

# INDEX

## O1 Council OVERVIEW

Introduction	1-3
Message from the mayor and chief executive	4-5
What's an Annual Report?	6
Council's strategic framework	7
Key highlights	8-21
lwi liaison	22
Māori contribution to decision-making	23-25
Performance and projects overview	26-27
Financial Overview	28-34
Disclosure Statement/Financial Prudence Benchmarks	36-40
Shared Services	42-49
About the Council	50-55
Statement of compliance and responsibility	56
Auditors' report	58

## O2 Council ACTIVITIES

Community leadership	64
Community resources	75
nvironmental services	90
ransport	104
Affordable waters reforms	113
tormwater	114
Vastewater (sewerage)	120
Vater supply	126
Council-controlled organisations	134
Ailford Community Trust	134
outhland Museum and Art Gallery Trust (SMAG)	138
outhland Regional Development Agency Limited	142

# O3 Our FINANCES

Finances. Accounting policies Statement of comprehensive revenue and expense for the year ended 30 June 2023 Statement of changes in equity for the year ended 30 June 2023 Statement of financial position as at 30 June 2023 Statement of cashflows for the year ended 30 June 2023 Funding impact statement for the year ended 30 June 2023 (whole of Council) Reconciliation of surplus/(deficit) of operating funding to net surplus/(deficit) before tax \_\_\_172 Notes to the financial statements for the year ended 30 June 2023

### Our VISION

Southland - one community offering endless opportunities

### Our MISSION

Working together for a better Southland



### A MESSAGE FROM

### MAYOR ROB SCOTT AND CHIEF EXECUTIVE CAMERON MCINTOSH



It's hard not to start this summary with the cliché "that was a challenging year" because the reality is it really was.

Despite this, some new initiatives that we launched were successful, such as the Otta seal dust suppression treatment, which Council co-funded for 24 properties across the district.

We also officially opened the new Te Anau wastewater plant, which after extensive work came in under budget and has been well received by the community.

Most of our ratepayers would agree that the mounting pressures with increasing costs and a challenging labour market have put a lot of pressure across multiple sectors, and Council is not immune to any of this.

When the 2021-2031 Long Term Plan was inalised, we were operating in a very low inflationary environment combined with equally low interest rates. The theme of "It's time, Southland" was all about investing in our infrastructure, with a strong focus on our ageing bridges.

At a recent conference in Christchurch, the CEO of the Infrastructure Commission reflected that the cost of building a bridge has gone up over 38% in the past 18 months.

These kinds of cost increases have also been reflected in our roading network and pretty much across the board for all the projects identified in our works programme for the year.

We also had quite a significant increase in the revaluation of our assets, climbing from around \$1.6 billion to around \$2 billion. While this doesn't have a day-to-day cash impact on Council (except for insurance premium increases), from a surplus/deficit point of view it has quite a marked impact. As this Annual Report identifies, it has put pressure on our key performance indicator (KPI) of running a balanced budget.

The report highlights that our cashflow is good. However, from a revenue and expenditure point of view we are challenged. This is not helped with what we refer to as "unfunded mandate", with a large volume of work coming from central government and no funding to cover it.

Our roading network which makes up a large proportion of our expenditure was subsidised 52% from Waka Kotahi, which is substantially less than some of our counterparts. The reality of this situation is that we need to look at other sources of revenue – we cannot keep relying on the blunt instrument of rates to fund everything that we do.







We were successful in receiving government funding for a number of projects from both the Tourism Infrastructure Fund and also from the "Better Off Funding" provided to help offset the transfer of our three waters services to the new entity. This additional funding that came through outside of the initial Long Term Plan budget for the year was delivered successfully. However, it came at a cost to the delivery of the planned works programme.

You will see that there are a number of projects being carried forward to the next financial year. While the list is quite long, and even though some of these projects are nearly complete, this will impact on our ability to deliver the following year's commitments.

Recognising the need to provide a realistic programme of work that is deliverable, staff have been working on a system to prioritise the projects across multiple years of the LTP. We are also looking at different ways of delivering the work with a focus on community-led projects where appropriate. Some of the KPIs reflect that there is room for improvement, and our building and resource consent areas are an example of that.

We don't want to make promises that we can't keep, and it is important that we do what we say we are going to do.

We are taking active measures in these spaces to improve these results which we know have an impact on our communities.

An added challenge this year was having the Council change with the elections in October.

This resulted in a new mayor, six new councillors and many new elected members joining the team of 69 across the district.

We would like to thank the combined team of staff and elected members who have all put a lot of hard yards into delivering for our communities. Together with our people, for our future, it's our Southland!

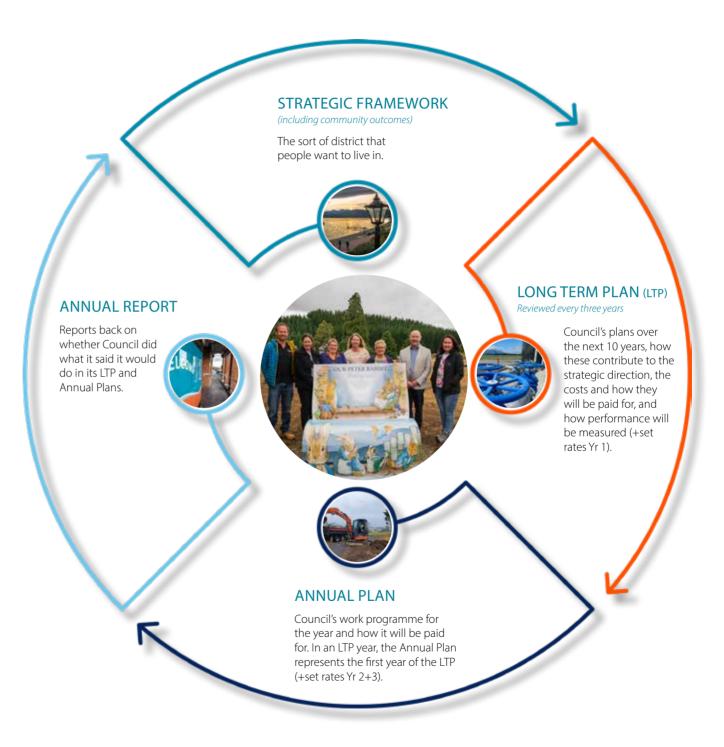


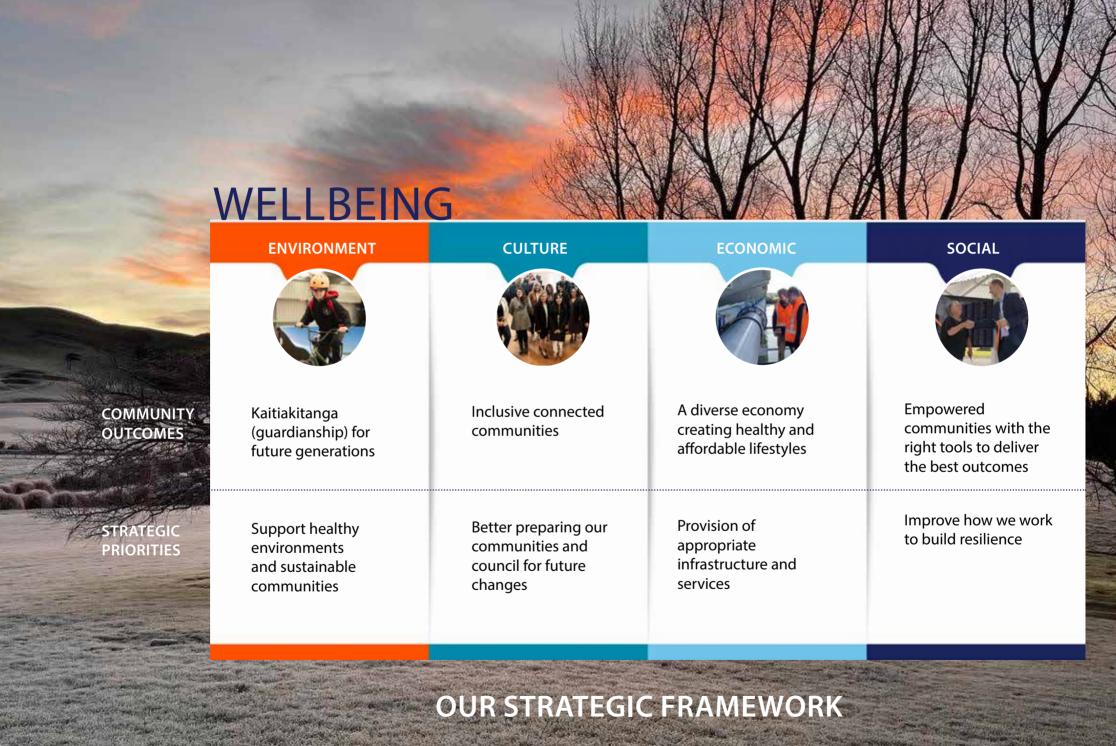
#### WHAT IS AN

# ANNUAL REPORT

This Annual Report tells you and us how well we did against what we said we were going to do in the Long Term Plan (LTP) 2021-2031, how much it cost to do this and how we paid for it.

Deloitte gives its opinion on whether the financial statements fairly reflect Council's financial performance and financial position and comply with generally accepted accounting practice.





# **KEY**HIGHLIGHTS

- 1 Te Anau Airport Manapouri Review
- 2 Te Anau Wastewater
- 3 Tourism Infrastructure Fund
- 4 Taramea Bay Development
- 5 Roading Challenges
- 6 Around The Mountains Cycle Trail
- 7 Garston's Peter Rabbit Seat
- 8 Community Funding
- 9 Local Government Elections
- 10 Honouring Our Community Heroes
- 11 Iwi liaison

A community-led in-depth review of Te Anau Airport Manapouri is being undertaken, which will consider all options for its future.

It was instigated because Southland District Council and the Fiordland Community Board are concerned about the ongoing viability of the airport.



### TE ANAU AIRPORT MANAPOURI

REVIEW

A working group with industry expertise has been set up to manage the review, which involves conversations and feedback from many different stakeholders, including airport users, the Fiordland area business community and the fishing, aviation and tourism industries.

Covid-19 restrictions had a significant effect on the entire Fiordland basin tourism industry including use of the airport, which has yet to return to pre-Covid levels of usage.

Airports generally rely on non-airside income streams such as leases, renting or hire of terminal space for retail and food outlets and so on. However, even at peak times the airside operations are more expensive to run than the non-airside operations can support. The shortfall for Te Anau Airport Manapouri over the past five years has ranged between around \$217,000 and \$318,000 annually.

A targeted rate within the Fiordland Community Board area is required to make up the shortfall, which enables the airport to remain open. Part of the focus for the working group is to explore ways to increase revenue and profitability. Meanwhile, Te Anau Airport Manapouri's part 139 certification was maintained until 28 February 2027, enabling large passenger aircraft to land there more than four times a month.

It was a New Zealand first when Te Anau's state-of-the-art wastewater treatment plant became operational.



# TE ANAU WASTEWATER

The multi-million-dollar environmentally friendly facility utilises subsoil irrigation with wastewater from the plant pumped to the Kepler disposal field near Te Anau Airport Manapouri where it is discharged underground.

The project was completed at a cost of \$26,299,340, under its allocated \$27 million budget, including two grants from the government's Tourism Infrastructure Fund (TIF).

Officially opened in October 2022, the future-proofed plant is designed for expansion when required to ensure it continues to meet the needs of the Fiordland community.







Lengthy engagement on the eco-friendly concept began in 2006 with construction of the high-tech facility beginning in 2021.

An ambitious work programme was successfully completed under budget in Te Anau and Manapouri.



# TOURISM INFRASTRUCTURE FUND



The 10 projects were identified in Council's 2021-2031 Long Term Plan, and Council applied to the Tourism Infrastructure Fund (TIF) for funding to carry out the work.

The total actual cost to deliver the 10 projects was \$3,045,234, which was \$51,751 under the total programme budget.

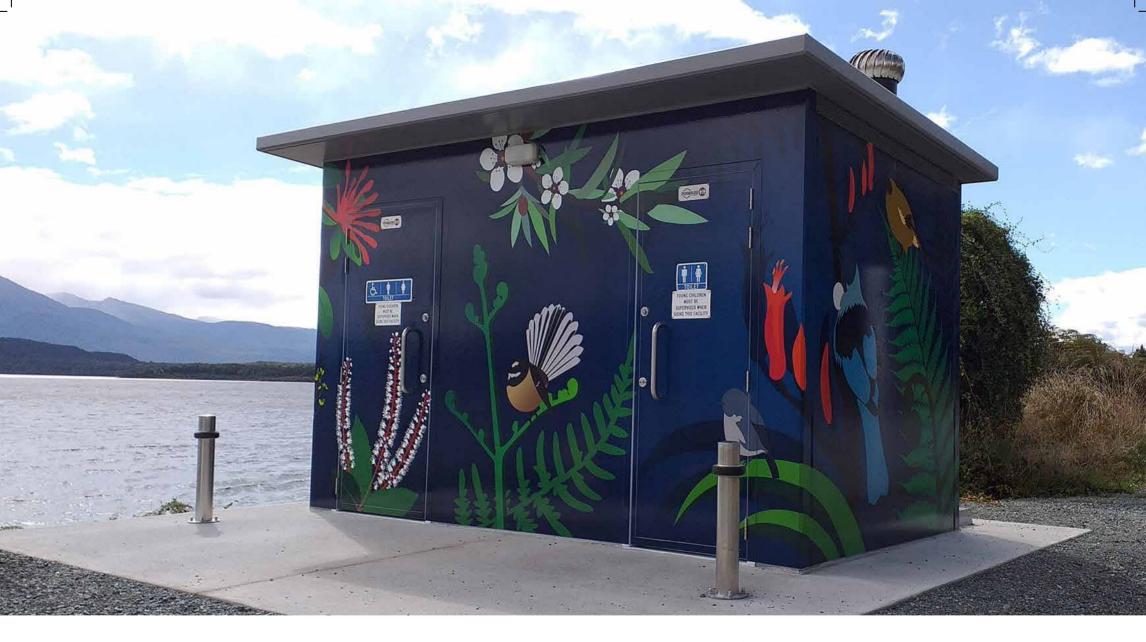
Half of that is being paid for from TIF funding, the maximum the fund usually allows.

The remaining 50% of a project was split between Southland district-wide funding for new toilets, and the Fiordland Community Board for the remaining projects.





The Tourism Infrastructure Fund was set up in 2017 and provides up to \$25 million annually to develop tourism-related infrastructure that supports regions facing pressure from tourism growth. It is managed by the Ministry of Business, Innovation and Employment.



### **MANAPOURI** PROJECTS

- Pearl Harbour boat ramp
- Pearl Harbour gabion basket replacement
- Pearl Harbour toilet

- Frasers Beach Otta seal
- Frasers Beach toilet
- Flying fox toilet
- View Street car park development

### **TE ANAU** PROJECTS

- Te Anau Terrace boat ramp
- Steamers Beach boat ramp
- Boat harbour toilet



A much-loved destination for generations of Southlanders, Taramea Bay in Riverton Aparima has enjoyed significant enhancements.



### **TARAMEA BAY**

DEVELOPMENT

A revamp of Pilots Reserve includes a new slide, free public barbecue facilities, a picnic area, a viewing platform and a frame for photo opportunities.

The ribbon was officially cut by Mayor Rob Scott and about 100 excited local kids in May, marking the final part of a wider development of Taramea Bay incorporating the creation of a walking track and car park extension.

The project cost \$112,579.25 plus GST to complete, funded by a mixture of loan and Oraka Aparima Community Board reserves.







The next phase of a wider master plan for the area will feature a striking new shower and toilet facility, which will prove to be an asset given the growing use of nearby play spaces and adjacent beach.

Our roading team continues to operate in a challenging environment.



### ROADING CHALLENGES



- Roading material costs have increased (for example, bitumen) while budgets have remained static, so budgets have been reprioritised.
- Contracting resourcing in general has been a challenge due to the volume of work in the market.
- There were 24 successful applicants for our subsidised Otta seal dust suppression treatment, and there was a total of 4,773 metres of seal applied outside the 24 properties.
- Road Safety Southland's work was recognised nationally with the VTNZ Community Award at the national Supporting Excellence in Road Safety Awards.

- Work began on creating Speed Management Plans and a review of Council's Roading Bylaw. Following a change in government legislation designed to implement safe speed limits around schools by December 2027, Council will begin to change speed signs around schools in January 2024.
- with Invercargill City Council to secure funding through the Transport Choices funding package for the installation of lockable bike stands at locations in Invercargill and Southland district. The Southland district bike stand sites are in Te Anau, Riverton and Winton.



Southland's unique cycle trail continues to evolve following the formation of a dedicated trust.



# **AROUND**THE MOUNTAINS CYCLE TRAIL



The trust structure sees Council retain ownership of the 186km asset and all associated intellectual property, together with responsibility for asset management and maintenance.

Responsibilities of the trust are focused on the user experience, partnership with commercial operators, marketing and new project development.

A proactive marketing approach has resulted in improved user numbers during the past season with a total of about 8,000 pedestrians and 7,000 cyclists experiencing the trail, which is certified as one of New Zealand's 23 Great Rides.





A new website has been launched. www.aroundthemountains.co.nz



The story of Peter Rabbit is famed around the world and now there is a Southland twist to the plucky little bunny's tale.



## **GARSTON'S**

PETER RABBIT SEAT



For over three decades children have been hopping along to the mythical Peter Rabbit's house, nestled near the Garston Presbyterian Church. Part of the town's folklore, it inspired the concept of the Peter Rabbit Thinking Seat.

The epitome of collaboration between community and Council, the end result is a poignant addition.

The eventual wording etched onto the seat itself speaks as to its reasons for being.

"This seat was made with love, for you to sit, share your thoughts, tell secrets, be thankful, or just cry and laugh. Enjoy this moment to remember those who have left us and are now forever in our hearts."

The biggest challenge proved to be copyright for the famous illustrations created by Beatrix Potter but, remarkably, councillor Margie Ruddenklau had a childhood connection to the famed author through an association with her niece Ester Nicolson, who lived in Te Anau.





The personal touch ultimately earned permission to use the iconic imagery and, since it was established on site in November 2022, the seat has captured the attention of locals and visitors alike, including national media attention.

Investing proudly in our people and places, we granted \$147,777 in total for the Community Partnership Fund over our nine community board areas, together with an additional \$63,700 from the District Initiatives Fund.



### **COMMUNITY**

**FUNDING** 

Whether it's the arts, sport and recreation, education, health or social welfare, we have a variety of funding options available to help community groups have a positive impact.

One of our favourites is Surfing for Farmers – an initiative designed to improve mental health and wellbeing in rural communities. The programme provides an opportunity for farmers to step away from what can be an all-consuming business, get some fresh air and exercise, and interact with other farmers, rural families and industry professionals ... all while having a blast on the waves.

We embrace the chance to work collaboratively with other organisations to get the job done. A fantastic example is Southland's regional portable pump track – affectionately dubbed TunaTuna (slippery eel) – which is now delighting kids around the region.



The 64-metre-long track allows communities to activate underutilised green spaces and unite through active recreation with the creation of a temporary community hub in areas where such facilities are in short supply.





Funded by the Transport Choices package, which is part of the Waka Kotahi Climate Emergency Response Fund (CERF) programme, we linked up with Community Trust South, Tū Manawa Active Aotearoa Sport NZ, ILT Foundation and Invercargill City Council (ICC) to make it a reality.

Southland produced a nail-biter in the race for the mayoralty at the 2022 local government elections and a positive improvement in voter participation.



## LOCAL GOVERNMENT

**ELECTIONS** 

Initially too close to call, Lumsden's Rob Scott got the nod with just 45 votes separating the top three candidates.

Voter return was a respectable 47.62%, being 10,017 votes, while Stewart Island Rakiura impressed with 59.05% (212 votes) in February's community board by-election.

Councillors duly elected for the next triennium ventured to Takutai o Te Tītī Marae in Colac Bay Oraka for their inaugural meeting, setting a scene of community connection which continues to evolve under their leadership.







This is reflected in a focus to host more meetings in the district, the introduction of chairs' nights for our community board leaders to share experiences, increased transparency with livestreaming of more workshops and changes to the governance structure to less committees and fortnightly Council meetings.

Designed to recognise outstanding contributions, community service awards were bestowed on 10 deserving Southlanders.



### **HONOURING OUR**

COMMUNITY HEROES



Garston stalwart Peter Naylor received an award for his lengthy list of inspirational contributions to the Northern Southland rural community and local primary school.

Murray Johns was honoured for many years of volunteer service to the Dipton community, including 50 years with the Dipton Volunteer Fire Brigade.

Drummond's Graeme Appleby was recognised for an extensive array of voluntary contributions, including lifesaving roles spanning more than 45 years with Land search and Rescue New Zealand (LandSAR) and 15 years with the Drummond Volunteer Fire Brigade (now Fire and Emergency New Zealand).

Margaret McKelvie was honoured for her dedicated service to the Wyndham Rest Home and wider community, Progress Valley musical duo Marylyn and Steven Hayes were applauded for their unrivalled commitment to music and entertainment and Woodland's 'Mr Fix-It' Keith McKenzie was acknowledged for his huge contribution to the community.

"Selfless" St John Ambulance volunteer Tony McDonald received recognition for his more than 20 years of dedicated service to the Tuatapere community.

Winton firefighter and tireless volunteer Guy Johnstone was honoured for his "massive" input into his community.





Community service awards are an opportunity to honour and celebrate those people in our communities who go the extra mile to make a difference.

Southlanders can nominate an individual or group who have provided a significant contribution to their community board area through leadership, volunteering or community service.

Our nine community boards consider any nominations received and allocate up to two community service awards from their respective areas annually.

Three of the community service award recipients on this year's list were nominated by the late Ann Robbie QSM, who died in January 2023 after an illness.

Mrs Robbie was herself a former recipient of a Community Service Award and the inaugural Our Southlander Award, presented by the Southland Mayoral Forum in late 2022, for her tireless work over several decades discovering, recovering, restoring and documenting community war memorials and honours boards throughout the region.











The Southland councils have a long-standing and highly valued relationship with Ngāi Tahu ki Murihiku through the four Southland papatipu rūnanga, Te Ao Mārama Inc (the entity representing Southland rūnanga for resource management and local government matters) and Te Rūnanga o Ngāi Tahu (the iwi authority).



The councils continued to fund and support Te Ao Mārama Inc during the 2022/2023 year.

The four papatipu rūnanga and the participant councils also continued to meet through Te Rōpū Taiao hui, which allow for exchange of information and identification of opportunities to work together.



## IWI LIAISON





### Māori contribution to decision-making

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.



Southland District Council was officially gifted its Māori name, Te Rohe Pōtae o Murihiku, at a naming ceremony at Takutai o te Tītī marae at Colac Bay Ōraka in November 2005, strengthening links between Council and the tangata whenua and emphasising the importance of Council's partnership with Ngāi Tahu.

Te Rohe Pōtae o Murihiku acknowledges Council's role as an all-embracing shelter ("umbrella/lid") for its district.

### Charter of understanding

To help promote and develop its relationship with Māori, the seven local authorities (Southland District Council, Invercargill City Council, Queenstown Lakes District Council, Gore District Council, Clutha District Council, Otago Regional Council and Environment Southland) are active participants and signatories to the charter of understanding He Huarahi mō Ngā Uri Whakatapu – A pathway for the generations coming through with Te Ao Mārama Incorporated (TAMI).



#### The charter of understanding provides:

- the basis for an ongoing relationship between the seven councils and the tangata whenua of Murihiku to assist in developing the capacity of Māori to contribute to decision-making processes.
- a foundation for consultation on a range of local government issues.
- for the recognition and willingness of Te Ao Mārama to assist all councils in consultation with ngā matawaka living in Murihiku. This is important in terms of Māori contribution to decision-making in the Southland district. The Local Government Act 2002 responsibilities of councils in relation to Māori are with all Māori and not solely the local iwi.

Te Rōpū Taiao is the collaborative structure put in place to give effect to the charter of understanding and the obligations of the parties to the charter. Councillors and Council staff involved in resource management regularly attend Te Rōpū Taiao meetings.

Te Rōpū Taiao includes ngā matawaka (other Māori who are not Ngāi Tahu) representatives and meetings are usually held quarterly, with minutes reported back to participant councils.

A number of councils throughout New Zealand have resolved to make representation provisions which provide for specific seats for Māori on councils and associated committees. Southland District Council engaged in 2018 with Te Ao Mārama on this matter as part of its Representation Review process.

Te Ao Mārama representatives expressed no desire at that stage to alter the existing participation/ representation arrangements to create specific seats/representation for Māori. However, it is important that Council remains receptive to further dialogue on such matters in the future if it will enhance Māori participation in Council's decision-making processes.

### Fostering Māori capacity

At the time of reporting the Resource Management Act 1991 is undergoing major reform. This reform will define mana whenua as partners in Council environmental management decision-making processes. It will require significant investment in the initial upskilling of staff and councillors in respect of tikanga Māori principles and protocols. Te Rohe Potāe o Murihiku Tikanga Māori Group has subsequently been established to meet the cultural development needs of staff and councillors, by offering opportunities to learn and participate in Tikanga Māori practices.

INITIATIVES	STATUS	PROGRESS
Continue to engage Te Ao Mārama as a partner during its decision making and consultation processes.	ONGOING	Te Ao Mārama (TAMI) representatives were invited to be part of the 2021-2031 LTP process. Te Ao Mārama representatives were part of relevant resource consent applications that were identified to adversely affect mana whenua. The RMA is now under reform, with significant change anticipated for Māori participation in all resource management processes. Te Ao Mārama representatives were the lead organisation on a regional-wide cultural landscapes assessment undertaken as part of the plan change to address natural features and landscapes in the Southland District Plan.
Continue to hold regular liaison meetings between Te Ao Mārama and Council executive and senior managers.	ONGOING	Regular meetings held and Council senior managers also attend Te Rōpū Taiao. This level of communication and engagement will continue as a minimum.
Continuing to strengthen genuine partnerships/relationships with all four Rūnanga Papatipu o Murihiku; Te Rūnanga o Awarua, Te Rūnanga o Oraka/Aparima, Te Rūnanga o Hokonui and, Te Rūnaka o Waihōpai at governance, management and operational levels.	ONGOING	Several elected members, leadership team members, managers and other staff were fortunate during 2022/2023 to be involved in partnership programmes and projects such as Predator Free Rakiura, the Milford Opportunities Project, the Whakamana te Waituna Charitable Trust, Emergency Management Southland, Matariki, which have provided opportunities to build relationships with mana whenua and rūnanga/rūnaka. There is, however, much more to be done in this space.  Staff are working with TAMI on a delivery framework to ensure the right timing of collaboration for the right projects are prioritised. It was a privilege to be able to hold the inaugural council meeting at Takutai o te Titi marae.

INITIATIVES	STATUS	PROGRESS
Provide an interpreter on request should Māori wish to present submissions to Council in Te Reo Māori.	ONGOING	Interpretation service available on request. Council will ensure this service is clearly communicated at the beginning of any Council process as standard practice.
Provide a standing invitation to all Māori to attend Council meetings and hearings to become familiar with Council protocol.	ONGOING	Standing invitation in place.
Give consideration to appointment of iwi representatives to act as hearing commissioners on key issues such as major resource consent applications and District Plan changes that have issues of iwi significance.	ONGOING	This is considered on a case-by-case basis. Where Te Ao Mārama is a submitter, then the choice of mana whenua representative needs to recognise the need to avoid any real or perceived conflicts of interest. Te Ao Mārama representatives were lead organisation on a regional wide Cultural Landscapes Assessment undertaken as part of the plan change to address Natural Features and Landscapes in the Southland District Plan.
Creating opportunities to increase iwi/Māori representation across Council's governance structure, solidifying Te Tiriti o Waitangi treaty partnership principles.	ONGOING	
Actively embodying the outcomes of the Resource Management Act reform and local government review implementing a local government system that embraces the treaty partnership.	ONGOING	Co-drafting with mana whenua the Landscapes and Natural Features Plan change.
Continued internal cultural competency of Tikanga Māori practices and principles by supporting the continuation of the Te Rohe Pōtae o Murihiku Tikanga Māori Group.	ONGOING	The Tikanga Māori Rōpū meets fortnightly to learn and understand whakapapa, tikanga and te reo in a safe, encouraging environment. The rōpū steering group has drafted their strategic document to be adopted by the end of the 2023 calendar year.
Reviewing the Charter of Understanding between Te Rūnanga o Awarua, Te Rūnanga o Oraka/Aparima, Te Rūnanga o Hokonui and, Te Rūnaka o Waihōpai, Clutha District Council, Environment Southland, Gore District Council, Invercargill City Council, Queenstown Lakes District Council and Te Rohe Potāe o Murihiku (Southland District Council) and continuing to strengthen the associated relationships.	ONGOING	
Maintain existing protocols with Māori in relation to the ways in which Council undertakes its statutory duties and integrate protocols into the organisation.	ONGOING	The charter of understanding/He Huarahi mō Ngā Uri Whakatapu, which is the foundation document for the relationship, was comprehensively reviewed in 2016. The charter has now been in existence for 25 years and this was recognised at the recent New Zealand Planning Institute Awards with a Best Practice Commendation in 2019. Council is committed to increasing awareness and, in time, providing training to our wider organisation in regards to the charter. Council is committed to reviewing, updating and educating in regards to the Charter of Understanding/He Haurahi mō Ngā Uri Whakatapu.
Support the implementation, integration, review and understanding of Te Tangi a Tauira – The Cry of the People Ngãi Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan 2008 into Council plans and policies.	ONGOING	Raising awareness inter-departmentally of the relevance of Te Tangi a Tauira – The Cry of the People Ngāi Tahu ki Murihiku in Council business and processes through presentations and discussions. Co-drafting with mana whenua the Landscapes and Natural Features Plan change. Development of a strategy to embed Te Ao Māori/tikanga principles and practices into everyday 'business as usual' processes.
Maintain its commitment to ongoing funding of Te Ao Mārama Incorporated, the Ngāi Tahu (Murihiku) resource management agency.	ONGOING	Ongoing funding for Te Ao Mārama has been included in the 2021-2031 Long Term Plan.
Continue to train new staff and councillors on marae protocol, local history and related legislation.	ONGOING	The Te Rohe Pōtae o Murihiku Tikanga Māori Rōpū was formed internally with a key purpose to ensure Te Tiriti o Waitangi is authentically honoured and implemented within business practices and processes. Understanding Te Ao Māori practices such as marae protocol is achieved through the rōpū philosophy of 'learning through doing'. Council is committed to supporting the Tikanga Māori Rōpū as a pathway for staff and councillors to develop confidence, knowledge, and practice in all things Te Ao Māori.
Continue to provide regular 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	ONGOING	Contact sessions held regularly in 2021/2022. These have been very well attended by staff with high interest and the sessions are now usually fully booked.
Display Ngãi Tahu taonga items, following agreement with Murihiku Ngãi Tahu Papatipu Rūnanga at its Invercargill office and all area offices, to acknowledge the strength and importance of its relationship with Ngãi Tahu.	ONGOING	A carving is in place inside Council chambers and a blessing ceremony was held on its move to Don Street. Opportunities for display will be considered for any new sites.

