes, schools, social centres and recreational areas. The roads were maintained so that they are safe to use and people who are less mobile were assisted via the Total Mobility Scheme and provision of disabled parking. Provision and maintenance of walkways, footpaths and cycleways also helped people to be active and healthy. The activity also contributed to "making Southland a great place to live" by providing people with access to their land, homes, schools, social centres and recreational centres.

## How well we did

The performance of the Roading and Transport activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the key performance indicator targets that were measured eight were achieved, one was not measured and one was not achieved.

The key performance measure that was not achieved may be due to higher customer expectations and an ageing infrastructure. This will be reviewed during the Asset Management Plan review process.

Of the 22 projects, three were completed, three were in construction, two were in design phase, one was in investigation phase, 10 were deferred and three were not started.

## Road Safety Southland

Road Safety Southland is a shared service with Southland territorial authorities to oversee our community based road safety initiatives. Road Safety Southland is funded from the National Land Transport Programme and local funding providers. This year, community initiatives focused on three areas of road safety concern on Southland District roads that contribute to deaths and serious injuries. These were Young Drivers, Rural Roads (including crashes on bends and at intersections) and Motorcycle Safety - all highlighted in the Southland Regional Road Safety Strategy and Police Crash reports. During this period, we are pleased to report a reduction of around 50% in all areas of focus except Young driver crashes remaining relatively the same.

## Key highlights

- Council completed 17.1 km of rehabilitations.
- Council completed 174.2 km of resurfacing.
- Council put 67,801 m<sup>3</sup> of maintenance metal onto gravel roads.
- Council completed 15,020 km of grading.
- A significant slip occurred on the Lower Hollyford Road in September which required a significant amount of investment. Work has also begun on several Stewart Island slips repairs.
- NZTA has undertaken a review of the Funding Assistance Rate. The outcomes have to be formally communicated to Council.
- Council's Roading and Transport operating expenditure for 2013/2014 was over budget this was primarily due to timing of some works as well as unbudgeted emergency works expenditure on the Lower Hollyford Road and Stewart Island slip repairs as discussed above.

- Council's Roading and Transport's capital expenditure for 2013/2014 was over budget predominately due to the Around the Mountains cycle trail.
- NZTA completed its routine procedural audit which noted improvements of in-house management capability and strong alignment in financial management with operational activities.
- Council has started to develop a business case in improvements to the Catlins coastal route.

## Performance measures

**Community Outcome:** A diverse economy built from our strengths for growth and prosperity. Safe places in a caring society that is free from crime.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Responsiveness</b> All requests/complaints to be answered promptly.	Percentage of requests to fix roading surface faults are completed within the timeframe specified in contracts. <sup>1</sup>	90%	90%	<b>Achieved</b> 514 of the 572 requests were completed within timeframe. In 2012/2013 the result was 83%.	Customer Service system (Pathway).
<b>Accessibility</b> Roads to provide a smooth and comfortable ride quality.	Percentage of sealed roads providing a smooth and comfortable ride. <sup>2</sup>	85%	-	<b>Not Measured</b> In 2012/2013 the result was 100%. A sample of roads which have over 200 vehicles per day and road with a high economic value was taken with the sample result being 100%.	Roughness Rating Survey - RAMM Database bi-annually (measured every two years).
<b>Accessibility</b> Roads to provide a smooth and comfortable ride quality.	Percentage of gravel road tests where the surface condition meets acceptable standards. <sup>3</sup>	Winter 85%	94%	<b>Achieved</b> One region was not audited during the winter period by the contractor. However the other two regions met the target.	RCAMES and/or RoadTrip.
<b>Accessibility</b> Roads to provide a smooth and comfortable ride quality.	Percentage of gravel road tests where the surface condition meets acceptable standards. <sup>3</sup>	Summer 90%	97%	<b>Achieved</b> This is a technical objective assessment of the road condition.	RCAMES and/or RoadTrip.
<b>Safety</b> Footpaths are safe for users - free of overhanging obstructions and free of trip hazards.	Number of footpath complaints.	Less than previous year (Less than 29)	40	<b>Not Achieved</b> The result was 40. This could be due to higher customer expectations and an ageing infrastructure. This will be reviewed during the AMP review process. The result in 2012/2013 was 29.	Customer Service system (Pathway).
<b>Accessibility</b> To provide an adequate level of streetlighting for safe and efficient movement of vehicles, cyclists and pedestrians.	Percentage of residents satisfied with level of streetlighting.	80%	84%	<b>Achieved</b> In 2010/2011 the result was 92%.	Three Yearly Residents' Survey.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Quality</b> Roads to be maintained to an appropriate standard.	Length (or percentage) of the roading network rehabilitated this year compared with targets.	90%	<b>95%</b>	<b>Achieved</b> The target was 18 km rehabilitation and 17.1 km was completed. In 2012/2013 the result was 102%.	Roughness Rating Survey - RAMM Database.
<b>Quality</b> Roads to be maintained to an appropriate standard.	Area (or percentage) of the roading network resealed this year compared with targets.	100%	<b>100%</b>	<b>Achieved</b> The target was 970,000 m <sup>2</sup> and 969,884 m <sup>2</sup> was completed. In 2012/2013 the result was 100%. The target was 970,000 m <sup>2</sup> and 1,124,838 m <sup>2</sup> was completed.	Roughness Rating Survey - RAMM Database.
<b>Accessibility</b> Assistance is provided for people with impairments to get around.	Funding assistance provided for transport within Southland via the Total Mobility initiative.	Yes	<b>Yes</b>	<b>Achieved</b> Funding assistance was provided. In 2012/2013 the target was achieved.	Financial Reports.
<b>Road Safety</b> Roads and bridges to provide a safe roading network for all road users.	Reducing trend in the five year average of number of total injury crashes on local roads due to road factors.	Reducing Trend	<b>18</b>	<b>Achieved</b> In 2012/2013 the result was not achieved. This was because the figure of 18.4 was the same as the previous year so the trend did not reduce.	Crash Analysis System.

1. Response times vary from two working days to three weeks depending on the type of fault and the type of road.  
 2. "Smooth and comfortable" for sealed roads means roads that meet the standard NZTA criteria for smooth travel exposure.  
 3. Optigrade (electronic measuring system) was the original data source in the 10 Year Plan. This has been replaced by RCAMES or RoadTrip (manual configuration rating systems) which reviews defects in the road and assigns a level of compliance based on the number of faults such as potholes.  
 4. Data on injury crashes exacerbated by roadside environment data (component of this performance indicator in the 10 Year Plan 2012-2022) cannot be obtained objectively.

The tables below summarise Council's Land Transport Programme:

<b>Project Description</b> <b>Roading Operating and Maintenance Projects</b>	<b>2013/2014 Actual \$</b>	<b>2013/2014 Budget (AP) \$</b>
Sealed Pavement Maintenance	2,963,625	2,415,000
Unsealed Pavement Maintenance	2,487,909	2,194,600
Routine Drainage Maintenance	955,195	913,886
Structures Maintenance	126,124	274,935
Environmental Maintenance	983,270	1,199,487
Traffic Services Maintenance	476,624	458,054
Cycle Path Maintenance	-	-
Level Crossing Warning Devices	34,388	25,825
Network and Asset Maintenance	2,523,397	2,072,825
Total Mobility Costs	6,100	11,611
Studies and Strategies	-	15,000
Emergency Works	382,213	-
<b>Total Operational Maintenance</b>	<b>10,938,845</b>	<b>9,581,223</b>

<b>Roading - Renewal and Capital Expenditure Projects</b>	<b>2013/2014 Actual \$</b>	<b>2013/2014 Budget (AP) \$</b>
Bridges - Acquisitions LOS	-	41,700
Bridges - Renewal	-	375,300
Sealed Roads - Acq LOS	-	-
Unsealed Road Metal - Acq LOS	-	217,775
Unsealed Road Metal - Renewal	1,969,675	1,959,977
Sealed Road Resurface - Renewal	4,617,198	5,350,890
Drainage Renewals - Acq LOS	199,087	96,125
Drainage Renewals - Renewal	175,809	96,125
Structure Component - Renewal	321,752	250,000
Traffic Services - Acq LOS	-	32,000
Traffic Services - Renewal	637,046	610,000
Assoc Improvements - Acq LOS	394,988	414,791
Pedestrian Facility - Acq LOS	-	-
Cycle Facilities - Acq LOS	-	-
Pavement Rehab - Renewal	3,363,116	3,681,099
Minor Improvements - Acq LOS	624,788	862,879
Minor Improvements Renewals	36,509	441,919
Road Reconstruction		
Preventive Maintenance	283,818	
<b>Total Capital Expenditure</b>	<b>12,623,786</b>	<b>14,430,580</b>
<b>TOTAL</b>	<b>23,562,631</b>	<b>24,011,803</b>

## Project report

### Maintenance, Renewal and Replacement Projects

Project Description	Budget \$	Status
<b>Edendale - Footpath upgrade - 633.s</b>	<b>10,821</b>	Deferred. Stage One completed, Stage Two to be carried over to 2013/2014. Stage Two approved - Ferry Road new concrete path over old gravel.
Edendale - Footpath upgrade - 633.s	11,331	Deferred. To be combined with Stage Two, deferred from above. Construction commencing July 2014 after redesign for new stormwater.
Manapouri - Street lighting renewal - 763.A	5,160	Not started. Work not allocated, Area Engineer to revise lighting plan and re-budget appropriately.
<b>Orepuki - Information Kiosk - 641.S</b>	<b>8,000</b>	<i>In progress - construction phase. Timber kiosk is ready for signs and a recent meeting held with the committee. A panoramic photo has been taken for the wall. Ongoing.</i>
Riverton - Footpaths - 717.A	45,328	In progress - investigation phase. Multi Year Project, this year's improvements to be inspected and programmed for 2014/2015.
Te Anau - Street lighting - 769.A	34,056	Deferred. Contract ready to go to tender.
Tuatapere - Footpath upgrade - 701.s	50,000	Deferred. Project was awarded, however, has had to be postponed due to hazard on site which is being addressed.
Wallace (Otautau) - Footpaths upgrade - 706.A	11,331	In progress - design phase. Multi Year Project - sites to be decided after inspection and in 2014/2015.
<b>Winton - Footpath upgrade - 626.a</b>	<b>274,508</b>	<i>In progress - construction phase. All kerb and channel has been completed and the basecourse compaction and shaping is completed. The asphalt laying is 50% completed. Total job completed by the end of July 2014.</i>
Winton - Street works 785.A	10,000	Deferred. Reclamation of footpath width to remove vegetation encroachment.

### Asset Acquisition Projects - Caused by changes to levels of service

Project Description	Budget \$	Status
Around the Mountains Cycle Trail Stage One	1,902,587	In progress - construction phase. Trail under construction, 85% complete.
Around the Mountains Cycle Trail Stage Two	1,052,055	In progress - design phase. Design and detailed planning phase underway.
Colac Bay - New footpath - 637.s	5,145	Deferred. Committee to confirm likely sites, suggest in front of foreshore houses. Inspection to be undertaken. Deferred until 2014/2015.
<b>Manapouri - Streetlights - 733.A</b>	<b>5,000</b>	<b>Not Started. Work not allocated, Area Engineer to revise lighting plan and re-budget appropriately.</b>
Nightcaps - New concrete kerbing - 638.s	11,332	Completed. Works completed. Funds not required - Funded from Roading and NZTA as a joint safety project.
Riverton - Streetlight renewal - 776.A	2,124	Not started. Not required in 2013/2014, will be used in 2014/2015.
Riverton - Widening road and kerbing - 781.A	105,884	Deferred. To discuss with Board and MWH/Roading Team, Board inspected site, preliminary design required. Moved to 2014/2015 year.
<b>Stewart Island - New footpaths - 657.A</b>	<b>10,568</b>	<b>Deferred. Stormwater project started April 2014 and still progressing. Negotiating with Contractor to undertake some of the footpath replacement.</b>
Te Anau - Street lighting - 768.A	11,352	Deferred. Contract ready to go to tender.
Tuatapere - Concrete kerbs - 702.s	10,000	Deferred. Project was awarded, however, has had to be postponed due to hazard on site which is being addressed.
Wallacetown - Footpath upgrade - 668.s	45,328	Completed. Actual Cost \$7,862.
Winton - Concrete kerbs - 720.A	5,666	Completed. Actual Cost \$19,807.

### Variation from the budget

Please see the following Funding Impact Statement. Subsidies and grants for operating purposes and payments to staff and suppliers are both higher than budgeted predominately due to the timing of work completed on the roading programme. In addition to this there were unbudgeted emergency work completed on the Lower Hollyford Road and on Stewart Island. Subsidies and grants for capital purposes and level of service capital expenditure are both higher than budgeted predominately due to the timing of work completed on Around the Mountains Cycle Trail.

## Funding impact statement - Roading and Transport

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
11,568	12,339	<b>Sources of operating funding</b>	11,539	12,260	12,294
460	571	General rates, uniform annual general charges, rates penalties	454	569	573
5,638	5,281	Targeted rates (other than a targeted rate for water supply)	5,781	6,369	5,281
10	11	Subsidies and grants for operating purposes	14	11	11
646	645	Fees, charges and targeted rates for water supply	530	543	564
627	638	Internal charges and overheads recovered	611	673	639
<b>18,949</b>	<b>19,483</b>	<b>Total operating funding</b>	<b>18,929</b>	<b>20,425</b>	<b>19,361</b>
10,693	10,081	<b>Applications of operating funding</b>	10,887	11,452	10,048
470	454	Payments to staff and suppliers	(73)	(59)	-
1,244	1,286	Finance costs	1,353	1,350	1,716
2	2	Internal charges and overheads applied	-	-	-
		Other operating funding applications			
<b>12,409</b>	<b>11,823</b>	<b>Total applications of operating funding</b>	<b>12,168</b>	<b>12,743</b>	<b>11,766</b>
<b>6,540</b>	<b>7,660</b>	<b>Surplus (deficit) of operating funding</b>	<b>6,761</b>	<b>7,682</b>	<b>7,595</b>
11,047	9,376	<b>Sources of capital funding</b>	6,184	10,429	9,488
2	-	Subsidies and grants for capital purposes	48	16	-
5,707	(431)	Development and financial contributions	(570)	(318)	(381)
-	5	Increase (decrease) in debt	-	-	5
-	-	Gross proceeds from sale of assets	-	-	-
		Lump sum contributions			
<b>16,756</b>	<b>8,950</b>	<b>Total sources of capital funding</b>	<b>5,662</b>	<b>10,127</b>	<b>9,112</b>
		<b>Applications of capital funding</b>			
2	-	Capital expenditure	112	16	-
4,382	3,125	▪ to meet additional demand	1,221	6,809	4,817
13,935	12,945	▪ to improve the level of service	10,662	9,669	12,945
4,977	541	▪ to replace existing assets	428	1,315	(1,054)
-	-	Increase (decrease) in reserves	-	-	-
		Increase (decrease) in investments			
<b>23,296</b>	<b>16,610</b>	<b>Total applications of capital funding</b>	<b>12,423</b>	<b>17,809</b>	<b>16,707</b>
<b>(6,540)</b>	<b>(7,660)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(6,761)</b>	<b>(7,682)</b>	<b>(7,595)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Sewerage

**Aim - To protect public health and the environment through the provision of an effective, environmentally friendly sewage disposal.**

## What we do

The sewerage activity involves collecting, treating and disposing of sewerage from residential properties, business properties and public sanitary facilities.

The sewerage system also deals with non-domestic liquid wastes (often known as trade wastes). Eighteen towns within the District are reticulated with Council owned and maintained infrastructure.

## Effects this activity has had on the community

Sewerage primarily contributed to the Council's outcome 'supporting our communities'. The activity contributed to this outcome by protecting public health from the spread of disease and reducing the effects of sewerage discharges into the environment.

## How well we did

The performance of the sewerage activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the key performance indicator targets that were measured, three were achieved and one was not achieved. Council is aware of the sites that are recording non-compliances and have identified upgrades at each of the sites to improve performance.

Of the 49 projects, 15 were completed, three were in construction, 13 were deferred, two were deleted, five were in design phase, one was in progress and 10 were in investigation phase.

## Key highlights

The Nightcaps sewerage scheme may require improvements to its treatment and disposal of sewage in 2015 to meet new consent conditions. Council commenced the resource consent application process which will be lodged in late 2015.

A major issue for the Ohai sewerage is that the majority of the reticulation and many components of the treatment plant began to meet the end of the projected design life in 2012. A resource consent application was lodged with Environment Southland, the outcome of which will provide a better idea of the extent of upgrade work required.

Council continued to work with DOC and the South Catlins Development and Environmental Charity Trust to develop a long term wastewater solution for Curio Bay. Council approved \$300,000 as part of the 10 Year Plan. A resource consent application was lodged with Environment Southland and a Notice of Requirement lodged at Council. It is likely to move to a hearing stage in 2015.

A new sewerage treatment and disposal system is planned for Te Anau to comply with resource consent conditions and meet future demand. This will be undertaken in a number of stages over the 10 years with the design and some construction undertaken before the current consent expires in 2014 and then further work undertaken in 2021/2022. The proposal is currently at the resource consent hearing stage.

A resource consent application was lodged for the renewal of the Riversdale consent which will require an upgrade of the current soakage basins and treatment plant.

A project is also underway to upgrade the Winton oxidation pond and involving desludging and installation of a new screen. It is expected that construction will start in the 2014/2015 year.

## Performance measures

**Community Outcome:** We are healthy people.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Safety</b> Sewerage is managed to reduce the risk to public health.	Number of overflow incidents effecting private property caused by Council's networks.	Less than 15	8	<b>Achieved</b> There were eight reported overflow incidents effecting private property caused by Council networks. In 2012/2013 the result was zero.	Hansen Asset Management System.
<b>Reliability</b> Provide a reliable sewerage service.	Percentage of customers satisfied with the service.	>90%	94%	<b>Achieved</b> In 2010/2011 the result was also 94%.	Three Yearly Residents' Survey.
<b>Responsiveness</b> Prompt response and resolution to complaints.	Resolve customer requests within time set for type of problem. <sup>1</sup>	>90%	100%	<b>Achieved</b> 100%. All 33 requests were resolved within timeframes set for the type of problem. In 2012/2013 the result was 100%.	Hansen Asset Management System.
<b>Quality and Safety</b> Minimise effects on the environment.	Percentage of effluent tests which comply with relevant resource consent conditions. <sup>2</sup>	100%	89%	<b>Not Achieved</b> The result was 89%. 264 tests out of the 298 complied with resource consents. Non-compliance was due to several factors including ammonia levels and e-coli counts exceeding consent limits and plant performance. Council is working towards an upgrade of treatment systems in the next few years for some townships. The planned improvements will address the non-compliance issues In 2012/2013 it was also 89%.	Council records.

1. Response will be within one hour and then resolution within six hours following that.  
 2. The target is an average for all sewerage schemes where the quality of effluent is monitored. The requirements for schemes differ throughout the District, with schemes having varying consent requirements including testing regimes and acceptable limits. Note that although the target is 100% there are a number of upgrades which need to be completed before this can be achieved and the schemes with the worst discharge quality will be addressed first.

## Project report

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

Project Description	Budget \$	Status
<i>Balfour - Resource Consent project - plw9.A</i>	12,930	<i>Deleted. .</i>
<i>Edendale/Wyndham - Sewerage Treatment plan - plw245.A</i>	140,211	<i>In progress - construction phase. Additional works being undertaken. Will continue in 2014/2015.</i>
Manapouri - Scheme Management Plan - plw52.A	6,939	Deferred. Moved to 2015/2016.
Nightcaps - Scheme Management Plan - plw76.A	4,164	Deleted. Project not ready to proceed at this stage so will be re-introduced into next 10 year plan for a later year.
Nightcaps - Flow meter and scada telemetry - ww2055.A	50,000	In progress - construction phase. New project budget \$50,000. Required for Environment Southland monitoring. Awaiting contract prices. To be completed in 2014/2015.
Ohai - Resource Consent Project - plw91.A	20,817	In progress - design phase. Draft consent completed. Monitoring usage prior to making a decision to lodge. Balance is for consultants when conditions are known.
Ohai - Flow meter - ww2208.A	6,204	Deferred. Project deferred to 2014/2015, awaiting prices from Downer.
Ohai - Larger pump - ww2210.A	2,078	In progress - investigation phase. Awaiting prices from Downer.
Riversdale - Sludge removal - 26173.A	142,000	In progress - investigation phase. MWH - Contract documents being prepared. This project will proceed over the next three years along with five other ponds within the District.
<i>Riversdale - Scheme Capacity Upgrade - plw.122.A</i>	17,058	<i>In progress - design phase. Extensive investigations in relation to disposal field options have been carried out. Work must proceed to comply with minimum environmental requirements, discharge consent renewal lodged with Environment Southland. Awaiting consent to determine final design solution.</i>
Riversdale - Scheme Management Plan - plw123.A	4,163	Deleted. Project not ready to proceed at this stage so will be re-introduced into next 10 year plan for a later year.
Riversdale - Resource consent project - plw124.A	20,817	In progress - design phase. Consent lodged. Still awaiting response from Environment Southland. Balance is for consultants when conditions are known.
<i>Riversdale - Rectify infiltration issues in reticulation and at pumpstation - WW2216.A</i>	50,000	<i>In progress. Initial investigation work underway as part of scheme upgrade. Downers instructed to carry out manual investigation.</i>

Project Description	Budget \$	Status
<b><i>Stewart Island - Scheme capacity upgrade - PLW150.A</i></b>	<b>19,292</b>	<b><i>In progress - investigation phase. Investigation work and flow meter carried out to allow further design. This budget will be used to upgrade the disposal field in 2014/2015 year.</i></b>
Stewart Island - Soakage fields improvements/extensions - ww2220.A	25,975	In progress - investigation phase. Presently being carried out by SDC.
Stewart Island - Pump shed at ponds - ww2224.A	7,793	In progress - investigation phase. In conjunction with investigations for WW2220.
Te Anau - Interim upgrade - ww2025.A	750,000	In progress - design phase. Additional effluent treatment via aeration. Filter screen and Aeration to be installed.
<b><i>Tokanui - Treatment upgrade - plw219.A</i></b>	<b>4,906</b>	<b><i>Completed. Actual cost \$4,096. Flow meter installed to provide consent data.</i></b>
<b><i>Wallace (Otautau) - Equipment upgrade - plw103.A</i></b>	<b>15,300</b>	<b><i>Completed. Actual cost \$15,300. Reconfiguration of suction line to be carried out by Downer at the ponds and installed new pump.</i></b>
Wallace (Otautau) - Oxidation pond - ww2212.A	6,721	Competed. Actual Cost \$5,800. Re-divert bypass pipework.
<b><i>Winton - Infiltration Investigations - 29472.A</i></b>	<b>23,000</b>	<b><i>In progress - investigation phase. Manual investigation in dry and wet flow conditions.</i></b>
<b><i>Winton - Scheme Capacity Upgrade Gen or Storage - 29486.B</i></b>	<b>91,325</b>	<b><i>Deferred to 2016/2017.</i></b>
<b><i>Winton - Treatment Upgrade auto screen pond - 29488.A</i></b>	<b>60,883</b>	<b><i>In progress - design phase. Design proposal provided by MWH being assessed along with tender documentation.</i></b>
<b><i>Winton - Electrical upgrade Install scada at ponds - 24989.C</i></b>	<b>24,343</b>	<b><i>Deferred. To be carried out concurrently with treatment upgrade. Carry forward to 2014/2015 year.</i></b>
<b><i>Winton - Infiltration investigations - 29470.A</i></b>	<b>19,462</b>	<b><i>In progress - investigation phase. Initial investigations underway. Work continues with manual dry and wet weather observations.</i></b>
Winton - Treatment upgrade - ww2229.A	467,550	Deferred. Contract document being prepared by MWH for desludge of the ponds, This project will proceed over the next three years along with five other ponds within the District.
Winton - Treatment upgrade - 29491.D	500,000	Deferred. Two year project. Design proposal provided by MWH being assessed along with tender documentation.

#### Renewal and Replacement Projects

Project Description	Budget \$	Status
Balfour - Reticulation renewal programme - plw10.A	6,035	Completed. Actual cost \$5,005. Revised to urgent sewer pump replacement.
<b><i>Lumsden - Reticulation renewal - plw31.B</i></b>	<b>12,710</b>	<b><i>Completed Actual cost \$1,000. Completed in 2012/2013. Combined</i></b>

Project Description	Budget \$	Status
		<i>actual cost \$5,000 of PLW31.A and PLW.31B.</i>
<b>Manapouri - Reticulation condition assessment - 24776.A</b>	<b>3,616</b>	<b>Completed in 2012/2013. Actual Cost \$3,616.</b>
<b>Manapouri - Electrical upgrade - 24780.A</b>	<b>25,967</b>	<b>Deferred. Proceeding with electrical and scada upgrades, except for Glade PS which will have scada upgrade only. To be completed in 2014/2015 year.</b>
<b>Manapouri - Electrical upgrade - 24781.A</b>	<b>33,353</b>	<b>Deferred. Proceeding with electrical and scada upgrades, except for Glade PS which will have scada upgrade only. To be completed in 2014/2015 year.</b>
Manapouri - Rising main replace tressles - ww2205.A	31,170	Deferred. Moved to 2015/2016.
Manapouri - Cathedral, Glade and Waiau pumps and ultrasonics sensors - ww2206.A	11,429	Deferred. To be completed in 2017/2018 year.
<b>Nightcaps - Electrical upgrade - plw75.A</b>	<b>19,397</b>	<b>In progress - investigation phase. To be completed in 2014/2015, awaiting contract prices.</b>
Ohai - Laterals - ww2207.A	14,546	Completed. Actual cost \$22,111. Cost was higher as additional work was required.
Ohai - Sewerage plant water line feed - ww2209.A	9,351	Completed. Actual cost \$1,500.
Ohai - New sludge pump - ww2211.A	6,754	Completed. Actual cost \$6,156.
Riverton - Reticulation renewal - plw134.A	6,939	Completed. Actual cost \$6,363. Budget combined with PLW134 B.
Riverton - Condition assessment - plw134.B	6,939	Completed. Actual cost \$6,363.
Riverton - Rocks pump - ww2218.A	17,144	Completed. Actual cost nil. Done as part of other projects (26374 & 26375)
<b>Stewart Island - Reticulation renewal - plw154.A</b>	<b>11,244</b>	<b>In progress - investigation phase. Condition assessment to be carried out by Downer.</b>
Stewart Island - Miro Cres line replace/investigate - ww2222.A	10,340	Completed. Actual cost \$9,000. Completed by Downer.
Stewart Island - Pond pumps - ww2223.A	3,637	In progress - investigation phase. Condition assessment to be carried out by Downer.
<b>Wallace (Otautau) - Reticulation renewal - plw98.A</b>	<b>26,440</b>	<b>Deferred. Awaiting condition assessment.</b>
<b>Winton - Electrical Upgrade Switchboard upgrade - 29484.A</b>	<b>146,120</b>	<b>Deferred. Projects combined as Plant Upgrade. Deferred to 2014/2015 year.</b>
<b>Winton - Reticulation renewal - plw234.A</b>	<b>11,244</b>	<b>Completed. Actual cost \$11,244. CCTV inspection completed March 2013. This project was carried out district-wide.</b>

Project Description	Budget \$	Status
Winton - Pump replacement - plw235.A	62,619	In progress - construction phase. New pumps required at each of the three small stations. Deferred to 2014/2015 year.
Winton - Condition assessment - plw235.B	6,939	Completed. Actual cost \$7,495.
Winton - Equipment upgrade - plw237.A	26,689	Deferred. Projects combined as Plant Upgrade. On hold until pond desludge, carry forward to 2014/2015 year.

