



Southland District Council
ANNUAL REPORT 2014 - 2015

The Year in Review

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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 with a report from Audit New Zealand which gives an opinion on whether the financial statements and service performance information fairly represent 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

It's been another big year here at Southland District Council, but as with anything hard work brings reward and I'm pleased to say we are seeing the fruits of our labours.

In 2014/2015 we remained focused on Council's mission of *Working together for a better Southland* and the goal of having strong and vibrant communities while meeting the requirements of local government.

The importance of communities is something we put a lot of value on, it's something I believe we do well and there has been a lot going on to support this.

The Stewart Island/Rakiura Visitor Levy is proving a success. In the 2014/2015 financial year more than \$127,500 was raised to support infrastructure and projects on the Island. This will allow for economic growth as well as sustainable tourism.

A Southland Regional Development Strategy has been developed to give a focus for development of the region as a whole and we will continue work on this.

There was strong public outcry about legal highs after government announced legislation to allow its sale. Council listened to concerns and took action. Councils were given the task of regulating where these products could be sold so with Invercargill City Council and Gore District Council we developed a combined Local Approved Products Policy that restricts the location of businesses selling legal highs. This means the only place legal highs can be sold in the Southland region is the Invercargill central business district.

The area we spend the most money is always roading. We've met with people from around Southland to talk about roading; what you want and what we can afford, trying to find a happy medium.

Two projects which have seen good progression are the visitor centre complex at Curio Bay which has now gained consent, and the purchase of Blackmount School to become a community centre.

Council has been working on numerous other projects, including an upgraded treatment system and a new disposal system for Te Anau, the Around the Mountains Cycle Trail and toilet upgrade projects around the District.

This Annual Report shows that Council remains in a strong financial position. Surplus for the year was \$4.1 million, \$4.7 million above budget.

I'm pleased with the progress Council made in the past year, we have some great work happening and I know we'll continue to do our best for our District in the future.

I'm proud of the work we've accomplished together; Staff, Councillors, Community Board, Community Development Area Subcommittee members and the public. *Working together for a better Southland*.



Gary Tong
Mayor

Message from the Chief Executive

Welcome to the 2014/2015 Annual Report

I took up the reins as Chief Executive at Southland District Council just under a year ago. Since day one it has been clear that Council is an extremely solid organisation operating in an equally solid District. Its pragmatic reputation is well-deserved, and many years of hard work have gone into ensuring that the District's ratepayers are well served.

Looking to the future

As we look to the future it is important that we don't become complacent. If Southland is to continue to prosper in the future we need to recognise that the world in which we live is changing and that we need to 'change with the times'. This will mean that we will do some things differently to the way in which they have been done in the past.

Regional Development Strategy

The need to look to the future is one of the reasons as to why Council has been a strong supporter of the Regional Development Strategy, which has been developed under the leadership of the Mayoral Forum over the last year. The Strategy recognises that past success does not guarantee future success and that while our communities and local economy is strong we are also vulnerable, particularly given the narrow base on which our economy is based.

To be successful in the future the strategy proposes a simple and yet compelling goal of "More People". People bring increased economic activity, new skills and add colour and vibrancy to our communities. Attracting more people will make a tangible difference.

The Regional Development Strategy outlines a number of the actions needed to achieve the More People goal. Achievement of that goal will, however, require concerted action from a wide range of agencies and Southland communities. Council will be one of the agencies lending its weight to supporting the actions needed to make a difference for the region as a whole.

10 Year Plan

At a more local level our new 2015-2025 10 Year Plan was developed, consulted on and formally adopted during the year. The 10 Year Plan outlines the things that we will do to maintain the infrastructure and deliver the services needed by our communities over the next 10 years. It also shows how these services are to be funded.

Caring for the District's infrastructure

Looking ahead, Council is concentrating on its core infrastructure projects (particularly roading, water and sewage). These services need to be maintained to meet the demands placed on them both now and in the future.

This year we spent some \$24.1 million on capital projects - 77% or \$18.5 million of which, was spent on roading and transport projects throughout the District.

During the year a 30 Year Infrastructure Strategy was developed and our Asset Management Plans were updated. These documents identify the long term challenges we face, such as determining how we will fund the replacement of infrastructure in communities that are expected to decline in population, in the medium/long term. As well as identifying these issues they also identify the work programmes we have put in place to ensure that we develop answers to these issues.

Financial performance

Council has performed well during the past financial year. Revenue collected was \$66.5 million, consistent with budget, and operating costs were under budget by \$4.6 million, coming in at \$62.4 million.

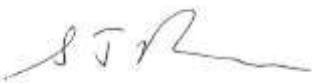
In total Council manages some \$1.4 billion of assets on behalf of its communities. We have no external debt meaning that the balance sheet and Council's overall financial position is extremely strong. The strength of this position means that the organisation is well positioned for the future.

Conclusion

Over the last year Council has continued to effectively and efficiently deliver the services our communities need.

As we look to the future and the year ahead it is important that we continue to recognise the need to change and look for new innovative ways of meeting the needs of our communities. We are operating in a dynamic environment and one in which we need to be prepared to create our own opportunities.

I look forward to working with you all to build a better Southland in the year ahead.



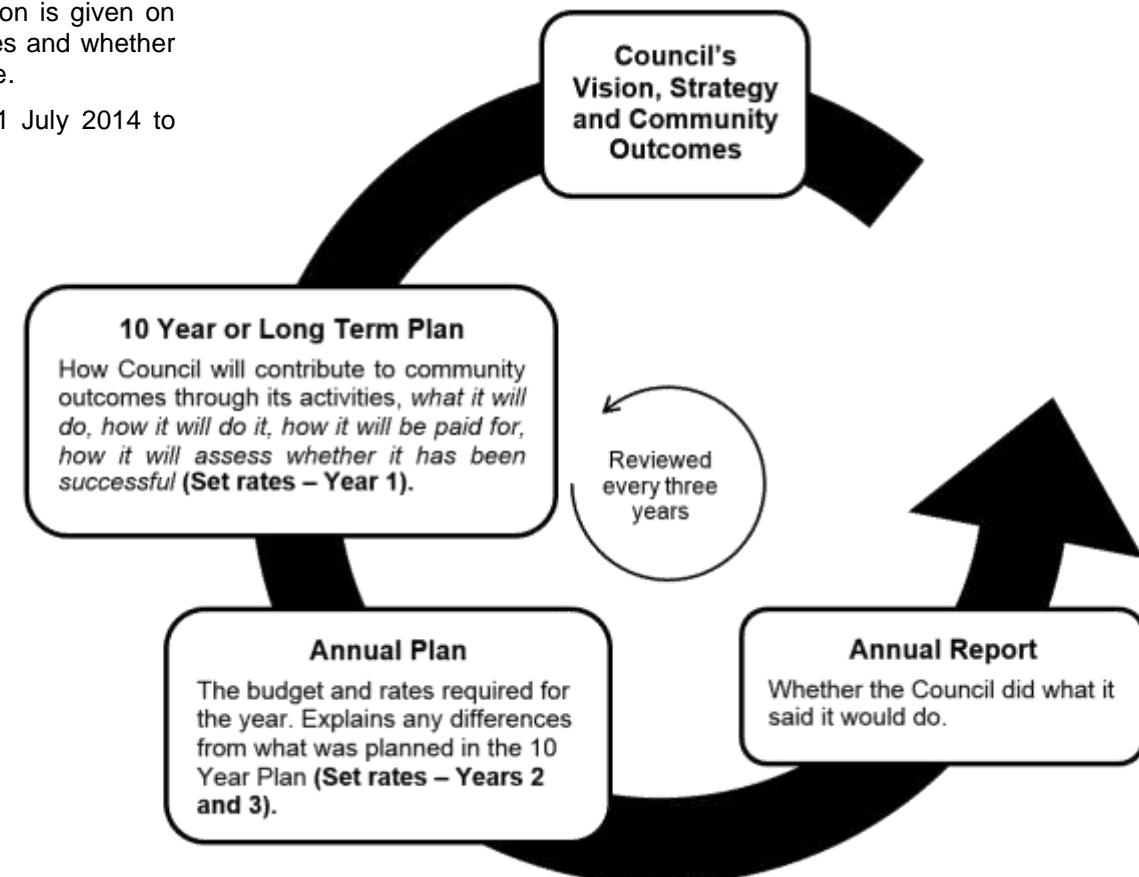
Steve Ruru
Chief Executive

What is an Annual Report?

This Annual Report tells you and us how well we did against what we said we were going to do in the Annual Plan 2014/2015, 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 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 Council's activities during the year 1 July 2014 to 30 June 2015.



Vision, Mission and Guiding Principle

The following table sets out Council's strategic framework. It outlines Council's approach to planning and the strategies and proposals that are set out in this plan. The principle that guides Council in everything it does is "People First".

VISION : To have thriving, healthy Southland communities MISSION : Working together for a better Southland COMMUNITY OUTCOMES		
Supporting our Communities We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.	Making the most of our Resources We will strive to be good custodians of the environment to ensure that people living here now and in the future can grow and prosper while retaining the natural beauty of Southland.	Being an Effective Council We will endeavour to be prudent, innovative and be an enabler for our communities.
Council's role in delivering on its outcomes		
Help communities to help themselves, providing them with support, resources and mentoring Encourage our residents and ratepayers to have pride in their communities Deliver our own services and activities in ways which help create desirable communities Encourage appropriate employment and economic opportunities which sustain these communities Advocate on behalf of our communities Celebrate our communities' successes Consider community capacity and promote equity across the District Help the District adapt to the changes in our community demographics to ensure the young, elderly or culturally diverse members of our society are catered for.	Ensure that we make the best use of our water and our land, particularly as productive agricultural land Deliver our own services and activities in a sustainable manner Ensure that our policies and plans help retain the value of our natural environment Support initiatives which reduce impacts on the environment.	Listen to our communities, empower them and be responsive to their needs Work together with others to achieve our community goals Proactively lead our communities Ensure that infrastructure and services are provided and maintained consistent with community needs and provide value for money in a sustainable manner Ensure that decisions are based on good information and advice Focus on what is important (must have versus nice to have) Look for opportunities to increase value of our services Be an employer and Council of choice.
COUNCIL'S ACTIVITIES – How we will achieve it		

Key Highlights of Council in 2014/2015

Regional Development Strategy

A Southland Regional Development Strategy is being developed to look at how Southlanders want the region to move forward in the next 10-15 years. This strategy will help to provide a focus for promoting development of the region as a whole.

A steering group made up of representatives from the business, community and local government sectors have been brought together to work on the project.

10 Year Plan

The 10 Year Plan is an opportunity for Council to take a long term view of its activities, their impact on the District, and on present and future communities.

Key decisions included a new 80-20 principle which prioritises spending on 20% of the District's sealed roads that carry 80% of the vehicles, adoption of a new roading rate model, agreement to seal the Catlins road from Curio Bay to Haldane (dependant on New Zealand Transport Agency (NZTA) funding), and phasing in depreciation funding for a large number of Council assets. The 10 Year Plan was adopted in June after consultation with the public.

Roading

2014/2015 was year three of the Council's 2012-2022 10 Year Plan. The third year culminated in a positive result for roading with more reseals and rehabilitation work being completed over the three year period. This resulted in a budget surplus for the roading activity and was primarily due to a drop in diesel and bitumen prices on the global market. Overall, Council was also able to maintain the levels of service for the roading network for less cost.

For 2014/2015 some performance targets were not met. This is because when site investigations were conducted it became apparent that some of the roads were in better condition than originally assessed which meant a smaller work programme was required. Further details about roading can be found in the activity section on page 105.

Regional Land Transport Plan

Council has worked with representatives from the NZ Transport Agency and other Southland and Otago councils to develop a joint Otago and Southland Regional Land Transport plan.

The plan focuses on maintaining the regions' established transport networks, while making key improvements to transport services and infrastructure.

It focuses on:

- Making our roads safer
- Supporting economic growth by enabling efficient freight and visitor journeys.
- Increasing roading network resilience
- Ensuring value for money investment.

By focusing on critical journeys, and taking a wider regional view, the committee has identified proposed projects of the greatest significance.

Te Anau Sewerage Scheme

The Te Anau Wastewater Disposal Scheme was granted resource consent in January 2015. The proposed scheme involves upgrading the existing treatment process and subsequent disposal of the treated sewage to land around Te Anau Airport Manapouri.

Appeals to the Environment Court are expected to be heard by the end of 2015.

Meanwhile, a committee made up of Council and community representatives has been set up to govern the project, including a peer review.

Around the Mountains Cycle Trail

The Around the Mountains Cycle Trail is being built by Council in partnership with the government's New Zealand Cycle Trail Project. Stage One of the Around the Mountains Cycle Trail, from Kingston to Mossburn, was officially opened in November 2014 by Deputy Prime Minister Bill English. Council and the community organised a family fun day so everyone could celebrate the opening of a recreational asset that is expected to offer considerable long term benefits to local communities.

Work on Stage Two is progressing with a number of sections of the trail having been constructed. Resource consents have been approved for a section beside the Oreti River but have been appealed by Fish & Game and will be heard in the Environment Court before the end of the year.

Council continues to seek additional external funding for the trail, with \$250,000 having been received from the Community Trust of Southland this year. The final decision on how Council will fund the balance is currently being worked through; options include the use of existing reserves.

Curio Bay

The shared vision for Curio Bay, developed between Council, DOC and the South Catlins Charitable Trust, has progressed during the year. A resource consent application for a proposed wastewater treatment scheme was approved, resource consent to develop the proposed visitor centre complex was granted to the trust, and DOC progressed plans to construct an integrated carpark and public toilets block which will be able to be used by visitors to the reserve and petrified forest.

Earthquake-prone Buildings

The Ministry of Business, Innovation and Employment (MBIE) indicated changes to the Building Act in early 2014 to require councils to have potentially earthquake prone buildings assessed by a chartered professional engineer within five years. In May 2015, government announced it had revised its policy in favour of a more targeted approach that focuses on the buildings that pose the greatest risk to life. The Amendment Bill is being considered by the Select Committee and is not likely to be finalised until 2016.

Building Control reaccreditation

All building consent authorities are subject to undergo a biennial intensive audit process that is managed by International Accreditation New Zealand (IANZ). Council underwent this process in March 2015 and was reaccredited as a Building Consent Authority for a further two years with no corrective actions required.

Transfer of powers under Building Act 2004 - Southern Islands

Building Consent Authority responsibilities for the Southern Islands, currently managed by the Department of Conservation (DOC), are likely to be transferred to Council to make use of Council's technical expertise around the Building Act.

The transfer has been formally approved in principle by Council, and formal notification of the intention to transfer has been notified by DOC.

District Plan update

Significant progress has been made in the review of the Southland District Plan under the Resource Management Act 1991. Submissions were heard and decisions on these issued; with nine appeals to the Environment Court as a result. The issues subject to appeal are relatively narrow which means the provisions not appealed are now operative. The new provisions replace those in the previous District Plan.

Since lodgement of appeals there has been further dialogue with appellants and good progress has been made in seeking to resolve the appeals via consent memorandum rather than via full hearings at the Environment Court. Several consent memoranda are now with an Environment Court judge seeking the court's approval. The remaining appeals are likely to be resolved through the hearing process in 2016.

Blackmount

The Blackmount community has secured the old school for a community centre.

At the request of the Blackmount community, Council negotiated the purchase of the former school and swimming pool from the Crown. While Council will be the owner of the property, the Blackmount community will be responsible for the cost of the purchase and on-going liabilities. This is an example of Council supporting its communities by working with them to ensure what is important is around for generations to come.

Toilet upgrade projects

Toilet upgrades at Garston, Jollies Hill and Mossburn were planned for 2014/2015 as part of an overall strategy to upgrade the District's toilets over 10 years. The Mossburn toilet upgrade was completed and the Garston upgrade is nearly complete. The Jollies Hill toilet upgrade project was changed to a new toilet at Athol which, when completed, will initiate the removal of the old toilet at Jollies Hill.

For the performance results and project information for Council activities please see the individual activity sections of the annual report.

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 Council, Stewart Island Electricity Supply Authority and Council's share in Venture Southland. The table shows the financial year-end results, as at 30 June 2015 and includes comparisons from the previous financial year and the budget as outlined in the 2014/2015 Annual Plan.

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

Full details of Council's accounting policies can be found on page 155.

The financial report has been prepared in accordance with New Zealand Generally Accepted Accounting Practise (NZ GAAP). These financial statements have been prepared in accordance with Tier 1 Public Benefit Entity ("PBE") accounting standards.

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

Definitions

REVENUE AND EXPENSE

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.

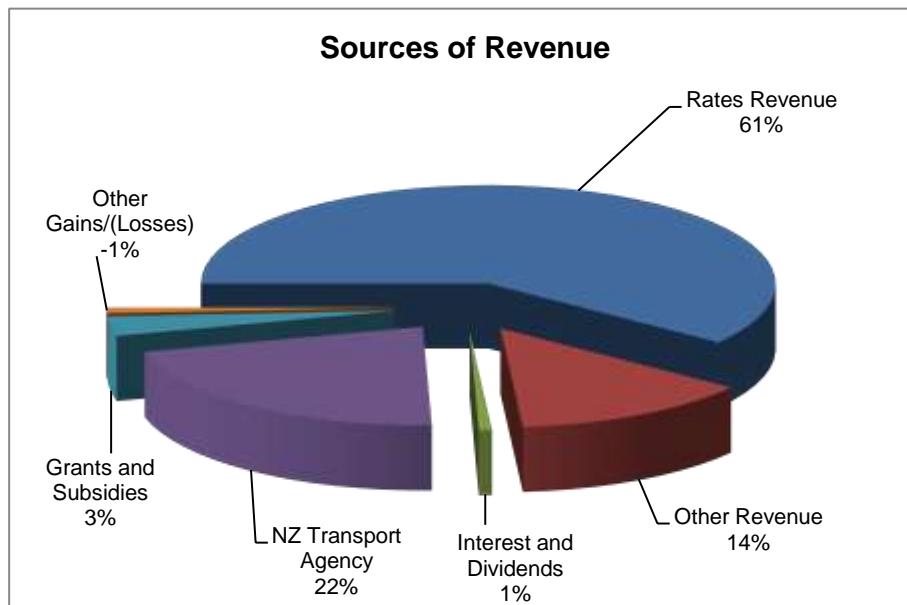
CASHFLOW

How Council generated and used cash during the year.

Financial Summary		Actual 2013/2014	Actual 2014/2015	Budget AP 2014/2015
		(\$000)	(\$000)	(\$000)
REVENUE AND EXPENSE				
71,180	Revenue Earned (including Asset Development)		66,484	66,449
63,526	Less Total Expenditure	(62,358)	(66,987)	
21	Less Finance Costs	(20)	(28)	
7,633	Net Surplus/(Deficit) after Tax	4,106	(566)	
15	Movement in Fair Value Reserve	327	-	
(11,246)	Movement in Asset Revaluation Reserve	(8,736)	50,434	
(3,598)	Comprehensive Income	(4,303)	49,868	
CHANGES IN EQUITY				
1,393,940	Equity at Start of Year		1,390,342	1,432,693
(3,598)	Total Comprehensive Income	(4,303)	49,868	
1,390,342	Equity at the End of the Year	1,386,039	1,482,561	
FINANCIAL POSITION				
1,390,342	Total Equity	1,386,039	1,482,561	
20,878	Current Assets	21,886	11,742	
1,380,739	Non-Current Assets	1,375,896	1,481,714	
1,401,617	Total Assets	1,397,782	1,493,456	
11,089	Current Liabilities	11,573	10,711	
186	Non-Current Liabilities	170	183	
11,275	Total Liabilities	11,743	10,894	
1,390,342	Net Assets (Assets less Liabilities)	1,386,039	1,482,561	
CASH FLOWS				
24,376	Operating Cashflow	22,296	23,350	
(21,637)	Investing Cashflow	(24,200)	(24,301)	
(17)	Financing Cashflow	(15)	(30)	
2,722	Net Cashflow Increase/(Decrease)	(1,919)	(981)	
8,855	Opening Cash Balance	11,577	4,809	
11,577	Closing Cash Balance	9,658	3,828	

Where the revenue came from

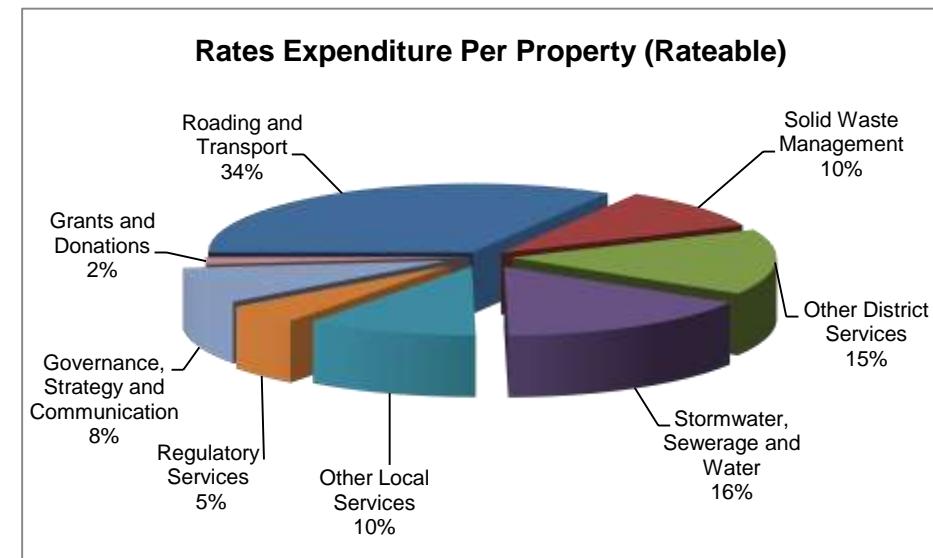
Council's consolidated revenue this year is \$66.5 million, including \$40.7 million from rates. The breakdown of this revenue is shown in the graph (below).



Where your rates were spent

The pie chart (below) shows the breakdown of where the rates per property were spent in 2014/2015. The most significant areas were Roading and Transport, followed by Stormwater, Sewerage and Water, 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, cemeteries, pools, public conveniences, jetties etc.

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



Revenue

\$66.5 million of revenue was collected during the financial year. Overall revenue is on budget.

Operational expenditure

\$62.4 million was spent on operating expenditure with nearly half of this going to Roading and Transport services (43.1%). Overall operating expenditure was under budget by \$4.6 million. The key variance was a reduction in the actual depreciation calculated due to the roading valuation being significantly less than budgeted.

Net assets and equity

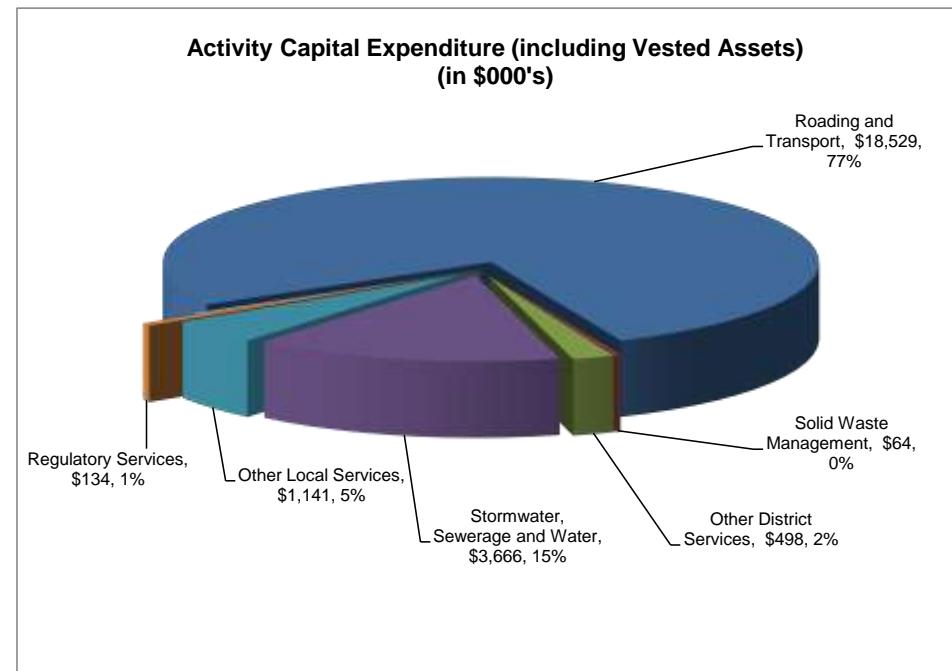
Overall Council's total net assets have slightly decreased from last year. This is due to a decrease in the valuation of Council's infrastructure (Council has total assets of approximately \$1.4 billion). Additionally, as a result of internally funding projects from existing cash reserves, long term 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 9).

Cashflow

Council's operating cash flow was \$1.1 million less than forecast. This is primarily due to the actual cost of completing the roading programme being less than budget, and therefore the NZTA funding contribution was \$0.7 million less than budgeted. Council's net cash out flow from investing activities was \$0.1 million less than forecast due to lower than expected capital works. Overall, Council has ended the year with a cash balance of \$9.7 million which is \$5.8 million higher than budget.

Capital expenditure

Council spent \$24.1 million on capital projects in 2014/2015. Of this total, \$18.5 million (77%) was spent on roading and transport projects throughout the District and \$3.7 million (15%) was spent on stormwater, sewerage and water projects in local townships. The capital project spending was lower than the \$24.8 million budgeted in the Annual Plan due to a number of stormwater, sewerage and water capital projects still in progress or not yet started at 30 June 2015. More detail on these is shown in the activity sections of this report.



Financial Prudence Benchmarks

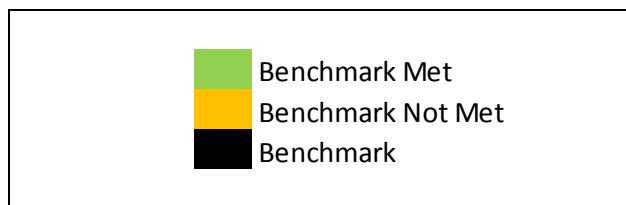
Purpose

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

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 two years preceding the 2012-2022 10 Year Plan have been included to assist in providing context.

Key



Rates (income) affordability benchmark

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 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".

The limit is set by Council.

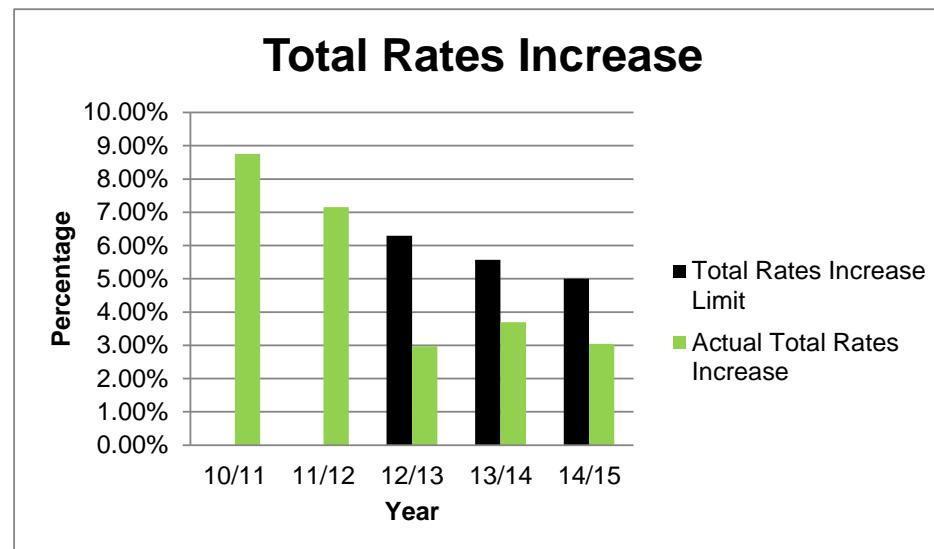


Council has been mindful of the amount of rates compared to total income and as such has been within the limit on total rates income over the last three years.

2. Total Rates Increase

The following graph compares Council's actual rates increases with the limit imposed in the 2012-2022 Long Term Plan being "total rates increase will be limited to LGCI + 2.5%".

The limit is set by Council.



Council has achieved its goal of total rates increases being limited to LGCI + 2.5% since it was set in the 2012-2022 Long Term Plan.

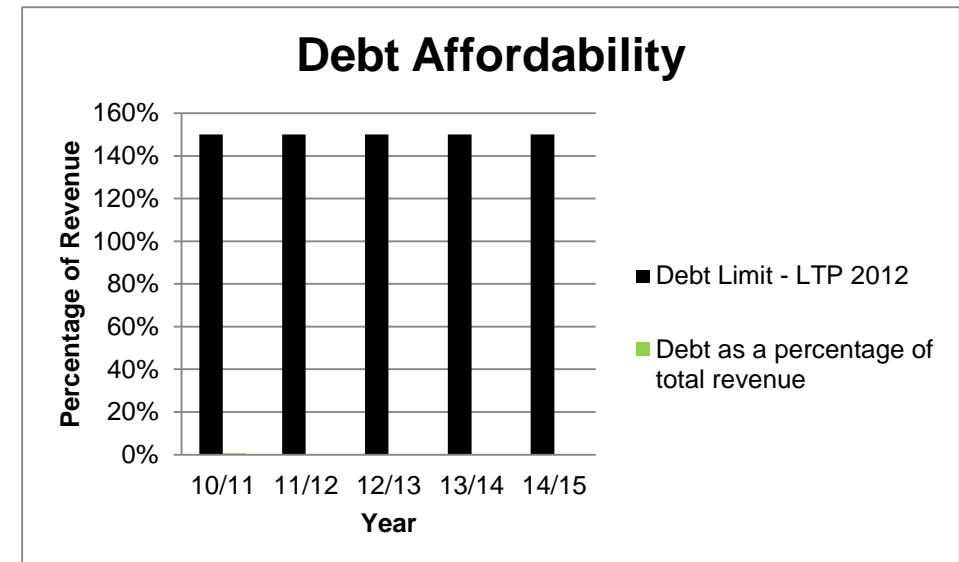
Debt affordability benchmark

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 Council's actual borrowing with this limit.

The limit is set by Council.



Council has a small finance lease which is classified as debt, (hence the lack of visible actual results). No other external borrowings have been required.

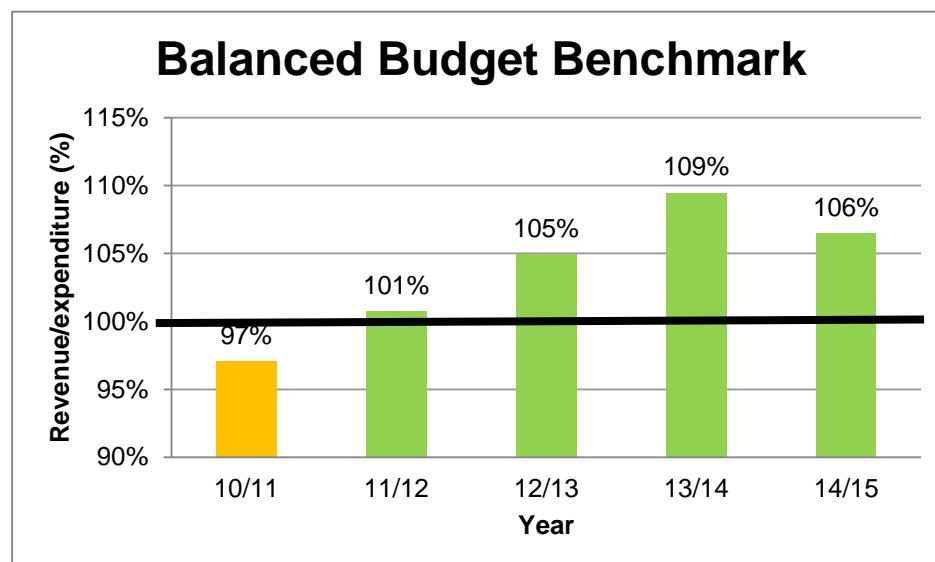
Balanced budget benchmark

The following graph displays 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).

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.

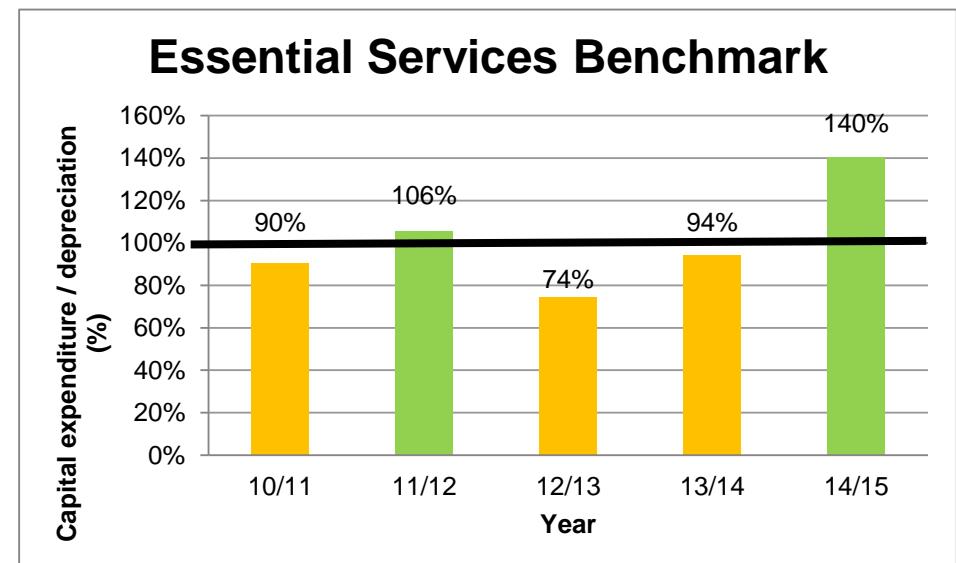
The limit is set by legislation.



Essential services benchmark

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

The limit is set by legislation.



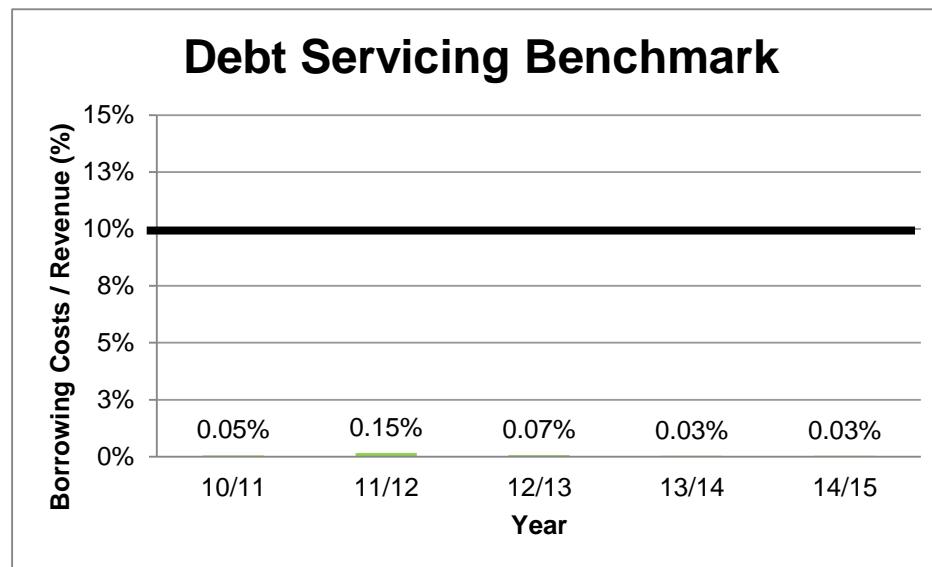
Over time Council's capital expenditure should equal its depreciation, which will mean Council is replacing its assets as they deteriorate, however due to some projects being large it is difficult to assess this on a year by year basis. In the current year Council has exceeded the benchmark, primarily due to the capitalisation of Stage One of the Around the Mountains Cycle Trail because that stage has been completed.

Debt servicing benchmark

The following graph displays 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).

The limit of this benchmark is set by legislation because Statistics New Zealand forecasts that Southland District'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.

The limit is set by legislation.



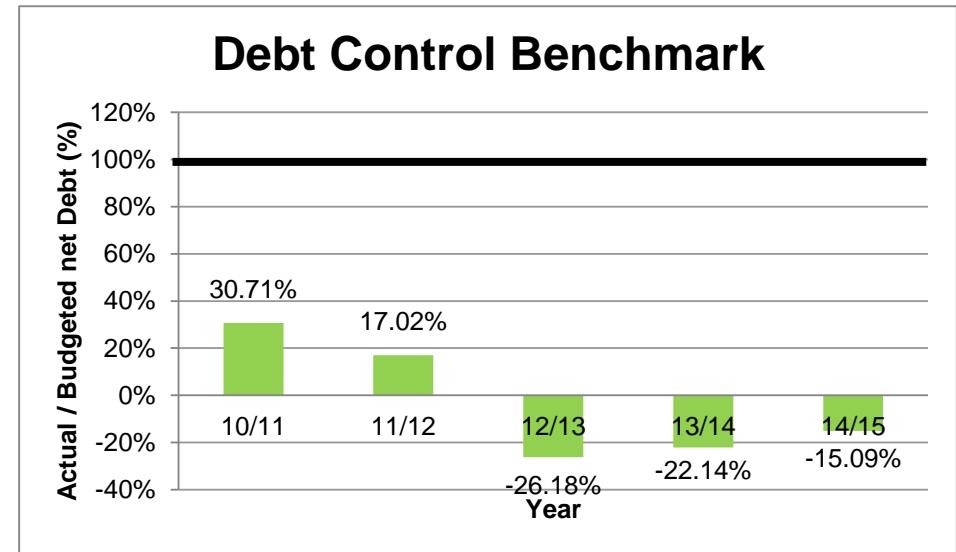
Council currently has minimal debt, which are finance leases. No other external borrowings have been required.