### PERFORMANCE AND PROJECTS OVERVIEW

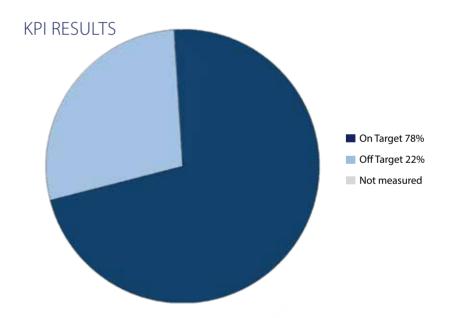
Council activities are broken down into seven activity groups.

Each activity group has performance measures and key performance indicator (KPI) targets that were set in the Long Term Plan 2021-2031, as well as capital expenditure projects.

For more detail, please refer to individual activity groups in the Council activities section.

#### **KPIs**

Activity group performance results	Achieved	Not achieved	Not measured	Total
Community leadership	3	-	-	3
Community resources	7	3	-	10
Environmental services	5	4	-	9
Stormwater	9	-	-	9
Transport	7	2	-	9
Sewerage	8	1	-	9
Water supply	6	3	-	9
Total	45	13	-	58
	On target 45	Off target 13		



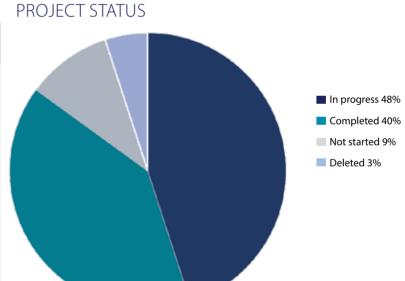
#### **CAPITAL EXPENDITURE PROJECTS**

The project list is extracted from an internal system.

As at 30 June 2023. 40% of projects were completed, 48% were in progress, 9% were not started, 3% were terminated.

#### **Activity group** Completed In **Terminated** Not Total projects status progress started Community leadership 56 12 5 119 Community resources 46 Corporate services\* 1 **Environmental services** 2 8 Stormwater 15 19 Sewerage 4 23 Transport 11 Water supply 8 24 33 97 Total 81 18 203

<sup>\*</sup> Council has various corporate services that are considered internal activities. These corporate services are funded through internal charges which are spread over the seven activities.



## FINANCIAL

### **OVERVIEW**

The financial overview provides a summary of the year-end financial results for the Southland District Council group.

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, the Stewart Island Electrical Supply Authority, Milford Community Trust, as well as Council's share of its associated entities.

The table shows the financial year-end results, as at 30 June 2023, and includes comparisons from the previous financial year and the budget for 2022/2023 as outlined in the Annual Plan 2022/2023.

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

The changes in the accounting policies relate to PBE IPSAS 41 which supersedes PBE IPSAS 29 Financial Instruments requirements for the various classes of financial instruments and PBE FRS 48 which replaces the service reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and are effective for the year ended 30 June 2023. Full details of Council's accounting policies can be found on pages 147-162.

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**

NET SURPLUS/(DEFICIT) What income the Council group AFTER TAX has left after operational costs

are paid.

**EQUITY** Net assets owned by ratepayers.

NET ASSETS What the Council group has less

what it owes at the end of the year.

CASHFLOW How the Council group generated

and used cash during the year.

#### **FINANCIAL SUMMARY**

GROUP 2021/2022 Actual (\$000)		GROUP 2022/2023 Actual (\$000)	COUNCIL* 2022/2023 Budget AP (\$000)	VARIANCE (\$000)
	COMPREHENSIVE REVENUE AND EXPENSE			
96,559	Revenue earned (incl asset development)	105,521	89,488	16,033
(95,248)	Less total expenditure	(113,664)	(92,416)	(21,248)
(402)	Less finance costs	(649)	(2,259)	1,610
319	Share of associate's surplus/deficit	434	<u>-</u> :	434
1,228	Net surplus/(deficit)	(8,358)	(5,187)	(3,171)
3,495	Movement in fair value reserve	(3,740)		(3,740)
368,977	Movement in asset revaluation reserve	165,573	49,081	116,492
373,699	Comprehensive revenue and expense	153,475	43,895	109,581
	CHANGES IN EQUITY			
1,624,444	Equity at start of year	1,998,144	1,677,696	320,448
373,699	Total comprehensive income	153,475	43,895	109,580
1,998,144	Equity at the end of the Year	2,151,619	1,721,590	430,028
	FINANCIAL POSITION			
1,998,144	Total equity	2,151,619	1,721,590	430,028
21,777	Current assets	22,645	15,142	7,503
2,008,951	Non-current assets	2,176,223	1,815,975	360,248
2,030,728	Total assets	2,198,868	1,831,117	367,751
15,758	Current liabilities	17,073	25,740	(8,667)
16,826	Non-current liabilities	30,176	83,787	(53,611)
32,584	Total liabilities	47,249	109,527	(62,278)
1,998,144	Net assets (assets less liabilities)	2,151,619	1,721,590	430,028
	CASH FLOWS			
29,294	Operating cashflow	24,740	22,757	1,983
(34,213)	Investing cashflow	(26,486)	(43,021)	16,535
11,800	Financing cashflow	5,000	20,435	(15,435)
6,880	Net cashflow increase/(decrease)	3,254	171	3,083
2,016	Opening cash Balance	8,897	94	8,803
8,897	Closing cash balance	12,151	265	11,886

<sup>\*</sup> The 2022/2023 budget is for Council only (ie excludes Milford Community Trust).

The Council group's revenue
was \$16 million higher
than budgeted as a result
of \$14.5 million of assets
transferred to Council from
developers, additional
government grants for projects
in Manapouri and Te Anau
as well as increased forestry
income as a result of
additional harvesting.



### **IN SUMMARY**



Total expenditure was \$21.2 million over budget for the year, primarily due to higher depreciation costs resulting from the revaluation of roading and three water assets, additional forestry harvesting costs and an updated landfill provision. Finance costs were less than expected because Council has not commenced its investment and borrowing strategy, this will be started in 2023/2024.

As a result, the group's net deficit was \$3.2 million more than budgeted.

Group net assets are \$430 million more than budgeted due mainly to the revaluation of Council's infrastructure assets. Council continues to maintain a strong financial position with \$2.2 billion in assets and minimal liabilities.

Council's operating cash was \$2m higher than budget as a result of additional government grants received as well as increased forestry harvesting income. Due to Council undertaking less capital work than budgeted its investing cashflow was \$16.5m lower than budgeted.

As a result of less capital work being undertaken, Council did not require the level of financing required (\$15.5m). Additionally, with a higher opening cash position (\$8.8m), the group's closing cash balance was \$12 million above budget.



Further explanations of financial statement variances from budget can be found in note 35 of the financial statements.

### Where the revenue came from

The group's revenue this year was \$105.2 million which was \$16.0 million higher than budget. The breakdown of this is shown in the following table.

SOURCES OF REVENUE	Group Actual (\$000)	% of total revenue	Budget (AP) (\$000)	% of total budgeted revenue	Variance (\$000)	Variance Explanations
Rates revenue	59,087	56%	59,189	66%	(101)	
Waka Kotahi NZ Transport Agency	14,349	14%	17,347	19%	(2,997)	Lower due to delays in the bridge replacement programme, delivery for Road to Zero programme and extended procurement process for pavement rehabilitations and traffic services.
Other revenue	13,337	12%	8,766	10%	4,571	Higher due to:  Forestry harvesting income (\$1.9 million). During the Annual Plan Council had not planned to undertake any harvesting activities. However, early in the 2022/2023 year the forestry management plan was reviewed and there was a decision to harvest, which resulted in unplanned harvesting income. Council has a 31% share in WasteNet, a jointly controlled operation of Council which has a principal activity of managing the disposal of rubbish and recycling in Southland. As we cannot anticipate the performance of WasteNet we did not budget in the Annual Plan (\$1.6 million)
Other gains/(losses)	337	0%	984	1%	(647)	
Grants and subsidies	2,486	2%	1,287	1%	1,199	Higher as Council replaced and built new toilets and improved other tourism infrastructure in Manapouri and Te Anau
Interest and dividends	475	0%	1,916	2%	(1,441)	Lower investment interest due to not implementing our proposed investment strategy during the year.
Vested assets	14,538	14%	-	0%	14,538	There were a number of subdivision developments where the developer created new assets, eg waterpipes and footpaths, and transferred these to Council. In particular around Te Anau, Riverton, Riversdale and Winton.
Development and financial contributions	912	1%	-	0%	912	Financial contributions were used to supply the following: - Riversdale Wastewater treatment plant upgrade - \$0.5 million - Sinclair Avenue watermain renewal - \$0.4 million. The use of these development contributions have resulted in lower loans drawn down and were at the request at the NTU.
TOTAL	105,251	100%	89,488	100%	16,033	



### Where your rates were spent

The table shows the breakdown of where the rates collected by Council were spent in 2022/2023.

ACTIVITIES RATES WERE SPENT ON	Actual (\$000)	% of total rates
Transport	17,850	30%
Community Resources	13,401	23%
Community Leadership	8,715	15%
Water Supply	6,070	10%
Sewerage	6,144	10%
Environmental Services	5,542	9%
Stormwater	1,365	2%
TOTAL	59,087	100%

### Operational expenditure

Group operating expenditure totalled \$114 million, with nearly half of this relating to roading and transport services (43%). Overall operating expenditure was over budget by \$19.7 million. The breakdown of this is shown in the following table.

OPERATIONAL EXPENSES	Group Actual (\$000)	Budget (AP) (\$000)		Variance Explanations
Other Council Expenditure	59,620	45,206	(14,414)	Higher provision for landfill contingencies (\$8.4 million), which reflects the best estimate of the cost to remove or protect material in closed landfills across the district
				Council has a 31% share in WasteNet, a jointly controlled operation of Council which has a principal activity of managing the disposal of rubbish and recycling in Southland. As we cannot anticipate the performance of WasteNet we did not budget in the Annual Plan (\$1.4 million).
				Maintenance of sealed and unsealed roads (\$1.2 million). The roading activity has included a transfer of capital expenditure to operational spend. This adjustment is to cover inflation increases in the three main maintenance contracts. The result is no change to the overall roading spend but a change to the level of service delivered.
				Consultants were higher (\$1.1 million). As Council was unable to recruit the vacant positions it has at times hired other resources to fill the need and this cost has primarily been met by lower employee expenses. Extra consultants have also been required for water and waste extra funding.
				Forestry harvesting costs (\$1.0 million). During the Annual Plan Council had not planned to undertake any harvesting activities. However, early in the 2022/2023 year the forestry management plan was reviewed and there was a decision to harvest, which resulted in unplanned harvesting costs.
				There was unplanned reactive maintenance repairs (\$0.8 million) across the district being incurred to maintain an effective network that meets our regulatory requirements.
				Waste disposal costs (\$0.5 million). The increase in costs is based on the actual prices being paid currently for waste disposal. Waste disposal rates have increased by 47% from July 2020 to July 2022. This is primarily driven by the emission trading scheme levy increasing from \$50 to \$85 over this period and the Government waste disposal levy increasing from \$10 to \$20. Volumes of waste disposal also increased compared to 2021/2022.
Depreciation and Amortisation	36,487	28,760	(7,727)	Higher than budget primarily due to the revaluation of infrastructure for roading and three waters as the revaluations use the most recent contract rates and price indices to update the asset values.
Employee Benefit Expenses	17,559	18,450	891	Council was unable to recruit vacant positions, leading to a reduction in employee costs. However, this was offset by the higher cost of consultants required to cover vacant roles.
Finance Costs	649	2,259	1,610	Due to investment policy changes we have not borrowed funds as anticipated, which resulted in lower finance costs. The current finance charges only reflect the interest on the current LFGA borrowings.
TOTAL	114,315	94,675	(19,640)	

#### **CAPITAL EXPENDITURE**

Capital expenditure (including vested assets and WIP) totalled \$41.2 million in 2022/2023 with the majority of this occurring across the infrastructure activities as shown in the table below.

Overall capital expenditure was \$2.3 million less than the \$43.6 million budgeted due to delays completing projects and programmed works for roading, three waters and tourism infrastructure projects which were government-funded.

However, \$14.5 million of this expenditure relates to assets transferred to Council from developers (vested assets). Total capital expenditure excluding vested assets was \$26.7 million, which was \$16.8 million less than budget.

More detail on project status is included in the performance and projects overview on pages 26 and 27.

Activity capital expenditure	Group Actual (\$000)	% of total	Budget (\$000)	% of total capital budgeted	Variance Actuals to Annual Plan (\$000)
Transport	17,940	17%	24,859	57%	(6,919)
Sewerage	7,163	17%	5,185	12%	1,978
Community Resources	7,026	17%	4,001	9%	3,025
Water Supply	5,175	13%	7,200	17%	(2,025)
Stormwater	3,300	8%	898	2%	2,402
Corporate Services	383	1%	1,122	3%	(739)
Environmental Services	237	1%	229	1%	8
Community Leadership	43	0%	82	0%	(39)
Total	41,267	100%	43,576	100%	(2,309)

#### **NET ASSETS AND EQUITY**

Overall, Council's total net assets are \$430 million more than budget.

This is primarily due to the increase in the valuation of Council's infrastructure assets being significantly higher than budgeted.

#### **CASHFLOW**

The group's net operating cashflows were \$2.0 million higher than budgeted, which was due to additional government grants received as well as increased forestry harvesting income.

Net cash outflows from investing activities were \$16.5 million lower than budgeted as Council did not incur the full capital expenditure of the projected budget in 2022/2023. The remaining budget has been carried forward into 2023/2023.

Net cash inflow from financing activities was \$15.4 million less than budget as lower levels of external borrowings were required as there was lower capital expenditure.

Overall this resulted in a net cash increase over budget.





#### **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.

Actual results for the 2018/2019, 2019/2020 and 2020/2021 financial years are compared against the benchmarks set in the 2018-2028 Long Term Plan.

Actual results for the 2021/2022 and 2022/2023 financial years are compared against the benchmarks set in the 2021-2031 Long Term Plan.

## Benchmark Met Benchmark Not Met Benchmark

#### RATES AFFORDABILITY BENCHMARK

The group meets the rates affordability benchmark if its actual rates increase equals or is less than the Council's budgeted quantified limit on rates increases.

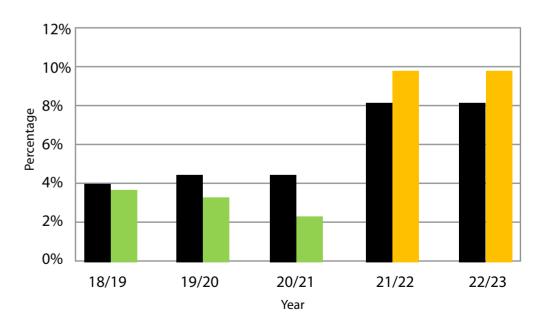
Table 1 below compares the Council's actual rates increases with its self-imposed limit.

This benchmark looks at the year-on-year percentage increase in rates revenue. As forecasted in the LTP, Council did not meet the rates (increases) affordability benchmark.

In setting the limit as part of the LTP Council acknowledged its desire to keep rates within an envelope that was potentially more affordable for many of our ratepayers. However, it balanced this against a need to maintain and further invest in our infrastructure and as such noticed for the first two years of the LTP our rates increase would be higher than the rates increase imposed.

For 2022/2023 the actual rate increase was higher than was indicated in the LTP and this reflected higher costs in undertaking the infrastructure work required.

TABLE 1 – TOTAL RATES INCREASE



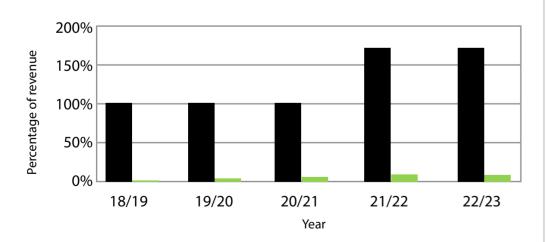
#### **DEBT AFFORDABILITY (NET DEBT)**

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

As part of setting the financial strategy for the LTP, Council set the limit of the amount of debt it will borrow against its revenue being less than or equal to 175%.

Given the low level of borrowing, Council continues to meet this benchmark.

#### TABLE 2 DEBT AFFORDABILITY (NET DEBT)



■ Debt limit LTP

Debt as a percentage of total revenue

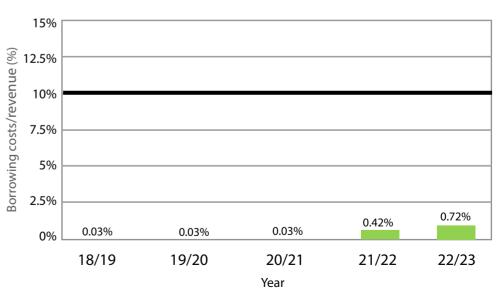
#### **DEBT SERVICING BENCHMARK**

This benchmark is calculated by taking Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets and revaluations of property plant or equipment).

Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. The limit of this benchmark is set by legislation.

As per table 3, Council's borrowing costs have increased from previous years but still meets the debt servicing benchmark.

#### **TABLE 3 DEBT SERVICING**



#### **ESSENTIAL SERVICES BENCHMARK**

Council meets this benchmark if its capital expenditure on infrastructure assets equals or is greater than depreciation on the same assets.

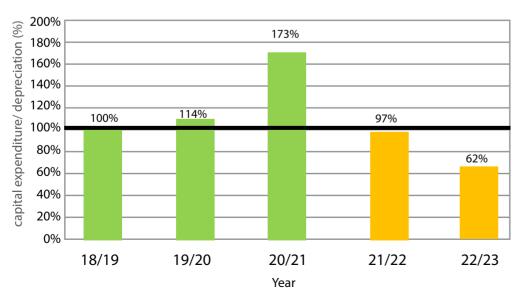
The capital expenditure on infrastructure assets as a proportion of depreciation on the infrastructure assets is displayed in table 4 below.

This limit is set by legislation.

Council did not meet this benchmark in 2021/2022 and 2022/2023 due to there being fewer capital works undertaken on infrastructure assets than planned and depreciation being higher than budgeted due to the increased revaluation of Council's infrastructure revaluations.

The impact of increasing depreciation will be an issue to work through as part of developing Council's 2024-2034 LTP.

#### TABLE 4 ESSENTIAL SERVICES



#### **BALANCED BUDGET BENCHMARK**

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

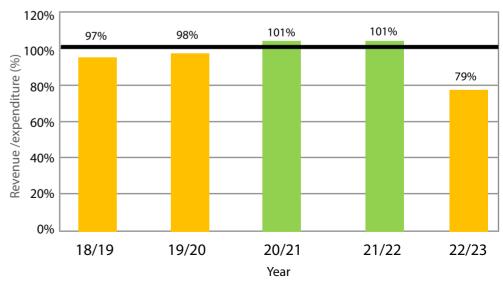
Table 5 displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

This limit is set by legislation.

As forecasted in the LTP Council did not meet its balanced budget benchmark in 2022/2023. The three key areas contributing to this are:

- Phasing the funding of depreciation on key district assets over 10 years starting in 2015, and a decision not to fund all depreciation on all assets
- an increased charge of depreciation for this year as a result of the increased infrastructure asset value as well as partial use of funded depreciation reserves to fund interest and principal repayments on loans borrowed to fund capital renewals, principally for water and wastewater projects, plus
- · increased landfill provision

#### TABLE 5 BALANCED BUDGET



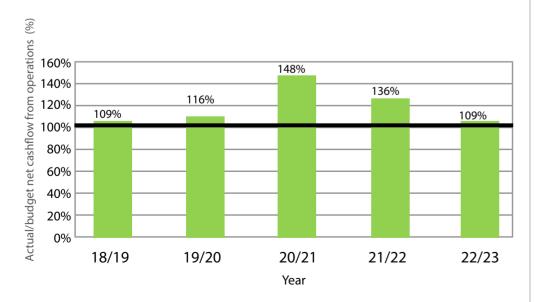
#### OPERATIONS CONTROL BENCHMARK

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

Council continues to meet this benchmark in 2022/2023 due to increased cash from other revenue (\$8.8 million) due to unbudgeted forestry harvesting income and higher grants for tourism infrastructure fund, which was offset by:

- o higher payments to suppliers and employees (\$4.2 million) due to maintenance of sealed and unsealed roads, additional forestry harvesting costs, unplanned reactive maintenance as well as waste disposal costs. Higher consultants' fees were offset by lower employee costs.
- less income from Waka Kotahi (\$3.3 million) due to delays in the bridge replacement programme, delivery for Road to Zero programme and extended purchasing process for pavement rehabilitations and traffic services.
- o lower interest paid due to lower funding (\$1.6 million).

#### **TABLE 6 OPERATIONS CONTROL**



#### **DEBT CONTROL BENCHMARK**

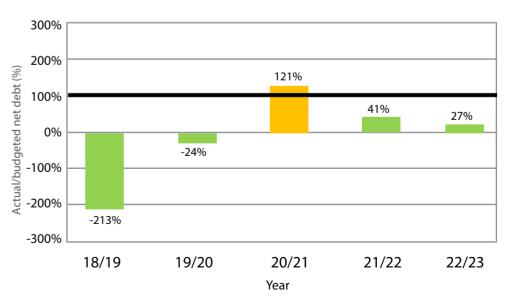
Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

Table 7 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).

This limit is set by legislation.

Council meets this benchmark in 2022/2023 due to the actual level of debt at balance date being less than what was planned in the 2022-2023 Annual Plan.

#### **TABLE 7 DEBT CONTROL**







### **SHARED SERVICES**

STATEMENT

Council participates in relevant shared service arrangements via the Southland Triennial Agreement and a Memorandum of Understanding with the other local authorities locally and nationally. There are a variety of other collaborative arrangements in place with local councils and mana whenua. The following are examples of some of those collaborations.

Four southern territorial authorities including Southland District Council, Invercargill City Council, Gore District Council and Clutha District Council continue to work closely together on building control matters under the Southern Shared Services Group in terms of both information sharing and staff exchanges to support each other at busy times.



## **BUILDING**CONTROL

Eleven building control authorities (BCAs) – Southland District Council, Invercargill City Council, Gore District Council, Clutha District Council, Dunedin City Council, Central Otago District Council, Mackenzie District Council, Queenstown Lakes District Council, Timaru District Council, Waimate District Council and Waitaki District Council – meet regularly both as a BCA managers' group and a quality assurance leaders group under the Southern Building Controls Group.

They have developed a collaborative environment for consistency in processes as well as shared regulation forms and continuous improvement ideas.

The networking and engagement of these collaboration groups helps to standardise the consent processing methodology and quality assurance processes, improving the communities' experiences when working with a variety of councils in the South Island.





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



## **EMERGENCY MANAGEMENT**

SOUTHLAND



It focuses on ensuring resilience in communities by preparing for emergencies and ensuring communities are able to respond to and recover from these when they happen. Specific actions include public education and ensuring a pool of trained personnel.

During the 2022/2023 year, EMS team members were deployed on six occasions to assist with Auckland's flooding event and Cyclone Gabrielle, providing Auckland, Kaikohe and Hawke's Bay with much-needed assistance and invaluable experience for attending staff. Emergency Management Southland duty officers have been contacted after hours for several other minor events throughout the year, including an earthquake and possible resulting tsunami from the Kermadec and Loyalty Island groups, and several weather warnings.

Emergency Management Southland has concentrated on providing increased training for the council staff who would be called into the Emergency Coordination Centre to assist in the event of a declared state of emergency. There has been induction, foundation, a CIMs course and new function-specific training. 178 staff have attended these training sessions. Towards the end of the year EMS held Exercise Star, a combined exercise with emergency service and more than 50 council staff, testing the knowledge gained in training during the past year.

The AF8 programme is a combined South Island emergency management initiative run and administered by EMS. The programme completed the AF8 roadshow, which communicates the next Alpine Fault earthquake as a South Island-wide event. It is not simply something that will happen over there, to others. It is an event we should all be aware of, and be better prepared for. The roadshow as a public education initiative is due to a collaborative effort, where science provides the foundation for robust community-led discussions and informed decision-making, supported by local emergency management and communication experts. The 2023 itinerary was expanded to 24 public science talks and 13 school visits around the South Island. The tour ran for nine weeks and visited communities that had missed out in the previous AF8 roadshows, including two marae in Canterbury and the Marlborough Sounds, with some repeat visits to West Coast communities.

Emergency Management Southland was successful in securing \$200,000 of funding from the National Emergency Management Agency (NEMA) resilience fund for the continued running of the AF8 programme, which will help to ensure future development of the programme.

Following a Regional Climate Change Hui on 4 July 2022, Environment Southland, Te Ao Mārama, Gore District Council, Invercargill City Council and Southland District Council have established a regional climate change inter-agency working group (RCCWG).



This governance-level group has been meeting regularly since February 2023.

The purpose of this working group is to effectively and collaboratively progress and communicate a joined-up approach to developing and executing a regional climate change strategy and framework for action for Murihiku Southland.

This is as a key step towards Murihiku Southland mitigating and adapting to the regional impacts of climate change.



## REGIONAL CLIMATE CHANGE

INTER-AGENCY GROUP





While this working group is not a formal joint committee and does not have formal delegations, it is expected that as the work progresses it will feed into the regionally co-ordinated approach to spatial planning for the region.

The IT Shared
Services Operations
Sub-Committee has
undertaken activity
during the past 12
months to align the
operations of member
councils and provide
a more collaborative
platform moving
forward.



### INFORMATION

**TECHNOLOGY** 



Collaboration and communication between all participating councils remains strong, with each member freely sharing their council's technology journey, upcoming projects and opportunities to align services.

The councils continue to support each other with information on emerging trends, risks, and resolutions to new issues.

Shared services initiatives during the past year included:

 Significant progress was made on the Provincial Growth Fund Regional LiDAR Project. As of 30 June 2023, the total area captured by the contractor, Aerial Services Limited, for Murihiku Southland was 97%.

The remaining 3% will be completed in early summer 2023. Once captured, the data is processed offshore and returned to Environment Southland for quality assurance checking. The first sets of high-resolution LiDAR data for the Oban area of Stewart Island Rakiura, Mataura catchment and the south-east coast have been released publicly. They can be accessed via the LINZ website Southland LiDAR Index Tiles (2020-2022) | LINZ Data Service.

The rest of Murihiku Southland will be released as it becomes available. Council is developing publicly available tools to utilise these datasets, eg, 3D elevation models and contour mapping. They will be available as they are completed on Council websites.

 Along with the LiDAR project, we have reflown the region for imagery, 75% of the rural area was captured in the 2022/23 summer, and the remaining 25% will be captured in the 23/24 summer. 100% of the urban areas were flown. Invercargill City Council completed a high-resolution project in 2022; this data is now available on council websites.

The remaining updated imagery will be publicly available via LINZ and council websites as it becomes available. It is expected that this will be by October 2023.

In 2009, all eight councils in Otago and Southland (Central Otago District Council, Clutha District Council, Dunedin City Council, Gore District Council, Invercargill City Council, Southland District Council, Queenstown Lakes District Council and Waitaki District Council signed a historic memorandum of understanding to collaborate in the delivery of public library services across the two regions.



### **SOUTHLIB** LIBRARY CONSORTIUM



The SouthLib consortium provides free reciprocal membership of any public library in the Otago and Southland regions to permanent residents living anywhere in the regions. This means that the more than 356,000 people living in Otago and Southland have free access to 42 public library branches, three book buses and a collection of more than 1.5 million items.

All libraries in the consortium are now completely fine-free or moving towards it. Public Libraries of New Zealand (PLNZ) launched a campaign last year to help all public libraries remove late fees. Fine Free Aotearoa is a step-by-step guide to help library managers, council members, and communities build a better and brighter future through engagement with their local library. Public libraries are a valuable part of our social infrastructure, a place to be connected, to learn, to access trusted information, and a platform to ensure our communities get the best out of life. Going fine-free opens doors for everyone, not just those who can afford it.

A range of opportunities and collaborations between the districts have taken place and these include integrated holiday and reading programmes, requests and holds able to be placed across boundaries. Authors visits are coordinated to minimise costs/travel and accommodation. Attendance at library programmes and events throughout the Southland and Otago region has seen 106,000 attendees. E-resource collections across the consortium are growing steadily and 650,000 e-items were issued to users across the region.

The National Library, Aotearoa Public Network Kaharoa (APNK) in collaboration with New Zealand continues to provide free and facilitated access to the internet and computer technology with 52,795 wi-fi sessions by Southland users being accessed during the year.

We continue to subscribe to the shared library management and resources discovery service of the Kōtui consortium. As part of the Kōtui consortium, library managers and staff benefit from access to reliable future-proofed systems, and the ability to easily build resource-sharing networks with other Kōtui public libraries for their physical resources. Other benefits of Kōtui membership include training opportunities, seven-day service desk support from a specialist team, and an active and supportive membership community.

The public using Kōtui libraries benefit from resource discovery tools at their fingertips, making it easy to find what they want in their library's physical and electronic collections. Library users can search these resources in the library, at home or on their smartphone devices, making the service convenient and adaptable to the wide variety of needs of the community.

During the previous financial year, Great South (the Southland Regional Development Agency) was successful in gaining Just Transition funding to undertake long-term planning including a review of the Southland Regional Development Strategy.



Following 18 months of stakeholder and community engagement, the Beyond 2025 Southland Regional Long Term Plan was launched in June 2023.

The plan shares aspirations for the region's future economy, environment and people and how these aspirations could be achieved.



## REGIONAL DEVELOPMENT





Further information can be sourced from www.beyond2025southland.nz

The Second Tier Environmental
Group and Regional Planning
and Strategy Managers
Group (comprising staff from
Environment Southland,
Invercargill City Council,
Southland District Council, Gore
District Council, Te Ao Mārama
Inc. and Great South) continued
to work together to respond to
legislative change.



### REGIONAL PLANNING

A co-ordinated approach to regional spatial planning in the region began during the 2022/2023 year.

We are jointly working together to determine the current state of existing information and also starting the scoping of a future work programme to fill any information or resource gaps.

#### Future challenges

- Resource Management, Three Waters and Local Government Reform
- Adapting to impacts of climate change and ensuring a resilient community
- The proposed closure of Tiwai Aluminium Smelter
- Freshwater and estuary health and implementation of Te Mana o te Wai





Council works towards its vision in its plans, strategies and policies and also through the activities outlined in its Long Term Plan.