## Variation from the budget

Please see the following Funding Impact Statement. Internal charges are an estimate of anticipated costs and where income is below budget in this activity there is an activity with an equivalent variance in internal expenses. Payments to staff and suppliers were under budget predominately due to reduced electricity costs. Subsidies and grants for capital purposes is higher than budgeted due to receipts from Ministry of Health. Capital Expenditure for this activity is under budget as a result of projects that were not completed by the end of the year or deferred to future years; this has resulted in less debt being required than anticipated.

## Funding impact statement - Sewerage

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
-	-	<b>Sources of operating funding</b>	-	-	-
3,239	3,283	General rates, uniform annual general charges, rates penalties	3,254	3,249	3,269
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees, charges and targeted rates for water supply	1	4	-
2,503	10,167	Internal charges and overheads recovered	1,059	1,018	3,009
-	-	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	58	85	-
<b>5,742</b>	<b>13,450</b>	<b>Total operating funding</b>	<b>4,372</b>	<b>4,357</b>	<b>6,278</b>
		<b>Applications of operating funding</b>			
1,562	1,624	Payments to staff and suppliers	1,438	1,413	1,616
-	-	Finance costs	7	(6)	-
3,032	10,773	Internal charges and overheads applied	1,510	1,464	3,447
-	-	Other operating funding applications	-	-	-
<b>4,595</b>	<b>12,397</b>	<b>Total applications of operating funding</b>	<b>2,955</b>	<b>2,871</b>	<b>5,062</b>
<b>1,147</b>	<b>1,053</b>	<b>Surplus (deficit) of operating funding</b>	<b>1,416</b>	<b>1,485</b>	<b>1,215</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	18	789	-
153	-	Development and financial contributions	-	-	-
1,205	9,115	Increase (decrease) in debt	(399)	(457)	1,795
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
<b>1,358</b>	<b>9,115</b>	<b>Total sources of capital funding</b>	<b>(381)</b>	<b>332</b>	<b>1,795</b>
		<b>Applications of capital funding</b>			
		Capital expenditure			
159	4,696	▪ to meet additional demand	155	31	-
1,548	5,202	▪ to improve the level of service	264	745	2,758
796	269	▪ to replace existing assets	565	135	234
2	2	Increase (decrease) in reserves	50	905	19
-	-	Increase (decrease) in investments	-	-	-
<b>2,505</b>	<b>10,169</b>	<b>Total applications of capital funding</b>	<b>1,035</b>	<b>1,817</b>	<b>3,011</b>
<b>(1,147)</b>	<b>(1,053)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(1,416)</b>	<b>(1,485)</b>	<b>(1,215)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# SIESA (Stewart Island Electricity Supply Authority)

**Aim - To provide a reliable electricity supply at the lowest sustainable cost which improves the environment and aesthetic values within the supply area whilst supporting the local economy.**

## What we do

SIESA is responsible for the generation and supply of electricity to consumers on Stewart Island/Rakiura, the development of renewable power generation and promotion of energy efficiency on Stewart Island/Rakiura. SIESA also undertakes waste collection and operation of the Rakiura Resource Recovery Centre.

## Effects this activity has had on the community

The SIESA activity primarily contributed to the Council's outcome 'supporting our communities'. The activity contributed to this outcome by generating and supplying electricity on Stewart Island/Rakiura which is essential for business, industry and residential needs. The community supply provided economies of scale with electricity provided at a lower cost than residents would be able to provide individually if they had to generate their own electricity from diesel generators. Energy efficient initiatives carried out by SIESA also contributed to making homes warmer and healthier.

## How well we did

The performance of SIESA activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the key performance indicator targets measured, all three were achieved.

## Key highlights

### Asset Management

Updating the generation equipment in the powerhouse has been a priority in order to improve efficiency and lower the reliability risk. The intent is to follow good asset management practices and so optimise the whole of life costs. This means operating the system in such a way that operating, maintenance and renewal costs are as low as possible by installing modern efficient equipment. Other critical assets such as fuel systems, switchyard and the distribution network are also being analysed in terms of good asset management. Appropriate renewals and improvements are being planned and budgeted for in the new asset management plan.

### Renewable Energy Investigations

An alternative energy study was initiated last year. Progress has been much slower than anticipated. The approval process was slower than anticipated for gaining approval to install equipment at two sites. One is to monitor wind capacity and the other is to monitor water flow in a stream for hydro-generation. The results of survey information will not be available until the end of 2015.

### Health and Safety focus

There are two key parts to the SIESA activities. They are:

1. Electricity generation and supply
2. Solid waste

Both areas have a high focus on Health and Safety because of the risks involved. In the solid waste area staff initiatives have resulted in hazards being identified and modifications to equipment and processes made that have significantly reduced the risks. The proactive approach by the staff is highly effective in helping Council reduce the risks to workers and the public.

## Performance measures

**Community Outcome:** A diverse economy built from our strengths for growth and prosperity.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Financial Sustainability</b> SIESA is able to operate in a cost effective manner.	SIESA is managed within +1% and -3% of annual budget.	100%	<b>100%</b>	<b>Achieved</b> SIESA Electricity had a surplus of \$2,842. SIESA Solid Waste had a surplus of \$54,442 in total. SIESA Staff house had a deficit of (\$193). The consolidated position for the year showed a \$57,090 surplus compared with a budgeted surplus of nil. In 2012/2013 the result was achieved and showed a consolidated position of (\$961) deficit compared with a (\$159,470) budgeted deficit.	Financial Reports.
<b>Responsiveness</b> SIESA is responsive to customers' needs.	Percentage of complaints/requests responded to within agreed timeframes. <sup>1</sup>	90%	<b>100%</b>	<b>Achieved</b> There were eight new network connections during the year. No complaints were received. In 2012/2013 no voltage complaints were received.	Monthly Reports.
<b>Reliability</b> All SIESA consumers connected are provided with reliable and continuous service.	Number of unplanned interruptions.	<6	<b>3</b>	<b>Achieved</b> There were three unplanned interruptions during the year. In 2012/2013 the result was 16 so the target was not achieved.	Monthly Reports.

1. The timeframe for responding to a system fault is 30 minutes, for restoration of a system fault is eight hours and for processing an approved new connection is 15 days.

## Project report

There are no projects scheduled for this activity in 2013/2014.

## Variation from the budget

Please see the following Funding Impact Statement. Sources of operating revenue have been reclassified since the Annual Plan. Fees and charges are lower than budget predominately due to reduced income from electricity charges. This is reflected in payments to staff and suppliers as there has been a lower than budgeted cost to generate electricity. The application of capital funding was for the purchase of a new generator.

## Funding impact statement - SIESA

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
-	-	<b>Sources of operating funding</b>	-	-	-
-	-	General rates, uniform annual general charges, rates penalties	-	-	-
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees, charges and targeted rates for water supply	883	965	-
-	-	Internal charges and overheads recovered	337	363	-
1,275	1,344	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	51	60	1,436
<b>1,275</b>	<b>1,344</b>	<b>Total operating funding</b>	<b>1,271</b>	<b>1,388</b>	<b>1,436</b>
1,221	1,248	Applications of operating funding	1,102	1,167	1,238
2	2	Payments to staff and suppliers	6	3	5
72	74	Finance costs	73	78	75
-	-	Internal charges and overheads applied	-	-	-
-	-	Other operating funding applications	-	-	-
<b>1,295</b>	<b>1,324</b>	<b>Total applications of operating funding</b>	<b>1,181</b>	<b>1,249</b>	<b>1,318</b>
<b>(20)</b>	<b>20</b>	<b>Surplus (deficit) of operating funding</b>	<b>90</b>	<b>139</b>	<b>118</b>
-	-	Sources of capital funding	-	-	-
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	<b>Total sources of capital funding</b>	-	-	-
-	-	<b>Applications of capital funding</b>	-	-	-
-	-	Capital expenditure	-	-	-
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	4	-
-	-	▪ to replace existing assets	-	134	-
(20)	20	Increase (decrease) in reserves	90	1	118
-	-	Increase (decrease) in investments	-	-	-
<b>(20)</b>	<b>20</b>	<b>Total applications of capital funding</b>	<b>90</b>	<b>139</b>	<b>118</b>
<b>(20)</b>	<b>(20)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(90)</b>	<b>(139)</b>	<b>(118)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Solid Waste Management

**Aim - To maintain public health and reduce environmental harm through waste minimisation and recycling.**

## What we do

Solid Waste Management is focused on the controlled disposal of waste (kerbside collections and transfer stations), reducing litter and illegal dumping and promotion and advocacy of waste minimisation.

Council provides kerbside collection service for rubbish and recyclables picked up on alternative weeks to all townships within the District and voluntary collection to properties on collection routes in rural areas. Stewart Island/Rakiura is serviced by a weekly kerbside refuse bag, recycling and food scrap collection. There are also seven waste transfer stations for disposal of rubbish, greenwaste, hazardous waste and collection of recyclables, 11 recycling drop-off centres and two greenwaste-only sites located around the District.

Regional waste is transported to the regional landfill operated by AB Lime at Kings Bend (near Winton) for disposal. Southland District Council is also a member of WasteNet Southland (joint committee of the Southland District Council, Invercargill City Council and Gore District Council) which provides the mechanism for councils in the region to work together collectively on waste issues, including delivering solid waste services and waste minimisation activities.

## Effects this activity has had on the community

Solid Waste Management primarily contributed to the Council outcome making the most of our resources. The activity contributed to this outcome by providing controlled and convenient waste disposal options therefore reducing littering and illegal dumping which have a negative impact on the environment. In addition, the provision of kerbside recycling services, operation of recycling drop-off centres and other initiatives around waste minimisation helped to reduce, re-use and recycle material reducing the amount disposed of to the landfill.

## How well we did

The performance of the Solid Waste activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the key performance indicator targets measured, two were achieved and the other four were not achieved.

## Key highlights

### Closed Refuse Sites

The Council is aware of over 60 closed refuse sites across the District, some of which are on Council land and were historically owned and operated by Council as well as a number of others that were operated on private land with no Council involvement. These sites have been assessed in terms of the likely discharge and land use risks and are managed accordingly. The sites are mainly leased to the neighbouring property for use as grazing, planted for forestry production or are unused vacant land. Environment Southland is currently implementing a change around the management of discharges from closed landfill sites. Council has completed a series of risk assessments on each site and will report to Environment Southland in 2015 at which stage there will be greater clarity around which, if any, sites require a resource consent.

### Southland Waste Management and Minimisation Plan

Under the Local Government Act all territorial authorities are required to adopt a Waste Management Plan. The new plan was adopted in June 2012 with a review commencing in 2016.

### Emissions Trading Scheme

The New Zealand Emissions Trading Scheme requires landfill operators to monitor and report on their level of carbon dioxide (CO<sub>2</sub>) emissions from 2012 and to acquire one New Zealand Unit (NZU or unit) for each tonne of CO<sub>2</sub> emitted from 2014.

This resulted in an increase in costs for landfill operators and therefore these costs were passed on to those using the landfill (such as Council) by increasing the charge for dumping waste. The anticipated increase was factored into the Council's budgets from January 2013. The Emissions Trading Scheme does not include closed landfills. Price per tonne = \$5.

### **Transfer Stations**

Improvements have been completed at the Winton and Te Anau transfer stations following a safety review.

## Performance measures

**Community Outcome:** A treasured environment which we care for and which supports us now and in the future.

**Council Outcome:** Making the most of our resources. We want to be good custodians of the environment to ensure that people living here now and in the future can sustain themselves and that the natural beauty of Southland is retained.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Access and reliability</b> Provide convenient solid waste management facilities and solutions throughout the District.	Percentage of resident satisfaction with the services provided (refuse and recycling) - wheelie bins.	90%	<b>93%</b>	<b>Achieved</b> In 2010/2011 the result for wheelie bins was 93%.	Three Yearly Residents' Survey.
	Percentage of resident satisfaction with the services provided - transfer station location.	80%	<b>78%</b>	<b>Not Achieved</b> The result was close to target. 80% of the Southland District population live within 20 km of a transfer station. In 2010/2011 the result for transfer station location was 81%.	
	Percentage of resident satisfaction with the services provided - transfer station hours.	80%	<b>66%</b>	<b>Not Achieved</b> Council will review its service as part of the Long Term Plan. In 2010/2011 the result for transfer station hours was 71%.	
	Percentage of resident satisfaction with the services provided - recycling location.	80%	<b>79%</b>	<b>Not Achieved</b> In 2010/2011 the result for recycling drop-off centre location was 77%.	
<b>Sustainability</b> Provide for the sustainable minimisation and management of solid waste quantity being generated within the District.	Percentage of waste (by weight) diverted from landfill. <sup>1</sup>	40%	<b>38%</b>	<b>Not Achieved</b> Of the 5,927 tonnes of waste was collected, 2,259 tonnes was recycled. In 2012/2013, 2,133 tonnes of waste was recycled of the 5,666 tonnes of waste collected (38%).	Operational records from contract and landfill reports.
<b>Advice and support</b> Provide guidance to the public about quality solid waste management practices.	Number of public education initiatives completed. <sup>2</sup>	10 school visits	<b>13</b>	<b>Achieved</b> One information brochure and 12 school visits. In 2012/2013 the result was 12.	Internal organisational performance report (Quarterly Report and WasteNet).

1. Weight calculations are estimated based on the number of collection containers processed multiplied by an average weight for different material types.

2. "Public education initiatives" include at least one additional information brochure every two years and at least 10 school visits per year.

## Project report

There are no projects scheduled for this activity in 2013/2014.

## Variation from the budget

Please see the following Funding Impact Statement. There are no significant variance between the Annual Plan and total operating funding. Payments to staff and suppliers were under budget predominately due to reduced costs relating to waste transfer. Internal charges are an estimate of anticipated costs and where expenditure is above budget in this activity there is an activity with an equivalent variance in internal revenue. Capital expenditure in this activity relates to additional safety equipment at two transfer stations and replacement/additional wheelie bins.

## Funding impact statement - Solid Waste Management

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
		<b>Sources of operating funding</b>			
2,057	2,102	General rates, uniform annual general charges, rates penalties	2,041	1,854	1,875
2,160	2,290	Targeted rates (other than a targeted rate for water supply)	2,148	2,252	2,274
-	-	Subsidies and grants for operating purposes	86	93	-
400	400	Fees, charges and targeted rates for water supply	172	177	213
158	162	Internal charges and overheads recovered	214	214	179
91	91	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	9	24	91
<b>4,865</b>	<b>5,045</b>	<b>Total operating funding</b>	<b>4,671</b>	<b>4,613</b>	<b>4,632</b>
		<b>Applications of operating funding</b>			
3,621	3,790	Payments to staff and suppliers	2,995	3,097	3,464
-	-	Finance costs	-	-	-
962	984	Internal charges and overheads applied	1,070	1,068	919
-	-	Other operating funding applications	-	-	-
<b>4,583</b>	<b>4,774</b>	<b>Total applications of operating funding</b>	<b>4,066</b>	<b>4,165</b>	<b>4,383</b>
<b>282</b>	<b>271</b>	<b>Surplus (deficit) of operating funding</b>	<b>605</b>	<b>448</b>	<b>250</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
(243)	(266)	Increase (decrease) in debt	(571)	(275)	(245)
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
<b>(243)</b>	<b>(266)</b>	<b>Total sources of capital funding</b>	<b>(571)</b>	<b>(275)</b>	<b>(245)</b>
		<b>Applications of capital funding</b>			
-	-	Capital expenditure	-	-	-
123	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	152	60	-
-	-	▪ to replace existing assets	-	-	-
(85)	5	Increase (decrease) in reserves	(118)	112	5
-	-	Increase (decrease) in investments	-	-	-
<b>38</b>	<b>5</b>	<b>Total applications of capital funding</b>	<b>34</b>	<b>173</b>	<b>5</b>
<b>(282)</b>	<b>(271)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(605)</b>	<b>(448)</b>	<b>(250)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Stormwater

**Aim - To provide a reliable stormwater system to protect people and property from flooding.**

## What we do

There are 28 towns in the District that have reticulated stormwater infrastructure that is owned and maintained by the Council. These public stormwater systems manage the disposal of surface water and ground water flows, to protect property, public safety, accessways and public health. A number of other smaller towns have partial services such as open ditches and drains and soakholes and the Council manages open water courses in several rural catchments.

## Effects this activity has had on the community

Stormwater primarily contributed to the Council's outcome 'making the most of our resources'. The activity contributed to this outcome by preventing rainfall to cause flooding, hence protecting land and property. It also protected the environment and public health by controlling the level of pollutants and sediments in stormwater that are discharged to waterways or coastal areas used for recreation and food gathering.

## How well we did

The performance of the Stormwater activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. The one key performance indicator target that was measured was not achieved.

Of the 20 stormwater projects, two were deferred, one is in construction and 17 were completed.

All stormwater resource consent applications have been lodged with Environment Southland and all stormwater sampling as required by the resource consents have been completed. Council is currently awaiting the processing of the consents which will provide greater certainty around the requirement for and timing of any upgrade works.

## Key highlights

**Stormwater Consents** - Environment Southland's Regional Water Plan requires the Council to more actively manage and monitor its stormwater discharges to minimise contamination of water ways from urban areas.

Council is focused on ensuring the continued protection of the environment and has applied for resource consents for stormwater discharges in 17 townships. Council will work towards achieving 100% compliance over the long term, however, due to unknown consent requirements and potential issues with affordability, Council will have to prioritise the improvement work over the next 10 years.

Council will work with Environment Southland over the timing and prioritisation of the improvement works. Council is still in the process of obtaining resource consents for its stormwater systems. As the Council does not currently know the extent or range of issues which may arise from these consents Council has set a flat target of 50% compliance with resource consent conditions as a best estimate based on current monitoring done during the consent application process.

## Performance measures

**Community Outcome:** A treasured environment which we care for and which supports us now and in the future.

**Council Outcome:** Making the most of our resources. We want to be good custodians of the environment to ensure that people living here now and in the future can sustain themselves and that the natural beauty of Southland is retained.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Reliability</b> Maintain the drainage system to protect public and property during periodic rainfall events. <sup>1</sup>	Number of complaints about flooding in urban areas. <sup>1</sup>	Less than 50	63	<b>Not Achieved</b> The target was not met due to a number of heavy rainfall events. In 2012/2013 the result was 61.	Customer Service system (Pathway).
<b>Quality</b> Minimise effects on the environment by complying with discharge permits and resource consents.	Percentage of monitoring results that show compliance with resource consent conditions. <sup>2</sup>	See footnote	-	<b>Not Measured</b> Awaiting Environment Southland consent requirements.	Council records.

1. "Periodic rainfall" refers to a rainfall event which is expected to occur once every 50 years.  
 2. The target is yet to be determined as Council is awaiting Environment Southland consent requirements.

## Project report

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

Project Description	Budget \$	Status
<b>Balfour - Resource Consent project - 22320.A</b>	9,457	<b>Completed. Consent awaiting Environment Southland processing of application.</b>
Colac Bay - Strategic assessment - pls4.B	10,970	Deferred. Awaiting further Environment Southland criteria. Deferred until 2016/2017 until coastal water plan becomes operative by Environment Southland.
<b>Dipton - Resource Consent project - 22914.A</b>	1,228	<b>Completed. Consent awaiting Environment Southland processing of application.</b>
<b>Edendale - Resource Consent project - 23314.A</b>	8,780	<b>Completed. Consent awaiting Environment Southland processing of application.</b>
<b>Lumsden - Resource Consent project - 24314.A</b>	242	<b>Completed. Consent awaiting Environment Southland processing of application.</b>
<b>Manapouri - Resource Consent project - 24714.A</b>	11,780	<b>Completed. Consent awaiting Environment Southland processing of application.</b>

Project Description	Budget \$	Status
		<i>application.</i>
<b>Mossburn - Resource Consent project - 25114.A</b>	<b>8,691</b>	<b>Completed. Consent awaiting Environment Southland processing of application.</b>
<b>Nightcaps - Resource Consent project - 25314.A</b>	<b>8,254</b>	<b>Completed. Consent awaiting Environment Southland processing of application.</b>
<b>Ohai - Resource Consent project - 25514.A</b>	<b>5,757</b>	<b>Completed. Consent awaiting Environment Southland processing of application.</b>
<b>Riversdale - Resource Consent project - 26114.A</b>	<b>8,780</b>	<b>Completed. Consent awaiting Environment Southland processing of application.</b>
<b>Te Anau - Resource Consent project - 26814.A-</b>	<b>19,628</b>	<b>Completed. Consent awaiting Environment Southland processing of application.</b>
<b>Tokanui - Resource Consent project - 27814.A</b>	<b>1,851</b>	<b>Completed. Consent awaiting Environment Southland processing of application..</b>
<b>Waikaia - Resource Consent project - 28616.A</b>	<b>9,641</b>	<b>Completed. Consent awaiting Environment Southland processing of application.</b>
<b>Wallace (Otautau) - Resource Consent project - 28916.A</b>	<b>4,620</b>	<b>Completed. Consent awaiting Environment Southland processing of application.</b>
<b>Wallacetown - Resource Consent project - 29114.A</b>	<b>4,620</b>	<b>Completed. Consent awaiting Environment Southland processing of application.</b>
<b>Winton - Resource Consent Project - 29414.A</b>	<b>7,214</b>	<b>Completed. Consent awaiting Environment Southland processing of application.</b>

## Renewal Projects

Project Description	Budget \$	Status
<b>Balfour - Condition Assessment - 22321.A</b>	<b>6,076</b>	<b>Completed. Work completed in 2012/2013 year.</b>
Nightcaps - Reticulation Renewal - SW1002	144,308	Completed. Actual cost \$124,950. Moved forward from 2019/2020 year because of urgent work required, CCTV inspection and ongoing flooding issues.
Stewart Island/Rakiura - Reticulation - 551.B	122,587	Construction. Combined PLS 551B and PLS61 - currently under construction.
Woodlands - Reticulation condition assessment - pls104.A	1,173	Deferred. Preliminary investigation carried out by SDC. Further manual investigation to be carried out in 2014/2015.

## Variation from the budget

Please see the following Funding Impact Statement. Internal charges are an estimate of anticipated costs and where income is above budget in this activity there is an activity with an equivalent variance in internal expenses. Payments to staff and suppliers are under budget due predominately to lower than expected monitoring, network management and maintenance costs. Capital expenditure is higher than budgeted due to the project in Nightcaps needing to be completed earlier than anticipated.

## Funding impact statement - Stormwater

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
-	-	<b>Sources of operating funding</b>	-	-	-
368	405	General rates, uniform annual general charges, rates penalties	-	-	-
-	-	Targeted rates (other than a targeted rate for water supply)	364	470	475
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	1	35
39	38	Internal charges and overheads recovered	60	74	-
-	-	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	-	-	-
<b>407</b>	<b>443</b>	<b>Total operating funding</b>	<b>424</b>	<b>544</b>	<b>510</b>
		<b>Applications of operating funding</b>			
273	282	Payments to staff and suppliers	53	99	280
-	-	Finance costs	9	(9)	-
55	79	Internal charges and overheads applied	56	62	93
40	42	Other operating funding applications	-	-	42
<b>368</b>	<b>403</b>	<b>Total applications of operating funding</b>	<b>118</b>	<b>152</b>	<b>415</b>
<b>39</b>	<b>40</b>	<b>Surplus (deficit) of operating funding</b>	<b>306</b>	<b>392</b>	<b>95</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
387	249	Increase (decrease) in debt	(25)	(83)	350
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
<b>387</b>	<b>249</b>	<b>Total sources of capital funding</b>	<b>(25)</b>	<b>(83)</b>	<b>350</b>
		<b>Applications of capital funding</b>			
-	-	Capital expenditure	-	-	-
1,078	295	▪ to meet additional demand	-	-	-
344	6	▪ to improve the level of service	45	23	11
(996)	(12)	▪ to replace existing assets	46	216	124
-	-	Increase (decrease) in reserves	190	69	310
-	-	Increase (decrease) in investments	-	-	-
<b>426</b>	<b>289</b>	<b>Total applications of capital funding</b>	<b>281</b>	<b>309</b>	<b>445</b>
<b>(39)</b>	<b>(40)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(306)</b>	<b>(392)</b>	<b>(95)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Strategy and Communication

**Aim - To ensure Council's direction is in line with community expectations by keeping communities informed and giving them the opportunity to contribute to decisions which affect or interest them.**

## What we do

Council's planning processes, along with the development of policy, are the main ways that Council, community boards and community development area subcommittees have to ensure community requirements and priorities are identified and appropriate actions undertaken. The Council's 10 Year Plan which is produced every three years (as required under the Local Government Act 2002) sets out the Council's outcomes and how its activities will achieve these, including associated 10 year financial forecasts and targets. In other years, an Annual Plan is prepared which contains the proposed annual budget and performance targets, noting any variation from the 10 Year Plan in particular. An Annual Report is prepared that details achievement against targets for the previous year.