Debt control benchmark

The following graph displays 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).

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

The limit is set by legislation.



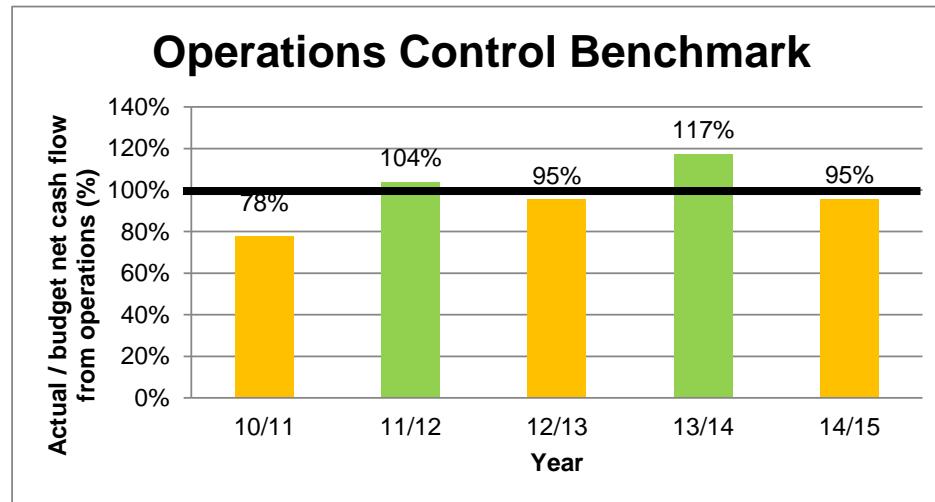
Council maintains a strong statement of financial position with financial assets currently exceeding financial liabilities. Council did plan to be requiring external debt from 2012/2013 however, due to the delay in capital work undertaken in the last three financial years and additional revenue received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

Operations control benchmark

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

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 limit is set by legislation.



The years that Council did not meet the benchmark, cash from revenue other than rates was lower than anticipated, however overall cash reserves were sufficient to cover the shortfall. In these years there was no material variance in cash payments. In 2014/2015 year, NZTA funding was \$0.7 million less than budgeted, negatively impacting this benchmark.

Shared Services Annual Report Statement

Building Control

The four councils continue to work closely together on building control matters in terms of both information sharing and staff exchanges to support each other at busy times.

The Shared Services Forum had requested a combined Building Control Shared Service between Southland District Council (SDC), Environment Southland (ES), Gore District Council (GDC) and Invercargill City Council (ICC) with Clutha District Council (CDC) also opting to participate in this initiative.

A key milestone achieved during the 2013/2014 year was the development of a combined process and quality manual which the four councils have now adopted and are implementing. This manual standardises consent processing methodology and quality assurance measures and has now been the subject of a formal IANZ reaccreditation review via the SDC review in March 2015. IANZ praised the combined manual approach as the first of its type in New Zealand, and supported the content, subject to some minor continuous improvement recommendations.

A workstream is also proposed in conjunction with MBIE which seeks to identify common blockages in building consent processes across the Southland councils and how these can be removed or minimised. This has considerable potential to assist the Southland region with being “open for business” for new development.

Emergency Management

Emergency Management Southland (EMS) is a shared service between SDC, ES, GDC and ICC. 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.

A tsunami hazard of national significance has been identified by the Ministry of Civil Defence and Emergency Management at Milford Sound. Emergency Management Southland has hence had a strong focus in 2014/2015 of raising awareness of the Milford community and businesses of this hazard. A workstream is also underway to look at the ways by which this hazard can be mitigated, including possible development of evacuation paths to higher ground.

Neil Cruickshank resigned as Emergency Management Southland Manager in June to travel overseas and Angus McKay was appointed as his replacement.

Information Technology

The IT Shared Services Operations Subcommittee 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 (QLDC), Otago Regional Council (ORC) and Clutha District Council (CDC) have also joined Te Ao Mārama. The papatipu rūnanga 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 2014/2015 has been to seek to give these meetings more of a strategic focus and less focus on day to day operational/retrospective reporting back.

A review is also underway of the Charter of Understanding foundation document, He Huarahi mō Ngā Uri Whakatupu, which articulates the relationship between the four councils and the tangata whenua. This should be completed in the 2015/2016 year.

Library Consortium

The consortium came together to share a range of services during 2014/2015 and these originally included the Symphony Library Management system which allowed access to the complete catalogues of Dunedin and Invercargill City Libraries, Queenstown Lakes, Central Otago and Southland District Libraries for all residents.

Differing demands by various councils saw a very amiable split from this some months ago although all members are still using the Symphony platform. Dunedin City, Central Otago and Queenstown Lakes Districts have joined the national consortia - Kotui - which provides enhanced support, searching and report functions while SDC and ICC remain partnered under a local support plan.

Significant unbudgeted costs were part of the reason for this, but there is an ongoing opportunity to review this decision.

Although SDC borrowers are no longer able to view all library catalogues direct, access to stock from them is still available through their local branch. 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.

A review of the memorandum of understanding, specifically relating to the Library Management System - Symphony - is underway.

Rural Fire

The Southern Rural Fire Authority was formed on 7 August 2003 and amalgamated the rural fire responsibilities of SDC, GDC, ICC, Southern Plantations Rural Fire Authority and DOC - Southland Conservancy.

In total, about 3.5 million hectares or one eighth of the land area of New Zealand 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 strongly focused on the management of health and safety issues, and also inputting into the national Fire Service Review. The Board held a strategic planning day which discussed the future of SRFA and threats and opportunities. A key issue remains the sustainability of the volunteer network, with some brigades struggling to retain a viable membership.

Venture Southland

The Venture Southland business team continued to deliver high levels of business support services to over 400 businesses in the region. Business efficiency, through the Lean Manufacturing Programme and the Dairy Lean (rebranded Dairy Lift), continue to be a focus providing in-depth productivity gains for local companies. Venture Southland also coordinated a number of regional initiatives including the regional bid to MBIE for Ultrafast Broadband, Rural Broadband Initiative, Mobile Blackspot fund.

Visitor numbers and transactions were up by 10% for Southland in 2014/2015 year and some highlights for tourism were the Prince Harry visit, significant growth in social media, and the opening of new cycle trails. Fundamental to these successes have been the engagement with the community and sector groups, where working with local tourism operators have fostered new relationships and opportunities such as the development of individual businesses in trade and digital marketing.

The community development team worked in initiating, partnering and participating in community development initiatives at a local, regional and national level. Of particular note was the facilitation of a number of projects commemorating the 100 year World War One anniversary.

WasteNet

Council is part of WasteNet Southland, a shared services arrangement between SDC, GDC and ICC. WasteNet actively promotes and advocates waste minimisation initiatives. Through WasteNet, Council provides 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 waste transfer stations, recycling services, and greenwaste sites at a number of locations across the district.

Opportunities for Māori to Contribute to Decision-Making

Introduction

A total 9.5% of Southlanders identify as Māori. 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. 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'

Council was officially gifted its Māori name 'Te Rohe Pōtae o Murihiku' at a naming ceremony at Takutai o te Tītī marae at Colac Bay/Ōraka in November 2005, strengthening links between Council and the Tāngata whenua and emphasising the importance of Council's partnership with Ngāi Tahu. The Māori name acknowledges 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. 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, SDC (together with five other local authorities in Southland/Otago, namely ES, ICC, GDC, CDC and Queenstown Lakes District Council (QLDC)) is an active participant and signatory to the charter of understanding 'He Huarahi mō Ngā Uri Whakatapu (a Pathway for the Generations Coming Through)' between the six councils and Te Ao Mārama Incorporated.

The charter was revised in 2003 to incorporate the wider responsibilities under the Local Government Act 2002, and underpins all dealings between Council and Te Ao Mārama.

The charter of understanding provides:

- The basis for an ongoing relationship between the six councils and the tāngata whenua of Murihiku to assist in developing the capacity of Māori to contribute to decision-making processes
- A foundation for consultation on a wide range of local government issues
- For the recognition and willingness of Te Ao Mārama to assist all councils in consultation with all ngā matawaka living in Murihiku. This is important in terms of Māori contribution to decision-making in the Southland District, particularly as the Local Government Act responsibilities of 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. Councillors and senior Council staff involved in resource management regularly attend Te Roopū Taiao meetings. Te Roopū Taiao has recently been extended to include ngā matawaka (other Māori who are not Ngāi Tahu) representatives.

Fostering Māori Capacity

The table on the next page highlights progress with a number of initiatives aimed at fostering Māori capacity to contribute to decision-making processes.

Fostering Māori capacity

Initiatives	Status	Progress
Council has resolved to provide for Te Ao Mārama as a collaborator on Council's Annual Plan/Long Term plan processes	Achieved	Achieved. Te Ao Mārama provided a representative (Muriel Johnstone) and participated as a collaborator in the hearing of submissions on the draft 2015-2025 Long Term Plan.
Council has resolved to provide for a representative from Te Ao Mārama for the duration of the District Plan Submission Hearings in conjunction with the Resource Management Committee	Achieved	Achieved. Mr Don Mowat was part of the District Plan Hearing Panel representing Te Ao Mārama.
Continue to hold regular liaison meetings between Te Ao Mārama and SDC Executive and Senior Managers (at least once per annum)	Not Achieved	Not Achieved. Due to several staff changes on the SDC Executive over this period, this is yet to occur.
Provide an interpreter on request should Māori wish to present submissions to Council in Te Reo Māori	Achieved	Achieved. Standing arrangement in place if required.
Invite Māori to attend Council meetings and hearings to become familiar with Council protocol	Achieved	Achieved. Various meetings and hearings attended throughout the year, and standing invitation.
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	Achieved. Yvette Couch-Lewis was appointed as independent Māori representative to the hearing commissioner panel hearing the Te Anau wastewater designation. (Te Ao Mārama was a submitter to this process so a Te Ao Mārama representative could not be appointed).
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 SDC organisation (eg information in HR manual, GIS, Ngāi Tahu Claims Settlement Act 1998, training and displays)	Achieved	Achieved. Protocols maintained.
Regularly refer to and report against Te Tangi a Tauira, the new Ngāi Tahu Murihiku Resource Management Plan when assessing resource consent applications	Achieved	Achieved. Every application for resource consent reported to the Resource Management Committee includes an assessment of the proposal against Te Tangi a Tauira.
Maintain its commitment to ongoing funding of Te Ao Mārama Incorporated, the Ngāi Tahu (Murihiku) Resource Management Agency	Achieved	Achieved. Funding 2015-2025 included in the Long Term Plan.

Initiatives	Status	Progress
Provide training to all new staff and Councillors on marae protocol, local history and related legislation	Not Achieved	Not Achieved. Resourcing issues with both SDC and Te Ao Mārama has meant that this has not been achieved, but is being progressed.
Provide regular monthly contact sessions for SDC staff to interact with Te Ao Mārama staff on topical matters of mutual interest, to maintain and enhance the relationship between the agencies	Achieved	Achieved. Regular monthly drop-in sessions occurred throughout 2014/2015 year.
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	Not Achieved. Further work required in this area, resourcing issues and staff changes have delayed this.

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 2015 fairly reflect the financial position and operations of the Southland District Council.

	
Gary Tong MAYOR Date: 7 October 2015	Steve Ruru CHIEF EXECUTIVE Date: 7 October 2015

Audit Report

Independent Auditor's Report

To the readers of Southland District Council's annual report for the year ended 30 June 2015

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 2015 on page 170;
 - the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ending 30 June 2015 on pages 168, 169 and 171;
 - the funding impact statement of the District Council on page 172;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 28 to 149; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 155 to 167 and 174 to 223;
- The statement of service provision (referred to as Activities) of the District Council on pages 28 to 149 and the funding impact statements in relation to each group of activities of the District Council on pages 28 to 149.
- 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 pages 198 to 199;
 - reserve funds on pages 214 to 223;
 - each group of activities carried out by the District Council on pages 28 to 149;
 - remuneration paid to the elected members and certain employees of the District Council on pages 177 to 178;
 - employee staffing levels and remuneration on page 178; and
 - severance payments on page 210;
 - rating base units on page 174; and
 - insurance of assets on page 191
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on pages 19 to 21; and
- a statement of compliance signed by the Mayor of the Council, and by the District Council's Chief Executive on page 22.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council on pages 155 to 223:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2015;

- . the results of its operations and cash flows for the year ended on that date; and
 - o comply with generally accepted accounting practice in New Zealand.
- The funding impact statement of the District Council on page 172, present fairly, in all material respects, 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 28 to 149, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- The statement of service provision (referred to as Activities) of the District Council on pages 28 to 149:
 - o presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:
 - . the levels of service as measured against the intended levels of service adopted in the long-term plan;
 - . the reasons for any significant variances between the actual service and the expected service; and
 - o complies with generally accepted accounting practice in New Zealand.
- The funding impact statements in relation to each group of activities of the District Council on pages 28 to 149, present fairly, in all material respects, 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.

- The disclosures on pages 12 to 16 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

Compliance with the other requirements of schedule 10

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 7 October 2015. 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 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 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 the 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 believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- Financial statements and Activities that:
 - comply with generally accepted accounting practice in New Zealand;
 - present fairly the District Council's financial position, financial performance and cash flows;
 - present fairly its service performance, including achievements compared to forecast.
- A funding impact statement that presents fairly 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 presents fairly 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 presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or 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 Council's responsibilities arise under the Local Government Act 2002.

The 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 Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the 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.

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 and the audit of the District Council's 2015-25 Long Term Plan, and an independent assurance review of the District Council's Debenture Trust Deed, 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 well-being. 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 Residents' Opinion and Satisfaction Survey. The Residents' Opinion and Satisfaction Survey is conducted every three years. The survey consists of 62 questions and involves a phone survey with residents over the age of 18 who live in the Southland District. The next survey is scheduled for 2016/2017.

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 2014/2015 and the actual result for 2014/2015. A comparison between the budget in the 10 Year Plan for the year 2014/2015 and the Annual Plan 2014/2015 can be found in the published Annual Plan for 2014/2015.

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, Council is regularly externally audited in terms of its processes and competencies.

Effects on the community

There were no negative effects identified during the financial year in relation to this activity.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget.

The activity achieved four of the five key performance indicator targets that were measured for the year. The reason for the not achieved target for the survey question could be attributed to respondents not providing a definitive answer. Eight respondents (12%) answered "don't know/not applicable" to the survey question.

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Key highlights

Legislative changes

The Building Control activity is influenced by changes in legislation. MBIE has indicated changes to the Building Act, requiring councils to have buildings that are identified as potentially earthquake-prone be assessed by a Chartered Professional Engineer within five years. The threshold for buildings being identified as potentially earthquake-prone has yet to be determined, so there are a number of buildings within the District that require assessment and the cost to Council is unknown at this stage.

The legislation is expected to be finalised by 2016. Legislative changes under the Building Act will reduce Council's input into building consent processing and inspections for low-risk buildings such as farm buildings and garages. This is likely to reduce the work required as approximately 20-25% of the building consent activity will be generated from lower-risk farm buildings. The low-risk consenting provisions are already in place in the Building Act and only require the definition of what constitutes a low-risk building to be defined by MBIE before coming into effect.

The decision on this will be based on when the licensing of building practitioners has been deemed effective. The ministry has indicated that licensing as yet has not been effective and it is likely to be 2018 before being re-considered. Changes proposed to the Fencing of Swimming Pools Act have indicated councils will be required to undertake inspections of swimming pools to ensure appropriate fencing. Council currently has 50 swimming and spa pools on its register. As at 30 June 2015 the legislation is not in place yet.

Reaccreditation

Council was reaccredited as a Building Consent authority in March 2015 with no corrective actions.

Shared Services Initiative

There is a proposal with the Shared Service Forum that includes ICC, GDC, CDC and SDC, to share the Building Consent Authority (BCA) functions. A gradual approach by the Shared Services Forum would be taken to the integration of functions. The forum has developed a shared quality manual and some shared forms.

Transfer of Powers under Building Act 2004 - Southern Islands

Council has held dialogue with DOC over the last two years regarding the possible transfer of the Department's Building Consent Authority responsibilities under the Building Act 2004 for the Southern Islands which it manages to Council, to make use of the technical expertise which Council holds in relation to Building Act matters. This transfer has been formally approved in principle by Council, and formal notification of the intention to transfer has been notified by DOC.

Earthquake-prone Buildings

The Ministry of Business, Innovation and Employment (MBIE) indicated changes to the Building Act in early 2014 to require councils to have potentially earthquake prone buildings assessed by a chartered professional engineer within five years. In May 2015, government announced it had revised its policy in favour of a more targeted approach that focuses on the buildings that pose the greatest risk to life. The Amendment Bill is being considered by the Select Committee and is not likely to be finalised until 2016.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed																		
Responsiveness 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. ^{1 and 2}	Pathway.	98%	99%	<p>Achieved. The result was 99%.</p> <table border="1"> <thead> <tr> <th>Type</th><th>Applications received</th><th>Issued in timeframes</th></tr> </thead> <tbody> <tr> <td>Building consent</td><td>1,067</td><td>1,065</td></tr> <tr> <td>PIMs</td><td>36</td><td>36</td></tr> <tr> <td>LIMs</td><td>461</td><td>461</td></tr> <tr> <td>COA</td><td>18</td><td>12</td></tr> <tr> <td>Total</td><td>1,582</td><td>1,574</td></tr> </tbody> </table> <p>In 2013/2014 the result was 99%.</p>	Type	Applications received	Issued in timeframes	Building consent	1,067	1,065	PIMs	36	36	LIMs	461	461	COA	18	12	Total	1,582	1,574
Type	Applications received	Issued in timeframes																					
Building consent	1,067	1,065																					
PIMs	36	36																					
LIMs	461	461																					
COA	18	12																					
Total	1,582	1,574																					
Responsiveness 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. ²	Form 232 Applications for CCC.	98%	99%	<p>Achieved. The result was 99%. In 2013/2014 the result was 99%.</p>																		
Responsiveness Appropriate and timely guidance is provided regarding Building Control matters as requested by customers.	Percentage of applicants satisfied with the service provided.	Biennial user survey.	80%	78%	<p>Not Achieved. The result was 78%. The reason it did not meet the target could be due to a number of respondents answering "don't know/not applicable" which may have skewed the result. In 2012/2013 the result was 76%. The next survey is scheduled for 2016/2017 with a target of 80%.</p>																		
Quality Ensure that building work complies with the Building Code to ensure communities are safe.	Number of proven liability claims against Council.	Form 231 - Insurance Notification Claim Register.	0	0	<p>Achieved. The result was zero. In 2013/2014 the result was zero.</p>																		

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Quality 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.	Form 228 CS Audit Register.	10%	11%	Achieved. The result was 11%. From a total of 674 compliance schedules, 74 were audited. In 2013/2014 the result was 12.5%.

1. Statutory timeframes for the various applications are as follows - PIMs (12 working days), LIMs (10 working days), Building Consents (20 working days) and Certificates of Acceptance (20 working days).
 2. 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 2014/2015 financial year.

Variation from the budget

There were no significant variances in relation to sources of operating funding and payments to staff and suppliers. 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

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
		Sources of operating funding			
348	358	General rates, uniform annual general charges, rates penalties	368	384	383
-	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
1,089	1,124	Fees and charges	996	1,155	1,147
109	111	Internal charges and overheads recovered	94	107	107
10	10	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	79	18	13
1,556	1,603	Total operating funding	1,538	1,664	1,650
		Applications of operating funding			
1,217	1,248	Payments to staff and suppliers	1,198	1,237	1,252
1	1	Finance costs	(4)	5	1
294	304	Internal charges and overheads applied	376	416	361
-	-	Other operating funding applications	-	-	-
1,513	1,553	Total applications of operating funding	1,570	1,658	1,614
43	50	Surplus (deficit) of operating funding	(32)	6	36
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(9)	(10)	Increase (decrease) in debt	(10)	(10)	(10)
6	20	Gross proceeds from sale of assets	7	21	8
-	-	Lump sum contributions	-	-	-
(3)	10	Total sources of capital funding	(2)	11	(2)
		Applications of capital funding			
		Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
1	1	▪ to improve the level of service	-	-	1
27	68	▪ to replace existing assets	32	28	32
12	(9)	Increase (decrease) in reserves	(66)	(11)	1
-	-	Increase (decrease) in investments	-	-	-
40	60	Total applications of capital funding	(34)	17	34
(43)	(50)	Surplus (deficit) of capital funding	32	(6)	(36)
-	-	Funding balance	-	-	-

¹ 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 22 cemeteries administered by 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 on the community

There were no negative effects identified during the financial year in relation to this activity.

How well we did

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

The activity did not achieve the key performance indicator target that was measured for the year. This was due to two minor issues as outlined on the next page. One target was not measured.

There were six capital expenditure projects scheduled for this activity. Of the six projects, three were completed, one was deferred, and two are in progress.

Key highlights

The activity operated to the communities' expectations for the financial year. In the March quarter of the year Southland District Council took over the day-to-day management of the Calcium Cemetery.

Council is investigating options for exploring an electronic management system which will be looked into as part of a wider project on core systems. It is anticipated this will improve efficiencies and make information more readily available to the public and interested parties, such as genealogists.

An internal change was implemented for the activity whereby the Area Officers now manage the interment process for all Council-administered cemeteries. Previously some cemeteries had this process managed by Knowledge Management staff. This provides more consistency in the administration of the interment process as Council-administered cemeteries are spread throughout the District.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Quality Cemeteries are maintained to a standard acceptable to the public.	Percentage of community satisfied with the appearance of cemeteries.	Triennial Residents' Survey.	-	-	Not Measured. The latest survey was in 2013/2014. The result was achieved. (93% against a target of 90%). The next survey is scheduled for 2016/2017 with a target of 90%.
Quality Cemeteries are maintained to a standard acceptable to the public.	Percentage of cemeteries where lawns are mown as specified in maintenance contracts.	Annual inspections.	100%	98%	Not Achieved. The result was 98%. Two out of the 80 quarterly inspections did not meet standards. In the December quarter, the mowing was infrequent due to continual poor weather. In the September quarter, the reason it did not meet the standard was the contractor had oversprayed in some areas. In 2013/2014 the result was 100%.

Project report

Operating and maintenance projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Winton - New Cemetery beams - 758.A	-	\$8,220	Deferred to the 2015/2016 year.
Woodlands - Permanent Seating - 787.A	\$900	\$4,000	Completed.
Woodlands - Gazebo seating and storage shed - 788.A	\$1,125	\$8,000	In Progress - design phase. CTF carpenter pricing a new wooden shelter instead of a gazebo. Storage shed no longer required.

Demand projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Wallacetown	\$134,783	-	Completed. New land was purchased for expansion.

Levels of service projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Otautau	\$1,401	-	In Progress. Cemetery footings.
Riverton/Aparima - New fencing	\$5,823	-	Completed. Actual cost \$5,823. New project, not scheduled in the Annual Plan 2014/2015.

Variation from the budget

There were no significant variances in sources of operating funding, applications of operating funding and sources of capital funding. Land was acquired to meet future additional demand at Wallacetown.

Funding Impact Statement - Cemeteries

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
-	-	Sources of operating funding			
70	76	General rates, uniform annual general charges, rates penalties	-	-	-
1	1	Targeted rates	70	65	65
130	135	Subsidies and grants for operating purposes	2	15	1
69	73	Fees and charges	123	121	130
1	1	Internal charges and overheads recovered	75	65	60
		Local authorities fuel tax, fines, infringement fees, and other receipts ¹	92	6	1
272	285	Total operating funding	362	272	257
		Applications of operating funding			
268	280	Payments to staff and suppliers	281	251	255
-	-	Finance costs	-	-	-
3	3	Internal charges and overheads applied	6	8	12
-	-	Other operating funding applications	-	-	-
270	283	Total applications of operating funding	287	259	267
2	2	Surplus (deficit) of operating funding	75	13	(10)
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	17	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Total sources of capital funding	-	17	-
		Applications of capital funding			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	135	-
-	-	▪ to improve the level of service	-	7	-
-	-	▪ to replace existing assets	-	-	-
2	2	Increase (decrease) in reserves	75	(112)	(10)
-	-	Increase (decrease) in investments	-	-	-
2	2	Total applications of capital funding	75	30	(10)
(2)	(2)	Surplus (deficit) of capital funding	(75)	(13)	10
-	-	Funding balance	-	-	-

¹ 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 communities are prepared for emergencies and that they are able to respond to and recover from these when they 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 SDC, ES, GDC and ICC.

Effects on the community

There were no negative effects identified during the financial year in relation to this activity.

How well we did

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

The activity achieved all three of the key performance indicator targets that were measured for the year. One target was not measured.

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Key highlights

There has been an increase in the number of residents prepared for an emergency in the past year; the impact of the Canterbury earthquakes may possibly be the catalyst for this. However, there is still room for improvement. In the event of a major emergency, it is highly likely that people will need to be able to cope independently for at least three days before help arrives.

The activity relies on volunteers and these resources are becoming increasingly difficult to find. EMS is looking at ways to improve retention of volunteers for Civil Defence by tapping into existing structures such as Lions Clubs, Rural Fire and through support to organisations such as the Southland Rural Support Trust.

A tsunami hazard of national significance has been identified by the Ministry of Civil Defence and Emergency Management in Milford Sound. Hence, Milford Sound will be a focus area over the next few years because of this and other natural hazards such as inundation from the Cleddau River.

A national system to assist, co-ordinate and manage emergencies titled the Emergency Management Information System (EMIS) has become a focus with the implementation and training of the system well advanced in Southland.

Climate change continues to be a topical issue and Council needs to be prepared for the impacts it may bring.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Responsiveness Enhancing the community's capability to respond to and recover from Civil Defence emergencies.	Number of Council staff who undertake annual Civil Defence training.	Training register.	60	65	Achieved. The result was 65 staff undertook training. In 2013/2014 the result was 78.
Responsiveness Enhancing the community's capability to respond to and recover from Civil Defence emergencies.	Number of sectors who have completed bi-annual exercise.	Training register.	10	10	Achieved. A total of 10 sectors completed bi-annual exercise. In 2013/2014 the result was also 10.
Readiness 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.	Reports to Executive Group.	30	33	Achieved. The result was 33 activities for the year. In 2013/2014 the result was 43.
Readiness 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.	Emergency Management Southland Biennial Resident Survey.	-	-	Not Measured. The survey occurs every two years. The latest telephone survey was carried out over the period 17 July to 8 August 2013, and has a margin of error of +/- 4.9% at the 95% confidence level. The result was 52% so it was not achieved.

Project report

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Variation from the budget

There were no significant variances between the Annual Plan and the actual result.

Funding Impact Statement - Civil Defence Emergency Management

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
312	321	Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	310	336	336
-	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	-	-	-
61	61	Internal charges and overheads recovered	64	57	32
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	-	-	-
373	382	Total operating funding	374	393	368
		Applications of operating funding			
6	6	Payments to staff and suppliers	1	1	-
-	-	Finance costs	-	-	-
121	122	Internal charges and overheads applied	116	114	119
226	231	Other operating funding applications	226	236	227
352	359	Total applications of operating funding	344	351	346
21	22	Surplus (deficit) of operating funding	30	42	22
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(21)	(22)	Increase (decrease) in debt	(21)	(22)	(22)
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
(21)	(22)	Total sources of capital funding	(21)	(22)	(22)
		Applications of capital funding			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
-	-	▪ to replace existing assets	-	-	-
-	-	Increase (decrease) in reserves	9	20	-
-	-	Increase (decrease) in investments	-	-	-
-	-	Total applications of capital funding	9	20	-
(21)	(22)	Surplus (deficit) of capital funding	(30)	(42)	(22)
-	-	Funding balance	-	-	-

¹ 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

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

Effects on the community

There are negative effects from owning and managing buildings and other assets. These include the environmental impacts such as solid waste and energy use. Council seeks to minimise these negative effects by ensuring operations are managed effectively; waste is minimised, recycling occurs and energy and water are conserved.

Other possible negative effects from these activities include:

- The neighbouring properties of facilities, such as community centres may experience traffic and noise created by residents using the centres
- Council's parks and reserves giving rise to negative environmental effects from weed spraying or pests.

There were no negative effects identified during the financial year in relation to this activity.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget. The activity achieved the key performance indicator target that was measured for the year. Two targets were not measured.

Of the fourteen projects, nine were completed, one was deleted and three were deferred and one in progress. The projects were deferred for a variety of reasons including insufficient funding, hall committees changing priorities or unavoidable delays.

Key highlights

Council consulted with its Community Boards and Committees to discuss the future cost implications of the condition assessment results and the future viability of each centre. It was intended the larger projects, which are likely to have an effect on rates and which are agreed with the Community Boards and Committees, were included in the 10 Year Plan.

There are two community centres which were identified to be in a poor condition:

1. Otautau - This has been declared surplus and is to be disposed of.
2. Edendale - The project to upgrade has been deferred for further consultation with the community as per the 10 Year Plan 2015-2025.

Other projects

- The Mokoreta/Redan repaint of exterior walls has been delayed until 2017/2018
- The Thornbury heating project was completed. The repair roof above kitchen project was deleted
- The Winton Memorial Hall upgrade project has been delayed until 2015/2016
- The Waikawa hall re-roof of the lean-to was brought forward from 2018/2019
- The Tuatapere RSA hall was painted. The project was brought forward at the request of the Community Board from 2015/2016. The reason the project was completed early was to coincide with ANZAC celebrations.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Quality 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.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was not achieved (83% against a target of 90%). The next survey is scheduled for 2016/2017.
Access The community centres are available for public use.	Percentage of residents satisfied with the availability of their local hall/community centre for public use.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was not achieved, (85% against a target of 90%). The next survey is scheduled for 2016/2017.
Safety Community centres are safe to use for their intended purpose.	Percentage of community centres (that require them) hold current warrants of fitness.	Annual inspections.	100%	100%	Achieved. The result was 100%. In 2013/2014 the result was also 100%.

Project report

Operating and maintenance projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Tuatapere - repaint - cc0028	\$23,300	-	Completed. Brought forward from 2015/2016. CB requested project be brought forward for completion in 2014/2015 prior to ANZAC centenary. Original budget \$46,000 in 2015/2016.
Waikawa Hall - Lean-to - reroof - cc0025	\$7,406	-	Completed. Brought forward from 2018/2019. Original budget in 2018/2019. \$18,145 to re-roof whole hall. Lean-to deteriorated quicker than anticipated so this portion was brought forward.

Demand projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Blackmount	\$9,000	-	In Progress. Purchase of the land.

Levels of service projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Athol	\$2,435	-	Completed. Installed new Delonghi Range.
Browns	\$4,360	-	Completed. New tank.
Colac Bay	\$2,340	-	Completed. Purchased new tables.
Edendale - Edendale Community Centre upgrade	-	\$883,518	Deferred. Still under consideration by the Edendale-Wyndham Community Board and other community groups. Staff submission on LTP to complete project in 2016/2017.
Mokoreta/Redan - Paint exterior walls - Mok03.A	-	\$4,737	Deferred. Now expected to be completed in 2017/2018.
Nightcaps	\$1,881	-	Completed. New window.
Orepuki	\$7,146	-	Completed. New carpet, windows and a servery.
Thornbury - Heating - Tho3.A	-	\$5,263	Completed in 2013/2014. Actual cost \$6,645.
Waianiwia	\$25,929	-	Completed. Kitchen upgrade.
Winton - Memorial Hall upgrade - wint01.A	\$19,926	\$300,000	Deferred. Final design plans now being prepared (March 2015). Work planned for 2015/2016.

Renewals projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Thornbury - Repair roof above kitchen - hall032.A	-	\$6,000	Deleted. Re-budgeted 2016/2017.

Variation from the budget

Subsidies and grants for operating purposes are higher than the Annual Plan as funds were sourced to fund the capital work completed during the year. There are no significant variances between the Annual Plan and total operating funding. There are no significant variances between the Annual Plan and payments to staff and suppliers. Various improvements have been made across a number of community centres during the year.

Funding Impact Statement - Community Centres

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
-	-	Sources of operating funding			
395	392	General rates, uniform annual general charges, rates penalties	-	-	-
-	-	Targeted rates	405	427	427
-	-	Subsidies and grants for operating purposes	19	56	-
-	-	Fees and charges	41	52	48
28	31	Internal charges and overheads recovered	32	23	11
51	55	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	3	3	4
475	477	Total operating funding	500	561	490
		Applications of operating funding			
414	412	Payments to staff and suppliers	657	385	371
-	-	Finance costs	-	-	-
2	2	Internal charges and overheads applied	33	31	28
15	15	Other operating funding applications	63	31	58
431	430	Total applications of operating funding	752	447	457
44	48	Surplus (deficit) of operating funding	(252)	114	33
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	15	-	-
-	-	Development and financial contributions	-	-	-
11	2	Increase (decrease) in debt	-	-	5
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
11	2	Total sources of capital funding	15	-	5
		Applications of capital funding			
		Capital expenditure			
-	-	▪ to meet additional demand	-	9	-
-	-	▪ to improve the level of service	26	64	-
-	-	▪ to replace existing assets	-	-	6
56	50	Increase (decrease) in reserves	(263)	41	32
-	-	Increase (decrease) in investments	-	-	-
56	50	Total applications of capital funding	(237)	114	38
(44)	(48)	Surplus (deficit) of capital funding	252	(114)	(33)
		Funding balance	-	-	-

¹ 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 housing units available for rent in Edendale, Lumsden, Nightcaps, Ohai, Otautau, Riversdale, Riverton, Tuatapere, Winton and Wyndham. These units are let primarily to people 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 on the community

There are negative effects from owning and managing buildings and other assets. These include the environmental impacts such as solid waste and energy use. Council seeks to minimise these negative effects by ensuring operations are managed effectively; waste is minimised, recycling occurs and energy and water are conserved.

Other possible negative effects from these activities include:

- The neighbouring properties of facilities, such as community centres may experience traffic and noise created by residents using the centres
- Council's parks and reserves giving rise to negative environmental effects from weed spraying or pests.

There were no negative effects identified during the financial year in relation to this activity.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget.

The activity did not achieve the key performance indicator target that was measured for the year. Three targets were not measured.

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Key highlights

Council does not intend to increase the total number of units if demand increases. The strategy is not to renew any of the community houses but to maintain the current housing portfolio until they meet the end of their asset life. Any increased demand due to an ageing population is expected to be met by alternative providers such as retirement villages, retirement homes or other non-council providers.

Council is conscious that many tenants have limited incomes so there is a need to keep rents affordable. As a result, many of the units, while fit for purpose and comfortable, are relatively basic. To remain affordable, Council must balance the maintenance and any improvements with the rental income received.

Refurbishments were undertaken at Riversdale and Winton units this financial year.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Quality Suitable housing is provided for tenants who have pleasant surroundings.	Percentage of tenants who believe the housing facilities are maintained satisfactorily and are suitable for use.	Biennial Tenant Survey.	-	-	Not Measured. In 2013/2014 the result was achieved. Maintenance - 89% of residents were satisfied with the maintenance of the housing facilities and 97% said it was suitable for their needs. The next survey is scheduled for 2015/2016 with a target of 80%.
			-	-	Not Measured. In 2013/2014 the result was achieved. 97% said that the housing facilities were suitable for their needs against a target of 80%. The next survey is scheduled for 2015/2016 with a target of 80%.
Safety A safe environment is provided.	Percentage of residents who feel safe and secure when living in the community housing building.	Biennial Tenant Survey.	-	-	Not Measured. In 2013/2014 the result was Not Achieved. 99% felt safe and secure against a target of 100%. The next survey is scheduled for 2015/2016 with a target of 100%.
Responsiveness Tenants receive prompt response to identified problems.	Percentage of requests for maintenance actioned within agreed timeframes. ¹	Customer Service system (Pathway).	100%	33%	Not Achieved. Three requests were entered into the system; two did not meet the timeframes. In 2013/2014 the result was 100%.

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

Levels of service projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Edendale	\$2,791	-	Completed. New carpet and vinyl.

Variation from the budget

There were no significant variances between the Annual Plan and the actual result.

Funding Impact Statement - Community Housing

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
49	50	Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	49	50	50
-	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	-	-	-
1	2	Internal charges and overheads recovered	-	-	2
257	257	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	261	269	257
307	309	Total operating funding	310	319	309
		Applications of operating funding			
114	116	Payments to staff and suppliers	110	97	114
-	-	Finance costs	-	-	-
163	166	Internal charges and overheads applied	192	183	194
-	-	Other operating funding applications	-	-	-
277	282	Total applications of operating funding	302	280	308
30	27	Surplus (deficit) of operating funding	8	39	1
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Total sources of capital funding	-	-	-
		Applications of capital funding			
		Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
12	12	▪ to improve the level of service	-	3	3
-	-	▪ to replace existing assets	-	-	-
18	15	Increase (decrease) in reserves	8	36	(2)
-	-	Increase (decrease) in investments	-	-	-
30	27	Total applications of capital funding	8	39	1
(30)	(27)	Surplus (deficit) of capital funding	(8)	(39)	(1)
-	-	Funding balance	-	-	-

¹ 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 buildings. Water structures include Riverton Harbour wharves, boat ramps, navigation aids and five wharves at Stewart Island.

Effects on the community

There are negative effects from owning and managing buildings and other assets. These include the environmental impacts such as solid waste and energy use. Council seeks to minimise these negative effects by ensuring operations are managed effectively; waste is minimised, recycling occurs and energy and water are conserved.

Other possible negative effects from these activities include:

- The neighbouring properties of facilities, such as community centres or offices may experience traffic and noise created by residents using the building.

There were no negative effects identified during the financial year in relation to this activity.