## **ABOUT**THE COUNCIL

#### The role of Council is:

- to enable democratic local decisionmaking and action by and on behalf of communities
- to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

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 Long Term Plan
- facilitating solutions to local issues and needs
- advocating 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.

Council consists of a mayor and 12 councillors elected by Southland district residents/ratepayers every three years.

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









### GOVERNANCE SYSTEMS

#### Council committees

Committees have been established by Council to assist with conducting the business of Council. These are listed on page 53.

#### Community boards

Following Council's six-yearly Representation Review, which was completed in 2019, the number of community boards increased to nine (formerly eight), allowing district-wide access to local decision-making.

The boards prepare local budgets, recommend local rates and make decisions on issues specifically delegated by Council.

Council has a policy of decentralising responsibilities, where practical, to ensure local input into decision-making and the setting of priorities for issues of local concern.

#### Water supply subcommittees

Council has three 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.

#### **Youth Council**

Southland District Youth Council is made up of school-age representatives who live across the district and meet approximately every three months.

Mayor - Rob Scott					
Oreti Ward	Mararoa Waimea Ward	Waiau Aparima Ward	Waihopai Toetoe Ward	Stewart Island Rakiura Ward	
Councillor Christine Menzies (deputy mayor)	Councillor Matt Wilson	Councillor Don Byars	Councillor Paul Duffy	Councillor Jon Spraggon	
Councillor Darren Frazer	Councillor Tom O'Brien	Councillor Jaspreet Boparai	Councillor Julie Keast		
Councillor Margie Ruddenklau	Councillor Sarah Greaney	Councillor Derek Chamberlain			

Community boards	Council committees	Joint committees
Ardlussa	Finance and Assurance Committee	Joint Shareholder Committee for Great South
Fiordland	Independent chair	Southland Civil Defence Emergency Management Group
Northern		Southland Regional Heritage Committee
Oraka Aparima		
Oreti		Southland Regional Land Transport Committee
Stewart Island Rakiura		WasteNet (WasteNet Management Advisory Group)
Tuatapere Te Waewae		
Waihopai Toetoe		
Wallace Takitimu		

Council membership on external organisations	Council-controlled organisations	Council subcommittees
Age Concern Southland	Great South	Ohai Railway Fund
Creative Communities	Milford Community Trust	Riverton Harbour Subcommittee
Destination Fiordland	Southland Museum and Art Gallery Trust	Stewart Island/Rakiura Visitor Levy Subcommittee
Gore and Districts Community Counselling Centre Inc		Taramea (Howell's Point) Management Committee
Milford Opportunities Project	A MALESTANIA	
Pioneer Women's Memorial Trust (Gore)		
Rakiura Heritage Centre Trust	Youth representation	Water supply subcommittees
Regional Community Road Safety Network	Southland District Youth Council	Five Rivers
Southland Regional Indoor Leisure Centre Charitable Trust		Matuku
Southland Medical Foundation		Te Anau Basin
Southland Regional Heritage Building and Preservation Trust		
Te Rōpū Taiao		
Waiau Working Party		
Whakamana Te Waituna		



## **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).

#### **CAMERON McINTOSH - CHIEF EXECUTIVE**

The leadership team (comprising the chief executive, three group managers, the chief financial officer, and the people and capability manager) reviews all general organisation issues, providing a link between Council and staff.

The management of Council is structured under five groups.

	Each group is led by a group manager or chief officer.					
People and capability manager	Group manager programme delivery	Group manager democracy and community	Group manager infrastructure and environmental services	Chief financial officer		
People and capability Payroll Employee wellbeing	Project delivery Community facilities Health, safety and wellbeing Property services	Communications and engagement  Community leadership  Governance and democracy  Grants and donations  Strategy and policy  District libraries  Customer delivery  Iwi liaison  Museums	Commercial infrastructure and procurement (airports, Around the Mountains Cycle Trail, forestry and SIESA) Building control Dog and animal control Emergency management Environmental health Liquor licensing Resource management Information technology Strategic water and waste services Rakiura recycling Strategic transport Knowledge management	Finance		
		16 No.				

# STATEMENT OF COMPLIANCE AND RESPONSIBILITY

#### **COMPLIANCE**

Council and management of Southland District Council hereby confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

#### **RESPONSIBILITY**

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

Council and management of 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 Council and management of Southland District Council, the annual financial statements for the year ended 30 June 2023 fairly reflect the financial position and operations of Southland District Council.

Rob Scott MAYOR

Cameron McIntosh
CHIEF EXECUTIVE





#### INDEPENDENT AUDITOR'S REPORT

#### TO THE READERS OF SOUTHLAND DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Southland District Council (the District Council) and its controlled entities (the Group). The Auditor-General has appointed me, Mike Hawken, using the staff and resources of Deloitte Limited, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 25th October 2023. This is the date on which we give our report.

#### Opinion on the audited information

In our opinion:

- the financial statements on pages 150 to 234:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2023;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 171 to 172, presents 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 statement of service performance on pages 68 to 69, 84 to 87, 97 to 101, 108 to 110, 116 to 117, 122 to 123 and 128 to 131:
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2023, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and

### Deloitte.

- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 73, 88, 102, 111, 118, 124 and 132 presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 73, 88, 102, 111, 118, 124 and 132, presents 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 Long-term plan.

#### Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 37 to 40, which
  represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's
  long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

#### Uncertainty over the financial impact of three waters reform

Without modifying our opinion, we draw attention to note 31(i) which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined in note 31(i) remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

#### Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.



#### Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

#### Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council to cease to continue as a going concern.

### Deloitte.

We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the
underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 35, 41 to 57 and 134 to 149, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, and the provision of internal audit services, we have no relationship with, or interests in, the District Council.

Mike Hawken

for Deloitte Limited
On behalf of the Auditor-General

Dunedin, New Zealand



#### **Council activities**

This section provides an overview of Council's activities, organised within Council's nine groups of activities. Four of these groups are mandatory under the Local Government Act – roads and footpaths, wastewater, stormwater and water supply.

We organise our work into seven activity groups. These are:

- 1. Community leadership (including representation and advocacy, community and futures, community assistance)
- 2. Community resources (including community facilities, community services, open spaces, waste services, Stewart Island Electrical Supply Authority)
- 3. Environmental services (including environmental health, animal services, resource management, building solutions, emergency management)
- 4. Stormwater
- 5. Transport (including roading and footpaths, cycle trails, airport, water facilities)
- 6. Wastewater (including sewerage and the treatment and disposal of sewerage)
- 7. Water supply

#### **Community leadership**

#### Includes the following activities:

- representation and advocacy
- community and futures
- community assistance

#### What we do

This activity group encompasses four key services, which are:

- community-led development: supporting collaborative partnerships with the community and key agencies/stakeholders
- community planning: planning with the community and key stakeholders effectively
- community engagement: connecting with the community effectively
- community representation: enabling democratic decision-making by, and on behalf of, communities.

#### Why we do it

This activity encourages collaboration, partnerships, and strong relationships so communities can achieve more, but also strengthens community connections, leadership, understanding and self-reliance. This in turn helps embed intergenerational wellbeing and local democracy.

#### **Community outcomes**

We are required to report which of the community outcomes the activity group primarily contributes to. Council's strategic framework can be found on page 7. The orange shading indicates a primary outcome contribution.

Social	Environmental	Cultural	Economic
Empowered communities with the right tools to deliver the best outcomes	Kaitiakitanga for future generations	Inclusive connected communities	Provision of appropriate infrastructure & services

#### Identified effects on community wellbeing

The community leadership activity group is a critical factor in connecting our communities with Council, community boards and our activities to develop the social and cultural wellbeing of our communities across the district. It also supports and encourages the increasing diversity within communities by providing opportunities to include and connect new arrivals to the district. Specifically:

- the representation and advocacy activity allows for local decision-making and participation at a local level within our communities
- the community and futures activity supports collaborative partnerships and connection with the local community and key national and regional agencies. Communities are able to set goals and achieve them, such as developing community board plans.
- the community assistance activity provides funding to assist communities or community groups to achieve projects that improve the wellbeing of communities.

Ineffective governance and leadership could result in decision-making that has significant negative effects on the wellbeing of local communities. There is an economic cost to providing the activity group.

#### How we did

#### **Representation and advocacy**

- From 1 July 2022 to 30 June 2023 the governance team facilitated 229 formal meetings throughout the Southland district.
- Staff and Council's electoral officer also delivered the 2022 local government elections for this Council and Environment Southland. Most of the election positions were well contested, with a large number of candidates putting their names forward. The percentage of returned votes was higher than in the previous two elections. There continues to be more diversity around the Council table.
- We helped establish the governance structure for the triennium, and facilitated elected member appointments and the adoption of a number of key governance documents such as a Code of Conduct and the Local Governance Statement.
- We delivered a staged induction programme with elected members, to try to ease their transition into the role. A number of training opportunities were provided.
- Through various channels we worked (and are continuing to work) with councillors and community boards to build strong communication, collaboration and trust.
- Council has continued to monitor and where appropriate participate in various aspects of the local government legislation reform programme. This has included acting in an advocacy role on number of matters.

Key projects for the governance team are work to facilitate a decision on the voting system for the 2025 local government elections and work relating to whether or not to establish Māori wards. This will then lead into a larger representation review project, that establishes representation arrangements for the next election. Representation reviews are the process to determine electoral boundaries, names, the number of members, the basis of elections (such as wards) and community board representation. This is a large project and staff will be engaging thoroughly with local communities to try and consider community feedback.

We will also look to monitor and where appropriate participate (by engaging or lodging submissions) in the extensive range of reform that is currently under way.

Key areas of reform currently identified in the sector include:

- Water Services Entities Amendment Bill
- review of protected records for local authorities
- building a better consenting system for building owners
- lifting the resilience of New Zealand's critical infrastructure
- the Emissions Trading Scheme
- the Emergency Management Bill
- GPS land transport statement 2024
- Building Amendment Bill
- Climate Change Adaptation Bill
- National Planning Framework that will support the Natural and Built Environment Act and the Spatial Planning Act

#### Community and futures (community development, engagement and planning)

- Community board plans were completed and implemented.
- The community leadership team carried out a consultation on hall and pool rating boundary changes for the Annual Plan 2023/2024.
- Continued to assist the community with the delivery of community-led projects and partnered with other agencies to provide training opportunities for our communities in the district.
- We were involved in the Strong Communities Murihiku workstreams as part of the Beyond 2025/Just Transitions project. Strong Communities Murihiku has been set up by Invercargill City Council to find out what makes our communities strong. The outcome of this project will be a community vision and framework, and proposals will be sent to the government for projects it may be able to fund in Southland.
- We supported community boards and staff with the initial scoping and development of projects, including preparation of funding agreements and liaison with relevant community groups and organisations for Better Off funding received. We are supporting community boards and staff with the Better Off projects for the 2023/2024 year, through scoping, developing, and funding agreements with community groups and organisations.
- The team contributed to the working group for the Winton wastewater project.
- Replacement of the Ulva Island jetty was given Council approval to proceed and the Golden Bay masterplan was completed. Our team was involved in these Stewart Island Rakiura projects.
- A welcome plan to the district was completed, with workshops held in Te Anau, Winton and Edendale, online, as well as a student workshop.
- The team helped to facilitate community service award presentations throughout the district.
- We assisted the community with the construction of a helipad on Stewart Island Rakiura.
- The official unveiling of the Oteramika Church bell tower at Gorge Road was a fabulous community event and the fruition of around seven years of planning.

- Drive My Life outcomes were achieved with 55 participants engaged in the programme, 30 participants passing and seven participants gained a New Zealand driver licence through the conversion process.
- We were involved in multiple workstreams for the development of the Beyond 2025 Southland Regional Long Term Plan.
- The team worked to transfer ownership of the Otapiri-Lora Gorge Hall to the community.
- Funding was received from central government to look at renewable energy options for Stewart Island Rakiura.
- We worked across teams and with the Oraka Aparima Community Board to support the launch of the new slide at Pilots Reserve. The slide was officially opened by Mayor Rob Scott, who was joined by local tamariki from Riverton Primary School and Riverton Childcare.
- We are working with Fiordland College's community service group on a number of projects they are interested in instigating.
- The Southland regional pump track project was completed and launched in July 2023. It will bring benefits and enjoyment to communities throughout Southland. Council's community leadership, community facilities, project delivery, and communications teams worked with Invercargill City Council, Gore District Council, Cycling Southland and Active Southland to bring the mobile modular pump track, named TunaTuna, to the region. It will be transported to communities throughout Southland and set up for use by cyclists, mountain bikers and BMX riders, or people on skateboards, scooters, and roller skates. The Southland-wide community asset can be easily transported and set up in various townships or urban suburbs for a fixed length of time before being disassembled and moved to the next location.
- The community leadership and communitions teams are partnering with the Murihiku Kai Collective, iwi, the southern territorial authorities, mutiple community stakeholders and community groups to produce a report that will support the development of a regional strategy and action plan to build food security and food sovereignty in Southland. This report will be a long-term investment in the food systems that underpin the wellbeing of our community, by helping catalyse activities that will lead to sustainable change. It will also help with making informed decisions and allocating resources effectively to local food activities in the future.
- Community leadership and water and waste teams are working with external stakeholders concerning the Waste Minimisation Fund (administered by the Ministry for the Environment) and potential community projects.

#### **Community assistance**

- The nine Community Partnership funds continue to be well subscribed and the process has helped new and existing elected members form connections and relationships with their communities, with many groups attending meetings to talk to their community boards about their application and project.
- Other Council funds such as the District Initiatives Fund, Sport NZ Rural Travel Fund and Creative Communities Scheme have also been well subscribed, helping many schools, clubs and organisations in our communities.
- We facilitated the delivery of the SDC Holiday Programme by Active Southland in January 2023.
- The team organised a water treatment course for community pools in March 2023.

#### **Performance results**

The community leadership activity group has three KPIs and three targets. All of the targets were achieved.

#### Performance measures

Community Leadership What levels of service (LoS) we provide	Level of Service 1: Make decisions in an open, transparent manner and support collaborat partnerships with the community and key agencies/stakeholders in the district and region		
	Target	Result	How Council performed
KPI 1.1: Proportion of agenda items held in open meeting 1	85%	93%	Achieved
			This is based on the number of public-excluded items on an agenda compared with the number of open items. Over the financial year there were 580 reports presented at meetings and 539 of those were discussed in an open meeting
			(2021/2022: Achieved – 94%)
KPI 1.2: Percentage of the Community Partnership Fund and District	100%	110%	Achieved
Initiatives Fund requested meets the budgeted amount			The purpose of this KPI is to measure the need for funding assistance in the community. It measures the amount of funding requested versus the amount of funding available. By monitoring this, staff are able to measure the need for funding in our communities. Demand is still strong with the overall subscription rate being 110% across the Community Partnership and District Initiatives funds. The majority of community boards distributed 100% of their funds with the exception of Tuatapere Te Waewae (due to one application from a pool being moved to their rate reserve fund) and Waihopai Toetoe (due to the funds being undersubscribed in this financial year).
KPI 1.3: Percentage of community board meetings and workshops where the	50%	81%	Achieved
community is in attendance to address the board			The purpose of this KPI is for the community boards to develop effective relationships with their local and district communities, key stakeholders and local, regional and national organisations. 81% of the workshops and meetings had members of the public in attendance to address the boards. These included people from community groups, clubs and organisations who were addressing the boards in support of funding applications to the community partnership fund, stakeholders and community groups and organisations such as, Environment Southland, local Progress League, promotions groups, and Scouts. We expect attendance numbers for future meetings to be consistent for future meetings,

Performance measures - community leadership				
			with boards being keen to continue high levels of engagement with their communities. (2021/2022: Achieved 56%)	
1 – This refers to the reports on the Council agenda and existing four standing committees and nine community boards				

#### **Community assistance funding**

	2022/2023 Actual \$(000)	2022/2023 Budget (LTP)\$(000)
Grants		
High Values Area	-	15
Hollyford Conservation Trust	10	10
lwi funding	178	185
Safe Swim Programme	23	23
Southland Indoor Leisure Centre (stadium maintenance)	75	75
Southland Regional Heritage Committee	638	649
Southland Safer Communities	-	10
Toimata Foundation (formerly Enviroschools Programme)	10	10
Waituna Partnership	25	25
Warm Homes Trust	35	35
Around the Mountains Cycle Trail	30	-
Miscellaneous grant	1	-
	2022/2023 Actual \$(000)	2022/2023 Budget (LTP)\$(000)
Scholarships		
Bursaries	6	7
Community service award	2	1
Debating competition	-	1
Outward Bound	5	8
Allocation grants		
Creative Communities	37	26
District Heritage	74	67
John Beange Reserve	(1)	5
Northern Southland Development Fund	10	10
Ohai Railway Fund	102	55
Sport NZ	20	13
Stewart Island Visitor Levy	179	147
District Initiative Fund	64	64
Ardlussa Community Partnership Fund	7	7
Fiordland Community Partnership Fund	32	32
Northern Community Partnership Fund	6	6
Oraka Aparima Community Partnership Fund	12	12
Oreti Community Partnership Fund	35	35
Stewart Island Community Partnership Fund	5	5
Tuatapere Tewaewae Community Partnership Fund	15	21
Waihopai Toetoe Community Partnership Fund	11	23
Wallace Takitimu Partnership Fund	18	19

#### **Stewart Island Visitor Levy allocations**

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. The act empowers Council to set and collect levies and obtain revenue from visitors to Stewart Island Rakiura. Under the act, funds must be used to better provide services, facilities and amenities for island visitors, or to mitigate environmental effects.

The allocation categories are:

ALLOCATION CATEGORY	FUNDING ALLOCATIONS
Council/community-owned infrastructure	60-70% (% of the funds available annually that will be allocated to Council/community-owned infrastructure)
Operational costs	20-25% (% of the funds available annually that will be allocated to operational costs)
Community projects	5-10% (% of the funds available annually that will be allocated to operational costs)

#### Multi-year

ALLOCATION CATEGORIES	THE NUMBER OF YEARS THE SUBCOMMITTEE CAN COMMIT TO GIVING FUNDS TO AN APPLICANT, IN FUTURE ALLOCATION ROUNDS
Council/community-owned infrastructure	Up to 10 years (the current allocation round, and the next nine allocation rounds)
Operational costs	Up to three years (the current allocation round, and the next two allocation rounds)
Community projects	One year (just the current allocation round)

(see the Stewart Island Rakiura Visitor Levy Policy for explanation of each allocation category)

#### **Funding**

The Stewart Island Visitor Levy Subcommittee has delegated authority and is accountable to Council to make decisions regarding funding applications to the Stewart Island Rakiura Visitor Levy Fund, in accordance with the act. The subcommittee meets annually to review applications and allocate funding. It may allocate funding only once a year.

\$177,000 of levies were received during the year, which was slightly higher than the \$147,000 budgeted, as visitor numbers were higher than expected.

The subcommittee allocated grants to one applicant during the year, totalling \$150,000, compared with the \$146,938 budgeted to be allocated. Council approved unbudgeted expenditure for the amount of \$51,591 in visitor levy fund allocations to be funded from the Stewart Island Visitor Levy Reserve in August 2023. There was \$48,529 already committed from this budgeted amount from multi-year grants issued in the 2022 funding round.

As per our Stewart Island Rakiura Visitor Levy Policy, the Annual Report contains an itemised statement of the Stewart Island Rakiura Visitor Levy Fund. For the 2022/2023 year the funds were allocated as follows:

Organisation	Allocation amount	Multi-year
Stewart Island/Rakiura Community Board – Ulva Island Wharf rebuild	\$150,000	no
Stewart Island Rakiura Community Environment Trust (2021/2022 multi-year grant)	\$28,600	Each for two years
Stewart Island Rakiura Community Board – Dundee Street footpath (2021/2022 multiyear grant)	\$19,929	Each for 10 years from 2022/2023

## Funding impact statement - community leadership

2021/2022 Budget (LTP)	2022/2023 Budget (LTP)		2021/2022 Actual	2022/2023 Actual	2022/2023 Budget (AP)
(\$000)	(\$000)		(\$000)	(\$000)	(\$000)
	(\$000)	Sources of operating funding			
7,754	7,766	General rates, uniform annual general charges, rates penalties	7,723	7,762	7,74
903	923	Targeted rates	907	953	950
115	115	Subsidies and grants for operating purposes	1,355	227	11!
-	-	Fees and charges	-	-	
551	561	Internal charges and overheads recovered	470	552	554
235	298	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	265	425	298
9,558	9,663	Total operating funding	10,721	9,920	9,662
		Applications of operating funding			
3,825	4,130	Payments to staff and suppliers	2,980	3,582	3,933
5	2	Finance costs <sup>2</sup>	-	-	4
2,526	2,496	Internal charges and overheads applied <sup>2</sup>	2,346	2,538	2,65
2,990	3,053	Other operating funding applications	4,133	3,238	3,086
9,347	9,680	Total applications of operating funding	9,459	9,358	9,68
212	(18)	Surplus (deficit) of operating funding	1,262	562	(20
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	
-	-	Development and financial contributions	(100)	-	
67	-	Increase (decrease) in debt	(270)	(25)	
26	28	Gross proceeds from sale of assets	-	23	28
-	-	Lump sum contributions	-	-	
93	28	•	(370)	(2)	28
		Applications of capital funding			
		Capital expenditure			
-	-	to meet additional demand	-	-	
-	-	to improve the level of service	-	5	
79	82	to replace existing assets	-	38	8:
346	48	Increase (decrease) in reserves	1,025	637	4.
(120)	(120)	Increase (decrease) in investments	(133)	(120)	(120
305	10	Total applications of capital funding	892	560	7
(212)	18	Surplus (deficit) of capital funding	(1,262)	(562)	20
-	-	Funding balance	-	-	

<sup>&</sup>lt;sup>1</sup> includes all other operating funding from sources not identified in the table.

<sup>&</sup>lt;sup>2</sup> interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2022/2023 was \$2,000 (2022: \$10,000).

#### Funding impact statement - budget variations

#### Operating:

Subsidies and grants for operating purposes were above budget due to "better off" grant funding from the government being received earlier than expected with several projects being completed ahead of schedule.

Local authorities fuel tax, fines, infringement fees, and other receipts is above budget due to an increase in visitor levy income following the return of visitors to Stewart Island/Rakiura post-Covid as well as higher cost recoveries from other southern councils for additional work undertaken by the Mayoral forum.

Payments to staff and suppliers were under budget due to lower employee costs (including training), meeting costs as well as general projects for community leadership.

Internal charges and overheads applied are less than budget as a result of lower corporate service costs particularly employee costs, project and general operating costs.

Other operating funding applications where higher than budget predominantly due to costs associated with the "better off" funding projects being incurred earlier than anticipated.

#### Capital:

Reserves increased more than budget as a result of the underspends in payments to staff and suppliers and a delay in moving to external borrowing rather than borrowing internally against reserves. The budget allowed for loan principal repayments to accumulate in reserves until the loans reached the end of their borrowing term, at which point they would be due for repayment in full (at the end of 15 years). The delay to implementing the change in approach to borrowing has meant that the principal repayments have instead been used to repay internal loans rather than being held in reserve. This has resulted in variations between Reserves and Increase (decrease) in debt in the capital side of the funding impact statement and Finance costs and Internal charges and overheads applied in the operating side of the funding impact statement.

## **Community resources**

## Includes the following activities:

- community facilities (including public toilets, community centres and halls, offices and libraries, amenity buildings and dump stations)
- community services (including cemeteries, community housing, library services and heritage and culture)
- open spaces (includes parks and reserves and streetscapes)
- waste services
- Stewart Island Electrical Supply Authority (SIESA)

#### What we do

Community facilities includes buildings and structures used by the community to participate in a range of activities and to access Council services.

Community services provides access for the community and visitors to our services and activities.

Open spaces manages 155 reserves throughout the district, varying in size, use, location and classification, as well as a number of beautification areas in townships.

Waste services manage rubbish and recycling options for households, business and industry, including ongoing waste minimisation and educational initiatives administered by WasteNet Southland, a joint committee of the Southland councils.

SIESA generates and supplies electricity to consumers on Stewart Island Rakiura. This activity also undertakes waste collection, and ownership and operation of the Rakiura Resource Recovery Centre.

## Why we do it

This group of activities provides funding or facilities that enable communities to participate in a range of recreational, educational, sporting, commercial and social/cultural activities. This helps communities to become more socially connected and active and makes Southland a desirable place to live.

Stewart Island Rakiura electricity supply is important economically to support the operation of businesses and industries on the island, which in turn contributes to sustaining the local community.

#### **Community outcomes**

We are required to report which of the community outcomes the activity group primarily contributes to. Council's strategic framework can be found on page 7. The orange shading indicates a primary outcome contribution.

Social	Environmental	Cultural	Economic
Empowered communities with the right tools to deliver the best outcomes	Kaitiakitanga for future generations	Inclusive connected communities	Provision of appropriate infrastructure and services

#### Identified effects on community wellbeing

The community resources activity group contributes to social wellbeing by enabling communities and visitors to participate in a range of recreational, heritage and culture, educational, sporting, commercial and social/cultural activities, which ensures communities are more socially connected and active. Community housing benefits the elderly within the community by providing low-cost housing. Libraries provide spaces for education and social connection for all ages. Community centres also provide local spaces for learning and gathering for different meetings and activities. The open spaces activity provides the community with reserves and open spaces to enjoy and encourages a healthy lifestyle, along with learning, social and leisure benefits.

Cemeteries are an important part of each local community's history from a cultural wellbeing perspective.

This activity group contributes to cultural wellbeing by enabling communities and visitors to participate in a range of cultural activities that make communities more connected and active, and keep local customs and traditions alive.

From an environmental wellbeing perspective, there are benefits through access to sensitive water and coastal environments, reducing the likelihood of human waste impacting on the environment and the raising of community appreciation (and use) of our unique natural areas. Having local facilities reduces the carbon footprint of our communities because they don't have to travel to other areas.

Providing community service facilities may result in environmental impacts such as solid waste, energy use or spray drift, or pests in parks and reserves. We seek to minimise these negative effects by ensuring operations are managed effectively; and that any waste is minimised and energy and water are conserved. Other possible negative effects from these activities could include traffic and noise affecting neighbours of community facilities and the cost of facility upgrades being beyond the ability of the community to pay.

The solid waste activity has an impact on protecting people's health and provides controlled, convenient and reliable waste disposal options that help to make it easy for people to dispose of their waste and contributes to making the district a clean and desirable place to live. The activity also helps to reduce the impact waste disposal has on the environment by diverting waste from landfill and ensuring that any waste sent to landfill is disposed of and managed appropriately.

The waste the district produces is in itself a negative effect on the environment. Our 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 closed landfills with the aim of reducing or mitigating these effects where possible. We are 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.

## How we did – what happened during the year - key points and projects

The cost for supplies continues to increase and the lack of contractor availability continues to put pressure on the completion of planned projects.

#### Community facilities (including public toilets, community centres and halls, offices and libraries, amenity buildings and dump stations)

- The team delivered the planned public toilet replacement projects under budget.
- Work on constructing a new toilet/shower facility at Taramea Bay started.
- Two more halls were added to the electronic booking system, bringing the total to seven. Three more are to follow.
- Library staff moved back into the refurbished Winton Library and it reopened to the public in August 2022.

#### Community services (including cemeteries, community housing, library services and heritage and culture)

#### Community housing

- A number of community housing unit re-roofing projects were completed.
- Heat pumps and extractor fans were installed at some of the community housing units to comply with Healthy Homes standards. Installations will continue in the 2023/2024 financial year.

#### Cemeteries

- The installation of a further seven memorial walls was completed, ending the project of installing and updating memorial walls around Council's cemeteries.
- The removal of trees at the Wallacetown cemetery was completed, Replanting was to be carried out, with input and planning from the Oreti Community Board.

#### Libraries

• A review of the book bus operation has taken longer than anticipated as we have done this internally rather than using an external consultant. A community and user survey ran from November 2022 through to April 2023. Staff are now writing the paper with the mobile service options and costs for Council to consider.

- The radio frequency identification (RFID) system has been successfully implemented in all of our district libraries. This will enable customers to scan multiple books instantly and staff to stocktake electronically. The uptake and usage of this system has been excellent with our library users.
- The refurbished Winton Library opened in August 2022 after almost three years of repair and refurbishment work on the building.
- The community library programmes are proving very popular, including StoryWalk® and Brick Club. Overall demand for all of the programmes continues to increase.

#### Heritage and museums

- The history of Southland Murihiku is rich and varied and each part of the district holds its own unique past. There are around 10 museums throughout Southland district which tell the stories of the province's history and those who lived here. The district's museums are home to an array of items, from vintage machinery to whaling artefacts.
- The province is home to eight heritage trails, which navigate and tell the story of Southland, combining the physical environment, people, culture and the rich history. Southland district promotes a variety of artistic expressions, ranging from visual arts and sculpture to theatre and music. The district has a rich cultural heritage, and the arts community plays a vital role in preserving and promoting it.
- An arts and heritage strategy is being developed to recognise the value of Council's local arts and heritage assets and services and their importance to cultural identity and a sense of belonging to the area.
- The strategy will be all about people, communities and organisations collaborating to improve local wellbeing and quality of life and making sure that plans, strategies, priorities and programmes at all levels are integrated.
- The Southland Regional Heritage Committee funds the position of a roving museum officer who helps small/volunteer museums throughout the region. The Roving Museum Office (RMO) work has been mainly focused on smaller collection-based projects, mostly around Western Southland, and in ongoing reporting along with involvement in local and regional heritage initiatives this included Project ARK, that has continued cataloguing items at Southland Museum following the 2 year pilot.
- The RMO organised Hidden Hazards in Collections workshops held around Southland at the beginning of March 2023 that were delivered to museum, archive, and library staff.

#### **Stewart Island Electrical Supply Authority (SIESA)**

- We undertook and completed a significant vegetation control programme. This work ensured the powerlines, poles and other power assets were clear of vegetation. This work reduces the risk of outages from vegetation and animals shorting out the power.
- There was an audit and renewal of all processes and systems for compliance to the electricity regulations including, a new customer care policy, consumer complaints policy and revised customer services agreement.
- A detailed asset inspection was undertaken to determine the condition and remaining useful life of assets. This work formed the basis of the asset management plan.

- A comprehensive asset management plan was developed for SIESA which provides the reasoning behind the long term management of SIESA assets, and is an effective tool for optimising the strategic planning of SIESA, as well as optimising the capital and operational expenditure. This plan brings the asset management practices for SIESA into line with industry best practice and ensures SIESA's asset management practices comply with Commerce Commissions requirements for electricity distribution businesses.
- A new diesel generator was commissioned, resulting in increased fuel efficiency.
- Two pole replacements were undertaken on poles that were identified as being a hazard due to the condition of the pole, and a high likelihood of failure.