## Effects this activity has had on the community

Strategy and Communication primarily contributed to the Council outcome 'being an effective Council'. The activity contributed to this outcome by ensuring decisions are forward looking and in line with the communities' expectations. As this activity enables the communities to engage with decision-making, it also empowered citizens. Robust strategy and communication enhanced the communities' confidence in their leaders by ensuring that people are informed of Council's decisions and have the opportunity to participate.

## How well we did

The performance of the Strategy and Communication activity is assessed against key performance indicators and projects as set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget.

Of the three key performance indicators, two achieved their targets and one target was not achieved. 77% of those surveyed believed the community was regularly informed of Council issues and matters of interest, less than the target of 85%.

This may be because of debate around major projects such as the Te Anau wastewater disposal scheme where Manapouri residents feel they have not been consulted. This would also impact on the second level of service - Council encourages input into its planning, which had a result of 69%, compared to the target of 80%.

## Key highlights

Finding the right balance between over and under consulting and planning can be difficult for Council. Council has many planning and reporting responsibilities under the legislation and it takes considerable resources and time to fulfil these requirements while doing them in a way that is understandable for the community.

This is complicated further by the fact that there are many different communities in the District, with diverse views and opinions. Keeping them informed of issues which may affect or interest them is a challenge. As a result, Council relies on these communities to let it know their views, whether informally or formally. Council invests in regular newsletters and advertising to make sure people are aware of what is going on and provides them with opportunities to become involved if they choose.

Council is aware of the push to provide e-services, but is also very conscious of the number of District residents who do not use the internet either because they do not choose to use online services or due to affordability or coverage issues. Council will continue to monitor its website for usage and demand. Demand for e-payments is small but steadily increasing.

Council has carried out open days for the public, including three days at the Southern Field-days where hundreds of people looked through the stand and talked to the Mayor, Councillors and staff.

## Performance measures

**Community Outcome:** Strong, effective leadership taking us into the future.

**Council Outcome:** Being an effective council - Council will be prudent, innovative and be an enabler for its communities.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Quantity</b> The community is regularly kept informed of Council issues and matters of interest.	Percentage of residents who have read at least one issue of the Council's newsletter First Edition.	85%	<b>86%</b>	<b>Achieved</b> In 2010/2011 the result was 77% against a target of 85%.	Three Yearly Residents' Survey.
<b>Quantity</b> The community is regularly kept informed of Council issues and matters of interest.	Number of positive stories published in the Southland Times and Otago Daily Times.	40	<b>48</b>	<b>Achieved</b> Forty eight positive stories were published. The result in 2012/2013 was 49.	Newspaper records.
<b>Quality</b> Council encourages input into its planning.	Percentage of residents satisfied with the level of consultation with the community, undertaken by Council, over important issues.	80%	<b>69%</b>	<b>Not Achieved</b> The majority of survey comments centred on the need for Council and Community boards to communicate, consult, be responsive and listen to residents. There were also a number of large projects, such as the Te Anau wastewater proposal and the proposed District Plan out for consultation. In 2010/2011 the result was 74% against a target of 80%.	Three Yearly Residents' Survey.

## Project report

There were no capital expenditure projects planned for this activity for the 2013/2014 financial year.

## Variation from the budget

Please see the following Funding Impact Statement. There were no significant variances between the Annual Plan and the actual result.

## Funding impact statement - Strategy and Communication

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
1,398	1,441	<b>Sources of operating funding</b>			
-	-	General rates, uniform annual general charges, rates penalties	1,392	1,468	1,477
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-
45	46	Internal charges and overheads recovered	53	56	45
-	-	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	-	-	-
<b>1,443</b>	<b>1,487</b>	<b>Total operating funding</b>	<b>1,445</b>	<b>1,524</b>	<b>1,522</b>
		<b>Applications of operating funding</b>			
45	46	Payments to staff and suppliers	45	45	45
-	-	Finance costs	-	-	-
1,398	1,441	Internal charges and overheads applied	1,305	1,470	1,477
-	-	Other operating funding applications	-	-	-
<b>1,443</b>	<b>1,487</b>	<b>Total applications of operating funding</b>	<b>1,350</b>	<b>1,515</b>	<b>1,522</b>
		<b>Surplus (deficit) of operating funding</b>	<b>96</b>	<b>9</b>	<b>-</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	<b>Total sources of capital funding</b>	-	-	-
		<b>Applications of capital funding</b>			
		Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
-	-	▪ to replace existing assets	-	-	-
-	-	Increase (decrease) in reserves	96	9	-
-	-	Increase (decrease) in investments	-	-	-
-	-	<b>Total applications of capital funding</b>	<b>96</b>	<b>9</b>	<b>-</b>
-	-	<b>Surplus (deficit) of capital funding</b>	<b>(96)</b>	<b>(9)</b>	<b>-</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Te Anau Airport Manapouri

**Aim: To provide a safe and reliable airport in the Te Anau Basin.**

## What we do

The Council owns and operates the Te Anau Airport Manapouri as a certified aerodrome under the New Zealand Civil Aviation Regulations. The airport's capability provides for light to medium sized aircraft on regular services. Non-operational areas are set aside to develop aviation related businesses and the terminal allows for after-hour social functions on a hire basis.

## Effects this activity has had on the community

Te Anau Airport Manapouri primarily contributed to the Council outcome 'supporting our communities'. The activity contributed to this outcome by providing the infrastructure to support aviation related transportation service to local tourism operators, industries and residents. The airport also provided for air-based emergency access which can act as an alternative to road transport in an emergency.

## How well we did

The performance of the Te Anau Airport Manapouri activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the two key performance indicator targets measured one was achieved and the other was not achieved.

## Key highlights

The airport is working towards a financially sustainable position as it progressively builds and markets itself as a unique and capable destination. A measure that can provide a gauge of achievement is the various activities financial budgets compared with actual results.

During the 2013/2014 financial year the following activities exceeded initial budget expectations providing a level of comfort that the airport is growing as a business.

- The Function Centre.
- Ground handling fees.
- General landing fees.

The overall effect of the increased business provided an additional \$11,500 of income. Most operational projects have now been completed and Te Anau Airport Manapouri is as capable as any small regional airport in New Zealand with the advantage of securing a regular medium sized aircraft operation bringing high end tourists to the region over the summer period.

In proportion, 90% of the revenue gained from aircraft landing fees has been associated with aircraft landing at the airport in-support of local tourist activities in the towns of Te Anau and Manapouri.

The AirBP fuelling installation was completed and is providing all aviation users with a state of the art refuelling platform; this has replaced the Air Fuels system that had some operational limitations.

## Performance measures

**Community Outcome:** A diverse economy built from our strengths for growth and prosperity.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Reliability and Safety</b> Provide accessible, reliable and safe air facilities and operations for the Te Anau Basin.	Percentage of Civil Aviation Authority guidelines complied with.	100%	<b>100%</b>	<b>Achieved</b> The two yearly CAA audit cycle meant an audit was due in 2014. However CAA lost the capacity to carry out audits in-line with their schedule. So they have taken a risk based approach to audits and carried them out where they see necessary. The Te Anau airport is now due to be audited early in 2015. The last audit was undertaken in April 2012 with 100% achievement.	Audit - Civil Aviation Authority.
<b>Financial Sustainability</b> Managing the Asset in a business-like way, with a long term focus.	Percentage of revenue achieved against target.	100%	<b>100%</b>	<b>Achieved</b> Income exceeded the target. In 2012/2013 the result was 98% and was not achieved.	Statement of Financial Performance.

## Project report

There were no capital expenditure projects planned for this activity for the 2013/2014 financial year.

## Variation from the budget

Please see the following Funding Impact Statement. There were no significant variances between the Annual Plan and the actual result.

## Funding impact statement - Te Anau Airport Manapouri

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
-	-	<b>Sources of operating funding</b>	-	-	-
299	308	General rates, uniform annual general charges, rates penalties	-	-	-
-	-	Targeted rates (other than a targeted rate for water supply)	299	295	299
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees, charges and targeted rates for water supply	43	45	-
10	12	Internal charges and overheads recovered	(108)	(55)	-
127	128	Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	51	41	83
<b>436</b>	<b>448</b>	<b>Total operating funding</b>	<b>284</b>	<b>326</b>	<b>382</b>
		<b>Applications of operating funding</b>			
237	248	Payments to staff and suppliers	175	148	189
-	-	Finance costs	5	-	-
7	7	Internal charges and overheads applied	12	8	7
-	-	Other operating funding applications	-	-	-
<b>244</b>	<b>255</b>	<b>Total applications of operating funding</b>	<b>192</b>	<b>156</b>	<b>196</b>
<b>192</b>	<b>193</b>	<b>Surplus (deficit) of operating funding</b>	<b>92</b>	<b>170</b>	<b>186</b>
		<b>Sources of capital funding</b>			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	<b>Total sources of capital funding</b>	-	-	-
		<b>Applications of capital funding</b>			
-	-	Capital expenditure	-	-	-
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	17	13	-
-	-	▪ to replace existing assets	-	-	-
192	193	Increase (decrease) in reserves	74	157	186
-	-	Increase (decrease) in investments	-	-	-
<b>192</b>	<b>193</b>	<b>Total applications of capital funding</b>	<b>92</b>	<b>170</b>	<b>186</b>
<b>(192)</b>	<b>(193)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(92)</b>	<b>(170)</b>	<b>(186)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Water Supply

**Aim -To provide a reliable and adequate supply of water, which in urban areas is safe to drink and capable of meeting firefighting requirements.**

## What we do

The Council operates 12 drinking water supplies (10 urban and two rural) and nine untreated water supplies for rural use (stock and irrigation). This includes capital works and maintenance of systems.

## Effects this activity has had on the community

The Water Supply activity primarily contributed to the Council's outcome 'supporting our communities'. It contributed to this outcome by providing people with safe drinking water as well as water to clean with. The firefighting capability of the water supply also helped improve the safety of people in their homes.

## How well we did

The performance of the Water Supply activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the key performance indicator targets measured, three achieved their targets and one was not achieved.

Of the 36 water projects, 24 have been completed, two were in construction, two were not started and eight have been deferred.

## Key highlights

**Water Quantity** - In the future there may be a scarcity of good quality water for drinking in Southland. This is because in some parts of Southland, water resources are nearly fully allocated and communities are beginning to face competition for water with agriculture and industry. The quality of water is also an issue in some areas. There are a number of projects to improve water treatment processes.

This is a longer term issue around sustainable use of natural resources and Council will continue to work with Environment Southland and other organisations in an effort to protect community drinking water resources for the future.

Council continued to improve the quality of drinking water in Riverton and upgraded the water treatment plant in 2013/2014. There have been delays on this project due to a subsidy application from the Ministry of Health for the treatment upgrade being declined. Work is well underway on the first stage of a two stage upgrade project.

Work has recently been completed on the upgrades of the Winton, Te Anau, Otautau and Mossburn water treatment plants. The work involved installation of additional filtration and ultra-violet disinfection stages at the sites meaning they now fully comply with the latest edition of the New Zealand Drinking-water Standards. Collectively the sites serve a population of over 5,000 customers.

## Performance measures

**Community Outcome:** We are healthy people.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Quality</b> Provide urban water supplies that are safe and promote public health.	Percentage of urban water supply tests that meet the bacteriological requirements of the New Zealand Drinking-water Standards 2005 reticulation.	100%	<b>100%</b>	<b>Achieved</b> All tests complied with requirements. In 2012/2013 the result was 100%.	Water Information New Zealand (WINZ).
<b>Quality</b> Provide urban water supplies that are safe and promote public health.	Percentage of customers satisfied with the quality of Council supplied water.	>90%	<b>86%</b>	<b>Not Achieved</b> The result was an improvement on the previous survey and will continue to improve as Council continues to upgrade schemes to meet NZ Drinking Water Standards. In this financial year four major projects to upgrade schemes have been completed. In 2010/2011 the result was 68% against a target of 90%.	Three Yearly Resident survey.
<b>Quantity</b> Provide a water supply adequate for firefighting in urban areas.	All hydrants annually checked for operational availability and comply with functionality tests. <sup>2</sup>	100%	<b>100%</b>	<b>Achieved</b> All 881 fire hydrants tests met functionality requirements. In 2012/2013 the result was 100%.	Hansen Asset Management System.
<b>Responsiveness</b> Prompt response and resolution to requests for service.	Resolve customer requests for services within time set for type of problem. <sup>3</sup>	>90%	<b>99%</b>	<b>Achieved</b> 540 of the 543 requests were resolved with the time set for the type of problem. In 2012/2013 the result was 621 of the 633 requests were resolved within the time set for the type of problem.	Hansen Asset Management System.

1. Water Information New Zealand (WINZ) is a national database of all community drinking water supplies used to determine the public health grading.

2. Functionality tests check whether the hydrant is unobstructed, can open and close easily and whether water flows at a rate that could reasonably be used to suppress a fire.

3. Response will be within one hour and then resolution within six hours following that.

## Project report

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

Project Description	Budget \$	Status
<b>Mossburn - Public Health Risk Management Plan - 25160.A</b>	8,500	<i>Completed. Actual cost \$5,000. PHRMP has been updated in 2014 and sent to MoH.</i>
<b>Mossburn - Intake Upgrade - pl115.A</b>	132,275	<i>Completed. Actual cost \$185,936. Combined with treatment upgrades, construction completed. During detailed design it became obvious the budget did not match the value of work required. The budget was adjusted to match the contract cost.</i>
<b>Mossburn - Treatment upgrade - pl117.A</b>	190,337	<i>Completed. Actual cost \$309,723. During detailed design it became obvious the budget did not match the value of work required. The budget was adjusted to match the contract cost. This project is part of a combined water treatment upgrade for plants at Te Anau, Winton, Otautau and Mossburn. Work to be carried out by Downer. (PL115, PL117) Construction completed.</i>
<b>Ohai/Nightcaps/Wairio Water - Intake upgrade - 25768.A</b>	42,930	<i>Completed. Actual cost \$15,050. Additional safety railing and safety access to well are completed.</i>
<b>Ohai/Nightcaps/Wairio Water - Public Health Risk Management Plan - pl135.A</b>	5,474	<i>Deferred. PHRMP scheduled for 2014, costs incurred to date are internal. Deferred to 2014/2015.</i>
<b>Riverton - Treatment plant upgrade - 26362.A</b>	1,703,834	<i>In progress - construction phase. Plant upgrade design and construction continuing.</i>
Riverton - Public Health Risk Management Plan - pl241.A	5,687	Deferred. Will be completed following upgrade.
<b>Te Anau - Bore 1 redevelopment and pump replacements - WA3219.A</b>	60,000	<i>Completed. Actual cost \$60,202.</i>
Te Anau - Patience Bay - wa3250.A	50,000	Completed. Actual cost \$37,460 including reticulation.
Te Anau - Telemetry Sandy Brown Road booster - wa3220.A	15,585	Not started. Downer to carry out in 2014/2015 year.
Te Anau - Treatment Upgrade - pl29.B	530,000	Completed. Actual cost \$539,104. Two year project. This project is part of a combined water treatment upgrade for plants at Te Anau, Winton, Otautau and Mossburn. Work carried out by Downer Construction.
<b>Tuatapere - River Protection Works - pl239.A</b>	130,000	<i>Deferred. As discussed with the Board. Deferred to 2015/2016. This project is only undertaken when floods cause washout to the banks.</i>
Tuatapere - Public Health Risk Management Plan - pl214.A	5,687	Completed. Actual cost \$5,000. Completed Water Safety Plan sent to MOH in June 2014.

Project Description	Budget \$	Status
Tuatapere - Dosing pump - wa3221.A	7,273	Completed. Actual cost \$500. Completed in 2012/2013.
<b>Wallace (Otautau) - Treatment upgrade - 28965.A</b>	<b>25,000</b>	<b>Completed. Actual cost \$24,887 This project is part of a combined water treatment upgrade for plants at Te Anau, Winton, Otautau and Mossburn-Work carried out by Downer.</b>
<b>Wallace (Otautau) - Treatment upgrade - pl27.D</b>	<b>300,000</b>	<b>Completed. Actual cost \$298,640. This project is part of a combined water treatment upgrade for plants at Te Anau, Winton, Otautau and Mossburn. Work carried out by Downer.</b>
<b>Winton - Treatment upgrade - pl210.B</b>	<b>172,533</b>	<b>Completed actual cost \$165,986. This project is part of a combined water treatment upgrade for plants at Te Anau, Winton, Otautau and Mossburn. Work carried out by Downer.</b>
<b>Winton - Electrical upgrade - pl234.A</b>	<b>116,354</b>	<b>Completed. Actual cost \$86,973. This project is part of a combined water treatment upgrade for plants at Te Anau, Winton, Otautau and Mossburn. Work carried out by Downer.</b>

#### Renewal Projects

Project Description	Budget \$	Status
<b>Eastern Bush - Public Health Risk Management plan - pl45.B</b>	<b>2,811</b>	<b>Deferred. To be finished in 2014/2015.</b>
Lumsden/Balfour RWS - Reticulation renewal -pl84.A	24,136	Not started. Flow meter and tree removal by Downer. Work to be programmed by contractor. To be completed in 2014/2015.
<b>Ohai/Nightcaps/Wairio - Condition Assessment - pl138.A</b>	<b>5,172</b>	<b>Completed. Actual cost was \$6,939.</b>
Ohai/Nightcaps/Wairio - Condition assessment - pl132.A	6,939	Deferred. Ongoing Asbestos cement main testing. Deferred to 2014/2015.
<b>Otahu - Equipment upgrade - pl144.A</b>	<b>5,965</b>	<b>Completed. Shared costs with Eastern Bush.</b>
Riverton - Reticulation renewal - pl171.A	6,939	Completed. Actual cost \$6,506. Pipeline completed in 2012/2013, remaining balance will be spent as part of pl64.A.
Riverton - Replace pipe - wa3215.A	15,585	Deferred. Quotes in, contractor to programme work in 2014/2015.
Te Anau Rural Water Supply (Duncraig) - Reticulation renewal - pl36.A	6,030	Deferred. Not required at this stage.
Te Anau Rural Water Supply (Duncraig) - Pump replacement - pl36.B	15,266	Completed. Actual cost \$14,170. Carried out by Downer.
Te Anau Rural Water Supply (Kakapo) - Reticulation renewal - pl71.A	6,906	Completed. Actual cost \$6,506. Pipeline completed in 2012/2013, remaining balance will be spent as part of pl64.A.
Te Anau Rural Water Supply (Ramparts) - Reticulation renewal - pl228.A	21,450	Deferred. Not required at this stage.
Te Anau Rural Water Supply (Takitimu) - Replace line - wa3217.A	12,468	Completed. Actual cost \$8,587. Pressure drop investigations.

Project Description	Budget \$	Status
Te Anau - Pump replacement - pl190.A	13,082	Completed. Actual cost \$13,126.
Te Anau - Pipe connection - wa3218.A	15,585	Completed with other works. Actual cost \$14,650.
<b>Wallace (Otatau) - Treatment upgrade - pl27.B and C</b>	<b>47,933</b>	<i>In progress - construction phase. This project is part of a combined water treatment upgrade for plants at Te Anau, Winton, Otatau and Mossburn- Work to be carried out by Downer. Includes additional \$20,163 budgeted for 2013/2014 (Pl27B) and \$31,020 for 2013/2014 (pl27C) Construction completed 30 May 2014. Pipelines replaced to the contact tanks only. Remaining budget used for the treatment upgrade (pl27.D).</i>
<b>Winton - Electrical upgrade - 29466.A</b>	<b>177,675</b>	<i>Completed. Actual cost \$132,809. This project is part of a combined water treatment upgrade for plants at Te Anau, Winton, Otatau and Mossburn. Work carried out by Downer.</i>
<b>Winton - Treatment upgrade - pl210.A</b>	-	<i>Completed. Actual cost 303,955. This project is part of a combined water treatment upgrade for plants at Te Anau, Winton, Otatau and Mossburn. Work carried out by Downer.</i>
Winton - Pump replacement - pl232.A	159,600	Completed. Actual cost \$130,418. This project is part of a combined water treatment upgrade for plants at Te Anau, Winton, Otatau and Mossburn. Work carried out by Downer.

## Variation from the budget

Please see the following Funding Impact Statement. Internal charges are an estimate of anticipated costs and where income is below budget in this activity there is an activity with an equivalent variance in internal expenses. Payments to staff and suppliers were under budget predominately due to reduced electricity and maintenance costs. Subsidies and grants for capital purposes are higher than budgeted due to receipts from Ministry of Health. Capital Expenditure for this activity is over budget as a result of the projects completed during the year; this has resulted in more debt being required than anticipated.

## Funding impact statement - Water Supply

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
-	-	<b>Sources of operating funding</b>	-	-	-
2,705	2,841	General rates, uniform annual general charges, rates penalties	2,603	2,721	2,749
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-
177	184	Subsidies and grants for operating purposes	-	-	-
5,378	2,984	Fees, charges and targeted rates for water supply	277	256	260
38	-	Internal charges and overheads recovered	1,272	2,931	2,134
		Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	58	-	-
<b>8,299</b>	<b>6,009</b>	<b>Total operating funding</b>	<b>4,211</b>	<b>5,907</b>	<b>5,143</b>
		<b>Applications of operating funding</b>			
1,825	1,900	Payments to staff and suppliers	1,795	1,870	2,002
-	-	Finance costs	7	5	-
5,783	3,635	Internal charges and overheads applied	1,585	3,255	2,536
-	-	Other operating funding applications	-	-	-
<b>7,608</b>	<b>5,535</b>	<b>Total applications of operating funding</b>	<b>3,387</b>	<b>5,130</b>	<b>4,538</b>
<b>691</b>	<b>474</b>	<b>Surplus (deficit) of operating funding</b>	<b>824</b>	<b>777</b>	<b>606</b>
		<b>Sources of capital funding</b>			
631	-	Subsidies and grants for capital purposes	554	161	-
70	-	Development and financial contributions	-	-	-
4,600	3,219	Increase (decrease) in debt	(81)	2,065	1,634
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
<b>5,301</b>	<b>3,219</b>	<b>Total sources of capital funding</b>	<b>473</b>	<b>2,226</b>	<b>1,634</b>
		<b>Applications of capital funding</b>			
70	-	Capital expenditure	70	-	-
3,559	628	▪ to meet additional demand	827	2,412	1,827
2,006	3,019	▪ to improve the level of service	380	479	348
357	45	▪ to replace existing assets	21	113	64
-	-	Increase (decrease) in reserves	-	-	-
		Increase (decrease) in investments	-	-	-
<b>5,992</b>	<b>3,693</b>	<b>Total applications of capital funding</b>	<b>1,297</b>	<b>3,003</b>	<b>2,240</b>
<b>(691)</b>	<b>(474)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(824)</b>	<b>(777)</b>	<b>(606)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Work Schemes

**Aim - To co-ordinate community based projects which provide opportunities for individuals to fulfil community service commitments.**

## What we do

The Council runs work schemes, which involves community service participants with the opportunity to work on various projects throughout the Southland District. In particular, the scheme provides community service participants with a way of completing their court directed community services sentences.

## Effects this activity has had on the community

The Work Schemes activity primarily contributed to the Council's outcome 'supporting our communities'. It contributed to this outcome by making it possible for small communities to undertake projects such as township maintenance and beautification where they otherwise would not be able to due to costs or lack of resources. It also promoted safe places by providing accountability for crimes.

## How well we did

The performance of the Work Scheme activity is assessed against a number of key performance indicators and projects set out in the Council's 10 Year Plan as well as the activity's financial results compared to the budget. Of the key performance indicator targets measured, two were not achieved and one was achieved.

## Key highlights

- Recladding of the Riverton depot and annual maintenance schedule for building wash-downs, spouting clean and spider spraying.
- Clearing noxious plants in partnership with Invercargill City Council.
- Beautification work across the District.

In the past, Work Scheme user survey results have shown that customers are either satisfied or very satisfied with the cost and work undertaken by the Work Scheme. Communities also benefit from the cost effectiveness of the Scheme as work can be undertaken in a cost effective manner due to the number of participants able to work on one job.

Although the activity aims to recover all of its costs for the running of the scheme it has found this to be difficult in the past. The activity achieved full cost recovery in 2013/2014 as a result of Council looking at how it can run the scheme more efficiently. These changes will not influence participants' access to the scheme and will ensure that communities will still be able to undertake projects at a low cost.

For the second year, Work Schemes have maintained the services of a casual Supervisor. This has assisted with covering all planned and unplanned leave as well as times when there has been an increased work load.

Community Probation Services has increased funding this year by \$5,000 to the Scheme. Without this funding the activity would not be able to cost recover.

The Work Schemes co-ordinator very successfully reviewed the business model to expand the customer base. This helped spread risk, made the unit more sustainable and also expanded the work opportunities and volume. A key client is the Invercargill City Council.