How well we did

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

The activity achieved the two key performance indicator targets that were measured for the year. One target was not measured. The six projects were completed.

Key highlights

Earthquake-prone Buildings

Council has many potentially earthquake-prone buildings which will need to be considered and addressed with upgrades, detailed assessments and costings to be undertaken.

The Wyndham Area Office and library building, which has a very low seismic rating, has been closed for use at this stage. The long term options for this building will be decided by Council after consultation with the local Community Board.

The Lumsden and Otautau offices had painting upgrades during the year.

Riverton Harbour

For a number of years, the Riverton Harbour Subcommittee has not been able to pay for expenditure solely from the income being generated annually. The licence fee charged for 2014/2015 is \$14.53 (GST inclusive) per metre to ensure operational expenditure is being covered. No capital projects are planned for the Riverton Harbour for the period of the plan.

Together with the Riverton Harbour Subcommittee, Council undertook a review of the operations and management of the Riverton Harbour. The review included addressing the ownership of all structures (wharves etc) in the harbour. Risks and liabilities identified through this review include the lack of resource consents for the privately owned structures, as well as previously issued Council leases and licences having all expired.

Council will apply for global resource consent from ES. Individual wharf owners were given a copy of the engineering assessment report with the expectation that recommended works were to be undertaken in a reasonable timeframe.

Stewart Island Jetties

A review of all Council-owned Stewart Island jetties was undertaken in November 2013 with previously identified projects to be confirmed or otherwise through this review. The review included an inspection of all jetties by marine and engineering consultants.

The review identified the need for:

- A major upgrade/replacement of the Ulva Island jetty. The funds have been obtained to undertake a detailed assessment of the structure for replacement purposes
- Replacement or otherwise of the Port William jetty. The new structure is now complete
- Repair works identified for other jetties.

Stewart Island

The Traill Park roof was scheduled to be painted but needed to be fully replaced so the Stewart Island/Rakiura Community Board decided to conduct the work in 2014/2015.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Safety Facilities meet their statutory requirements.	Percentage of Council buildings (that require them) hold current warrants of fitness.	Council records.	100%	100%	Achieved. The result was 100%. In 2013/2014 the result was 100%.
Quality Buildings are appropriate to the needs of the occupier.	Percentage of building occupants satisfied with the standard of their building.	Biennial Tenant Survey.	-	-	Not Measured. The survey is conducted every two years. In 2013/2014 the result was 30% against a target of 80%. The next survey is scheduled for 2015/2016 with a target of 80%.
Safety Harbour facilities and jetties are safe for users.	Number of safety issues reported.	Reported issues by users.	0	0	Achieved. The result was zero. In 2013/2014 the result was one.

Project report

Levels of service projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Invercargill Office Building	\$27,591	-	Completed. Heat pumps and air units.
Riverton Office Building	\$5,147	-	Completed. New bi-folding doors painted.
Otautau Office Building	\$24,483	-	Completed. Exterior painting of building. Office refit removing wall new carpets and paint.

Renewals projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
<i>Stewart Island - Port William - 756.A</i>	\$154,470	-	<i>Completed. Construction completed February 2015. Total project cost \$154,470. Original budget \$82,000.</i>

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Stewart Island - Little Glory	\$4,116	-	Completed. Final sign off for work completed.
Stewart Island - Ulva Island lower deck re-pile and replace - 757.B	-	\$50,000	Already completed in 2013/2014 year. Completed in December 2013 for emergency repairs.

Variation from the budget

There were no significant variances in sources of operating funding between the Annual Plan and the actual result. Payments to staff and suppliers were higher due to additional staff resources being required during the year and electricity was higher than anticipated. Renewal work was completed on the Port William Jetty during the year and it was funded from existing reserves and additional debt. Work was completed on Council offices during the year to improve the level of service provided, this was funded from reserves.

Funding Impact Statement - Council Facilities

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
1	1	Sources of operating funding			
81	80	General rates, uniform annual general charges, rates penalties	1	1	1
10	11	Targeted rates	119	125	125
27	28	Subsidies and grants for operating purposes	35	2	-
768	780	Fees and charges	-	-	-
199	201	Internal charges and overheads recovered	1,064	1,052	1,021
		Local authorities fuel tax, fines, infringement fees, and other receipts ¹	170	172	183
1,087	1,100	Total operating funding	1,389	1,352	1,330
		Applications of operating funding			
891	849	Payments to staff and suppliers	922	953	853
-	-	Finance costs	-	-	-
297	309	Internal charges and overheads applied	305	293	292
46	47	Other operating funding applications	127	72	88
1,234	1,205	Total applications of operating funding	1,353	1,318	1,233
(147)	(104)	Surplus (deficit) of operating funding	36	34	97
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	50	20	-
-	-	Development and financial contributions	-	-	-
(5)	(5)	Increase (decrease) in debt	(5)	45	(5)
16	3,399	Gross proceeds from sale of assets	220	12	12
-	-	Lump sum contributions	-	-	-
11	3,394	Total sources of capital funding	265	77	7
		Applications of capital funding			
-	-	Capital expenditure	-	-	-
-	(274)	▪ to meet additional demand	-	-	-
93	-	▪ to improve the level of service	56	57	-
(229)	3,564	▪ to replace existing assets	75	159	50
-	-	Increase (decrease) in reserves	170	(105)	54
-	-	Increase (decrease) in investments	-	-	-
(136)	3,290	Total applications of capital funding	301	111	104
147	104	Surplus (deficit) of capital funding	(36)	(34)	(97)
	-	Funding balance	-	-	-

¹ 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 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 (RMO) 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 Venture Southland which is a joint committee of councils with GDC and ICC. 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. Council has a service agreement with Venture Southland that emphasises particular services for the District and purchases additional community development capacity to work with its diverse communities and ensures local priorities are identified and addressed. Council makes an annual grant to Venture Southland for these activities.

Effects on the community

There were no negative effects identified during the financial year in relation to this activity.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget.

The activity achieved seven of the key performance indicator targets that were measured for the year. One target was not measured.

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Key highlights

Economic development

The Venture Southland business team continued to deliver high levels of business support services to over 400 business in the region. Venture Southland was recognised as having the highest client satisfaction levels in the country for the delivery of the New Zealand Trade and Enterprise and Callaghan Innovation business support programme, the Regional Business Partner Programme. Business efficiency, through the Lean Manufacturing Programme and the Dairy Lean (rebranded Dairy Lift), continue to be a focus providing in-depth productivity gains for local companies. The cluster now has over 20 businesses and 30 farm operations.

Venture Southland also coordinated a number of regional initiatives including the regional bid to MBIE for Ultrafast Broadband, Rural Broadband Initiative, Mobile Blackspot fund. This bid included inputs from over 1,000 businesses, community groups and individuals. Radio Science and Earth Observations projects expanded with an additional two radomes, GNSS navigation satellite calibration station at Awarua and an additional ground station at Lochiel confirmed. Labour Market supply continues to be the largest strategic challenge to businesses in Southland, with over half the business stating labour was their number one concern (Southland Business Survey 2015). To this end, Venture Southland facilitated the completion of the Regional Workforce Demand Assessment and Labour Market Strategy.

This work identified a potential shortage of 12,000 workers by 2030. The strategy identified a number of key areas for focus including youth, migration, older workforce and female participation. Projects focused on regional economic diversification including high value oat industry, silica and aquaculture continue to be developed. Venture Southland continued to work on renewable energy projects including with EECA on the Wood Energy South project, aimed at converting boilers to biomass and monitoring and data collection for energy options on Stewart Island. Venture Southland also coordinated a regional response on Transmission Pricing to the Electricity Authority.

Destination promotion

The Southland region basked in some positive results around the visitation indicators showing growth over 10% for the 2014/2015 year (such as visitor nights and visitor transactions). Promotion of the region had some highlights with the Prince Harry visit, significant growth in social media, and the opening of new cycle trails.

Fundamental to these successes have been the engagement with the community and sector groups, where working with local tourism operators have fostered new relationships and opportunities such as the development of individual businesses in trade and digital marketing. This complemented the development of the Tourism Toolkit, a guide developed by Venture Southland to aid new and existing operators to think and act strategically on their business.

These relationships have also aided in promotional opportunities such as the On Your Door Step, RISE Fishing, CycleSouth and Field days, where local businesses have made active contributions to the promotion of the Southland region. Trade channels have also had a strong year with the addition of a number of new products (17) and high interest levels from inbound operators both in familiarisations and relationship building (at activities such as TRENZ and Market Insight trade shows).

Community development

The Community Development team worked alongside other Venture Southland teams and stakeholder organisations to initiate, partner and participate in community development initiatives at a local, regional and national level. Of particular note was the facilitation of a number of projects commemorating the 100 year World War One anniversary.

This included sourcing funds of approximately \$600,000 towards region wide initiatives including the "Dawn to Dusk Train Journey" from Invercargill to Dunedin which commemorated the disembarkation of troops to World War One. At least 200 community groups were worked alongside and supported on a range of projects. Approximately 35,000 people attended events organised by Venture Southland, and this included large numbers attending events in our communities - one example being the Harvest Festival in Riverton which attracts in excess of 2,000 people.

Stewart Island/Rakiura Visitor Levy

Although Stewart Island/Rakiura has a small resident population, it is a destination for a large number of short term visitors. This creates a unique funding challenge for Council. The Southland District Council (Stewart Island/Rakiura Visitor Levy) Empowering Act 2012 (the Act) was passed into law on 26 March 2012 and empowers Council to set and collect levies and revenue from visitors to Stewart Island/Rakiura. Under the Act, funds must be used to better provide services, facilities and amenities for Island visitors. Funding allocation decisions will be made by the Stewart Island/Rakiura Visitor Levy Subcommittee annually in May.

The Stewart Island/Rakiura Visitor Levy was introduced on 1 October 2013. Visitors travelling via the Stewart Island Experience Ferry, Stewart Island Flights and Cruise New Zealand have the price of the levy included in their fare and independent travellers are required to deposit \$5 in the levy collection box at Council's office in Oban.

For the 2014/2015 financial year, \$153,239 (GST inclusive) in levy revenue was received from both the approved operators, collection agents and the collection box. It is estimated that for the financial year the number of visitors was 30,648. The Allocations Committee granted \$117,000 (GST exclusive) to projects.

Projects approved in the 2015 allocation round include:

- Stewart Island/Rakiura Community and Environment Trust (SIRCET) - \$2,000 for management and administration costs
- Rakiura Heritage Centre Trust - \$50,000 towards new Heritage Centre (subject to conditions)
- Stewart Island/Rakiura Community Board - \$25,000 upgrade of Horseshoe Bay walking track and \$20,000 upgrade of Main Road footpath
- Stewart Island Jetties Subcommittee - \$20,000 for upgrade of Ulva Island wharf.

Museum services

The RMO works under the auspices of the Southland Regional Heritage Committee - a joint committee of Southland's three councils (SDC, GDC and ICC) and was established in 2005 to ensure the regional heritage of Southland is preserved. The RMO position is an evolving 'hands on' role and was a first for New Zealand. It is jointly supported by the Southland Regional Heritage Committee and the Community Trust of Southland with additional administrative support from SDC where the RMO is based.

The RMO is available to assist and advise the smaller mainly volunteer-run museums of Southland in caring for their collections on display and in storage. There are more than 20 museums within Southland and the RMO is currently working with a core of around seven - the majority of which are within the Southland District.

The year was dedicated to two main museum projects with two blocks of time spent at Switzers (Waikaia) Museum, which is dismantling its old museum building in preparation for redevelopment, and nine weeks at Rakiura Museum. Visits were made to the Te Hikoi Heritage Museum, Riverton, the Mataura project, the Gore Heritage Precinct and Owaka Museum. The RMO worked on the "Southland from Gallipoli heritage trail" - Project three of the Southland at Gallipoli 1915-2015 commemoration projects.

Blackmount

The Blackmount community has secured the old school for a community centre.

At the request of the Blackmount community, Council negotiated the purchase of the former school and swimming pool from the Crown. While Council will be the owner of the property, the Blackmount community will be responsible for the cost of the purchase and on-going liabilities. This is an example of Council supporting its communities by working with them to ensure what is important is around for generations to come.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
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)).	Activity Reporting records.	5 - ED 5 - RCD	ED - 20 RCD - 6	Achieved. The result was achieved. Regional and Community Development was 6. Economic Development was 20. In 2013/2014 the result was ED = 8, CD = 6.
Support and assist groups and organisations to identify and develop opportunities and provide advocacy.	Number of advocacy issues addressed (Regional and Community Development).	Activity Reporting records.	10	18	Achieved. The result was 18. In 2013/2014 the result was 15.
Support and assist groups and organisations to identify and develop opportunities and provide advocacy.	Number of community groups engaged with (Regional and Community Development).	Activity Reporting records.	80	208	Achieved. The result was 208. In 2013/2014 the result was 200.
Proactively identify and promote opportunities for diversification, employment and business growth in Southland.	Number of Sector Groups engaged with (Economic Development).	Activity Reporting records.	5	13	Achieved. Engagement with 13 sector groups. In 2013/2014 the result was 8.
Promote the positive aspects of Southland and identify and facilitate the development of projects of regional significance in association with local organisations.	Number of Investment Opportunity Proposals facilitated (Economic Development).	Activity Reporting records.	12	14	Achieved. A total of 14 proposals were facilitated. In 2013/2014 the result was 12.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
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).	Event Reports.	8,000	35,000	<p>Achieved. The result was 35,000 people attended events run by Venture Southland in the Southland region. In 2013/2014 the result was 20,000.</p>
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". ¹	Annual Report.	100%	-	<p>Not Measured. The Strategy for Development 2012-2022 was not finalised. The target strategies for measurement in 2014/2015 were the Fiordland Tourism Strategy, Youth Retention and Development Strategy and implement Venture Southland's actions arising from the Arts Southland Strategy.</p> <p>Venture Southland assisted with the establishment of the Arts South Charitable Trust and continues to support this group through writing a Strategic Plan and will continue to support.</p> <p>Destination Fiordland Tourism Strategy is complete - future investigation part of the Southland Visitor Strategy will be completed March 2016.</p> <p>Regional Workforce Strategy completed March 2015.</p> <p>Southland Youth Futures Strategy completed.</p> <p>In 2013/2014 the result was not measured.</p>
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). ²	Activity Reporting records.	100%	100%	<p>Achieved. The result was 100%. In 2013/2014 the result was 100%.</p>

1. Fiordland Tourism Strategy, Youth Retention and Development Strategy and implement Venture Southland's actions arising from the Arts Southland Strategy.

2. Percentage of total number of programmed promotional activities set out in Venture Southland's 2014/2015 Action Plan.

Project report

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year. A vehicle was purchased during the year.

Variation from the budget

There were no significant variances in sources of 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. No significant assets were acquired or disposed during the year.

Funding Impact Statement - District Development Services

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
1,787	1,829	Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	1,717	1,723	1,723
14	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	81	88	79
-	-	Fees and charges	-	-	-
12	13	Internal charges and overheads recovered	30	55	58
209	218	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	360	362	350
2,022	2,060	Total operating funding	2,188	2,227	2,210
		Applications of operating funding			
-	-	Payments to staff and suppliers	79	72	86
-	-	Finance costs	(1)	-	-
209	218	Internal charges and overheads applied	244	223	198
1,813	1,842	Other operating funding applications	1,854	1,886	1,926
2,022	2,060	Total applications of operating funding	2,177	2,180	2,210
-	-	Surplus (deficit) of operating funding	11	47	-
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	26	-
-	-	Lump sum contributions	-	-	-
		Total sources of capital funding		26	
		Applications of capital funding			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	4	-	-
-	-	▪ to replace existing assets	-	26	-
-	-	Increase (decrease) in reserves	7	47	-
-	-	Increase (decrease) in investments	-	-	-
-	-	Total applications of capital funding	11	73	-
-	-	Surplus (deficit) of capital funding	(11)	(47)	-
-	-	Funding balance	-	-	-

¹ 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 in Invercargill and Area Offices are 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 libraries, in line with Council's 'One Stop Shop' concept.

Effects on the community

There were no negative effects identified during the financial year in relation to this activity.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget. The activity achieved two of the five key performance indicator targets that were measured for the year. One target was not measured.

Of the projects, one was deferred and five were completed.

Key highlights

Customers' changing needs

Council strives for continuous improvement and to create opportunities to interact with customers, in ways that are flexible and suit their needs. There are a variety of options available such as online payments of rates via Council's website, face to face with Customer Services staff in the offices, via the free phone number and via email. Council endeavours to make it easy for customers to do business by improving processes and information flows. There is also an awareness to respond to the ageing population and increases in the migrant population's customer needs.

Participation

Council's Inclusive Communities Strategy is aimed at enabling all people to fully participate in life within the Southland District. The Customer Services Manager meets regularly with various disabled networks to explain about and encourage submissions and feedback on policies or strategies coming up for review and to hear issues, ideas or suggestions for improvements to Council services.

Performance measures

Community outcome: Being an effective Council - We will endeavour to be prudent, innovative and be an enabler for our communities.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Access Access to services during normal business hours.	Percentage of residents satisfied with the hours of operation (Residents' Survey).	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was 96% against a target of 90%. The next survey is scheduled for 2016/2017 with a target of 90%.
Responsiveness 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). ²	Annual Survey - Customer. ²			
	Staff helpfulness.		90%	95%	Achieved. The result was 95%. In 2013/2014 the result was 91%.
	Response time.		90%	82%	Not Achieved. The result was 82%. In 2013/2014 the result was 78%.
	Outcome.		90%	78%	Not Achieved. The result was 78%. In 2013/2014 the result was 79%
Responsiveness All requests, issues, queries and faults dealt with in a timely fashion.	Percentage of response times kept within defined limits (Quarterly Report).	Customer Service System (Pathways)	85%	90%	Achieved. The result was 90%. In 2013/2014 the result was 91%.
Responsiveness All requests, issues, queries and faults dealt with in a timely fashion.	Percentage of correspondence responded to within defined limits. ¹	Internal Document Control System (TRIM).	85%	70%	Not Achieved. The result was 70%. Some staff were not completing the actions in TRIM, despite being informed of this need by the Knowledge Management department. In 2013/2014 the result was 70%.

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.
2. The survey is conducted by telephone and undertaken by the Customer Services Interdepartmental Support Officer on a monthly basis.

Project report

Demand projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Mararoa Waimea Ward	\$100,888	-	Completed. Development of railway reserve land.

Level of service projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Balfour	\$1,200	-	Completed. Welcome signage.
Limehills	\$1,946	-	Completed. New fencing at Memorial.
Mararoa-Waimea Ward - promotion - cycle - A	-	\$100,000	Deferred. Need NZTA approval for signage.
Otautau	\$4,053	-	Completed. New fencing on King Street.
Te Anau	\$10,987	-	Completed. New public BBQ at lakefront.

Variation from the budget

There are no significant variances 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 internal debt being repaid faster than anticipated. Capital renewal expenditure is due to the replacement of motor vehicles. The capital level of service work for promotion of activities adjourning Around the Mountains Cycle Trail has not been completed.

Funding Impact Statement - District Support

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
3,147	3,642	Sources of operating funding			
432	423	General rates, uniform annual general charges, rates penalties	3,171	4,223	4,229
-	-	Targeted rates	300	232	231
19	19	Subsidies and grants for operating purposes	7	39	-
648	667	Fees and charges	-	11	-
92	124	Internal charges and overheads recovered	681	738	693
		Local authorities fuel tax, fines, infringement fees, and other receipts ¹	110	102	75
4,338	4,876	Total operating funding	4,269	5,345	5,228
		Applications of operating funding			
1,484	1,608	Payments to staff and suppliers	1,441	1,463	1,568
185	189	Finance costs	4	4	4
3,274	3,359	Internal charges and overheads applied	3,078	2,989	3,188
5	5	Other operating funding applications	41	9	111
4,947	5,161	Total applications of operating funding	4,564	4,465	4,871
(609)	(286)	Surplus (deficit) of operating funding	(296)	880	357
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	5	-
749	(639)	Increase (decrease) in debt	(17)	(640)	(512)
17	-	Gross proceeds from sale of assets	9	5	-
-	-	Lump sum contributions	-	-	-
766	(639)	Total sources of capital funding	(8)	(630)	(512)
		Applications of capital funding			
-	-	Capital expenditure	-	11	-
-	-	▪ to meet additional demand	7	18	100
74	-	▪ to improve the level of service	162	37	-
58	20	▪ to replace existing assets	(473)	184	(255)
25	(945)	Increase (decrease) in reserves	-	-	-
		Increase (decrease) in investments	-	-	-
157	(925)	Total applications of capital funding	(304)	250	(155)
609	286	Surplus (deficit) of capital funding	296	(880)	(357)
-	-	Funding balance	-	-	-

¹ 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 on the community

There were no negative effects identified during the financial year in relation to this activity.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget.

The activity achieved one of the two key performance indicator targets that were measured for the year. Two targets were not measured.

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Key highlights

Classifications

Staff began using the probationary ownership and disqualification from dog ownership provisions in the Dog Control Act. Owners can be disqualified or made probationary owners by either the "three strikes" or as a consequence of a conviction. Council has classified several owners under both grounds.

Review of Dog Control Bylaw and Dog Control Policy

A review of the bylaw and policy was endorsed by Council on 17 September 2014. A public survey was completed in January 2015, and a draft bylaw and policy were released for public consultation from 21 March to 30 April and then extended to 6 July 2015. Key findings were that the public strongly supported lower fees for responsible dog owners and also for neutered dogs; dogs classified menacing on the grounds of reported behaviour should be neutered; and that dog waste dispensers and waste containers be provided in areas with high dog numbers. The adopted bylaw and policy is now in place.

Dog Attacks

There were two high-profile serious attacks in the District in the last two years. These were thoroughly investigated by Animal Control staff and resulted in a successful prosecution of the owners. These incidents, along with a high-profile attack in Invercargill, and others around New Zealand, raised the public awareness of dog control and the public interest in Council's Dog Control Review referred to below. While Council's preferred approach is to work with dog owners to resolve issues in an amicable manner, in the case of serious and/or repeat offences, the public now has a strong expectation of a timely and robust enforcement response.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Quality Actively control the actual and potential nuisance from dogs and animals.	Percentage of residents satisfied with the service provided.	Triennial Residents' Survey.	- Dog	-	Not Measured. In 2013/2014 the result was not achieved (71% against a target of 75%). The next survey is scheduled for 2016/2017 with a target of 75%.
		Triennial Residents' Survey.	- Stock	-	Not Measured. In 2013/2014 the result was achieved (84% against a target of 80%). The next survey is scheduled for 2016/2017 with a target of 85%.
Responsiveness All complaints are addressed in a timely manner.	Percentage of complaints investigated within set timeframes. ¹	Customer Service system (Pathway).	85%	98%	Achieved. In 2013/2014 the result was 89%.
Responsiveness Facilitate and provide appropriate guidance and advice on Animal Control matters.	Number of public education initiatives carried out per year. ²	Timesheets, receipts and Council newsletter.	72	75	Achieved. In 2013/2014 the result was 78.

1. The timeframe for investigation varies according to the type of request, ie a dog attack will be investigated more urgently (four 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 scheduled for this activity in the 2014/2015 financial year. An additional vehicle was purchased during the year.

Variation from the budget

Fees and charges are higher than the Annual Plan due to stock recoveries and impounding fees received. Local authorities fuel tax, fines, infringement fees and other receipts are higher than the Annual Plan due to infringement income received. Payments to staff and suppliers are higher than the Annual Plan due to employee costs during the year. An additional vehicle was purchased during the year.

Funding Impact Statement - Dog and Animal Control

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
27	27	Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	24	22	22
-	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	-	12	-
307	316	Fees and charges	310	336	305
40	42	Internal charges and overheads recovered	52	49	43
33	34	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	61	86	21
407	420	Total operating funding	447	505	391
		Applications of operating funding			
273	280	Payments to staff and suppliers	316	394	307
1	1	Finance costs	(11)	(22)	-
100	104	Internal charges and overheads applied	100	108	100
1	1	Other operating funding applications	1	-	-
374	385	Total applications of operating funding	405	480	407
33	35	Surplus (deficit) of operating funding	42	25	(16)
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
11	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
11		Total sources of capital funding	-	-	-
		Applications of capital funding			
		Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
48	-	▪ to replace existing assets	-	76	-
(4)	35	Increase (decrease) in reserves	42	(51)	(16)
-	-	Increase (decrease) in investments	-	-	-
44	35	Total applications of capital funding	42	25	(16)
(33)	(35)	Surplus (deficit) of capital funding	(42)	(25)	16
-	-	Funding balance	-	-	-

¹ includes all other operating funding from sources not identified above.

Environmental Health

Aim: To promote the health, safety and well-being 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 resource consent and building consent processes. Council also carries out a range of education and information activities.

Effects on the community

A negative effect identified during the financial year in relation to this activity is the impact of the central government changes to the cost of alcohol licensing fees. To mitigate this council has requested that staff draft an alcohol fee setting bylaw which may reduce the cost of fees in some instances.

A further negative effect is the increase in the cost of food control plans. Freedom camping has an effect on communities and in order to mitigate this, a review of freedom camping was implemented and will be considered in 2015/2016.

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 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, one was achieved and three were not achieved.

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Key highlights

Food Control Plans

Council's Environmental Health Officers have continued to promote food control plans under the new Food Act 2014. The transition period begins on 1 March 2016 and many of the food premises in the District have already made the transition under the current voluntary programme.

Psychoactive Substances

Council combined with GDC and ICC to develop a Local Approved Products Policy that restricts the location of businesses selling legal highs, also known as party pills, herbal highs, synthetic cannabis, and legal recreational drugs. The policy limits the location of retail outlets in Southland to the Invercargill central business district.

Sale of Alcohol

Council has also worked with GDC and ICC to create a combined list of members for the District Licensing Committee in 2013. Members from those councils have been used to make up the quorum on two occasions.

Alcohol Ban Bylaw

Staff completed preparation for the review of the current Alcohol Control Bylaw, and have scheduled its adoption in late 2015.

Alcohol Licensing Fees

On 20 May 2015, Council heard submissions on the Long Term Plan, three of which related to alcohol licensing fees. The submitters were concerned about the large increase in the prescribed fees introduced by the Sale and Supply of Alcohol Act (Fees) Regulations 2013. Council requested staff to draft an Alcohol Licensing Fee-Setting Bylaw.

Freedom Camping

Council managed the freedom camping shared service with DOC in the Te Anau Basin this tourist season. The number of campers moved on continued to remain relatively low in comparison to the numbers in 2011/2012 and 2012/2013.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Quality Implement actions and measures that provide for the health, safety and well-being of the community.	Percentage of customers satisfied with how their nuisance complaints have been dealt with.	Annual Customer Survey.	90%	81%	Not Achieved. Of the 113 respondents, 81% were satisfied with how the outcome of their nuisance complaint was dealt with. The result was 94% for staff helpfulness and 72% for timeliness. The reason for the timeliness result may be attributed to the distance needed to travel to resolve the complaint. In 2013/2014 the results were 81% for outcome, 88% for staff helpfulness and 71% for timeliness.
Quality Ensure that all premises operating under the requirements of the Health Act, Food Act, Sale of Liquor Act and associated regulations operate in accordance with the requirements of the legislation.	Percentage of registered premises inspected annually.	Customer Service system (Pathway).	100%	98%	Not Achieved. The result was five premises were uninspected for the year. The reasons are seasonal closure and closure due to personal matters. Out of a possible 268, 263 were inspected for the year. In 2013/2014 the result was 100%.
Responsiveness Process all applications lodged under the Sale of Liquor Act administered by Health Regulation within the timeframes specified within the relevant Act.	Percentage of applications for liquor licensing and managers' certificates are processed within 35 working days.	Customer Service system (Pathway).	95%	84%	Not Achieved. The implementation of new legislation (Sale and Supply of Alcohol Act 2012) and staff changes are the main reasons for this result. Implementation of the new Food Act 2014 also may affect this target. The Environmental Health team structure is being reviewed with the aim of increased effectiveness and efficiency. In 2013/2014 the result was 80%.
Responsiveness All complaints are assessed in a timely manner.	Percentage of complaints investigated within two working days from the date of receipt. ¹	Customer Service system (Pathway).	95%	96%	Achieved. The result was 96%. In 2013/2014 the result was 96%.

1. "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 scheduled for this activity in the 2014/2015 financial year. A vehicle was purchased during the year.

Variation from the budget

There were no significant variances between the Annual Plan and the actual result.

Funding Impact Statement - Environmental Health

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
253	260	Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	262	246	245
-	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
160	165	Fees and charges	171	310	290
-	-	Internal charges and overheads recovered	23	26	24
45	47	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	53	33	19
458	471	Total operating funding	509	615	578
		Applications of operating funding			
313	322	Payments to staff and suppliers	376	406	435
-	-	Finance costs	(4)	-	-
130	134	Internal charges and overheads applied	130	125	122
-	-	Other operating funding applications	-	1	-
443	456	Total applications of operating funding	502	532	557
15	15	Surplus (deficit) of operating funding	7	83	21
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
7	-	Gross proceeds from sale of assets	-	8	-
-	-	Lump sum contributions	-	-	-
7	-	Total sources of capital funding	-	8	-
		Applications of capital funding			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	1
32	-	▪ to replace existing assets	-	31	-
(10)	15	Increase (decrease) in reserves	7	60	20
-	-	Increase (decrease) in investments	-	-	-
22	15	Total applications of capital funding	7	91	21
(15)	(15)	Surplus (deficit) of capital funding	(7)	(83)	(21)
-	-	Funding balance	-	-	-

¹ 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

Council owns around 1,840.4 hectares of plantation forest. These are in four blocks but are administered and managed as if one entity. The primary reason for Council owning and operating a forestry operation is to generate revenue to help offset rates requirements.

How well we did

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

The activity achieved or exceeded six of the seven key performance indicator targets that were measured for the year. The most significant measure is the financial return to Council, which was \$1.39 million. The budgeted return was \$0.85 million.

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Effects on the community

The negative effects of the activity is mitigating by ensuring that the forestry assets were managed in a sustainable manner and negative effects on the environment are minimised.

There were no negative effects identified during the financial year in relation to this activity.

Key highlights

Day-to-day management of the Forestry business unit is outsourced to consultants IFS Growth.

In terms of achieving the primary objective, "To carry out successfully the growing, harvesting and marketing of plantation forests so as to provide the best possible return for its owners", harvesting over the past year has achieved a net return to Council of \$1.39 million.

Over the same period the value of the forest estate increased from \$11.22 million to \$11.33 million.

This result was in spite of the fact Forestry operates in the commodity market and therefore Council has little control over the prices obtained for its timber. This has an effect on the income

Council receives from its Forestry activity, the operational surpluses from which are generally used to offset rates.

While fluctuations in prices for timber can be expected, it is projected that Forestry will be able to maintain a steady programme of operational surpluses for Council over the period of the 10 Year Plan.

General commercial forestry stocks across Southland and Otago are maturing rapidly. Due to the planting patterns 20 to 30 years ago, more forest will be mature and on the market, in the next five to 10 years than now.

Council's forests have some compartments that are slightly ahead of the average age and so an opportunity exists to harvest these trees while market is strong and the supply is weaker. This will mean cash returns to Council in the next few years will be ahead of previous predictions but they will taper off in later years. Harvesting creates cash returns but it also creates the need for increased costs for harvesting, land preparation and replanting. Overall this strategy is seen as delivering the best value for money to ratepayers.

The one key performance indicator target that was not met was in relation to environmental or health and safety issues being notified. The KPI is defined as "Number of environmental or health and safety issues notified/reported" and the target was zero. The actual number was 14 which is positive as the KPI is about the reporting of near misses. In a safer environment everybody willingly reports all near misses. The advantage is each near miss report is an opportunity for improvement.

Performance measures

Community outcome: Making the most of our resources - We will strive to be good custodians of the environment to ensure that people living here now and in the future can grow and prosper while retaining the natural beauty of Southland.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Sustainability To achieve an appropriate balance between harvesting and restocking Council and Community forests.	Percentage of objectives met of the management and business plans. ¹	Management objectives and physical programmes summaries.	100%	86%	Not Achieved. The result was 86%. In 2013/2014 the result was 100%.
Sustainability All operations compliant with environmental and health and safety requirements/objectives.	Number of environmental or health and safety issues notified/reported.	Management Reports.	0	14	Not Achieved. The result was 14. In 2013/2014 the result was five.

1. There are 13 objectives in the Forestry Business Plan, 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 scheduled for this activity in the 2014/2015 financial year.

Variation from the budget

Variance in sources and application from budget is the result of an accelerated harvesting plan being followed. Variance in applications of operating funding from budget is the result of ground preparation being completed during 2013/2014. No significant assets were acquired or disposed during the year.

Funding Impact Statement - Forestry

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
-	-	Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	-	-	-
-	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	-	-	-
-	-	Internal charges and overheads recovered	5	52	21
690	877	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	2,233	1,936	1,828
690	877	Total operating funding	2,237	1,988	1,849
		Applications of operating funding			
341	344	Payments to staff and suppliers	1,018	447	740
-	-	Finance costs	-	-	-
25	26	Internal charges and overheads applied	39	40	39
8	14	Other operating funding applications	181	105	216
374	384	Total applications of operating funding	1,238	592	995
316	493	Surplus (deficit) of operating funding	1,000	1,396	854
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Total sources of capital funding	-	-	-
		Applications of capital funding			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	13	-	-
-	-	▪ to replace existing assets	-	-	-
11	(14)	Increase (decrease) in reserves	33	456	(87)
305	507	Increase (decrease) in investments	953	940	941
316	493	Total applications of capital funding	1,000	1,396	854
(316)	(493)	Surplus (deficit) of capital funding	(1,000)	(1,396)	(854)
-	-	Funding balance	-	-	-

¹ 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 for residents and to help finance cultural, social and recreational services. An annual grant is also provided to the Southland Regional Heritage Committee (SRHC) which 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 on the community

There were no negative effects identified during the financial year in relation to this activity.

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 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 not measured in this financial year.

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Key highlights

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

In principle, Council is keen to maintain its Grant and Donations activity as it believes Southland should look to secure its position through economic development opportunities and support agencies which provide necessary social services to Southlanders.

A number of grants and donations were allocated throughout the year. These can be found on the schedule on the next page.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Access and Equity Enhance the quality of life through grants/donations to community and regional organisations.	Percentage of residents that are aware of the availability of grants.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was 77% against a target of 60%. The next survey is scheduled for 2016/2017 with a target of 90%.

Grants and Donations Schedule

		2014/2015 Actual \$	2014/2015 Budget (AP) \$
GRANTS			
Citizens Advice Bureau		2,200	2,200
International Relations Committee (previously referred to as the Friendship Committee)		12,004	9,583
Gore Counselling Service		1,000	1,000
Iwi Funding		39,359	39,359
Life Education Trust		5,000	5,000
Miscellaneous Grant		3,766	2,000
Southland Indoor Leisure Centre		50,000	50,000
Waituna Partnership		88	40,000
St John Ambulance		1,400	1,400
Southland Regional Heritage Committee		445,066	445,066
Enviroschools Programmes		8,696	10,000
Southland Coastal Heritage Inventory Project		-	15,000
Biodiversity Southland		10,000	10,000
High Values Area		15,000	15,000
Bluff Coastguard		20,000	20,000
Viaduct Project		160,000	160,000

	2014/2015 Actual \$	2014/2015 Budget (AP) \$
Swim Safe	25,000	20,000
Southland Warm Homes Trust	35,000	35,000
SCHOLARSHIPS		
Bursaries	4,201	4,000
Community Service Award	565	1,000
Debating Competition	600	600
Outward Bound	2,741	8,000
FUNDING ASSISTANCE		
Contributions - Toilets	516,195	521,934
Contributions - Dog and Animal Control	36,036	36,036
Contributions - Parks and Reserves	15,598	15,598
Contributions - Roving Museum Officer	23,922	23,922
Santa Parade	-	2,400
Holiday Programmes	20,000	20,000
Destination Fiordland	12,863	12,863
Around the Mountains Cycle Trail	125,000	125,000
ALLOCATION GRANTS		
Community Initiative	122,385	108,800
Contributions and Levies	-	15,000
Creative Communities	25,158	21,030
Ohai Railway Fund	20,988	80,058
Ohai Nightcaps Doctors' Committee	2,474	-
Northern Southland Development Fund	16,200	15,000
District Heritage	51,000	61,116
Sport NZ	12,300	9,800
Stewart Island/Rakiura Visitor Levy	117,000	154,500

	2014/2015 Actual \$	2014/2015 Budget (AP) \$
OTHER		
Southern Rural Fire Authority	235,241	235,241
Venture Southland	1,768,800	1,768,800
Emergency Management	236,029	226,183
	4,198,873	4,347,488

Variation from the budget

There were no significant variances in sources of operating funding. 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 through the reserve movement rather than expenditure.

Funding Impact Statement - Grants and Donations

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
1,306	1,218	Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	827	679	670
33	33	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	44	40	32
476	452	Fees and charges	-	-	-
52	54	Internal charges and overheads recovered	214	445	443
		Local authorities fuel tax, fines, infringement fees, and other receipts ¹	62	70	57
1,867	1,757	Total operating funding	1,147	1,234	1,202
		Applications of operating funding			
26	27	Payments to staff and suppliers	26	23	21
-	-	Finance costs	(1)	-	-
795	784	Internal charges and overheads applied	264	415	315
1,239	1,241	Other operating funding applications	1,149	1,310	1,521
2,060	2,052	Total applications of operating funding	1,438	1,748	1,857
(193)	(295)	Surplus (deficit) of operating funding	(291)	(514)	(655)
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(5)	(5)	Increase (decrease) in debt	(6)	(7)	(7)
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
(5)	(5)	Total sources of capital funding	(6)	(7)	(7)
		Applications of capital funding			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
-	-	▪ to replace existing assets	-	-	-
(45)	(45)	Increase (decrease) in reserves	179	(51)	(191)
(153)	(254)	Increase (decrease) in investments	(477)	(470)	(471)
(198)	(299)	Total applications of capital funding	(298)	(521)	(662)
193	295	Surplus (deficit) of capital funding	291	514	655
-	-	Funding balance	-	-	-

¹ 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 on the community

There are negative effects from owning and managing buildings and other assets. These include the environmental impacts such as solid waste and energy use. Council seeks to minimise these negative effects by ensuring operations are managed effectively; waste is minimised, recycling occurs and energy and water are conserved.