# **Open spaces**

## Green

- Undeveloped natural areas
- Esplanades
- Bush stands
- Natural vegetation
- Reserves, parks

**Grey** 

- Town squares
- Streetscapes
- Infrastructure
- Playgrounds
- Developed or formal areas
- Paths, cycleways

# Blue

- Creeks/streams
- Connection and access to waterways
- Connection to private/commercial land
- Key part to stormwater network



- Council, in partnership with Te Ao Mārama, is working on a two-year Matariki wayfinding pou project co-funded by the Ministry of Business, Innovation and Employment's Tourism Infrastructure Fund (TIF). Council is collaborating with the four Rūnanga in the Murihiku takiwa (region) Awarua, Ōraka Aparima, Waihōpai and Hokonui Catlins Coast Inc, Great South and Invercargill City Council. Stage one involving the installation of temporary signs was completed. These will help to inform the final placement of 10 pou (carved posts or poles) throughout the region which represent the stars in the Matariki constellation and allow for a wayfinding experience for visitors and residents.
- The level three assessment of district playgrounds showed major improvements compared with the previous year's assessment. The team have carried out these improvements over the past three years and the work is ongoing.
- Mayor Rob Scott opened the new Taramea Bay slide at Pilots Reserve in Riverton on 4 May 2023.
- We continue to have agreements in place with a number of community groups including Weedbusters in Manapouri, Pestbusters in Riverton, Gorge Road garden group, Menzies College, Edendale Primary School, Friends of Moturau Moana Gardens and the Kowhai Reach group, some of which are on a formal basis and some informal.
- The team developed a district-wide draft tree plan to provide a more consistent approach to trees on Council land.
- The following are some projects delivered within our open spaces activity. These may have been community led or through our internal delivery programme. All add current or future benefits to our open spaces, local communities and the wider Southland district:
  - o The new slide at Riverton's Pilots Reserve and the community barbecue and shelter area were completed.
  - With support from NZ Creative communities and the Ardlussa Community Board, the Riversdale Arts organisation celebrated its 50-year contribution to art in Southland by gifting a sculpture, Community/Hapori, by artist Odelle Morshuis, at the Riversdale Community Centre and playground reserve.
  - o Investigation projects were carried out for Oreti green spaces, Waihopai Toetoe tracks and coastal areas, and Tuatapere's Main Street and railway station.
  - o Playground installations and/or softfall upgrades were completed in Orepuki, Manapouri, Edendale, Nightcaps, and Waikaia.
  - o Manapouri's View Street car park upgrade, boat ramp and toilet upgrades were completed at Frasers Beach and Pearl Harbour.
  - o The toilet at Moturau Moana Gardens on Stewart Island Rakiura was refurbished and the entranceway was improved.
  - Balfour Lions Pump track was constructed at Balfour Park.
  - o The Peter Rabbit Thinking Seat was installed and unveiled at Garston Cemetery.
- The following are some examples of events using our parks and reserves or open spaces. These may have been community led, industry events or through our district-wide regional activator and staff.
  - o Godzone, Chapter 11: Fiordland. This international event took competitors from Te Anau to Riverton, showcasing many special parts of our district.
  - Parks Week rock hunt and exploration, based out of Riversdale, Te Anau, Garston, Riverton, Winton, Stewart Island Rakiura, Tuatapere,
     Edendale and Otautau.

- o Te Anau Waitangi Charitable Trust delivered their Waitangi Day celebrations, including using Little Lake Te Anau for model waka floating and local reserves as part of their other interactive sessions.
- O Art Trail in Kamahi Reserve, in partnership with Edendale Primary School.
- o StoryWalk® established in the Te Anau Memorial Gardens.
- o Community activation events in Manapouri and Lumsden.

#### Waste services

The government recently launched a national waste strategy. The strategy includes the phasing out of hard-to-recycle and single-use plastics, improving household recycling and food scrap collections, reducing food waste, a beverage container return scheme, product stewardship and the Waste Disposal Levy.

The Waste Disposal Levy will:

- o Progressively increasing over four years the levy rate for landfills that take household waste from the \$10 per tonne set in 2009 to \$60 per tonne as of July 2024.
- o Expand the waste levy to cover additional landfill types, including construction and demolition fills. At present the waste levy only applies to municipal landfills that take household waste, with no levy on the remaining almost 90% of landfills throughout the country.
- o Collect better data about the waste we are creating, and how we are disposing of it, so our waste can be better managed.
- o Invest additional revenue from the waste levy in initiatives that support waste reduction, such as building New Zealand-based recycling infrastructure

Council has completed a risk assessment of closed landfills throughout Southland district as part of an ongoing environmental management plan. The assessment has identified 15 landfills which are considered to present a possible risk due to potential discharges to groundwater or surface water. A two-year sampling regime will be undertaken before Council knows what, if any, impact these sites will have on the environment and what possible obligation Council will incur.

LANDFILL CLASS	Waste types	1 JULY 2021	1JULY 2022	1JULY 2023	1 JULY 2024
Municipal landfill (class 1)	Mixed municipal wastes from residential, commercial and industrial sources	\$20	\$30	\$50	\$60
Construction and demolition fill (class 2)	Accepts solid waste from construction and demolition activities, including rubble, plasterboard, timber, and other materials		\$20	\$20	\$30
Managed or controlled fill facility (class 3 and 4)	On or more of:  • contaminated but non- hazardous soils and other inert materials (eg, rubble)			\$10	\$10
	<ul> <li>soils and other inert materials.</li> </ul>				

https://environment.govt.nz/what-government-is-doing/areas-of-work/waste/aotearoa-new-zealand-waste-strategy/

### **Performance results**

This activity group has a total of 10 KPIs. Seven targets were achieved and three targets were not achieved.

Of the four targets that were not achieved, reasons included:

- KPI 3.2 there were some contractor timing issues
- KPI 7.1 there were several island-wide disruptions of the electricity network due to weather events
- KPI 8.1 there were several occurrences of recycling being contaminated, which meant it had to go to landfill.

There were 119 works programme projects in total for this activity group. 56 were completed, 45 were still in progress, 12 not started, and 5 were deleted.

#### Performance measures

Performance measures - community resources					
Community facilities Level of service 2: Council provides facilities and venues for community activities and events					
	Target	Result	How council performed		
KPI 2.1: - Community facilities requests for service are completed within specified timeframes	80%	89%	Achieved The total for the year was 407 requests received and 364 completed on time. (2021/2022: Achieved 87%)		
Community services					
Level of service 3: Facilities are fit for purpose, to enable healthy grieving and memorialisation for					
KPI 3.1: Cemetery interment costs are not funded by rates	\$0	\$0	Achieved		
			The financial data shows interment income exceeded costs by \$5,489 for the year so there are no costs funded by rates.		
			(2021/2022: Achieved \$0)		
KPI 3.2: To meet family expectations that the burial plots are prepared by the time required.	100%	83%	Not achieved		
			For the year of the 87 interments, 13 were not notified on time. The delays for the year ranged from 2 to 24 minutes. However, because of the significant buffer time, the level of service was not affected. Meetings with the contractor have stressed the requirement to meet the notification timeframe, which they have acknowledged was not acceptable and have agreed to changes. It was acknowledged that in some circumstances unforeseen delays can happen (like a wall collapse		

Performance measures - community resource	es		
			or connectivity issues). However, these must be the exception only and all notifications that are outside the timeframe will be accompanied by a reason for the delay which will be advised to Council. (2021/2022: Not achieved 95%)
Community services Level of service 4: Facilities are fit for purpose, in the appropriate locations and cater for future need	ds		
KPI 4.1: Community housing occupancy rate	80%	88%	Achieved
			There are 69 community housing units in total and at the end of the financial year 61 units were tenanted. (2021/2022: Achieved 87%)
KPI 4.2: Percentage of people who meet priority criteria <sup>1</sup>	80%	93%	Achieved
			Of the 61 tenants, 57 met the priority criteria of being over 60 years of age. (2021/2022: Achieved 90%)
Access, and areas for Council staff to work  KPI 5.1: Number of Council library facilities that meet all LoS criteria	1/7	2/7	Achieved  There are seven Council libraries in the district, two of which are considered main hub libraries. The other five are district service offices with some library services. Community library facilities in Winton meet requirements. The Te Anau library now meets the requirements as Council service work is being completed from the Te Anau library
			space and further plans are being made to improve this level of service.
			(2021/2022: Not achieved 0)
Open Spaces Level of Service 6: Council provides safe, well-maintained open spaces for the community to enjoy s	ports and le	isure activities	
KPI 6.1- Open spaces requests for services <sup>2</sup> are completed within specified timeframes	80%	93%	Achieved
			The total for the year was 514 requests received and 480 completed on time (93%). (2021/2022: Achieved 93%)
SIESA			
Level of service 7: Council provides a reliable, sustainable electricity supply to Stewart Island Rakiun	ra that meets	s current and fut	ture needs
KPI: 7.1: Number of unplanned point of consumer supply interruptions to Stewart Island electricity supply			Not achieved

Performance measures - community resou	ırces		
			There were 12 unplanned outages in July-August - one outage was due to lightning strike.
			September: three outages, caused by a service fuse, transformer fuse blown, and one outage due to vehicle impact.
			October: one outage, caused by a defective neutral on a powerline.
			December: one complete network outage; power restored in 8 minutes.
			March: five unplanned outages caused by line clash in extreme winds.
			April 2023: one unplanned outage, caused by low voltage joint failure
			In summary the results are a little skewed with severe weather events accounting for half of the unplanned outages. Maintenance work specifically for vegetation trimming to prevent arcing will reduce the risk of future outages. Additional network renewals are increasing overall network resilience. (2021/2022: Not Achieved – 9)
Waste services			
Level of service 8: Provide convenient and reliable rubbish and recycling services that minim KPI 8.1: The amount of waste diverted from landfill (tonnes) as a percentage of total waste <sup>3</sup>	a) 40%	35%	Not achieved
			We are working in accordance with the other WasteNet councils to educate the public and encourage more recycling through social media and other media platforms. We are still dealing with contaminated recycling at our recycling sites, particularly through the summer season recycling has been diverted to the landfill on several occasions. (2021/2022: Not achieved – 35%)
KPI 8.2: The maximum amount of waste per property disposed of to landfill (kilograms)	b) 650kg per property	555kg per property	WasteNet councils to educate the public and encourage more recycling through social media and other media platforms. We are still dealing with contaminated recycling at our recycling sites, particularly through the summer season recycling has been diverted to the landfill on several occasions. (2021/2022: Not achieved –

# **Performance measures - community resources**

3. Total waste diverted by weight includes material from drop-off centres, (yellow) recycling wheelie bins, greenwaste sites and scrap metal. Weight calculations are estimated based on the number of collection containers processed multiplied by an average weight for different material types

\*Library basics include public computers, wi-fi, public catalogue, self-issue machines

# Funding impact statement – community resources

2021/2022	2022/2023		2021/2022	2022/2023	2022/202
(\$000)	Budget (LTP)		Actual (\$000)	Actual (\$000)	Budget (AP (\$000
(\$000)	(\$000)	Sources of operating funding	(\$000)	(\$000)	(\$000
6,856	7,380	, 5	6,866	7,314	7,54
		General rates, uniform annual general charges, rates penalties			
5,712	6,049	Targeted rates	5,718	6,087	6,07
304	93	Subsidies and grants for operating purposes	399	393	9:
1,774	1,852	Fees and charges	1,673	1,952	1,84
2,682	2,825	Internal charges and overheads recovered	2,680	2,917	2,85
719	740	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	725	879	724
18,046	18,940	Total operating funding	18,060	19,542	19,12
		Applications of operating funding			
13,240	12,743	Payments to staff and suppliers	12,285	14,177	13,07
169	267	Finance costs <sup>2</sup>	-	-	335
4,604	4,831	Internal charges and overheads applied <sup>2</sup>	4,751	5,333	5,123
39	39	Other operating funding applications	83	25	40
18,053	17,880	Total applications of operating funding	17,119	19,535	18,572
(7)	1,059	Surplus (deficit) of operating funding	940	14	553
		Sources of capital funding			
54	77	Subsidies and grants for capital expenditure	134	671	174
10	-	Development and financial contributions	41	2	
5,781	3,168	Increase (decrease) in debt	1,686	2,131	3,700
83	86	Gross proceeds from sale of assets	-	-	86
-	-	Lump sum contributions	-	-	
5,928	3,330	Total sources of capital funding	1,861	2,804	3,960
		Applications of capital funding			
		Capital expenditure			
10	-	to meet additional demand	-	-	
1,515	1,355	to improve the level of service	2,968	283	1,40
4,810	2,361	to replace existing assets	852	3,063	2,77
(289)	794	Increase (decrease) in reserves	(1,003)	(498)	458
(120)	(120)	Increase (decrease) in investments	(16)	(37)	(120
5,927	4,390	Total applications of capital funding	2,802	2,812	4,51
7	(1,059)	Surplus (deficit) of capital funding	(940)	(8)	(553
		Funding balance		_	

<sup>88</sup> 

#### Funding impact statement - budget variations

#### Operating:

General rates, uniform annual general charges, rates penalties for operating purposes are lower than budget due to a change in the way rates collected for Council's contribution towards water and sewerage loans are shown. This income (and the associated costs) have now been moved to the relevant water supply or sewerage activity in anticipation of the transfer of these loans to the new water entity as part of the affordable water reforms.

Subsidies and grants for operating purposes were higher than budget due to additional waste minimisation funding being received from the government.

Fees and charges were above budget due to increases in transfer stations charges and the volume of waste being received.

Local authorities fuel tax, fines, infringement fees, and other receipts were more than budget due to higher general recoveries from abandoned land property sales, the provision of extra wheelie bins during the year and project management.

Payments to staff and suppliers were above budget because of increased fuel costs to operate the Stewart Island electricity supply and increased waste disposal costs resulting from a combination of higher contract costs, increases in the waste disposal levy as well as the volume of waste being disposed of.

Finance costs were less than budgeted due to Council not requiring external debt and therefore incurring minimal external interest. Instead, interest expenses relate to internal loans resulting in higher internal charges and overheads applied.

#### Capital:

Subsidies and grants for capital purposes exceeded budget due to additional government funding received from the Tourism Infrastructure Fund (TIF) to replace and build new toilets and improve other tourism infrastructure in Manapouri and Te Anau.

Capital expenditure to improve the level of service was lower than budgeted. Half of this relates to no capital costs for the open spaces' strategy capital development project (\$620k), which has been moved to the LTP 2024-2034. Additionally, the Tuatapere main road toilet project has not yet started and the investigation work for this project is planned for 2023/2024 (\$206k) along with the Te Anau Investigation and development of urban master plan, which is still being developed (\$258k), and this project has been moved to 2023/2024.

Capital expenditure to replace existing assets was higher than budgeted due to the toilet replacements in Te Anau that were not budgeted for in the annual plan. These projects were funded from the Tourism Infrastructure grants (\$800k), this is offset by a number of toilet projects still in progress and are now expected to be completed in 2023/2024 (\$584k). Accordingly, the *increase (decrease) in debt* is lower than budget with fewer loans required to fund the lower level of actual capital expenditure to improve levels of service.

Reserves decreased rather than increasing as budgeted. While part of this is because reserves have been used to fund increased costs in a number of areas, the main reason is due a delay in moving to external borrowing rather than borrowing internally against reserves.

The budget allowed for loan principal repayments to accumulate in reserves until the loans reached the end of their borrowing term, at which point they would be due for repayment in full (at the end of 15 years). The delay to implementing the change in approach to borrowing has meant that the principal

repayments have instead been used to repay internal loans rather than being held in reserve, with reserves decreasing as a result. This has resulted in variations between Reserves and Increase (decrease) in debt in the capital side of the funding impact statement and Finance costs and Internal charges and overheads applied in the operating side of the funding impact statement.

## **Environmental services (includes emergency management)**

## Includes the following activities:

- Resource management
- Environmental health
- Animal control
- Building solutions
- Emergency management

#### What we do

Environmental services is responsible for delivery of all of Council's key regulatory statutory functions under the Resource Management Act 1991, the Building Act 2004, the Health Act 1956, the Dog Control Act 1996, the Sale and Supply of Alcohol Act 2012, the Freedom Camping Act 2011, the Food Act 2014 and other ancillary legislation.

The group also currently has the lead relationship with Te Ao Mārama, the agency authorised by Te Rūnanga o Ngāi Tahu, which provides iwi input into Council processes under the Resource Management Act 1991 and the Local Government Act 2002.

The group also leads Council's relationship with Emergency Management Southland.

The four environmental services teams are:

- resource management
- environmental health
- animal control
- building solutions

The emergency management activity focuses on communities being prepared, responding to and recovering from emergencies when they happen. Emergency Management Southland (a joint committee of the four Southland councils) co-ordinates Council's Civil Defence Emergency Management work across the 4Rs (reduction, readiness, response and recovery).

It involves creating community and agency response plans, developing communication networks, carrying out planning and education so people can better understand the risks, and training to increase the community's readiness to respond. We support EMS by making staff available to participate in training exercises so that they are ready to contribute to the response during emergencies.

## Why we do it

The environmental services activities focus on promoting and protecting public health, maintaining a safe environment and the overall amenity of the district.

The environmental services group has an important kaitiakitanga (guardianship) role in ensuring that Council delivers its statutory regulatory obligations with respect to both the built and natural environment. The group is tasked with maintaining and enhancing the district's environment for future generations.

The group undertakes this role both to achieve the requirements under specific legislation and to meet the expectations of the community as expressed through community outcomes.

The emergency management activity puts plans in place to ensure people are safe and connected in an emergency and helps build community resilience by preparing, responding, and recovering effectively from emergency events. Co-ordinated planning and increasing community awareness also reduce the potential for damage in emergencies, and a speedy response mitigates the effects of damage where possible.

#### **Community outcomes**

We are required to report which of the community outcomes the activity group primarily contributes to. Council's strategic framework can be found on page 7. The orange shading indicates a primary outcome contribution.

Social	Environmental	Cultural	Economic
Empowered communities with the right tools to deliver the best outcomes	Kaitiakitanga (guardianship) for future generations	Inclusive connected communities	Provision of appropriate infrastructure & services

#### Identified effects on community wellbeing

The building control and resource management activities exist to mitigate and manage risks from development, construction, weathertight home issues and earthquakes. They help to ensure that building or land developments meet rules and legislation so people have safe housing.

Development and construction, if not well managed, can have negative effects on the natural environment and social wellbeing, 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.

Environmental health and animal control protect the public and the environment. Sustainable growth and economic development are encouraged, which impacts on social and economic wellbeing and the Resource Management Act ensures that cultural wellbeing is considered.

Emergency management contributes to economic wellbeing by providing for a co-ordinated response to civil defence emergencies and planning to reduce economic impacts on the communities affected by emergencies. The effects on social wellbeing include having communication networks in place and education to assist in the response and readiness. Emergency management provides help preparing for any emergencies to minimise the impact on the community's natural environment. Actions taken to respond to emergencies could also potentially affect the environment, although these are mitigated wherever possible. It considers any unique cultural needs of our communities when developing community response plans.

For the emergency management activity, a lack of co-ordination, inadequate resourcing or communication could compromise an effective emergency response. Actions taken to respond to emergencies could also potentially affect the environment, although these are mitigated wherever possible.

## How we did – key highlights and projects

#### **Resource management**

The government is replacing the current resource management system with three new acts.

- 1. Natural and Built Environments Act (NBEA)
- 2. Strategic Planning Act (SPA)
- 3. Managed Retreat and Climate Change Adaptation Act (CAA).

The Ministry for the Environment states that the key aspects of the new system include:

- o the introduction of regional spatial strategies
- o reducing the number of RMA plans across New Zealand from 100 to 16
- o better quality plans with more permitted activities
- o enabling development within environmental limits
- o achieving better environmental outcomes, limits and targets (rather than effects-based management, which has not adequately guarded against cumulative effects like declining water quality and climate emissions)
- o more affordable housing, and
- o fewer, faster consents.

- Staff did some spatial planning work with Great South including data-gathering for future District Plan reviews and national hazard profiles across the district, and greenhouse gas baseline work.
- Development work on climate change began, including work with the regional climate change working group.

#### **Environmental health**

- Special licence applications are the only forms online at present but we are continuing to work towards adding others in the future, including for alfresco dining.
- Freedom camping compliance around Fortrose, which was enforced for the first time, resulted in strong community feedback, much of which will be applied during consultation when this bylaw is reviewed in 2025.
- Freedom camping rule changes have been published and while fines change from 13 July 2023, vehicle compliance for the new rules will have two years to come into full force.
- For more information see: <a href="https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-projects/supporting-sustainable-freedom-camping-in-aotearoa-new-zealand/freedom-camping-changes/">https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-projects/supporting-sustainable-freedom-camping-in-aotearoa-new-zealand/freedom-camping-changes/</a>

### **Freedom Camping Transition Period**



Warrants that can be issued as evidence of self-containment: blue blue and green green 7 June 2023 Act in force Only vehicles that have a fixed toilet can be certified self-contained under the existing requirements (blue warrants). 7 June 2023 - 7 June 2024 Vehicles with a portable toilet that are already certified as self-contained can still freedom camp. 7 June 2023 - warrant expiry or 7 June 2025, depending which comes first (these dates vary for rental vehicles) Mid-July 2023 New tiered infringement penalties in place before FIFA Women's World Cup 2023. 6 months after Act in force 7 December 2023 Vehicles can be certified self-contained under the new requirements (green warrants). These warrants will remain valid for 4 years after certification. People/organisations can apply to the PGDB to become certification authorities. The register of self-contained vehicles is set up to verify whether a vehicle is self-contained under the new requirements. 7 June 2024 12 months after Act in force Self containment certification can only be done by certification authorities under the new requirements (green warrants). 7 December 2024 18 months after Act in force Rental vehicles must be certified under the new requirements and display their green warrant as evidence of self-containment. 7 June 2025 24 months after Act in force All vehicles must be certified under the new requirements and display their green warrant as evidence of self-containment.

#### **Building control**

- The International Accreditation New Zealand (IANZ) re-accreditation assessment was completed with a 'low risk' outcome. Our next audit is in February 2025.
- Potentially earthquake-prone buildings in the high and medium risk zones have been assessed and requests for engineers' reports have been sent to building owners.
- We are maintaining audits on swimming pools, with some identified non-compliances still to be resolved.
- Our first climate change adjustment to the Building Code's 'acceptable solution' definition for H1 has been implemented, with proactive work from the industry making this a smooth transition.
- The building team had some success in recruiting staff which should improve success in meeting statutory timeframes for granting building consents.
- Council submitted on the MBIE consultation regarding changes to the building consenting system to ensure that our communities' views are represented.
- The team ended the year by attending the Invercargill Home Show. We received positive feedback that having staff available to answer questions and engage with our community was a positive experience.
- Community engagement and drop in sessions started during the year. Check out our drop-in schedule on Southland District Council's website and in the August copy of The First Edition magazine to see when the building team will be at an area office near you in the coming months.
- Council has had some success in encouraging the compliance of building owners in meeting code compliance requirements.

#### **Animal control**

- Compliance activities are ongoing, especially with an increase in incessantly barking dogs and dogs not on leash. The importance of compliance in this area is to be promoted more.
- There were no reported dog attacks on people for the year.
- 89% of dog owners met the responsible dog ownership requirements, which is excellent. We are targeting 95% for a safe and happy Southland.

#### **Emergency management**

- Emergency Management Southland (EMS) has expanded its community programme including focus groups, surveys, community barbecues and partnering with key stakeholders to increase Southland's resilience and emergency preparedness.
- This year the group plan will be updated. This will spell out the goals, vision and purpose of EMS for the next five years and will include an up-to-date hazardscape for the Southland region. The Southland Hazard Risk assessment and summaries have been completed and the group plan notification will be released soon.
- Over the next year EMS is increasing the capability of responding staff by a new training programme that will include specialist emergency management co-ordination centre (ECC) training for staff, providing an improved and aligned response to emergencies. EMS has run 26 training courses including induction, foundation, CIMS and function-specific courses including Exercise Star. This involved more than 50 staff from the four Southland councils.
- The Emergency Management Bill has had its first reading in parliament and will be progressing through to the select committee process. The bill is not a fundamental transformation of the emergency management system but instead makes some practical improvements to ensure the system can meet current and future needs. This bill considers many lessons identified from emergencies and reviews over the years. EMS will be submitting on the bill.
- The EMS website has been updated.

#### **Performance results**

This activity has nine KPIs. Five of the targets were achieved, and four were not achieved.

Of the three targets that were not achieved, reasons included:

- KPI 9.1 the consent volume increase in consent complexity
- KPI 9.2 there was an increase in complexity and peak volumes to meet the H1 building code changes
- KPI 9.3 the result was 99% but there were errors found during a change from one system to another
- KPI 10.2 only 45% of Southland households have an emergency plan, down from 48% in the previous survey

There were no works programme projects for this activity group.

# **Performance measures - environmental services**

#### **Environmental services**

Level of service 9: Enhance the health, safety and wellbeing of the community and environment, the		ective implem	
	Target	Result	How council performed
KPI 9.1: Percentage of non-notified resource consents processed within statutory timeframes	100%	73%	For the year, 95 of the 346 consents processed were outside statutory timeframes. Reasons for the result are the complexity of applications received in the second half of 2022 and the delays Council has had in checking these decisions before they're issued. Changes have also been made to improve the quality of decision templates and conditions, which has initially added further time to processing consent applications to a decision. A business improvement plan is being implemented to improve the KPI result, speed up consent decision-making and better meet the needs of customers (2021/2022: Not achieved 85%)
KPI 9.2: Percentage of building consent applications processed within statutory timeframes	100%	65%	For the year, 327 of the 942 consents processed were outside statutory timeframes. Reasons for the results are an increase in complexity of consents, including H1 code changes and the recruitment of building control officers, increasing the overhead of staff training. The H1 changes to the Building Code created a spike in volumes of both enquiries and consents received in May so unfortunately this spike in volume will negatively impact compliance to timeframes for the next three months before an improvement is realised. A business improvement plan is being implemented to improve the KPI result, speed up consent decision-making and better meet the needs of customers. (2021/2022: Not achieved 93%)
KPI 9.3: Percentage of code compliance certificate applications processed within statutory timeframes	100%	96%	Not achieved  This is due to a new system implementation. The transition from one system to another included a

Performance measures - environmental ser	vices		
			data cleanse exercise that found five overdue CCC decisions which the previous system was not reporting on. Addressing this issue has impacted compliance to timeframes. However, it is not anticipated that there will be a long-term drop in compliance. While the target must be 100% compliance, the annual average has remained over 95%.  (2021/2022: Not achieved 99%)
KPI 9.4: Number of serious injuries to the public from dog attacks <sup>1</sup>	0	0	Achieved  There have been no reports of serious dog attacks to the public for the year.  (2021/2022: Achieved – 0)
KPI 9.5: Percentage of non-working dogs subject to the responsible owner category	85%	89%	Achieved The number of non-working dogs with owners that meet the 'responsible owner' definition has dropped by 110 in the reporting period. It is typical to see number reduce towards the end of the financial year. Council is also seeing an increase in wandering dogs throughout the district. Despite this, the target continues to be exceeded.  There are two criteria for receiving the responsible owner discount:  1) the dog is microchipped as required by the Dog Control Act 1996. It is encouraged by Council's free chipping, incentivising chipping via this discount and education/follow-up.  2) there has been no written warning, barking abatement notice, seizure or infringement under the Dog Control Act 1996 within the past two years relating to any dog owned by the person applying for the registration.  Further discounts apply if the dog is speyed/neutered and/or the dog is in a fenced/control property (2021/2022: Achieved – 90%)
KPI 9.6: Number of incidents <sup>2</sup> of foodborne illness believed <sup>3</sup> to be caused by food sold at a Councilverified business	0	0	Achieved

			There have been no incidents of foodborne illness caused by food sold at a Council-verified business for the year. A verified business is a business that is registered and holds a food registration with Council.  (2021/2022: Achieved - 0)
KPI 9.7: Onsite Building Warrant of Fitness (BWOF) audits completed in the community	20% of buildings audited	21% of buildings audited	Achieved The team achieved the target of 20% Building Warrant of Fitness (BWOF) audits for the year. (2021/2022: Achieved 20%)
Emergency Management	•	•	
Level of service 10: Build community resilience to emergency events			_
KPI 10.1: Number of Southland communities covered by a Community Response Plans that have been reviewed with that community in the last 3 years	≥ 8	11	Achieved In October, five community response plans were completed. For the February period three community response plans (Athol, Waikaia, and Riversdale) were completed. In the June period, Tuatapere, Tokanui and coastal Tokanui were completed. (2021/2022: Achieved - 27)
(PI 10.2 – Percentage of surveyed households that have an emergency plan (written or verbal)	≥ 60%	45%	Not Achieved  Based on the survey only 45% of households have an emergency plan. Across the district Gore and Southland District house holds are more likely to have a plan than households in the Invercargill City Generally the older you are the more likely you are to have a plan.  More concerningly only 33% of families with young children (aged 5 or under) have an emergency plan When asked why households don't have a plan 36% responded that they hadn't thought about it.  27% said they lived alone – therefore not needing a plan, and 18% said they wouldn't know what to pu in a plan.  When asked what would encourage households to write a plan 37% this survey had and 32% wanted information on how to make a plan and reminders to review.

# **Performance measures - environmental services**

- 2. "Incident" means illness arising from a common food source that has made one or more people ill, and includes an outbreak (more than two people ill).
- 3. "Believed" means that there is strong evidence suggesting the cause is the business concerned. The term 'suspected' would be used when there is weak evidence linking a food business to the incident.

## Funding impact statement – environmental services

2021/2022 Budget (LTP)	2022/2023 Budget (LTP)		2021/2022 Actual	2022/2023 Actual	2022/202 Budget (AP
(\$000)	(\$000)		(\$000)	(\$000)	(\$000
		Sources of operating funding			
4,792	5,395	General rates, uniform annual general charges, rates penalties	4,794	5,542	5,53
-	-	Targeted rates	-	-	
10	10	Subsidies and grants for operating purposes	6	53	1
3,678	3,850	Fees and charges	3,593	4,009	4,00
657	590	Internal charges and overheads recovered	651	599	63
198	203	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	167	297	27
9,336	10,049	Total operating funding	9,212	10,499	10,45
		Applications of operating funding			
6,099	6,285	Payments to staff and suppliers	4,919	6,373	6,78
2	4	Finance costs <sup>2</sup>	-		1
3,448	3,557	Internal charges and overheads applied <sup>2</sup>	3,223	3,379	3,65
419	445	Other operating funding applications	437	478	45
9,968	10,290	Total applications of operating funding	8,579	10,230	10,90
(632)	(241)	Surplus (deficit) of operating funding	633	269	(446
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	
-	-	Development and financial contributions	-	-	
105	-	Increase (decrease) in debt	27	(92)	
-	29	Gross proceeds from sale of assets	10	43	4
-	-	Lump sum contributions	-	-	
105	29	Total sources of capital funding	37	(49)	4
		Applications of capital funding			
		Capital expenditure			
-	-	<ul> <li>to meet additional demand</li> </ul>	-	-	
109	4	to improve the level of service	102	3	
-	114	<ul> <li>to replace existing assets</li> </ul>	35	234	22
(516)	(210)	Increase (decrease) in reserves	821	136	(134
(120)		Increase (decrease) in investments	(288)	(153)	(494
(527)	(212)	Total applications of capital funding	670	219	(399
632		Surplus (deficit) of capital funding	(633)	(269)	44
		Funding balance		` '	

<sup>2</sup> interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2022/2023 was \$11,000 (2022: \$7,000).