## Performance measures

**Community Outcome:** Southland is a great place to live. Safe places in a caring society that is free from crime.

**Council Outcome:** Supporting our communities - to be a desirable place to live, grow up, work, run a business, raise a family and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Target	Result	How Council Performed	Data Source
<b>Access</b> Provide a workforce to carry out a range of community projects.	Number of community service hours completed each year.	9,000	<b>6,902</b>	<b>Not Achieved</b> This is not a measure that can be controlled by Council. Probation have had a significant drop in numbers due to the drop in Community hour based sentenced awarded in the courts and this has a flow on effect with the number of participants forwarded to participate on our Scheme. In 2012/2013 the result was 8,366 community service hours completed.	Participant records.
<b>Access</b> The scheme provides opportunities for community service sentences to be served.	Percentage of community service participants who gain entry to the work scheme on probations specified start date.	100%	<b>100%</b>	<b>Achieved</b> All of the 96 participants entered the scheme on probations specified start date. In 2012/2013 the result was 100%.	Participant records.
<b>Quality</b> Work completed through the Work Scheme is 'fit-for-purpose'.	Percentage of clients satisfied that the work is completed according to the specifications.	100%	<b>90%</b>	<b>Not Achieved</b> Nine out of the 10 surveyed were satisfied so because one client chose a neutral response the target was not met. In 2012/2013 the result was 94%.	Survey - User.

## Project report

There were no capital expenditure projects planned for this activity for the 2013/2014 financial year.

## Variation from the budget

Please see the following Funding Impact Statement. There are no significant variance between the Annual Plan and total operating funding. Capital expenditure is due to the replacement of motor vehicles.

## Funding impact statement - Work Schemes

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
42	42	<b>Sources of operating funding</b>			
-	-	General rates, uniform annual general charges, rates penalties	42	42	43
27	27	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	-	Subsidies and grants for operating purposes	27	32	27
226	232	Fees, charges and targeted rates for water supply	-	-	-
50	52	Internal charges and overheads recovered	242	245	240
		Local authorities fuel tax, fines, infringement fees and other receipts <sup>1</sup>	10	34	30
<b>345</b>	<b>353</b>	<b>Total operating funding</b>	<b>321</b>	<b>354</b>	<b>339</b>
267	274	Applications of operating funding			
-	-	Payments to staff and suppliers	271	281	265
61	61	Finance costs	-	-	-
-	-	Internal charges and overheads applied	49	53	57
-	-	Other operating funding applications	-	-	-
<b>328</b>	<b>336</b>	<b>Total applications of operating funding</b>	<b>320</b>	<b>334</b>	<b>322</b>
<b>17</b>	<b>17</b>	<b>Surplus (deficit) of operating funding</b>	<b>1</b>	<b>19</b>	<b>17</b>
-	-	Sources of capital funding			
-	-	Subsidies and grants for capital purposes	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
9	-	Gross proceeds from sale of assets	1	30	-
-	-	Lump sum contributions	-	-	-
<b>9</b>	<b>-</b>	<b>Total sources of capital funding</b>	<b>1</b>	<b>30</b>	<b>-</b>
-	-	<b>Applications of capital funding</b>			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
39	-	▪ to replace existing assets	-	133	-
(12)	17	Increase (decrease) in reserves	2	(84)	17
-	-	Increase (decrease) in investments	-	-	-
<b>26</b>	<b>17</b>	<b>Total applications of capital funding</b>	<b>2</b>	<b>49</b>	<b>17</b>
<b>(17)</b>	<b>(17)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(1)</b>	<b>(19)</b>	<b>(17)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

# Council Controlled Organisations

This section provides an overview of CCOs and their activities

# Milford Community Trust

## Background

The Milford Community Trust was established in 2007 to provide leadership, governance and supply infrastructure services for the Milford Sound community. The Trust allows local people to determine their priorities and provides appropriate consultation and open public meetings, similar to one of 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 Sound 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 CCO reporting to the Southland District Council. The Trust was incorporated under the Charitable Trusts Act 1957 on 18 May 2007. The Charities Commission has approved the Trust as being exempt for tax purposes.

**Table 1: Milford Community Trust Representatives**

Designation	Name	Term Expires
Independent Chair	Michael Schuck	30 June 2014
Mararoa/Waimea Ward Councillor*	Alistair Jukes	October 2016
Milford Community Association elected representative	Lou Huia	30 June 2014
Milford community appointee	Andrew Welsh	30 June 2016
Milford community appointee	Paul Phelan	30 June 2016
Milford community appointee	Rob Burnell	30 June 2015
Milford community appointee	Natalie Shanks	30 June 2015

The Trust is governed by a board of seven trustees. Current representatives from stakeholder groups are shown in Table 1.

## Significant policies

The Trust has developed a comprehensive Communications Policy of its own in relation to its activities. It is expected that a full set of relevant policies will be developed within the period covered by its current Statement of Intent, 2014-2017. 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

The following is an extract from the Trust's Statement of Intent and is subject to change after consultation with stakeholders. Milford Community Trust's vision is the long term sustainability of Milford Sound/Piopiotahi. 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.

## Key performance measures and targets

The Trust achieved three of the key performance indicator targets and one was not achieved.

## Key Highlights

- The emergency response building was completed and officially opened in December 2013. This building houses the new fire appliance, first response rescue tender vehicle and a training room. The Trust contributed financially to these projects.
- The Trust financially contributed to the employment of a newly established position known as Emergency Services Provider. The appointee commenced in September 2013 and is a qualified first responder who attends emergency situations in Milford and trains local persons in first aid.
- Initial discussions took place with the intention of providing a village green for the residents of Milford. The village green when completed will provide recreational facilities for the residents. This is expected to be completed by December 2014.
- Discussions took place around the possible reopening of the Bowen Falls walkway.

The planned activities of the Trust in 2013/2014 were:

Activity Description	Status
Facilitate housing of emergency response equipment and vehicle.	New emergency response building was opened in December 2013.
Facilitate with other organisations for improvements in the public facilities at Deepwater Basin through the Concept Plan for this area.	The Trust is acting as a facilitator for this project; improvements to the public facilities at Deepwater Basin are the responsibility of the local user organisations.
Working with other organisations to advocate for public toilets and a shelter at the airport and completion of the walking track to the Lodge.	No longer a priority for the Trust and has been deleted for the Statement of Intent for 2014-2106.
Work with other organisations and seek external funding for proposed improvements to Deepwater Basin.	The Trust, acting as facilitator, will lodge funding applications on behalf of users groups when the proposed improvements are decided upon.
Assist the Milford Community Association in the development of a village green.	Work in progress. A working party has been set up to investigate the provision of a recreation area and facilities on an area to be known as the “village green”.
Promote development of a community centre.	No longer included in the Statement of Intent 2014-2016.
Prioritise the emergency response building during this 12 month period.	Project complete with the opening of the new emergency response building in December 2013.
Facilitate camping ground facilities with affected organisations.	The Trust has decided it will assist commercial operators in the event of camping ground facilities being developed.
Facilitate development of the Milford emergency response team station including medical support and services.	New emergency response building was opened in December 2013.

## Key performance measures and targets

Level of Service	Key Performance Indicator	Target	Result	Performance	Data Source
Maintain a structure that facilitates local decision-making.	Hold public forums in Milford Sound each year.	1	1	<b>Achieved</b> There was one public forum held in Milford. The result in 2012/2013 was one.	Meeting minutes on file.
Keep the Milford Sound community informed about Trust plans and outcomes.	Community newsletters (February, June, October, December each year), inserted in local paper <i>Fiordland Advocate</i> .	4	0	<b>Not Achieved</b> The Trust decided not to pay to put newsletters into the Fiordland Advocate. Inserted only when required as the Trust is required to pay for any articles in the Fiordland Advocate. The result in 2012/2013 was zero.	Meeting minutes on file.
Provide leadership and advocacy on major issues.	Number of Milford Community Trust meetings held annually.	4	4	<b>Achieved</b> Four meetings were held during the year. The result in 2012/2013 was five.	Meeting minutes on file.
Response to issues raised by the community.	Percentage of issues raised at Milford Community Association meetings responded to prior to next meeting.	85%	100%	<b>Achieved</b> Action sheets are produced after each meeting and included on each agenda to ensure issues raised are addressed and attended to. The result in 2012/2013 was 100%.	Meeting action sheets.

## Budgeted Operational and Project Costs (excl GST)

### Activity Description

	2013/2014 \$	2014/2015 \$	2015/2016 \$
<b><i>Operational Costs:</i></b>			
Management/Administration <sup>1</sup>	32,112	31,383	30,944
Operations and Maintenance	15,000	15,000	15,000
<b><i>Projects:</i></b>			
Project Development (Planning)	5,000	5,000	5,000
Emergency Response Building	79,293	-	-
Emergency Service Provider	30,000	30,000	30,000
<b>Total (funded from Milford Sound Community)</b>	<b>161,405</b>	<b>81,383</b>	<b>80,944</b>

### Sources of Funding

#### *Southland District Council -*

The 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 Council the same as in any other community in the District with community boards and community development area subcommittees.

**Milford Sound** - The operational and project costs detailed in Table 2 are those which the Milford Community Trust considers will provide benefit for the concessionaires at Milford Sound and should be recovered from the Milford Sound concessionaires through the implied concessionaire fee, apportioned as per the Department of Conservation apportionment of cost schedule.

The annual concession charged will cover the forecast total expenditure (operational and projects) for the three year period to June 2016. Given the level of projects forecast in this period, the annual concession has been staged in \$20,000 increments. The existing cash reserve of \$20,000 will be utilised in 2013/2014 to assist in funding the emergency response team building project (totalling \$85,000). Utilisation of this cash reserve will reduce the level of short term borrowing required by the Trust to fund this project. The forecast level of concessions charged over the three year period will ensure that the \$20,000 cash reserve is reinstated from 2014/2015 and will assist with building further reserves to assist in funding future projects. For 2013/2014 the total amount being sought from concessionaires is \$85,000 excluding GST.

**Other** - There are a number of projects that will be funded via grants from funding agencies. The main project is the construction of the emergency response building. The Trust has accepted a quotation of \$200,077 conditional to the Southern Rural Fire Authority securing funding from funding agencies. In regards to the latter, funds have been secured from Central Lakes Trust, the Community Trust of Otago and the New Zealand Rural Fire Authority. The Trust has committed to a grant of \$85,000. The majority of which will be paid in 2013/2014 to fund the projected shortfall of the construction of the emergency response team building.

<sup>1</sup> Management/Administration costs include Chairperson's fees, Trustees' fees, mileage allowances, insurance, accommodation costs and general meeting costs.

# Financial Information

This section presents the financial statements for the 2013/2014 year, comparing actuals to budget. These include statements of comprehensive income, changes in equity, financial position and cashflows. Following the statements are notes explaining these in more detail. The section also includes the Accounting Policies used to prepare the financial information.

# Accounting Policies

## Reporting Entity

The Southland District Council (referred to as “SDC” or “Council”) is a territorial local authority domiciled in New Zealand and 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, Southland District Council 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 26 significant activities (detailed on pages 29 to 135) including the Stewart Island Electrical Supply Authority (SIESA) and Venture Southland. 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 financial statements of the Southland District Council are for the year ended 30 June 2014. The financial statements were authorised for issue by Council on 8 October 2014.

## Basis of Preparation

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These 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 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.

## Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (the functional currency of the Southland District Council) and all values are rounded to the nearest thousand dollars (\$000). As a result of rounding there may be slight discrepancies in subtotals.

## Changes in Accounting Policies

There have been no changes to the accounting policies during the year.

## Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to Council, are:

- NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full public sector Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB and are mainly based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Council is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

## Basis of Consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

## Associates

Southland District Council accounts for investments in associates in the consolidated financial statements using the equity method. An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. SDC's share of the surplus or deficit of the associate is recognised in SDC's statement of comprehensive income. Distributions received from an associate reduce the carrying amount of the investment.

If SDC's share of deficits of an associate equals or exceeds its interest in the associate, SDC discontinues recognising its share of further deficits. After SDC's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that SDC has incurred legal or constructive obligations or made payments on behalf of the associate.

If the associate subsequently reports surpluses, SDC will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

SDC's share in the associate's surplus or deficits resulting from unrealised gains on transactions between the SDC and its associates is eliminated.

SDC's investments in associates are carried at cost in the "parent entity" financial statements and assessed annually for impairment in arriving at the carrying value. Venture Southland has one associate, Crops for Southland, which has a balance date of 30 June. Crops for Southland went into voluntary liquidation during the 2011/2012 year.

## Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations the Southland District Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

Council has a 42% interest in Venture Southland joint venture. The audited financial statements of Venture Southland as of 30 June have been accounted for in the Council's financial statements using the proportionate method of consolidation.

## Specific Accounting Policies

### (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

SDC has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities.

Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

### (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) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

### (e) Leases

- *Finance Leases*

Finance leases effectively transfer to the lessee substantially all the risks and benefits incident 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.

**(f) Equity**

Equity is the community's interest in SDC as measured by total assets less total liabilities. Equity is disaggregated and 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
- Fair value 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.

**(g) 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.

**(h) 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 cash flows, 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 cash flows 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 SDC 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 cash flows, discounted using the effective interest method.

**(i) 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.

**(j) 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 cash flows from the financial assets have expired or have been transferred and SDC 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 cash flows, 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 the statement of comprehensive income even though the asset has not been derecognised.

On de-recognition 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.

**(k) 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 statement of comprehensive income.

**(l) 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.

**(m) Goods and Services Tax (GST)**

The 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 cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**(n) 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.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

### 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 - 12	8.33% - 10.00%	SL
Buildings	40	2.50%	SL
Light Vehicles	5 - 11	9.00% - 20.00%	SL
Other Plant	3 - 11	6.67% - 33.33%	SL
Furniture and Fittings	7 - 8	13.50% - 8.00%	SL
Office Equipment	7 - 10	10.00% - 13.50%	SL
Computer Equipment	2 - 6	18.00% - 40.00%	SL
SCADA Equipment	6	18.00%	SL
Other Equipment	6 - 8	13.50% - 18.00%	SL
Library Books	10	10.00%	SL

Asset Category	Estimated Economic Life (years)	Depreciation	
		Percent	Method
Infrastructure Assets			
Electrical Generation Plant	10 - 100	1.00% - 10.00%	SL or DV
Sealed Roads	40 - 99	1.00% - 2.00%	SL
Unsealed Roads	4 - 8	12.50% - 25.00%	SL
Bridges	45 - 120	0.83% - 2.00%	SL
Footpaths	12 - 60	1.67% - 8.33%	SL
Street Lighting	20 - 40	2.50% - 5.00%	SL
Sewerage Schemes	5 - 100	2.06% - 7.02%	SL
Stormwater Schemes	20 - 100	5.00% - 20.00%	SL
Water Supply Schemes	5 - 100	1.00% - 20.00%	SL
Marine Assets	5 - 50	2.00% - 20.00%	SL
Transfer Stations	10	10.00%	SL
Landfill Sites	10 - 40	2.50% - 10.00%	SL

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

<b>Estimated Economic Life</b>		<b>Depreciation</b>	
<b>Asset Category</b>	<b>(years)</b>	<b>Percent</b>	<b>Method</b>
Plant	1 - 25	4.00% - 60.00%	SL or DV
Vehicles	5 - 8	12.00% - 21.60%	DV
Buildings	25 - 76	1.00% - 4.00%	SL or DV

The residual value and useful life 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 2014. This revaluation established a depreciated replacement cost to component level for those infrastructural assets as at 30 June 2014.

Appropriately qualified personnel from Waugh Infrastructure Management Limited have completed a revaluation as at 30 June 2014 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 2014.

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

All other infrastructural assets (electrical generation plant, street lighting 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 Southland District Council 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 2013 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.

### **(o) 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.

### **(p) 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:

<b>Estimated Economic Life</b>		<b>Depreciation</b>		
<b>Asset Category</b>	<b>(years)</b>	<b>Percent</b>	<b>Method</b>	
Computer software	2 - 10	10.00% - 50.00%	SL	

- *Emissions Trading Scheme*

Council has approximately 1,384 hectares of pre-1990 forest land. This land is subject to the provisions of the New Zealand Emissions Trading Scheme ('ETS'). The implication of this for the financial accounts is twofold:

1. Should the land be deforested (ie: the land is changed from forestry to some other purpose), a deforestation penalty will arise.
2. Given the deforestation restriction, compensation units are being provided from the Government.

The deforestation contingency is not recognised as a liability on the statement of financial position as there is no current intention of changing the land use subject to the ETS. However, the estimated liability that would arise should deforestation occur has been estimated in the notes to the accounts.

Compensation units received are recognised based on the market value at balance date (30 June). They are recognised as income in the financial statements. Any income from the receipt or sale of these units is not taxable.

### **(q) Forestry assets**

Forestry assets are revalued annually at fair value less estimated point of sale costs. Appropriately qualified personnel from Chandler Fraser Keating Limited have completed a revaluation of as at 30 June 2014. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological 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 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 cash flows.

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 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 statement of comprehensive income.

**(s) Creditors and other payables**

Short term creditors and other payables are recorded at their face value.

**(t) Employee benefits**

*Short term benefits*

Employee benefits that the Southland District Council 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 cash flows. 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.

**(u) 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*

SDC, as an 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 arises.

The provision is measured based on the present value of future cash flows 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.

#### **(v) 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 (ie 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.

#### **(w) Budget figures**

The budget figures are those approved by SDC at the beginning of the year after a period of consultation with the public as part of the 2013/14 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 SDC for the preparation of financial statements.

#### **(x) 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.

**(y) Critical accounting estimates and assumptions**

In preparing these financial statements SDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions 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 SDC 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 SDC 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 NZ 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.

**(z) Critical judgements in applying SDC's accounting policies**

Management has exercised the following critical judgements in applying the SDC's accounting policies for the period ended 30 June 2014:

*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 SDC's social housing policy. These properties are accounted for as property, plant and equipment.

**(aa) Statement of cash flows**

Operating activities include cash and cash equivalents (as defined in (g) above) received from all SDC'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 SDC.

# Financial Statements

## Statement of Comprehensive Income for the year ended 30 June 2014

	Note	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)	2013/2014 Budget (AP) (\$'000)
<b>Income</b>				
Rates, excluding targeted rates for water supply	1	38,136	39,545	39,526
Other Revenue and targeted rates for water supply	2	8,903	9,360	8,007
Interest and Dividends		256	378	22
NZ Transport Agency		11,952	13,169	13,371
Grants and Subsidies		916	4,413	2,794
Other Gains/(Losses)	3	4,004	1,673	670
Vested Assets		-	1,558	-
Development and Financial Contributions		258	47	75
MOH Subsidy for Sewerage/Water Schemes		554	951	-
Scheme Capital Recovery for Sewerage/Water Schemes		106	86	-
		<b>65,085</b>	<b>71,180</b>	<b>64,465</b>
<b>Expenditure</b>				
Employee Benefit Expenses		10,480	10,536	11,076
Depreciation and Amortisation	7	20,762	20,294	23,617
Finance Costs		44	21	20
Other Council Expenditure	4	30,473	32,696	32,363
		<b>61,759</b>	<b>63,547</b>	<b>67,076</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>3,326</b>	<b>7,633</b>	<b>(2,611)</b>
Share of Associate Surplus/(Deficit)	17	(5)	-	-
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>		<b>3,321</b>	<b>7,633</b>	<b>(2,611)</b>
Income Tax Benefit	6	-	-	-
<b>SURPLUS/(DEFICIT) AFTER TAX</b>		<b>3,321</b>	<b>7,633</b>	<b>(2,611)</b>
Financial assets at fair value through other comprehensive income	8	(10)	15	-
Gain/(Loss) on Property, Plant and Equipment Revaluations	8	21,516	(11,246)	44,149
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>24,827</b>	<b>(3,598)</b>	<b>41,538</b>

The accompanying notes form part of these financial statements

## Statement of Changes in Equity for the year ended 30 June 2014

	Note	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
<b>Balance at 1 July</b>		<b>1,369,113</b>	<b>1,393,940</b>	<b>1,420,256</b>
Total Comprehensive Income for the year		24,827	(3,598)	41,538
<b>Balance at 30 June</b>		<b>1,393,940</b>	<b>1,390,342</b>	<b>1,461,794</b>

*The accompanying notes form part of these financial statements*

## Statement of Financial Position as at 30 June 2014

	Note	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)	2013/2014 Budget (AP) (\$'000)
<b>Equity</b>				
Retained Earnings	8	717,150	722,086	711,520
Asset Revaluation Reserves	8	647,682	636,436	720,285
Fair Value Reserves	8	235	250	245
Other Reserves	9	28,873	31,570	29,744
		<b>1,393,940</b>	<b>1,390,342</b>	<b>1,461,794</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	10	8,855	11,577	(1,319)
Trade and Other Receivables	11	7,041	8,412	8,486
Inventories	12	80	103	95
Work in Progress		-	-	-
Other Financial Assets	13	770	786	260
		<b>16,746</b>	<b>20,878</b>	<b>7,522</b>
<b>Non-Current Assets</b>				
Property, Plant and Equipment	14	1,376,023	1,364,491	1,455,693
Intangible Assets	15	648	714	629
Forestry Assets	16	9,781	11,220	9,021
Investments in Associates	17	-	-	-
Work in Progress		789	4,309	-
Other Financial Assets	13	5	5	520
		<b>1,387,245</b>	<b>1,380,739</b>	<b>1,465,863</b>
<b>TOTAL ASSETS</b>		<b>1,403,992</b>	<b>1,401,617</b>	<b>1,473,385</b>
<b>Current Liabilities</b>				
Trade and Other Payables	18	5,470	6,233	6,759
Contract Retentions and Deposits		921	1,407	1,160
Employee Benefit Liabilities	19	1,055	1,019	1,136
Development & Financial Contributions	20	2,367	2,401	2,218
Provision for Decommissioning	22	14	14	14
Borrowings	21	17	15	125
		<b>9,844</b>	<b>11,089</b>	<b>11,412</b>
<b>Non-Current Liabilities</b>				
Employee Benefit Liabilities	19	134	139	137
Provision for Decommissioning	22	54	42	42
Borrowings	21	20	5	-
		<b>208</b>	<b>186</b>	<b>179</b>
<b>TOTAL LIABILITIES</b>		<b>10,052</b>	<b>11,275</b>	<b>11,591</b>
<b>NET ASSET</b>		<b>1,393,940</b>	<b>1,390,342</b>	<b>1,461,794</b>

The accompanying notes form part of these financial statements

## Statement of Cashflows for the year ended June 2014

	Note	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)	2013/2014 Budget (AP) (\$'000)
Cash Flows from Operating Activities				
Receipts from Rates Revenue		37,883	39,635	39,817
Receipts from NZ Transport Agency Funding		13,337	13,094	13,371
Interest and Dividends		277	339	22
Contribution from Developers		471	82	-
Receipts from Other Revenue		10,602	13,197	10,750
Payment to Suppliers & Employees		(42,720)	(42,212)	(43,181)
Interest Paid		(44)	(21)	(20)
GST (Net)		79	262	-
<i>Net Cash Inflow (Outflow) from Operating Activities</i>	<b>24</b>	<b>19,885</b>	<b>24,376</b>	<b>20,759</b>
Cash Flows from Investing Activities				
Receipts from sale of property, plant and equipment		2,096	611	157
Receipts from sale of Investments		-	-	-
Purchase of Property, Plant and Equipment		(15,897)	(22,140)	(25,144)
Purchase of Forestry Assets		(79)	-	-
Acquisition of Investments		1,355	-	-
Purchase of Intangible Assets		(257)	(108)	-
<i>Net Cash Inflow (Outflow) from Investing Activities</i>		<b>(12,782)</b>	<b>(21,637)</b>	<b>(24,987)</b>
Cash Flows from Financing Activities				
Proceeds from borrowings		-	-	-
Proceeds from finance lease		44	-	-
Repayment of borrowings		-	-	-
Payments of finance leases		(176)	(17)	(300)
<i>Net Cash Inflow (Outflow) from Financing Activities</i>		<b>(132)</b>	<b>(17)</b>	<b>(300)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents		<b>6,971</b>	<b>2,722</b>	<b>(4,528)</b>
Cash and Cash Equivalents at the beginning of the year	<b>10</b>	<b>1,884</b>	<b>8,855</b>	<b>3,209</b>
<i>Cash and Cash Equivalents at the end of the year</i>	<b>10</b>	<b>8,855</b>	<b>11,577</b>	<b>(1,319)</b>

The accompanying notes form part of these financial statements

## Funding Impact Statements for All Activities

2012/2013 Budget (LTP) (\$000)	2013/2014 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
<b>Sources of operating funding</b>					
26,048	27,379	General rates, uniform annual general charges, rates penalties	26,330	27,305	27,097
12,055	12,600	Targeted rates (other than a targeted rate for water supply)	11,913	12,326	12,429
6,670	6,248	Subsidies and grants for operating purposes	6,771	7,058	6,310
2,559	2,629	Fees, charges, and targeted rates for water supply	3,327	3,409	2,490
32	47	Interest and dividends from investments	248	362	22
4,235	4,597	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	4,285	4,487	5,884
<b>51,600</b>	<b>53,499</b>	<b>Total operating funding</b>	<b>52,874</b>	<b>54,948</b>	<b>54,232</b>
Applications of operating funding					
39,277	39,563	Payments to staff and suppliers	35,988	38,155	39,580
653	741	Finance costs	275	58	161
3,537	3,462	Other operating funding applications	3,598	3,723	3,685
<b>43,468</b>	<b>43,766</b>	<b>Total applications of operating funding</b>	<b>39,861</b>	<b>41,936</b>	<b>43,425</b>
<b>8,131</b>	<b>9,734</b>	<b>Surplus (deficit) of operating funding</b>	<b>13,013</b>	<b>13,012</b>	<b>10,807</b>
Sources of capital funding					
12,156	9,376	Subsidies and grants for capital purposes	6,770	11,470	9,488
405	59	Development and financial contributions	54	47	74
14,771	12,360	Increase (decrease) in debt	(131)	(17)	4,026
60	157	Gross proceeds from sale of assets	2,089	375	157
-	-	Lump sum contributions	-	-	-
<b>27,393</b>	<b>21,952</b>	<b>Total sources of capital funding</b>	<b>8,781</b>	<b>11,875</b>	<b>13,745</b>
<b>Applications of capital funding</b>					
Capital expenditure					
389	4,756	▪ to meet additional demand	347	80	74
12,392	9,480	▪ to improve the level of service	4,144	10,753	10,353
17,480	16,838	▪ to replace existing assets	12,191	11,246	14,550
4,112	1,056	Increase (decrease) in reserves	4,706	770	42
1,151	(443)	Increase (decrease) in investments	405	2,038	(468)
<b>35,525</b>	<b>31,687</b>	<b>Total applications of capital funding</b>	<b>21,794</b>	<b>24,887</b>	<b>24,552</b>
<b>(8,132)</b>	<b>(9,734)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(13,013)</b>	<b>(13,012)</b>	<b>(10,807)</b>
-	-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating funding from sources not identified above.