Other possible negative effects from these activities include:

- The neighbouring properties of facilities, such as libraries may experience traffic and noise created by residents using the building.

There were no negative effects identified during the financial year in relation to this activity.

How well we did

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

The activity achieved none of the three key performance indicator targets that were measured for the year. Two targets were not measured. Two projects were completed and three projects are in progress.

Key highlights

Bookbus route

The Bookbus service is operating a leased smaller vehicle which provides a targeted selection of books and is also used as a mobile office. The vehicle came into service in early 2014 and, while slightly smaller, it has greater versatility and range of functions. It is also better suited to rural Southland conditions in terms of size, safety and stability. In addition to the usual library collections being available at all stops, by using either the SDC website or the 0800 phone number, residents can request items easily and have these delivered to the nearest suitable point.

Library staff can familiarise borrowers with connectivity details and ensure they are able to maximise the available services. EFTPOS services are also available in most areas, (however, there are still some "black" spots for connectivity) which will allow residents to make Council payments when the Bookbus visits their area.

The Bookbus currently has 48 scheduled stops on the route. Council reviewed usage and decided to make a number of changes to the route. In addition to either discontinuing or relocating five stops, two new ones were added at Ohai and Waituna. The Bookbus now also regularly visits 20 primary schools within the District. A Memorandum of Understanding has been signed with the GDC which formalises an historical agreement whereby three Bookbus stops are provided monthly. The agreement includes a cost recovery figure.

Bookbus stops are always operated to meet community needs and are constantly monitored to ensure the best use is made of Council resources.

E-technology

Libraries have access to new technologies to deliver content and services anywhere, any time. The staff are well qualified to help users, demonstrate best practice and assist with decision-making/recommendations for purchase. There is a steadily increasing demand for electronic access to information such as electronic books, internet and online magazines and newspapers. Council's libraries are now able to loan out e-books which can be accessed from wherever the library member is and downloaded to their e-reader. This service is free for registered library members.

The supply of e-books for public library use continues to be subject to restrictions placed mainly by publishers. Discussions regarding these restrictions are ongoing at a national level and hopefully the selections will increase. A wide range of audio books can also be borrowed using the e-book portal on Council's website.

Changing demographic

Changing trends in the ethnic mix of communities is increasing demand for a variety of language resources. This has seen books provided in a range of languages other than English including Māori, Tagalog, Dutch and Japanese.

New migrants often have additional needs such as access to government/council information, copying services, information on local services, internet services and a meeting space. The activity will continue to provide books in a range of other languages and also support residents who need help in accessing government information.

Library project

Two projects are scheduled for the library in Te Anau, one to reconfigure and refurbish the building. The reconfiguration will enable better use of the space formerly occupied by Destination Fiordland and assist with improving the user experience.

Progress with this work has been unexpectedly slow with the need to obtain quotes and then consents to carry out the work. In particular, this relates to the installation of replacement automatic doors in the library foyer. Until this is complete other work cannot start. In addition to building work, a self-issue terminal will be installed and this will allow library users to access library resources faster and with more.

The other project is to upgrade to LED lighting throughout the building.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Access Library services are available at convenient times and locations.	Percentage of residents who identify opening hours as a barrier to using libraries.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was achieved (6%) against a target of less than 10%. The next survey is scheduled for 2016/2017.
Access 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.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was achieved (95% against a target of 95%). The next survey is scheduled for 2016/2017.
Quality Library facilities look good and are comfortable.	Percentage of users satisfied with look and comfort of libraries.	Biennial user survey.	95%	89%	Not Achieved. The result was 89%. A total of 691 of the 776 respondents who answered the question were satisfied. In 2012/2013 the result was 91%. The next survey is scheduled for 2016/2017.
Quality 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.	Biennial user survey.	95%	91%	Not Achieved. The result was 90%. A total of 704 of the 776 respondents who answered the question were satisfied. In 2012/2013 the result was 92%. The next survey is scheduled for 2016/2017.
Quantity Library services are being increasingly used.	Percentage increase in the number of people who visit the library (compared to the previous year).	Door count.	5%	-	Not Measured. In 2013/2014 the result was not measured so there was no base to compare to this year. In 2013/2014 the data was not measured correctly for the full year so therefore could not provide trend information.

Project report

Levels of service projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
District Library	\$10,297	\$8,000	Completed. Self issue book machine and miscellaneous furniture.
District-wide Libraries	\$165,127	\$207,414	In Progress. New books purchased throughout the library network.
Otautau Library	\$1,750	-	Completed. Hydraulic book catcher.
Te Anau - Reconfigure and refurbish building - lib02.A	-	\$32,500	In Progress - design. Options being priced. Awaiting quotes.
Te Anau - Upgrade to LED Lighting - lib02.B	-	\$30,170	In Progress - design. Options being priced. Awaiting quotes.

Variation from the budget

There were no significant variances in sources of operating funding between the Annual Plan and actual result. Savings were made during the year for most items included in payments to staff and suppliers this has allowed more debt to be repaid than was in the Annual Plan. Capital expenditure at Te Anau to upgrade the building has been deferred until the 2015/2016 year, the funds to complete this work has been transferred to reserves.

Funding Impact Statement - Library Service

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
1,148	1,175	Sources of operating funding			
198	204	General rates, uniform annual general charges, rates penalties	1,142	1,165	1,163
3	4	Targeted rates	195	236	236
-	-	Subsidies and grants for operating purposes	17	-	4
260	267	Fees and charges	27	29	32
44	45	Internal charges and overheads recovered	265	298	305
		Local authorities fuel tax, fines, infringement fees, and other receipts ¹	7	16	7
1,653	1,694	Total operating funding	1,653	1,744	1,747
		Applications of operating funding			
933	957	Payments to staff and suppliers	937	907	963
-	1	Finance costs	1	1	-
470	480	Internal charges and overheads applied	459	461	475
-	-	Other operating funding applications	-	-	-
1,404	1,437	Total applications of operating funding	1,396	1,369	1,438
249	257	Surplus (deficit) of operating funding	256	375	309
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(26)	(28)	Increase (decrease) in debt	(89)	(90)	(22)
1	1	Gross proceeds from sale of assets	-	6	1
-	-	Lump sum contributions	-	-	-
(25)	(27)	Total sources of capital funding	(89)	(84)	(21)
		Applications of capital funding			
-	-	Capital expenditure			
204	210	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	170	177	285
20	20	▪ to replace existing assets	-	-	2
-	-	Increase (decrease) in reserves	(3)	114	1
-	-	Increase (decrease) in investments	-	-	-
223	230	Total applications of capital funding	167	291	288
(249)	(257)	Surplus (deficit) of capital funding	(256)	(375)	(309)
-	-	Funding balance	-	-	-

¹ 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

This 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 on the community

A possible negative effect is Council's parks and reserves giving rise to negative environmental effects from weed spraying or pests. Council seeks to minimise these negative effects by ensuring operations are managed effectively; waste is minimised, recycling occurs and energy and water are conserved.

There were no negative effects identified during the financial year in relation to this activity.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget.

The activity did not achieve the one key performance indicator targets that were measured for the year. However, of the 539 inspections, 529 met the standard and one target was not measured.

Of the 18 projects, 12 were completed, one was deleted, three were deferred and two were in progress.

Key highlights

An outdoor stage at Holt Park in Otautau that was scheduled to be built in 2013/2014 was deferred to this year and was completed. The stage is hoped to encourage more use and events at the park.

Curio Bay

A shared vision for Curio Bay has been developed between SDC, DOC and the South Catlins Charitable Trust so the groups can work together to provide the required infrastructure for the area. The Trust is progressing the visitor centre complex and has consent. DOC is progressing an integrated public toilets block and carpark for visitors to the reserve and the DOC managed petrified forest. Council has consent for the sewerage treatment plant and improvements to a water supply are operational.

Smoke-Free Open Spaces Policy

Council adopted the Smoke-Free Open Spaces Policy. This policy aims to discourage smoking in public outdoor areas where people, particularly children and young people, gather. The policy promotes healthy lifestyles and relies on community support to encourage behavioural change. Signs are being sourced.

Open Spaces Strategy

During the year Council developed and adopted an open spaces strategy for the District. The adopted strategy is used as the basis to review all Council's policies in respect of parks and reserves and when reviewing the reserve management plans.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Quality Appropriate and acceptable quality parks, reserves, playgrounds and sportsfields.	Percentage of residents satisfied with the beautification, reserves, parks, sportsfields and playgrounds.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was achieved (91% against a target of 90%). The next survey is scheduled for 2016/2017 with a target of 90%.
Quality Appropriate and acceptable quality parks, reserves, playgrounds and sportsfields.	Percentage of beautification areas, parks, reserves, playgrounds and sportsfields that are maintained in accordance with ^{1 and 2} contractual standards.	Annual Inspections.	100%	98%	Not Achieved. The result was 98%. Of the 539 inspections, 529 met the standard; ten did not meet the standard. Reasons included poor weather and over spraying. In 2013/2014 the result was 98%.

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

Demand projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Manapouri - Commemorative Rock - 786.A	-	-	Deferred. Concept and design work ongoing, seeking sign upgrade cost quotes, awaiting construction costs quotes. Original budget \$15,000.
Te Anau - New playground in Heritage Park subdivision - 618.B	-	\$103,123	Deleted. The Community Board deleted this project.
Te Anau - Lions Park Playground Improvements - 754.A	-	\$21,177	Deferred. New equipment options being investigated, awaiting various equipment price quotes.
Tuatapere - Playground equipment	\$27,617	-	Completed. New project in 2014/2015. Unplanned project, driven by the community, donation received and remaining funds from reserves contribution.

Levels of service projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
District Reserves - Curio Bay upgrade - 782.A	\$82,767	-	<i>In Progress - design. Resource consent for WWTP granted by ES. Original budget \$298,991. Spent \$15,597 in 2013/2014. Spent \$82,767 in 2014/2015.</i>
Manapouri	\$1,888	-	Completed. Robotic pool cleaner.
Otautau - Holt Park outdoor stage - 778.A	\$5,778	-	<i>Completed. Actual cost \$5,778. A 20 piece stage was purchased from Sport Southland, cost \$4,000 plus fixing storage area \$900.00. Original budget in 2012/2013 was \$19,000.</i>
Otautau - Township Walking Tracks Project - 651.A	-	\$5,294	Deferred.
Otautau - Additional Playground - 784.A	\$12,300	-	<i>Completed. Total project cost \$12,300. Original budget \$5,000 in 2013/2014.</i>
Riversdale - Walking track	\$8,670	-	Completed. Walking Track. Project funded by community groups not Council.
Riverton/Aparima - New fencing	\$5,309	-	Completed. New project in 2014/2015.
Te Anau - Upukerora walkway improvement - 617.B	\$11,317	-	<i>In Progress - construction. Vesting process from DOC. Ongoing, track and garden plot improvements started. Original budget \$11,135.</i>
Winton - New rubbish bins	\$6,780	-	Completed. New project.

Renewals projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Riverton/Aparima - Grandstand removal - 821.A	\$8,345	-	Completed. New project not in 2014/2015 Annual Plan. Grandstand replacement budgeted for 2015/2016. However due to building structural issues the demolition of the old grandstand was brought forward.
Stewart Island - Traill Park roof replacement - 679.A	\$8,850	\$5,901	Completed. Completed in March 2015.

Operations and maintenance

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Colac Bay - Replace playground equipment - 684.A	\$1,265	-	<i>Completed. Total project cost \$12,404. Original budgeted in 2012/2013 was \$3,918. \$11,139 spent in 2013/2014. \$1,265 in 2014/2015.</i>
Lumsden - Upgrade railway reserve - 79.A	\$22,318	-	<i>Completed. Original budget \$25,000.</i>
Tokanui - Tokanui Skatepark - tok.A	\$3,000	\$10,000	Completed.

Variation from the budget

There were no significant variances between the Annual Plan and actual result for sources of operational funding and applications of operating funding. Subsidies and grants for capital purposes have been received for work to be completed in the 2015/2016 year at Stewart Island. Capital expenditure to meet additional demand and level of service has been incurred during the year for initial investigation for a sewerage system at earth, this is project in the 2015/2016 10 Year Plan. Additional playground equipment has been purchased for Tuatapere Reserve and Centennial Park in Otautau.

Funding Impact Statement - Parks and Reserves

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
		Sources of operating funding			
163	167	General rates, uniform annual general charges, rates penalties	158	144	144
1,237	1,267	Targeted rates	1,198	972	971
-	-	Subsidies and grants for operating purposes	27	26	-
-	-	Fees and charges	1	1	-
217	224	Internal charges and overheads recovered	166	236	228
45	45	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	42	49	49
1,661	1,703	Total operating funding	1,592	1,428	1,392
		Applications of operating funding			
1,489	1,548	Payments to staff and suppliers	1,103	1,101	1,071
-	-	Finance costs	-	-	-
89	91	Internal charges and overheads applied	252	232	269
-	-	Other operating funding applications	-	-	-
1,578	1,639	Total applications of operating funding	1,355	1,333	1,340
84	64	Surplus (deficit) of operating funding	237	95	52
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	26	33	-
59	124	Development and financial contributions	31	20	21
(5)	(5)	Increase (decrease) in debt	-	-	(3)
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
54	119	Total sources of capital funding	57	53	18
		Applications of capital funding			
		Capital expenditure			
59	124	▪ to meet additional demand	33	73	21
16	5	▪ to improve the level of service	91	90	5
-	-	▪ to replace existing assets	-	17	6
63	54	Increase (decrease) in reserves	170	(32)	38
-	-	Increase (decrease) in investments	-	-	-
138	183	Total applications of capital funding	294	148	70
(84)	(64)	Surplus (deficit) of capital funding	(237)	(95)	(52)
-	-	Funding balance	-	-	-

¹ 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

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

Effects on the community

There are negative effects from owning and managing buildings and other assets. These include the environmental impacts such as solid waste and energy use. Council seeks to minimise these negative effects by ensuring operations are managed effectively; waste is minimised, recycling occurs and energy and water are conserved. A possible negative effect is the neighbouring properties of facilities, may experience traffic and noise created by the public using the facilities.

There were no negative effects identified during the financial year in relation to this activity.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget.

The activity did not achieve the key performance indicator target that was measured for the year. One target was not measured.

Of the six projects, two were completed, one was deferred and three were in progress.

Key highlights

In upgrading the public conveniences, Council will ensure the facilities meet community expectations. To achieve this, Council has decided that:

- There needs to be a greater consistency in the type of toilet used throughout the District
- The toilets need to be built for ease of cleaning and made of materials that are difficult to vandalise; ie stainless steel bowls and hand basins
- Signs 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 be reduced 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.

Toilet upgrades at Garston, Jollies Hill and Mossburn were planned for 2014/2015 as part of an overall strategy to upgrade the District's toilets over 10 years. The Mossburn toilet upgrade was completed. The Garston upgrade is nearly complete. The Jollies Hill toilet upgrade project was changed to a new toilet at Athol which, when completed, will initiate the removal of the old toilet at Jollies Hill.

Performance measures

Community outcome: Making the most of our resources - We will strive to be good custodians of the environment to ensure that people living here now and in the future can grow and prosper while retaining the natural beauty of Southland.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Quality Maintain public conveniences in a good and clean condition.	Percentage of toilets that are cleaned in accordance with contractual standards.	Annual inspections.	100%	98%	Not Achieved. Of the 248 inspections conducted, 242 met the standard. The result was 98%. The Jollies Hill toilet is difficult to keep clean due to location and misuse. In 2013/2014 the result was 100%.
Quantity Provide sufficient toilets at appropriate locations.	Percentage of residents satisfied with the availability of public conveniences for residents and tourists.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was not achieved (77% against a target of 85%). The next survey is scheduled for 2016/2017 with a target of 80%.

Project report

Renewals project

Project Description	Actual 2014/2015	Budget 2014/2015	Status
Garston - Toilet upgrade - 568.z	\$88,189	\$193,768	In Progress - construction. 80% complete.
Mossburn - Toilet upgrade - 578.Z	\$149,475	\$423,536	Completed. Actual cost \$149,475.
Te Anau - Dump Station upgrade - 748.A	-	\$5,294	Deferred. Awaiting NZMCA interest in this dump station and its new park over property in Te Anau and possible outside funding.

Levels of service project

Project Description	Actual 2014/2015	Budget 2014/2015	Status
Jollies Hill - Jollies Hill toilet upgrade - 574.z	\$20,621	\$30,000	In Progress. Construction - moved from 2013/2014 to 2014/2015 to combine with Mossburn and Garston. 60% completed. Council decided to provide a new toilet at Athol and disestablish the Jollies Hill toilet.

Project Description	Actual 2014/2015	Budget 2014/2015	Status
Colac Bay - Toilet upgrade - 570.Z	\$3,520	\$25,000	<i>In Progress - Design. Land purchase approved by Council, agreement signed by land owner. Expected to be completed in 2015/2016.</i>
Waikawa	\$10,520	-	Completed. Upgrade.

Variation from the budget

There were no significant variances between the Annual Plan and actual result for sources of operational funding, applications of operating funding and sources of capital funding. Capital expenditure to replace existing assets is lower than the Annual Plan as the toilet at Mossburn was completed with a different scope and projects at Jollies and Garston have yet to be completed.

Funding Impact Statement - Public Conveniences

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
-	-	Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	535	516	522
-	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	-	-	-
519	499	Internal charges and overheads recovered	-	5	-
75	100	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	50	58	40
594	599	Total operating funding	585	579	562
		Applications of operating funding			
490	505	Payments to staff and suppliers	430	472	456
-	-	Finance costs	-	-	-
43	41	Internal charges and overheads applied	57	53	53
-	-	Other operating funding applications	-	-	-
534	546	Total applications of operating funding	487	525	509
60	53	Surplus (deficit) of operating funding	98	54	53
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	4	-
(45)	570	Increase (decrease) in debt	(92)	215	570
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
(45)	570	Total sources of capital funding	(92)	219	570
		Applications of capital funding			
-	-	Capital expenditure	-	-	-
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	55	-
15	623	▪ to replace existing assets	6	218	653
-	-	Increase (decrease) in reserves	-	-	(30)
-	-	Increase (decrease) in investments	-	-	-
15	623	Total applications of capital funding	6	273	623
(60)	(53)	Surplus (deficit) of capital funding	(98)	(54)	(53)
-	-	Funding balance	-	-	-

¹ 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

Council encourages decision-making at a range of levels - centrally and at local levels, through Community Boards, 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. 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.

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. 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 triennial elections for the Mayor, Councillors, Community Boards and Community Development Area Subcommittees and six yearly representation reviews to determine the representation structure.

Effects on the community

There were no negative effects identified during the financial year in relation to this activity.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget.

The two activity key performance indicator targets were not measured for the year.

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Key highlights

Council works with other councils in the region through the Shared Services Forum, (pooling resources to provide activities such as Civil Defence, WasteNet and Venture Southland) to minimise duplication and increase the strength of leadership and advocacy for Southland.

Council represents local interests by way of submissions, deputations and lobbying to regional and central government. Council makes submissions on changes to government bills and will continue to do this on the local government reforms. Council makes submissions at a local and national level is heavily involved in the preparation of a regional development strategy.

A Southland Regional Development Strategy is being developed to look at how Southlanders want the region to move forward in the next 10-15 years. This strategy will help to provide a focus for promoting development of the region as a whole. A steering group made up of representatives from the business, community and local government sectors have been brought together to work on the project.

In November 2014 Cr Alistair Jukes resigned for health reasons. A by-election was held in February 2015 and Cr Ebel Kremer was elected.

A new Council committee was formed to oversee the Te Anau Wastewater project. This is made up of representatives from Council, iwi, and the Te Anau Community Board and Manapouri CDA.

Youth Council

Southland District Youth Council is made up of representatives from schools in Southland - Northern Southland College, Aparima College, Central Southland College, Fiordland College, Menzies College and Waiau Area School. Meetings are held every two months either at Council's Invercargill office or the schools.

In the past year Youth Council has been involved in running LEADLAB, which culminated in the Eco-blitz event at Riverton in June 2015. Around 25 young people from throughout Southland were involved in the event.

Youth Council, together with Council, presented a Community Spirit Award at the end of 2014 and made a submission on the 10 Year Plan 2015-2025.

Performance measures

Community outcome: Being an effective council - We will endeavour to be prudent, innovative and be an enabler for our communities.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Access Maintain a structure that allows for local decision-making.	Percentage of resident satisfaction with the performance of Community Boards and local Committees (local decision-making and planning).	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was not achieved (76% against a target of 85%). The next survey is scheduled for 2016/2017 with a target of 85%.
Leadership Council to provide leadership and advocacy on major issues affecting residents.	Percentage of resident satisfaction with Council decision-making, planning and leadership.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 result was not achieved (82% against a target of 85%). The next survey is scheduled for 2016/2017 with a target of 85%.

Project report

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year. A vehicle was purchased during the year and new chairs for Council's committee room.

Variation from the budget

There were no significant variances between the Annual Plan and actual result for sources of operational funding, applications of operating funding and sources of capital funding. Capital expenditure was incurred to replace a vehicle that was not included in the Annual Plan.

Funding Impact Statement - Representation and Advocacy

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
1,755	1,735	Sources of operating funding			
489	484	General rates, uniform annual general charges, rates penalties	1,746	1,402	1,417
-	-	Targeted rates	484	547	547
-	-	Subsidies and grants for operating purposes	1	10	-
-	-	Fees and charges	-	-	-
548	528	Internal charges and overheads recovered	343	519	481
127	64	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	155	86	73
2,919	2,812	Total operating funding	2,729	2,564	2,518
		Applications of operating funding			
1,478	1,337	Payments to staff and suppliers	1,491	1,319	1,303
-	-	Finance costs	-	-	-
1,462	1,503	Internal charges and overheads applied	1,417	1,490	1,514
49	35	Other operating funding applications	51	34	45
2,989	2,875	Total applications of operating funding	2,959	2,843	2,862
(71)	(64)	Surplus (deficit) of operating funding	(230)	(279)	(344)
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(24)	(26)	Increase (decrease) in debt	(25)	(26)	(26)
34	-	Gross proceeds from sale of assets	15	13	-
-	-	Lump sum contributions	-	-	-
10	(26)	Total sources of capital funding	(10)	(13)	(26)
		Applications of capital funding			
-	-	Capital expenditure	-	-	-
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	35	10	-
94	-	▪ to replace existing assets	45	58	-
(2)	164	Increase (decrease) in reserves	157	129	100
(153)	(254)	Increase (decrease) in investments	(477)	(489)	(470)
(60)	(89)	Total applications of capital funding	(240)	(292)	(370)
71	64	Surplus (deficit) of capital funding	230	279	344
-	-	Funding balance	-	-	-

¹ 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 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 on the community

The Resource Management activity exists to mitigate and manage risks from development, construction, weathertight home issues and earthquakes. Development and construction, if not well managed, can have negative effects on the environment and social well-being, as well as the safety of individuals. Development in the wrong areas or the wrong types of development can place strain on infrastructure and reduce people's ability to access services and enjoy the opportunities the District offers. Poor development and construction of individual buildings can reduce the attractiveness of the District and the 'sense of place' that people identify with, and can also have a direct impact on safety.

There were no negative effects identified during the financial year in relation to this activity.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget.

The activity achieved two of the four key performance indicator targets that were measured for the year. One target was not measured.

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Key highlights

District Plan review

Significant progress has been made in the review of the Southland District Plan under the Resource Management Act 1991. Submissions were heard and decisions on submissions issued, with 9 appeals to the Environment Court received in relation to these decisions. The issues subject to appeal are relatively narrow, which means that the unappealed provisions are now effectively operative, meaning that they take primacy over the provisions of the previous District Plan.

Since lodgement of these appeals, further dialogue has been held with appellants and good progress has been made in seeking to resolve these appeals via consent memorandum rather than via full hearings before the Environment Court. Several consent memoranda are hence now with the Environment Court judge seeking approval of the Court. The other remaining appeals are likely to head to hearings in 2016.

Legislation changes

Central government is continuing to make amendments to the Resource Management Act and, in March 2015, further changes came into effect. These changes clarified the information requirements for resource consent applications and amended the timeframes for processing some types of applications. Further amendments to the Resource Management Act are expected.

Performance measures

Community outcome: Making the most of our resources. We will strive to be good custodians of the environment to ensure that people living here now and in the future can grow and prosper while retaining the natural beauty of Southland.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Quality 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).	Biennial User Survey.	80%	67%	Not Achieved. In 2014/2015 the result was 67%. In 2012/2013 the result was 66% for the overall service provided, 66% for the performance of staff and 57% for information provided.
Efficiency Ensure consents are processed efficiently.	Percentage of applications processed within required timeframes. ¹	Customer Service system (Pathway).	90%	84%	Not Achieved. Of the 202 consents, 170 were processed within statutory timeframes. Some extensions were requested by the applicant.
Sustainability 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 no less than every five years. ²	Report to Council.	See footnote ²	-	Not Measured. Section 35A report five year timeframe is based on the date the plan is made operative. Until 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.
Responsiveness 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.	Customer Service system (Pathway).	100%	100%	Achieved. In 2013/2014 the result was 71%.
Quality Monitor resource consents to ensure they comply with conditions.	Percentage of consents that require monitoring that are monitored.	Access Database.	100%	132%	Achieved. 82 consents were monitored of 62 that required monitoring. In 2013/2014 the result was 20%.

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 scheduled for this activity in the 2014/2015 financial year.

Variation from the budget

Items included in the Annual Plan as a source of operating funding from Fees and Charges have occurred during the year as internal charges. 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 less work being required on the district plan, this has changed the amount of debt required by the activity. No significant assets were acquired or disposed during the year.

Funding Impact Statement - Resource Management

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
1,448	1,475	Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	1,372	1,245	1,243
-	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
303	313	Fees and charges	224	202	301
14	14	Internal charges and overheads recovered	81	208	65
7	7	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	8	4	-
1,773	1,809	Total operating funding	1,684	1,659	1,609
		Applications of operating funding			
1,471	1,548	Payments to staff and suppliers	860	1,008	1,258
5	5	Finance costs	-	7	-
658	693	Internal charges and overheads applied	547	514	578
-	-	Other operating funding applications	-	-	-
2,134	2,247	Total applications of operating funding	1,406	1,529	1,836
(361)	(438)	Surplus (deficit) of operating funding	278	131	(227)
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
365	443	Increase (decrease) in debt	(375)	(43)	232
9	-	Gross proceeds from sale of assets	13	-	-
-	-	Lump sum contributions	-	-	-
374	443	Total sources of capital funding	(362)	(43)	232
		Applications of capital funding			
-	-	Capital expenditure	-	-	-
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
32	-	▪ to replace existing assets	-	-	-
(18)	5	Increase (decrease) in reserves	(84)	87	5
-	-	Increase (decrease) in investments	-	-	-
14	5	Total applications of capital funding	(84)	87	5
361	438	Surplus (deficit) of capital funding	(278)	(131)	227
-	-	Funding balance	-	-	-

¹ 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 NZTA and DOC). Council also provides footpaths, streetlights, carparks and noxious plant control and contributes to the Total Mobility Scheme.

Effects on the community

Although there are significant negative effects on the community's well-being associated with the roading and footpaths activity, there are processes in place to reduce the likeliness of their occurrence. An example of this is fatalities caused by road factors. The possibility for this to take place is reduced through maintenance, renewals and road safety strategies.

Other negative effects that could arise from the roads are economic effects such as travel delays which result from road construction or upgrade works. Negative environmental effects could also occur, such as excessive noise, contamination of waterways by stormwater discharge from road surfaces and environmental degradation from road construction or upgrade works.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget. The activity achieved five of the nine key performance indicator targets that were measured for the year. One target was not measured. Of the 27 projects, 10 were completed, seven were deleted, four were deferred and six are in progress.

Key highlights

The 2014/2015 year was year three of the Council's 2012-2022 10 Year Plan. It was also year three of NZTA's Land Transport Programme. The funding for the Council's roading comes from the ratepayers through rates as planned in the 10 Year Plan and from NZTA, as planned in their three year Land Transport Programme.

Council has some flexibility to move budgets within the three year NZTA programme but not beyond it. It is important to maximise the funding and balance up the account at year end of year three (2014/2015). The 2014/2015 year was challenging in trying to achieve a close match of expenditure to budget.

The challenge came from an unusual set of circumstances that occurred in the roading construction environment (including maintenance). The issue was costs were well below expected estimates. This was mainly due to the low prices for diesel and bitumen. The net result was, for renewals, the Council's Roading team delivered more reseals and rehabilitation than was originally programmed and did it for less than the original budget over the three year period.

For the 2014/2015 financial year we did not meet our original AMP KPI targets for reseals and rehabilitations. This is because the work programmes were adjusted to better reflect the actual work requirements. By working to meet the actual requirements rather than the original target, council was able to provide the best value for money.

- The land transport three year programme was completed under the overall budget.
- Council completed 14.2 km of rehabilitations with 1.47 km in progress (2012-2015 - 52 km of rehabilitation was completed).
- Council completed 1,024,268 m² of resurfacing which is equivalent of 7.8% of our sealed network (2012-2015 - 3,082,655 m²).
- Council put 65,429 m³ of maintenance metal on gravel roads (2012-2015 - 186,490 m³ of maintenance metal was applied).

- Council completed 14,096 km of grading. This is equivalent to a gravel road average of 4.69 grades per year (2012-2015 - 44,479 km of grading was completed).
- Council completed 200 lane km (5% of sealed network) of drainage improvements.
- A significant amount of preventive maintenance work was completed, including the building of a retaining wall at Mullet Road.
- A significant amount of work on the bridging network was completed. This has resulted in a reduction in the number of bridges with vehicle restrictions.

The Roading and Transport Team recently reviewed its Asset Management Plan which focuses on the requirement of the network over the next 10 years and beyond. Council has implemented several responses to the issues identified, namely reduced funding from NZTA. This includes prioritising investment aligned with community values.

Roading and Transport's operating expenditure was over budget. This can be attributed to unbudgeted emergency reinstatement work on Stewart Island and Ohai Clifden Road slip. Sealed road maintenance and unsealed road maintenance was over budget due to timing as well as a change in grading practises to achieve better outcomes.

Road and Transport's capital expenditure is under budget due to underspend in resurfacing (declining bitumen index), pavement rehabilitation (less rehabilitations completed than targeted plus one project still in progress) and Minor Improvements. This is partially offset with completing more drainage improvements than budgeted.

Around the Mountains Cycle Trail

As part of the central government led initiative National Cycleway Project, the Around the Mountains Cycle Trail stage one (from Kingston to Mossburn) was opened in November 2015. The trail is expected to offer considerable long term benefits to the local communities.

The Around the Mountains Cycle Trail has been under construction since May 2013. Stage One of the trail from Kingston to Mossburn, was opened on 1 November 2015. It was built using funding of \$4.5 million from the government which is administrated by MBIE.

As part of Stage Two, a resource consent application was lodged to construct a section of the trail up the Upper Oreti River Valley. Consent was granted by the Commissioner but was then appealed by Fish & Game. The appeal process is ongoing with an Environment Court hearing yet to occur.

Council continues to seek additional external funding for the trail, with \$250,000 having been received from the Community Trust of Southland this year. The final decision on how Council will fund the balance is currently being worked through. Council will consider utilising its reserves or borrowing by way of loan money to allow the trail to be completed on time. Using rates money will only be considered if all other options have been exhausted and a deficit still exists. All efforts will be applied to getting external funding first.

Stage Two consists of the section from Mossburn to Walter Peak and is broken into Sections 6, 7, 8 and 9. Sections 6 and 7 have been under construction since early in 2015. Bad weather prevented completion before winter set in so work has halted. The completion date is now 1 December 2015. The construction of Sections 8 in particular is the part most affected by the outcome of the consent appeal. Until the consent situation is known it is not possible to set a definitive completion date for the whole trail.

Regional Land Transport Plan

Council has worked with representatives from the NZ Transport Agency and other Southland and Otago councils to develop a joint Otago and Southland Regional Land Transport plan.

The plan focuses on maintaining the regions' established transport networks, while making key improvements to transport services and infrastructure.

- Making our roads safer
- Supporting economic growth by enabling efficient freight and visitor journeys.
- Increasing roading network resilience
- Ensuring value for money investment.

By focusing on critical journeys, and taking a wider regional view, the committee has identified proposed projects of the greatest significance.

Performance measures

Community outcome: Supporting our communities - We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Responsiveness All requests/complaints to be answered promptly.	Percentage of requests to fix roading surface faults are completed within the timeframe specified in contracts. ¹	Customer Service system (Pathway).	90%	91%	Achieved. The result was 91%. In 2013/2014 the result was 90%.
Accessibility Roads to provide a smooth and comfortable ride quality.	Percentage of sealed roads providing a smooth and comfortable ride. ²	Roughness Rating Survey - RAMM Database biennially (measured every two years).	85%	99%	Achieved The result was 99%. In 2012/2013 the result was 100%.
Accessibility Roads to provide a smooth and comfortable ride quality.	Percentage of gravel road tests where the surface condition meets acceptable standards. ³	RCAMES and/or RoadTrip.	Winter 85%	88%	Achieved. The result was 88%. In 2013/2014 the result was 94%.
Accessibility Roads to provide a smooth and comfortable ride quality.	Percentage of gravel road tests where the surface condition meets acceptable standards. ³	RCAMES and/or RoadTrip.	Summer 90%	85%	Not Achieved. The result was 85%. In 2013/2014 the result was 97%.
Safety Footpaths are safe for users - free of overhanging obstructions and free of trip hazards.	Number of footpath complaints.	Customer Service system (Pathway).	Less than previous year (less than 29)	29	Not Achieved. The result was 29. There is no discernible reason for the variance. In 2013/2014 the result was 40 which meant it was not achieved.
Accessibility 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.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was achieved (84% against a target of 80%). The next survey is scheduled for 2016/2017.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Quality Roads to be maintained to an appropriate standard.	Length (or percentage) of the roading network rehabilitated this year compared with targets.	Roughness Rating Survey - RAMM Database.	90%	71%	Not Achieved. A total of 14.2km was completed against a target of 19.88 km. One site was not sealed due to weather and will be completed in 2015/2016 season. This is in response to the changing needs of the network between the timing of preparing the Annual Plan and the construction season. In 2013/2014 the result was 95%.
Quality Roads to be maintained to an appropriate standard.	Area (or percentage) of the roading network resealed this year compared with targets.	Roughness Rating Survey - RAMM Database.	100%	93%	Not Achieved. The target was 1,088,748 m ² - 1,016,082 m ² was resealed. All programmed works were completed. This is in response to the changing needs of the network between the timing of preparing the Annual Plan and the construction season. In 2013/2014 the result was 100%.
Accessibility Assistance is provided for people with impairments to get around.	Funding assistance provided for transport within Southland via the Total Mobility initiative.	Financial Reports.	Yes	Yes	Achieved. In 2013/2014 the result was achieved.
Road Safety 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.	Crash Analysis System.	Reducing Trend	16.4	Achieved. In 2014/2015 the trend reduced so the target was achieved. In 2013/2014 the result was 18 so the target was not achieved.
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.					

Project report

Renewals projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Edendale/Wyndham - Footpath upgrade - 633.s	\$15,629	\$15,000	Completed. Multi-year project. Spent \$12,257 in 2012/2013 against a budget of \$10,980. Spent \$14,869 in 2013/2014 against a budget of \$11,331. Ferry Road AC footpath completed just before Christmas. Scutari Street in Wyndham completed April 2015.
Manapouri - Streetlighting renewal - 763.A	-	\$5,325	Deleted. This has been re-budgeted for project works in 2017/2018.
Nightcaps - Footpath renewal	\$5,564	-	<i>In Progress - construction. Original budget \$5,564.</i>
Orepuki - Renewals work	\$12,575	-	<i>Completed. Oldham Street.</i>
Orepuki - Information Kiosk - 641.s	-	-	<i>In Progress - construction. Timber kiosk is ready for signs and a recent meeting held with the committee. A panoramic photo has been taken for the wall. Original budget \$5,821.</i>
Otautau - Footpaths - Renewal - 706.A	-	\$11,694	Deferred. Multi-year Project, sites to be decided after inspection and in 2014/2015.
Riverton - Footpaths - 717.A	\$40,938	\$46,778	Completed.
Stewart Island	\$10,170	-	Completed. Kerb and channel carpark Ayr Street.
Te Anau - Footpath patch renewals - 767.A	-	\$53,251	Deleted. No work has been identified to be required and re-budgeted appropriately next year.
Te Anau - Streetlighting - 769.A	-	-	<i>Deferred. Contract to be updated for LED technology prior to release for tendering. Original budget \$34,056.</i>
Tuatapere - Footpath upgrade - 701.s	\$18,862	-	<i>In Progress - construction. Not completed due to weather conditions - to be carried forward. Original budget \$50,000.</i>

Levels of service projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Around the Mountains Cycle Trail Stage Two - AMCT.B	\$1,516,568	\$2,000,000	In Progress - Construction. Consent granted but an appeal has been lodged.
Browns	\$2,100	-	Completed. Heritage signs.