#### Funding impact statement – budget variations

#### Operating:

Fees and charges income was lower than budget with staff vacancies in the building solutions team affecting the quantity of building consents and other applications able to be processed resulting in reduced income for the year.

Payments to staff and suppliers were below budget due to delays in recruiting staff in the building solutions, resource management and biodiversity areas.

Internal charges and overheads applied are less than budget as a result of lower corporate service costs particularly employee costs, project and general operating costs.

Finance costs were less than budget due to Council not requiring external debt and therefore incurring minimal external interest. Instead, interest expenses relate to internal loans resulting higher internal charges and overheads applied.

#### Capital:

Reserves increased rather than decreasing as budgeted as a result of the underspends in payments to staff and suppliers and internal charges as well as a delay in moving to external borrowing rather than borrowing internally against reserves. The budget allowed for loan principal repayments to accumulate in reserves until the loans reached the end of their borrowing term, at which point they would be due for repayment in full (at the end of 15 years). The delay to implementing the change in approach to borrowing has meant that the principal repayments have instead been used to repay internal loans rather than being held in reserve. This has resulted in variations between Reserves and Increase (decrease) in debt in the capital side of the funding impact statement and Finance costs and Internal charges and overheads applied in the operating side of the funding impact statement.

## **Transport**

#### What we do

The transport group of activities manages transportation services and assets to enable safe transportation in the district (excluding state highways). Services range from maintenance, including keeping roads free from debris and grading of gravel roads, to major capital works such as bridge replacements and road renewals.

In addition to roads, streets, streetlights, bridges and culverts, transport also manages the Around the Mountains Cycle Trail and Te Anau Airport Manapouri, along with water facilities including wharves, boat ramps and navigation aids. Road safety promotion is another function of the transport activity.

## Why we do it

Our roads and footpaths provide Southland district communities with a safe and integrated corridor for goods and services to move throughout the district. This activity supports people's ability to live, work and travel safely throughout Southland.

Water infrastructure such as boat ramps, jetties, wharves and navigation aids enable recreational and commercial access to waterways, as well as the ability for residents and visitors to access services where the only available access is by water. The activity also supports the environment by having stopbanks and marine walls, which protect the environment from flooding, as well as safety by having aids that improve navigation.

#### **Community outcomes**

We are required to report which of the community outcomes the activity group primarily contributes to. Council's strategic framework can be found on page 7. The orange shading indicates a primary outcome contribution.

Social	Environmental	Cultural	Economic
Empowered communities with the right tools to deliver the best outcomes	Kaitiakitanga (guardianship) for future generations	Inclusive connected communities	Provision of appropriate infrastructure & services

#### Identified effects on community wellbeing

The effect of the activity group on social wellbeing includes providing the crucial infrastructure so users can connect with others and move safely around the district. It provides a cycleway and footpaths to encourage walking and biking as part of a healthy lifestyle. It also provides transport through other infrastructure such as wharves, jetties and airports to further connect communities.

Southland has the second largest roading network in the country. The effects of this network on community wellbeing are providing the means to connect people, goods and services throughout the district, and supporting people's ability to live, work, visit and travel safely. It helps business and industry to transport their goods and services.

The provision of streetlighting aids the safety of the community by discouraging crime in urban areas. Road safety education is carried out to minimise the negative effects of the activity.

While transport plays an integral part in Southland district, there are inherently some significant negative effects on the community's wellbeing associated with it. We have processes in place to reduce the likeliness of their occurrence. An example of a significant negative effect is fatalities. The possibility of these occurring is reduced through maintenance, renewals and road safety strategies.

Other negative effects that could arise from the roading activity are economic effects such as travel delays as a result of road construction or upgrade works. Negative environmental effects could also occur, such as excessive noise, dust, contamination of waterways by stormwater discharge from road surfaces and environmental degradation from road construction or upgrade works. We try to mitigate these negative effects as much as possible.

## How we did – key highlights and projects

### Roading

- Project and maintenance delivery have been impacted by an increased risk of shortage of certain materials, and increased costs for steel, petrol and bitumen supply. This had an impact on levels of service.
- Contractor resourcing continued to be a challenge due to the high number of other works in the region, including three waters stimulus projects, Invercargill city development and high demand in the construction industry.
- We received Better Off funding for footpaths and are developing a works programme.
- Costs have increased (e.g. bitumen) but budgets remained static so we have reprioritised the budgets.
- Securing contracting resourcing in general has been a challenge due to the volume of work in the market.
- There were 24 successful applicants for our subsidised Otta Seal dust suppression treatment, and there was a total of 4,773 metres of seal applied outside the 24 properties.
- Several erosion issues occurred over the year. We are seeing more of these due to climate change.

- Central government is looking developing a national electric vehicle charging station network.
- Work began on creating Speed Management Plans and a review of Council's Roading Bylaw. Council is required to create Speed Management Plans following a change in government legislation designed to implement safe speed limits around all schools by December 2027.
- Road Safety Southland's work was recognised nationally with the VTNZ Community Award at the national Supporting Excellence in Road Safety Awards.
- SDC's transport team worked with Invercargill City Council to secure funding through the Transport Choices funding package for the installation of lockable bike stands at locations in Invercargill and Southland district. The Southland district bike stand sites are in Te Anau, Riverton and Winton.

### Te Anau Airport Manapouri

- Part 139 Certification has been retained until 2028, enabling large passenger aircraft to land there more than four times a month.
- Council has chosen to undertake a comprehensive review of the airport activity with the results of the review expected to be completed in October 2023.
- Crack sealing maintenance was completed.
- Flight numbers have not yet returned to pre-Covid levels. Some private jets and the Royal New Zealand Air Force have also used the airport for mountain flying training exercises.
- The airport leases were renewed with leases
- Southern Lakes Helicopters had a big fundraising event at the airport.
- Emergency training events were held at the airport by Fire and Emergency New Zealand (FENZ).

#### Around the Mountains Cycle Trail

- Council manages the physical infrastructure and maintenance of the trail and the Around the Mountains Trust manages the promotional and user experience aspects of the trail.
- A new website was launched and marketing included a promotional video.

#### Water facilities

In July 2021, it was announced that funding would be provided from the government's Tourism Infrastructure Fund for several Council projects. The Fiordland area received:

- \$1,100,000 to upgrade the boat ramp, toilets, and car park at Pearl Harbour, to upgrade the access road and toilets at Fraser's Beach, Manapouri,
- \$1,500,000 additional funding for the Te Anau wastewater project, and
- \$440,000 for the replacement of two boat ramps and a replacement toilet for Bluegum Point.

Stewart Island Rakiura received:

- \$99,125 to build a viewing platform at Observation Rock, and
- \$600,000 for replacement of the Ulva Island wharf.

Planned maintenance was carried out on a boat ramp at Tuatapere.

### **Key projects**

#### Water facilities

Stewart Island Rakiura's Ulva Island jetty project will be a multi-year project and is currently on hold pending a report going to Council.

A masterplan for the development of the Halfmoon Bay to Golden Bay connection and infrastructure has made recommendations for future work. This will be incorporated into the next Long Term Plan.

#### Te Anau Airport Manapouri

A reseal of the runway was deferred to the following year.

#### Around the Mountains Cycle Trail

A shelter project, retaining walls and maintenance work was completed.

#### **Performance measures**

This activity has nine KPIs. Seven were achieved, two were not achieved.

Of the two targets that were not achieved, reasons included:

KPI 12.3 – the intervention type and bitumen cost increases versus the budget available meant that the planned length could not be completed.

KPI 12.5 – the number of fatalities and serious injury crashes was higher than the previous year (22 compared with 19). A third of the crashes were found to have alcohol as a factor

There were 23 works programme projects in total for this activity group. There were 11 completed, 8 were still in progress, 3 were not started, 1 was deleted.

#### Performance measures

# **Performance measures - transport**

Provision of roading and footpaths (including cycle trails, airport, water facilities and bridges)
Level of service 12: Our transport network provides for safe, comfortable and efficient travel

Letter of service 121 our durisport network provides for sure, comfortable and emelent dure.					
How we measure performance	Target	Result	How council performed		
KPI 12.1: <b>Condition of the sealed road network</b> – The average quality of ride on sealed local road network measured by smooth travel exposure <sup>1</sup> .	Smooth Travel Exposure¹ of ≥ 97%	99%	Achieved The latest survey was completed during February 2023 with a result of 99%, which is consistent with previous surveys. Data is collected biennially. The survey result from February 2021 was 99% as reported in the 2020/21 end-of-year report (2021/2022: Not measured)		
KPI 12.2: Percentage of gravel road tests where road roughness <sup>2</sup> meets acceptable standards	≥85%	92%	Achieved The 2022/2023 RoadRoid survey was completed in late November/December 2022. The result was 91.9%, which is above the minimum target of 85% and consistent with previous years' results (89%). (2021/2022: Achieved – 89%)		
KPI 12.3: <b>Maintenance of a sealed local road network</b> - The percentage of sealed local road network that is resurfaced	6.5%	5.2%	Not achieved  For the 2022/2023 reseal season we only sealed 702,335m², which equates to 5.2% of the sealed network. The bitumen cost increases versus budget available meant we fell short of the target delivery of 6.5%.  (2021/2022: Not achieved – 6.2%)		

KPI 12.4: <b>Response to service requests</b> – The percentage of customer service requests relating to roads and footpaths to which the Council responds within the required timeframes <sup>3</sup>	≥90%	95%	Achieved  The percentage of requests responded to within acceptable timeframes is 94.95% for the year, which is above the minimum target of 90%. This continues to be a focus area of improvement. (2021/2022: Achieved – 92%)
KPI 12.5: <b>Road safety</b> – The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	Reduction of 1 from prior year (10)	22	Not achieved  There were 22 serious injury or fatality crashes in the Southland district recorded in the Crash Analysis System database. It is worth noting that two of the crashes were at the intersections with state highways (outside of Council's jurisdiction). Alcohol continues to be an over-representative contributing crash factor in these high severity crashes (36% of these crashes had alcohol as a crash factor). (2021/2022: Not achieved - 19)
KPI 12.6: <b>Footpath condition</b> <sup>4</sup> – The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works programme or Long Term Plan).	≥70%	96%	Achieved The 2022/2023 footpath survey was completed in May 2023. 96% of footpaths that were surveyed were found to be in acceptable condition. This is a higher percentage than the previous year's survey, which is consistent with the footpath renewal programme that was carried out between the two surveys.  (2021/2022: Achieved - 95%)
KPI 12.7: Around the Mountains Cycle Trail has Great Ride status	Retain accreditation	Accreditation retained	Achieved The Around the Mountains Cycle Trail continues to be recognised as one of 22 Great Rides in New Zealand. (2021/2022: Achieved accreditation retained)
KPI 12.8: CAA compliance requirements for Part 139 certification is maintained	Retain certification	Certification retained	Achieved The Civil Aviation Authority (CAA) has re-issued a Part 139 Aerodrome Operator Certificate to Southland District Council, which is authorised to operate the aerodrome known as Te Anau/Manapouri. The certificate has an expiry date of 28 February 2027, a duration of five years. This allows the airport to have bigger aircraft and have a bigger seating capacity (more than 30 passengers). (2021/2022: Achieved certification retained)
Water facilities Level of service 13: Council provides safe and well-maintained water facilitie	es to enable public	enjoyment and acce	ss to the district's rivers, lakes and sea
KPI 13.1: Water facilities requests for services are completed within specified timeframes	80%	100%	Achieved For the year there were 14 requests for service, all of which were completed on time. (2021/2022: Achieved 100%)

- 1 Smooth travel exposure is an index that determines the proportion of travel on sealed roads which are smoother than a defined threshold.
- 2 Road roughness is measured by RoadRoid testing.
- 3 Timeframes for responding to requests related to roads and footpaths vary from 24 hours to up 60 days depending on the urgency and risk associated with the request. Overall around 80% of the Council's requests for service have a target timeframe of 10 days or less. The Transport AMP includes more detail about the individual request types and timeframes.
- 4 Footpaths are assessed and given a condition rating that uses a visual rating scale of 1-5 where 1 is the highest (3 is reasonable). The percentage is calculated according to the length of the network that meets or exceeds the average of all condition ratings.

# **Funding impact statement - transport**

2021/2022	2022/2023		2021/2022	2022/2023	2022/202
Budget (LTP) (\$000)	Budget (LTP)		Actual (\$000)	Actual (\$000)	Budget (A) (\$00
(\$000)	(\$000)		(\$000)	(\$000)	(\$00
0.00	1.017	Sources of operating funding	077	1.170	1.1
969		General rates, uniform annual general charges, rates penalties	977	1,170	1,1
15,810		Targeted rates	15,822	16,681	16,6
6,316		Subsidies and grants for operating purposes	6,682	7,260	6,6
40		Fees and charges	46	61	
374		Internal charges and overheads recovered	380	415	3
1,115		Local authorities fuel tax, fines, infringement fees, and other receipts 1	1,433	1,573	1,3
24,624	24,669	Total operating funding	25,339	27,158	26,1
		Applications of operating funding			
13,435	13,607	Payments to staff and suppliers	13,945	15,519	14,3
237		Finance costs <sup>2</sup>	-	-	3
2,296	2,389	Internal charges and overheads applied <sup>2</sup>	2,489	2,733	2,5
202	206	Other operating funding applications	209	243	2
16,170	16,474	Total applications of operating funding	16,644	18,495	17,4
8,454	8,195	Surplus (deficit) of operating funding	8,695	8,663	8,6
		Sources of capital funding			
9,556	9,747	Subsidies and grants for capital expenditure	8,215	7,682	11,
-	-	Development and financial contributions	30	-	
2,258	3,354	Increase (decrease) in debt	(271)	(347)	4,
-	47	Gross proceeds from sale of assets	-	18	
-	-	Lump sum contributions	-		
11,814	13,148	Total sources of capital funding	7,975	7,353	15,7
		Applications of capital funding			
		Capital expenditure			
-	-	to meet additional demand	-	-	
2,527	3,073	to improve the level of service	1,079	470	2,.
18,185	19,122	to replace existing assets	15,153	14,796	22,
(409)		Increase (decrease) in reserves	472	783	(1,1
(35)		Increase (decrease) in investments	(35)	(33)	(
20,268		Total applications of capital funding	16,670	16,016	24,4
(8,454)		Surplus (deficit) of capital funding	(8,695)	(8,663)	(8,6
		Funding balance	(1,010)	(1)	,-,-

<sup>&</sup>lt;sup>2</sup> interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2022/2023 was \$336,000 (2022: \$245,000).

### Funding impact statement – budget variations

### Operating:

Payments to staff and suppliers were higher than budget due to increased costs incurred to maintain sealed and unsealed roads as a result of inflationary pressures. This required funding to be diverted from the capital expenditure programme to keep within the limits of the approved three-year budget. As a consequence of this subsidies and grants for operating purposes were also higher than budget given that around half of roading expenditure is funded by Waka Kotahi NZ Transport Agency.

Finance costs were less than budgeted due to Council not requiring external debt and therefore incurring minimal external interest. Instead, interest expenses relate to internal loans resulting in higher internal charges and overheads applied.

Other receipts were higher than budgeted as a result of rental reviews increasing income and additional recoveries for streetlighting costs incurred on behalf of Waka Kotahi in relation to State Highways.

### Capital:

Capital expenditure to improve the level of service and replace existing assets were all below budget for several reasons. Bridge replacements were delayed while a programme was agreed with Waka Kotahi resulting in a \$2.7 million underspend. Pavement rehabilitation and traffic services were \$2.3 million lower than budgeted due to extended procurement processes. Road to zero (including safety around schools) and footpaths were \$2.0 million lower than budgeted with works delayed until the final programme for delivery is determined. The other roading related underspends have been used to fund the additional operating costs as noted above. In addition, delays with both the planning work for the Ulva Island jetty and Golden Bay jetty replacements and the project to reseal part of the Te Anau Airport Manapouri runway (pending airport review) also contributed to the lower expenditure.

Subsequently, *subsidies and grants for capital expenditure* were also lower than budget with contributions from Waka Kotahi NZ Transport Agency for roading and government grants for the two jetty projects affected by the delays. In addition, the *increase (decrease) in debt* and *reserves* is lower than budget with the full amount of loans and reserves for these projects not required to fund the lower level of actual capital expenditure.

## **Affordable waters reforms**

The three waters reform is moving forward, with three pieces of legislation nearing completion. They are:

The Water Services Entities Act: This act establishes the new water services entities so they are ready to provide services from 1 July 2024.

The Water Services Legislation Bill: This bill amends the Water Services Entities Act 2022, empowering the new entities by setting out their functions, powers, obligations, and oversight arrangements.

The Water Services Economic Efficiency and Consumer Protection Bill: Introduced to Parliament in December 2022, this bill implements Cabinet's agreement to establish an economic regulation and consumer protection regime as part of the Three Waters Reform.

Both the Water Services Legislation Bill and the Water Services Economic Efficiency and Consumer Protection Bill passed their third reading in August and should become law soon. A reset and Amendment Bill were announced in April 2023. This bill looks to address some of local government's concerns and pushes out the go-live date with a staggered approach proposed.

Council supplies drinking water to 12 schemes: Te Anau, Winton, Riverton, Lumsden/Balfour, Edendale/Wyndham, Otautau, Orawia, Ohai/Nightcaps, Tuatapere, Manapouri, Mossburn and Eastern Bush.

The Drinking-Water Standards New Zealand 2005 (rev 2018) set by the Ministry of Health (MoH) were used from 1 July to 31 December 2022, and the new drinking water standards, rules and regulations which were introduced by the new water services regulator, Taumata Arowai, from 14 November 2022 onwards.

The Drinking Water Standards 2005 (rev 2018) were a set of regulations established by the MoH to provide guidelines and parameters for the quality of drinking water supplied to the public. The standards provided mandatory testing requirements for different contaminants present in drinking water.

The Drinking Water Quality Assurance Rules 2022 were introduced as a part of a broader reform in the management of drinking water safety in New Zealand to ensure the overall safety and quality of the drinking water supply through effective management practices.

The transition from the MoH Drinking Water Standards 2005 (rev 2018) to Taumata Arowai Drinking Water Quality Assurance Rules 2022 aimed to encourage water suppliers to adopt best practices and adapt to changing circumstances while strongly emphasising public health protection.

A reset and Amendment Bill was announced in April 2023. Council provided a submission to the bill in June, which was constructive and direct.

The Governance and Administration Committee considered feedback on the Water Services Entities Amendment Bill during June-July 2023 and reported back to the House on 27 July, recommending more than 60 changes to the bill based on the submission received.

Council continues to work positively and constructively with the National Transition Unit and government. Much of the work and information gathered is valuable for the future operations of our three waters activities in the district. Should there be a government change, we will adapt and continue to ensure that we work collaboratively, representing and lobbying for the best interests of our ratepayers from an asset and financial perspective.

### **Stormwater**

## What we do

Council aims to provide a stormwater system that is reliable, has adequate capacity and aims to protect people and property from flooding.

## Why we do it

Stormwater networks are provided to reduce the impact of flooding due to rainfall. The activity protects people's property, improves road safety and mitigates accessibility/safety issues that may otherwise be caused during flooding events.

The collection, treatment and disposal of stormwater also helps to protect public health and controls the level of pollutants in stormwater discharged to waterways.

### **Community outcomes**

We are required to report which of the community outcomes the activity group primarily contributes to. Council's strategic framework can be found on page 7. The orange shading indicates a primary outcome contribution.

Social	Environmental	Cultural	Economic
Empowered communities with the right tools to deliver the best outcomes	Kaitiakitanga (guardianship) for future generations	Inclusive connected communities	Provision of appropriate infrastructure & services

#### Identified effects on community wellbeing

The activity systems safeguard people, properties and businesses from flooding. This protects their economic and social wellbeing and reduces risks to public health and safety. The collection, treatment and disposal of stormwater also helps to control the level of pollutants being discharged to waterways and groundwater, which protects the environment and meets cultural wellbeing needs.

Severe storm events that exceed stormwater system design standards may result in localised flooding or overflows that adversely impact property or result in pollutants entering waterways and groundwater.

# How we did - key highlights and projects

• We worked closely with the National Transition Unit on pre-transition work for the three waters reform programme, providing information and advice.

## Projects include:

- Winton stormwater main upgrades were completed in Dejoux and Gap roads, Browns, Gerard Road and Queen and Jane streets.
- Lumsden investigation work is progressing, and some physical works have been carried out.
- Stewart Island Rakiura stormwater improvements for Oban were completed.
- Soakholes in Mossburn and Riversdale were renewed.
- An outfall improvement investigation for Taramea Bay, Riverton, was carried over and will be moved into the Taramea Bay development project.
- Hamlet Street, Riverton, work was completed.
- Some various minor works to aid to network improvements in Riverton were completed for 2022/2023 and will be ongoing in 2023/2024.
- Castle Street, Riverton, project was completed.
- Woodlands stormwater improvements were completed.
- Climate change is predicted to have an increased effect on our coastal towns and work is planned accordingly. Design to catchment parameters and stormwater modelling is being used for projects for countering climate change.
- Contractors' availability was still limited but pricing dropped as it became more competitive.
- Availability of pipes and materials was back to pre-Covid delivery times.

# **Performance results**

This activity has five KPIs with nine targets. Nine targets were achieved.

There were eight works programme projects in total for this activity group. There were 2 completed, 3 were still in progress and 3 were not started.

## Performance measures

Performance measures - stormwater			
Level of service 11: Provide a reliable stormwater system that protects public health and the environment of the service 11: Provide a reliable stormwater system that protects public health and the environment of the service 11: Provide a reliable stormwater system that protects public health and the environment of the service 11: Provide a reliable stormwater system that protects public health and the environment of the service 11: Provide a reliable stormwater system that protects public health and the environment of the service 11: Provide a reliable stormwater system that protects public health and the environment of the service 11: Provide a reliable stormwater system that protects public health and the environment of the service 11: Provide a reliable stormwater system that the service 11: Provide a reliable stormwater system that the service 11: Provide a reliable stormwater 11: Provide a reliable stormw	nment		
How we measure performance	Target	Result	How council performed
<ul> <li>KPI 11.1: System adequacy - Overflows resulting from the stormwater system that result in the flooding of a habitable floor¹</li> <li>(a) The number of 'flooding events' that occur within the district.</li> <li>(b) For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the Council stormwater system).</li> </ul>	a) ≤ 5 b) ≤ 1	a) 0 b) 0	Achieved The DIA mandatory measure methodology defines flooding events as those that affect 'habitable floors'. There were no overflow events recorded from the stormwater system that affected habitable floors for the year.  (2021/2022– Achieved – 0) Achieved There were no flooding events that affected habitable floors  (2021/2022– Achieved – 0)
<ul> <li>KPI 11.2: Discharge compliance - Compliance with the resource consents for discharge from the stormwater system, measured by the number of:</li> <li>(a) abatement notices</li> <li>(b) infringement notices</li> <li>(c) enforcement orders</li> <li>(d) successful prosecutions, received in relation to those resource consents.</li> </ul>	a) 0 b) 0 c) 0 d) 0	a) 0 b) 0 c) 0 d) 0	Achieved No abatement notices issued. (2021/2022: Achieved - 0) Achieved No infringements issued. (2021/2022: Achieved - 0) Achieved No enforcement orders issued. ((2021/2022: Achieved - 0) Achieved No prosecutions. (2021/2022: Achieved - 0)
KPI 11.3: <b>Response to stormwater issues</b> - The median response time between the time of notification and the time when service personnel reach the site when 'habitable floors' are affected by flooding resulting from faults in the stormwater system.	≤ 2 hours	0	Achieved The mandatory measure methodology defines flooding events as those that affect 'habitable

			Floors'. There was no flooding of habitable floors for the year and as such the result is reported as achieved.  (2021/2022: Achieved – 0)
KPI 11.4: <b>Customer satisfaction</b> – The number of complaints received about the performance of	≤ 15 per 1000	4 per 1000	Achieved
Council's stormwater system, expressed per 1000 properties connected to the stormwater system.	properties	properties	Of the 69 requests for service (RFS) coded as THUSW (Transport Hazard Urban Storm Water), investigation has indicated that 41 of the calls have been stormwater network infrastructure-related requests. The remainder were road maintenance problems. An RFS system review led by the customer services team is due be undertaken in the near future, which should improve RFS coding and reporting. (2021/2022: Achieved – 2)
KPI 11.5: <b>Percentage of monitoring results</b> that show compliance with resource consent conditions.	100%	100%	Achieved All samples taken in the 2022/2023 year are compliant.
			(2021/2022: Not achieved 90%)

<sup>1.</sup> Habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages. A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor.

# Funding impact statement - stormwater

2021/2022	2022/2023		2021/2022	2022/2023	2022/202
Budget (LTP) (\$000)	Budget (LTP)		Actual (\$000)	Actual (\$000)	Budget (Al (\$00)
(\$000)	(\$000)		(\$000)	(\$000)	(\$00
254	274	Sources of operating funding	262	405	
361		General rates, uniform annual general charges, rates penalties	363	425	4.
758		Targeted rates	736	940	9.
400		Subsidies and grants for operating purposes	479	-	
-		Fees and charges	-	-	
77	77	Internal charges and overheads recovered	57	40	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts 1	-	-	
1,596	1,938	Total operating funding	1,635	1,405	1,4
		Applications of operating funding			
977	1,237	Payments to staff and suppliers	865	708	6
19		Finance costs <sup>2</sup>	-	-	
613	620	Internal charges and overheads applied <sup>2</sup>	607	656	$\epsilon$
-	-	Other operating funding applications	-	-	
1,610	1,885	Total applications of operating funding	1,472	1,364	1,3
(13)	53	Surplus (deficit) of operating funding	163	41	
		Sources of capital funding			
1,658	-	Subsidies and grants for capital expenditure	1,758	-	
-	-	Development and financial contributions	-	-	
443	851	Increase (decrease) in debt	(156)	1,059	8
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
2,102	851	Total sources of capital funding	1,602	1,059	8
		Applications of capital funding			
		Capital expenditure			
-	-	to meet additional demand	-	_	
728	383	to improve the level of service	736	635	3
1,480	515	•	1,031	630	
(96)		Increase (decrease) in reserves	22	(140)	
(24)		Increase (decrease) in investments	(24)	(24)	(
2,088		Total applications of capital funding	1,765	1,101	9
13		Surplus (deficit) of capital funding	(163)	(41)	(
	(33)	Funding balance	(103)	(+1)	(-

interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2022/2023 was \$24,000 (2022: \$28,000).

### Funding impact statement – budget variations

### Operating:

Internal charges and overheads applied was below budget as a result of a change to the way stormwater reserves and associated interest are disclosed. Following the decision to fund stormwater via a district-wide stormwater rate in 2021/2022 rather different local community board rates, any stormwater reserves built up from local rates were transferred to the relevant community board general reserve. This was done to ensure the funds retained a link to the area they were originally collected from. As these reserves form part of the financial information for the community resources activity, the associated interest on these reserves is now showing through this activity rather than stormwater.

Finance costs were less than budgeted due to Council not requiring external debt and therefore incurring minimal external interest. Instead, interest expenses relate to internal loans resulting in higher internal charges and overheads applied.

### Capital:

Capital expenditure to improve the level of service and replace existing assets was higher than budget with an additional project delivered in Hamlet Street Riverton to upgrade stormwater pipes.

Accordingly, the *increase (decrease) in debt* is higher than budget with the extra loans required to fund the higher level of actual capital expenditure.

Reserves decreased instead of increasing as budgeted with additional reserve funds also used to pay for a portion of the additional project carried out in Riverton. The budget also allowed for loan principal repayments to accumulate in reserves until the loans reached the end of their borrowing term, at which point they would be due for repayment in full (at the end of 15 years). The delay to implementing the change in approach to borrowing has meant that the principal repayments have instead been used to repay internal loans rather than being held in reserve, with reserves decreasing as a result. This has resulted in variations between Reserves and Increase (decrease) in debt in the capital side of the funding impact statement and Finance costs and Internal charges and overheads applied in the operating side of the funding impact statement.

## **Wastewater** (sewerage)

### What we do

We provide 19 wastewater schemes and associated infrastructure that collect, treat and dispose of wastewater from residential properties, businesses and public facilities in communities throughout the district. This service also includes the collection, treatment and disposal of industrial liquid wastes (commonly known as trade wastes) from industrial and commercial premises across the district.

## Why we do it

The activity allows for the convenient disposal of wastewater, which helps to protect public health from the spread of disease, protects residents' quality of life by keeping communities clean and reduces the effects of wastewater discharges into the environment. It helps to facilitate economic growth by providing core infrastructure for industry and businesses. Wastewater management contributes to Southland's communities being desirable places to live, work and play in.

### **Community outcomes**

We are required to report which of the community outcomes the activity group primarily contributes to. Council's strategic framework can be found on page 7. The orange shading indicates a primary outcome contribution.

Social	Environmental	Cultural	Economic
tools to deliver the best outcomes	Kaitiakitanga (guardianship) for future generations	Inclusive connected communities	Provision of appropriate infrastructure & services

## Identified effects on community wellbeing

The activity provides critical long-term infrastructure to communities to protect public health and reduces the effects of wastewater discharges into the environment including waterways. It considers cultural practices including the importance of clean water. It also helps to enable economic growth by providing core infrastructure for industry and businesses.

If not dealt with appropriately, wastewater can have significant negative effects on public health and the environment. Council's work is aimed at dealing with these negative effects in ways that cause the least possible harm. Wastewater 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. We manage our assets to avoid service failures by carrying out a programme of regular monitoring and maintenance, and by prioritising critical work.

# How we did - key highlights and projects

- We worked closely with the National Transition Unit on pre-transition work for the three waters reform programme, providing information and advice.
- A multi-year discharge upgrade to meet legislative requirements for Edendale/Wyndham was in progress, with design completed.
- Riversdale's multi-year wastewater treatment plant discharge upgrade was ongoing, with 85% of physical works completed.
- The removal of sludge built up from the Nightcaps and Lumsden oxidation ponds was carried out. The focus is now on Stewart Island Rakiura.
- Investigation into design for the multi-year Winton, Balfour and Manapouri projects is ongoing and advancing to schedule.
- Stewart Island Rakiura consent renewal preparation was under way. Some adjustments to the treatment process are required in 2023/2024.