## Reconciliation of Surplus/(Deficit) of Operating Funding to Net Surplus/(Deficit) Before Tax

2012/2013 Budget (LTP) (\$000)		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)	2013/2014 Budget (AP) (\$000)
8,131	<b>Surplus/(deficit) of operating funding from funding impact statement</b>	13,013	13,012	10,807
(23,186)	Depreciation	(20,755)	(20,288)	(23,605)
12,156	Subsidies and grants for capital purposes	6,770	11,469	9,488
405	Development and financial contributions	54	47	74
60	Gain on Sale	1,892	234	157
435	Vested Assets	-	1,558	-
919	Forestry revaluation	2,112	1,439	513
411	Emission Trading Units	213	151	-
(71)	Accruals	-	-	(45)
-	Finance Lease Amortisation	-	17	-
-	Landfill Contingency	11	11	-
-	Add 42% of Venture	13	(17)	-
<b>(740)</b>	<b>Net Surplus (deficit) before tax in Statement of Financial Performance</b>	<b>3,322</b>	<b>7,633</b>	<b>(2,611)</b>

# Notes to the Financial Statements (for the year ended 30 June 2014)

## 1. Rates Revenue

	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
<b>General Rates</b>	29,812	31,004
<b>Targeted Rates attributable to activities</b>		
Water	2,588	2,706
Sewerage	3,162	3,177
Refuse	2,148	2,252
Septic Tank cleaning	1	1
Rates Penalties	425	405
<b>Total Revenue from Rates</b>	<b>38,136</b>	<b>39,545</b>

Rates revenue is shown net of rates remissions. Southland District Council's rates remission policy, as set out in the 10 Year Plan, allows the Council to consider the remission of rates in a number of circumstances. These include land which is voluntarily protected for Natural, Historical or Cultural Conservation purposes, properties that can be, but are not connected to water and sewerage schemes, Sports Associations who have liquor licences and licensed halls owned by General Clubs, Societies or Associations. Remissions will also be considered where extreme financial hardship can be shown or natural calamities. Rates remissions during the year totalled \$362,690 (2013: \$349,582), rates on non-rateable land is included in these figures.

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water or refuse.

## Rating Base Information

The following disclosures are made in accordance with the Local Government Act 2002 Amendment Act 2014, Clause 31A of Schedule 10.

	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
Number of rating units within the Southland District	20,871	20,871
Total rateable capital value within the Southland District	17,404,930	17,976,871
Total rateable land value within the Southland District	12,474,228	12,577,728

## 2. Other Revenue

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Regulatory Income	1,376	1,287
Other Income (including Council's 42% share in Venture Southland)	2,447	2,945
Provision of Services	273	296
Rental and Hire Income	635	614
User Charges	1,421	1,652
Sales Revenue	2,381	2,225
Fines and Infringements	97	90
Targeted Water Rates	273	251
<b>Total Other Revenue</b>	<b>8,903</b>	<b>9,360</b>

### 3. Other Gains/(Losses)

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Gain/(Loss) on changes in fair value of forestry assets (Note 16)	2,112	1,439
Gain/(Loss) on disposal of property, plant and equipment	1,892	234
Gain/(Loss) on disposal of properties intended for sale	-	-
<b>Total Gains/(Losses)</b>	<b>4,004</b>	<b>1,673</b>

### 4. Other Council Expenditure

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Audit Fee - Southland District Council Annual Report	110	109
Audit Fee - Venture Southland Group Annual Report	19	17
Operating Lease Costs	253	334
Donations	14	18
Inventories	11	2
Impairment of Receivables	113	(106)
Loss on fair value of emission trading units	123	-
Other	29,830	32,322
<b>Total Other Expenses</b>	<b>30,473</b>	<b>32,696</b>

## 5. Remuneration - Mayor, Councillors and Chief Executive

### Chief Executive

The Chief Executive of the Southland District Council appointed under Section 42 of the Local Government Act 2002 received a salary of \$305,205 (2013: \$251,089) plus an 'at-risk' payment of \$22,102 (2013: \$23,409). Included in the salary for 2013/2014 year is accrued and outstanding annual leave of \$44,803 which was paid out upon the Chief Executive's departure in June 2014.

In terms of his contract, the Chief Executive also received the following additional benefits (cost during the financial year):

	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
Vehicle (including FBT)*	3	4
Kiwi saver (Council contribution)	6	10

\* Net of private contribution

For the year ended 30 June 2014, the total annual cost including fringe benefit tax to the Southland District Council of the remuneration package being received by the Chief Executive is calculated at \$341,148 (2013: \$283,651).

<b>Elected Representatives</b>		2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
Mayor: Cardno, Frana (incl FBT)	Until October 2013	98	32
Mayor: Tong, Gary	After October 2013	-	66
Bailey, Lyall		25	23
Baird, Stuart		19	21
Copland, James	Until October 2013	33	10
Dillon, Brian		20	22
Dobson, Rodney*		21	23
Douglas, John*		22	24
Duffy, Paul*		25	31
Ford, Bruce		19	21
Harpur, George		19	21
Jack, Wallace	Until October 2013	19	6

<b>Elected Representatives</b>		<b>2012/2013 Actual (\$000)</b>	<b>2013/2014 Actual (\$000)</b>
Jukes, Alistair	After October 2013	-	9
Keast Julie*	After October 2013	-	17
Macpherson Gavin*^		21	25
Paterson Neil	After October 2013	-	12
Ridley Diane	Until October 2013	33	10
<b>Annual Cost</b>		<b>374</b>	<b>373</b>

Remuneration for Councillors who are members of the Council's Resource Management Committee\* may be shown as higher than that for other Councillors. This additional remuneration is related to the number of hours that these Councillors spend in hearings and meetings for resource consent applications. These additional costs are recovered from resource consent applicants via a separate Resource Consent Hearing Charge. The per hour fee is set by the Remuneration Authority at \$100 per hour for chairpersons (2013: \$100) and \$80 per hour for members (2013: \$80).

Remuneration for Councillors who are members of the District Licensing Committee^ may be shown as higher than that for other Councillors. This additional remuneration is related to the number of hours that these Councillors spend in hearings and meetings for licensing applications. These additional costs are recovered from licensing applications. The per hour fee is set in accordance with section 195 of the Sale and Supply of Alcohol Act 2012 at \$78 per hour for chairpersons (2013: N/A) and \$51 per hour for members (2013: N/A).

Travel reimbursements are excluded from the above totals.

Total annual remuneration band for employees as at 30 June:	<b>2012/2013 Actual (\$000)</b>	<b>2013/2014 Actual (\$000)</b>
< \$60,000	87	79
\$60,000 - \$79,999	35	40
\$80,000 - \$99,999	11	14
\$100,000 - \$119,999	10	8
\$120,000 - \$159,999	5	5
\$160,000 - \$299,999	3	3
<b>Total Employees</b>	<b>151</b>	<b>149</b>

Total remuneration includes non-financial benefits provided to employees.

At balance date Council employed 108 (2013: 117) full-time employees, with the balance of staff representing 22 (2013: 16) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

## 6. Taxation

Southland District Council and its associated entities are exempt from income tax.

## 7. Depreciation and Amortisation Expense by Group of Activity

Directly attributable depreciation and amortisation expense by group of activity	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Building Control	30	29
Cemeteries	11	11
Community Centres	130	131
Community Housing	44	44
Corporate Services	424	479
Council Facilities	275	250
District Development Services	10	11
District Support	11	19
Dog and Animal Control	8	8
Environment Southland	16	16
Forestry	-	2
Grants and Donations	2	1
Library Service	202	198
Parks and Reserve	117	124
Public Conveniences	77	77
Representation and Advocacy	32	33
Resource Management	4	3
Roading and Transport	15,162	14,620
Sewerage	1,743	1,757
SIESA	84	80
Solid Waste Management	147	115
Stormwater	385	385
Te Anau Airports	561	561
Water Supply	1,263	1,321
Work Scheme	17	14
<b>Total directly attributable depreciation and amortisation by group of activity</b>	<b>20,755</b>	<b>20,287</b>
Depreciation and amortisation not directly related to group activities	7	7
<b>Total depreciation and amortisation expense</b>	<b>20,762</b>	<b>20,294</b>

## 8. Changes in Equity and Reserves

<b>Retained Earnings</b>	<b>2012/2013 Actual (\$'000)</b>	<b>2013/2014 Actual (\$'000)</b>
As at 1 July	718,429	717,150
Transfer to reserves (note 9)	(4,601)	(2,697)
Transfer from reserves	-	-
Operating surplus for the year	3,322	7,633
<b>As at 30 June</b>	<b>717,150</b>	<b>722,086</b>

<b>Asset Revaluation Reserves</b>	<b>2012/2013 Actual (\$'000)</b>	<b>2013/2014 Actual (\$'000)</b>
As at 1 July	626,167	647,682
Revaluation surplus/(deficit)	21,515	(11,246)
<b>As at 30 June</b>	<b>647,682</b>	<b>636,436</b>
<b>Asset revaluation reserves consist of:</b>	<b>2012/2013 Actual (\$'000)</b>	<b>2013/2014 Actual (\$'000)</b>
<i>Infrastructural Assets</i>		
Sewerage System	38,215	39,963
Water System	24,071	22,782
Stormwater System	13,293	13,340
Roading Network	572,097	560,345
<i>Other Assets</i>		
Artwork	6	6
<b>Total</b>	<b>647,682</b>	<b>636,436</b>

Fair Value through Statement of Comprehensive Income Reserve	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
As at 1 July	245	235
Net revaluation gains/(losses)	(10)	15
Reclassification to surplus/(deficit) on disposal	-	-
<b>As at 30 June</b>	<b>235</b>	<b>250</b>

## 9. Other Reserves

	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
As at 1 July	24,272	28,873
Transfers to/(from) Retained Earnings	4,601	2,697
<b>As at 30 June</b>	<b>28,873</b>	<b>31,570</b>

Reserves consist of	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
General Reserves	25,510	28,326
Allocation Committees	3,224	3,244
Venture Southland Reserve Fund	139	-
<b>Total</b>	<b>28,873</b>	<b>31,570</b>

## 10. Cash and Cash Equivalents

Cash and bank overdrafts include the following for the purposes of the cash flow statement:	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Cash at bank and in hand	875	867
Short term deposits and other investments maturing within three months	7,980	10,710
<b>Total cash and cash equivalents</b>	<b>8,855</b>	<b>11,577</b>

The carrying value of short term deposits with maturity dates of three months or less approximates their fair value. Of the total cash balance of \$11,576,861 (2013: \$8,855,087), an amount of \$224,413 (2013: \$203,220) is restricted in its use.

Refer to Note 13 for weighted average effective interest rate for cash and cash equivalents.

## 11. Trade and Other Receivables

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Rates Receivables	2,221	1,864
General Receivables	1,364	2,299
Other Receivables	3,428	3,990
Prepayments	266	329
	<b>7,279</b>	<b>8,482</b>
Less Provision for Doubtful Debts	(238)	(70)
<b>Net Trade and Other Receivables</b>	<b>7,041</b>	<b>8,412</b>

Aged Trade and Other Receivables	2013 Gross (\$'000)	2013 Impairment (\$'000)	2013 Net (\$'000)	2014 Gross (\$'000)	2014 Impairment (\$'000)	2014 Net (\$'000)
Not past due for 2014	4,667	-	4,667	5,503	-	5,503
Past due 1-60 days	43	-	43	726	-	726
Past due 60-120 days	26	-	26	279	-	279
Past due > 120 days	2,543	(238)	2,305	1,974	(70)	1,904
<b>Total</b>	<b>7,279</b>	<b>(238)</b>	<b>7,041</b>	<b>8,482</b>	<b>(70)</b>	<b>8,412</b>

## 12. Inventories

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Properties Intended for Sale	-	-
Roading	54	77
Other	26	26
	<b>80</b>	<b>103</b>

The carrying amount of inventories held for consumption that are measured at current replacement cost as at 30 June 2014 amounted to \$102,802 (2013: \$80,217). The carrying amount of inventories pledged as security for liabilities is Nil (2013: Nil). The carrying amount of properties intended for sale that are measured at cost as at 30 June 2014 amounted to Nil (2013: Nil).

## 13. Other Financial Assets

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
<b>Current Portion</b>		
<i>Loans and Receivables</i>		
External loans with maturities 4 - 12 months	520	520
<i>Available for sale</i>		
Shares in Civic Assurance*	16	16
Shares in Milford Sound Development Authority*	234	250
<b>Total Current Portion</b>	<b>770</b>	<b>786</b>
 <b>Non-Current Portion</b>		
<i>Loans and Receivables</i>		
External loans with maturities greater than one year	5	5
<i>Fair value through equity</i>		
Investments with maturities greater than one year	-	-
<b>Total Non-Current Portion</b>	<b>5</b>	<b>5</b>
<b>Total Other Financial Assets</b>	<b>775</b>	<b>792</b>

\* Under NZ International Accounting Standard 39, these investments met the criteria to be classified as Available for Sale financial assets, but it is not Council's intention to sell these shares in the foreseeable future.

## Maturity Analysis and Effective Interest Rates

This analysis is for short term deposits and other investments held with banking institutions, government stock or company bonds and incorporate the following:

Aged Trade and Other Receivables	2013 Short term deposits (\$000)	2013 Other Term deposits (\$000)	2013 Stocks & Bonds (\$000)	2013 Total (\$000)	2014 Short term deposits (\$000)	2014 Other Term deposits (\$000)	2014 Stocks & Bonds (\$000)	2014 Total (\$000)
Short term deposits with maturities three months or less* weighted average effective interest rate	7,980 2.5%	-	-	7,980	10,710 3.76%	-	-	10,710
Short term deposits with maturities of four - 12 months* weighted average effective interest rate	-	-	-	-	-	-	-	-
Investments maturing within three months or less weighted average effective interest rate	-	520 4.60%	-	520	-	520 4.26%	-	520
Investments maturing after one year but less than five years weighted average effective interest rate	-	-	-	-	-	-	-	-
	<b>7,980</b>	<b>520</b>	<b>-</b>	<b>8,500</b>	<b>10,710</b>	<b>520</b>	<b>-</b>	<b>11,230</b>

\* These short term deposits and investments are included in cash and cash equivalents (refer to Note 10).

## 14. Property, Plant and Equipment - Southland District Council

2013/2014 Actual	Cost Revaluation 1-Jul-13 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30-Jun-14 (\$000)	Accumulated Depreciation And Impairment Charges 1-Jul-13 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation Reserve (\$000)	Accumulated Depreciation And Impairment Charges 30-Jun-14 (\$000)	Carrying Amount 30-Jun-14 (\$000)	Carrying Amount 1-Jul-13 (\$000)
<b>Operational Assets</b>													
Art	68	2	-	-	-	70	-	-	-	-	-	70	68
Buildings	14,862	28	-	(36)	-	14,854	(5,655)	(364)	21	-	(5,998)	8,856	9,207
EDP Hardware	853	190	-	(31)	-	1,012	(218)	(218)	30	-	(406)	606	635
Furniture and Fittings	785	86	-	(41)	-	830	(644)	(48)	40	-	(652)	178	141
Improvements	5,120	179	-	-	-	5,299	(3,146)	(379)	-	-	(3,525)	1,775	1,974
Land	10,630	17	-	(18)	-	10,629	-	-	-	-	-	10,629	10,630
Library	1,966	168	-	(149)	-	1,985	(1,027)	(167)	149	-	(1,045)	940	939
Motor Vehicles	1,563	610	-	(582)	-	1,591	(923)	(213)	477	-	(659)	932	641
Office Equipment	258	13	-	(24)	-	247	(234)	(18)	24	-	(228)	19	24
Other Equipment	449	-	-	-	-	449	(348)	(28)	-	-	(376)	73	101
Other Plant	1,313	28	-	(18)	-	1,323	(400)	(79)	17	-	(462)	861	913
Landfill Sites	115	-	-	-	-	115	(115)	-	1	-	(115)	-	-
Transfer Stations	457	-	-	-	-	457	(435)	(5)	1	-	(439)	18	21
	<b>38,439</b>	<b>1,320</b>	-	<b>(899)</b>	-	<b>38,861</b>	<b>(13,145)</b>	<b>(1,519)</b>	<b>760</b>	-	<b>(13,904)</b>	<b>24,956</b>	<b>25,294</b>
<b>Infrastructural Assets at Valuation</b>													
Bridges	95,355	322	-	-	2,760	98,437	-	(1,731)	-	-	(1,731)	96,705	95,355
Footpaths	19,660	201	300	-	(374)	19,788	-	(572)	-	-	(572)	19,215	19,660
Sewerage Other	60,662	775	-	-	267	61,704	-	(993)	-	-	(993)	60,711	60,662
Sewerage Plant	13,832	138	-	-	1,481	15,451	-	(764)	-	-	(764)	14,687	13,832
Water Other Assets	39,612	2,890	-	-	(3,647)	38,856	-	(830)	-	-	(830)	38,026	39,612
Water Plant	8,634	-	-	-	2,358	10,992	-	(492)	-	-	(492)	10,500	8,634
Stormwater System	17,089	239	-	-	47	17,376	-	(385)	-	-	(385)	16,991	17,089
Unsealed Roads	399,348	2,267	-	-	(3,274)	398,342	-	(2,920)	-	-	(2,920)	395,422	399,348
Sealed Roads	691,192	10,068	1,258	-	(11,086)	691,433	-	(9,192)	-	-	(9,192)	682,241	691,192
Street Lighting	1,298	3	-	-	222	1,523	-	(86)	-	-	(86)	1,436	1,298
	<b>1,346,684</b>	<b>16,904</b>	<b>1,558</b>	-	<b>(11,246)</b>	<b>1,353,900</b>	-	<b>(17,965)</b>	-	-	<b>(17,965)</b>	<b>1,335,935</b>	<b>1,346,684</b>
Marine	712	-	-	-	-	712	(285)	(32)	-	-	(317)	395	426
Runways	5,059	-	-	-	-	5,059	(2,606)	(500)	-	-	(3,105)	1,954	2,454
	<b>5,770</b>	-	-	-	-	<b>5,770</b>	<b>(2,891)</b>	<b>(532)</b>	-	-	<b>(3,422)</b>	<b>2,349</b>	<b>2,880</b>
<b>Total SDC</b>	<b>1,390,896</b>	<b>18,223</b>	<b>1,558</b>	<b>(899)</b>	<b>(11,246)</b>	<b>1,398,532</b>	<b>(16,037)</b>	<b>(20,013)</b>	<b>759</b>	-	<b>(35,292)</b>	<b>1,363,240</b>	<b>1,374,859</b>

2013/2014 Actual	Cost Revaluation 1-Jul-13 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30-Jun-14 (\$000)	Accumulated Depreciation And Impairment Charges 1-Jul-13 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation Reserve (\$000)	Accumulated Depreciation And Impairment Charges 30-Jun-14 (\$000)	Carrying Amount 30-Jun-14 (\$000)	Carrying Amount 1-Jul-13 (\$000)
<b>SIESA</b>													
Land	61	-	-	-	-	61	-	-	-	-	-	61	61
Buildings	749	-	-	-	-	749	(212)	(9)	-	-	(221)	528	537
Improvements	24	-	-	-	-	24	(5)	(1)	-	-	(5)	19	19
Plant	2,915	167	-	-	-	3,081	(2,445)	(63)	-	-	(2,508)	573	469
Vehicles	92	-	-	-	-	92	(53)	(7)	-	-	(60)	32	39
Other Equipment	-	4	-	-	-	4	-	-	-	-	-	4	-
<b>SIESA Total</b>	<b>3,841</b>	<b>171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,011</b>	<b>(2,715)</b>	<b>(80)</b>	<b>-</b>	<b>-</b>	<b>(2,795)</b>	<b>1,216</b>	<b>1,126</b>
<b>Venture Southland</b>													
Furniture and Fittings	101	3	-	(68)	-	36	(92)	(2)	67	-	(27)	9	9
Office Equipment	15	-	-	(5)	-	10	(9)	(1)	5	-	(6)	4	5
Other Equipment	18	1	-	(1)	-	18	(11)	(2)	1	-	(11)	7	8
Set up Cost	42	-	-	-	-	42	(42)	-	-	-	(42)	-	-
Building	8	-	-	-	-	8	(2)	-	-	-	(3)	6	6
Charitable Trust	21	-	-	-	-	21	(11)	(1)	-	-	(13)	8	10
<b>Venture Total</b>	<b>206</b>	<b>4</b>	<b>-</b>	<b>(74)</b>	<b>-</b>	<b>136</b>	<b>(167)</b>	<b>(6)</b>	<b>73</b>	<b>-</b>	<b>(101)</b>	<b>35</b>	<b>38</b>
<b>Total SIESA &amp; Venture</b>	<b>4,046</b>	<b>175</b>	<b>-</b>	<b>(74)</b>	<b>-</b>	<b>4,147</b>	<b>(2,882)</b>	<b>(87)</b>	<b>73</b>	<b>-</b>	<b>(2,896)</b>	<b>1,251</b>	<b>1,164</b>
<b>TOTAL GROUP</b>	<b>1,394,942</b>	<b>18,399</b>	<b>1,558</b>	<b>(974)</b>	<b>(11,246)</b>	<b>1,402,679</b>	<b>(18,919)</b>	<b>(20,101)</b>	<b>832</b>	<b>-</b>	<b>(38,188)</b>	<b>1,364,491</b>	<b>1,376,023</b>
<b>2012/2013</b>													
Actual	Cost Revaluation 1-Jul-12 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30-Jun-13 (\$000)	Accumulated Depreciation And Impairment Charges 1-Jul-12 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation Reserve (\$000)	Accumulated Depreciation And Impairment Charges 30-Jun-13 (\$000)	Carrying Amount 30-Jun-13 (\$000)	Carrying Amount 1-Jul-12 (\$000)
<b>Operational Assets</b>													
Art	68	-	-	-	-	68	-	-	-	-	-	68	68
Buildings	14,597	275	-	(10)	-	1,4862	(5,297)	(362)	5	-	(5,654)	9,208	9,300
EDP Hardware	804	646	-	(597)	-	853	(594)	(221)	597	-	(218)	635	210
Furniture and Fittings	766	20	-	(1)	-	785	(601)	(45)	1	-	(645)	140	166
Improvements	4,782	365	-	(27)	-	5,120	(2,773)	(384)	11	-	(3,146)	1,974	2,009
Land	10,646	123	-	(140)	-	10,629	-	-	-	-	-	10,630	10,646

2012/2013 Actual	Cost Revaluation 1-Jul-12 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30-Jun-13 (\$000)	Accumulated Depreciation And Impairment Charges 1-Jul-12 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation Reserve (\$000)	Accumulated Depreciation And Impairment Charges 30-Jun-13 (\$000)	Carrying Amount 30-Jun-13 (\$000)	Carrying Amount 1-Jul-12 (\$000)
Library	1,882	190	-	(105)	-	1,967	(970)	(162)	105	-	(1,027)	940	912
Motor Vehicles	1,572	129	-	(138)	-	1,563	(817)	(209)	104	-	(922)	641	755
Office Equipment	273	-	-	(14)	-	259	(230)	(19)	14	-	(235)	24	43
Other Equipment	440	14	-	(5)	-	449	(322)	(30)	3	-	(349)	100	118
Other Plant	1,262	52	-	(1)	-	1,313	(324)	(77)	1	-	(400)	913	938
Landfill Sites	115	-	-	-	-	115	(115)	-	-	-	(115)	-	-
Transfer Stations	457	-	-	-	-	457	(391)	(44)	-	-	(435)	22	66
	<b>37,664</b>	<b>1,814</b>	<b>-</b>	<b>(1,038)</b>	<b>-</b>	<b>38,440</b>	<b>(12,434)</b>	<b>(1,553)</b>	<b>841</b>	<b>-</b>	<b>(13,146)</b>	<b>25,295</b>	<b>25,231</b>
<b>Infrastructural Assets at Valuation</b>													
Bridges	96,076	272	-	-	722	97,070	-	(1,715)	-	-	(1,715)	95,355	96,076
Footpaths	19,126	275	-	-	838	20,239	-	(579)	-	-	(579)	19,660	19,126
Sewerage System	70,308	985	-	-	4,944	76,237	-	(1,743)	-	-	(1,743)	74,494	70,308
Water System	46,985	1,257	-	-	1,267	49,509	-	(1,263)	-	-	(1,263)	48,246	46,985
Stormwater System	14,519	91	-	-	2,864	17,474	-	(385)	-	-	(385)	17,089	14,519
Unsealed Roads	395,261	1,745	-	-	5,347	402,353	-	(3,005)	-	-	(3,005)	399,348	395,261
Sealed Roads	685,972	9,449	-	-	5,442	700,863	-	(9,671)	-	-	(9,671)	691,192	685,972
Street Lighting	1,281	5	-	-	91	1,377	-	(79)	-	-	(79)	1,298	1,280
	<b>1,329,529</b>	<b>14,079</b>	<b>-</b>	<b>-</b>	<b>21,516</b>	<b>1,365,123</b>	<b>-</b>	<b>(18,439)</b>	<b>-</b>	<b>-</b>	<b>(18,439)</b>	<b>1,346,684</b>	<b>1,329,529</b>
Marine	709	3	-	-	-	712	(252)	(34)	-	-	(285)	426	457
Runways	5,059	-	-	-	-	5,059	(2,100)	(506)	-	-	(2,606)	2,454	2,959
	<b>5,768</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,770</b>	<b>(2,351)</b>	<b>(540)</b>	<b>-</b>	<b>-</b>	<b>(2,891)</b>	<b>2,880</b>	<b>3,417</b>
<b>Total SDC</b>	<b>1,372,962</b>	<b>15,897</b>	<b>-</b>	<b>(1,038)</b>	<b>21,516</b>	<b>1,409,335</b>	<b>(14,786)</b>	<b>(20,532)</b>	<b>842</b>	<b>-</b>	<b>(34,476)</b>	<b>1,374,859</b>	<b>1,358,176</b>

2012/2013 Actual	Cost Revaluation 1-Jul-12 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30-Jun-13 (\$000)	Accumulated Depreciation And Impairment Charges 1-Jul-12 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation Reserve (\$000)	Accumulated Depreciation And Impairment Charges 30-Jun-13 (\$000)	Carrying Amount 30-Jun-13 (\$000)	Carrying Amount 1-Jul-12 (\$000)
<b>SIESA</b>													
Land	61	-	-	-	-	61	-	-	-	-	-	61	61
Buildings	749	-	-	-	-	749	(202)	(10)	-	-	(212)	537	547
Improvements	24	-	-	-	-	24	(4)	(1)	-	-	(5)	19	21
Plant	2,937	8	-	(31)	-	2,915	(2,410)	(65)	31	-	(2,445)	469	527
Vehicles	92	-	-	-	-	92	(45)	(8)	-	-	(53)	39	47
<b>SIESA Total</b>	<b>3,863</b>	<b>8</b>	<b>-</b>	<b>(31)</b>	<b>-</b>	<b>3,840</b>	<b>(2,661)</b>	<b>(84)</b>	<b>31</b>	<b>-</b>	<b>(2,715)</b>	<b>1,126</b>	<b>1,202</b>
<b>Venture Southland</b>													
Furniture and Fittings	96	6	-	-	-	102	(91)	(1)	-	-	(92)	10	5
Office Equipment	12	2	-	-	-	14	(8)	(1)	-	-	(9)	5	4
Other Equipment	18	-	-	-	-	18	(9)	(2)	-	-	(11)	7	10
Set up Cost	42	-	-	-	-	42	(42)	-	-	-	(42)	-	-
Building	8	-	-	-	-	8	(2)	-	-	-	(2)	6	6
Charitable Trust	21	-	-	-	-	21	(10)	(1)	-	-	(11)	10	11
<b>Venture Total</b>	<b>197</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205</b>	<b>(161)</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>(167)</b>	<b>38</b>	<b>36</b>
<b>Total SIESA &amp; Venture</b>	<b>4,060</b>	<b>16</b>	<b>-</b>	<b>(31)</b>	<b>-</b>	<b>4,045</b>	<b>(2,822)</b>	<b>(90)</b>	<b>31</b>	<b>-</b>	<b>(2,882)</b>	<b>1,164</b>	<b>1,238</b>
<b>TOTAL GROUP</b>	<b>1,377,023</b>	<b>15,913</b>	<b>-</b>	<b>(1,070)</b>	<b>21,516</b>	<b>1,413,380</b>	<b>(17,609)</b>	<b>(20,622)</b>	<b>873</b>	<b>-</b>	<b>(37,358)</b>	<b>1,376,023</b>	<b>1,359,414</b>

## Urban Portions of the State Highway Network

The ownership of urban portions of the State Highway network is unclear although there is legal opinion indicating that the ownership rests with local authorities. NZ Transport Agency maintains these highways in their entirety without any costs accruing to local authorities.