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Colac Bay - new footpath - 637.s	-	\$5,145	Deferred. Subcommittee confirm Stage One site in front of foreshore houses east of Colac Bay Road. Board wants to look at option of going from marae towards the Bungalow Hill Road - Stage Two. Original budget \$5,145.
Lumsden - Footpath upgrade	\$28,149	-	Completed. New project. Not in Annual Plan. Helena Street upgrade extension of existing footpath along Helena Street to Early Childhood Centre.
Manapouri - Streetlights - 733.A	-	-	Deleted. This has been re-budgeted for project works in 2017/2018. Original budget \$5,000.
Mararoa/Waimea - minor road improvements particularly the sealing of unsealed roads where they intersect with a sealed road - mar.A	-	\$100,000	Deferred. Machinery not available.
Riverton	\$2,961	-	Completed. Seats and picnic tables.
Riverton - Road and kerbing widenings - 781.a	-	\$105,884	In Progress - design. Board inspected site, preliminary design required.
Riverton - Streetlight renewal - 776.A	-	\$2,192	Deleted.
Riversdale - new footpaths constructed.	\$123,052	-	Completed. New project.
Stewart Island - New footpaths - 657.A	\$17,424	-	Completed. Completed early November 2014. Original budget \$21,000 in 2011/2012.
Te Anau - Streetlighting - 768.A	-	-	Deleted. No new lights required. Original budget \$11,352 in 2013/2014.
Tuatapere - Concrete Kerbs - 702.s	\$1,324	-	In Progress. Not completed due to adverse weather conditions - to be carried forward. Original budget \$10,000 in 2013/2014.
Wallacetown - Kerb and channel - 668.s	\$8,435	\$58,471	Deleted. Community Board has decided to not commit cap expenditure to this project. Some minor work was completed.
Winton - Concrete kerbs - 720.A	\$11,159	\$5,847	Completed.
Woodlands - New Footpath - 636.s	-	\$15,000	Deleted. Not required. CDA submission on LTP to change priority to a walking track on Woodlands Morton Mains Road.

Variation from the budget

Subsidies and Grant for operating purposes and payments to staff and suppliers are both higher and budgeted due to Roading adjusting its work programme with NZTA to be more operational based than capital. This has also caused subsidies and grants for capital purposes and the application of capital funding to replace existing assets to be lower than the Annual Plan.

Subsidies and grants for capital purposes has been impacted by claims relating to Around the Mountains Cycle Trail in the 2013/2014 year.

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.

Funding Impact Statement - Roading and Transport

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
12,339	13,148	Sources of operating funding			
571	560	General rates, uniform annual general charges, rates penalties	12,260	13,043	13,040
5,281	5,330	Targeted rates	569	598	599
11	11	Subsidies and grants for operating purposes	6,369	6,534	5,489
645	646	Fees and charges	11	14	14
638	648	Internal charges and overheads recovered	543	434	630
		Local authorities fuel tax, fines, infringement fees, and other receipts ¹	673	372	561
19,483	20,343	Total operating funding	20,425	20,996	20,333
		Applications of operating funding			
10,081	10,174	Payments to staff and suppliers	11,452	11,390	10,230
454	436	Finance costs	(59)	-	-
1,286	1,257	Internal charges and overheads applied	1,350	1,327	1,284
2	2	Other operating funding applications	-	11	-
11,823	11,870	Total applications of operating funding	12,743	12,728	11,514
7,660	8,474	Surplus (deficit) of operating funding	7,682	8,268	8,819
		Sources of capital funding			
9,376	7,811	Subsidies and grants for capital expenditure	10,429	9,610	10,972
-	-	Development and financial contributions	16	-	-
(431)	(312)	Increase (decrease) in debt	(318)	(544)	(421)
5	9	Gross proceeds from sale of assets	-	3	9
-	-	Lump sum contributions	-	-	-
8,950	7,507	Total sources of capital funding	10,127	9,069	10,560
		Applications of capital funding			
-	-	Capital expenditure			
3,125	1,778	▪ to meet additional demand	16	-	-
12,945	12,653	▪ to improve the level of service	6,809	4,654	4,369
541	1,550	▪ to replace existing assets	9,669	13,875	13,995
-	-	Increase (decrease) in reserves	1,315	(1,192)	1,015
		Increase (decrease) in investments	-	-	-
16,610	15,981	Total applications of capital funding	17,809	17,337	19,379
(7,660)	(8,474)	Surplus (deficit) of capital funding	(7,682)	(8,268)	(8,819)
-	-	Funding balance	-	-	-

¹ 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 sewage 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 on the community

If not dealt with appropriately, sewerage can have significant negative public health and environmental effects. Council's work is aimed at dealing with these negative effects in ways that cause the least possible harm. Sewerage is treated to make it safe for disposal. With these major infrastructure assets, the negative effects from service failure are far more serious than the effects from service provision. Council manages its assets to avoid service failures by carrying out a programme of regular monitoring and maintenance, and by prioritising critical work.

There were no negative effects identified during the financial year in relation to this activity.

How well we did

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

The activity achieved two of the three key performance indicator targets that were measured for the year. One target was not measured.

Of the 49 projects, 21 were completed, five were deleted, six were deferred and 17 are in progress.

Key highlights

Many sewerage schemes throughout the District are ageing and need replacement work.

Council is concerned about the ongoing affordability of these schemes and, in 2012, moved to District funding for water and sewerage services as a means of addressing these concerns. District funding includes pooling costs for operating expenditure, planned and future renewals and other capital expenditure. It does not include costs relating to the construction of new schemes.

Waiau/Aparima Ward

The Ohai and Nightcaps sewerage schemes may require improvements to its treatment and disposal of sewage in 2015 to meet new consent conditions. Council is applying to ES to renew these resource consents before determining what, if any, work is required.

Waihopai/Toetoes Ward

Council is working with DOC and the South Catlins Charitable Trust to develop a long term wastewater solution for the area. As part of the proposal, Council approved funding through the LTP approval process. Resource consent for the proposed discharge was granted in November 2014.

Mararoa/Waimea Ward

An upgraded treatment system and a new disposal system has been proposed for Te Anau to comply with resource consent conditions and meet future demand. This will be undertaken in stages over the 10 years with the design and some construction undertaken. Resource consent for the project was granted in January 2015 though is the subject of an Environment Court appeal.

The proposed scheme involves upgrading the existing treatment process and subsequent disposal of the treated sewage to land around Te Anau Airport Manapouri. Appeals to the Environment Court are expected to be heard by the end of 2015. Meanwhile, a committee made up of Council and community representatives has been set up to govern the project, including a peer review.

Work has also started to install a new screen to the inlet of the Te Anau works as well as de-sludging the ponds.

In Riversdale, a discharge consent has been lodged with ES. It is anticipated that upgrade of the soakage basins and the treatment plant will be required within five years of the consent being issued.

Winton/Wallacetown Ward

A project is also under way to upgrade the Winton oxidation pond and install a screen at the inlet of the plant. This work started in the 2014/2015 year and is expected to be completed in the 2015/2016 year.

Stewart Island Ward

Stewart Island pond pump and pump replacement projects are in progress as is the scheme capacity upgrade project.

Performance measures

Community outcome: Supporting our communities - We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Safety Sewerage is managed to reduce the risk to public health.	Number of overflow incidents affecting private property caused by Council's networks.	Hansen Asset Management System.	Less than 15	1	Achieved. The result was one. In 2013/2014 the result was eight.
Reliability Provide a reliable sewerage service.	Percentage of customers satisfied with the service.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was achieved (94% against a target of greater than 90%). The next survey is scheduled for 2016/2017.
Responsiveness Prompt response and resolution to complaints.	Resolve customer requests within time set for type of problem. ¹	Hansen Asset Management System.	>90%	100%	Achieved. The result was 100%. In 2013/2014 the result was 100%.
Quality and Safety Minimise effects on the environment.	Percentage of effluent tests which comply with relevant resource consent conditions. ²	Council records.	100%	95%	Not Achieved. The result was 95%. Of the 309 tests, 294 complied. Non compliance was due to several factors including ammonia levels and <i>E-coli</i> 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 2013/2014 the result was 89%.

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

Renewal projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Gorge Road - Reticulation renewal - plw25.A	\$6,350	\$36,692	Completed. Work completed to revised/reduced scope of work.
Manapouri - Glade pump station upgrade - ww612	\$35,365	-	Completed. This project was miscoded - It is actually a Manapouri project but originally coded as Te Anau. Original budget \$35,000. Project brought forward from 2015/2016.
Nightcaps - Reticulation renewal - plw74.A	\$8,140	\$12,854	Completed. Combined with plw.75.A, plw 81.A and plw82.A. Total cost of project \$60,658.
Nightcaps - Reticulation renewal - plw75.A	\$17,729	-	Completed. Original budget was \$20,076 in 2013/2014. Combined with plw.74.A, plw 81.A and plw82.A. Total cost of project \$60,658.
Nightcaps - Reticulation renewal - plw81.A	\$10,676	-	Completed. Project brought forward from 2018/2019 and completed with plw74.A. Total cost of project \$60,658.
Nightcaps - Reticulation renewal - plw82.A	\$24,023	-	Completed. Project brought forward from 2017/2018 and completed with plw75.A - revised scope of work. Total cost of project \$60,658.
Ohai - Electrical upgrade - plw92.A	\$19,558	\$22,171	Completed.
Ohai - Electrical upgrade - plw92.B	\$19,558	\$22,171	Completed.
Ohai - In ground reticulation - ww325	\$3,073	-	Completed. Project brought forward from 2015/2016.
Otautau - Electrical upgrade - plw105.A	-	-	Deleted. Assessment of asset indicated that it was in better condition than expected and electrical upgrade has been moved from 2014/2015 to 2020/2021.
Otautau - Reticulation renewal - PLW98	-	-	Deferred - awaiting further condition testing/assessment. Original budget was \$26,440 in 2013/2014.
Stewart Island - Pump replacement - plw164.A	\$120,823	\$311,034	In Progress - construction. Multi-year project. Work continues into 2015/2016.
Stewart Island - Reticulation renewal - PLW154.A	-	-	Deleted - not considered to be required at this stage. Original budget \$11,244 in 2012/2013.

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Stewart Island - Pond pumps x2 - ww2233.A	-	-	<i>In Progress - construction. Original budget in 2013/2014 \$3,619. This project will now be carried out in conjunction with PLW150A. The budget in the 2012/2013 LTP was (\$150,000) and ww2220a. In the 2013/2014 AP (\$25,975) and is a multi-year project completing in 2015/2016.</i>
Te Anau - Reticulation renewal - plw180.A	\$35,539	\$25,705	Completed. Aparima Drive pump station upgrade - completed August 2014.
Winton - Pump replacement - plw235	\$114,167	-	Completed. Project brought forward from 2015/2016 due to urgent work required and completed with plw239A.
Winton - Electrical upgrade - 29484	\$129,969		In Progress - construction. This is a project brought forward from 2015/2016
Winton - Pump replacement - plw239	\$115,693	-	Completed. Project brought forward from 2015/2016 due to urgent work required and completed with plw235A.

Levels of service projects

Project Description	Actual	Budget	Status
Balfour - Resource consent project - plw5.A	-	\$5,560	Deferred. Moved from 2014/2015 to 2021/2022 to align with wastewater resource consent.
Balfour - Sludge bed improvements - ww2200.A	\$26,884	\$26,884	Completed. Work completed by Downer.
Edendale/Wyndham - Sewerage treatment plant - PLW245.A	\$177,127	-	<i>In Progress - construction - Work continues into 2015/2016.</i>
Lumsden - Wetwell upgrade, modify existing storage - ww2203.A	\$11,910	-	Completed. Project brought forward from 2015/2016. Original budget of \$52,412 but scope reduced following site visit.
Manapouri - Electrical upgrade - 24780 and 24781 (old plw46A and 46B)	\$66,151	-	<i>Completed. Total project cost \$68,071. Combined with PLW46B. \$1,920 spent in 2013/2014. Original budget \$66,706.</i>
Manapouri - Te Anau/Manapouri treatment and disposal project - plw62.B	-	-	Deferred. Moved from 2014/2015 to 2020/2021 to align capital work with consent renewal and a better understanding of discharge conditions. Original budget \$560,547.
Nightcaps - Resource consent project - plw78.A	\$27,952	\$22,178	In progress - investigation. Resource consent has been prepared and submitted by MWH.
Nightcaps - Flow Meter and SCADA telemetry - ww2055.A	\$8,862	-	<i>Completed. Carried out concurrently with plw74.A, plw 75.A, plw81.A and plw82.A. Total cost \$50,000.</i>
Ohai - Treatment upgrade - plw86.A	-	\$684,024	Deferred. Condition assessments and condition testing required before project proceeds.

Project Description	Actual	Budget	Status
<i>Ohai - Resource Consent project - PLW91.A</i>	\$6,126	-	<i>Completed. Original budget \$20,717 in 2013/2014.</i>
Ohai - Treatment upgrade - plw93.A		\$26,910	Completed. Work completed in 2012/2013.
<i>Ohai - Wastewater Treatment Plan (WWTP) - flow meter - ww208.A</i>		-	<i>Completed. Cost included at plw92A and B. Original budget \$6,204.</i>
<i>Ohai - WWTP - larger recycling pump - ww2210.A</i>	-	-	<i>Completed. Work completed at Downer cost. Original budget \$2,210.</i>
Riversdale - Emergency storage or generator - ww2213.A	-	\$26,884	In Progress - investigation. This is the combined project for Riversdale sewerage - refer ww26173, ww2213, ww2216 and is now scheduled to commence 2016/2017.
<i>Riversdale - Sludge Removal - 26173.A</i>	\$21,257	-	<i>In Progress - investigation. This is the combined project for Riversdale sewerage - refer ww26173, ww2213, ww2216 and is now scheduled to commence 2016/2017. Pending outcome of resource consent application.</i>
<i>Riversdale - Scheme Capacity Upgrade -plw122.A</i>	\$18,260	-	<i>In Progress - investigation. This is the combined project for Riversdale sewerage - refer ww26173, ww2213, ww2216 and is now scheduled to commence 2016/2017. Pending outcome of resource consent application.</i>
<i>Riversdale - Rectify infiltration issues in reticulation and at pumpstation - ww2216.A</i>	-	-	<i>In Progress - investigation. This is the combined project for Riversdale sewerage - refer ww26173, ww2213, ww2216 and is now scheduled to commence 2016/2017. Pending outcome of resource consent application.</i>
Riverton - Resource Consent project - plw96.A	\$15,278	\$22,171	In Progress - investigation. The Rocks resource consent expires 2015. Completed by MWH. Application submitted to ES.
Riverton - Towack St, Retaining Wall -WW521	\$17,657	-	In Progress - Construction. Project brought forward from 2015/2016. Project budget \$60,000.
<i>Stewart Island - Soakage fields - ww2220.A</i>	\$24,377	-	<i>In Progress - This project carried out in conjunction with PLW150A, 2220.A and ww2224.A and is a multi-year project completing in 2016/2017. Budget carried forward from 2012/2013 and 2013/2014. Total combined budget \$175,975.</i>
<i>Stewart Island - Reticulation renewal - PLW154.A</i>	-	-	<i>Deleted. Not considered required at this stage.</i>

Project Description	Actual	Budget	Status
Stewart Island - Scheme Capacity Upgrade - PLW150.A	-	-	<i>In Progress - This project carried out in conjunction with PLW150A, 2220.A and ww2224.A and is a multi-year project completing in 2016/2017. Budget carried forward from 20012/2013 and 2013/2014. Total combined budget \$175,975.</i>
Stewart Island - Pump shed at ponds - ww2224.A	\$10,532	-	<i>In Progress. This project carried out in conjunction with PLW150A. Budget carried forward from 20012/2013 and 2013/2014. Total combined budget \$175,975.</i>
Stewart Island - Odour control - plw155.A	-	\$8,647	Deleted. This project deleted as odour problem no longer exists.
Tokanui - Pipeline renewal at pump station - WW684	\$20,977	-	Completed. Project brought forward from 2015/2016.
Tokanui - Treatment upgrade - plw222.A	-	-	Deferred. Moved to 2017/2018 to align with resource consent.
Tokanui - Treatment upgrade - plw222.B	-	-	Deferred. Moved to 2017/2018 to align with resource consent.
Te Anau - Te Anau treatment upgrade - PLW205.B	\$786,927	-	<i>In Progress - construction - Initial works and desludging. Budget carried forward from 2013/2014.</i>
Te Anau - Interim upgrade - ww2025.A	\$249,911	-	<i>In Progress - construction - Screens and blowers ordered - will continue into 2015/2016. Original budget carried forward from 2013/2014 of \$750,000.</i>
Winton - Scheme Management Plan - plw238.A	-	\$11,825	Deleted. No longer required. Superseded by Asset Management Plans.
Winton - Treatment upgrade - 29491	\$39,445	\$1,573,341	In Progress - Construction - Installation. Screens and aerators ordered - this is a multi-year project that will combine several projects to be carried out in conjunction.

Variation from the budget

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. There is no significant variances in payments to staff and suppliers. 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

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
-	-	Sources of operating funding			
3,283	3,388	General rates, uniform annual general charges, rates penalties	-	-	-
-	-	Targeted rates	3,249	3,362	3,289
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	4	6	-
10,167	2,003	Internal charges and overheads recovered	1,018	2,316	2,950
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	85	71	-
13,450	5,392	Total operating funding	4,357	5,755	6,239
		Applications of operating funding			
1,624	1,683	Payments to staff and suppliers	1,413	1,565	1,549
-	546	Finance costs	(6)	-	-
10,773	2,598	Internal charges and overheads applied	1,464	2,746	3,528
-	-	Other operating funding applications	-	-	-
12,397	4,827	Total applications of operating funding	2,871	4,311	5,077
1,053	565	Surplus (deficit) of operating funding	1,485	1,444	1,162
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	789	-	-
-	-	Development and financial contributions	-	-	-
9,115	1,441	Increase (decrease) in debt	(457)	(86)	1,715
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
9,115	1,441	Total sources of capital funding	332	(86)	1,715
		Applications of capital funding			
4,696	-	Capital expenditure			
5,202	1,454	▪ to meet additional demand	31	-	-
269	550	▪ to improve the level of service	745	1,461	2,408
2	2	▪ to replace existing assets	135	751	451
-	-	Increase (decrease) in reserves	905	(854)	18
-	-	Increase (decrease) in investments	-	-	-
10,169	2,005	Total applications of capital funding	1,817	1,358	2,877
(1,053)	(565)	Surplus (deficit) of capital funding	(1,485)	(1,444)	(1,162)
-	-	Funding balance	-	-	-

¹ includes all other operating funding from sources not identified above.

SIESA (Stewart Island Electrical 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 while 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 on the community

There are negative effects from owning and managing buildings and other assets. These include the environmental impacts such as energy use. Council seeks to minimise these negative effects by ensuring operations are managed effectively; waste is minimised, recycling occurs and energy and water are conserved. A possible negative effect of the activity is the use of diesel to fuel the supply of electricity.

There were no negative effects identified during the financial year in relation to this activity.

How well we did

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

The activity achieved all three key performance indicator targets that were measured for the year. Of the nine projects, eight were completed and one is in progress.

Key highlights

Renewable energy investigations

SIESA operations continue to face many challenges due to the remoteness of Stewart Island/Rakiura and reliance on diesel for electricity generation. Increased costs in transport and oil continue to put pressure on the cost of electricity and Council is investigating alternative methods of electricity generation. A feasibility study of alternative energy sources is under way. Measurements of solar, wind and hydro energy sources are being carried out and none of these alternatives has been ruled out. If a viable option is identified, Council will develop an energy strategy for the Island.

Business as usual

In the meantime, the system has to operate as a reliable sustainable electricity supply business operating diesel-powered generators. To be sustainable it is important that efforts are made to improve efficiency and reduce whole of life costs. The primary method of achieving this is to renew equipment at the optimal time.

It is also critical to maintain the distribution network properly. Reliability of supply is directly related to how well the network is maintained. Regardless of how the electricity is generated, a robust network is needed to distribute it to customers. It is critical that annual investment into network maintenance is funded through depreciation. The development of a complete Asset Management Plan is helping inform decisions about the level of funding necessary. The plan will become more accurate as detailed information is collected over the next three years.

Performance measures

Community outcome: Supporting our communities - We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Financial Sustainability SIESA is able to operate in a cost effective manner.	SIESA is managed within +1% and -3% of annual budget.	Financial Reports.	100%	100%	Achieved. The result is 100%. SIESA Electricity had a surplus of \$181,836 primarily due to fuel costs coming in well below budget as a result of lower diesel prices. SIESA Solid Waste had a surplus of \$55,756 in total. SIESA staff house had a deficit of (\$733). The consolidated position for the year showed a \$236,858 surplus compared with a budgeted surplus of \$Nil. In 2013/2014 the result was 100%.
Responsiveness SIESA is responsive to customers' needs.	Percentage of complaints/requests responded to within agreed timeframes. ¹	Monthly Reports.	95%	100%	Achieved. The result was 100%. No complaints received. In 2013/2014 the result was 100%.
Reliability All SIESA consumers connected are provided with reliable and continuous service.	Number of unplanned interruptions.	Monthly Reports.	<6	5	Achieved. The result was five. In 2013/2014 the result was three.
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

Operating and maintenance projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Exterior painting of power station building	\$6,326	-	Completed. Total budget \$7,000.

Levels of service projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Staff House	\$4,745	-	Completed. New hot water cylinder.
New Compactor	\$9,471	-	Completed.

Renewal projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Replacement Generator set - 710.A	\$97,185	\$235,000	Completed, Project budget changed to \$110,000 due to new supplier being more cost effective.
Meter replacement - SMART meters	\$4,802	-	In progress. Spent \$4,800 the remaining will be spent in 2015/2016 of \$45,200. Total budget is \$50,000.
Day tank	\$10,038	-	Completed. 2,500L day tank replacement for diesel. Total budget was \$12,000.
New roof for fire station building	\$35,657	-	Completed. Total budget \$30,000.
Three bay pole shed for backup generator set	\$61,073	-	Completed. Total budget \$40,000.
Replacement of water tank	\$5,033	-	Completed. Total budget \$7,000.

Variation from the budget

Fees and charges are higher than the Annual Plan predominately due to increased income from electricity charges. Fuel costs were lower than expected, and is reflected in payments to staff. The application of capital funding was for the purchase of a new generator and shed.

Funding Impact Statement - SIESA

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
-	-	Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	-	-	-
-	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	965	1,039	983
-	-	Internal charges and overheads recovered	363	366	372
1,344	1,416	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	60	64	41
1,344	1,416	Total operating funding	1,388	1,469	1,396
		Applications of operating funding			
1,248	1,285	Payments to staff and suppliers	1,167	1,047	1,205
2	2	Finance costs	3	5	5
74	76	Internal charges and overheads applied	78	85	76
-	-	Other operating funding applications	-	-	-
1,325	1,363	Total applications of operating funding	1,249	1,137	1,286
20	53	Surplus (deficit) of operating funding	139	332	110
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Total sources of capital funding	-	-	-
		Applications of capital funding			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	4	14	-
-	260	▪ to replace existing assets	134	214	235
20	(207)	Increase (decrease) in reserves	1	105	(125)
-	-	Increase (decrease) in investments	-	(1)	-
20	53	Total applications of capital funding	139	332	110
(20)	(53)	Surplus (deficit) of capital funding	(139)	(332)	(110)
-	-	Funding balance	-	-	-

¹ 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 for rubbish and recyclables 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 around the District.

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

Effects on the community

The waste the District produces is in itself a negative effect on the environment. Council's solid waste activity is aimed at dealing with these negative effects in ways that cause the least possible long term harm. Negative effects from landfills can include leachate and production of gases.

Council monitors these effects and manages landfills with the aim of reducing or mitigating these effects where possible. Hazardous wastes, for example, are collected and dealt with safely. Council is taking steps to reduce the amount of waste disposed of at landfills in accordance with the Regional Waste Management and Minimisation Plan.

Pests and rodents could potentially become a problem but there are pest control methods in place to manage this. The potential impacts of this activity are mitigated through efficient management and cleaning of transfer sites.

There were no negative effects identified during the financial year in relation to this activity.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget.

The activity achieved one of the two key performance indicator targets that were measured for the year. Four targets usually measured through a customer survey were not measured as the survey is not undertaken annually.

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Key highlights

Closed Refuse Sites

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 and 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. ES is currently implementing a change around the management of discharges from closed landfill sites. This could have a financial impact on Council, however, when this will be implemented and its effects are not yet known and therefore has not been budgeted for in this financial year. Council has undertaken a risk assessment on the impact from these sites and will submit to ES by November 2015.

Review of Regional Solid Waste Bylaw

A review and update of the Solid Waste Bylaw is planned for the year by WasteNet Southland, however, that has been delayed due to focus on other matters.

Waste Minimisation Levy

Under the Waste Minimisation Act 2008, a \$10 per tonne (excluding GST) levy on all waste sent to landfill was imposed from 1 July 2009. The purpose of the levy is to create funding opportunities for waste minimisation initiatives and provide an economic incentive to polluters to change their behaviour. The levy will be charged at facilities where waste (including household waste) is disposed of and which operate, at least in part, as businesses which dispose of waste. Territorial authorities receive 50% of the total levy money collected and these payments are paid out on a population basis. Payments are made quarterly and must be spent on promoting or achieving waste minimisation and in accordance with waste management and minimisation plans.

A waste minimisation fund has been set up with the remaining levy money, minus administration costs, to fund waste minimisation projects. Projects will be assessed according to criteria established in consultation with the Waste Advisory Board. The Minister for the Environment has final approval on project funding. Based on current figures, Council budgets receive an annual income of \$80,000 from the Waste Minimisation Levy, which is used to pay for new recycling wheelie bins. Once this loan has been paid off Council will look at other waste minimisation initiatives where the levy money could be used.

Three Strike Policy

In May 2015 the three WasteNet Southland councils introduced a ‘three strike policy’ as a tool to help manage and improve the quality of material that people dispose of in their yellow recycling bins. Strikes are issued against properties if collection truck drivers or Council staff identify significant contamination of recycling material. With the issue of a third strike against the property Council will consider withdrawing the service from that property for up to three months.

Performance measures

Community outcome: Making the most of our resources - We will strive to be good custodians of the environment to ensure that people living here now and in the future can grow and prosper while retaining the natural beauty of Southland

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Access and reliability Provide convenient solid waste management facilities and solutions throughout the District.	Percentage of resident satisfaction with the services provided (refuse and recycling) - wheelie bins.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was achieved (93% against a target of 90%). The next survey is scheduled for 2016/2017 with a target of 90%.
	Percentage of resident satisfaction with the services provided - transfer station location.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was not achieved (78% against a target of 80%). The next survey is scheduled for 2016/2017 with a target of 80%.
	Percentage of resident satisfaction with the services provided - transfer station hours.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was not achieved (66% against a target of 80%). The next survey is scheduled for 2016/2017 with a target of 80%.
	Percentage of resident satisfaction with the services provided - recycling location.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was not achieved (79% against a target of 80%) for recycling drop-off centres location. The next survey is scheduled for 2016/2017 with a target of 80%.
Sustainability Provide for the sustainable minimisation and management of solid waste quantity being generated within the District.	Percentage of waste (by weight) diverted from landfill. ¹	Operational records from contract and landfill reports.	40%	38%	Not Achieved. The result was 38%. Of the 5,897 tonnes of waste collected, 2,237 was recycled. In 2013/2014 the result was 38%.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Advice and support Provide guidance to the public about quality solid waste management practices.	Number of public education initiatives completed. ²	Internal organisational performance report (Quarterly Report and WasteNet).	10 school visits	19	Achieved. The result was 19. In 2013/2014 the result was 13.

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 were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year. A vehicle was purchased during the year and additional wheelie bins were purchased.

Variation from the budget

Other receipts are in sources of operating funding are higher than budget due to the WasteNet Shared Service making a higher surplus for the year. 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. There was no significant variances in applications of operating funding and sources of capital funding. Capital expenditure in this activity relates to the renewal of a vehicle and replacement/additional wheelie bins.

Funding Impact Statement - Solid Waste Management

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
2,102	2,132	Sources of operating funding			
2,290	2,365	General rates, uniform annual general charges, rates penalties	1,854	1,605	1,680
-	-	Targeted rates	2,252	2,398	2,302
400	400	Subsidies and grants for operating purposes	93	106	80
162	167	Fees and charges	177	186	191
91	91	Internal charges and overheads recovered	214	216	201
		Local authorities fuel tax, fines, infringement fees, and other receipts ¹	24	79	20
5,045	5,156	Total operating funding	4,613	4,590	4,474
3,790	3,879	Applications of operating funding			
-	-	Payments to staff and suppliers	3,097	3,166	3,119
984	988	Finance costs	-	1	-
-	-	Internal charges and overheads applied	1,068	1,049	1,081
-	-	Other operating funding applications	-	-	-
4,774	4,867	Total applications of operating funding	4,165	4,216	4,200
272	288	Surplus (deficit) of operating funding	448	374	274
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(266)	(282)	Increase (decrease) in debt	(275)	(266)	(269)
-	9	Gross proceeds from sale of assets	-	-	9
-	-	Lump sum contributions	-	-	-
(266)	(274)	Total sources of capital funding	(275)	(266)	(260)
		Applications of capital funding			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	60	29	-
-	40	▪ to replace existing assets	-	35	41
5	(25)	Increase (decrease) in reserves	112	44	(25)
-	-	Increase (decrease) in investments	-	-	-
5	15	Total applications of capital funding	173	108	14
(272)	(288)	Surplus (deficit) of capital funding	(448)	(374)	(274)
-	-	Funding balance	-	-	-

¹ 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

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

Effects on the community

The negative effects that could arise from stormwater are not considered likely but have the potential to take place and impact Southland communities.

Localised flooding could occur due to overloading the stormwater system but Council aims to avoid the risk of this through the regular maintenance.

A natural event could cause widespread damage to infrastructure across the District. Council's participation in the Southland Lifelines Working Group aims to lessen the risks that could arise from this.

Stormwater is not treated, but is monitored to ensure that contaminants do not exceed levels allowed under Council's resource consents.

The discharge of untreated stormwater into rivers, streams and lakes poses a negative effect on the environment. To address this, Council's building consents and trade waste processes set out requirements which must be met and undertaken alongside monitoring, public education and maintenance works.

There were no negative effects identified during the financial year in relation to this activity.

How well we did

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

The activity achieved one key performance indicator target that was measured for the year. One target was not measured. Of the 12 projects, seven were completed, two are in progress, one was deleted and two were deferred.

Seventeen stormwater resource consent applications have been lodged with ES and all stormwater sampling in support of the applications has been undertaken. Council is waiting on the processing of the consents, which will provide greater certainty around the requirement for and timing of any upgrade work.

Key highlights

Stormwater consents

ES's Regional Water Plan requires Council to more actively manage and monitor its stormwater discharges to minimise contamination of waterways 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. It will work towards achieving 100% compliance, however, due to consent requirements and potential issues with affordability, Council will have to prioritise the improvement work and will work with ES on this. Council is still obtaining resource consents for its stormwater systems and does not know the extent or range of issues which may arise from these consents. It has set a preliminary target of 50% compliance with resource consent conditions as a best estimate, based on monitoring done during consent application. When Council has certainty as to the consent conditions it will then be in a position to strive for 100% compliance. There has not been any money allowed for in the budget during the period for significant improvement because of this unknown.

Performance measures

Community outcome: Making the most of our resources - We will strive to be good custodians of the environment to ensure that people living here now and in the future can grow and prosper while retaining the natural beauty of Southland.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Reliability Maintain the drainage system to protect public and property during periodic rainfall events. ¹	Number of complaints about flooding in urban areas. ¹	Customer Service system (Pathway).	Less than 50	56	Not Achieved. The result is 56. In 2013/2014 the result was 63.
Quality Minimise effects on the environment by complying with discharge permits and resource consents.	Percentage of monitoring results that show compliance with resource consent conditions. ²	Council records.	See footnote	-	Not Measured. The target is yet to be determined as Council is awaiting ES consent requirements.

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 ES consent requirements.

Project report

Operating and maintenance projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Limehills - Mechanical cleaning of open drains - 726.A	-	\$11,695	Deferred to 2015/2016. Open channel enhancement continuing by Area Engineers. Transferred to Area Engineer budget who carry out work as required.

Renewals projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Browns	\$6,438	-	Completed. Browns street and sump.
Mossburn - Renew soakholes - pls26.A, pls27.A, pls28.A	-	-	Deleted. Transferred to Area Engineer budget who carry out work as required.

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Nightcaps - Reticulation condition assessment - pls31.B	\$13,959	\$13,959	Completed. CCTV work completed by Hydrotech earlier than scheduled.
Nightcaps - Reticulation condition assessment - SW5000	\$3,425	-	Completed. New project. Urgent unplanned work.
Nightcaps - Reticulation condition assessment - SW1002.A	\$26,064	-	Completed. Total project cost \$150,377. Work completed under urgent need. Originally 2019/2020 - extended scope and budget approved. Original budget \$111,897.
Ohai - Reticulation condition assessment and replacement programme - pls31.A	\$8,049	\$14,231	Completed. CCTV work completed by Hydrotech.
Riverton - Palmerston/Jetty street renewal - STO554	\$9,844	-	In Progress - investigation. Carried back. Work being completed with PLS54A. Work budgeted to be completed in 2015/2016 and started early due to urgent need. Original budget \$75,000.
<i>Stewart Island - Reticulation renewals - PLS551.B and PLS61.A</i>	\$164,240	-	<i>Completed. Total project cost \$248,351. Combines PLS551B and PLS61 this project has a revised scope of work and cost. Original budget \$122,587.</i>

Levels of service projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
<i>Riverton - Reticulation upgrade - PLS54.A</i>	\$2,041	-	<i>In Progress - construction. Project moved from 2012/2013 to 2015/2016 then back to 2014/2015 due to blockages in main and laterals in Pemberton Street. Spent in 2013/2014 \$15,548. Original budget \$134,622.</i>
Te Anau - Reticulation upgrade - pls63.a	\$215,345	\$75,293	Completed. This project has a revised scope of work and cost that was approved.
Te Anau - Stormwater connection identification project - 28623.A	-	\$30,870	Deferred. This project deferred to 2016/2017 at Estimates meeting.

Variation from the budget

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 needed to be completed and work completed in Te Anau and Stewart Island that had increased scopes of work from the Annual Plan.

Funding Impact Statement - Stormwater

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
-	-	Sources of operating funding			
405	430	General rates, uniform annual general charges, rates penalties	-	-	-
-	-	Targeted rates	470	370	368
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	1	1	24
38	38	Internal charges and overheads recovered	74	63	-
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	-	-	-
443	467	Total operating funding	544	434	392
		Applications of operating funding			
282	297	Payments to staff and suppliers	99	67	175
-	-	Finance costs	(9)	-	-
79	95	Internal charges and overheads applied	62	60	68
42	44	Other operating funding applications	-	-	-
403	436	Total applications of operating funding	152	127	243
41	31	Surplus (deficit) of operating funding	392	307	149
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
249	(28)	Increase (decrease) in debt	(83)	111	(33)
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
249	(28)	Total sources of capital funding	(83)	111	(33)
		Applications of capital funding			
-	-	Capital expenditure			
295	-	▪ to meet additional demand	-	-	-
6	35	▪ to improve the level of service	23	215	106
(12)	(32)	▪ to replace existing assets	216	213	28
-	-	Increase (decrease) in reserves	69	(10)	(18)
-	-	Increase (decrease) in investments	-	-	-
290	3	Total applications of capital funding	309	418	116
(41)	(31)	Surplus (deficit) of capital funding	(392)	(307)	(149)
-	-	Funding balance	-	-	-

¹ 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 Council, community boards and community development area subcommittees have to ensure community requirements and priorities are identified and appropriate actions undertaken. Council's 10 Year Plan which is produced every three years (as required under the Local Government Act 2002), sets out 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 with 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 on the community

There were no negative effects identified during the financial year in relation to this activity.

How well we did

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

The activity achieved one key performance indicator targets that was measured for the year. Two targets were not measured.

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Key highlights

Council is committed to talking with residents and ratepayers of Southland in different ways and on many topics. In the past year, this has included our major planning document, the 10 Year Plan 2015-2025, dog control issues, roading and freedom camping.

Council uses many forms of communication and is constantly looking for innovative ways to reach and engage with as many people as possible. Social media has become popular with the number of people interacting with Council through Facebook increasing throughout the year.

10 Year Plan

The 10 Year Plan is an opportunity for Council to take a long term view of its activities, their impact on the District, and on present and future communities.

Key decisions included a new 80-20 principle which prioritises spending on 20% of the District's sealed roads that carry 80% of the vehicles, adoption of a new roading rate model, agreement to seal the Catlins road from Curio Bay to Haldane (dependant on New Zealand Transport Agency (NZTA) funding), and phasing in depreciation funding for a large number of Council assets. The 10 Year Plan was adopted in June after consultation with the public.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Quantity The community is regularly kept informed of Council issues and matters of interest.	Percentage of residents who have read at least one issue of Council's newsletter First Edition.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was achieved (86% against a target of 85%). The next survey is scheduled for 2016/2017 with a target of 85%.
Quantity 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.	Newspaper records.	40	50	Achieved. The result is 50. In 2013/2014 the result was 48.
Quality Council encourages input into its planning.	Percentage of residents satisfied with the level of consultation with the community, undertaken by Council, over important issues.	Triennial Residents' Survey.	-	-	Not Measured. In 2013/2014 the result was not achieved (69% against a target of 80%). The next survey is scheduled for 2016/2017 with a target of 80%.

Project report

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Variation from the budget

There were no significant variances between the Annual Plan and the actual result.