# **Performance results**

This activity has five KPIs with nine targets. The activity achieved eight targets and one target was not achieved.

Of the target that was not achieved, reasons included:

KPI 14.5: Three areas are currently being reconsented and an UV filter needed replacing with a larger unit.

There were 19 works programme projects in total for this activity group. There were 4 completed, and 15 were still in progress.

## Performance measures

Performance measures - wastewater (sewerage)						
Level of service 14: Provide reliable wastewater (sewerage) collection and treatment services that protects public health and the environment						
How we measure performance	Target	Result	How council performed			
KPI 14.1: <b>System and adequacy</b> – The number of dry weather <sup>1</sup> wastewater (sewerage) overflows from the territorial authority's wastewater (sewerage) system, expressed per 1000 wastewater (sewerage) connections to that wastewater (sewerage) system.	<1	0	Achieved There were five overflow service requests for the year and three are determined to be dry weather overflows. The calculation for the number of dry weather overflows per 1000 connections is (3/9,658)*1000=0.3106. Therefore, there were 0 dry weather wastewater overflows. (2020/2021: Achieved 0)			
KPI 14.2: <b>Response to wastewater (sewerage) system faults</b> - Where the Council attends to wastewater (sewerage) overflows resulting from a blockage or other fault in the Council's wastewater (sewerage) system, the following median response times <sup>2</sup> measured:						
(a) Attendance time: from the time of notification to the time when service personnel reach the site; and	a) ≤1 hour	16 minutes	Achieved There were five in total service requests for the year. The median resolution time of notification for the reporting period is 0 hours and 16 minutes, which is within the expected attendance (response time) of 1 hour. (2021/2022: Achieved – 19 minutes)			
(b) Resolution time: from the time of notification to the time that service personnel confirm resolution <sup>1</sup> of the blockage or other fault	b) ≤6 hours	1 hour, 51 minutes	Achieved There were five in total service requests for the year. The median resolution time of notification for the reporting period is 1 hour and 51 minutes, not exceeding the expected attendance (resolution time) of 6 hours. (2021/2022: Achieved – 59.4 minutes)			
KPI 14.3: <b>Customer satisfaction</b> – The total number of wastewater (sewerage) system complaints about any of the following: (a) wastewater (sewerage) odour (b) wastewater (sewerage) system faults (c) wastewater (sewerage) system blockages; and (d) the Council's response to issues with its wastewater (sewerage) system, expressed per 1,000 connections to the Council wastewater (sewerage) system.	≤8 per 1,000 connections	5 per 1,000 connections	Achieved There were 47 requests for service for the year. The calculation for the total number of sewerage system complaints is (47/9,658)*1000=4.8664 (rounded to the nearest whole number) Therefore, there were 5 sewerage system complaints for the year. (2021/2022: Achieved - 4)			

KPI 14.4: <b>Discharge compliance</b> - Compliance with resource consents for wastewater (sewerage) discharges, measured by the total number of:			
(a) Abatement notices	0	0	Achieved There were no abatement notices issued. (2021/2022: Achieved -0)
(b) Infringement notices	0	0	Achieved There were no infringement notices issued. (2021/2022: Achieved -0)
(c) Enforcement orders	0	0	Achieved There were no enforcement notices issued (2021/2022: Achieved -0)
(d) Convictions received in relation to the resource consents	0	0	Achieved There were no successful prosecutions (2021/2022: Achieved -0)
KPI 14.5: Percentage of monitoring results that show compliance with resource consent conditions.	100%	96%	Not achieved The total non-compliances for the 2022/2023 year is 15, giving an overall yearly rating of 96%. Balfour, Oban and Riversdale are presently being re-consented. The UV unit at Ohai was replaced in June 2023 with a larger unit. This will help meet compliance. (2021/2022: Not achieved 95%)

<sup>1 -</sup> Dry Weather" is defined as a period of 24 hours prior to an event of no catchment rainfall. 2 - In accordance with operations and maintenance contract timeframes.

# Funding impact statement - wastewater

2021/2022	2022/2023		2021/2022	2022/2023	2022/20
Budget (LTP)	Budget (LTP)		Actual	Actual	Budget (
(\$000)	(\$000)		(\$000)	(\$000)	(\$0
		Sources of operating funding			
646	673	General rates, uniform annual general charges, rates penalties	651	973	
4,094	5,720	Targeted rates	4,075	5,171	5
800	-	Subsidies and grants for operating purposes	864	-	
-	-	Fees and charges	26	64	
187	191	Internal charges and overheads recovered	187	231	
33	34	Local authorities fuel tax, fines, infringement fees, and other receipts 1	94	150	
5,760	6,618	Total operating funding	5,896	6,588	6
		Applications of operating funding			
3,311	2,732	Payments to staff and suppliers	3,346	3,538	2
306	349	Finance costs <sup>2</sup>	-	-	
1,604	1,620	Internal charges and overheads applied <sup>2</sup>	1,961	2,258	
-	-	Other operating funding applications	-	-	
5,221	4,702	Total applications of operating funding	5,307	5,796	
539	1,916	Surplus (deficit) of operating funding	590	792	
		Sources of capital funding			
1,450	-	Subsidies and grants for capital expenditure	3,756	-	
-	-	Development and financial contributions	25	540	
2,712	5,481	Increase (decrease) in debt	(120)	433	
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
4,163	5,481	Total sources of capital funding	3,660	973	3
		Applications of capital funding			
		Capital expenditure			
905	937	to meet additional demand	1,060	-	
5,235	5,222	to improve the level of service	3,979	2,654	
-	759	<ul> <li>to replace existing assets</li> </ul>	283	154	
(1,390)	528	Increase (decrease) in reserves	(1,025)	(995)	
(48)	(48)	Increase (decrease) in investments	(48)	(48)	
4,702	7,397	Total applications of capital funding	4,250	1,765	4
(539)	(1,916)	Surplus (deficit) of capital funding	(590)	(792)	
		Funding balance			

interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2022/2023 was \$645,000 (2022: \$439,000).

### Funding impact statement – budget variations

### Operating:

General rates were higher than budget due to a change in the way rates collected for Council's contribution towards sewerage loans are shown. This income (and the associated costs) have now been moved to the sewerage activity from community resources in anticipation of the transfer of these loans to the new water services entity as part of the affordable water reforms.

Payments to staff and suppliers were higher than budget due to an increase in unplanned maintenance costs for repairing parts of the network.

Finance costs were less than budgeted due to Council not requiring external debt and therefore incurring minimal external interest. Instead, interest expenses relate to internal loans resulting in higher internal charges and overheads applied.

#### Capital:

Capital expenditure to improve the level of service and replace existing assets was lower than budgeted due to the timing of works associated with two wastewater treatment plant upgrades. While the project to upgrade Riversdale treatment plant is largely with complete, actual costs were 37% (\$872,000) less than budget with the remainder of the work to be completed during the 2023/2024 year. A further \$1.3 million of the underspend relates to the Edendale/Wyndham wastewater treatment plant upgrade. Design and scoping of the project commenced during the year (actual cost to date \$204,000), with the construction likely to occur in the early part of the 2024-34 long term plan period.

Accordingly, the increase (decrease) in debt is lower than budget with the fewer loans required to fund the lower level of actual capital expenditure.

Reserves decreased more than what was budgeted due to a delay in moving to external borrowing rather than borrowing internally against reserves. The budget allowed for loan principal repayments to accumulate in reserves until the loans reached the end of their borrowing term, at which point they would be due for repayment in full (at the end of 15 years). The delay to implementing the change in approach to borrowing has meant that the principal repayments have instead been used to repay internal loans rather than being held in reserve, with reserves decreasing as a result. This has resulted in variations between Reserves and Increase (decrease) in debt in the capital side of the funding impact statement and Finance costs and Internal charges and overheads applied in the operating side of the funding impact statement.

Development and financial contributions are higher than budget due to a request from the Department of Internal Affairs to use contributions where possible prior to the transfer of three waters to the new water services entity. As a result, \$540,000 of wastewater contributions held by Council from financial contributions collected under the District Plan (via RMA) have been used to fund a portion of the Riversdale Wastewater treatment plant upgrade also further reducing the loans required. These contributions can be used for "the provision and improvement of sewerage and stormwater treatment and disposal systems and connections thereto" in any part if the District except Te Anau as detailed in the District Plan and associated policy in place at the time of collection.

## **Water supply**

### What we do

Water is a valuable resource in Southland district, and we strive to provide a reliable and adequate supply. Council provides 10 community drinking water supplies, two treated rural supplies and nine untreated rural water supplies for stock water only.

## Why we do it

Supplying safe and clean drinking water is a fundamental requirement of life, supporting healthy communities and economic wellbeing. Water is necessary to provide critical public services, and enables economic growth. Industries, businesses, hospitals and schools all require water to function. It also contributes to community safety through the firefighting capability in most urban reticulated areas.

### **Community outcomes**

We are required to report which of the community outcomes the activity group primarily contributes to. Council's strategic framework can be found on page 7. The orange shading indicates a primary outcome contribution.

Social	Environmental	Cultural	Economic
Empowered communities with the right tools to deliver the best outcomes	Kaitiakitanga (guardianship) for future generations	Inclusive connected communities	Provision of appropriate infrastructure & services

## Identified effects on community wellbeing

The provision of safe drinking water is fundamental to all aspects of community wellbeing. The activity supplies water that is used by businesses, farms and industry to operate within the community. This impacts on economic wellbeing. The activity provides good-quality, safe drinking water that supports healthy living for social wellbeing.

The treatment of drinking water and maintenance of pipes and pumps is crucial to ensure that water supplies are managed appropriately and do not pose risks to public health through lack of treatment or supply failures, which could also have a negative impact on commercial/industrial users.

Managing water use in a sustainable way helps to minimise adverse impacts on the environment, discourages water wastage and ensures water is directed to the best purposes. The activity ensures compliance with consent conditions so that the water is safe to use and managed sustainably. Water management practices can sometimes vary from Māori cultural practices and beliefs, such as the mixing of water from different catchments. These beliefs are considered when undertaking the activity.

## How we did - key highlights and projects

- We will continue with the implementation of strategic zoned metering across all community schemes to help manage demand and detect leaks to ensure that the most use is being made of the water currently being taken.
- We are continuing a programme of upgrades to our water treatment plants to meet new water standards, and undertaking resource consent renewals.
- The drinking water standards were updated in 2022.
- We upgraded all water plants to the new SCARDA system, which helps with plant safety.
- New automation contractor AFI was appointed to monitor our systems for maintenance and repairs.
- The maintenance water contract was re-tendered, and the incumbent Downer won the three waters contract.
- Investigation works were carried out in Riverton for a major upgrade due to growth of the town.
- Chlorine monitoring continued.
- We worked closely with the National Transition Unit on pre-transition work for the three waters reform programme, providing information and advice.

#### Key projects

- In Nightcaps, the replacement of approximately 1.8km of asbestos cement (AC) pipe in Osborn Terrace and Sinclair Avenue is nearing completion.
- Consent renewal preparation for Edendale and Te Anau was under way, while consent for Otautau was issued for 25 years.
- The multi-year Eastern Bush Otahu Flat water treatment plant upgrade was under way with an extension for consent granted to 2024/2025.
- The Manapouri water treatment plant multi-year upgrade project continued, with design complete, and due to go out for tender in late July/early August.
- Te Anau reticulation renewals in Cleuddau, Henry and Duncan streets was 80% complete.
- The Te Anau Basin rural water sanitising project was on hold and Kakapo rising main was complete.

## **Performance results**

This activity has five KPIs and nine targets. The activity achieved six targets and three targets were not achieved.

Of the three targets not achieved reasons included:

KPI 15.2 – there was a water supply shortage, low pressure and water quality complaints caused by a drought during the summer.

KPI 15.3a – one plant was non-compliant because it had only basic chlorination, which means when the river gets dirty during storms the chlorination isn't as effective, but a new plant with better technology is planned for the future.

KPI 15.3b – The Eastern Bush-Otahu Flat plant does not have a protozoal barrier but the plant is due to be upgraded. The Tuatapere plant had a cartridge filtration issue, which is being investigated and then will be remedied.

There were 33 works programme projects in total for this activity group. There were 8 completed, 24 are still in progress and 1 deleted

#### Performance measures

Performance measures - water supply							
Level of service 15: Our water supply network provides safe, reliable and adequate supply of water							
How we measure performance	Target	Result	How council performed				
KPI 15.1: <b>Fault response times</b> – Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:  (a) <u>attendance</u> for urgent call-outs <sup>1</sup> : from the time Council receives notification to the time that service personnel reach the site;	a) ≤ 1 hour	a) 19 minutes	Achieved The fault response time to attend urgent call-outs is 0 hours and 19 minutes for the year. The response is within the KPI target of 1 hour. (2021/2022: Achieved – 10.2 minutes)				
(b) <u>resolution</u> of urgent call-outs <sup>1</sup> : from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption;	b) ≤ 6 hours	b) 4 hours, 48 minutes	Achieved The median response time to resolve urgent call-outs to 21 requests for service is 4 hours and 48 minutes for the year, which is within the expected attendance (resolution time) of 6 hours.  (2021/2022: Achieved 3 hours, 24 minutes)				
(c) <u>attendance</u> for non-urgent call-outs <sup>1</sup> : from the time that Council receives notification to the time that service personnel reach the site; and	c) ≤ 4 hours	c) 57 minutes	Achieved The median response time to attend non-urgent call-outs to 583 requests for service is 57 minutes, which is within the expected attendance (resolution time) of 4 hours.  (2021/2022: Achieved – 44 minutes)				
(d) <u>resolution</u> of non-urgent call-outs <sup>1</sup> : from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	d) ≤ 24 hours	d) 23 hours, 10 minutes	Achieved The median response time to resolve non-urgent call-outs to 583 requests for service is 23 hours and 10 minutes, which is within the expected attendance (resolution time) of 24 hours.  (2021/2022: Achieved – 21 hours, 21 minutes)				

KPI 15.2: <b>Customer satisfaction</b> – The total number of complaints received by Council about any of the following: (a) drinking water clarity; (b) drinking water taste; (c) drinking water odour; (d) drinking water pressure or flow; (e) continuity of supply, and (f) the way Council responds to any of these issues expressed per 1,000 connections to Council's networked reticulation system.	≤10 per 1,000 connections	12 per 1,000 connections	Not achieved There are 95 total service requests for the year. There were 28 calls related to water quality (smell, taste, colour, clarity), 43 calls are related to (no) water sup 12 are pressure-related, and four are aesthetic-related. The calculation for the total number of water system complaints is (95/8,057)*1000=11.7910. Therefor 11.79 per 1000 connections total drinking water complaints for the year. (2021/2022: Not achieved – 14)		
KPI 15.3: <b>Drinking water safety</b> – The extent to which the Council drinking water supplies complies with:  (a) drinking water standards (bacteria compliance criteria) and	a) 100%	a) 92%	a) <b>Not achieved</b> 11 of the 12 plants throughout the district are compliant. Eleven of the tw drinking water treatment plants (including Orawia) throughout the district compliant. There was E. coli detected in the Lumsden and Riverton distributions on 26 September 2022. However, the three re-tests after the incider detected no E. coli or total coliforms in the treatment plants and reticulational Although chlorine residual was met, due to the high turbidity level and not treatment process other than chlorine dosing in Eastern Bush, it did not me bacterial compliance. A new plant is being designed, expected to be install 2024/2025. The Eastern Bush/Otahu Flat scheme is on a continuous boil we notice to reduce potential risks.		
			Plant	Met	
					Reason
			Edendale	Yes	Reason
					The Eastern Bush-Otahu Flat plant is non-compliant because of turbidity in the water. There is only basic chlorination at the scheme currently, which means that when the river gets dirty during storms chlorination isn't as effective. Eastern Bush-Otahu Flat is on a continuous boil water notice to reduce any potential risk. There was no E. coli detected in any of the water samples. A new plant is being designed and this is expected to be installed in the near future (2024/2025).
			Edendale Eastern Bush-Otahu	Yes	The Eastern Bush-Otahu Flat plant is non-compliant because of turbidity in the water. There is only basic chlorination at the scheme currently, which means that when the river gets dirty during storms chlorination isn't as effective. Eastern Bush-Otahu Flat is on a continuous boil water notice to reduce any potential risk. There was no E. coli detected in any of the water samples. A new plant is being designed and this is expected to be installed in the near
			Edendale  Eastern Bush-Otahu Flat  Lumsden/Balfour Manapouri	Yes No Yes Yes	The Eastern Bush-Otahu Flat plant is non-compliant because of turbidity in the water. There is only basic chlorination at the scheme currently, which means that when the river gets dirty during storms chlorination isn't as effective. Eastern Bush-Otahu Flat is on a continuous boil water notice to reduce any potential risk. There was no E. coli detected in any of the water samples. A new plant is being designed and this is expected to be installed in the near
			Edendale  Eastern Bush-Otahu Flat  Lumsden/Balfour Manapouri Mossburn	Yes No Yes Yes Yes	The Eastern Bush-Otahu Flat plant is non-compliant because of turbidity in the water. There is only basic chlorination at the scheme currently, which means that when the river gets dirty during storms chlorination isn't as effective. Eastern Bush-Otahu Flat is on a continuous boil water notice to reduce any potential risk. There was no E. coli detected in any of the water samples. A new plant is being designed and this is expected to be installed in the near
			Edendale Eastern Bush-Otahu Flat  Lumsden/Balfour Manapouri Mossburn Ohai/Nightcaps	Yes No Yes Yes Yes Yes	The Eastern Bush-Otahu Flat plant is non-compliant because of turbidity in the water. There is only basic chlorination at the scheme currently, which means that when the river gets dirty during storms chlorination isn't as effective. Eastern Bush-Otahu Flat is on a continuous boil water notice to reduce any potential risk. There was no E. coli detected in any of the water samples. A new plant is being designed and this is expected to be installed in the near
			Edendale Eastern Bush-Otahu Flat  Lumsden/Balfour Manapouri Mossburn Ohai/Nightcaps Orawia	Yes No Yes Yes Yes Yes Yes	The Eastern Bush-Otahu Flat plant is non-compliant because of turbidity in the water. There is only basic chlorination at the scheme currently, which means that when the river gets dirty during storms chlorination isn't as effective. Eastern Bush-Otahu Flat is on a continuous boil water notice to reduce any potential risk. There was no E. coli detected in any of the water samples. A new plant is being designed and this is expected to be installed in the near
			Edendale Eastern Bush-Otahu Flat  Lumsden/Balfour Manapouri Mossburn Ohai/Nightcaps	Yes No Yes Yes Yes Yes	The Eastern Bush-Otahu Flat plant is non-compliant because of turbidity in the water. There is only basic chlorination at the scheme currently, which means that when the river gets dirty during storms chlorination isn't as effective. Eastern Bush-Otahu Flat is on a continuous boil water notice to reduce any potential risk. There was no E. coli detected in any of the water samples. A new plant is being designed and this is expected to be installed in the near

				I	
			Tuatapere	Yes	
			Winton	Yes	
			(2021/2022: Not achieve	a – 91%)	
KPI 15.3: <b>Drinking water safety</b> – The extent to which the Council drinking water supplies complies with: (b) drinking water standards (protozoal compliance criteria).	b) 100%	b) 100%  b) Not achieved Two of the 11 plants throughout the district are compliant and non-compliant. In order to achieve protozoal compliance with plant must continue to record and transmit compliant data every year. For Southland district this is at times problematic given the across a large geographical expanse that at times encounters of automation issues. A steady programme of investment over a resilience. In the interim, based on ongoing testing results and bacterial compliance, the very short (relatively across the year) intermittent non-compliances are assessed as a very low risk.			e protozoal compliance with the standard, each transmit compliant data every minute of the t times problematic given the number of plants that at times encounters connectivity and amme of investment over a number of years is and increase connectivity and automation ongoing testing results and the level of t (relatively across the year) periods of
			Plant	Met	Reason for non compliance
			Edendale	No	not having continuous UVT monitoring instruments in place.
			Eastern Bush/Otahu Flat	No	Eastern Bush-Otahu Flat is non-compliant as it lacks a protozoal treatment barrier. A new plant is being designed and this is expected to be installed in the near future (2024/2025). Eastern Bush-Otahu Flat is on a continuous boil water notice to reduce any potential risk. Water is treated with chlorine at the plant.
			Lumsden/Balfour	No	not having continuous UVT monitoring instruments in place.
			Manapouri	No	not having continuous UVT monitoring instruments in place. The Manapouri plant has UV treatment. Manapouri had one month of non-compliance (10 minutes) on 7 October 2022 under the Drinking Water Standards New Zealand 2005 (rev 2018). The turbidity non-compliance (3 min>2.0 NTU) was related to changing UV duties. It was noted that there was no raw water flow when non-compliance occurred.
			Mossburn	No	Mossburn was 177 minutes (2 hours, 57 minutes) non-compliant over 4 periods due to turbidity spikes in the water,

			Ohai/Nightcaps	No	mainly caused by air in the turbidity meter feed line.  Ohai was non-compliant for 1 day due to the automated integrity test not being undertaken. The plant supplier is
			Otautau	No	amending the plant programming to prevent this from occurring.  not having continuous UVT monitoring
					instruments in place.
			Riverton	No	not having continuous UVT monitoring instruments in place.
			Te Anau	YNo	not having continuous UVT monitoring instruments in place.
			Tuatapere	No	Tuatapere is technically non-compliant due to a cartridge filtration issue. A lack of cartridge filtration certification is being investigated at present.
			Winton	No	not having continuous UVT monitoring instruments in place.
			(2021/2022: Not achieve	d – 36%)	
KPI 15.4: <b>Maintenance of the reticulated network</b> – The percentage of water lost from the Council's networked reticulation system <sup>2</sup>	≤25%	15%	Achieved The full reporting year has seen reductions in both water produced and water "lost" providing an overall reduction of nearly 5%. (2021/2022: Achieved - 16%)		
KPI 15.5: <b>Demand management</b> – The average consumption of drinking water per day, per resident within the territorial authority district.	≤ 850 litres per person per day	583 litres per person per day	Achieved		
1. Address of an annual frame the advance the state of Course is a second state of the advance the state of t			(2021/2022: Not achieve	d 919 litres	)

<sup>1 -</sup> Attendance means from the time that the Council receives notification to the time that service personnel reach the site. Resolution means from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption. "Urgent" is considered complete loss of drinking-water to an urban drinking water supply. "Non-urgent "includes all other fault/interruptions to an urban drinking water supply 2 - The water loss calculation is the weighted averaged percentage loss reduction per urban drinking water supply

# Funding impact statement – water supply

2021/2022	2022/2023		2021/2022	2022/2023	2022/202
Budget (LTP)	Budget (LTP)		Actual	Actual	Budget (A
(\$000)	(\$000)		(\$000)	(\$000)	(\$00
		Sources of operating funding			
638	665	General rates, uniform annual general charges, rates penalties	643	818	75
4,886	5,453	Targeted rates	4,770	5,486	5,47
90	-	Subsidies and grants for operating purposes	9	-	
-	-	Fees and charges	31	43	
113	115	Internal charges and overheads recovered	113	122	11
1	3	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	1	4	
5,728	6,235	Total operating funding	5,566	6,473	6,34
		Applications of operating funding			
2,684	2,922	Payments to staff and suppliers	2,897	3,639	2,88
236	344	Finance costs <sup>2</sup>	-	-	44
1,697	1,682	Internal charges and overheads applied <sup>2</sup>	1,875	2,131	1,8:
-	-	Other operating funding applications	8	6	
4,618	4,948	Total applications of operating funding	4,780	5,776	5,1
1,111		Surplus (deficit) of operating funding	786	697	1,19
		Sources of capital funding			
2,318	-	Subsidies and grants for capital expenditure	3,784	-	
-	-	Development and financial contributions	-	370	
5,867	3,580	Increase (decrease) in debt	2,017	2,281	6,4
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
8,185	3,580	Total sources of capital funding	5,801	2,651	6,45
		Applications of capital funding			
		Capital expenditure			
-	-	to meet additional demand	4	-	
5,217	2,722	to improve the level of service	1,793	1,318	5,2
3,721	1,609	<ul> <li>to replace existing assets</li> </ul>	4,909	2,000	1,9
406	585	Increase (decrease) in reserves	(70)	78	4
(48)		Increase (decrease) in investments	(48)	(48)	(4
9,296		Total applications of capital funding	6,587	3,348	7,6
7,270		Surplus (deficit) of capital funding	(786)	(697)	(1,19
(1,111)	(1,287)	Juipius (deficit) of capital fulluling	(700)	(021)	

<sup>2</sup> interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2022/2023 was \$403,000 (2022: \$253,000).

### Funding impact statement – budget variations

### Operating:

General rates were higher than budget due to a change in the way rates collected for Council's contribution towards water loans are shown. This income (and the associated costs) have now been moved to the water supply activity from community resources in anticipation of the transfer of these loans to the new water services entity as part of the affordable water reforms.

Payments to staff and suppliers were higher than budget due to additional work undertaken to prepare new water safety plans required by legislation as well an increase in unplanned maintenance costs for repairing parts of the water supply network.

Finance costs were less than budgeted due to Council not requiring external debt and therefore incurring minimal external interest. Instead, interest expenses relate to internal loans resulting in higher internal charges and overheads applied.

### Capital:

Capital expenditure to improve the level of service is under budget for the year, with several water projects delayed or deferred. The upgrade the Eastern Bush-Otahu Flat water supply and Manapouri water treatment plant are both behind schedule resulting in actual expenditure \$2.4 million and \$950,000 lower than budget respectively. The physical works to sanitise the Te Anau Basin rural water supply has been deferred with actual expenditure \$570,000 lower than budgeted.

Accordingly, the *increase (decrease) in debt* is lower than budget with the fewer loans required to fund the lower level of actual capital expenditure.

Reserves increased less than what was budgeted due to a delay in moving to external borrowing rather than borrowing internally against reserves. The budget allowed for loan principal repayments to accumulate in reserves until the loans reached the end of their borrowing term, at which point they would be due for repayment in full (at the end of 15 years). The delay to implementing the change in approach to borrowing has meant that the principal repayments have instead been used to repay internal loans rather than being held in reserve, with reserves decreasing as a result. This has resulted in variations between Reserves and Increase (decrease) in debt in the capital side of the funding impact statement and Finance costs and Internal charges and overheads applied in the operating side of the funding impact statement.

Development and financial contributions are higher than budget due to a request from the Department of Internal Affairs to use contributions where possible prior to the transfer of three waters to the new water services entity. As a result, \$370,000 of water supply contributions held by Council from financial contributions collected under the District Plan (via RMA) have been used to fund a portion of the watermain renewal in Sinclair Avenue Nightcaps also further reducing the loans required. These contributions can be used for 'the provision and upgrading of public water and rural supply systems connections thereto" in any part if the District except Te Anau as detailed in the District Plan and associated policy in place at the time of collection.

# **Council-controlled-organisations**

# **Milford Community Trust**

Southland District Council, Environment Southland and the Department of Conservation jointly established the Milford Community Trust in 2007 to provide leadership and governance for the Milford community. It allows the Milford community to determine its priorities and provides an avenue for local consultation and engagement, as well as public meetings. Milford Piopiotahi covers the developed area of land and adjacent coastal marine area at the end of State Highway 94 at the head of Milford Sound. The Milford community covers residents of Milford, the holders of concessions from the Crown operating at Milford and iwi. The trust has adopted a statement of intent that outlines the strategic goals, specific focus areas and activities proposed for 2022-2025.

The trust asked Council to grant it exempt council-controlled organisation status and this was approved at Council's 21 June 2023 meeting. The trust will be seeking amendments to its deed to align it with that decision. Council may rescind that exempt status at any time and must review the exemption every three years. There will be no changes to the objects of the trust.

## Ownership and control of the organisation

The trust was formed as a council-controlled organisation (CCO). The Milford Community Trust is an incorporated charitable trust. This structure was chosen because it creates an obligation for trustees towards the trust beneficiaries, who in this case are the Milford community. In addition, an incorporated charitable trust can continue in perpetuity for the benefit of the future Milford community.

### **Significant policies**

- Suspected Fraud Policy
- Sensitive Expenditure Policy
- Financial Delegations Policy

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 the 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 with a community focus.

# Strategic goals and focus areas

Vision: Long-term sustainability of Milford Sound Piopiotahi, with a community focus						
Provide leadership and governance for the Milford community in Milford Sound Piopiotahi	Advocate for the general benefit of the Milford community	Co-ordinate and communicate with all parties having interests in Milford Sound Piopiotahi.				
Advocating for better planning to address specific issues: highway safety, control of illegal camping, toilet facilities, community facilities, co-ordinated emergency response, and recognition of the area's World Heritage status.	Advocate on behalf of the Milford community to central government, Environment Southland, Department of Conservation, Southland District Council, iwi and other authorities.	Communicate the roles of the trust and other authorities more clearly to the Milford community.  Affirm the trust role as a voice for the Milford community.  Maintain closer relationships with Milford infrastructure providers.  Provide clear information to concessionaires regarding intentions and implementation of trust policies.  Consult with the community and concessionaires to develop a strategic project plan for the trust to deliver for the benefit of the community.				

## Planned activities/services 2022/2023

Activity description	Date	Status
Planned activities		
Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.	2022/2023	There have been ongoing discussions with the Department of Conservation, primarily through their representatives who attend the trust meetings but also in relation to activities the trust is looking to pursue such as enhancements to the recreational area.  The chair has also participated in discussions with the Stage 3 Milford Opportunities Project team who are feasibility testing the long-term masterplan for Milford that was publicly released in July 2021.
Unplanned activities		
None		
Information requirements		
Draft Statement of Intent approved by the trust.	March 2023	Achieved. Availability of trustees resulted in the trust receiving and approving the report on 16 March 2023.
Final Statement of Intent prepared and circulated to key partners.	June 2023	Achieved. Council approved the Statement of Intent on 21 June 2023.
Half-yearly report prepared and circulated to key partners.	March 2023	Achieved. The trust received the report on 16 March 2023

#### **Performance measures**

Level of service	Key performance indicator	Target	Result	How MCT performed
Maintain a structure that facilitates local decision-making.	Number of Milford Community Trust meetings held annually.	2		Not achieved. The trust has not undertaken much activity as that needs to funded by the tourism operators that were struggling with borders only just opening.
Keep the Milford community informed about trust plans and outcomes	Number of public forums held in Milford each year:	1		Not achieved. The trust has not undertaken much activity as that needs to funded by the tourism operators who are struggling with borders only just opening. Therefore, it was not considered appropriate to hold a meeting in Milford Sound Piopiotahi.

Financial Summary	2022/2023 Actual (\$000)	2021/2022 Actual (\$000)
Income		
Concessionaires income	0	0
Interest	15	6
Trustee fees forgiven	1	2
Total income	16	8
Operational costs		
Management/administration 1	1	2
Operations and maintenance	7	12
Total expenses	8	14
Operational surplus/(deficit)	8	(6)
Net assets	451	443

1 Management/administration costs include chairperson's fees, trustees' fees, mileage allowances,
insurance, accommodation costs and general meeting costs.