As a consequence, even if ownership resides with local authorities, in practice NZ Transport Agency controls the economic resources. Pending clarification of ownership and further consideration of the accounting issues that may arise, the Southland District Council has not recognised the urban portion of the State Highway network as an asset in these financial statements.

## Leased Assets

The net of plant and equipment held under finance lease is \$20,492 (2013: \$37,971).

## Insurance of Assets

The following disclosures are made in accordance with the Local Government Act 2002 Amendment Act 2014, clause 31A of schedule 10:

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Total value of all assets that are covered by insurance contracts	44,495	48,364
Maximum amount to which these assets are insured	128,993	138,137
Total value of all assets that are covered by financial risk sharing arrangements	-	-
Maximum amount available to Council under those arrangements	-	-
Total value of all assets that are self-insured	1,340,489	1,326,353
Value of any fund maintained by Council for that purpose <sup>1</sup>	-	-

<sup>1</sup> Although Council does not have a specific self-insurance fund, council has a number of reserves available that could be used for this purpose.

## 15. Intangible Assets

<b>Computer Software</b>	<b>2012/2013 Actual (\$'000)</b>	<b>2013/2014 Actual (\$'000)</b>
Opening Cost at 1 July	1,697	1,947
Additions	257	108
Disposals	(7)	(281)
Closing cost at 30 June	1,947	1,774
Accumulated amortisation and impairment	(1,603)	(1,516)
Net Book Value at 30 June	<b>344</b>	<b>258</b>

Emission Trading Units	2012/2013 Actual (\$000)	2013/2014 Units	2013/2014 Actual (\$000)
Opening balance at 1 July	576	105,691	789
Additions	213	4,103	17
Disposals	-	-	-
Closing balance at 30 June	789	109,794	806
Accumulated amortisation and impairment	(485)		(350)
Net Book Value at 30 June	304		456
Total	648		714

The Council is part of the Emissions Trading Scheme (ETS) for both its pre-1990 forests (mandatory participation) and its post-1989 forests (voluntary participation).

Under the ETS the Council is allocated New Zealand Units (NZUs). An initial free allocation of NZUs is provided in relation to pre-1990 forests. An annual allocation of NZUs is provided in relation to post 1989 forests as carbon is sequestered (from 1 January, 2008).

The Council accounts for NZUs allocated at a market value of \$4.15 per unit (2013 \$2.88).

Emission Trading Units 2014	Pre-1990 Forest	Post-1989 Forest	Total
Productive area (hectares)	1,384	116.8	1,500.8
NZUs opening balance 1 July	82,914	22,777	105,691
NZUs allocated/transferred during the year	-	4,103	4,103
NZUs sold during the year	-	-	-
NZUs on hand at 30 June	82,914	26,880	109,794

Emission Trading Units 2013	Pre-1990 Forest	Post-1989 Forest	Total
Productive area (hectares)	1,384	129	1,513
NZUs opening balance 1 July	31,784	-	31,784
NZUs allocated/transferred during the year	51,130	22,777	73,907
NZUs sold during the year	-	-	-
NZUs on hand at 30 June	82,914	22,777	105,691

### Pre-1990 Forests

No units (2013: 51,130 units) were received during the year on 1,384 hectares (2013: 1,384 hectares) of pre-1990 land. This represents 100% (2013: 100%) of the full allocation entitlement. The units have been valued at the balance sheet date based on the estimated market value of \$4.15 per unit. These units have been allocated as compensation units under the Emissions Trading Scheme. No tax is payable on the receipt or sale of these units. The Council does not anticipate any future liabilities will arise in relation to pre-1990 forest land based on the intention to replant trees harvested or removed in any other way.

### Post-1990 Forests

4,103 units (2013: 22,777 units) were received during the year on 117 hectares of post-1989 land. Future allocation of NZUs relating to post-1989 forests will depend on the amount of carbon sequestered by those forests. The units have been valued at the balance sheet date based on the estimated market value of \$4.15 per unit. Tax is payable on the receipt or sale of the post-1989 units. Liabilities for emissions relating to post-1990 forest land are capped at the amount of NZUs previously allocated. Accordingly NZUs are gained as forests grow and are surrendered as forests are harvested or removed in any other way. At balance date no liability for surrender of post 1989 NZUs has been accrued, because the forests are intact.

## 16. Forestry Assets

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Balance at 1 July	7,589	9,781
Increase/(decrease) due to purchases/(sales)	80	-
Gains/(losses) arising from changes in fair value less estimated harvest costs attributed to physical changes and price changes	2,112	1,439
Balance at 30 June	<b>9,781</b>	<b>11,220</b>

Southland District Council owns 1,841 hectares of forest located in four areas: Dipton, Gowan Hill, Ohai and Waikaia, which are managed as one forest. The tree crop covers 1,283 hectares (2013: 1,315.8 hectares). The predominant species grown in these four blocks is Radiata pine followed by Douglas fir, eucalyptus, and macrocarpa. The age of the tree crop range from one year to 33 years. In the year ending 30 June 2014, Council sold 80 hectares of timber for \$2,232,690 (2013: 122.9 hectares of timber for \$2,380,831). Council instructed Chandler Fraser Keating Limited (CFK), to independently value its forestry assets. CFK is a firm of forestry consultants and valuation experts who has extensive experience valuing forests nationally and internationally. The valuation was undertaken in a manner consistent with International Accounting Standard 41: Agriculture (NZ IAS 41), which reflects the carrying value of the forest at its fair value. Fair value is the amount for which an asset can be exchanged between knowledgeable willing in an arm's length transaction. The valuation date is 30 June 2014. When valuing Council's forestry assets CFK used a pre-tax discount rate of 10.5%. The valuation does not take into account any value added from future carbon credit trading under the Central Government's proposed Emissions Trading Scheme for Forestry.

### **Financial Risk Management Strategies**

The normal risks to forests in New Zealand are assumed to be incorporated into the discount rates chosen for the valuation. Forest fire is covered by way of insurance and the annual premiums are included as a part of the overhead costs.

## **17. Investments in Associates**

Southland District Council had interest in Crops for Southland (2012: 21%) through its joint venture, Venture Southland, which owned 50% in 2012 of Crops for Southland. Crops for Southland went into voluntary liquidation during last financial year.

	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
Balance at 1 July	5	-
Share of Associate's Deficit	(5)	-
<b>Balance at 30 June</b>	<b>-</b>	<b>-</b>

## **18. Trade and Other Payables**

	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
Trade Payables	4,475	5,262
Accrued Expenses	939	849
Other Payables	56	122
<b>Total Trade and Other Payables</b>	<b>5,470</b>	<b>6,233</b>

All trade and other payables are current. There is nothing past due.

## 19. Employee Benefit Liabilities

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Retirement Gratuity	104	111
Long Service Leave	20	17
Long Service Leave (potential)	30	28
Holiday Pay Accrual	1,012	956
Wages Accrual	23	46
<b>Total Employment Entitlements</b>	<b>1,189</b>	<b>1,158</b>
Made up of:		
Current Portion	1,055	1,019
Non-Current Portion	134	139
	<b>1,189</b>	<b>1,158</b>

## 20. Development and Financial Contributions

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Roading Contributions	439	430
Sewerage Contributions	938	971
Water Contributions	435	453
Reserves Contributions	555	547
<b>Total Development and Financial Contributions</b>	<b>2,367</b>	<b>2,401</b>

## 21. Borrowings

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
<b>Current</b>		
Lease Liabilities	17	15
	17	15
<b>Non-Current</b>		
Lease Liabilities	20	5
	20	5
<b>Total</b>	<b>37</b>	<b>20</b>

Finance Lease Liabilities	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
<b>Total minimum lease payments are payable:</b>		
Not later than one year	18	15
Later than one and not later than five years	20	6
Later than five years	-	-
	<b>38</b>	<b>21</b>
Future finance charges	-	-
Present value of minimum lease payments	(38)	(20)
	<b>(38)</b>	<b>(20)</b>

Present value of minimum lease payments are payable:	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
Not later than one year	18	15
Later than one and not later than five years	20	6
Later than five years	-	-
	<b>38</b>	<b>21</b>

Southland District Council has entered into finance leases for computer equipment. The net carrying amount of these leased assets is included within the relevant class of property, plant, and equipment as per Note 14.

## Note:

Internal loans total \$23,375,197 (2013: \$23,283,848). These loans are not represented in the Statement of Financial Position. The interest rate applied to these loans was 5.84% (2013: 5.84%). A summary of these internal loans by group activity follows:

	<b>Balance 2013 (\$'000)</b>	<b>New Advances (\$'000)</b>	<b>Total Repayments (\$'000)</b>	<b>Interest Paid (\$'000)</b>	<b>Balance 2014 (\$'000)</b>
Building Control	491	-	10	28	481
Civil Defence	359	-	21	21	338
Corporate Services	557	140	210	29	487
Council Facilities	3,221	116	138	185	3,199
Grants and Donations	312	-	6	18	306
Library Service	532	-	84	31	447
Public Conveniences	761	-	92	43	669
Representation and Advocacy	1,261	-	25	73	1,236
Resource Management	1,284	-	375	74	909
Roading and Transport	2,575	-	458	141	2,117
Sewerages	8,621	-	662	494	7,959
Solid Waste Management	387	-	50	22	337
Stormwater	83	-	50	3	33
Water Supply	2,840	2,138	122	164	4,857
	<b>23,284</b>	<b>2,394</b>	<b>2,303</b>	<b>1,326</b>	<b>23,375</b>

## 22. Provisions

Non-Current provisions are represented by:	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Opening Balance - Landfill aftercare provision	78	67
Unused amounts reversed during the year	(11)	(11)
Closing Balance - Landfill aftercare provision	67	56
Current	14	14
Non-Current	53	42
<b>Closing Balance</b>	<b>67</b>	<b>56</b>

All Southland District Council landfill sites have been closed. The Council has a responsibility, under the various consents, to provide ongoing maintenance and monitoring of the sites after they are closed. There are closure and post closure responsibilities such as the following:

### Closure Responsibilities:

- Final cover application and vegetation.
- Incremental drainage control features.
- Completing facilities for leachate collection and monitoring.
- Completing facilities for water quality monitoring.

### Post Closure Responsibilities:

- Treatment and monitoring of leachate.
- Ground water and surface monitoring.
- Implementation of remedial measures such as cover and control systems.
- Ongoing site drainage and final cover and vegetation.

The cash outflows for post closure costs are expected to occur until 2025. The long term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. For instance, some sites may not be required to be continually monitored for the full 20 years, if the results are found to be within appropriate levels. The provision has been estimated taking this into account and is discounted using a discount rate of 5%.

## 23. Joint Venture

The Council has a 42% (2013: 42%) participating interest in Venture Southland a joint committee of Council. The principal activity of Venture Southland is to promote a coordinated approach to economic development in Southland.

The Council's interest in the joint venture is disclosed in the financial statements under the classifications shown below:

<b>Non-Current provisions are represented by:</b>	<b>2012/2013 Actual (\$000)</b>	<b>2013/2014 Actual (\$000)</b>
Share of Income	2,133	2,314
Share of Expenses	(2,056)	(2,331)
<b>Share of Surplus/(Deficit)</b>	<b>77</b>	<b>(17)</b>
Share of:		
Current Assets	920	1,069
Non-Current Assets	38	35
Current Liabilities	(528)	(691)
<b>Equity</b>	<b>430</b>	<b>413</b>

Details of joint initiative commitments and contingencies are disclosed in their respective notes. The Venture Southland Financial Statements include Venture Southland Charitable Trust which has been consolidated on a line by line basis.

## 24. Reconciliation between the Operating Surplus (from the Statement of Comprehensive Income) and Net Cash from Operating Activities (from the Statement of Cash Flows)

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Operating Surplus	3,322	7,633
<b><u>Add/(Less) Non-Cash Items</u></b>		
Share of Associate Surplus/(Deficit)	5	-
Depreciation and Amortisation	20,762	20,294
Vested Assets	-	(1,558)
Forestry Revaluation	(2,112)	(1,439)
Emission Trading Units received	(213)	(151)
<b><u>Add/(Less) Movements in Working Capital Items</u></b>		
Trade and Other Receivables	662	(1,497)
Interest Receivable	21	(39)
Inventories and Work in Progress	(168)	(22)
Trade and Other Payables	(922)	1,134
Net GST	79	262
Development & Financial Contributions	195	35
<b><u>Other</u></b>		
Movement in Employee Benefit Liabilities	34	(31)
(Gains)/Losses on Disposal of Property, Plant and Equipment	(1,769)	(234)
(Gains)/Losses on Disposal of Investments	-	-
Movement in Provision for Decommissioning	(11)	(11)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>19,885</b>	<b>24,376</b>

## 25. Financial Instruments

The Council has a series of policies providing risk management for interest rates and the concentration of credit risk. The Council is risk averse and seeks to minimise exposure from its treasury activities. The Council has established a treasury policy specifying what transactions can be entered into. The policy does not allow any transactions that are speculative in nature to be entered into.

- *Fair Value Interest Rate Risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return from an investment. The Council's exposure to fair value rate risk is limited to its short term bank deposits at floating interest rates and a bank advance facility.

The interest rates on the Council's investments are disclosed in Note 13. There are no interest rate options or interest rate swap agreements in place at 30 June 2014 (2013: Nil).

### **Sensitivity analysis**

The table below illustrates the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on the Council's financial exposures at the balance date.

<b>Interest Rate Risk</b>	<b>2012/2013</b>		<b>2013/2014</b>	
	<b>Actual</b> <b>(\$000)</b>	<b>-100bps</b>	<b>Actual</b> <b>(\$000)</b>	<b>+100bps</b>
Cash and Cash Equivalents	(\$80)	-100bps	\$80	+100bps
Borrowings	-	-	-	-

### **Explanation of Sensitivity Analysis**

Cash and cash equivalents include short term deposits at call totalling \$10,710,000 (2013: \$7,980,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$107,100 (2013: \$79,800).

Council has a bank advance facility of \$5,000,000. This can be drawn down on when required. At 30 June 2014, the loan facility was not utilised. Therefore, there is no interest rate risk (2013: Nil). All other borrowings are finance leases with fixed interest rates.

- **Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council has minimal transaction in the overseas market therefore the exposure to this risk is very low.

- **Credit Risk**

Credit risk is the risk that a third party will default on its obligations to the Council causing the Council to incur a loss.

The Southland District Council has minimal credit risk in its holdings of various financial instruments. These financial instruments include bank balances and company bonds.

The Council limits the amount of credit exposure to any one institution by using a risk weighting methodology based on Standard and Poors credit ratings.

In the normal course of business the Council incurs credit risk with both general and rates debtors. The Council has approved a credit control policy to monitor and manage its exposure to this credit risk and has special legislative powers to collect rates.

The Council's maximum exposure to each class of financial instruments is as follows:

	Note	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
Cash and Cash Equivalents	10	8,855	11,577
Trade and Other Receivables	11	7,041	8,412
Other Financial Assets (excluding shares in companies)	13	525	525
<b>Total Credit Risk</b>		<b>16,421</b>	<b>20,514</b>

*Credit quality or financial assets*

The credit quality or financial assets that are neither past due nor impaired can be assessed by reference to Stand and Poor's credit ratings (If available).

	Note	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
<b>Cash at Bank and Term Deposits</b>			
AA-	10	8,855	11,577
<b>Total Cash at Bank and Term Deposits</b>		<b>8,855</b>	<b>11,577</b>

	Note	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
<b>Other Financial Assets</b>			
AA-	13	520	520
<b>Total Financial Assets</b>		<b>520</b>	<b>520</b>

- **Liquidity Risk**

Liquidity risk is the risk that the Council will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, and the ability to access investment funds whenever necessary.

**Contractual maturity analysis of financial assets and liabilities**

The table below analyses the Council's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Note	Less than 1 Year	1 Year	2 - 5 Years	Total 2014
<b>Financial Assets</b>					
Cash and Cash Equivalents	10	11,577	-	-	11,577
Trade and Other Receivables	11	8,412	-	-	8,412
Other Financial Assets (excluding shares in companies)	13	520	5	-	525
<b>Financial Liabilities</b>					
Trade and Other Payables	18	6,233	-	-	6,233
Borrowings	21	15	5	-	20

	Note	Less than 1 Year	1 Year	2 - 5 Years	Total 2013
<b>Financial Assets</b>					
Cash and Cash Equivalents	10	8,855	-	-	8,855
Trade and Other Receivables	11	7,041	-	-	7,041
Other Financial Assets (excluding shares in companies)	13	520	5	-	525
<b>Financial Liabilities</b>					
Trade and Other Payables	18	5,470	-	-	5,470
Borrowings	21	17	20	-	37

## 26. Related Parties

The Council has a 42% interest in Venture Southland and carried out the following transactions with this related party:

Venture Southland	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
Funding provided by SDC	1,769	1,769
Services provided by SDC	205	235
Accounts payable to SDC	254	293
Accounts receivable from SDC	-	17

During the year Councillors and key management, as part of a normal customer relationship, were involved in transactions with the Council. These transactions related to normal type transactions in the normal course of business for such things as rates, and other fees and charges that are charged by Council in its day-to-day operations. No other transactions occurred between Councillors, key management and Council (2013: Nil).

Key Management Personnel	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
Salaries and other short term employee benefits	1,240	1,396
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-

Key management personnel include the Mayor, Councillors, Chief Executive, Group Manager Customer and Financial Services, Group Manager Environment and Community, Group Manager Services and Assets and Human Resources Manager.

## 27. Events After Balance Date

Events subsequent to balance date are as follows:

- Steve Ruru was appointed as Chief Executive and will commence employment with Council on 6 October 2014.
- Bede Carran ceased employment as Group Manager Corporate and Financial Services in August 2014. At the date of this report no replacement has been appointed.

(a) Joint Venture

There were no events subsequent to balance date. (2013: Nil).

## 28. Statement of Contingencies

### Contingencies as at 30 June 2014

A contingency represents future expenditure that either:

- May, or may not, be expended, in part or in full, at some future date; or
- Future expenditure that will be incurred at a future date, but which is unable to be quantified at this time.

### Contingent Liabilities

(a) Guarantees

There are no guarantees as at 30 June 2014 (2013: Nil).

(b) Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done. At the date of this report there were several matters under this Act indicating potential liabilities to Council of \$1,878,000 (2013: \$1,190,500). These potential claims have been brought to the Southland District Council insurer's attention.

(c) Unquantified Claims

The Weather-tight Homes Resolution Service (WHRS) receives claim applications and provides mediation services to resolve leaky home disputes as an alternative to the courts. Included in the Building Act potential liability noted in (b) above are potentially for Weather-tight Home claims. However, as of 30 June 2014 (2013: Nil), no claims have been lodged with the WHRS against the Council. If, in future, there are claims against Council, it is expected the successful claims will be substantially covered under the Southland District Council's insurance policies.

(d) Call on Council Mutual Insurance Fund - Riskpool

Council is a member of a mutual liability fund, Riskpool. This organisation was established in 1997 to provide councils with commercial insurance options for risk issues facing them. Over the past few years, as a result of the number of claims facing local authorities on the weather-tightness of homes, the fund has been required to be topped up by members by way of a number of calls. The fund is now adequate to meet the current claims and therefore it is expected that there will not be any further calls in the future.

(e) Emission Trading Scheme

Council owns approximately 1,513 hectares of forest, of which 1,384 hectares is pre-1990 land under the Emissions Trading Scheme. As at 30 June 2014 129.0 (2013: 79.1) hectares of forest were harvested and unplanted. Should this land not be replanted, a de-forestation penalty would be incurred. At the balance sheet date, this liability would amount to \$382,164 (2013: \$169,866). All 129.0 hectares of forest were replanted by 16 July 2014.

(f) Around the Mountains Cycle Trail

At a meeting on 15 May 2013, Council resolved that it would underwrite the completion of Around the Mountains Cycle Trail. Council estimates this will cost \$4 million to complete the project if it did not get external funding. \$1 million has been committed to the project by the Lotteries Commission.

(g) Joint Venture

Venture Southland has no contingent liabilities as at 30 June 2014 (2013: Venture Southland Charitable Trust currently held \$50,000 received from the Department of Conservation for the Living Fiordland project during the financial year).

### **Contingent Assets**

There were no contingent assets as at 30 June 2014 (2013: Nil).

(a) Joint Venture

Venture Southland does not have any contingent assets as at 30 June 2014 (2013: Nil).

## 29. Capital Commitments and Operating Leases

A commitment exists where the Council has entered into contracts but the goods and/or services have not been provided by balance date.

	2012/2013 Actual (\$000)	2013/2014 Actual (\$000)
<b>Capital Commitments</b>		
Commitments for capital expenditure contracted, but not provide for	9,901	11,082
	<b>9,901</b>	<b>11,082</b>
<b>Operating Commitments</b>		
Commitments for non-cancellable operating leases and other operating commitments		
Not later than one year	5,299	5,598
Later than one year and not later than two years	4,624	5,380
Later than two years and not later than five years	11,370	9,536
Later than five years	2,296	-
	<b>23,589</b>	<b>20,514</b>
<b>Other Commitments</b>		
Iwi Funding	39	39
Regional Heritage	423	445
	<b>462</b>	<b>484</b>

The Council has agreed to fund other commitments in the 2013/2014 financial year of \$3,829,342, subject to certain criteria being met.

(a) Joint Venture

Venture Southland has a commitment in regards to costs not yet incurred against self-funding projects where the full income associated with the project has either been received or accrued in the accounts to June 2013. In particular, these relate to the self-funded projects financed from the Community Trust. The funding is included in income received in advance until the specific conditions are met. (2013: The commitment associated with these projects is estimated to be \$185,200).

	2012/2013 Actual (\$'000)	2013/2014 Actual (\$'000)
<b>Venture Southland</b>		
<b>Capital Commitments</b>		
Commitments for capital expenditure contracted, but not provide for	-	-
	-	-
<b>Operating Commitments</b>		
Commitments for non-cancellable operating leases and other operating commitments		
Not later than one year	124	165
Later than one year and not later than two years	219	174
Later than two years and not later than five years	-	-
	343	339

## 30. Severance Payments

There were no severance payments made during the year (2013: \$Nil).