Funding Impact Statement - Strategy and Communication

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
1,441	1,465	Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	1,468	1,502	1,501
-	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	-	-	-
46	48	Internal charges and overheads recovered	56	56	56
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	-	-	-
1,488	1,513	Total operating funding	1,524	1,558	1,557
		Applications of operating funding			
46	48	Payments to staff and suppliers	45	-	45
-	-	Finance costs	-	-	-
1,441	1,465	Internal charges and overheads applied	1,470	1,559	1,512
-	-	Other operating funding applications	-	-	-
1,488	1,513	Total applications of operating funding	1,515	1,559	1,557
-	-	Surplus (deficit) of operating funding	9	(1)	
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Total sources of capital funding	-	-	-
		Applications of capital funding			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
-	-	▪ to replace existing assets	-	-	-
-	-	Increase (decrease) in reserves	9	(1)	-
-	-	Increase (decrease) in investments	-	-	-
-	-	Total applications of capital funding	9	(1)	
-	-	Surplus (deficit) of capital funding	(9)	1	
-	-	Funding balance	-	-	

¹ includes all other operating funding from sources not identified above.

Te Anau - Manapouri Airport

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

What we do

Council owns and operates the Te Anau-Manapouri Airport 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 on the community

There were no negative effects identified during the financial year in relation to this activity.

How well we did

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

The activity achieved the key performance indicator target that was measured for the year. One target was not measured. Of the 3 projects, two were completed and one was deferred.

Key highlights

Airport management will continue to focus on marketing the airport as a viable and capable destination with an emphasis on growth and working with the non-operational area of the asset including further hangar development and land use diversity.

This year's project to extend the taxiway has been deferred until business activity warrants the expense.

The function centre continues to be a form of income and a popular venue for a variety of functions.

There has been a change to airline provider for our main client Tauck Tours. This has changed from a New Zealand-based airline to Australian-based airline Alliance Airlines of Australia. This has required significant retraining for all airport staff. The benefits of this change will be increased flight numbers and more tourists entering the Te Anau Basin.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Reliability and Safety Provide accessible, reliable and safe air facilities and operations for the Te Anau Basin.	Percentage of Civil Aviation Authority guidelines complied with.	Audit - Civil Aviation Authority.	100%	-	Not Measured. CAA did not require an audit to be carried out and so, in that regard, we did comply with the CAAs requirements. In 2013/2014 the result was 100%.
Financial Sustainability Managing the Asset in a business-like way, with a long term focus.	Percentage of revenue achieved against target.	Statement of Financial Performance.	100%	100%	Achieved. The result was 100%. In 2013/2014 the result was 100%.

Project report

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Real Time Recorder	\$1,349	-	Completed.
Waste Area Fence	\$1,759	-	Completed.
Te Anau-Manapouri Airport - Stage Two - extend taxiways - Air1.A	-	-	Deferred. Project delayed and will be reviewed when infrastructure is in place to warrant expenditure.

Variation from the budget

There were no significant variances between the Annual Plan and the actual result.

Funding Impact Statement - Te Anau - Manapouri Airport

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
-	-	Sources of operating funding			
308	270	General rates, uniform annual general charges, rates penalties	-	-	-
-	-	Targeted rates	295	297	296
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	45	44	30
12	14	Internal charges and overheads recovered	(55)	(45)	2
128	131	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	41	35	41
449	415	Total operating funding	326	331	369
		Applications of operating funding			
248	213	Payments to staff and suppliers	148	143	166
-	-	Finance costs	-	(4)	-
7	8	Internal charges and overheads applied	8	120	121
-	-	Other operating funding applications	-	-	-
255	220	Total applications of operating funding	156	259	287
193	195	Surplus (deficit) of operating funding	170	72	82
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	1,872	1,893
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Total sources of capital funding	-	1,872	1,893
		Applications of capital funding			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	136	▪ to improve the level of service	13	3	-
-	-	▪ to replace existing assets	-	-	-
193	59	Increase (decrease) in reserves	157	1,941	1,975
-	-	Increase (decrease) in investments	-	-	-
193	195	Total applications of capital funding	170	1,944	1,975
(193)	(195)	Surplus (deficit) of capital funding	(170)	(72)	(82)
-	-	Funding balance	-	-	-

¹ 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

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 on the community

Possible negative effects from these activities include:

- Health and safety risks could occur if there is a breakdown in the infrastructure
- A mains failure could lead to property damage
- There could be environmental effects arising from the extraction of water from bores and streams.

Council manages the water assets to avoid service failures by carrying out a programme of regular monitoring and maintenance, and by prioritising critical work. Council does not anticipate any significant negative effects associated with the management of its water supply assets.

There were no negative effects identified during the financial year in relation to this activity.

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 Council's 10 Year Plan as well as the activity's financial results compared to the budget.

The activity achieved all three key performance indicator targets that were measured for the year. One target was not measured.

Of the 33 water projects, 16 have been completed, 7 are in progress and 10 have been deferred.

Key highlights

Water Quality

The Ministry of Health conducted a review of the eligibility criteria for drinking water subsidies. The outcome was the criteria remain largely unchanged but will be restricted to those communities with a deprivation index or score (DI) of 7 and above (based on geographical meshblock areas). This means Southland District communities that require upgrades are not eligible for the subsidies, with all upgrade work funded via rates.

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 with this plan including 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 ES and other organisations to protect community drinking water resources for the future. ES's draft Water and Land Plan has provisions for protection of community supplies.

Waiau/Aparima Ward:

Council is continuing work to improve the quality of drinking water in Riverton with a new source of water developed north-east of the township and is upgrading the water treatment plant in 2014/2015. Council has consulted with the community, including tasting of the new supply. Stage One of the proposed upgrade was completed in 2014/2015 with detailed design for Stage Two progressing well.

Projects to upgrade water treatment plants at Te Anau, Winton, Otautau and Mossburn were completed during 2014/2015. None of the upgrades qualified for a subsidy.

There are issues with the Eastern Bush/Otahu Flat water source becoming contaminated when river levels rise. The treatment processes are inadequate in these circumstances and become ineffective due to greater amounts of organic matter in the water. This has resulted in the scheme being on a permanent boil water notice. Investigation is underway for options to upgrade the supply with any construction work expected to be undertaken in 2016/2017 and 2017/2018.

Mararoa/Waimea Ward

The Te Anau water supply upgrade was completed in 2014/2015 with the installation of Ultraviolet disinfection to provide greater protection and help comply with the New Zealand Drinking-water Standards.

The Mossburn supply upgrade was completed in 2014/2015 with the installation of Ultraviolet disinfection, pH correction and cartridge filtration to provide greater protection and help comply with the New Zealand Drinking-water Standards.

Winton/Winton Ward

The Winton supply upgrade was completed in 2014/2015 with the installation of Ultraviolet disinfection, pH correction and cartridge filtration to provide greater protection and help comply with the New Zealand Drinking-water Standards.

Rural Water Supplies

Rural water supplies are for stock use and not of drinking water quality. Rural water supply schemes excluded from District rate include: Matuku, Te Anau Rural Water Supply (Duncraig, Takitimu, Mt York, Princhester, Ramparts, Kakapo and Homestead) and Five Rivers.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Quality 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.	Water Information New Zealand (WINZ). ¹	100%	100%	Achieved. The result was 100%. All 584 tests met requirements. In 2013/2014 the result was 100%.
Quality Provide urban water supplies that are safe and promote public health.	Percentage of customers satisfied with the quality of Council supplied water.	Triennial Resident survey.	-	-	Not Measured. In 2013/2014 the result was 86% against a target of >90%. The next survey is scheduled for 2016/2017.
Quantity Provide a water supply adequate for firefighting in urban areas.	All hydrants annually checked for operational availability and comply with functionality tests. ²	Hansen Asset Management System.	100%	100%	Achieved. The result was 100%. All 606 fire hydrants complied with functionality tests. In 2013/2014 the result was 100%.
Responsiveness Prompt response and resolution to requests for service.	Resolve customer requests for services within time set for type of problem. ³	Hansen Asset Management System.	>90%	97%	Achieved. The result was 100%. 476 out of 491 meet resolution times. In 2013/2014 the result was 99%.

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

Renewal projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Lumsden - Reticulation renewal pl75.A	-	\$62,077	Deferred. Further testing of the A.C. line to be carried out. Failure frequency is acceptable at this stage.
Lumsden - Water main - wa3034.A	\$86,187	\$74,200	Completed. This was a Lumsden Balfour project
Lumsden/Balfour RWS - Reticulation renewal -pl84.A (pl82.A)	\$17,645	\$25,705	Completed. Note the Annual Plan incorrectly refers to this project as pl84a which was completed in 2013/2014. The correct project title is pl82.A.
Manapouri - Electrical upgrade - pl105.A	\$23,832	\$61,845	Completed. Swapping from Datran to Kingfisher to enhance operation.
Matuku - Electrical upgrade - pl16.A	-	\$21,692	Deferred. Pump and flow meter in better condition than thought.
Mossburn - Cumberland Street rider main - wa3207	\$17,540	\$54,306	Completed. Urgent reticulation renewal carried out in Bedford St in lieu of Cumberland St - reduced scope.
Ohai/Nightcaps/Wairio - Lateral replacements - wa3208.A	-	\$86,209	Deferred. This work has been deferred due to reduction in maintenance required. Additional condition testing to be undertaken in 2016/2017.
Ohai/Nightcaps/Wairio - Lateral replacements - wa3208.B	-	\$86,209	Deferred. This work has been deferred due to reduction in maintenance required. Additional condition testing to be undertaken in 2016/2017
Ohai/Nightcaps/Wairio - Reticulation - pl131.A	\$58,772	\$54,975	In Progress. Minor works only required to complete rider main and laterals to Birchwood Road.
Otahu Flat - Equipment Upgrade - pl144.A	-	\$21,413	Completed. Work completed. Costs for this item taken at shared project with Eastern Bush.
Otahu Flat - Replace pump 1 and meter - wa3211	-	\$9,678	Deferred. Awaiting full plant upgrade.
Otautau - Pipe renewals - wa3212.A	\$22,563	\$32,261	Completed. Work completed December 2014.
Riverton	\$8,000	-	Completed. Jetty Street ridermain renewal.
Te Anau Rural Water Supply - Rising main (homestead) - RW128	\$118,763	-	Completed. This was a 2013/2014 project originally deferred to 2015/2016 but needed to be started earlier. Rising main completed. Original budget was \$250,000.
Te Anau Rural Water Supply (Mount York) - Pump Replacement - pl218.A	-	\$6,692	Completed. Pump replaced by Downer - charged to unplanned maintenance.

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Te Anau Rural Water Supply (Mount York) - Storage Improvements - pl220.A	-	\$64,239	Deferred. Testing and repairing has extended life - to be revisited as required.
Te Anau Rural Water Supply (Takitimu) - Rising Main renewal - wa3216.A	\$126,046	\$129,044	Completed.
Te Anau Rural Water Supply (Princhester) - Pump Replacement - pl227.A	\$13,200	\$11,491	Completed. Completed by Downer October 2014.
Te Anau Rural Water Supply - Rural Water Service pumping station - reline interior (Princhester) - wa3213.A	\$3,971	\$5,377	Completed. Downer completed October 2014.
Tuatapere - Reticulation renewal - pl203.A	-	\$144,900	Deferred. Further testing and decreased failures occurrence has deferred this project until 2018/2019.
Tuatapere - Reticulation renewal - pl240.A	-	\$222,094	Deferred. Awaiting further testing data and failure analysis. Deferred this project until 2017/2018.
Winton - pipe renewal - wa3223.A	\$9,292	\$12,904	Completed. Completed August 2014.
Winton - Reticulation renewal - pl151.A	\$442,816	-	In Progress - construction. 2015/2016 project started early. Total budget is \$846,967.
Winton - Reticulation renewal - pl222.A	\$165	-	In Progress - construction. 2015/2016 project started early. Total budget is \$852,967.

Level of service projects

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Eastern Bush - meters and electrical work - wa.3203.A	-	\$5,576	Deferred. Work deferred until 2015/2016 with plant upgrade.
Five Rivers - Flow meter -	\$2,013	-	Completed. New project. Unplanned project agreed with committee November 2014.
Ohai/Nightcaps/Wairio Water - Lifting Bracket for screen removal - WAT348	\$3,710	-	In Progress - construction - Project brought forward from 2015/2016 as urgent work required. Lifting mechanism required for health and safety conditions.
Ohai/Nightcaps/Wairio Water - Public Health Risk Management Plan - PL135.A	\$5,100	-	Completed. Water safety plan completed by SDC and submitted to District Health South.
Orawia - Treatment upgrade - PL03.A	\$7,500	-	In Progress - construction. 2015/2016 project started early.

Project Description	2014/2015 Actual	2014/2015 Budget	Status
Riverton - Scheme improvements - 26362.A	\$37,831	-	<i>In Progress. Construction Plant upgrade design and construction continuing - multi-year project will carry into 2015/2016 year.</i>
Riverton - Public Health Risk Management Plan (PHRMP) - PL241.A	-	-	<i>Deferred. Cannot be completed until Scheme Upgrade (Refer 26362.A) - Expected completion in 2015/2016 year.</i>
Riverton - Capacity project - pl163.A	-	\$92,319	In Progress - construction - This project is being carried out in conjunction with Scheme Improvements (Refer 26362.A).
Te Anau - Telemetry Sandy Brown Road - wa3220.A	\$15,569	-	<i>Completed. Completed in March 2015.</i>

Variation from the budget

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 over budget predominately due to increased maintenance costs. 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 - Water Supply

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
-	-	Sources of operating funding			
2,841	2,993	General rates, uniform annual general charges, rates penalties	-	-	-
-	-	Targeted rates	2,721	3,160	3,093
-	-	Subsidies and grants for operating purposes	-	-	-
184	190	Fees and charges	256	6	-
2,984	804	Internal charges and overheads recovered	2,931	804	1,102
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	-	2	-
6,009	3,987	Total operating funding	5,907	3,972	4,195
		Applications of operating funding			
1,900	1,975	Payments to staff and suppliers	1,870	1,939	1,880
-	134	Finance costs	5	(8)	-
3,635	1,514	Internal charges and overheads applied	3,255	1,276	1,536
-	-	Other operating funding applications	-	-	-
5,535	3,623	Total applications of operating funding	5,130	3,207	3,416
474	364	Surplus (deficit) of operating funding	777	765	779
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	161	-	-
-	-	Development and financial contributions	-	-	-
3,219	440	Increase (decrease) in debt	2,065	183	515
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
3,219	440	Total sources of capital funding	2,226	183	515
		Applications of capital funding			
-	-	Capital expenditure	-	-	-
628	98	▪ to meet additional demand	-	-	-
3,019	702	▪ to improve the level of service	2,412	77	98
45	5	▪ to replace existing assets	479	948	1,186
-	-	Increase (decrease) in reserves	113	(77)	10
-	-	Increase (decrease) in investments	-	-	-
3,693	804	Total applications of capital funding	3,003	948	1,294
(474)	(364)	Surplus (deficit) of capital funding	(777)	(765)	(779)
-	-	Funding balance	-	-	-

¹ 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

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

Effects on the community

There were no negative effects identified during the financial year in relation to this activity.

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 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

Cost recovery

Work Scheme user survey results have shown that customers are either satisfied or very satisfied with the cost and work undertaken by the scheme. Communities also benefit from the cost effectiveness of the scheme as work is more cost effective due to the number of participants able to work on one job.

Although the activity aims to recover all costs for the running of the scheme, it has struggled to achieve this in the past but has broken even in this financial year. Council has looked at how it can run the scheme more efficiently and its future direction. These changes will not influence participants' access to the scheme and will ensure communities will still be able to undertake projects at a low cost.

A key project has been a refurbishment of a Riversdale community housing unit. A change in the structure has meant the incumbent, who is the Work Scheme Co-ordinator, also does project work and this has kept costs down.

Performance measures

Community outcome: Supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Access Provide a workforce to carry out a range of community projects.	Number of community service hours completed each year.	Participant records.	9,000	5,154	Not Achieved. In 2013/2014 the result was 6,902.
Access 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.	Participant records.	100%	100%	Achieved. The result was 100%. In 2013/2014 the result was 100%.
Quality Work completed through the Work Scheme is 'fit-for-purpose'.	Percentage of clients satisfied that the work is completed according to the specifications.	Annual user survey.	100%	91%	Not Achieved. Of the 11 respondents, one user was dissatisfied. In 2013/2014 the result was 90%.

Project report

There were no capital expenditure projects scheduled for this activity in the 2014/2015 financial year.

Variation from the budget

There were no significant variances between the Annual Plan and the actual result.

Funding Impact Statement - Work Schemes

2013/2014 Budget (LTP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
42	44	Sources of operating funding			
-	-	General rates, uniform annual general charges, rates penalties	42	43	43
27	27	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	32	32	27
232	238	Fees and charges	-	-	-
52	53	Internal charges and overheads recovered	245	224	221
		Local authorities fuel tax, fines, infringement fees, and other receipts ¹	34	24	31
353	362	Total operating funding	354	323	322
		Applications of operating funding			
274	281	Payments to staff and suppliers	281	247	277
-	-	Finance costs	-	-	-
61	64	Internal charges and overheads applied	53	60	58
-	-	Other operating funding applications	-	-	-
336	345	Total applications of operating funding	334	307	335
17	17	Surplus (deficit) of operating funding	19	16	(13)
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	30	-	-
-	-	Lump sum contributions	-	-	-
-	-	Total sources of capital funding	30	-	-
		Applications of capital funding			
-	-	Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	-	-	-
-	-	▪ to replace existing assets	133	-	-
17	17	Increase (decrease) in reserves	(84)	16	(13)
-	-	Increase (decrease) in investments	-	-	-
17	17	Total applications of capital funding	49	16	(13)
(17)	(17)	Surplus (deficit) of capital funding	(19)	(16)	13
-	-	Funding balance	-	-	-

¹ 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 community. The Trust allows local people to determine their priorities and provides appropriate consultation and open public meetings, similar to one of SDC's Community Boards.

Ownership and control of the organisation

The Milford Community Trust was established following consultation with residents, agencies and businesses with interests in Milford in accordance with the special consultation process set out in the Local Government Act 2002. In terms of the Local Government Act, the Trust is defined as a CCO reporting to SDC. 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.

Significant policies

The Trust has developed a comprehensive Communications Policy 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, 2013-2016. 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 business of the Trust is to be conducted.

Nature and scope of activities

This extract is from the 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 Supporting Our Communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

Planned activities

Planning

- Planning to address specific issues: highway safety, control or illegal camping, toilet facilities and co-ordinated emergency response.

Communication

- Communicate the roles of the Trust and other authorities more clearly to the Milford community
- Communicate the World Heritage Area status and relevance to this to Milford
- Affirm the Trust role as a voice for the Milford community
- Maintain closer relationships with Milford infrastructure providers
- Provide clear information to concessionaries regarding intentions and implementation of Trust policies
- Communicate with concessionaries and enquire of any planned activities they desire over the next three years.

Advocacy:

- Advocate on behalf of the Milford community to central government, ES, DOC, SDC, Iwi and other authorities.

The planned activities of the Trust in 2014/2015 were:

- Facilitate housing of emergency response equipment and vehicle. This was completed
- Facilitate with other organisations for improvements in the public facilities at Deepwater Basin through the draft Concept Plan for this area
- Work with other organisations to advocate for public toilets and a shelter at the airport and completion of the walking track to the Lodge
- Work with other organisations and seek external funding for proposed improvements to Deepwater Basin
- Assist the Milford Community Association in the development of a village green for recreational purposes
- Contribute to the maintenance of the now completed flood protection measures on the Cleddau River on the Cleddau Delta.

Key performance measures and targets

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Maintain a structure that facilitates local decision-making.	Hold public forums in Milford Sound/ <i>Piopiotahi</i> each year.	Agenda/minute records on file.	1	0	Not Achieved. The result was zero. In 2013/2014 the result was one.
Keep the Milford sound/ <i>Piopiotahi</i> community informed about Trust plans and outcomes.	Community newsletters (February, June, October, December each year), inserted in local paper <i>Fjordland Advocate</i> .	Agenda/minute records on file.	4	0	Not Achieved. The result was zero. In 2013/2014 the result was zero.
Provide leadership and advocacy on major issues.	Number of Milford Community Trust meetings held annually.	Agenda/minute records on file.	4	4	Achieved. The result was four. In 2013/2014 the result was four.
Response to issues raised by the community.	Percentage of issues raised at Milford Community Association meetings responded to prior to next meeting.	Meeting action sheets.	85%	100%	Achieved. The result was 100%. In 2013/2014 the result was 100%.

Operational and Project Costs (excl GST)			
Activity Description	Actual 2013/2014 \$	Actual 2014/2015 \$	Budget 2014/2015 \$
Operational Costs:			
Management/Administration ¹	22,698	18,844	32,759
Operations and Maintenance	3,607	-	15,000
Projects:			
Project Development (Planning)	2,000	-	5,000
Cleddau Village Recreation Reserve	-	1,492	20,000
Bowen Falls	-	-	20,000
Emergency Response Building	28,800	-	-
Emergency Service Provider	34,698	45,200	30,600
Total (funded from Milford Sound Community)	91,803	65,536	123,359

Sources of Funding

Southland District Council

Council will provide administration and technical advice to support the Trust. 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 DOC's apportionment of cost schedule. The annual concession charged was increased by 10% plus GST. This increase covers all cost excluding some of the projects. The initial costs of investigation of reopening the Bowen Falls will be funded by reserves as well as half of the cost of the Cleddau Village Recreation Reserve. This will be reviewed annually. For 2014/2015, the total amount sought from concessionaires was \$107,525 including GST.

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

Southland Museum and Art Gallery Trust

Southland Museum and Art Gallery Trust is a Council Controlled Organisation. There was no proposal to change the ownership or control of the Trust in 2014/2015.

The scope and nature of the activities that the Southland Museum and Art Gallery Trust intended to provide was to focus the museum as a regional facility in the Community and to provide a variety of experiences to the people of Southland that they would not otherwise have access to.

This was achieved during the 2014/2015 year by professionally managing and developing the collection so that it builds on its existing strengths, maintaining vibrant, innovative public programmes, widening its community support base, providing increased access to the Community, recognising the cultural identify and the place of the tangata whenua in our Community, maintaining a strong customer focus in its marketing and promotional activities and through museum commercial trading, building an awareness of the collections so that the Southland Museum and Art Gallery becomes an immutable part of all marketing and promotion of Southland.

Measure	Target	Result
Collections are maintained in optimal conditions for their long term preservation	Undertake building refurbishment and extension to enable internal conditions to meet national/international guidelines.	Not Achieved. In 2013/2014 the result was not achieved.
Development and implementation of an annual visitor experience programme.	A minimum of 15 short term exhibitions including nine in the community access gallery.	Not Achieved. In 2013/2014 the result was achieved.
Promotion of the Southland Museum and Art Gallery as a quality venue to visit for residents and visitors.	Annual visitor numbers exceed 200,000/per annum	Achieved In 2013/2014 the result was achieved.

Collections

The redevelopment project has been developed and publicised. The Trust's current activity is to make presentations to funders and other stakeholders to get consensus. This process has created discussion in the community about moving the museum to the CBD.

Visitor experience

A total of 15 exhibitions have been opened this year, eight of which were in the Community Access Gallery.

Promotion of museum

The door counter recorded 245,446 visitors for the year which is a 6% increase from the previous year.

Financial Information

This section presents the financial statements for the 2014/2015 year, comparing actuals to budget. These include statements of revenue and expense, 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 established under the Local Government Act 2002 and is domiciled and operated in New Zealand. The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial profit. Accordingly, SDC has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements represent the results of Council’s 26 significant activities (detailed on pages 28 to 149), including the Stewart Island Electrical Supply Authority (SIESA) and Venture Southland. SIESA is a business unit of Council, which generates and reticulates electricity to most of Stewart Island residents and industry.

Venture Southland is a joint venture with GDC and ICC, for the development and promotion of Southland in terms of enterprise, tourism and the people of the province.

Council provides local infrastructure, local public services and performs regulatory functions to the community. Council does not operate to make a financial return.

The financial statements of SDC are for the year ended 30 June 2015. The financial statements were authorised for issue by Council on 7 October 2015.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently to all periods presented in these financial statements.

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 Tier 1 PBE accounting standards. These financial statements comply with PBE standards.

The financial statements are the first financial statements to be presented in accordance with the new PBE accounting standards. The material adjustment arising on transition to the new PBE accounting standards are explained in Note 34.

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 SDC) and all values are rounded to the nearest thousand dollars (\$000). As a result of rounding there may be slight discrepancies in subtotals.

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

In May 2013 the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. Council has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014 the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. Council will apply these updated standards in preparing its 30 June 2016 financial statements. Council expects that there will be minimal or no change in applying these updated accounting standards.

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

SDC accounts for investments in associates in the consolidated financial statements using the equity method. An associate is an entity over which 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 revenue and expense. 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.

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 SDC 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. The audited financial statements of Venture Southland, as of 30 June, have been accounted for in Council's financial statements using the proportionate method of consolidation.

Specific accounting policies

(a) Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are:

The following policies for rates have been applied:

- General rates, targeted rates (excluding water by meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Council considers that the effect of payment of rates instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue
- Rates arising from late payment penalties are recognised as revenue when rates become due
- Revenue from water by water meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average use basis
- Rates remissions are recognised as a reduction in rates revenue when Council has received an application that satisfies its rates remission policy.

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.

Revenue from electricity charges is recognised on an accrual basis based on usage. Unbilled usage as a result of unread meters at year end is accrued on an average usage basis.

Interest is recognised using the effective interest method.

Subsidies from NZTA 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 are recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Fees for disposing of waste at Council's landfill are recognised as waste is disposed by users.

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

For assets received for no or nominal consideration, the asset is recognised at its fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (eg land used as a recreation reserve), Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if Council expects that it will need to return or pass the asset to another party.

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (eg as the funds are spent for a nominate purpose).

Development and financial contributions are recognised at the later of the point when 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. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

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

(b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(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 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, 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 finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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. Lease incentives are recognised in the surplus or deficit as a reduction of rental expense 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 Council makes of its accumulated surpluses. The components of equity are:

- Accumulated funds
- Council-created reserves (general reserve, separate account balances and rates appropriation balance)
- Special reserves (managed by Allocation Committees)
- Asset revaluation reserves
- Fair value through other comprehensive revenue and expense reserve.

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

Special reserves are subject to specific conditions accepted as binding by Council, which may not be revised by 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 include cash on 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 recorded at their face value, less any provision for impairment.

(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.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

The write down from cost to current replacement cost is recognised in the Statement of comprehensive revenue and expense.

When land held for development and future resale is transferred from investment property/property, plant and equipment to inventory, the fair value of the land at the date of the transfer is deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural assets which are capitalised to property, plant and equipment.

(j) Financial assets

SDC classifies its financial assets into the following four categories: financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables, and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which the investments were acquired.

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. Purchases and sales of investments are recognised on trade-date, the date on which SDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cashflows from the financial assets have expired or have been transferred and 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 cashflows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short term profit-taking.

Financial assets acquired principally for the purpose of selling in the short term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

- Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

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 surplus or deficit. 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 non-derivative financial assets with fixed or determinable payments and fixed maturities that SDC has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

- Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

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.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

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 through the surplus or deficit.

(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, rather than 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 surplus or deficit.

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.

(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 cashflow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

(n) Property, plant and equipment

Property, plant and equipment consist of:

- *Infrastructure Assets*

Infrastructure assets are the fixed utility systems owned by SDC. Each asset class includes all items that are required for the network to function. For example, sewer 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 SDC, 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 through a non-exchange transaction it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. 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	Depreciation	
	(years)	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

Estimated Economic Life		Depreciation		
Asset Category	(years)	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.

Estimated Economic Life		Depreciation		
Asset Category	(years)	Percent	Method	
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 triennial 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 2015. This revaluation established a depreciated replacement cost to component level for those infrastructural assets as at 30 June 2015.

Appropriately qualified personnel from Waugh Infrastructure Management Limited have completed a revaluation as at 30 June 2015 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 2015.

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

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 other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

(o) Work in progress

Assets under construction are not depreciated. Work in progress is recognised at cost less impairment. 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 directly associated with the development of software for internal use by Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

- *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Asset Category	Estimated Economic Life	Depreciation	
	(years)	Percent	Method
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. They are not amortised, but are tested for impairment annually.

Emissions Trading Units are revalued annually at 30 June. The difference between initial value or the previous revaluation, and disposal or revaluation value of the units, is recognised in other comprehensive revenue and expense.

(q) Forestry assets

Forestry assets are revalued independently annually at fair value less estimated point of sale costs. Appropriately qualified personnel from Chandler Fraser Keating Limited completed a revaluation as at 30 June 2015. Fair value is determined based on the present value of expected net cashflows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of 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 surplus or deficit.

The costs to maintain the forestry assets are recognised in the surplus or deficit when incurred.

(r) Impairment of property, plant and equipment and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortization and are tested annually for impairment.

Property, plant and equipment and intangible assets subsequently measured at cost 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.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, or a service unit approach. The most appropriate approach used to measure the value in use depends on the nature and impairment and availability of information.

Value in use for cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

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

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

Long-term benefits

- *Long service leave and retirement leave*

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

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and

- the present value of the estimated future cashflows.

- *Superannuation schemes*

Defined contribution schemes - Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit when incurred.

Presentation of employee entitlements

Annual leave and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

(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 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 increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

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 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. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee.

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 cashflows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

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

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

(v) Borrowings

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

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

(w) Budget figures

The budget figures are those approved by SDC in its 2014/2015 Annual Plan. 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 are charged to significant activities using appropriate cost drivers such as actual usage, staff number and floor area.

(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:

- estimating any obsolescence or surplus capacity of an asset;
- estimating the replacement cost of the asset. The replace cost is derived from recent construction contracts; 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 revenue and expense.

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 SDC's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructural asset revaluations.

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

Management has exercised the following critical judgements in applying SDC's accounting policies for the period ended 30 June 2015:

Classification of property

SDC owns a number of properties, that 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 and are accounted for as property, plant and equipment rather than as investment property.

(aa) Statement of cashflows

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.

(ab) Change in accounting policy

Council have changed accounting policy in relation to the treatment of revaluations of Emission Trading Units. In prior years any change in revaluation of the units was recognised as income/expense in the Statement of comprehensive revenue and expense. The approach from the current year is for the change in revaluation to be recognised in other comprehensive revenue and expense. The impact of this change in accounting policy is included in Note 10.

Financial Statements

Statement of comprehensive revenue and expense for the year ended 30 June 2015

	Note	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)	2014/2015 Budget (AP) (\$'000)
Income				
Rates revenue	1	39,545	40,749	40,691
Other revenue	2	9,360	9,168	7,335
Interest and dividends		378	498	24
NZ Transport Agency funding		13,169	14,476	14,618
Grants and subsidies		4,413	2,164	3,321
Other gains/(losses)	3	1,673	(624)	439
Vested assets		1,558	-	-
Development and financial contributions		47	53	21
MOH subsidy for wastewater/water schemes		951	-	-
Scheme capital recovery for wastewater/water schemes		86	-	-
	4	71,180	66,484	66,449
Expenditure				
Employee benefit expenses	5	10,536	11,288	11,041
Depreciation and amortisation	9	20,294	19,830	24,114
Finance costs		21	20	28
Other council expenditure	6	32,696	31,240	31,832
		63,547	62,378	67,015
SURPLUS/(DEFICIT) BEFORE TAX		7,633	4,106	(566)
Income tax benefit	8	-	-	-
SURPLUS/(DEFICIT) AFTER TAX		7,633	4,106	(566)
Financial assets at fair value through other revenue and expense	10	15	327	-
Gain/(Loss) on property, plant and equipment revaluations	10	(11,246)	(8,736)	50,434
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		(3,598)	(4,303)	49,868

The accompanying notes form part of these financial statements

Statement of changes in equity for the year ended 30 June 2015

	Note	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
Balance at 1 July		1,393,940	1,390,342	1,432,693
Total revenue and expense for the year		(3,598)	(4,303)	49,868
Balance at 30 June		1,390,342	1,386,039	1,482,561

The accompanying notes form part of these financial statements

Statement of financial position as at 30 June 2015

	Note	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)	2014/2015 Budget (AP) (\$'000)
Equity				
Retained earnings	10	722,086	725,199	711,340
Asset revaluation reserves	10	636,436	627,700	742,266
Fair value reserves	10	250	711	235
Other reserves	11	31,570	32,429	28,720
		1,390,342	1,386,039	1,482,561
Current assets				
Cash and cash equivalents	12	11,577	9,658	3,828
Trade and other receivables	13	8,412	10,825	7,584
Inventories	14	103	101	80
Work in Progress		-	-	-
Other financial assets	15	786	1,302	250
		20,878	21,886	11,742
Non-current assets				
Property, plant and equipment	16	1,364,491	1,361,737	1,470,019
Intangible assets	17	714	985	548
Forestry assets	18	11,220	11,331	10,694
Work in progress		4,309	1,838	-
Other financial assets	15	5	5	453
		1,380,739	1,375,896	1,481,714
TOTAL ASSETS		1,401,617	1,397,782	1,493,456
Current liabilities				
Trade and other payables	19	6,233	7,286	5,874
Contract retentions and deposits		1,407	646	994
Employee benefit liabilities	20	1,019	1,270	1,139
Development & financial contributions	21	2,401	2,351	2,692
Provision for decommissioning	23	14	14	7
Borrowings	22	15	6	5
		11,089	11,573	10,711
Non-current liabilities				
Employee benefit liabilities	20	139	140	146
Provision for decommissioning	23	42	30	37
Borrowings	22	5	-	-
		186	170	183
TOTAL LIABILITIES		11,275	11,743	10,894
NET ASSETS		1,390,342	1,386,039	1,482,561

The accompanying notes form part of these financial statements

Statement of cashflows for the year ended June 2015

	Note	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
Cashflows from operating activities				
Receipts from rates revenue		39,635	40,489	40,691
Receipts from NZ Transport Agency funding		13,094	13,856	14,618
Interest and dividends		339	486	24
Contribution from developers		82	2	-
Receipts from other revenue		13,197	10,025	10,658
Payment to suppliers and employees		(42,212)	(42,195)	(42,614)
Interest paid		(21)	(20)	(28)
GST (net)		262	(347)	-
Net cash inflow (outflow) from operating activities	25	24,376	22,296	23,350
Cashflows from investing activities				
Receipts from sale of property, plant and equipment		611	240	39
Receipts from sale of investments		-	-	72
Purchase of property, plant and equipment		(22,140)	(24,218)	(24,397)
Purchase of forestry assets		-	-	-
Acquisition of investments		-	(189)	-
Purchase of intangible assets		(108)	(34)	(15)
Net cash inflow (outflow) from investing activities		(21,637)	(24,200)	(24,301)
Cashflows from financing activities				
Proceeds from borrowings		-	-	-
Proceeds from finance lease		-	-	(30)
Repayment of borrowings		-	-	-
Payments of finance leases		(17)	(15)	-
Net cash inflow (outflow) from financing activities		(17)	(15)	(30)
Net increase/(decrease) in cash and cash equivalents		2,722	(1,919)	(981)
Cash and cash equivalents at the beginning of the year	12	8,855	11,577	4,809
Cash and cash equivalents at the end of the year	12	11,577	9,658	3,828

The accompanying notes form part of these financial statements

Funding Impact Statements for all activities

2013/2014 Budget (AP) (\$000)	2014/2015 Budget (LTP) (\$000)		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
Sources of operating funding					
27,097	28,747	General rates, uniform annual general charges, rates penalties	27,305	28,329	28,414
12,429	12,930	Targeted rates	12,326	12,789	12,546
6,310	6,311	Subsidies and grants for operating purposes	7,058	6,954	6,617
2,490	2,701	Fees and charges	3,409	3,536	3,471
22	75	Interest and dividends from investments	362	472	-
5,884	4,852	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	4,487	4,053	4,096
54,232	55,617	Total operating funding	54,948	56,133	55,144
Applications of operating funding					
39,580	40,322	Payments to staff and suppliers	38,155	37,720	38,636
161	1,412	Finance costs	58	148	154
3,685	3,477	Other operating funding applications	3,723	3,697	4,187
43,425	45,211	Total applications of operating funding	41,936	41,565	42,977
10,807	10,406	Surplus (deficit) of operating funding	13,012	14,568	12,167
Sources of capital funding					
9,488	7,811	Subsidies and grants for capital purposes	11,470	9,663	10,972
74	124	Development and financial contributions	47	53	21
4,026	770	Increase (decrease) in debt	(17)	(15)	(15)
157	3,437	Gross proceeds from sale of assets	375	121	39
-	- Lump sum contributions		-	-	-
-	- Other dedicated capital funding		-	-	-
13,745	12,143	Total sources of capital funding	11,875	9,822	11,017
Applications of capital funding					
Capital expenditure					
74	124	▪ to meet additional demand	80	227	21
10,353	3,430	▪ to improve the level of service	10,753	6,988	7,690
14,550	14,929	▪ to replace existing assets	11,246	16,722	16,685
42	5,958	Increase (decrease) in reserves	770	844	2,632
(468)	(1,890)	Increase (decrease) in investments	2,038	(391)	(3,844)
24,552	22,551	Total applications of capital funding	24,887	24,390	23,184
(10,807)	(10,408)	Surplus (deficit) of capital funding	(13,012)	(14,568)	(12,167)
- Funding balance					

¹ includes all other operating finding from sources not identified above.