Concessionaires invoicing was not undertaken as the trust resolved on the 21 February 2022 to forgo this revenue in FY 2022/2023, to provide relief for the concessionaries due to the impact on tourism from the February floods and Covid-19.

Operations and maintenance expenditure includes consent fees. However, the recreation centre project is on hold so there weren't any consent costs in 2022/2023.

Milford Community Trust representatives					
Designation	Name	Term expires			
Independent chair	Ebel Kremer	June 2025			
Milford community appointee	Brad Johnstone	30 July 2024			
Milford community appointee	Steve Norris	30 July 2023			
Milford community appointee	Tony Woodham	30 July 2025			
Milford community appointee	Rosco Gaudin	30 July 2025			

The trust amended the Trust Deed on 28 July 2021 regarding the governance of the trust. The trustees are made up of an independent chair and four trustees nominated by members of the Milford community. Further details about the trust's activities and budgets can be found in its Statement of Intent 2022-2025.

### **Sources of funding**

**Southland District Council:** Council will provide administration and technical advice to support the trust and independent chairperson. This administrative portion of the operations will be funded by Council the same as in any other community in the district with community boards.

Milford community: The operational and project costs are those that the Milford Community Trust considers will provide benefit for all concessionaires at Milford and should be recovered from the Milford concessionaires through the Implied Concession Activity Fee, apportioned as per the Department of Conservation apportionment of cost schedule. The costs indicated above in the supporting forecasted accounts are funded from the annual implied concession activity fee and monies held.

The value of the annual concession to be charged will continue to be reviewed each year. For 2022/2023 the total amount sought from concessionaires was \$nil as the trustees decided to recognise the difficult financial environment concessionaires are in due to the effects of Covid-19 on the tourism sector. Any surplus funds will be held by the trust in its bank account for future project funding.

# **Southland Museum and Art Gallery Trust (SMAG)**

The Southland Museum and Art Gallery Trust's mission is to preserve and tell the story of Southland – the experience of people and places over time – and inspire Southlanders to explore and understand the world around them. The Southland Museum and Art Gallery Trust contributes towards the achievement of the community outcome of "kaitiakitanga for future generations, A diverse economy creating healthy and affordable lifestyles". The current museum facility was closed indefinitely on 13 April 2018 for health and safety reasons.

The trust, through Invercargill City Council, is delivering a number of exhibitions featuring art and artefacts from the trust's collection at He Waka Tuia, which is a temporary cultural facility exhibition space located in Invercargill city. Following confirmation of the "ownership" of the building, Invercargill City Council established the Museum Governance Group (MGG) to provide the vision for the development of a new facility. During this process tangata whenua bestowed the name "Te Unua" on the project as it moves forward.

Following the review of the trust board's deed the current trust board structure of eight persons appointed by the LTAs, and two appointed representatives, was changed in May 2022. An "Initial or Interim" Board was established following the change of Deed. That Board was comprised of the chief executives of the three councils and an appointed representative of the four Rūnaka. The Appointments Committee, as outlined in the Trust Deed was convened. As part of the appointment process the four Rūnaka were invited to appoint a collective representative (1). The Appointments Committee was responsible for the appointment of the remaining five board members.

Organisation	Invercargill City Council	Gore District Council	Southland District Council	Tangata whenua
Representatives	Michael Day	Steve Parry	Cameron McIntosh	Evelyn Cook

#### Significant policies and objectives

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 the business of the trust is to be conducted.

## Nature and scope of activities

The Southland Museum and Art Gallery is in Queens Park, Invercargill. While the collection traces its formation back to the late 1860s, it was not until 1942 that the first purpose-built museum was opened. Due to war restrictions, funds for the art gallery were raised during World War II; but the Art Gallery extension was not opened until October 1961. Due to leakage between the various buildings and additions, a redevelopment began in 1989 which involved the construction of a "Pyramid" shaped building, which opened in 1990. Covering all existing buildings, it provided an approximate floor area of 4,500 square metres, including the observatory.

The collection approximately 4.5 million items. This includes a significant photographic collection, archaeological material, ephemera and Taoka Maori. The collection is acknowledged as being of significant local, regional, national and international importance.

Over 100 objects from the museum and art gallery collection are identified as being of national importance. Many of these objects tell the "Story of Southland" – from the time of Gondwanaland, and first settlement by tangata whenua, to first contact between iwi and Europeans, worked here, and those who settled here.

The scope and nature of the activities that the Southland Museum and Art Gallery Trust intended to provide was to focus the Museum and Art Gallery 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. Following the closure of the current facility exhibitions have been provided through He Waka Tuia, and object loans have been made to a number of facilities to ensure access to the collection.

## **Key highlights**

- ➤ 61,515 digital records of collection items have been made
- The cataloguing and rehousing of the collection continues as part of the relocation of the collection in 2023.
- ➤ Over 90% of the collection has now been packed in a form ready for relocation.
- Total number of records processed at 30 June 2023: 8392, which included full documentation (Stage 1), rehousing (Stage 2), and photography (Stage 3)
- Work continues on processing the Taoka Maori; Social History and the Sub-Antarctic Collection for relocation.
- > Twelve onsite and two offsite exhibitions were presented at He Waka Tuia against a target of 12 exhibitions between 1 July and 30 June 2023
- Nineteen public programmes, which included Arts on Tour, were presented at He Waka Tuia
- ➤ Visitor numbers recorded 18,553 visitors between 1 July 30 June 2023, compared to 7,726 visitors the previous year at He Waka Tuia
- Description Other services included responding to email and telephone research enquiries; photography requests, loans, and genealogy and special exhibitions.

## **Outputs planned**

Strategies to achieve outputs	2020/2021 target	2020/2021 result
The collections: Caring for, developing, and researching collections		
The collection is developed to enable the museum to document, illustrate and explore Southland's union	que natural and cultural heritage	
Collection management policies are reviewed as required. Number reviewed annually	One review annually	Two reviews approved by Trust Board
New acquisitions are considered according to the Collection Management Policy. (Minimal	100% of objects acquired are	All items acquired by the Trust Board have been
acquisitions desired while museum building is closed).	considered	tested against the Collection Management Policy
New acquisitions are entered into Vernon CMS (collection management system). Achieved	1,000 records	389
annually.		

		All acquisitions are entered into the Vernon collection at the time of purchase. Donations are recorded and entered on a collection by collection basis.
Existing CMS records are to be reviewed and updated to stage 1 (full documentation).	2,400 records	5,000
Stage 1 is designed to make the updated records searchable, identify key hazards, and ensure that		
the items are ready for relocation.		
Collections items to have digital images made as funds are available. Achieved annually.	0 items (Photography will only be	61,515 digital records of collection items have been
	undertaken as required for the	made
	purposes of condition reporting,	
	online presence and the temporary	
	gallery space.)	
Collection Storage: Ensuring appropriate storage of collections		
The collection is prepared for removal from the building by 2021/2022 (4 years)		
Pack items for storage and transportation. Stage 2a of the current Collection Relocation Plan	2,000 items across Stage 2a	22,000
involves packing and physically readying objects for relocation. Stage 2b of the current Collection	and Stage 2b.	
Relocation Plan involves implementing a temporary transporting/packing solution for objects to		
be safely transported off site.		
Collections are maintained in optimal conditions for their long-term preservation		
Storage space is kept at temperature of 19oC±1oC, percentage of time in range.	Minimise variance	Achieved
Storage space is kept at humidity of 50%±5%, percentage of time in range	Minimise variance	Achieved
Storage space is monitored for infestation by pests and moulds.	Minimum pests, moulds and pollutants found	No pests identified within the collection.
A procedure to minimise deterioration by light is followed.	Followed	Achieved
A procedure to avoid loss or damage to objects in the collection or on loan is followed.	Followed	Achieved
The community: Be the facilitator, connector, activator, conductor and co-creator working v	vith community	
Maintain strong relationships with iwi over issues relating to the collections, exhibitions and tuatara ma	nagement	
lwi Liaison Komiti (representing the four Southland rūnanga; Waihopai, Oraka-Aparima, Hokonui,	Four meetings	Five meetings
Awarua) meets regularly.		
Promotion of a museum presence		
Provide outreach to other museums and related organisations in the region and community.	No target	Ongoing support when required to other museums, galleries and marae heritage collections throughout Southland

# **Financial summary**

	Actual 2022/2023 (\$000)	Actual 2021/2022 (\$000)
Revenue		
Grants and donations revenue – Invercargill City Council	20	20
Grant – Southland Regional Heritage Committee	1,244	1,221
Revenue from providing services	-	-
Bequests	1	.6
Interest revenue	11	3
Income from sale deaccessioned items	1	-
Total revenue	1,277	1,245
Expenses		
Cost of providing services	1,335	1,225
Depreciation of property, plant and equipment	2	2
Gain/(Losses) on disposal of fixed assets	16	-
Audit fees	17	8
Total expenses	1,370	1,235
Total surplus/(deficit)	(93)	9
Net assets	1,210	1,250

# **Sources of funding**

Grants received from Southland Regional Heritage Committee and Invercargill City Council are the primary sources of funding to the trust.

# **Southland Regional Development Agency Limited (trading as Great South)**

Great South, Southland Regional Development Agency, is responsible for economic development and promotion of Murihiku Southland. This involves managing Murihiku Southland's regional tourism organisations and central government's Regional Business Partner (RBP) Network, as well as delivering a range of events, regional initiatives, and government-funded contracts that pave the way for development.

Through the essential support provided to Murihiku Southland, Great South provides a unified voice for the region, establishes a strong platform for regional success and takes strides towards its clear vision of even better lives through sustainable regional development.

Great South is a council-controlled organisation, jointly owned by Invercargill City Council, Southland District Council, Gore District Council, Environment Southland, Invercargill Licensing Trust, Mataura Licensing Trust, Southland Chamber of Commerce, SIT | Te Pūkenga and its member Community Trust South. It is governed by an independent Board of Directors.

Established in March 2019, Great South began full operations in July that year. Shareholding Councils fund core operational costs, while Central Government agencies as well as private sector partners contract Great South to perform specific services. In August 2022, Great South signed a memorandum of understanding with all four Papatipu Rūnaka in Murihiku Southland – Awarua, Hokonui, Ōraka-Aparima, and Waihōpai.

#### **Priorities**

- 1. Regional leadership
- 2. Diversify the economy
- 3. Support business growth
- 4. Promote the region
- 5. Support environment and climate action

### **Key activities for 2022-2023**

#### Beyond 2025 Southland

Great South was contracted by the Ministry of Business, Innovation and Employment (MBIE) as part of the government's Southland Just Transition Workplan to lead long-term planning for the region. The regional workplan is called Beyond 2025 Southland and its whakatauki is He Ara whakamua, he ara hou a Murihiku i tēnei ao hurihuri | Moving forward, new pathways for Southland in a constantly changing world. Development of the plan included 16 workstreams within five areas of focus that built on the previous work of the Southland Regional Development Strategy (SoRDS). The final plan, launched at Te Rau o te Huia on 28 June 2023, is based around clear aspirations for our people, environment and economy and acknowledges key priority enablers - housing, data, workforce, energy, regulatory & planning, and will be a key tool to support the region to embrace the opportunities of the future. With

funding from MBIE for the next 12 months, Great South is now tasked with facilitating implementation of Beyond 2025 Southland. An implementation plan has been developed which shows four key streams of delivery including Great South and other Just Transition workstreams and organisations. There continues to be effort to align with councils, particularly with Long Term Planning now underway and desire to achieve consistency with data and insights.

#### Covid-related funding

Great South administered various Covid-related funds on behalf of the Government, which have now come to an end. Great South was the lead agency for the delivery of the Tourism Communities: Support, Recovery and Re-set Plan in Southland, which came to an end 31 august 2022. In total 66 businesses received \$1.779 million in Kick-Start Funding, a further \$487,377 was provided to 103 Tourism businesses through the Implementation Fund and an additional \$429,193 was provided to 99 businesses through the Advice Fund. Great South also administered the now complete Strategic Tourism Asset Protection Fund (STAPP) and Regional Events Fund (REF). The STAPP funding of \$2.4 million has been implemented as per MBIE policy. The results of this funding have been presented in the outcomes across 21/22 and 22/23 financial years. The REF distributed \$580,000 to 25 events in Fiordland (\$42,000 remained for distribution in the final round closing 24 August 2023). NB: \$180,000 was distributed to events within the Southland regional tourism organisation, which was exhausted in October 2021.

#### Supporting the region to reach net zero 2050

Great South has been actively working with businesses to reduce emissions for the region since 2018 when, in partnership with the Ministry for the Environment and the Tindall Foundation, it established the Carbon Neutral Advantage programme. It has been measuring the region's emissions since 2018 and also commissioned the Net Zero Southland Report from Ernst & Young, which was released in July 2021. Great south has a now well-established Decarbonisation Workshop Series for business, which 74 businesses have taken part in overall, including Southland District Council. In 2022, Great South ran the Southland Murihiku Sustainable Tourism Programme pilot. Following its success, and with particular demand from Te Anau operators, the first official 10-week course began in Te Anau at the end of June 2023. Great South is also advocating for the Government Waihōpai Decarbonisation Fund to roll out beyond Invercargill. The impact of that boiler transition programme and the Government's GIDI fund will significantly reduce Murihiku Southland's overall emissions. To date almost 90 of Southland's 186 large boilers and thermal energy systems have been or are in the process of being converted to renewable energy.

## Re-engaging with domestic and international travel markets

As Covid-related impacts have settled and domestic and international travel has resumed, Great South has placed emphasis on supporting development of the region's tourism infrastructure, and made a concerted effort to support the re-engagement with our travel markets for the benefit of our tourism stakeholders and wider communities. This has included attending consumer and trade media visits, international and domestic travel trade shows, building on our growing events calendar and developing wider inter-regional partnerships. With a newly developed city centre and accommodation options for the region, focus has also gone on putting Murihiku Southland on the map as a business events destination. Great South is working closely with the Milford Opportunities Project looking to grow the economic and social benefits arising from this project for Murihiku.

#### **Southland Youth Futures**

Future-proofing Southland's labour force by connecting young people with employers is a key project for Great South. Throughout the year, Great South's Southland Youth Futures programme holds multiple events, including the highly successful Summer of Work, Girls in Trades and new in the 2022-23 year was an Our Future: Food, Fibre and Agritech event. The Work Ready Passport programme created by Southland Youth Futures and targeted at year 10 and 12 students, was delivered to 691 Students during the year. The programme is delivered by Great South staff and guest facilitators and consists of a series of modules focused on pre-employability skills.

#### Potential Tiwai closure - new industries

Great South has worked extensively with new industries interested in being located in Southland and will continue to do so regardless of whether the NZ Aluminium Smelter at Tiwai Point closes. Great South has been active in preparing reports in support of the Southern Hydrogen Project, and DataGrid, which is planning to build New Zealand's first hyperscale data centre in Southland, and with a focus on diversifying land use in Southland and creating better outcomes for Southland farmers, Great South has assisted NZ Functional Foods (49% owned by Great South). Modelling of various scenarios including development of potential new industries such as a southern green hydrogen plant, aquaculture, unconstrained forestry and tourism, along with NZAS at Tiwai Point remaining open or closed, and the subsequent impact on housing, workforce, GDP and population was done for the Beyond 2025 Southland Regional Long Term Plan. This work is useful to support future planning. It also identified two key diversification opportunities for the region, those being aquaculture and tourism, which will continue to be supported by Great South.

#### **Performance measures**

Outcome	Performance measure	Target 2022/2023	Result 2022/2023
Regional leadership  We will provide leadership for the region, advocating, long term planning and	Southland's Just Transition  Lead the Long Term Plan pillar within the  Southland Just Transition Programme	Beyond 2025 Southland Long Term Plan delivered by 30 June	Beyond 2025 Southland Regional Long Term Plan was launched to regional stakeholders at Te Rau o te Huia on 28 June 2023.
representing Southland nationally  Diversify the economy  We will investigate and support opportunities to	Tourism product development  Support the development of tourism  product to attract visitors and provide  economic benefit	Progress at least 10 projects from the Southland Murihiku Destination Strategy	Regional touring routes Great South worked alongside eight regional tourism organisations to create the Southern Way inter-regional touring network, which was launched on 1 May 2023. Agritourism Workshops for developing agritourism were held and a 'Southland home of Agritourism in NZ' campaign ran in early 2023.
diversify the Southland economy  Support business growth			Dark skies  Approval was granted for Fiordland to upgrade from a Dark Sky Park to Dark Sky Sanctuary by the International Dark Sky Association. Workshops and community engagement sessions were held in Te Anau and a public meeting was held on Rakiura to

Outcome	Performance measure	Target 2022/2023	Result 2022/2023
We will support the growth of Southland's business sector			discuss options for all-weather night sky interpretation.  Sustainable tourism  The Murihiku Sustainable Tourism Programme Pilot
Promote the region			programme ran in 2022 and, based on its success, a further programme started in Te Anau at the end of
We will promote Southland as a great place to live, work and visit			June 2023.  Catlins  A contractor was engaged to investigate the potential for a coastal trail in the Catlins.  Cycling
Support environment and			A cycle tourism opportunities assessment is under way with the support of a consultant. Great South
climate action			also supported the Fiordland Trails Trust to
We will lead the region towards achieving climate reduction targets		Deliver at least 21 prioritised projects from the Strategic Tourism Asset Protection Programme investment plans (STAPP)	complete an economic impact assessment of the Lake2Lake Trail.  Heritage tourism  Great South partnered with Ōraka Aparima Rūnaka with projects of importance in relation to tourism.  Food tourism  A food storytelling event for those in the hospitality and food sectors took place in February.  Walking  A hiking guide showcasing day walks available in Fiordland was created.  Content creation  New content (photo / video) was created to support cycling, dark skies and agritourism.  28 STAPP projects were completed for the Southland district area (including those mentioned in the measure above).
	Business engagements  Engage with businesses through a Great South programme - this includes tourism and event support, and business services.	A minimum of 250 business engagements for the year	Great South engaged with 256 businesses (not unique) via the Regional Business Partner Network, of which 171 had one-on-one business consultations, connecting them with useful resources and networks. An additional 49 businesses were supported with reducing carbon emissions (see below).

Outcome	Performance measure	Target 2022/2023	Result 2022/2023
	Attraction of visitors to Southland Promote Southland as a great place to live, work and visit	Increase traffic on southlandnz.com and fiordland.nz by 5%  (Baseline; Southland: 871,254 page views, Fiordland 296,559 page views)	The Southland NZ website received 850, 011 page views (down 2.44%). This is below the target due to a change in the way Google Analytics calculates page views.
		Increase total engagement across all social media channels by 5%	The Fiordland NZ website received 423,419 page views (up 42.8%), mainly due to the success of the Te Anau Time campaign.
		(Baseline; Southland NZ 143,806, Fiordland NZ: 25,870)	Southland NZ has 152,908 followers across its social media channels (up 6.3%)
			Fiordland NZ has 36,044 followers across its social media channels (up 7.01%)
	Support businesses to reduce carbon emissions Support Southland businesses to reduce, emissions including Southland farmers	Support at least 40 businesses to reduce their carbon emissions	Representatives from 20 businesses have taken part in the Decarbonisation Workshop Series organised by Great South, plus 18 businesses have taken part in the Southland Murihiku Sustainable Tourism Programme (including the pilot programme in 2022).  In addition, Great South is directly managing 11 boiler and thermal energy conversion projects that were recipients of the government's Waihōpai Invercargill Decarbonisation Contestable Fund, which will reduce Southland's overall emissions.
		Establish a model to measure and capture carbon emissions	Regional emissions have been calculated and overall emissions have decreased by 7.6% below the baseline 2018/2019.
	Southland Energy Strategy  Refresh the Southland Energy Strategy	Southland Energy Strategy is updated and published	The draft Southland Murihiku Regional Energy Strategy 2022-2050 was released for public consultation in March 2023. The final report is to be released in September.

## **Financial summary**

	Actual	Actual
	2021/2022	2022/2023
	(\$000)	(\$000)
Revenue		
Shareholder funding	3,360	3,766
Other revenue	5,560	5,821
Total revenue	8,921	9,587
Expenses		
Employee-related costs	818	781
Directors fees	146	186
Other costs	6,547	7,809
Audit fees	82	87
Total expenses	7,593	8,863
Tax expense	221	182
Total surplus/(deficit)	1,106	541
Net assets	2,564	3,199

# **Sources of funding**

Contributions received from Southland District Council, Invercargill City Council, Gore District Council and Environment Southland are the primary sources of funding to the agency.

## **Significant policies**

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 the business of the trust is to be conducted.



# **Financial information**

This section presents the financial statements for the 2022/2023 year, comparing actuals to budget. These include statements of comprehensive income, changes in equity, financial position and cashflows. Following the statements are notes explaining these in more detail.

The section also includes the accounting policies used to prepare the financial information.

## **Accounting policies**

#### **Reporting entity**

Southland District Council (referred to as "SDC" or "Council") is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operated in New Zealand. The relevant legislation governing Council's operations includes the LGA and the Local Government (Rating) Act 2002. 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.

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

The financial statements of SDC are for the year ended 30 June 2023. The financial statements were authorised for issue by Council on 25 October 2023.

#### **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 and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LGFRP): 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 and comply with PBE standards.

#### 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.

#### **Basis of consolidation**

Council financial statements represent the results of Council's seven significant activity groups (detailed on pages 61-144), including the Stewart Island Electrical Supply Authority (SIESA), as well as Council's share of its joint ventures and associates (including Venture Southland, WasteNet, Southland Regional Heritage committee, Emergency Management Southland, and Great South). SIESA is a business unit of Council, which generates and reticulates electricity to most of Stewart Island residents and industry.

The group financial statements represent the results of the ultimate parent, Southland District Council, and its controlled entity, Milford Community Trust.

Control is achieved when Council is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. Specifically, Council controls another entity if and only if Council has:

- power over the other entity,
- exposure, or rights, to variable benefits from its involvement with the other entity, or
- the ability to use its power over the other entity to affect the nature and amount of the benefits from its involvement with the other entity.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when Council has less than a majority of the voting or similar rights of another entity, Council considers all relevant facts and circumstances in assessing whether it has power over another entity.

Consolidation of a controlled entity begins when Council obtains control over the controlled entity and ceases when Council loses control of the entity. Assets, liabilities, revenue and expenses of a controlled entity acquired or disposed of during the year are included in the financial statements from the date Council gains control until the date Council ceases to control the controlled entity.

Surplus or deficit and each component of other comprehensive revenue and expense are attributed to the owners of the controlling entity and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of controlled entities to bring their accounting policies into line with Council's accounting policies. All intra-economic entity assets and liabilities, net assets/equity, revenue, expenses and cash flows relating to transactions between entities of the economic entity are eliminated in full on consolidation.

A change in the ownership interest of a controlled entity that does not result in a loss of control, is accounted for as an equity transaction.

If Council loses control over a controlled entity, it derecognises the assets (including goodwill) and liabilities, any non-controlling interests and other components of net assets/equity, while resulting gain or loss is recognised in surplus or deficit. Any investment retained in the former controlled entity is recognised at fair value.

#### New amendment applied

PBE IPSAS 41 Financial Instruments supersedes PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The standard sets out the recognition and measurement requirements for the various classes of financial instruments (refer to accounting policy (j) below for further information). Accounting policies (h) and (s) below have also been updated to reflect the change in policy (j).

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023. PBE FRS 48 applies to all Tier 1 and Tier 2 public sector public benefit entities required by legislation to provide information in respect of service performance in accordance with generally accepted accounting practice (GAAP).

The objective of PBE FRS 48 is to establish principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in a general purpose financial report.

Council has determined the main impact of the new standard is that additional information will need to be disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information. No specific accounting policies in relation to this standard are required.

#### **Specific accounting policies**

#### a) Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are:

#### Rates:

- 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 overdue
- revenue from water-by-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 usage 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 Waka Kotahi NZ Transport Agency and grants from other government agencies are recognised as revenue upon entitlement, which is typically when conditions pertaining to eligible expenditure have been fulfilled.

Other monetary 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 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

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

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

#### h) Receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council apply the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

• when remitted in accordance with the Council's rates remission policy; and

• in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

#### 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 or current replacement cost.

The write down from cost to current replacement cost is recognised in the surplus or deficit in the year of the write down.

#### j) Financial Assets<sup>1</sup>

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); or
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit. The classification of a financial asset depends on its cash flow characteristics and the Council's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding, and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets are classified and subsequently measured at FVTSD if they are within a management model the objective of which is to sell the financial assets. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

## Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in surplus or deficit as a grant expense.

## Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates and LGFA borrower notes.

#### Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council do not hold any debt instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designate into this category all equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

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

## Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Instruments in this category include the Council's investment fund portfolio (comprising of listed shares, bonds, and units in investment funds).

## Expected credit loss allowance (ECL)

The Council recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward looking information.

The Council considers a financial asset to be in default when the financial asset is more than 180 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

#### k) 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.

#### I) 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 the Council, which cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

## recognition

Property, plant and equipment is shown at cost for all asset categories other than infrastructure and heritage assets, which are at 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 (SL) or on a diminishing value (DV) basis. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Estimated economic life	_	epreciation	
Asset category	(years)	Percent	Method
Operational assets	(ycars)	1 CICCIII	iviculou
Improvements	4-25	4.00% - 21.00%	SL or DV
Buildings	10-100	1.00% - 10.00%	SL or DV
Light vehicles	4-8	14.40% - 21.60%	SL or DV
Heavy vehicles	4-8	12.00% - 21.60%	DV
Other plant	2-25	4.00% - 60.00%	SL or DV
Furniture and fittings	3-13	8.50% - 30.00%	SL
Office equipment	7-8	13.50% - 14.00%	SL
Computer equipment	2-7	13.50% - 40.00%	SL
Other equipment	3-14	7.00% - 30.00%	SL or DV
Library books	10	10.00%	SL
Infrastructural Assets			
Electrical generation plant	1-100	4.00% - 60.00%	SL or DV
Sealed roads	5-80	1.25% - 20.00%	SL
Unsealed roads	4-5	20.00% - 25.00%	SL
Bridges	70-100	1.00% - 1.43%	SL
Footpaths	30-60	1.67% - 3.33%	SL
Streetlighting	20-40	2.50% - 5.00%	SL
Cycle trail	10-99	1.01% - 10.00%	SL
Sewerage schemes	5-100	1.00% - 20.00%	SL
Stormwater schemes	80-100	1.00% - 1.25%	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	10.00%	SL
Resource Consent - Sewerage	25	4.00%	SL
Resource Consent - Water	10-15	6.66-10%	SL

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

#### Revaluations

Roads, bridges, footpaths, cycle trails, streetlights, water treatment systems, sewerage treatment systems and stormwater systems are revalued on an annual basis. Council-owned heritage assets include artworks, war memorials, viaducts and railway memorabilia. Artworks are revalued every three - five years.

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.

## Other infrastructural assets

All other infrastructural assets (electrical generation plant 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.

#### Library books

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

## Heritage assets

The only assets to be included under this category are art works owned by the Council, which have been recorded at fair value in accordance with NZ IAS 16. Due to the nature of the item, art works are revalued on a three to five-yearly cycle and not depreciated.

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

#### Other assets

Other assets (ie plant and vehicles) 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.

#### m) 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.

#### n) 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.

#### 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:

Estimated economic life		Depreciation	
Asset category	(years)	Percent	Method
Computer software	2-10	10.00% - 40.00%	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:

Should the land be deforested (ie the land is changed from forestry to some other purpose), a deforestation penalty will arise.

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 income.

#### o) Forestry assets

Forestry assets are revalued independently annually at fair value less estimated point of sale costs. 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.

## p) 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, are not subject to amortisation 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.

## q) 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 Council 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.

#### r) Payables and deferred revenue

Short term payables are recorded at the amount payable

#### s) Provisions

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

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The 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 and can be reliably measured.

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.

## t) Internal borrowings

Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

## u) External borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowing's balance.

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

#### v) Borrower notes

Borrower notes are subordinated convertible debt instruments that the Council subscribes for an amount equal to 2.5% of the total borrowing from LGFA.

LGFA will redeem borrower notes plus interest, when the Council's related borrowings are repaid or no longer owed to LGFA.

The fair value of borrower notes is calculated using the discounted cash flow method. The significant input used in the fair value measurement of borrower notes is the forward interest rate yield.

#### w) Investments in joint arrangements

Under PBE IPSAS 37 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Council has both joint operations and joint ventures.

Council determined that the investment in the following entity meets the definition of "joint operation" and should be accounted for using the proportionate consolidation method (refer note 25):

### • WasteNet (31% share)

## Joint operations

Council recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 25.

## Joint ventures

Interests in joint ventures are accounted for using the equity method (see (X) below), after initially being recognised at cost in the consolidated balance sheet.

#### x) Investments in associates and joint ventures

Council determined that the investments in the following entities meets the definition of "associate" and should be accounted for using the equity method (refer note 26):

- Venture Southland (wound up during 2022/2023)
- Southland Regional Heritage Committee
- Emergency Management Southland
- Southland Regional Development Agency (trading as Great South)

An associate is an entity over which SDC has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of another entity but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

SDC's investment in its associates and joint ventures is accounted for using the equity method of accounting in the consolidated financial statements.

Under the equity method, an investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise post-acquisition changes in Council's share of net

assets of the associates or joint ventures since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

SDC's share of an associate's or joint venture's surplus or deficit is recognised in the statement of financial performance. Any change in the associate or joint venture's other comprehensive revenue and expense is presented as part of Council's other comprehensive revenue and expense. The cumulative movements are adjusted against the carrying amount of the investment. In addition, when there has been a change recognised directly in the net assets/equity of the associate or joint venture, Council recognises its share of any changes, when applicable, in the statement of changes in net assets/equity. Unrealised gains and losses resulting from transactions between Council and the associate or joint venture are eliminated to the extent of Council's interest in the associate or joint venture.

The aggregate of the SDC's share of surplus or deficit of associates or joint ventures is shown on the face of the statement of financial performance. This is the surplus attributable to equity holders of the associate or joint venture and therefore is surplus after tax and non-controlling interests in the controlled entities of the associates and joint ventures.

The financial statements of the associate or joint venture are prepared for the same reporting period as Council. When necessary, adjustments are made to bring the accounting policies in line with those of Council. After application of the equity method, Council determines whether it is necessary to recognise an impairment loss on Council's investment in its associate or joint venture.

Council determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired.

If this is the case Council calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the "share of surplus of an associate and joint venture" in the statement of financial performance.

Goodwill included in the carrying amount of the investment in associate is not tested for impairment separately; rather the entire carrying amount of the investment is tested as a single asset. When Council's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any unsecured long-term receivables and loans, Council does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture, Council measures and recognises any remaining investment at its fair value, and accounts for the remaining investments in accordance with PBE IPSAS 29. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in surplus or deficit.