## 31. Explanation of Major Variances against Budget

Statement of Comprehensive Income	Note	2013/2014 Actual (\$'000)
Income (excluding Asset Development Revenue)	(a)	4,148
Asset Development Revenue		
Vested Assets	(b)	1,558
Development and Financial Contributions	(b)	(28)
MOH Subsidies		951
Scheme Capital Recoveries	(b)	86
<b>Expenditure</b>	(c)	3,529
<b>Net impact of variance on Surplus(Deficit)</b>		10,244
<b>Revaluation surplus</b>	(d)	(55,380)
<b>Total variance in Statement of Comprehensive Income</b>		(45,136)

## Explanatory Notes

### Statement of Comprehensive Income

#### (a) **Income (excluding Asset Development Revenue)**

Income (excluding Asset Development Revenue) was \$4.1 million more than budgeted mainly due to the following factors:

- Increases: \$2.1 million relating to income for Around the Mountain Cycle Trail, as a result of the timing of planned works.
- \$0.5 million additional forestry sales, due to an accelerated harvest programme being followed.
- \$0.9 million variance in the forestry valuation.
- \$0.4 million interest earned on funds on deposit.

#### (b) **Asset Development Revenue**

When compiling the Annual Plan, a number of assumptions were made in regards to when developments requiring resource consents would be started or completed and the value of contributions or infrastructure assets vested in Council would be received. This has affected Vested Assets and Development and Financial Contributions as described below.

##### *Vested Assets*

A higher number of subdivision developments completed during the year lead to the \$1.6 million variance in Vested Assets.

##### *Development and Financial Contributions*

Development and Financial Contributions are contributions which are paid to the Council where a development (such as a subdivision) generates demand for infrastructure (such as water and wastewater or reserves). They aim to collect the costs of capital projects, which are planned, or have been undertaken, from those that are creating the demand. The budget estimated the amount of contributions revenue for the year based on the amount of planned demand capital projects. The number and cost of demand capital projects during the year were less than anticipated and therefore related revenue is \$0.03 million lower than budgeted.

#### (c) **Expenditure**

Overall operating expenditure was **\$3.5** million less than budgeted mainly due to the following factors:

- Increases: \$0.3 million additional forestry costs relating to harvesting.
- Decreases: \$3.3 million less depreciation, primarily relating to roading.
- \$0.4 million relating to timing of costs for the District Plan.
- \$0.5 million less employee expenditure.

(d) **Revaluation surplus on Property, Plant and Equipment**

In developing the budget, assumptions were made on the programmed capital works and expected market conditions. Current market conditions and cost changes have been built into the revaluation which has seen actual increases less than those budgeted.

**Statement of Changes in Equity**

Changes in Equity are reflected in the variance analysis of the Statement of Comprehensive Income above.

**Statement of Financial Position**

*Assets and Liabilities*

Property, Plant and Equipment is \$91.2 million lower than budgeted predominantly as a result of the revaluation of infrastructural assets and lower capital works completed than anticipated.

## 32. Schedule of Financial Reserves

### Restricted reserves

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
<b>District Reserves</b>								
Holding	SDC - Officers Assn	District Support	Held on behalf of SDC Officer's Assoc		1	-	-	1
Asst & Services	Waste Minimisation	Solid Waste Management	Waste Minimisation reserve		-	124	-	124
Env & Com	Dog and Animal Control	Dog and Animal Control	Residual funds from Dog and Animal Control Activity	313	34	-	-	346
Holding	International Relationship	Grants and Donations	Residual funds from International Relationship activities	29	1	-	-	30
John Beange	John Beange	John Beange	Funding available in Edendale and Wyndham Area	50	-	(3)	-	47
Sthld Joint Mayoral Fund	Sthld Joint Mayoral Fund	Sthld Joint Mayoral Fund	Residual Funds from Southland Flood Relief	157	4	-	-	161
Specific	ECNZ - Projects	District Support	Funds available for future projects in accordance with ECNZ requirements	21	-	-	-	21
<b>Total Restricted District Reserves</b>					571	162	(3)	730
<b>Local Reserves</b>								
Wallacetown	Cemetery Bequest	Cemeteries	Wallacetown Cemetery		64	3	-	67
Wallacetown	Robert Powell Bequest	Other Local Services			-	5	-	5
<b>Total Restricted Local Reserves Wallacetown</b>					64	8	-	72
Winton	Birthing Centre	Other Local Services	Winton Birthing Centre		2	-	-	2
Winton	Medical Centre Equip	Other Local Services	Winton Medical Centre		18	17	-	35
<b>Total Restricted Local Reserves Winton</b>					20	17	-	37
<b>Total Restricted Local Reserves</b>					84	25	-	110
<b>Total Restricted Reserves</b>					655	188	(3)	839

## Council created - General

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
<b>District Reserves</b>								
Council	Global	District Support	General Reserve	3,041	-	-	-	3,041
Council	District Operations	District Support	General Reserve	1,340	796	(1,137)	999	
Council	Sale of South Road Res	District Support	Offset Rates	10,596	-	-	-	10,596
<b>Total Council Created General District Reserves</b>					<b>14,977</b>	<b>796</b>	<b>(1,137)</b>	<b>14,636</b>
<b>Total Council Created -General Reserves</b>					<b>14,977</b>	<b>796</b>	<b>(1,137)</b>	<b>14,636</b>

## Council created - Special

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
<b>District Reserves</b>								
Allocation Committee	Com Development Fund	Grants and Donations	Development of Community Facilities, Recreational Opportunities and events.	256	11	(23)	244	
Allocation Committee	Contrib and Levies	Grants and Donations	Raised through the District Plan be used to remedy, mitigate or offset adverse effects arising from, and in consequence of, or in association with any development	399	17	(70)	345	
Allocation Committee	Creative NZ	Grants and Donations	Support local communities to create diverse opportunities for accessing and participating in arts activities with their specific geographical area, as well as defined communities of interest.	1	-	-	-	1
Allocation Committee	Hilary Comm	Grants and Donations	To subsidise travel costs for people 5-19 years of age participating in regular sporting competition.	1	-	(1)	-	
Allocation Committee	Meridian Contribution	Grants and Donations	Support Northern Southland community initiatives by way of grants.	331	19	(17)	332	
Allocation Committee	Ohai Railway Board	Grants and Donations	Support Ohai community initiatives by way of grants.	1,732	78	(27)	1,783	
Allocation Committee	Ohai/Nightcaps Doc	Grants and Donations	Medical Services within Ohai and Nightcaps, including local ambulance.	45	2	(7)	39	
Allocation Committee	District Heritage Grant	Grants and Donations		-	26	-	-	26
Allocation Committee	Fonterra Res Cont	Grants and Donations	Support to the Te Tipua community initiatives by way of grants.	252	11	-	-	264
<b>Total Council Created - Special Reserves Allocation Committee</b>					<b>3,017</b>	<b>164</b>	<b>(146)</b>	<b>3,036</b>
Asset & Services	Community Housing	Community Housing	Operational reserve for community housing	44	67	(40)	71	
Asset & Services	Community Task Force	Community Task Force	Operational reserve for community task force	-	6	-	-	6
Asset & Services	Forestry Council Reserve	Forestry	Residual funds from forestry activities	953	1,537	(1,509)	982	
Asset & Services	Forestry Reserve	Forestry	Residual funds from forestry activities	100	-	-	-	100
Asset & Services	Gravel Reserves	Roading and Transport	Ensure Council has sufficient funds available for reinstatement of Council's pits	429	19	(22)	425	
Asset & Services	Plant Renewal	Other Local Services	Fund Motor Vehicle Fleet Replacements	566	386	(611)	341	

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
Asset & Services	Port Craig Viaducts	Other Local Services	Other Local Services	Residual funds from activities at Port Craig Viaduct	11	-	(11)	-
Asset & Services	Property Development	Other Local Services	Other Local Services	Balancing fund for sales and operational building expenditure	630	189	(139)	680
Asset & Services	Proposed Sewerage	Sewerage	Sewerage	Operational account for proposed sewerage	180	-	(220)	(40)
Asset & Services	Proposed Water	Water Supply	Water Supply	Operational account for proposed water	157	52	(26)	183
Asset & Services	Road Safety Community	Roading and Transport	Roading and Transport	Funding accrued from programmes not completed by year end	11	-	(11)	-
Asset & Services	Waste Management	Solid Waste Management	Solid Waste Management	General waste reserve	2	147	(150)	1
Asset & Services	Water Schemes	Water Supply	Water Supply	Development for water schemes	697	55	(47)	705
Asset & Services	District Sewerage	Wastewater	Wastewater	Development for sewerage schemes	-	1127	-	1127
Asset & Services	Sewerage Contribution	Wastewater	Wastewater	Development for building sewerage	264	12	-	276
<b>Total Council Created - Special Reserves Assets &amp; Services</b>					<b>4,045</b>	<b>3,599</b>	<b>(2,787)</b>	<b>4,857</b>
Chief Exec	SDC/DOC Joint Project	District Support	District Support	Residual funds from past joint projects for future projects	61	-	-	61
Chief Exec	Around the Mountains	Roading and Transport	Roading and Transport	Around the Mountains Cycle Trail	(412)	1,691	(1,481)	(202)
<b>Total Council Created - Special Reserves Chief Exec</b>					<b>(351)</b>	<b>1,691</b>	<b>(1,481)</b>	<b>(141)</b>
Cust & Fin Services	Waimumu Field Day	Strategy and Communication	Strategy and Communication	Fund Council's Field Day every three years	9	-	(9)	-
Cust & Fin Services	Elections	Representation and Advocacy	Representation and Advocacy	Fund Council's election costs every three years	52	-	(51)	1
<b>Total Council Created - Special Reserves Cust &amp; Fin Services</b>					<b>60</b>	<b>-</b>	<b>(59)</b>	<b>1</b>
Development and Financial	Parks Contribution	Parks and Reserves	Parks and Reserves	Contribution to capital activity - Parks and Reserves	133	6	(2)	138
Development and Financial	Roading Contribution	Roading and Transport	Roading and Transport	Contribution to capital activity - Roading and transport	246	11	-	257
Development and Financial	Sewerage Contribution	Wastewater	Wastewater	Contribution to capital activity - Wastewater	339	15	-	355
Development and Financial	Water Contribution	Water Supply	Water Supply	Contribution to capital activity - Water	88	4	-	92
<b>Total Council Created - Special Reserves Development and Financial Contributions</b>					<b>806</b>	<b>37</b>	<b>(2)</b>	<b>840</b>
Env & Com	Corporate Uniforms	District Support	District Support	Staff uniform subsidies	7	7	-	14
<b>Total Council Created - Special Reserves Env &amp; Com</b>					<b>7</b>	<b>7</b>	<b>-</b>	<b>14</b>
Holding	Council Milford Projects	Strategy and Communication	Strategy and Communication	Residual funds from Milford Planning Group	16	-	(16)	-
Holding	Milford Flood Protect	Strategy and Communication	Strategy and Communication	Residual funds from Milford Flood Protection	45	-	-	45
Holding	Shared Services	Representation and Advocacy	Representation and Advocacy	Fund shared services with other councils - Funding sourced from ICC, SDC, Gore, Clutha and ES	(4)	6	-	2
Holding	Stewart Island Visitor Levy	Stewart Island Visitor Levy	Stewart Island Visitor Levy	Stewart Island Visitor Levy Funds	(5)	17	-	12

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
	Holding	Stewart Island Heritage Bldg	Stewart Island Heritage Bldg	Set up for new Heritage Building	(13)	21	-	8
<b>Council Created - Special Reserves Holding</b>					<b>39</b>	<b>44</b>	<b>(16)</b>	<b>67</b>
	Rates Reserve	Roading	Roading and Transport	Rate smoothing reserve	(4,398)	1,245	(69)	(3,222)
<b>Council Created - Special Reserves Rates Reserve</b>					<b>(4,398)</b>	<b>1,245</b>	<b>(69)</b>	<b>(3,222)</b>
	Specific	Biodiversity Initiative	Resource Management	Funds set aside for future biodiversity initiatives	21	-	-	21
		Disaster Recovery	Civil Defence Emergency Management	Funds set aside in case of disaster in accordance with insurance requirements	1,409	-	-	1,409
		Tuatapere (Clifden Bridge)	Other Local Activities	Residual funds from Tuatapere project in 2000, to be used for community projects at Council's discretion	19	-	-	19
<b>Council Created - Special Reserves Specific Reserves</b>					<b>1,448</b>	<b>-</b>	<b>-</b>	<b>1,448</b>
<b>Total Council Created -Special District Reserves</b>					<b>4,673</b>	<b>6,787</b>	<b>(4,560)</b>	<b>6,900</b>

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
<b>Local Reserves</b>								
	Aparima	Community Centre	Community Centre	Aparima Hall	2	-	(2)	-
<b>Council Created - Special Reserves Aparima</b>					<b>2</b>	<b>-</b>	<b>(2)</b>	<b>-</b>
	Athol	General	Other Local Activities	Athol General Purpose	21	6	-	28
	Athol	Community Centres	Community Centres	Athol Hall	1	1	-	2
<b>Council Created - Special Reserves Athol</b>					<b>22</b>	<b>7</b>	<b>-</b>	<b>29</b>
	Balfour	General	Other Local Activities	Balfour General Purpose	67	20	(14)	73
	Balfour	Community Centres	Community Centres	Balfour Hall	14	-	(14)	-
<b>Council Created - Special Reserves Balfour</b>					<b>81</b>	<b>20</b>	<b>(28)</b>	<b>73</b>
	Browns	Community Centres	Community Centres	Balfour Hall	14	1	-	15
	Browns	General	Other Local Activities	Balfour General Purpose	50	8	(2)	56
<b>Council Created - Special Reserves Browns</b>					<b>64</b>	<b>9</b>	<b>(2)</b>	<b>71</b>
	Brydone	Community Centres	Community Centres	Brydone Hall	(1)	-	-	(1)
<b>Council Created - Special Reserves Brydone</b>					<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
	Clifden	Community Centres	Community Centres	Clifden Hall	20	1	-	21
	Clifden	Rec Reserve Committee	Parks and Reserves	Clifden Reserves	33	7	-	40
<b>Council Created - Special Reserves Clifden</b>					<b>53</b>	<b>8</b>	<b>-</b>	<b>61</b>
	Colac Bay	Community Centres	Community Centres	Colac Bay Hall	2	5	-	7
	Colac Bay	General	Other Local Activities	Colac Bay General Purpose	-	-	-	-

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
	Colac Bay	Statue	Parks and Reserves	Surfer Statue Maintenance	25	11	-	36
<b>Council Created - Special Reserves Colac Bay</b>					<b>27</b>	<b>16</b>	<b>-</b>	<b>43</b>
	Dacre	Community Centres	Community Centres	Dacre Hall	11	-	(11)	-
<b>Council Created - Special Reserves Dacre</b>					<b>11</b>	<b>-</b>	<b>(11)</b>	<b>-</b>
	Dipton	Cemetery	Cemetery	Dipton Cemetery	11	1	-	12
	Dipton	Footpaths	Footpaths	Dipton Footpaths	3	-	-	3
	Dipton	General	Other Local Activities	Dipton General Purpose	42	3	(3)	41
	Dipton	Stormwater	Stormwater	Dipton Stormwater	11	3	-	15
	Dipton	Community Centres	Community Centres	Dipton Hall	12	1	-	13
<b>Council Created - Special Reserves Dipton</b>					<b>79</b>	<b>8</b>	<b>(3)</b>	<b>84</b>
	Drummond	General	Other Local Activities	Drummond General Purpose	8	1	(2)	7
	Drummond	Rec Reserve Committee	Parks and Reserves	Drummond Reserves	5	2	-	7
<b>Council Created - Special Reserves Drummond</b>					<b>13</b>	<b>3</b>	<b>(2)</b>	<b>14</b>
	Dunearn/Avondale	Community Centres	Community Centres	Dunearn/Avondale Hall	4	-	(4)	-
<b>Council Created - Special Reserves Dunearn/Avondale</b>					<b>4</b>	<b>-</b>	<b>(4)</b>	<b>-</b>
	Eastern Bush	Community Centres	Community Centres	Eastern Bush Hall	-	-	-	-
<b>Council Created - Special Reserves Eastern Bush</b>					-	-	-	-
	Edendale	Cemetery	Other Local Activities	Edendale Cemetery	-	22	-	22
	Edendale	Community Centre	Community Centres	Edendale Hall	87	8	-	96
	Edendale	Footpaths	Other Local Activities	Edendale Footpaths	-	8	-	8
	Edendale	General	Other Local Activities	Edendale General Purpose	45	19	(1)	63
	Edendale	Grant Hall Upgrade	Community Centres	Edendale Hall Upgrade	158	7	-	165
	Edendale	Stormwater	Stormwater	Edendale Stormwater	49	13	-	62
<b>Council Created - Special Reserves Edendale</b>					<b>339</b>	<b>77</b>	<b>(1)</b>	<b>416</b>
	Five Rivers	General	Other Local Activities	Five Rivers General Purpose	239	12	(6)	245
	Five Rivers	Heritage Reserve	Parks and Reserves	Five Rivers Heritage Walking Tracks	3	-	-	3
	Five Rivers	Community Centre	Community Centres	Five Rivers Hall	10	1	-	11
<b>Council Created - Special Reserves Five Rivers</b>					<b>252</b>	<b>13</b>	<b>(6)</b>	<b>259</b>
	Fortrose	Community Centre	Community Centres	Fortrose Hall	1	-	-	1
<b>Council Created - Special Reserves Fortrose</b>					<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
	Garston	Special Projects	Other Local Activities	Garston General Purpose	14	2	(7)	9
	Garston	Community Centre	Community Centres	Garston Hall	7	-	(7)	-
<b>Council Created - Special Reserves Garston</b>					<b>21</b>	<b>2</b>	<b>(14)</b>	<b>9</b>
	Glenham	Community Centre	Community Centres	Glenham Hall	3	-	(3)	-
<b>Council Created - Special Reserves Glenham</b>					<b>3</b>	<b>-</b>	<b>(3)</b>	<b>-</b>

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
	Gorge Road	Community Centre	Community Centres	Gorge Road Hall	10	-	(10)	-
	Gorge Road	Gorge Road General	Other Local Activities	Gorge Road General Purpose	16	3	-	19
<b>Council Created - Special Reserves Gorge Road</b>					<b>26</b>	<b>3</b>	<b>(10)</b>	<b>20</b>
	Heddon Bush	Community Centre	Community Centres	Heddon Bush Hall	10	-	(10)	-
<b>Council Created - Special Reserves Heddon Bush</b>					<b>10</b>	<b>-</b>	<b>(10)</b>	<b>-</b>
	Hedgehope/Glencoe	Community Centre	Community Centres	Hedgehope/Glencoe Community Centre	2	-	(2)	-
<b>Council Created - Special Reserves Hedgehope/Glencoe</b>					<b>2</b>	<b>-</b>	<b>(2)</b>	<b>-</b>
	Hokonui	Community Centre	Community Centres	Hokonui Community Centre	4	1	-	5
<b>Council Created - Special Reserves Hokonui</b>					<b>4</b>	<b>1</b>	<b>-</b>	<b>5</b>
	Limehills	Hall Improvement	Community Centres	Limehills Hall	31	1	(24)	7
	Limehills	General	Other Local Activities	Limehills General Purpose	9	1	-	10
	Limehills	Stormwater	Stormwater	Limehills Stormwater	45	5	-	50
<b>Council Created - Special Reserves Limehills</b>					<b>85</b>	<b>7</b>	<b>(24)</b>	<b>67</b>
	Lochiel	Community Centre	Community Centres	Lochiel Community Centre	9	-	(9)	-
<b>Council Created - Special Reserves Lochiel</b>					<b>9</b>	<b>-</b>	<b>(9)</b>	<b>-</b>
	Longbush	Community Centre	Community Centres	Longbush Community Centre	3	-	-	3
<b>Council Created - Special Reserves Longbush</b>					<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>
	Lumsden	Footpaths	Roading and Transport	Lumsden Footpaths	31	23	-	54
	Lumsden	General	Other Local Activities	Lumsden General Purpose	140	20	(6)	153
	Lumsden	Property Sales	Other Local Activities	Lumsden General Purpose	5	-	-	5
	Lumsden	Stormwater	Stormwater	Lumsden Stormwater	55	23	-	78
	Lumsden	Community Centre	Community Centres	Lumsden Community Centre	19	1	(1)	19
<b>Council Created - Special Reserves Lumsden</b>					<b>249</b>	<b>67</b>	<b>(7)</b>	<b>309</b>
	Mabel Bush	Community Centre	Community Centres	Mabel Bush Community Centre	2	-	(2)	-
<b>Council Created - Special Reserves Mabel Bush</b>					<b>2</b>	<b>-</b>	<b>(2)</b>	<b>-</b>
	Makarewa	Community Centre	Community Centres	Makarewa Community Centre	8	-	(8)	-
<b>Council Created - Special Reserves Makarewa</b>					<b>8</b>	<b>-</b>	<b>(8)</b>	<b>-</b>
	Manapouri	Fraser's Beach	Parks and Reserves	Fraser's Beach Reserve	70	9	-	79
	Manapouri	General	Other Local Activities	Manapouri General Purpose	49	48	-	97
	Manapouri	Community Centre	Community Centres	Manapouri Community Centre	5	2	-	6
	Manapouri	Swimming Pool Area	Parks and Reserves	Manapouri Pool	24	1	(18)	6
<b>Council Created - Special Reserves Manapouri</b>					<b>148</b>	<b>60</b>	<b>(18)</b>	<b>188</b>
	Mandeville	Community Centre	Community Centres	Mandeville Community Centre	3	-	(3)	-
<b>Council Created - Special Reserves Mandeville</b>					<b>3</b>	<b>-</b>	<b>(3)</b>	<b>-</b>
	Mataura Island	Community Centre	Community Centres	Mataura Island Community Centre	3	1	-	4

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
<b>Council Created - Special Reserves Mataura Island</b>					3	1	-	4
Matuku	Rural WS General	Water Supply	Matuku Water		2	2	(3)	1
<b>Council Created - Special Reserves Matuku</b>					2	2	(3)	1
Menzies Ferry	Community Centre	Community Centres	Menzies Ferry Community Centre		1	-	-	1
<b>Council Created - Special Reserves Menzies Ferry</b>					1	-	-	1
Mimihau	Community Centre	Community Centres	Mimihau Community Centre		7	-	(7)	-
<b>Council Created - Special Reserves Menzies Ferry</b>					7	-	(7)	-
Mokoreta/Redan	Community Centre	Community Centres	Mokoreta/Redan Community Centre		4	2	-	6
<b>Council Created - Special Reserves Mokoreta/Redan</b>					4	2	-	6
Mossburn	General	Other Local Activities	Mossburn General Purpose		79	37	-	116
Mossburn	Community Centre	Community Centres	Mossburn Community Centre		(6)	4	-	(2)
<b>Council Created - Special Reserves Mossburn</b>					73	41	-	114
Myross Bush	Community Centre	Community Centres	Myross Bush Community Centre		5	-	(5)	-
<b>Council Created - Special Reserves Myross Bush</b>					5	-	(5)	-
Nightcaps	McGregor Park	Parks and Reserves	Nightcaps McGregor Park		54	17	(3)	68
Nightcaps	Community Centre	Community Centres	Nightcaps Community Centre		1	-	(1)	-
Nightcaps	General	Other Local Activities	Nightcaps General Purpose		230	13	(165)	78
<b>Council Created - Special Reserves Nightcaps</b>					285	30	(169)	146
Ohai	Community Centre	Community Centres	Ohai Community Centre		2	1	-	3
Ohai	General	Other Local Activities	Ohai General Purpose		112	8	(6)	115
Ohai	Stormwater	Stormwater	Ohai Stormwater		127	8	-	134
<b>Council Created - Special Reserves Ohai</b>					241	17	(6)	253
Orawia	Community Centre	Community Centres	Orawia Community Centre		24	1	(14)	11
<b>Council Created - Special Reserves Orawia</b>					24	1	(14)	11
Orepuki	General	Other Local Activities	Orepuki General Purpose		32	5	(8)	29
Orepuki	Community Centre	Community Centres	Orepuki Community Centre		5	1	-	6
<b>Council Created - Special Reserves Orepuki</b>					37	6	(8)	35
Oreti	Community Centre	Community Centres	Oreti Community Centre		6	-	(5)	1
<b>Council Created - Special Reserves Oreti</b>					6	-	(5)	1
Otahuiti	Community Centre	Community Centres	Otahuiti Community Centre		1	-	(1)	-
<b>Council Created - Special Reserves Otahuiti</b>					1	-	(1)	-
Otapiri/Lora	Community Centre	Community Centres	Otapiri/Lora Community Centre		11	-	(2)	9
<b>Council Created - Special Reserves Otapiri/Lora</b>					11	-	(2)	9
Otautau	Baths	Other Local Services	Otautau Pool		29	7	-	35
Otautau	Brightwood Develop Co	Other Local Services	Otautau Financial Contribution		13	1	-	14