Reconciliation of surplus/(deficit) of operating funding to net surplus/(deficit) before tax

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)	2014/2015 Budget (AP) (\$000)
Surplus/(deficit) of operating funding from funding impact statement	13,012	14,568	12,167
Depreciation	(20,288)	(19,830)	(24,114)
Subsidies and grants for capital purposes	11,469	9,663	10,972
Development and financial contributions	47	53	21
Gain on Sale	234	(735)	39
Vested Assets	1,558	-	-
Forestry revaluation	1,439	111	400
Emission Trading Units	151	30	-
Accruals	-	-	(51)
Finance Lease Amortisation	17	15	-
Landfill Contingency	11	12	-
Internal Capital Costs	-	135	-
Add 42% of Venture	(17)	84	-
Net Surplus (deficit) before tax in Statement of comprehensive revenue and expense	7,633	4,106	(566)

Notes to the Financial Statements (for the year ended 30 June 2015)

1. Rates revenue

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
General rates	31,004	31,774
Targeted rates attributable to activities		
Water	2,706	2,851
Wastewater	3,177	3,300
Refuse	2,252	2,398
Septic tank cleaning	1	2
Rates penalties	405	424
Total revenue from rates	39,545	40,749

Rates revenue is shown net of rates remissions. SDC's rates remission policy, as set out in the 10 Year Plan, allows Council to consider the remission of rates in a number of circumstances. These include land voluntarily protected for Natural, Historical or Cultural Conservation purposes, properties that can be, but are not connected to, water and wastewater 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 occur. Rates remissions during the year totalled \$334,007 (2014: \$315,383), rates on non-rateable land are included in these figures.

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

Rating base information

In accordance with the Local Government Act 2002 Amendment Act 2014, Clause 30A of Schedule 10, the following rating base information is disclosed based on the rating base information at the end of the **preceding** financial year:

	30 June 2013 Actual (\$000)	30 June 2014 Actual (\$000)
Number of rating units within the Southland District	20,871	20,940
Total rateable capital value within the Southland District	17,976,871	18,051,320
Total rateable land value within the Southland District	12,577,728	12,589,612

2. Other revenue

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Regulatory income	1,287	1,600
Other income (including Council's 42% share in Venture Southland)	2,945	2,506
Provision of services	296	315
Rental and hire income	614	650
User charges	1,652	1,734
Sales revenue	2,225	1,936
Fines and infringements	90	128
Targeted water rates	251	299
Total other revenue	9,360	9,168

3. Other gains/(losses)

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Gain/(loss) on changes in fair value of forestry assets (Note 18)	1,439	111
Gain/(loss) on disposal of property, plant and equipment	234	(735)
Total gains/(losses)	1,673	(624)

4. Exchange/non-exchange revenue

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Exchange revenue	6,506	6,156
Non-Exchange revenue	64,674	60,328
Total revenue	71,180	66,484

5. Employee benefit expense

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Salaries and wages	10,294	10,998
Defined contribution plan employer contributions	237	281
Increase/(decrease) in employee entitlements	5	9
Total employee benefit expense	10,536	11,288

Employer contributions to defined contribution plans include contributions to KiwiSaver. As at 30 June 2015 there were three vacant positions (2014: eight).

6. Other Council expenditure

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Audit fee - Southland District Council Annual Report	109	111
Audit fee - Southland District Council 2015-2025 Consultation document and Long Term Plan	-	80
Audit fee - Venture Southland Group Annual Report	17	18
Grants	3,770	4,199
Contractors	19,409	19,017
Insurance	437	407
Consultants and legal fees	1,326	1,264
Operating lease costs	334	282
Donations	18	17
Inventories	2	1
Impairment of receivables	(106)	(21)
Loss on fair value of emission trading units	-	-
Other	7,380	5,865
Total other expenses	32,696	31,240

7. Remuneration - Mayor, Councillors and Chief Executive

Chief Executive

The SDC Chief Executive appointed under Section 42 of the Local Government Act 2002 received a salary of \$217,297 (2014: \$305,205) plus an 'at-risk' payment of \$Nil (2014: \$22,102). Included in the salary for 2013/2014 year is accrued and outstanding annual leave of \$44,803 which was paid out upon the previous Chief Executive's departure in June 2014. The current Chief Executive commenced employment in October 2014.

For the year ended 30 June 2015, the total annual cost including fringe benefit tax, to SDC of the remuneration package being received by the Chief Executive is calculated at \$232,018 (2014: \$341,148).

Elected representatives		2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Mayor: Tong, Gary (including FBT and private use of motor vehicle)		66	117
Mayor: Cardno, Frana (including FBT)	Until October 2013	32	-
Bailey, Lyall*		23	33
Baird, Stuart		21	23
Copland, James	Until October 2013	10	-
Dillon, Brian		22	23
Dobson, Rodney*		23	31
Douglas, John*		24	29
Duffy, Paul* (incl FBT)		31	36
Ford, Bruce		21	23
Harpur, George		21	24
Jack, Wallace	Until October 2013	6	-
Jukes, Alistair	Until November 2014	9	9
Keast Julie*		17	25
Kremer Ebel	After March 2015	-	6
Macpherson Gavin*^		25	30
Paterson Neil		12	23
Ridley, Diane	Until October 2013	10	-
Annual cost		373	432

Remuneration for Councillors who are members of Council's Resource Management Committee* may be shown as higher than for other Councillors. This additional remuneration is related to the number of hours 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 (2014: \$100) and \$100 per hour for members (2014: \$80).

Remuneration for Councillors who are members of the District Licensing Committee^ may be shown as higher than for other Councillors. This additional remuneration is related to the number of hours 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 (2014: \$78) and \$51 per hour for members (2014: \$51).

Travel reimbursements are excluded from the above totals.

Total annual remuneration band for employees as at 30 June:	2013/2014 Actual	2014/2015 Actual
< \$60,000	79	80
\$60,000 - \$79,999	40	37
\$80,000 - \$99,999	14	22
\$100,000 - \$119,999	8	6
\$120,000 - \$139,999	4	6
\$140,000 - \$299,999	4	7
Total employees	149	158

Total remuneration includes non-financial benefits provided to employees.

At balance date Council employed 117 (2014: 108) full-time employees, with the balance of staff representing 24 (2014: 22) full-time equivalent employees. As at 30 June 2015 there were three vacant positions (2014: eight). A full-time employee is determined on the basis of a 40-hour working week.

8. Taxation

SDC and its associated entities are exempt from income tax.

9. Depreciation and amortisation expense by group of activity

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Building Control	29	25
Cemeteries	11	11
Community Centres	131	112
Community Housing	44	44
Corporate Services	479	459
Council Facilities	250	252
District Development Services	11	14
District Support	19	34
Dog and Animal Control	8	9
Environment Health	16	16
Forestry	2	2
Grants and Donations	1	1
Library Service	198	184
Parks and Reserve	124	131
Public Conveniences	77	74
Representation and Advocacy	33	42
Resource Management	3	-
Roading and Transport	14,620	14,033
SIESA	80	96
Solid Waste Management	115	119
Stormwater	385	397
Te Anau Airport Manapouri	561	555
Wastewater	1,757	1,810
Water Supply	1,321	1,379
Work Scheme	14	21
Total directly attributable depreciation and amortisation by group of activity	20,287	19,820

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Depreciation and amortisation not directly related to group activities	7	10
Total depreciation and amortisation expense	20,294	19,830

10. Changes in equity and reserves

Retained earnings	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
As at 1 July	717,150	722,086
Transfer to reserves (note 11)	(2,697)	(859)
Transfer from reserves	-	-
Transfer to fair value through Statement of comprehensive revenue and expense reserve	-	(134)
Operating surplus for the year	7,633	4,105
As at 30 June	722,086	725,198

Asset Revaluation Reserves	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
As at 1 July	647,682	636,436
Revaluation surplus/(deficit)	(11,246)	(8,736)
As at 30 June	636,436	627,700
Asset revaluation reserves consist of:	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
<i>Infrastructural assets</i>		
Wastewater system	39,963	41,639
Water system	22,782	25,141
Stormwater system	13,340	14,009
Roading network	560,345	546,905
<i>Other assets</i>		

Asset Revaluation Reserves	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Artwork	6	6
Total	636,436	627,700
Fair value through Statement of comprehensive revenue and expense reserve	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
As at 1 July	235	250
Net revaluation gains/(losses)	15	327
Transfer from retained earnings	-	134
Reclassification to surplus/(deficit) on disposal	-	-
As at 30 June	250	711
Fair value through Statement of comprehensive revenue and expense reserves consist of:	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Share revaluation reserve	250	286
Emission Trading Unit revaluation reserve	-	425
Total	250	711

The transfer from retained earnings of \$134,228 in 2014/2015 is for the portion of the revaluation above the initial recognition value of the credits compared to the current market value. Any value above initial recognition is now held in the Emission Trading Unit revaluation reserve.

11. Other Reserves

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
As at 1 July	28,873	31,570
Transfers to/(from) retained earnings	2,697	859
As at 30 June	31,570	32,429

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Reserves consist of:		
General reserves	28,326	29,110
Allocation committees	3,244	3,319
Total	31,570	32,429

12. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cashflow statement:	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Cash at bank and in hand	867	661
Short term deposits and other investments maturing within three months	10,710	8,997
Total cash and cash equivalents	11,577	9,658

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

Financial assets recognised in a non-exchange transaction that are subject to restrictions

Council holds unspent funds, included in cash at bank and investments, of \$3.8 million (2014 \$3.7 million) that are subject to restrictions. These unspent funds relate to trusts and bequests received, waste minimisation reserve and other funds received with restrictions where the spending of the funds is separately monitored. The restrictions generally specify how the funds are required to be spent.

13. Trade and other receivables

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Rates receivables	1,864	2,163
General receivables	2,299	3,446
Other receivables	3,990	4,899
Prepayments	329	385
	8,482	10,893
Less provision for doubtful debts	(70)	(68)
Net trade and other receivables	8,412	10,825
Total receivables comprise:		
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	7,774	9,965
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	638	860

Fair Value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

Impairment

Council does not provide for any impairment on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The ageing profile of receivables at year end is detailed below:

Aged trade and other receivables	2014 Gross (\$'000)	2014 Impairment (\$'000)	2014 Net (\$'000)	2015 Gross (\$'000)	2015 Impairment (\$'000)	2015 Net (\$'000)
Not past due	5,503	-	5,503	5,609	-	5,609
Past due 1-60 days	726	-	726	222	-	222
Past due 60-120 days	279	-	279	72	-	72
Past due > 120 days	1,974	(70)	1,904	4,990	(68)	4,990
Total	8,482	(70)	8,412	10,893	(68)	10,825

All receivables greater than 30 days in age are considered to be past due.

The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Individual impairment	70	68
Collective impairment	-	-
Total provision for impairment	70	68

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

	-	-
Past due 1-60 days	-	-
Past due 60-120 days	-	-
Past due > 120 days	70	68
Total individual impairment	70	68

Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

14. Inventories

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Properties intended for sale	-	-
Roading	77	77
Other	26	23
	103	101

The carrying amount of inventories held for consumption that are measured at current replacement cost as at 30 June 2015 amounted to \$100,560 (2014: \$102,803). The write-down of inventory during the year was \$2,242 (2014: \$Nil). There have been no reversals of write-downs (2014: \$Nil). The carrying amount of inventories pledged as security for liabilities is \$Nil (2014: \$Nil). The carrying amount of properties intended for sale that are measured at cost as at 30 June 2015 amounted to \$Nil (2014: \$Nil).

15. Other Financial Assets

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Current portion		
Term deposits with maturities four - 12 months	520	1,000
Unlisted shares in Civic Assurance	16	16
Unlisted shares in Milford Sound Development Authority	250	286
Total current portion	786	1,302

Fair Value

Term deposits

The carrying amount of term deposits approximates their fair value.

Unlisted shares

Unlisted shares are recognised at fair value. Due to the immaterial size and nature of Council's investment in the Civic Assurance and Milford Sound Development Authority, Council has estimated the fair value of this investment based on the LGFA's net asset backing as at 31 December and 31 March respectively.

Impairment

There were no impairment expenses or provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

Non-current portion	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
External loans with maturities greater than one year	5	-
Investments with maturities greater than one year	-	-
Total non-current portion	5	-
Total other financial assets	792	1,302

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 incorporates the following:

	2014 Short term deposits (\$000)	2014 Other Term deposits (\$000)	2014 Stocks & Bonds (\$000)	2014 Total (\$000)	2015 Short term deposits (\$000)	2015 Other Term deposits (\$000)	2015 Stocks & Bonds (\$000)	2015 Total (\$000)
Short term deposits with maturities three months or less* weighted average effective interest rate	10,710 3.76%	-	-	10,710	8,997 4.56%	-	-	8,997
Short term deposits with maturities of four - 12 months* weighted average effective interest rate	-	-	-	-	1,000 4.50%	-	-	1,000
Investments maturing within three months or less weighted average effective interest rate	-	520 4.26%	-	520	-	-	-	-
Investments maturing after one year but less than five years weighted average effective interest rate	-	-	-	-	-	-	-	-
	10,710	520	-	11,230	9,477	520	-	9,997

* These short term deposits and investments are included in cash and cash equivalents (refer to Note 12).

16. Property, Plant and Equipment

2014/2015 Actual	Cost 1 Jul 2014 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaln (\$000)	Cost/ Revaln 30 Jun 2015 (\$000)	Accum Depn & Impairment Charges 1 Jul 2014 (\$000)	Current Year Depn (\$000)	Current Year Disposals (\$000)	Revaln Reserve (\$000)	Accum Depn & Impairment Charges 30 Jun 2015 (\$000)	Carrying Amount 30 Jun 2015 (\$000)	Carrying Amount 1 Jul 2014 (\$000)
Operational assets													
Art	69	-	-	-	-	69	-	-	-	-	-	69	69
Buildings	14,853	267	-	(1,225)	-	13,895	(5,997)	(374)	447	-	(5,924)	7,971	8,856
EDP hardware	1,012	75	-	(20)	-	1,066	(406)	(247)	18	-	(634)	432	606
Furniture and fittings	830	37	-	(317)	-	550	(653)	(46)	316	-	(383)	167	177
Improvements	5,299	326	-	-	-	5,626	(3,525)	(367)	-	-	(3,892)	1,733	1,775
Land	10,630	144	-	-	-	10,773	-	-	-	-	-	10,773	10,630
Library	1,985	165	-	(264)	-	1,887	(1,045)	(170)	264	-	(951)	936	941
Motor vehicles	1,591	439	-	(398)	-	1,634	(658)	(236)	325	-	(569)	1,062	933
Office equipment	247	2	-	(34)	-	216	(228)	(8)	34	-	(202)	14	19
Other equipment	449	8	-	(195)	-	263	(376)	(27)	195	-	(209)	54	73
Other plant	1,323	36	-	-	-	1,359	(461)	(78)	-	-	(539)	820	862
Landfill sites	115	-	-	-	-	115	(115)	-	-	-	(115)	-	-
Transfer stations	457	-	-	-	-	457	(441)	(5)	-	-	(446)	11	16
	38,860	1,499	-	(2,453)	-	37,910	(13,905)	(1,558)	1,599	-	(13,864)	24,042	24,957
Infrastructural assets as valuation													
Bridges	96,705	1,180	-	-	(3,134)	94,752	-	(1,670)	-	-	(1,670)	93,082	96,705
Footpaths	19,215	188	-	-	(654)	18,750	-	(556)	-	-	(556)	18,193	19,215
Wastewater other	60,711	1,367	-	-	1,199	63,277	-	(1,042)	-	-	(1,042)	62,235	60,711
Wastewater plant	14,686	846	-	-	478	16,010	-	(768)	-	-	(768)	15,241	14,686
Water other assets	38,026	925	-	-	1,919	40,870	-	(871)	-	-	(871)	39,999	38,026
Water plant	10,500	100	-	-	440	11,041	-	(508)	-	-	(508)	10,532	10,500
Stormwater system	16,991	429	-	-	669	18,088	-	(397)	-	-	(397)	17,691	16,991
Unsealed roads	395,408	2,685	-	-	788	398,881	-	(2,863)	-	-	(2,863)	396,019	395,408
Cycle Trail	14	5,794	-	-	-	5,808	-	(98)	-	-	(98)	5,710	14
Sealed roads	682,241	11,050	-	-	(10,534)	682,757	-	(8,630)	-	-	(8,630)	674,127	682,241
Street lighting	1,436	-	-	-	92	1,529	-	(86)	-	-	(86)	1,443	1,436
	1,335,933	24,564	-	-	(8,737)	1,351,763	-	(17,489)	-	-	(17,489)	1,334,272	1,335,933
Marine	712	159	-	-	--	870	(317)	(31)	-	-	(348)	523	395

2014/2015 Actual	Cost	Revaln 1 Jul 2014 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaln (\$000)	Cost/ Revaln 30 Jun 2015 (\$000)	Accum Depn & Impairment Charges 1 Jul 2014 (\$000)	Current Year Depn (\$000)	Current Year Disposals (\$000)	Revaln Reserve (\$000)	Accum Depn & Impairment Charges 30 Jun 2015 (\$000)	Carrying Amount 30 Jun 2015 (\$000)	Carrying Amount 1 Jul 2014 (\$000)
Runways	5,059	-	-	-	-	--	5,059	(3,105)	(490)	-	-	(3,595)	1,464	1,954
	5,771	159	-	-	-	--	5,929	(3,422)	(521)	-	-	(3,943)	1,987	2,349
Total SDC	1,380,564	26,222	-	(2,453)	(8,737)	1,395,602	(17,327)	(19,568)	1,599	-	(35,296)	1,360,301	1,363,239	

2014/2015 Actual	Cost	Revaln 1 Jul 2014 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaln (\$000)	Cost/ Revaln 30 Jun 2015 (\$000)	Accum Depn & Impairment Charges 1 Jul 2014 (\$000)	Current Year Depn (\$000)	Current Year Disposals (\$000)	Revaln Reserve (\$000)	Accum Depn & Impairment Charges 30 Jun 2015 (\$000)	Carrying Amount 30 Jun 2015 (\$000)	Carrying Amount 1 Jul 2014 (\$000)
Land	61	-	-	-	-	61	-	-	-	-	-	-	61	61
Buildings	749	36	-	-	-	784	(221)	(10)	-	-	-	(231)	553	528
Improvements	24	5	-	-	-	29	(5)	(1)	-	-	-	(6)	23	19
Plant	3,081	188	-	-	-	3,269	(2,508)	(79)	-	-	-	(2,587)	682	573
Vehicles	92	-	-	-	-	92	(60)	(6)	-	-	-	(66)	26	32
Other Equipment	4	-	-	-	-	4	(0.3)	(1)	-	-	-	(1)	3	4
SIESA total	4,011	229	-	-	-	4,239	(2,795)	(97)	-	-	-	(2,890)	1,348	1,217
Venture Southland														
Furniture and fittings	36	9	-	-	-	45	(27)	(2)	-	-	-	(29)	16	9
Office equipment	10	8	-	-	-	17	(6)	(3)	-	-	-	(9)	8	4
Other equipment	18	3	-	-	-	22	(11)	(2)	-	-	-	(13)	8	7
Set up cost	42	-	-	-	-	42	(42)	-	-	-	-	(42)	-	-
Building	8	3	-	-	-	11	(3)	(0.4)	-	-	-	(3)	8	6
Venture Southland Trust	21	30	-	-	-	51	(13)	(1)	-	-	-	(14)	36	8
Vehicles	-	11	-	-	-	11	-	(1)	-	-	-	(1)	9	-
Venture total	135	64	-	-	-	199	(102)	(10)	-	-	-	(111)	85	34
Total SIESA & Venture	4,146	293	-	-	-	4,438	(2,896)	(106)	-	-	-	(3,001)	1,433	1,251
TOTAL GROUP	1,384,710	26,515	-	(2,453)	(8,737)	1,400,040	(20,223)	(19,674)	1,599	-	(38,297)	1,361,734	1,364,490	

2013/2014 Actual	1 Jul 2013 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaln (\$000)	Cost/ Revaln 30 Jun 2014 (\$000)	Accum Depn & Impairmen t Charges 1 Jul 2013 (\$000)	Current Year Depn (\$000)	Current Year Disposals (\$000)	Revaln Reserve (\$000)	Accum Depn & Impairment Charges 30 Jun 2014 (\$000)	Carrying Amount 30 Jun 2014 (\$000)	Carrying Amount 1 Jul 2013 (\$000)
Operational assets													
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
	38,439	1,320	-	(899)	-	38,861	(13,145)	(1,519)	760	-	(13,904)	24,956	25,294
Infrastructural assets at valuation													
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
Wastewater Other	60,662	775	-	-	267	61,704	-	(993)	-	-	(993)	60,711	60,662
Wastewater Plant	13,832	138	-	-	1,481	15,451	-	(764)	-	-	(764)	14,866	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
	1,346,684	16,904	1,558	-	(11,246)	1,353,900	-	(17,965)	-	-	(17,965)	1,335,935	1,346,684
Marine	712	-	-	-	-	712	(285)	(32)	-	-	(317)	395	426
Runways	5,059	-	-	-	-	5,059	(2,606)	(500)	-	-	(3,105)	1,954	2,454
	5,770	-	-	-	-	5,770	(2,891)	(532)	-	-	(3,422)	2,349	2,880

2013/2014 Actual	1 Jul 2013 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaln (\$000)	Cost/ Revaln 30 Jun 2014 (\$000)	Accum Depn & Impairmen t Charges 1 Jul 2013 (\$000)	Current Year Depn (\$000)	Current Year Disposals (\$000)	Revaln Reserve (\$000)	Accum Depn & Impairment Charges 30 Jun 2014 (\$000)	Carrying Amount 30 Jun 2014 (\$000)	Carrying Amount 1 Jul 2013 (\$000)
Total SDC	1,390,896	18,223	1,558	(899)	(11,246)	1,398,532	(16,037)	(20,013)	760	-	(35,292)	1,363,240	1,374,859
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	-
SIESA total	3,841	171	-	-	-	4,011	(2,715)	(80)	-	-	(2,795)	1,216	1,126
Venture Southland													
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
Venture Southland Trust	21	-	-	-	-	21	(11)	(1)	-	-	(13)	8	10
Venture total	206	4	-	(74)	-	136	(167)	(6)	73	-	(101)	35	38
Total SIESA & Venture	4,046	175	-	(74)	-	4,147	(2,882)	(87)	73	-	(2,896)	1,251	1,164
Total group	1,394,942	18,399	1,558	(974)	(11,246)	1,402,679	(18,919)	(20,101)	832	-	(38,188)	1,364,491	1,376,023

Work in progress

Property, plant and equipment in the course of construction by class of asset is detailed below:

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Cycle Trails	4,309	1,838

Urban portions of the State Highway network

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

As a consequence, even if ownership resides with local authorities, NZTA controls the economic resources. Pending clarification of ownership and further consideration of the accounting issues that may arise, SDC 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 \$5,675 (2014: \$20,492).

Insurance of assets

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

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Total value of all assets that are covered by insurance contracts	48,364	53,594
Maximum amount to which these assets are insured	138,137	145,853
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	1,326,353	1,319,475
Value of any fund maintained by Council for that purpose ¹	-	-

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

In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, drainage and sewerage assets, and provide a subsidy towards the restoration of roads.

Heritage assets

Council owned heritage assets include artworks, war memorials, viaducts and railway memorabilia.

Artworks are revalued every three - five years.

War memorials, viaducts and railway memorabilia are typically vested to Council and thus are recorded at no consideration in the fixed asset schedule. Given the nature of these assets, Council is unable to determine their fair value as there is no active market for such assets.

17. Intangible Assets

Computer software	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Opening cost at 1 July	1,947	258
Additions	108	107
Disposals	(281)	(120)
Closing cost at 30 June	1,774	245
Accumulated amortisation and impairment	(1,516)	(37)
Net Book Value at 30 June	258	208

Emission Trading Units	2013/2014 Actual (\$000)	2014/2015 Units	2014/2015 Actual (\$000)
Opening balance at 1 July	789	109,794	456
Additions	17	4,400	321
Disposals	-	-	-
Closing balance at 30 June	806	114,194	777
Accumulated amortisation and impairment	(350)		-
Net Book Value at 30 June	456		777

Emission Trading Units	2013/2014 Actual (\$000)	2014/2015 Units	2014/2015 Actual (\$000)
Total	714		985

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 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).

Council accounts for NZUs allocated at a market value of \$6.80 per unit (2014: \$4.15).

Emission Trading Units 2015	Pre-1990 Forest	Post-1989 Forest	Total
Productive area (hectares)	1,384	116.8	1,500.8
NZUs opening balance 1 July	82,914	26,880	109,794
NZUs allocated/transferred during the year	-	4,400	4,400
NZUs sold during the year	-	-	-
NZUs on hand at 30 June	82,914	31,280	114,194

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

Pre-1990 Forests

No units (2014: NIL units) were received during the year on 1,384 hectares (2014: 1,384 hectares) of pre-1990 land. This represents 100% (2014: 100%) of the full allocation entitlement. The units have been valued at the balance sheet date based on the estimated market value of \$6.80 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. 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

4,400 units (2014: 4,103 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 \$6.80 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.

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Impairment

Emission Trading Units

Council considers there is no impairment of ETUs held as they are expected to be fully utilised in satisfying carbon obligations from its landfill operations. ETUs have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

18. Forestry Assets

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Balance at 1 July	9,781	11,220
Increase/(decrease) due to purchases/(sales)	-	-
Gains/(losses) arising from changes in fair value less estimated harvest costs attributed to physical changes	436	341
Gains/(losses) arising from changes in fair value less estimated harvest costs attributed to price changes	1,003	(230)
Balance at 30 June	11,220	11,331

SDC owns 1,348 hectares of forest in four areas: Dipton, Gowan Hill, Ohai and Waikaia, which are managed as one forest. The tree crop covers 1,348 hectares (2014: 1,283 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 ranges from one year to 33 years. In the year ending 30 June 2015, Council sold 80 hectares of timber for \$1.94 million (2014: 80 hectares of timber for \$2.23 million). Council instructed Chandler Fraser Keating Limited (CFK), to independently value its forestry assets. CFK is a firm of forestry consultants and valuation experts with extensive experience valuing forests nationally and internationally. The valuation was undertaken in a manner consistent with Public Benefit Entity International Public Sector Accounting Standard 27: Agriculture (PBE IPSAS 27), 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 2015. When valuing Council's forestry assets CFK used a pre-tax discount rate of 8.5% (2014: 10.5%). The valuation takes into account the revaluation gain of New Zealand Units held and received during the year under the Emissions Trading Scheme for Forestry.

There are no restrictions over the title of forestry assets. No forestry assets are pledged as security for liabilities.

Financial Risk Management Strategies

Council is exposed to financial risks arising from changes in timber prices. Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. Council review its outlook for timber prices regularly in considering the need for active financial risk management.

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 in the overhead costs.

19. Trade and Other Payables

	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
<i>Payables and deferred revenue under exchange transactions</i>		
Trade payables and accrued expenses	4,997	5,646
Other payables	1	-
Accrued revenue	-	-
Total	4,998	5,646
<i>Payables and deferred revenue under non-exchange transactions</i>		
Income taxes payable	146	283
Other taxes payable (ie GST and FBT)	38	37
Grants payable	150	453
Other	900	867
Total	1,235	1,640
Total trade and other payables	6,233	7,286

Payables are generally non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of payables approximates their fair value. All trade and other payables are current. There is nothing past due.

20. Employee Benefit Liabilities

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Current		
Holiday pay accrual	956	1,150
Long service leave	17	24
Wages accrual	46	96
	1,019	1,270
Non-current		
Retirement gratuity	111	119
Long service leave (potential)	28	21
	139	140
Total employment entitlements	1,158	1,410

Key assumptions in measuring retirement and long service leave obligations

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability. A discount rate of 7.0% (2014: 7.0%) and an inflation rate of 3.0% (2014: 3.0%) were used.

21. Development and Financial Contributions

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Roading contributions	430	430
Wastewater contributions	971	971
Water contributions	453	441
Reserves contributions	547	509
Total development and financial contributions	2,401	2,351

22. Borrowings

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Current		
Lease liabilities	15	6
	15	6
Non-Current		
Lease liabilities	5	-
	5	-
Total	20	6

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Finance Lease Liabilities		
Total minimum lease payments are payable:		
Not later than one year	15	6
Later than one and not later than five years	6	-
Later than five years	-	-
	21	6
Future finance charges	-	-
Present value of minimum lease payments	(20)	-
Total	(20)	-

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Present value of minimum lease payments are payable:		
Not later than one year	15	6
Later than one and not later than five years	6	-
Later than five years	-	-
	21	6

Finance leases are for various items of computer equipment. The net carrying amount of these leased assets is included within the relevant class of property, plant, and equipment is disclosed in Note 16.

There are no restrictions placed on Council by any of the finance leasing arrangements.

Internal Loans

Internal loans total \$23.98 million (2014: \$23.37 million). These loans are not represented in the Statement of Financial Position.

Council's internal loans are designed to help local communities within the Southland District to develop or improve new or existing facilities and undertake other major projects. Loans are for a maximum period of 30 years depending on the nature of the project being funded. The interest rate applied to these loans was 5.84% (2014: 5.84%).

A summary of these internal loans by group activity follows:

	Balance 2014 (\$'000)	New Advances (\$'000)	Total Repayments (\$'000)	Interest Paid (\$'000)	Balance 2015 (\$'000)
Building Control	481	-	10	28	471
Civil Defence	338	-	22	19	316
Corporate Services	487	84	309	17	263
Council Facilities	3,199	1,974	697	294	4,476
Grants and Donations	306	-	7	18	300
Library Service	447	-	90	26	358
Public Conveniences	669	255	40	38	884
Representation and Advocacy	1,236	-	26	72	1,210
Resource Management	909	-	43	52	865
Roading and Transport	2,117	-	405	122	1,712
Sewerages	7,959	185	480	456	7,664
Solid Waste Management	337	-	33	19	304
Stormwater	33	111	33	-	111
Water Supply	4,857	286	94	283	5,049
	23,375	2,895	2,288	1,442	23,982

23. Provisions

Provisions are represented by:	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Opening balance - Landfill aftercare provision	67	56
Unused amounts reversed during the year	(11)	(12)
Closing balance - Landfill aftercare provision	56	44
Current	14	14
Non-Current	42	30
Closing balance	56	44

All SDC landfill sites have been closed. 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 not 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%.

24. Joint Venture

Council has a 42% (2014: 42%) participating interest in Venture Southland, a joint committee of Council. The principal activity of Venture Southland is to promote a co-ordinated approach to economic development in Southland.

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

Council's interest in Venture Southland is represented by:	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Share of Income	2,314	2,239
Share of Expenses	(2,331)	(2,166)
Share of surplus/(deficit)	(17)	73
Share of:		
Current Assets	1,069	995
Non-Current Assets	35	97
Current Liabilities	(691)	(607)
Equity	413	485

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.

Southland Regional Heritage Committee

Council has an interest in the Southland Regional Heritage Committee, a joint committee of Council. The principal activity of the Southland Regional Heritage Committee is to promote and enhance the heritage of Southland.

Council's interest in the joint venture is not significant and therefore is not consolidated in the financial statements. The Southland Regional Heritage Committee has net assets at 30 June 2015 of \$851,752 (2014: \$777,521).

25. Reconciliation between the operating surplus (from the Statement of comprehensive revenue and expense) and net cash from operating activities (from the Statement of Cashflows)

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Operating Surplus	7,633	4,105
Add/(Less) Non-Cash Items		
Depreciation and Amortisation	20,294	19,830
Vested Assets	(1,558)	(111)
Forestry Revaluation	(1,439)	-
Emission Trading Units received	(151)	(321)
Add/(Less) Movements in Working Capital Items		
Trade and Other Receivables	(1,497)	(1,982)
Interest Receivable	(39)	(12)
Inventories and Work in Progress	(22)	2
Trade and Other Payables	1,134	207
Net GST	262	(347)
Development & Financial Contributions	35	(50)
Other		
Movement in Employee Benefit Liabilities	(31)	252
(Gains)/Losses on Disposal of Property, Plant and Equipment	(234)	-
(Gains)/Losses on Disposal of Investments	-	735
Movement in Provision for Decommissioning	(11)	(12)
Net Cash Inflow/(Outflow) from Operating Activities	24,376	22,296

26. Financial instruments

Council has policies providing risk management for interest rates and the concentration of credit risk. Council is risk averse and seeks to minimise exposure from its treasury activities and 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. 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 Council's investments are disclosed in Note 15. There are no interest rate options or interest rate swap agreements in place at 30 June 2015 (2014: 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 Council's financial exposures at the balance date.

Interest Rate Risk	2013/2014		2014/2015	
	Actual (\$000)		Actual (\$000)	
	+100bps	+100bps	+100bps	+100bps
Cash and Cash Equivalents	(\$107)	\$107	(\$90)	\$90
Borrowings	-	-	-	-

Explanation of Sensitivity Analysis

Cash and cash equivalents include short-term deposits at call totalling \$9.0 million (2014: \$10.71 million) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$89,970 (2014: \$107,100).

Council has a bank advance facility of \$5.0 million. This can be drawn down on when required. At 30 June 2015, the loan facility was not used. Therefore, there is no interest rate risk (2014: 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 so 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 Council causing Council to incur a loss.

SDC has minimal credit risk in its holdings of various financial instruments. These financial instruments include bank balances and company bonds.

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 Council incurs credit risk with both general and rates debtors. 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.

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

	Note	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Cash and Cash Equivalents	12	11,577	9,658
Trade and Other Receivables	13	8,412	10,825
Other Financial Assets (excluding shares in companies)	15	525	1,302
Total Credit Risk		20,514	21,785

	Note	2013/2014 Actual (\$000)	2014/2015 Actual (\$000)
Cash at Bank and Term Deposits			
AA-	12	11,577	9,658
Total Cash at Bank and Term Deposits		11,577	9,658
Other Financial Assets			
AA-	15	520	1,000
Total Financial Assets		520	1,000

- **Liquidity Risk**

Liquidity risk is the risk that 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 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 2015
Financial Assets					
Cash and Cash Equivalents	12	9,658	-	-	9,658
Trade and Other Receivables	13	10,825	-	-	10,825
Other Financial Assets (excluding shares in companies)	15	1,000	-	-	1,000
Financial Liabilities					
Trade and Other Payables	19	7,286	-	-	7,286
Borrowings	22	6	-	-	6

	Note	Less than 1 Year	1 Year	2 - 5 Years	Total 2014
Financial Assets					
Cash and Cash Equivalents	12	11,577	-	-	11,577
Trade and Other Receivables	13	8,412	-	-	8,412
Other Financial Assets (excluding shares in companies)	15	520	5	-	525
Financial Liabilities					
Trade and Other Payables	19	6,233	-	-	6,233
Borrowings	22	15	5	-	20

27. Related Parties

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect Council would have adopted in dealing with the party at arm's length in the same circumstances.

Council has a 42% interest in Venture Southland and carried out the following transactions with this related party:

Venture Southland	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Funding provided by SDC	1,769	1,769
Services provided by SDC	235	215
Accounts payable to SDC	293	234
Accounts receivable from SDC	17	6

Key Management Personnel	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
<i>Councillors</i>		
Remuneration	\$373	\$432
Full-time equivalent members	13	13
<i>Executive Leadership Team, including the Chief Executive</i>		
Remuneration	\$1,023	\$1,067
Full-time equivalent members	5	5.6
Total Key Management Personnel Compensation	\$1,396	\$1,499
Total Full-time equivalent personnel	18	18.6

Key management personnel include the Mayor, Councillors, Chief Executive, Group Manager Environment and Community, Group Manager Services and Assets, Group Manager Community and Policy, Chief Financial Officer, Chief Information Officer and Human Resources Manager.

Due to the difficulty in determining the full time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

28. Events after balance date

Events subsequent to balance date are as follows:

- Council withdrew from Riskpool as at 30 June 2015.

- (a) Joint Venture

There were no events subsequent to balance date.

29. Statement of contingencies

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

Contingent liabilities as at 30 June 2015 total \$2.06 million (2014: \$2.26 million), specific details are as follows:

(a) Guarantees

There are no guarantees as at 30 June 2015 (2014: 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 \$1.88 million (2014: \$1.88 million). These potential claims have been brought to the SDC insurer's attention.

(c) Weathertight Homes 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 2015 (2014: Nil), no claims have been lodged with the WHRS against Council. If, in future, there are claims against Council, it is expected the successful claims will be substantially covered under the SDC's insurance policies.

(d) Council Mutual Insurance Fund - Riskpool

Council withdrew as a member of a mutual liability fund, Riskpool as at 30 June 2015. 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. As Council was a member from 1 July 2000 to 30 June 2015 Council is liable for any calls for funds relating to these years. The fund currently has reinsurance from 1 July 2013 however, 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 78.0 (2014: 129.0) 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 \$181,186 (2014: \$382,164). All 129.0 hectares of forest were replanted by 16 July 2014.

(f) Closed Landfill Sites

Council has a number of closed landfill sites. Council recognises that some of these may require a resource consent, and additional work may be required to meet the requirements of any consent. At balance date, the requirements have not been established by ES.

Council currently has a provision in relation to landfill post-closure costs that were identified in 2005, and details are included in Note 23 to these financial statements.

(g) Joint Venture

Venture Southland has no contingent liabilities as at 30 June 2015 (2014: Nil).

Contingent Assets

There were no contingent assets as at 30 June 2015 (2014: Nil).

(a) Joint Venture

Venture Southland does not have any contingent assets as at 30 June 2015 (2014: Nil).

30. Capital commitments and operating leases

A commitment exists where Council has entered into contracts but the goods and/or services have not been provided by balance date.

	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Capital commitments		
Commitments for capital expenditure contracted, but not provided for		
Property	-	81
Water System	-	37
Sewerage System	-	444
Roading	11,082	8,287
	11,082	8,849
Operating commitments		
Commitments for non-cancellable operating leases and other operating commitments		
Not later than one year	5,598	5,495
Later than one year and not later than two years	5,380	4,821
Later than two years and not later than five years	9,536	4,858
Later than five years	-	3
	20,514	15,177
Other commitments		
Iwi Funding	39	39
Regional Heritage	445	458
	484	497

Council has agreed to fund other commitments in the 2015/2016 financial year of \$3.51 million, 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 2015. In particular, these relate to the self-funded projects financed from the Community Trust or funding for events. Where the funding had conditions attached to it, the funding is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. The funding is included in income received in advance until the specific conditions are met.