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
	Otautau	CB Conference	Other Local Services	Community board conference	8	-	-	8
	Otautau	Forestry	Forestry	Holt Park Forestry	167	8	(1)	174
	Otautau	General	Other Local Services	Otautau General Purpose	110	29	(20)	119
	Otautau	Stormwater	Stormwater	Otautau Stormwater	111	39	-	150
	Otautau	Community Centre	Community Centres	Otautau Community Centre	1	-	(5)	(4)
<b>Council Created - Special Reserves Otautau</b>					<b>438</b>	<b>83</b>	<b>(26)</b>	<b>495</b>
	Riversdale	Fire Bore	Other Local Activities	Riversdale General Purpose	6	-	-	6
	Riversdale	General	Other Local Activities	Riversdale General Purpose	113	23	(1)	135
	Riversdale	Community Centre	Community Centres	Riversdale Community Centre	12	-	(12)	-
<b>Council Created - Special Reserves Riversdale</b>					<b>131</b>	<b>23</b>	<b>(13)</b>	<b>141</b>
	Riverton	Cemetery Maintenance	Cemetery	Riverton Cemeteries	30	1	-	31
	Riverton	Doc Profits Lib Sale	Other Local Activities	Riverton Projects	54	2	-	56
	Riverton	General	Other Local Activities	Riverton General Purpose	147	83	(30)	200
	Riverton	Riverton Harbour General	Other Local Services	Riverton Harbour	80	13	-	93
	Riverton	Parks & Res Develop	Parks and Reserves	Riverton Parks and Reserves	19	1	-	20
	Riverton	Property Sales	Other Local Activities	Riverton General Purpose	275	13	-	288
	Riverton	War Memorial	Parks and Reserves	Riverton War Memorial	6	-	-	6
	Riverton	Taramea Bay/Rocks Development	Other Local Services	Taramea Cay Foreshore	52	25	-	77
	Riverton	Taramea Howells Point	Other Local Services	Taramea Howells Point	-	5	-	5
<b>Council Created - Special Reserves Riverton</b>					<b>664</b>	<b>144</b>	<b>(31)</b>	<b>777</b>
	Riverton Ward	General	Other Local Activities	Riverton Ward General Purpose	111	10	-	121
	Riverton Ward	Cosy Nook	Other Local Activities	Cosy Nook General Purpose	2	3	-	4
	Riverton Ward	Hirstfield Reserve	Other Local Activities	Hirstfield Reserve General Purpose	7	1	-	9
<b>Council Created - Special Reserves Riverton Ward</b>					<b>120</b>	<b>14</b>	<b>1</b>	<b>134</b>
	Ryal Bush	Community Centre	Community Centres	Ryal Bush Community Centre	8	1	-	9
<b>Council Created - Special Reserves Ryal Bush</b>					<b>8</b>	<b>1</b>	<b>-</b>	<b>9</b>
	Seaward Downs	Community Centre	Community Centres	Seaward Downs Community Centre	1	-	(1)	-
<b>Council Created - Special Reserves Seaward Downs</b>					<b>1</b>	<b>-</b>	<b>(1)</b>	<b>-</b>
	SIESA	Operations	SIESA	SIESA Operations	494	-	-	494
<b>Council Created - Special Reserves SIESA</b>					<b>494</b>	<b>-</b>	<b>-</b>	<b>494</b>
	Spar Bush	Community Centre	Community Centres	Spar Bush Community Centre	3	-	(3)	-
<b>Council Created - Special Reserves Spar Bush</b>					<b>3</b>	<b>-</b>	<b>(3)</b>	<b>-</b>
	Stewart Island	Community Centre	Community Centres	Stewart Island Community Centre	1	-	(1)	-
	Stewart Island	General	Other Local Activities	Stewart Island General Purpose	198	51	(100)	148
	Stewart Island	Waste Management	Other Local Activities	Stewart Island General Purpose	15	2	-	17

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
	Stewart Island	Jetties	Other Local Activities	Stewart Island Jetties	54	37	-	91
<b>Council Created - Special Reserves Stewart Island</b>					<b>268</b>	<b>90</b>	<b>(101)</b>	<b>257</b>
Te Anau	Te Anau Carpark Res	Other Local Activities	Te Anau General Purpose	20	1	-	-	21
Te Anau	Cemetery Improvements	Cemeteries	Te Anau Cemetery	1	-	-	-	1
Te Anau	Community Centre	Community Centres	Te Anau Community Centre	16	-	(16)	-	-
Te Anau	General	Other Local Activities	Te Anau General Purpose	100	186	(40)	247	
Te Anau	Luxmore	Other Local Activities	Luxmore Subdivision	5,406	-	(695)	4,711	
Te Anau	Manapouri Airport	Te Anau Manapouri Airports	Te Anau Manapouri Airports	(6,430)	795	-	(5,636)	
Te Anau	Rural WS General	Water Supply	Te Anau Water	62	83	(9)	136	
Te Anau	Stormwater	Other Local Activities	Te Anau General Purpose	336	158	(7)	487	
Te Anau	Sandy Brown Loan	Loan	Loan to Ratepayers	(16)	-	(1)	(17)	
<b>Council Created - Special Reserves Te Anau</b>					<b>(504)</b>	<b>1,224</b>	<b>(768)</b>	<b>(49)</b>
Te Anau Ward	General	Other Local Activities	Te Anau Ward General Purpose	58	4	(10)	52	
<b>Council Created - Special Reserves Te Anau Ward</b>					<b>58</b>	<b>4</b>	<b>(10)</b>	<b>52</b>
Te Tipua Ward	General	Other Local Activities	Te Tipua General Purpose	115	4	(42)	77	
<b>Council Created - Special Reserves Te Tipua Ward</b>					<b>115</b>	<b>4</b>	<b>(42)</b>	<b>77</b>
Thornbury	Community Centre	Community Centres	Thornbury Community Centre	4	-	(8)	(4)	
Thornbury	General	Other Local Activities	Thornbury General Purpose	17	4	(2)	19	
<b>Council Created - Special Reserves Thornbury</b>					<b>21</b>	<b>4</b>	<b>(10)</b>	<b>15</b>
Tuturau	Community Centre	Community Centres	Tuturau Community Centre	2	-	(2)	-	
<b>Council Created - Special Reserves Tuturau</b>					<b>2</b>	<b>-</b>	<b>(2)</b>	<b>-</b>
Toetoes Ward	General	Other Local Activities	Toetoes General Purpose	123	13	(12)	123	
<b>Council Created - Special Reserves Toetoes Ward</b>					<b>123</b>	<b>13</b>	<b>(12)</b>	<b>123</b>
Tokanui	General	Other Local Activities	Tokanui General Purpose	29	13	-	42	
Tokanui	Community Centre	Community Centres	Tokanui Community Centre	6	1	-	7	
<b>Council Created - Special Reserves Tokanui</b>					<b>35</b>	<b>14</b>	<b>-</b>	<b>49</b>
Tuatapere	Water Meridian Contract	Other Local Activities	Tuatapere General Purpose	295	13	1	309	
Tuatapere	Community Centre	Community Centres	Tuatapere Community Centre	49	2	(1)	50	
Tuatapere	General	Other Local Activities	Tuatapere General Purpose	158	44	(20)	182	
Tuatapere	Property	Other Local Activities	Tuatapere General Purpose	2	-	-	3	
Tuatapere	Waiau River Collection	Other Local Activities	Tuatapere Waiau River	1	-	-	1	
<b>Council Created - Special Reserves Tuatapere</b>					<b>506</b>	<b>60</b>	<b>(21)</b>	<b>545</b>
Tuatapere Ward	Pool	Other Local Activities	Tuatapere Ward Pool Rate	-	2	-	2	
Tuatapere Ward	Clifden Bridge	Other Local Activities	Clifden Bridge Reserve	5	1	-	6	

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
	Tuatapere Ward	General	Other Local Activities	Tuatapere Ward General Purpose	85	14	(30)	68
	Tuatapere Ward	Monowai Township	Other Local Activities	Monowai General Purpose	8	1	-	9
	Tuatapere Ward	Papatotara Transmitter	Other Local Activities	Papatotara Transmitter	16	1	-	17
<b>Council Created - Special Reserves Tuatapere Ward</b>					<b>113</b>	<b>20</b>	<b>(30)</b>	<b>103</b>
	Tussock Creek	Community Centre	Community Centres	Tussock Creek Community Centre	2	-	(1)	1
<b>Council Created - Special Reserves Tussock Creek</b>					<b>2</b>	<b>-</b>	<b>(1)</b>	<b>1</b>
	Venture Southland	Venture Southland	Venture Southland	Venture Southland	139	-	(139)	-
<b>Council Created - Special Reserves Venture Southland</b>					<b>139</b>	<b>-</b>	<b>(139)</b>	<b>-</b>
	Waianiwā	Community Centre	Community Centres	Waianiwā Community Centres	1	1	-	2
<b>Council Created - Special Reserves Waianiwā</b>					<b>1</b>	<b>1</b>	<b>-</b>	<b>2</b>
	Waihopai Ward	General	Other Local Activities	Waihopai General Purpose	142	-	(20)	123
<b>Council Created - Special Reserves Waihopai Ward</b>					<b>142</b>	<b>-</b>	<b>(20)</b>	<b>123</b>
	Waikāia	Dickson Park	Parks and Reserves	Waikāia General Purpose	5	3	-	8
	Waikāia	Drain Filing	Stormwater	Waikāia Stormwater	9	-	-	9
	Waikāia	General	Other Local Activities	Waikāia General Purpose	144	8	-	153
	Waikāia	Museum Donations	Other Local Services	Waikāia Museum	16	3	-	18
	Waikāia	Refuse Removal	Solid Waste Management	Waikāia General Purpose	8	-	-	8
	Waikāia	Stormwater	Stormwater	Waikāia Stormwater	44	17	-	61
	Waikāia	Community Centre	Community Centres	Waikāia Community Centres	11	-	(11)	-
<b>Council Created - Special Reserves Waikāia</b>					<b>236</b>	<b>32</b>	<b>(11)</b>	<b>258</b>
	Waikāia Ward	Allan Reserve	Other Local Activities	Waikāia Ward General Purpose	5	2	-	6
	Waikāia Ward	General	Other Local Activities	Waikāia Ward General Purpose	304	14	(12)	306
	Waikāia Ward	McKee Park	Other Local Activities	Waikāia Ward General Purpose	21	2	-	23
	Waikāia Ward	Taylor Park	Other Local Activities	Waikāia Ward General Purpose	14	6	-	21
<b>Council Created - Special Reserves Waikāia Ward</b>					<b>344</b>	<b>24</b>	<b>(12)</b>	<b>356</b>
	Waikāwa/Niagara	Community Centre	Community Centres	Waikāwa/Niagara Community Centres	15	4	-	19
<b>Council Created - Special Reserves Waikāwa/Niagara</b>					<b>15</b>	<b>4</b>	<b>-</b>	<b>19</b>
	Waimahaka	Community Centre	Community Centres	Waimahaka Community Centres	1	-	(1)	-
<b>Council Created - Special Reserves Waimahaka</b>					<b>1</b>	<b>-</b>	<b>(1)</b>	<b>-</b>
	Waimatuku	Community Centre	Community Centres	Waimatuku Community Centres	-	-	-	-
<b>Council Created - Special Reserves Waimatuku</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Wairio	Community Centre	Community Centres	Wairio Community Centres	7	-	(7)	-
<b>Council Created - Special Reserves Wairio</b>					<b>7</b>	<b>-</b>	<b>(7)</b>	<b>-</b>
	Waitane Glencoe	Res Reserve Committee	Parks and Reserves	Waitane Glencoe Reserves	1	-	-	1
<b>Council Created - Special Reserves Waitane Glencoe</b>					<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
	Wallace Ward	General	Other Local Activities	Wallace Ward General Purpose	102	8	(6)	103
	Wallace Ward	Noxious Plants		Wallace Ward General Purpose	2	-	-	2
	Wallace Ward	Arboretum Reserve	Other Local Activities	Arboretum Reserve	18	1	-	18
	Wallace Ward	Wairio Cemetery	Other Local Activities	Wairio Cemetery	-	46	-	46
	Wallace Ward	Wairio Town General	Other Local Activities	Wairio General Purpose	1	4	-	5
	Wallace Ward	Wairio Reserve	Other Local Activities	Wairio Reserve	6	-	-	6
	Wallace Ward	Takitimu Pool	Other Local Activities	Tikitimu Pool	12	12	-	25
<b>Council Created - Special Reserves Wallace Ward</b>					<b>141</b>	<b>71</b>	<b>(6)</b>	<b>205</b>
	Wallacetown	General	Other Local Activities	Wallacetown General Purpose	284	38	(10)	312
	Wallacetown	Stormwater	Stormwater	Wallacetown General Purpose	3	-	-	4
	Wallacetown	Community Centre	Community Centres	Wallacetown Community Centres	2	-	(2)	-
<b>Council Created - Special Reserves Wallacetown</b>					<b>289</b>	<b>38</b>	<b>(11)</b>	<b>315</b>
	Wallacetown Ward	General	Other Local Activities	Wallacetown Ward General Purpose	65	3	(5)	63
<b>Council Created - Special Reserves Wallacetown Ward</b>					<b>65</b>	<b>3</b>	<b>(5)</b>	<b>63</b>
	Wendonside	Community Centre	Community Centres	Wendonside Community Centres	6	-	(6)	-
<b>Council Created - Special Reserves Wendonside</b>					<b>6</b>	<b>-</b>	<b>(6)</b>	<b>-</b>
	Winton	Community Centre	Community Centres	Winton Community Centres	78	1	(74)	5
	Winton	General	Other Local Activities	Winton General Purpose	245	23	(21)	247
	Winton	Medical Centre General	Other Local Services	Winton Medical Centre	22	1	(5)	17
	Winton	Multi Sports	Parks and Reserves	Winton Sports Complex	4	-	-	5
	Winton	Property Sales	Other Local Activities	Winton General Purpose	898	47	-	945
	Winton	Res Capital Dev	Other Local Activities	Winton General Purpose	170	8	-	178
	Winton	Stormwater	Stormwater	Winton Stormwater	135	5	(29)	112
<b>Council Created - Special Reserves Winton</b>					<b>1,552</b>	<b>86</b>	<b>(130)</b>	<b>1,509</b>
	Winton Ward	Kauana Hall	Community Centres	District Board Establishment	9	1	-	10
	Winton Ward	General	Other Local Activities	Winton Ward General Purpose	388	23	(19)	392
<b>Council Created - Special Reserves Winton Ward</b>					<b>397</b>	<b>23</b>	<b>(19)</b>	<b>402</b>
	Woodlands	General	Other Local Activities	Woodlands General Purpose	117	8	(7)	118
	Woodlands	Kerb & Channel	Other Local Activities	Woodlands General Purpose	-	-	-	-
	Woodlands	Septic Tank Rates	Septic Tank Cleaning	Woodlands Septic Tank Cleaning	11	-	-	11
<b>Council Created - Special Reserves Woodlands</b>					<b>129</b>	<b>9</b>	<b>(8)</b>	<b>129</b>
	Wreys Bush	Community Centre	Community Centres	Wreys Bush Community Centres	(1)	1	-	-
<b>Council Created - Special Reserves Wreys Bush</b>					<b>(1)</b>	<b>1</b>	<b>-</b>	<b>-</b>
	Wrights Bush	Community Centre	Community Centres	Wrights Bush Community Centres	10	-	(10)	-
<b>Council Created - Special Reserves Wrights Bush</b>					<b>10</b>	<b>-</b>	<b>(10)</b>	<b>-</b>

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2013 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2014 (\$000)
	Wyndham	Community Centre	Community Centres	Wyndham Community Centres	9	5	(13)	-
	Wyndham	Footpaths	Other Local Activities	Wynhdam Footpaths	-	8	-	8
	Wyndham	Parks Cont	Other Local Activities	Wyndham General Purpose	-	-	-	-
	Wyndham	Property Sales	Other Local Activities	Wyndham General Purpose	22	1	(5)	18
	Wyndham	Stormwater	Stormwater	Wyndham Stormwater	272	13	(5)	281
	Wyndham	General	Other Local Activities	Wyndham General Purpose	12	34	(1)	44
<b>Council Created - Special Reserves Wyndham</b>					<b>314</b>	<b>61</b>	<b>(24)</b>	<b>351</b>
Total Council Created - Special Local Reserves					8,568	2,456	(1,829)	9,195
<b>Total Council Created - Special Reserves</b>					<b>13,241</b>	<b>10,038</b>	<b>(7,526)</b>	<b>30,731</b>
<b>TOTAL RESERVE FUNDS</b>					<b>28,873</b>	<b>10,226</b>	<b>(7,529)</b>	<b>31,570</b>

# 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

Council works towards its vision in its plans, strategies and policies and also through the activities outlined in its 10 Year Plan. The purpose of the SDC is:

- To enable democratic local decision-making and action by and on behalf of, communities; and
- To meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses.

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 10 Year Plan.
- 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, sewerage 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 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 page 217.

## Community Boards

The Council has eight Community Boards. 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 19 Community Development Areas have been identified and established, which include local townships and surrounding areas. The purpose of CDAs 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 Committees and Reserve Subcommittees

Council has a working relationship with all Community Centre, Hall and Reserve Committees. This relationship varies from operational to rates collection only.

## Council Committees

Council Mayor and 12 Councillors		
Community Boards and Committees	Council Committees	Joint Committees
<b>Community Boards</b> Edendale-Wyndham Otautau Stewart Island/Rakiura Riverton/Aparima Te Anau Tuatapere Wallacetown Winton	<b>Activities Performance Audit Committee (APAC)</b> Chair: Cr L Bailey <b>Allocations Committee</b> Chair: Cr J Douglas <b>Executive Committee</b> Chair: Mayor G Tong <b>Forestry Committee</b> Chair: Cr Brian Dillon <b>Policy Review Committee</b> Chair: Cr R Dobson <b>Resource Management Committee</b> Chair: Cr P Duffy <b>Friendship Committee</b> Chair: Cr B Ford <b>Southland District Council Scholarship and Bursaries Subcommittee</b> Chair: Cr G Harpur	<b>Venture Southland</b> <b>Shared Services Forum</b> <b>Te Roopū Taiao</b> (Iwi Liaison Joint Committee) <b>Southland Civil Defence Emergency Management Group</b> <b>Our Way Southland</b> <b>WasteNet</b> <b>Southland Regional Heritage Committee</b> <b>Southland Regional Land Transport Committee</b> <b>District Licensing Committee</b> <b>Total Mobility Committee</b>
<b>Subcommittees:</b> <b>Community Development Area</b> <i>Athol, Balfour, Browns, Limehills/Centre Bush, Colac Bay, Dipton, Garston, Gorge Road, Lumsden, Manapouri, Mossburn, Nightcaps, Ohai, Orepuki, Riversdale, Thornbury, Tokanui, Waikaia and Woodlands.</i>		<b>Youth Representation</b> Southland District Youth Council
<b>Water Supply</b> <i>Te Anau (Rural Untreated), Five Rivers (Rural Untreated) Orawia, Matuku (Rural Untreated), Lumsden/Balfour (Rural - Treated), Ohai/Nightcaps/Wairio, Eastern Bush/Otahu Flat (Rural - Treated)</i>		<b>Council Controlled Organisations</b> Milford Community Trust
<b>Ohai Railway Fund</b> <b>Riverton Harbour</b> <b>Stewart Island Jetties</b> <b>Te Anau Airport Manapouri</b>		



**Gary Tong**  
352 Lorne Dacre Road,  
RD 6, Invercargill 9876  
Telephone: (03) 235 8031  
[gary.tong@southlanddc.govt.nz](mailto:gary.tong@southlanddc.govt.nz)



**Waihopai Toetoes Ward:**  
Julie Keast  
513 Niagara Tokanui Highway,  
RD 1, Tokanui 9884  
Telephone: (03) 246 8410  
[julie.keast@southlanddc.govt.nz](mailto:julie.keast@southlanddc.govt.nz)



**Waihopai Toetoes Ward:**  
Paul Duffy, Deputy Mayor  
998 Fortrose Otara Road,  
RD 5, Invercargill 9875  
Telephone: (03) 246 8559  
[paul.duffy@southlanddc.govt.nz](mailto:paul.duffy@southlanddc.govt.nz)



**Waiau Aparima Ward:**  
Stuart Baird  
741 Otautau Wreys Bush Road,  
RD 1, Otautau 9689  
Telephone: (03) 225 8372  
[stuart.baird@southlanddc.govt.nz](mailto:stuart.baird@southlanddc.govt.nz)



**Waiau Aparima Ward:**  
Rodney Dobson  
766 Gropers Bush Thornbury Road,  
RD 3, Riverton 9883  
Telephone: (03) 224 6135  
[rodney.dobson@southlanddc.govt.nz](mailto:rodney.dobson@southlanddc.govt.nz)



**Waiau Aparima Ward:**  
George Harpur  
81 Orawia Road, Tuatapere 9620  
Telephone: (03) 226 6040  
[george.harpur@southlanddc.govt.nz](mailto:george.harpur@southlanddc.govt.nz)



**Mararoa Waimea Ward:**  
John Douglas  
3869 Wreys Bush Mossburn Road, RD 2,  
Lumsden 9792  
Telephone: (03) 248 6110  
[john.douglas@southlanddc.govt.nz](mailto:john.douglas@southlanddc.govt.nz)



**Stewart Island/Rakiura Ward:**  
Bruce Ford  
5 Argyle Street, PO Box 91, Oban,  
Stewart Island 9846  
Telephone: (03) 219 1282  
[bruce.ford@southlanddc.govt.nz](mailto:bruce.ford@southlanddc.govt.nz)



**Mararoa Waimea Ward:**  
Alistair Jukes  
10 Melland Place, Te Anau 9600  
Telephone: (03) 249 8373  
[alistair.jukes@southlanddc.govt.nz](mailto:alistair.jukes@southlanddc.govt.nz)



**Winton Wallacetown Ward:**  
Gavin Macpherson  
570 Argyle-Otahuti Road, RD 4,  
Invercargill 9874  
Telephone: (03) 235 2789  
[gavin.macpherson@southlanddc.govt.nz](mailto:gavin.macpherson@southlanddc.govt.nz)



**Winton Wallacetown Ward:**  
Neil Paterson  
444A O'Shannessy Road, RD 1,  
Winton 9781  
Telephone: (03) 236 1343  
[neil.paterson@southlanddc.govt.nz](mailto:neil.paterson@southlanddc.govt.nz)



**Mararoa Waimea Ward:**  
Brian Dillon  
1032 Riversdale Ardrossa Road,  
RD 6, Gore 9776  
Telephone: (03) 201 6166  
[brian.dillon@southlanddc.govt.nz](mailto:brian.dillon@southlanddc.govt.nz)



**Winton Wallacetown Ward:**  
Lyall Bailey, JP  
114 Great North Road, PO Box 62,  
Winton 9741  
Telephone: (03) 236 0960  
[lyall.bailey@southlanddc.govt.nz](mailto:lyall.bailey@southlanddc.govt.nz)

## Council Operations

The Council has appointed a Chief Executive to be in charge of its 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.
- Corporate and Financial Services.

The Management Team (comprising of the Chief Executive, three Group Managers and the Human Resources Manager) reviews all general organisation issues, providing a link between the Council and the staff.

## Organisational Structure

	<b>Bruce Halligan*</b> <b>Acting Chief Executive</b>		
<b>Human Resource Manager</b>	<b>Group Manager Environment and Community</b>	<b>Group Manager Services and Assets</b>	<b>Group Manager Corporate and Financial Services</b>
<i>Janet Ellis</i>	<i>Bruce Halligan</i>	<i>Ian Marshall</i>	<i>Bede Carran*</i>
Human Resources	Area Offices	Cemeteries	Communications
Health and Safety	Building Control	Community Centres	Finance
	Customer Services	Community Housing	Grants and Donations
	Dog and Animal Control	Forestry	Governance
	District Support	Rural Fire	Information Management
	Environmental Health	Parks and Reserves	Rates
	Emergency Management	Public Conveniences	Records and Knowledge Management
	Library Service	Roading and Transport	Strategy and Policy
	Liquor Licensing	Sewerage	
	Resource Management	Stormwater	
	Iwi Liaison	Te Anau Airport	
		Solid Waste Management	
		Stewart Island Electrical Supply Authority (SIESA)	
		Water Supply	
		Work Schemes	

\* Bruce Halligan is the Acting Chief Executive as at 30 June 2014. The previous incumbent, David Adamson, ceased employment with Council on 13 June 2014.

\* Bede Carran ceased employment with Council on 1 August 2014.

# Glossary

**Activity:** Goods or services provided by or on behalf of Council.

**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 (eg water services).

**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 10 Year Plans. Explains variations from the activities or budgets in the current 10 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 10 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.

**Assumptions:** A statement that is used as the basis for making particular predictions that may or may not occur.

**Capital Costs:** These include transactions that have an effect on the longer term (ie 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.

**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.

**Community Board (CB)** People elected to represent a specific community. CBs are elected every three years by postal vote,

**Community Development Area Subcommittee (CDA):** People elected to represent a specific community. CDAs are elected three yearly at public meetings

**Contract Standards:** The standards defined in specific contracts for service delivery by contractors.

**Council Controlled Organisations (CCOs):** 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.

**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.

**Design Life:** The period of time for which an asset is expected to perform its intended function.

**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.

**Equity:** A financial term, also known as net worth. The total value of assets less total liabilities.

**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.

**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.

**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.

**Infrastructural Assets:** Infrastructural assets are utility service networks ie water, sewerage, stormwater and roading. They also include associated assets such as pump stations, the treatment plant, streetlighting and bridges.

**Investment Policy:** A document that states Council's policies in respect to investments.

**Iwi:** People or tribe.

**Key Performance Indicators (KPIs):** 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, eg depreciation. The 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.

**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.

**Regulatory Role:** Council has a regulatory role as it operates under and enforces a range of legislation.

**Rehabilitation:** Rebuilding of a road and restoring it to the original slope and natural drainage patterns.

**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.

**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.

**Resources:** These are the assets, staff and funds needed to contribute to the activities of Council including goods, services and policy advice.

**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.

**Scheme Capital Recovery:** Payment towards capital project/expenditure (generally related to a water or wastewater scheme).

**Service Provider:** Council provides services as required by law, eg sewerage, or by community mandate, eg parks.

**Shared Services Forum:** This is a collaborative arm of the four councils within 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.

SUIP (Separately used or inhabited part): 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 DOC 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.

Survey - Residents: The residents' survey involves approximately 3,000 questionnaires posted to residents in Southland and is 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 timings.

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.

Territorial Authority: A city council or a district council.

The 10 Year Plan (Long Term Plan or LTP): The 10 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 10 Year Plan was introduced by the LGA 2002. The first 10 Year Plan was adopted on June 2004 as required by the LGA 2002.

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.