Venture Southland	2013/2014 Actual (\$'000)	2014/2015 Actual (\$'000)
Capital commitments		
Commitments for capital expenditure contracted, but not provided for	-	-
	-	-
Operating commitments		
Commitments for non-cancellable operating leases and other operating commitments		
Not later than one year	165	128
Later than one year and not later than five years	174	251
Later than five years	-	30
	339	409

31. Severance payments

There were no severance payments made during the year (2014: \$Nil).

32. Capital Management

Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's LTP.

Council has the following Council-created reserves:

- reserves for different areas of benefit;
- general reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

General reserves are built up typically from specific events (ie an asset sale) and are made available for specific unforeseen events or major projects. The release of these funds can generally only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable, and deductions are made where funds have been used for the purpose they were donated.

33. Explanation of major variances against budget

	Note	2014/2015 Actual (\$'000)
Revenue (excluding asset development revenue)	(a)	4
Asset Development Revenue		
- Vested Assets	(b)	-
- Development and Financial Contributions	(b)	31
Expenditure	(c)	4,637
Net impact of variance on surplus(deficit)		4,672
Revaluation surplus	(d)	(58,843)
Total variance in Statement of comprehensive revenue and expense		(54,171)

Explanatory Notes

Statement of comprehensive revenue and expense

(a) Revenue

Income was on budget for the year.

(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

There were no vested assets received during the year, which is as budgeted

Development and financial contributions

Development and financial contributions are contributions paid to 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) Expense

Overall operating expenditure was \$4.6 million less than budgeted mainly due to:

Increases: \$1.1 million additional maintenance costs, these have occurred mainly in roading as the funds were transferred from the capital programme to the maintenance programme

 \$0.2 million additional employee expenditure, primarily due to fixed term employee costs associated with projects undertaken by Venture Southland.

Decreases: \$4.2 million less depreciation, primarily as a result of the actual roading valuation being significant less than budgeted

 \$0.3 million relating to the timing of costs associated with the District Plan

 \$0.4 million reduced costs relating to forestry.

(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 revenue and expense above.

Statement of Financial Position

Assets and liabilities

Property, plant and equipment is \$108.3 million lower than budgeted predominantly as a result of the lower than budgeted revaluation of infrastructural assets and less capital works completed than anticipated.

34. Adjustments to the comparative year statements

Council has not adjusted its comparative year financial statements for the year ended 30 June 2014 as there have been no significant adjustments as a result of transition to the new PBE accounting standards.

35. Schedule of Financial Reserves

Restricted reserves

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2015 (\$000)
District Reserves								
Holding	SDC - Officers Assn	District Support		Held on behalf of SDC Officer's Association	1	-	-	1
Assets & Services	Waste Minimisation	Solid Waste Management		Waste Minimisation reserve	124	42	(8)	158
Environment & Community	Dog and Animal Control	Dog and Animal Control		Residual funds from Dog and Animal Control Activity	346	13	(71)	288
John Beange	John Beange	Grants and Donations		Funding available in Edendale and Wyndham Area	47	-	(8)	39
Sthld Joint Mayoral Fund	Sthld Joint Mayoral Fund	Grants and Donations		Residual Funds from Southland Flood Relief	161	4	-	165
Allocation Committee	Com Development Fund	Grants and Donations		Development of Community Facilities, Recreational Opportunities and events	244	10	(15)	239
Allocation Committee	Contributions 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	345	14	-	359
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	-	2
Allocation Committee	Hilary Commission	Grants and Donations		To subsidise travel costs for people 5-19 years of age participating in regular sporting competition	-	-	-	-
Allocation Committee	Meridian Contribution	Grants and Donations		Support Northern Southland community initiatives by way of grants	332	13	(16)	329
Allocation Committee	Ohai Railway Board	Grants and Donations		Support Ohai community initiatives by way of grants	1,783	72	(23)	1,832
Allocation Committee	Ohai/Nightcaps Doc	Grants and Donations		Medical services within Ohai and Nightcaps, including local ambulance	39	2	(3)	38
Allocation Committee	District Heritage Grant	Grants and Donations		Support the heritage in the district area.	26	10	-	36
Allocation Committee	Fonterra Res Cont	Grants and Donations		Support to the Te Tipua community initiatives by way of grants	264	11	-	275
Allocation Committee	Stewart Island Visitor Levy	Grants and Donations		Stewart Island Visitor Levy funds	12	18	-	30
Specific	ECNZ - Projects	District Support		Funds available for future projects in accordance with ECNZ requirements	21	-	-	21
Total Restricted District Reserves					3,746	210	(144)	3,812

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2015 (\$000)
Local Reserves								
	Wallacetown	Cemetery Bequest	Cemeteries	Wallacetown Cemetery	67	3	-	70
	Wallacetown	Robert Powell Bequest	Cemeteries	Wallacetown Cemetery	5	-	(5)	-
	Total Restricted Local Reserves Wallacetown				72	3	(5)	70
	Winton	Birthing Centre	Community Facilities	Winton Birthing Centre	2	-	(2)	-
	Winton	Medical Centre Equip	Community Facilities	Winton Medical Centre	35	2	-	37
	Total Restricted Local Reserves Winton				37	2	(2)	37
	Total Restricted Local Reserves				109	5	(7)	107
	Total Restricted Reserves				3,855	215	(151)	3,919

Council created - General

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2015 (\$000)
District Reserves								
	Council	Global	District Support	General Reserve	3,041	-	-	3,041
	Council	District Operations	District Support	General Reserve	999	880	(870)	1,009
	Council	Strategic Assets Reserve	District Support	Offset Rates	10,596	-	-	10,596
	Total Council Created General District Reserves				14,636	880	(870)	14,646
	Total Council Created -General Reserves				14,636	880	(870)	14,646

Council created - Special

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2015 (\$000)
District Reserves								
	Asset & Services	Community Housing	Community Housing	Operational reserve for community housing	71	115	(81)	105
	Asset & Services	Community Task Force	Community Assistance	Operational reserve for community task force	6	39	-	45
	Asset & Services	Forestry Council Reserve	Forestry	Residual funds from forestry activities	982	-	-	982
	Asset & Services	Forestry Reserve	Forestry	Residual funds from forestry activities	100	1,591	(1,188)	503
	Asset & Services	Gravel Reserves	Roads and Footpath	Ensure Council has sufficient funds available for reinstatement of Council's pits	425	23	-	448
	Asset & Services	Plant Renewal	Other Local Services	Fund Motor Vehicle Fleet Replacements	341	314	(292)	363
	Asset & Services	Property Development	Various	Balancing fund for sales and operational building expenditure	680	13	(127)	566
	Asset & Services	Proposed Wastewater	Wastewater	Operational account for proposed Wastewater	(40)	525	-	485

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2015 (\$000)
	Asset & Services	Proposed Water	Water Supply	Operational account for proposed water	183	357	-	540
	Asset & Services	Roading	Roads and Footpath	Rate smoothing reserve	(3,222)	976	(14)	(2,260)
	Asset & Services	Road Safety Community	Roads and Footpath	Funding accrued from programmes not completed by year end	-	-	(4)	(4)
	Asset & Services	Waste Management	Solid Waste Management	General waste reserve	1	57	(27)	31
	Asset & Services	Water Schemes	Water Supply	Development for water schemes	705	93	-	798
	Asset & Services	District Wastewater	Wastewater	Development for Wastewater schemes	1,127	23	(1,127)	23
	Asset & Services	Wastewater Contribution	Wastewater	Development for building Wastewater	276	6	(276)	6
Total Council Created - Special Reserves Assets & Services					1,635	4,132	(3,136)	2,631
	Chief Exec	SDC/DOC Joint Project	District Support	Residual funds from past joint projects for future projects	61	-	-	61
	Chief Exec	Around the Mountains	Roading and Transport	Around the Mountains Cycle Trail	(202)	8	(1,948)	(2,142)
Total Council Created - Special Reserves Chief Exec					(141)	8	(1,948)	(2,081)
	Policy and Community	Waimumu Field Day	Strategy and Communication	Fund Council's Field Day every three years	-	9	-	9
	Policy and Community	Community Outcomes	Strategy and Communication	Contribute Southland Regional Development Strategy	-	46	-	46
	Policy and Community	Elections	Representation and Advocacy	Fund Council's election costs every three years	1	21	-	22
Total Council Created - Special Reserves Policy and Community					1	76	-	77
	Development and Financial	Parks Contribution	Parks and Reserves	Contribution to capital activity - Parks and Reserves	138	5	(20)	123
	Development and Financial	Roadning Contribution	Roadning and Transport	Contribution to capital activity - Roadning and transport	257	10	-	267
	Development and Financial	Wastewater Contribution	Wastewater	Contribution to capital activity - Wastewater	355	15	-	370
	Development and Financial	Water Contribution	Water Supply	Contribution to capital activity - Water	92	4	-	96
Total Council Created - Special Reserves Development and Financial Contributions					842	34	(20)	856
	Environment & Community	Alcohol Licensing	Environmental Health	Residual funds from Alcohol Licensing	-	45	-	45
	Environment & Community	Health Licensing	Environmental Health	Residual funds from Health Licensing	-	1	-	1
	Environment & Community	Corporate Uniforms	District Support	Staff uniform subsidies	14	6	-	20
Total Council Created - Special Reserves Environment & Community					14	52	-	66
	Holding	Milford Flood Protect	Strategy and Communication	Residual funds from Milford Flood Protection	45	-	-	45
	Holding	International Relationship	Grants and Donations	Residual funds from International Relationship activities	30	1	(3)	28
	Holding	Shared Services	Representation and Advocacy	Fund shared services with other councils - Funding sourced from SDC, ES, GDC, CDC and ICC	2	-	(2)	-
	Holding	Stewart Island Heritage Bldg	Community Assistance	Set up for new Heritage Building	8	-	-	8

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2015 (\$000)
Council Created - Special Reserves Holding					85	1	(5)	81
Specific	Biodiversity Initiative	Resource Management		Funds set aside for future biodiversity initiatives	21	-	-	21
Specific	Disaster Recovery	Civil Defence Emergency Management		Funds set aside in case of disaster in accordance with insurance requirements	1,409	-	-	1,409
Specific	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
Council Created - Special Reserves Specific Reserves					1,449	-	-	1,449
Total Council Created -Special District Reserves					3,885	4,303	(5,109)	3,079

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2015 (\$000)
Local Reserves								
Athol	General	Other Local Activities		Athol General Purpose	28	4	-	32
Athol	Community Centres	Community Centres		Athol Hall	1	3	-	4
Council Created - Special Reserves Athol					29	7	-	36
Balfour	General	Other Local Activities		Balfour General Purpose	73	13	(1)	85
Council Created - Special Reserves Balfour					73	13	(1)	85
Browns	Community Centres	Community Centres		Balfour Hall	15	-	(7)	8
Browns	General	Other Local Activities		Balfour General Purpose	56	2	(12)	46
Council Created - Special Reserves Browns					71	2	(19)	54
Brydone	Community Centres	Community Centres		Brydone Hall	(1)	-	-	(1)
Council Created - Special Reserves Brydone					(1)	-	-	(1)
Clifden	Community Centres	Community Centres		Clifden Hall	21	1	-	21
Clifden	Rec Reserve Committee	Parks and Reserves		Clifden Reserves	40	1	(11)	30
Council Created - Special Reserves Clifden					61	2	(11)	51
Colac Bay	Community Centres	Community Centres		Colac Bay Hall	7	2	-	9
Colac Bay	General	Other Local Activities		Colac Bay General Purpose	36	8	-	44
Council Created - Special Reserves Colac Bay					43	10	-	53
Dipton	Cemetery	Cemetery		Dipton Cemetery	12	-	(1)	11
Dipton	Footpaths	Footpaths		Dipton Footpaths	3	-	(3)	-
Dipton	General	Other Local Activities		Dipton General Purpose	41	11	(3)	49
Dipton	Stormwater	Stormwater		Dipton Stormwater	15	4	-	19
Dipton	Community Centres	Community Centres		Dipton Hall	13	3	-	16
Council Created - Special Reserves Dipton					84	18	(7)	95
Drummond	General	Other Local Activities		Drummond General Purpose	7	1	-	8
Drummond	Rec Reserve Committee	Parks and Reserves		Drummond Reserves	7	1	-	8

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$'000)	Deposits In (\$'000)	Withdraws Out (\$'000)	Closing Balance 30/6/2015 (\$'000)
Council Created - Special Reserves Drummond								
	Edendale	Cemetery	Other Local Activities	Edendale Cemetery	22	1	(6)	17
	Edendale	Community Centre	Community Centres	Edendale Hall	96	5	-	101
	Edendale	Footpaths	Other Local Activities	Edendale Footpaths	8	-	(8)	-
	Edendale	General	Other Local Activities	Edendale General Purpose	63	-	(63)	-
	Edendale	Grant Hall Upgrade	Community Centres	Edendale Hall Upgrade	165	7	-	172
	Edendale	Stormwater	Stormwater	Edendale Stormwater	62	-	(62)	-
	Edendale	Pool	Other Local Activities	Edendale Pool	-	1	-	1
	Edendale-Wyndham	Footpaths	Various	Footpaths	-	17	-	17
	Edendale-Wyndham	General	Various	General Purpose	-	132	(58)	74
	Edendale-Wyndham	Stormwater	Stormwater	Stormwater	-	356	(7)	349
	Wyndham	Community Centre	Community Centres	Wyndham Community Centre	-	2	-	2
Council Created - Special Reserves Edendale-Wyndham								
	Five Rivers	General	Other Local Activities	Five Rivers General Purpose	245	-	(245)	-
	Five Rivers	Heritage Reserve	Parks and Reserves	Five Rivers Heritage Walking Tracks	3	-	(3)	-
	Five Rivers	Community Centre	Community Centres	Five Rivers Hall	11	-	-	11
Council Created - Special Reserves Five Rivers								
	Fortrose	Community Centre	Community Centres	Fortrose Hall	1	1	-	2
Council Created - Special Reserves Fortrose								
	Garston	Special Projects	Other Local Activities	Garston General Purpose	9	5	-	14
Council Created - Special Reserves Garston								
	Gorge Road	Gorge Road General	Other Local Activities	Gorge Road General Purpose	20	3	-	23
Council Created - Special Reserves Gorge Road								
	Hokonui	Community Centre	Community Centres	Hokonui Community Centre	5	-	-	5
Council Created - Special Reserves Hokonui								
	Limehills	Hall Improvement	Community Centres	Limehills Hall	7	1	-	8
	Limehills	General	Other Local Activities	Limehills General Purpose	11	5	-	16
	Limehills	Stormwater	Stormwater	Limehills Stormwater	50	4	-	54
Council Created - Special Reserves Limehills								
	Longbush	Community Centre	Community Centres	Longbush Community Centre	3	-	-	3
Council Created - Special Reserves Longbush								
	Lumsden	Footpaths	Roading and Transport	Lumsden Footpaths	54	2	(28)	28
	Lumsden	General	Other Local Activities	Lumsden General Purpose	153	13	(37)	129
	Lumsden	Property Sales	Other Local Activities	Lumsden General Purpose	5	-	-	5
	Lumsden	Stormwater	Stormwater	Lumsden Stormwater	78	13	-	91
	Lumsden	Community Centre	Community Centres	Lumsden Community Centre	19	3	-	22
Council Created - Special Reserves Lumsden								
	Manapouri	Frasers Beach	Parks and Reserves	Frasers Beach Reserve	79	3	(2)	80

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$'000)	Deposits In (\$'000)	Withdraws Out (\$'000)	Closing Balance 30/6/2015 (\$'000)
	Manapouri	General	Other Local Activities	Manapouri General Purpose	97	15	(27)	85
	Manapouri	Community Centre	Community Centres	Manapouri Community Centre	6	2	-	8
	Manapouri	Swimming Pool Area	Parks and Reserves	Manapouri Pool	6	1	-	7
Council Created - Special Reserves Manapouri					188	21	(29)	180
	Mararoa/Waimea Ward	Mararoa/Waimea Ward	Other Local Activities	Mararoa/Waimea Ward	-	683	(71)	612
Council Created - Special Reserves Mararoa/Waimea Ward					-	683	(71)	612
	Mataura Island	Community Centre	Community Centres	Mataura Island Community Centre	4	-	-	4
Council Created - Special Reserves Mataura Island					4	-	-	4
	Matuku	Rural WS General	Water Supply	Matuku Water	1	2	-	3
Council Created - Special Reserves Matuku					1	2	-	3
	Menzies Ferry	Community Centre	Community Centres	Menzies Ferry Community Centre	1	-	-	1
Council Created - Special Reserves Menzies Ferry					1	-	-	1
	Mokoreta/Redan	Community Centre	Community Centres	Mokoreta/Redan Community Centre	6	3	-	9
Council Created - Special Reserves Mokoreta/Redan					6	3	-	9
	Mossburn	General	Other Local Activities	Mossburn General Purpose	116	16	(3)	129
	Mossburn	Community Centre	Community Centres	Mossburn Community Centre	(2)	6	-	4
Council Created - Special Reserves Mossburn					114	22	(3)	133
	Nightcaps	McGregor Park	Parks and Reserves	Nightcaps McGregor Park	68	17	-	85
	Nightcaps	Community Centre	Community Centres	Nightcaps Community Centre	-	3	-	3
	Nightcaps	General	Other Local Activities	Nightcaps General Purpose	78	5	(34)	49
Council Created - Special Reserves Nightcaps					146	25	(34)	137
	Ohai	Community Centre	Community Centres	Ohai Community Centre	3	3	-	6
	Ohai	General	Other Local Activities	Ohai General Purpose	115	8	(1)	122
	Ohai	Stormwater	Stormwater	Ohai Stormwater	135	5	(4)	136
Council Created - Special Reserves Ohai					253	16	(5)	264
	Orawia	Community Centre	Community Centres	Orawia Community Centre	11	5	-	16
Council Created - Special Reserves Orawia					11	5	-	16
	Orepuki	General	Other Local Activities	Orepuki General Purpose	29	3	(10)	22
	Orepuki	Community Centre	Community Centres	Orepuki Community Centre	6	1	-	7
Council Created - Special Reserves Orepuki					35	4	(10)	29
	Oreti	Community Centre	Community Centres	Oreti Community Centre	1	8	-	9
Council Created - Special Reserves Oreti					1	8	-	9
	Otapiro/Lora	Community Centre	Community Centres	Otapiro/Lora Community Centre	9	7	-	16
Council Created - Special Reserves Otapiro/Lora					9	7	-	16
	Otautau	Baths	Other Local Services	Otautau Pool	35	9	-	44
	Otautau	Brightwood Develop Co	Other Local Services	Otautau Financial Contribution	14	1	-	15
	Otautau	CB Conference	Other Local Services	Community board conference	8	-	-	8

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2015 (\$000)
	Otautau	Forestry	Forestry	Holt Park Forestry	174	7	(5)	176
	Otautau	General	Other Local Services	Otautau General Purpose	119	30	(21)	128
	Otautau	Stormwater	Stormwater	Otautau Stormwater	150	17	-	167
	Otautau	Community Centre	Community Centres	Otautau Community Centre	(5)	14	-	9
Council Created - Special Reserves Otautau					495	78	(26)	547
	Riversdale	Fire Bore	Other Local Activities	Riversdale General Purpose	6	-	(1)	5
	Riversdale	General	Other Local Activities	Riversdale General Purpose	135	13	(61)	87
Council Created - Special Reserves Riversdale					141	13	(62)	92
	Riverton	Cemetery Maintenance	Cemetery	Riverton Cemeteries	31	1	-	32
	Riverton	Doc Profits Lib Sale	Other Local Activities	Riverton Projects	56	2	-	58
	Riverton	General	Other Local Activities	Riverton General Purpose	200	91	(11)	280
	Riverton	Riverton Harbour General	Other Local Services	Riverton Harbour	93	4	(8)	89
	Riverton	Parks & Res Develop	Parks and Reserves	Riverton Parks and Reserves	20	1	-	21
	Riverton	Property Sales	Other Local Activities	Riverton General Purpose	288	12	(8)	292
	Riverton	War Memorial	Parks and Reserves	Riverton War Memorial	6	1	-	7
	Riverton	Taramea Bay/Rocks Development	Other Local Services	Taramea Cay Foreshore	77	7	-	84
	Riverton	Taramea Howells Point	Other Local Services	Taramea Howells Point	6	2	-	8
Council Created - Special Reserves Riverton					777	121	(27)	871
	Riverton Ward	General	Other Local Activities	Riverton Ward General Purpose	121	-	(121)	-
	Riverton Ward	Cosy Nook	Other Local Activities	Cosy Nook General Purpose	4	3	-	7
	Riverton Ward	Hirstfield Reserve	Other Local Activities	Hirstfield Reserve General Purpose	9	2	-	11
Council Created - Special Reserves Riverton Ward					134	5	(121)	18
	Ryal Bush	Community Centre	Community Centres	Ryal Bush Community Centre	9	-	-	9
Council Created - Special Reserves Ryal Bush					9	-	-	9
	SIESA	Operations	SIESA	SIESA Operations	494	-	-	494
Council Created - Special Reserves SIESA					494	-	-	494
	Stewart Island	General	Other Local Activities	Stewart Island General Purpose	149	75	(65)	159
	Stewart Island	Waste Management	Other Local Activities	Stewart Island General Purpose	17	1	-	18
	Stewart Island	Jetties	Other Local Activities	Stewart Island Jetties	91	22	(91)	22
Council Created - Special Reserves Stewart Island					257	98	(156)	199
	Te Anau	Te Anau Carpark Res	Other Local Activities	Te Anau General Purpose	22	1	-	23
	Te Anau	Cemetery Improvements	Cemeteries	Te Anau Cemetery	1	-	-	1
	Te Anau	General	Other Local Activities	Te Anau General Purpose	247	177	(37)	387
	Te Anau	Luxmore	Other Local Activities	Luxmore Subdivision	4,711	-	(3,728)	983
	Te Anau	Manapouri Airport	Te Anau Manapouri Airports	Te Anau Manapouri Airports	(5,636)	5,652	-	16
	Te Anau	Rural WS General	Water Supply	Te Anau Water	136	88	(222)	2

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2015 (\$000)
	Te Anau	Stormwater	Other Local Activities	Te Anau General Purpose	487	149	(215)	421
	Te Anau	Sandy Brown Loan	Loan	Loan to Ratepayers	(17)	1	-	(16)
Council Created - Special Reserves Te Anau					(49)	6,068	(4,202)	1,817
	Te Anau Ward	General	Other Local Activities	Te Anau Ward General Purpose	52	-	(52)	-
Council Created - Special Reserves Te Anau Ward					52	-	(52)	-
	Te Tipua Ward	General	Other Local Activities	Te Tipua General Purpose	77	-	(77)	-
Council Created - Special Reserves Te Tipua Ward					77	-	(77)	-
	Thornbury	Community Centre	Community Centres	Thornbury Community Centre	(4)	6	-	2
	Thornbury	General	Other Local Activities	Thornbury General Purpose	19	3	(5)	17
Council Created - Special Reserves Thornbury					15	9	(5)	19
	Toetoes Ward	General	Other Local Activities	Toetoes General Purpose	123	-	(123)	-
Council Created - Special Reserves Toetoes Ward					123	-	(123)	-
	Tokanui	General	Other Local Activities	Tokanui General Purpose	42	5	(10)	37
	Tokanui	Community Centre	Community Centres	Tokanui Community Centre	7	-	(1)	6
Council Created - Special Reserves Tokanui					49	5	(11)	43
	Tuatapere	Water Meridian Contract	Other Local Activities	Tuatapere General Purpose	309	6	(309)	6
	Tuatapere	Community Centre	Community Centres	Tuatapere Community Centre	50	2	(25)	27
	Tuatapere	General	Other Local Activities	Tuatapere General Purpose	182	20	(3)	199
	Tuatapere	Property	Other Local Activities	Tuatapere General Purpose	3	-	-	3
	Tuatapere	Waiau River Collection	Other Local Activities	Tuatapere Waiau River	1	-	-	1
Council Created - Special Reserves Tuatapere					545	28	(337)	236
	Tuatapere Ward	Pool	Other Local Activities	Tuatapere Ward Pool Rate	2	11	-	13
	Tuatapere Ward	Clifden Bridge	Other Local Activities	Clifden Bridge Reserve	6	-	(6)	-
	Tuatapere Ward	General	Other Local Activities	Tuatapere Ward General Purpose	68	-	(68)	-
	Tuatapere Ward	Monowai Township	Other Local Activities	Monowai General Purpose	9	-	(9)	-
	Tuatapere Ward	Papatotara Transmitter	Other Local Activities	Papatotara Transmitter	18	-	(18)	-
Council Created - Special Reserves Tuatapere Ward					103	11	(101)	13
	Tussock Creek	Community Centre	Community Centres	Tussock Creek Community Centre	1	-	-	1
Council Created - Special Reserves Tussock Creek					1	-	-	1
	Waianiwā	Community Centre	Community Centres	Waianiwā Community Centres	2	6	-	8
Council Created - Special Reserves Waianiwā					2	6	-	8
	Waiau/Aparima Ward	Waiau/Aparima Ward	Other Local Activities	Waiau/Aparima Ward	-	350	(67)	283
	Waiau/Aparima Ward	Calcium Cemetery	Cemeteries	Calcium Cemetery	-	14	-	14
Council Created - Special Reserves Waiau/Aparima Ward					-	364	(67)	297
	Waihopai/Toetoes Ward	Waihopai/Toetoes Ward	Other Local Activities	Waihopai/Toetoes Ward	-	341	(91)	250
Council Created - Special Reserves Waihopai Toetoes Ward					-	341	(91)	250
	Waihopai Ward	General	Other Local Activities	Waihopai General Purpose	123	-	(123)	-

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2015 (\$000)
					123	-	(123)	-
	Council Created - Special Reserves Waihopai Ward							
	Waikai	Dickson Park	Parks and Reserves	Waikai General Purpose	8	2	-	10
	Waikai	Drain Filing	Stormwater	Waikai Stormwater	9	-	(9)	-
	Waikai	General	Other Local Activities	Waikai General Purpose	153	12		165
	Waikai	Museum Donations	Other Local Services	Waikai Museum	18	3	-	21
	Waikai	Refuse Removal	Solid Waste Management	Waikai General Purpose	8	-	-	8
	Waikai	Stormwater	Stormwater	Waikai Stormwater	62	17	-	79
	Council Created - Special Reserves Waikaia				258	34	(9)	283
	Waikaia Ward	Allan Reserve	Other Local Activities	Waikaia Ward General Purpose	6	-	(6)	-
	Waikaia Ward	General	Other Local Activities	Waikaia Ward General Purpose	306	-	(306)	-
	Waikaia Ward	McKee Park	Other Local Activities	Waikaia Ward General Purpose	23	-	(23)	-
	Waikaia Ward	Taylor Park	Other Local Activities	Waikaia Ward General Purpose	21	-	(21)	-
	Council Created - Special Reserves Waikaia Ward				356	-	(356)	-
	Waikawa/Niagara	Community Centre	Community Centres	Waikawa/Niagara Community Centres	19	1	(6)	14
	Council Created - Special Reserves Waikawa/Niagara				19	1	(6)	14
	Waitane Glencoe	Res Reserve Committee	Parks and Reserves	Waitane Glencoe Reserves	1	-	-	1
	Council Created - Special Reserves Waitane Glencoe				1	-	-	1
	Wallace Ward	General	Other Local Activities	Wallace Ward General Purpose	103	-	(103)	-
	Wallace Ward	Noxious Plants		Wallace Ward General Purpose	2	-	(2)	-
	Wallace Ward	Arboretum Reserve	Other Local Activities	Arboretum Reserve	18	2	-	20
	Wallace Ward	Wairio Cemetery	Other Local Activities	Wairio Cemetery	46	3	-	49
	Wallace Ward	Wairio Town General	Other Local Activities	Wairio General Purpose	5	-	-	5
	Wallace Ward	Wairio Reserve	Other Local Activities	Wairio Reserve	6	-	-	6
	Wallace Ward	Takitimu Pool	Other Local Activities	Tikitimu Pool	25	3	-	28
	Council Created - Special Reserves Wallace Ward				205	8	(105)	108
	Wallacetown	General	Other Local Activities	Wallacetown General Purpose	312	15	(112)	215
	Wallacetown	Stormwater	Stormwater	Wallacetown General Purpose	3	8	-	11
	Council Created - Special Reserves Wallacetown				315	23	(112)	226
	Wallacetown Ward	General	Other Local Activities	Wallacetown Ward General Purpose	63	-	(63)	-
	Council Created - Special Reserves Wallacetown Ward				63	-	(63)	-
	Winton	Community Centre	Community Centres	Winton Community Centres	5	4	(1)	8
	Winton	General	Other Local Activities	Winton General Purpose	247	45	(7)	285
	Winton	Medical Centre General	Other Local Services	Winton Medical Centre	17	15	-	33
	Winton	Multi Sports	Parks and Reserves	Winton Sports Complex	5	-	-	5
	Winton	Property Sales	Other Local Activities	Winton General Purpose	945	61	-	1,006
	Winton	Res Capital Dev	Other Local Activities	Winton General Purpose	178	7	-	185
	Winton	Stormwater	Stormwater	Winton Stormwater	112	34	-	145
	Council Created - Special Reserves Winton				1,509	166	(8)	1,667

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2014 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2015 (\$000)
	Winton Ward	Kauana Hall	Community Centres	District Board Establishment	10	-	(10)	-
	Winton Ward	General	Other Local Activities	Winton Ward General Purpose	392	-	(392)	-
Council Created - Special Reserves Winton Ward					402	-	(402)	-
	Winton/Wallacetown Ward	Winton/Wallacetown Wd	Other Local Activities	Winton/Wallacetown Ward	-	491	-	491
Council Created - Special Reserves Winton/Wallacetown Ward					-	491	-	491
	Woodlands	General	Other Local Activities	Woodlands General Purpose	118	8	(5)	121
	Woodlands	Septic Tank Rates	Septic Tank Cleaning	Woodlands Septic Tank Cleaning	11	-	(1)	10
Council Created - Special Reserves Woodlands					129	8	(6)	131
	Wyndham	Footpaths	Other Local Activities	Wyndham Footpaths	8	-	(8)	-
	Wyndham	Property Sales	Other Local Activities	Wyndham General Purpose	18	-	(18)	-
	Wyndham	Stormwater	Stormwater	Wyndham Stormwater	281	-	(281)	-
	Wyndham	General	Other Local Activities	Wyndham General Purpose	44	-	(44)	-
Council Created - Special Reserves Wyndham					351	-	(351)	-
Total Council Created - Special Local Reserves					9,189	9,299	(7,706)	10,782
Total Council Created - Special Reserves					13,074	13,607	(12,815)	13,861
TOTAL RESERVE FUNDS					31,565	14,697	(13,836)	32,426

*Due to the amalgamation of Community Boards and Wards the presentation of the reserves opening balance slightly differ from Annual Report 2013/2014.

Other Information

About Council

Role of 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 Council is:

- To enable democratic local decision-making and action by and on behalf of communities
- To meet current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions cost effectively for households and businesses.

To accomplish this, Council has overall responsibility and accountability in a variety of roles, including:

- Planning the District's strategic direction alongside local communities 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 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, wastewater 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

- Council consists of a Mayor and 12 Councillors elected by Southland District residents/ratepayers triennially
- Council believes its democratic election ensures it is able to operate in the best interests of the District.

Council is responsible for:

- Representing the interests of the District
- Developing and approving Council policy
- Determining the expenditure and funding requirements of Council through the planning process
- Monitoring the performance of 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 Council to assist with conducting the business of Council; these are listed on page 226.

Community Boards

Council has eight Community Boards which prepare local budgets, recommend local rates and exercise decision-making power on issues specifically delegated by Council. 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

Throughout the District, 18 Community Development Area Subcommittees (CDAs) 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. Subcommittees operate with powers mainly limited to recommendations to Community Boards and/or Council depending on their locality.

Water Supply Subcommittees

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 Council.

Other Committees

Southland District Youth Council is made up of up 12 secondary school aged representatives from the six secondary schools, who live across the District and meet on a quarterly basis.

Hall Committees and Reserve Subcommittees

Council has a working relationship with all Community Centre, Hall Committees and Reserve Subcommittees. This relationship varies from operational to rates collection only.

Council Committees

Council Mayor and 12 Councillors		
Community Boards and Committees	Council Committees	Joint Committees*
Edendale-Wyndham Otautau Stewart Island/Rakiura Riverton/Aparima Te Anau Tuatapere Wallacetown Winton	Activities Performance Audit Committee (APAC) Chair: Cr L Bailey Allocations Committee Chair: Cr J Douglas Executive Committee Chair: Mayor G Tong Forestry Committee Chair: Cr B Dillon Policy Review Committee Chair: Cr R Dobson Resource Management Committee Chair: Cr P Duffy International Relations Committee Chair: Cr B Ford Southland District Council Scholarship and Bursaries Subcommittee Chair: Cr G Harpur	Joint Committees* Venture Southland Southland Civil Defence Emergency Management Group WasteNet Southland Regional Heritage Committee Southland Regional Land Transport Committee District Licensing Committee
Community Development Area Subcommittees <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>	Youth Representation Southland District Youth Council	Council-Controlled Organisations Milford Community Trust Southland Museum and Art Gallery Council Organisations Southern Rural Fire Authority Milford Development Authority Limited Southland Museum and Trust Board Road Safety Southland Charitable Trust Southland Community Wastebusters Trust
Water Supply <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>		Cross Organisational Collaboration Shared Services Forum Te Roopū Taiao (Iwi Liaison) Total Mobility Scheme Pest Free Rakiura
Ohai Railway Fund Riverton Harbour Stewart Island Jetties Te Anau-Manapouri Airport		

* the above list has been corrected since published in the Annual Plan.



Mayor Gary Tong
352 Lorne Dacre Road,
RD 6, Invercargill 9876
Telephone: (03) 235 8031
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



Waihopai Toetoes Ward:
Paul Duffy, Deputy Mayor
998 Fortrose Otara Road,
RD 5, Invercargill 9875
Telephone: (03) 246 8559
paul.duffy@southlanddc.govt.nz



Waiau Aparima Ward:
Stuart Baird
68 Winton Hedgehope Highway,
RD 2, Winton 9782
Telephone: (03) 225 8372
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



Waiau Aparima Ward:
George Harpur
81 Orawia Road, Tuatapere 9620
Telephone: (03) 226 6040
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



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



Mararoa Waimea Ward:
Ebel Kremer
7 Wet Jacket Place, Te Anau 9600
Telephone: (027) 510 7785
ebel.kremer@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



Winton Wallacetown Ward:
Neil Paterson
444A O'Shannessy Road, RD 1,
Winton 9781
Telephone: (03) 236 1343
neil.paterson@southlanddc.govt.nz



Mararoa Waimea Ward:
Brian Dillon
20 York Road, RD 6, Gore 9776
Telephone: (03) 202 7766
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

Council operations

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 Council's policies and objectives within the budgetary constraints established by Council.

The Chief Executive is responsible for:

- Implementing the decisions of Council
- Providing advice to 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 Council effectively and efficiently
- Maintaining systems to enable effective planning and accurate reporting of the financial and service performance of Council
- Providing leadership for Council staff
- Employing staff (including negotiation of the terms of employment for the staff).

The management of Council is structured under five groups. Each group is led by a Group Manager or Chief Officer and their areas of responsibility are shown in the table. The five groups are:

- Environment and Community
- Finance
- Information Management
- Policy and Community
- Services and Assets.

The Executive Leadership Team (comprising of the Chief Executive, three Group Managers, the Chief Financial Officer, the Chief Information Officer and the Human Resources Manager) reviews all general organisation issues, providing a link between Council and staff.

Organisational structure

Steve Ruru Chief Executive					
<i>Janet Ellis</i> Human Resources Manager	<i>Bruce Halligan</i> Group Manager Environment and Community	<i>Rex Capil</i> Group Manager Policy and Community	<i>Ian Marshall</i> Group Manager Services and Assets	<i>Anne Robson</i> Chief Financial Officer	<i>Damon Campbell</i> Chief Information Officer
Health and Safety Human Resources	Area Offices Building Control Customer Services Dog and Animal Control District Support Environmental Health Emergency Management Iwi Liaison Library Services Liquor Licensing Resource Management Rural Fire	Communications Community Development Governance Grants and Donations Strategy and Policy	Cemeteries Community Facilities Community Housing Forestry Parks and Reserves Public Conveniences Roading and Transport Rural Fire Sewerage Stormwater Solid Waste Management Stewart Island Electrical Supply Authority (SIESA) Te Anau Airport Water Supply Work Schemes	Finance Revenue	Business Improvement Information Technology Knowledge Management Property and Spatial Word Processing

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 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 triennially 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 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: 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: Land and buildings and infrastructural assets including sewer and water systems and the transport network. Sometimes referred to as capital assets.

Funder: Council’s 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: 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: The essential infrastructure and services that support the life of our community - utility services such as water, wastewater and stormwater, electricity, gas, telecommunications and transport 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 triennially 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) is collected to pay for it, eg depreciation. 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, NZTA 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 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 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 (ES, GDC, SDC and ICC). 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 well-being of the District.

Significance and Engagement 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 well-being.

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, and 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 triennial survey is a key source of information on resident perceptions and satisfaction with Council services.

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 given to Council by developers at the completion of their development, such as roads, water, sewerage and stormwater reticulation.