## y) Critical accounting estimates and assumptions

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

## Infrastructural assets

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

- The physical deterioration and condition of an asset. For example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground.
- 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 2023:

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)) 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.

## bb) Rounding

Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data.

## cc) Budget figures

The budget figures are those approved by SDC in its 2022/2023 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.

#### dd) Standards issued and not yet effective that have not been early adopted

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

Disclosure of Fees for Audit Firms' Services – Amendments to PBE IPSAS1

Disclosure of Fees for Audit Firms' Services – Amendments to PBE IPSAS 1 requires entities to disclose the fees incurred for services received from its audit or review firm, and a description of each service, using the following specified categories:

- Audit or review of the financial report
- Other non-audit and non-review services:
  - Audit or Review Related Services
  - Other Assurance Services Taxation Services
  - o Other Services

This standard is not expected to have any impact on the Council and group.

# **Financial statements**

# Southland District Council: Statement of comprehensive revenue and expense for the year ended 30 June 2023

	Note	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)	COUNCIL 2022/2023 Actual (\$000)	COUNCIL 2022/2023 Budget (AP) (\$000)	GROUP 2022/2023 Actual (\$000)
Income						
Rates revenue	1	53,959	53,959	59,087	59,189	59,087
Other revenue	2	14,414	14,417	13,336	8,766	13,337
Interest and dividends		99	105	460	1,916	475
Waka Kotahi NZ Transport Agency		15,058	15,058	14,349	17,347	14,349
Grants and subsidies		13,234	13,234	2,486	1,287	2,486
Other gains/(losses)	3	(209)	(209)	337	984	337
Vested assets		-	-	14,538	-	14,538
Development and financial contributions		(5)	(5)	912		912
	4	96,550	96,559	105,505	89,488	105,521
Expenditure						
Employee benefit expenses	5	16,055	16,055	17,559	18,450	17,559
Depreciation and amortisation	9	31,859	31,860	36,485	28,760	36,487
Finance costs		402	402	649	2,259	649
Other council expenditure	6	47,319	47,332	59,612	45,206	59,619
		95,635	95,649	114,305	94,675	114,313
Share of associate's surplus/(deficit)		319	319	434	-	434
SURPLUS/(DEFICIT) BEFORE TAX		1,234	1,228	(8,366)	(5,187)	(8,358)
Income tax benefit	8	-	-	-	-	-
SURPLUS/(DEFICIT) AFTER TAX		1,234	1,228	(8,366)	(5,187)	(8,358)
Gain/(Loss) on assets revaluations	10	3,495	3,495	(3,740)	-	(3,740)
Gain/(Loss) on property, plant and equipment revaluations	10	368,977	368,977	165,573	49,081	165,573
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		373,705	373,699	153,468	43,895	153,475

Explanations of major variances against budget can be found in Note 35.

The accompanying notes form part of these financial statements

# Southland District Council: Statement of changes in equity for the year ended 30 June 2023

	Note	COUNCIL	GROUP	COUNCIL	COUNCIL	GROUP
		2021/2022	2021/2022	2022/2023	2022/2023	2022/2023
		Actual	Actual	Actual	Budget (AP)	Actual
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Balance at 1 July		1,623,995	1,624,444	1,997,701	1,677,696	1,998,144
Total comprehensive revenue and expense for the year		373,705	373,699	153,468	43,895	153,475
Balance at 30 June		1,997,701	1,998,144	2,151,168	1,721,590	2,151,619

Explanations of major variances against budget can be found in Note 35.

The accompanying notes form part of these financial statements.

# Southland District Council: Statement of financial position as at 30 June 2023

	Note	COUNCIL 2021/2022 Actual	GROUP 2021/2022 Actual	COUNCIL 2022/2023 Actual	COUNCIL 2022/2023 Budget (AP)	GROUP 2022/2023 Actual
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Equity		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Retained earnings	10	721,628	721,628	713,035	721,446	713,035
Asset revaluation reserves	10	1,225,289	1,225,289	1,390,863	958,602	1,390,863
Fair value reserves	10	8,266	8,266	4,526	4,771	4,526
Other equity	10	-	443	-	-	451
Other reserves	11	42,517	42,517	42,745	36,771	42,745
TOTAL EQUITY		1,997,701	1,998,144	2,151,168	1,721,590	2,151,619
_						
Current assets		2.227	0.00=	10.106	245	40.4=
Cash and cash equivalents	12	8,887	8,897	12,128	265	12,151
Trade and other receivables	13	10,194	10,198	8,019	14,321	8,026
Inventories	14	129	129	129	103	129
Other financial assets	15	2,163	2,553	1,954	453	2,339
Property, plant and equipment (held for sale)	16	-		-	-	
		21,374	21,777	22,230	15,142	22,645
Non-current assets						
Property, plant and equipment	16	1,985,324	1,985,369	2,155,533	1,756,170	2,155,577
Intangible assets	17	8,413	8,413	4,597	5,287	4,597
Forestry assets	18	13,010	13,010	13,420	14,520	13,420
Investment in associates	26	1,737	1,737	2,083	1,418	2,083
Other financial assets	15	421	421	545	38,580	545
		2,008,905	2,008,951	2,176,179	1,815,975	2,176,223
TOTAL ASSETS		2,030,279	2,030,728	2,198,408	1,831,117	2,198,868
Current liabilities						
Trade and other payables	19	9,115	9,121	10,689	15,152	10,698
Deferred revenue	20	1,792	1,792	2,224	-	2,224
Contract retentions and deposits		819	819	515	744	515
Employee benefit liabilities	21	2,443	2,443	2,610	2,212	2,610
Development and financial contributions	22	1,580	1,580	1,023	1,625	1,023
Provisions	24	3	3	3	7	3
Borrowings	23	-	-	-	6,000	-
		15,753	15,758	17,064	25,740	17,073
Non-current liabilities						
Employee benefit liabilities	21	19	19	11	23	11

Provisions	24	7	7	8,365	-	8,365
Borrowings	23	16,800	16,800	21,800	83,763	21,800
		16,826	16,826	30,176	83,787	30,176
TOTAL LIABILITIES		32,578	32,584	47,240	109,527	47,249
NET ASSETS		1,997,701	1,998,144	2,151,168	1,721,590	2,151,619

Explanations of major variances against budget can be found in Note 35.

The accompanying notes form part of these financial statements

# Southland District Council: Statement of cashflows for the year ended 30 June 2023

	Note	COUNCIL	GROUP	COUNCIL	COUNCIL	GROUP
		2021/2022	2021/2022	2022/2023	2022/2023	2022/2023
		Actual	Actual	Actual	Budget (AP)	Actual
		(\$000)	(\$000	(\$000)	(\$000)	(\$000)
Cash flows from operating activities						
Receipts from rates revenue		53,841	53,841	59,014	59,189	59,014
Receipts from Waka Kotahi NZ Transport Agency		16,456	16,456	14,016	17,347	14,016
Interest and dividends		82	86	431	1,916	442
Contribution from developers		(45)	(45)	355	-	355
Receipts from other revenue		24,842	24,842	18,655	9,914	18,655
Payment to suppliers and employees		(64,984)	(64,997)	(67,634)	(63,349)	(67,637)
Interest paid		(402)	(402)	(649)	(2,259)	(649)
GST (net)		(486)	(487)	542	-	543
Net cash inflow/(outflow) from operating activities	27	29,304	29,294	24,731	22,757	24,740
Cash flows from investing activities						
Receipts from sale of property, plant and equipment		104	104	129	254	129
Receipts from investments^		-	390	-	-	390
Purchase of property, plant and equipment		(34,233)	(34,233)	(26,721)	(43,590)	(26,721)
Acquisition of investments^		(63)	(453)	102	1,173	(283)
Purchase of intangible assets		(20)	(20)	-	(857)	-
Net cash inflow/(outflow) from investing activities		(34,213)	(34,213)	(26,491)	(43,021)	(26,486)
Cash flows from financing activities						
Proceeds from borrowings		16,800	16,800	5,000	20,435	5,000
Repayment of borrowings		(5,000)	(5,000)	-	20, 100	-
Net cash inflow/(outflow) from financing activities		11,800	11,800	5,000	20,435	5,000
Net increase/(decrease) in cash and cash equivalents		6,891	6,880	3,240	171	3,254
net increase/(decrease) in cash and cash equivalents		0,071	0,000	3,240	171	3,234
Cash and cash equivalents at the beginning of the year		1,997	8,887	8,887	94	8,897
Cash and cash equivalents at the end of the year		8,887	8,897	12,128	265	12,151

<sup>^</sup> Prior year comparatives have been restated for comparability.

The accompanying notes form part of these financial statements

# Southland District Council: Funding impact statement for the year ended 30 June 2023 (whole of Council)

COUNCIL		COUNCIL	COUNCIL	COUNCIL
2021/2022		2021/2022 Actual	2022/2023 Actual	2022/2023 Budget (AP)
Budget (AP) (\$000)		(\$000)	(\$000)	(\$000)
(3000)	Sources of operating funding	(\$000)	(\$000)	(3000)
22,017	General rates, uniform annual general charges, rates penalties	22,017	24,004	23,930
32,162	Targeted rates	32,028	35,318	35,258
8,590	5	10,229	8,213	6,873
5,633		5,569	6,298	6,404
	Interest and dividends from investments	97	451	1,916
4,096		7,924	5,675	2,87
74,518	Total operating funding	77,864	79,960	77,253
,.	Applications of operating funding	,	7,7	,
58,740	Payments to staff and suppliers	57,173	63,435	59,623
1,265	Finance costs <sup>2</sup>	402	649	2,259
4,115	Other operating funding applications	5,182	4,207	4,17
64,120	Total applications of operating funding	62,757	68,290	66,053
10,398	Surplus (deficit) of operating funding	15,107	11,670	11,19
,	Sources of capital funding	·		•
15,036	·	17,648	8,355	11,38
10	Development and financial contributions	(5)	912	
24,447	Increase (decrease) in debt	(16,800)	(5,000)	14,435
127	Gross proceeds from sale of assets	75	122	254
-	Lump sum contributions	-	-	
-	Other dedicated capital funding	-	-	
39,620	Total sources of capital funding	918	4,389	26,07
	Applications of capital funding			
	Capital expenditure			
915	to meet additional demand	1,064	-	
15,418	to improve the level of service	10,767	4,238	14,560
29,267	to replace existing assets	22,373	22,427	29,89
(1,873)	Increase (decrease) in reserves	1,554	228	(1,495
6,291	Increase (decrease) in investments	(19,732)	(10,834)	(5,678
50,019	Total applications of capital funding	16,025	16,060	37,27
(10,398)	Surplus (deficit) of capital funding	(15,107)	(11,670)	(11,199
-	Funding balance	-	-	
	<sup>1</sup> includes all other operating funding from sources not identified above.			
	<sup>2</sup> interest on internal loans are included in internal charges and overheads applied/recovered, which of	fset to nil and therefore a	re excluded from this	statement. Actua
	total interest on internal loans for 2022/2023 was \$1,657,000 (2022: \$1,218,000).			

# Southland District Council: Reconciliation of surplus/(deficit) of operating funding to net surplus/(deficit) before tax

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)	COUNCIL/GROUP 2022/2023 Budget (AP) (\$000)
Surplus/(deficit) of operating funding from funding impact statement	15,107	11,670	11,199
Depreciation	(36,859)	(36,485)	(28,760)
Subsidies and grants for capital purposes	17,648	8,355	11,387
Development and financial contributions	(5)	912	,
Gain on sale	22	(73)	254
Vested assets	-	14,538	-
Forestry revaluation	(260)	410	730
Emission trading units	155	-	-
Landfill contingency	3	(8,359)	3
Internal capital costs	56	73	-
Share of associates	319	434	-
Share of WasteNet (31%)	47	159	-
Share of Venture Southland (42%)	-	-	-
Net surplus/(deficit) before tax in Statement of Revenue and Expense	1,234	(8,366)	(5,187)

# Southland District Council: Notes to the financial statements for the year ended 30 June 2023

#### 1. Rates revenue

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
General rates	21,661	23,604
Targeted rates attributable to activities		
Roading	15,543	16,329
Stormwater	736	940
Regional heritage	635	656
Hall	585	593
Local community	2,355	2,549
Pool	143	161
Water	4,679	5,249
Wastewater	4,172	5,269
Refuse	3,086	3,328
Septic tank cleaning	3	7
Rates penalties	361	402
Total revenue from rates	53,959	59,087

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 \$588,323 (2022: \$507,151), 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:

	COUNCIL/GROUP	COUNCIL/GROUP
	2021/2022	2022/2023
	Actual (\$000)	Actual (\$000)
Number of rating units within Southland District	20,755	20,746
Total rateable capital value within Southland District	21,300,976	23,721,287
Total rateable land value within Southland District	14,606,436	16,049,188

#### 2. Other revenue

	COUNCIL 2021/2022 Actual	GROUP 2021/2022 Actual	COUNCIL 2022/2023 Actual	GROUP 2022/2023 Actual
	(\$000)	(\$000)	(\$000)	(\$000)
Regulatory income	3,247	3,247	3,554	3,554
Other income (including Council's share of Venture Southland/WasteNet)	2,765	2,767	3,582	3,583
Provision of services	496	496	818	818
Rental and hire income	738	738	897	897
User charges	2,130	2,130	2,297	2,297
Sales revenue	4,910	4,910	1,898	1,898
Fines and infringements	42	42	56	56
Targeted water rates	86	86	235	235
Total other revenue	14,414	14,417	13,336	13,337

## Operating leases as a lessor

Council owns land including freehold, reserves and endowments and these are occupied with varying forms of arrangements including licences and leases. These licences and leases range from one year to perpetual rights of renewal. Community Housing agreements are excluded from this note as they are residential tenancies. The future aggregate minimum lease payments to be collected under operating leases are as follows:

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Operating leases (as a lessor)		
Revenue on operating leases as lessor	390	528
Not later than one year	379	468
Later than one year and not later than five years	799	1,310
Later than five years	2,585	4,400
	3,763	6,178

## 3. Other gains/(losses)

	COUNCIL/GROUP	COUNCIL/GROUP
	2021/2022	2022/2023
	Actual	Actual
	(\$000)	(\$000)
Gain/(loss) on changes in fair value of forestry assets	(260)	410
Gain/(loss) on disposal of property, plant and equipment	51	(73)
Total gains/(losses)	(209)	337

## 4. Exchange/non-exchange revenue

	COUNCIL	GROUP	COUNCIL	GROUP
	2021/2022	2021/2022	2022/2023	2022/2023
	Actual	Actual	Actual	Actual
	(\$000)	(\$000)	(\$000)	(\$000)
Exchange revenue	8,821	8,827	6,925	6,940
Non-exchange revenue	87,729	87,732	98,580	98,581
Total revenue	96,550	96,559	105,505	105,521

## 5. Employee benefit expense

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Salaries and wages	15,461	16,901
Defined contribution plan employer contributions	598	662
Increase/(decrease) in employee entitlements	(4)	(5)
Total employee benefit expense	16,055	17,559

Employer contributions to defined contribution plans include contributions to KiwiSaver.

## 6. Other Council expenditure

	COUNCIL 2021/2022 Actual	GROUP 2021/2022 Actual	COUNCIL 2022/2023 Actual	GROUP 2022/2023 Actual
	(\$000)	(\$000)	(\$000)	(\$000)
Audit fee - Southland District Council Annual Report 1	143	143	182	182
Audit fee - Southland District Council prior year Annual Report additional charges	5	5	-	-
Audit fee - Southland District Council Long Term Plan	-	-	-	-
Other assurance services from Audit NZ/Deloitte <sup>2</sup>	55	59	2	5
Grants	4,699	4,699	3,810	3,810
Contractors	26,254	26,254	30,751	30,751
Insurance	645	648	639	642
Consultants and legal fees	3,059	3,059	3,238	3,238
Operating lease costs	560	560	609	609
Donations	16	16	18	18
Impairment of receivables	47	47	25	25
Other <sup>3</sup>	11,835	11,845	20,338	20,340
Total other expenses	47,319	47,333	59,612	59,620

<sup>&</sup>lt;sup>1</sup>The auditor of the Council and Group is Deloitte acting on behalf of the Officer of the Auditor General (2022: Deloitte)

<sup>&</sup>lt;sup>2</sup> During the year ended 30 June 2023 Deloitte did not provide internal audit services to Council (2022: \$54k)

<sup>&</sup>lt;sup>3</sup> includes \$8.4 million for a landfill provision which reflects the best estimate of the cost to remove or protect material in closed landfills across the district – refer note 24

#### 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 \$332,610 (2022: \$314,400).

For the year ended 30 June 2023, the total annual cost, including fringe benefit tax, to SDC of the remuneration package being received by the chief executive is calculated at \$333,598 (2022: \$314,400).

Elected representatives	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Mayor: Tong, Gary*^ (including FBT, carpark and private use of motor vehicle)	141	42
Mayor: Rob Scott (including FBT, carpark and private use of motor vehicle) - elected October 2022		93
Deputy mayor: Menzies, Christine*^ (including FBT and carpark) – re-elected	34	53
Byars, Donald (including FBT and carpark) - re-elected	32	39
Boparai, Jaspreet ^(including FBT and carpark) - elected October 2022		32
Chamberlain, Derek (including FBT and carpark ) (Elected October 2022)		30
Greaney, Sarah (including FBT and carpark) (Elected October 2022)		36
Duffy, Paul*∧ (including FBT and carpark) – re-elected	39	44
Frazer, Darren* (including FBT and carpark) – re-elected	32	40
O'Brien, Tom ^(including FBT and carpark) (Elected October 2022)		30
Keast, Julie* (including FBT and carpark) – re-elected	39	51
Ruddenklau, Margaret* (including FBT and carpark) – re-elected	32	43
Spraggon, Jon (including FBT and carpark) (Elected October 2022)		29
Wilson, Matt (including FBT and carpark) (Elected October 2022)		31
Scott, Rob (including FBT and carpark)	32	20
Douglas, John^ (including FBT and carpark)	32	16
Harpur, George^ (including FBT and carpark)	33	13
Kremer, Ebel (including FBT and carpark)	45	20
Owen, Karyn	31	13
Ford, Bruce	31	12
Annual cost	553	686

Remuneration for councillors who are members of Council's Regulatory and Consents Committee\* may be shown as higher than for other councillors, this committee no longer exists as of November 2022. From that date all councillors would be entitled to remuneration should a hearing be held. 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 \$116 per hour for chairpersons (2022: \$100) and \$93 per hour for members (2022: \$80).

Remuneration for councillors who are members of the District Licensing Committee<sup>^</sup> 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 (2022: \$78) and \$51 per hour for members (2022: \$51).

Travel and other reimbursements are excluded from the above totals.

Total annual remuneration band for employees as at 30 June:	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
< \$60,000	59	54
\$60,000 - \$79,999	68	61
\$80,000 - \$99,999	38	46
\$100,000 - \$119,999	21	21
\$120,000 - \$159,999	15	22
\$160,000 - \$340,000	7	6
Total employees	208	210

Total remuneration includes non-financial benefits provided to employees. At balance date Council employed 153 (2022: 154) full-time employees, with the remaining 57 (2022: 54) staff representing 40 (2022: 35) full-time equivalent employees. As at 30 June 2023 there were 10 vacant positions (2022: 13). A full-time employee is determined on the basis of a 40-hour working week.

#### 8. Taxation

SDC and Milford Community Trust are exempt from income tax.

## 9. Depreciation and amortisation expense by group of activity

	COUNCIL 2021/2022 Actual <sup>1</sup> (\$000)	GROUP 2021/2022 Actual <sup>1</sup> (\$000)	COUNCIL 2022/2023 Actual (\$000)	GROUP 2022/2023 Actual (\$000)
Depreciation and amortisation by group of activity				
Community Leadership	40	40	30	30
Community Resources	1,273	1,273	1,380	1,380
Environmental Services	105	105	109	109
Sewerage	4,404	4,404	4,749	4,749
Stormwater	992	992	1,082	1,082
Transport	21,480	21,480	25,545	25,545
Water Supply	2,977	2,977	3,172	3,172
Total by group of activity	31,271	31,271	36,067	36,067
Depreciation and amortisation by other activity				
Corporate Services <sub>1</sub>	588	588	418	418
Total by other activity	31,859	31,859	36,485	36,485
Depreciation and amortisation not directly related to group activities	-	1	-	1
Total depreciation and amortisation expense	31,859	31,860	36,485	36,486

<sup>1</sup> Council has various corporate services that have depreciation and amortisation. These corporate services are funded through internal charges which are spread over the seven activities.

# 10. Changes in equity and reserves

Retained earnings	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)	COUNCIL 2022/2023 Actual (\$000)	GROUP 2022/2023 Actual (\$000)
As at 1 July	721,948	721,949	721,629	721,629
Transfer from other reserves (note 11)	(1,554)	(1,554)	(228)	(228)
Transfer from reserves	-	-	-	-
Transfer to fair value through statement of comprehensive revenue and expense reserve	-	-	-	-
Operating surplus/(deficit) for the year	1,234	1,228	(8,366)	(8,366)
Operating surplus for the year transferred to other equity (Milford Community Trust)	-	6	-	8
As at 30 June	721,629	721,629	713,035	713,043

Asset revaluation reserves	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
As at 1 July	856,313	1,225,289
Revaluation surplus/(deficit)	368,977	165,573
As at 30 June	1,225,289	1,390,863
Asset revaluation reserves consist of:		
Infrastructural assets		
Wastewater system	138,530	153,551
Water system	91,912	99,448
Stormwater system	38,077	40,365
Roading network	956,764	1,097,493
Artwork	6	6
Total	1,225,289	1,390,863

Fair value through statement of comprehensive revenue and expense reserve	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
As at 1 July	4,771	8,266
Net revaluation gains/(losses)	3,495	(3,740)
Transfer to retained earnings	-	-
Reclassification to surplus/(deficit) on disposal	-	-
As at 30 June	8,266	4,526

Fair value through statement of comprehensive revenue and expense reserve consist of:	ue through statement of comprehensive revenue and expense reserve consist of:  COUNCIL/GROUP 2021/2022		
	Actual	Actual	
	(\$000)	(\$000)	
Share revaluation reserve	369	385	
Emission trading unit revaluation reserve	7,897	4,141	
Total	8,266	4,526	

Other equity consists of:	COUNCIL/GROUP	COUNCIL/GROUP
	2021/2022	2022/2023
	Actual	Actual
	(\$000)	(\$000)
Milford Community Trust	443	451
Total	443	451

# 11. Other reserves

	COUNCIL/GROUP	COUNCIL/GROUP
	2021/2022	2022/2023
	Actual	Actual
	(\$000)	(\$000)
As at 1 July	40,963	42,517
Transfers from/(to) retained earnings	1,554	228
As at 30 June	42,517	42,745

Reserves consist of:	COUNCIL/GROUP	COUNCIL/GROUP
	2021/2022	2022/2023
	Actual	Actual
	(\$000)	(\$000)
General reserves	39,543	39,775
Allocation committees	2,975	2,970
Total	42,517	42,745

See note 36 for detailed schedule of Council's reserves.

# 12. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow	COUNCIL	GROUP	COUNCIL	GROUP
statement:	2021/2022	2021/2022	2022/2023	2022/2023
	Actual	Actual	Actual	Actual
	(\$000)	(\$000)	(\$000)	(\$000)
Cash at bank and in hand	6,887	6,897	7,128	7,151
Short term deposits and other investments maturing within three months	2,000	2,000	5,000	5,000
Total cash and cash equivalents	8,887	8,897	12,128	12,151

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 \$3.3 million (2021: \$3.2 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

	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)	COUNCIL 2022/2023 Actual (\$000)	GROUP 2022/2023 Actual (\$000)
Rates receivables	2,181	2,181	2,263	2,263
General receivables	3,423	3,423	161	161
Other receivables	4,090	4,093	5,049	5,056
Prepayments	594	594	653	653
	10,288	10,291	8,127	8,134
Less provision for doubtful debts	(94)	(94)	(108)	(108)
Net trade and other receivables	10,194	10,197	8,019	8,026
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	9,104	9,107	6,672	6,679
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	1,090	1,090	1,347	1,347
	10,194	10,197	8,019	8,026

#### **Rates Write-offs**

The chief executive approved the write-off of rates receivables during the year under the Local Government (Rating) Act 2002 as follows: section 90A: \$69,113 (2022: \$89,558) and section 90B: \$Nil (2022: \$Nil).

#### Fair value

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

# **Expected credit loss on rates receivable**

Council does not provide for any expected credit loss 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 judgement, then Council can apply to the registrar of the High Court to have the judgement 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	COUNCIL	COUNCIL	COUNCIL	GROUP	GROUP	GROUP	COUNCIL	COUNCIL	COUNCIL	GROUP	GROUP	GROUP
	2022	2022	2022	2022	2022	2022	2023	2023	2023	2023	2023	2023
	Gross	Impairment	Net									
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Not past due	8,654	-	8,654	8,657	-	8,657	5,889	-	5,889	5,896	-	5,896
Past due 1-60 days	149	-	149	149	-	149	-	-	-	-	-	-
Past due 60-120 days	40	-	40	40	-	40	-	-	-	-	-	-
Past due > 120 days	1,445	(94)	1,351	1,445	(94)	1,351	2,238	(108)	2,130	2,238	(108)	2,130
Total	10,288	(94)	10,194	10,290	(94)	10,197	8,128	(108)	8,019	8,134	(108)	8,026

The ECL rates for other receivables at 30 June 2023 and 1 July 2022 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward looking macro factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

The allowance for credit losses on the Councils receivables(excluding rates), based on the credit matrix is as follows:

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Individual expected credit losses	94	108
Collective expected credit losses	-	-
Total Provision for Expected Credit Losses	94	108

Individually expected credit loss receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

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

Movement in expected credit losses is as follows:

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Balance at 1 July	43	94
Additional provisions made during the year	51	14
Balance of individual credit losses as at 30 June	94	108

## 14. Inventories

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Roading	85	85
Other	44	44
	129	129

The carrying amount of inventories held for consumption that are measured at current replacement cost as at 30 June 2023 amounted to \$128,858 (2022: \$129,069). The write-down of inventory during the year was \$210 (2022: \$2,715). There have been no reversals of write-downs \$Nil (2022: \$Nil). The carrying amount of inventories pledged as security for liabilities is \$Nil (2022: \$Nil).

## 15. Other financial assets

Current portion	COUNCIL	GROUP	COUNCIL	GROUP
	2021/2022	2021/2022	2022/2023	2022/2023
	Actual	Actual	Actual	Actual
	(\$000)	(\$000)	(\$000)	(\$000)
Short term deposits with maturities 1 - 3 months from 30 June	500	530	800	1,025
Short term deposits with maturities 4 - 12 months from 30 June	1,220	1,580	720	880
Short term loans	26	26	-	-
Unlisted shares in Civic Assurance	13	13	12	12
Unlisted shares in Milford Sound Tourism	384	384	402	402
Other financial assets	20	20	20	20
Total current portion	2,163	2,553	1,954	2,339

Non-current portion	COUNCIL	GROUP	COUNCIL	GROUP
	2021/2022	2021/2022	2022/2023	2022/2023
	Actual	Actual	Actual	Actual
	(\$000)	(\$000)	(\$000)	(\$000)
External loans with maturities greater than one year	1	1	-	-
Investments with maturities greater than one year	-	-	-	-
LGFA borrowers notes	420	420	545	545
Total non-current portion	421	421	545	545
Total other financial assets	2,584	2,974	2,499	2,884

## Security

Council holds a Security Stock Certificate dated 22 December 2009 for \$25,000,000 in favour of Westpac NZ Limited and Westpac Banking Corporation under a Debenture Trust Deed between SDC and Corporate Trust Limited (trading as Foundation Corporate Trust).

#### Fair value

# **Term deposits**

The carrying amount of term deposits approximates their fair value.

## **Short-term loans**

The carrying amount of short-term loans 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 Civic Assurance and the Milford Sound Tourism, Council has estimated the fair value of this investment based on the net assets of each entity as at 31 December and 31 March respectively.

# Maturity analysis and effective interest rates

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

	COUNCIL 2022 Short term deposits (\$000)	COUNCIL 2022 Other term deposits (\$000)	COUNCIL 2022 Stocks and bonds (\$000)	COUNCIL 2022 Total (\$000)	COUNCIL 2023 Short term deposits (\$000)	COUNCIL 2023 Other term deposits (\$000)	COUNCIL 2023 Stocks and bonds (\$000)	COUNCIL 2023 Total (\$000)
Short term deposits with maturities three months	2,500	-	-	2,500	800	-	-	800
or less from 30 June weighted average effective interest rate	1.92%			1.92%	4.64%			4.64%
Short term deposits with maturities of four - 12	1,220	-	-	1,220	720	-	-	720
months from 30 June weighted average effective interest rate	3.51%			3.51%	6.30%			6.30%
	3,720	-	-	3,720	1,520	-	-	1,520

	GROUP 2022 Short term deposits (\$000)	GROUP 2022 Other term deposits (\$000)	GROUP 2022 Stocks and bonds (\$000)	GROUP 2022 Total (\$000)	GROUP 2023 Short term deposits (\$000)	GROUP 2023 Other term deposits (\$000)	GROUP 2023 Stocks and bonds (\$000)	GROUP 2023 Total (\$000)
Short term deposits with maturities three months	2,500	-	-	2,500	1,025	-	-	1,025
or less from 30 June weighted average effective interest rate	1.92%			1.92%	4.74%			4.74%
Short term deposits with maturities of four - 12	1,610	-	-	1,610	880	-	-	880
months from 30 June weighted average effective interest rate	3.30%			3.30%	6.24%			6.24%
	4,110	-	-	4,110	1,905	-	-	1,905

# 16. Property, plant and equipment

2022/2023 Actual	Cost Revaluation 1 Jul 2022 (\$000)	Current Year Additions (\$000)	Transfers (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2023 (\$000)	Accumulated Depreciation and Impairment Charges 1 Jul 2022 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation/ Write-Off (\$000)	Accumulated Depreciation and Impairment Charges 30 Jun 2023 (\$000)	Carrying Amount 30 Jun 2023 (\$000)	Carrying Amount 1 Jul 2022 (\$000)
Operational As	sets													
Art	76	-	-	-	-	-	76	-	-	-	-	-	76	76
Buildings	16,553	1,962	-	-	-	-	18,514	(8,569)	(423)	-	-	(8,992)	9,523	7,984
EDP hardware	1,291	110	-	-	(10)	-	1,391	(1,083)	(175)	10	-	(1,245)	143	208
Furniture and fittings	936	271	-	-	(46)	-	1,160	(459)	(124)	45	-	(538)	622	477
Improvements	7,073	191	2,593	-	(54)	-	9,803	(3,604)	(596)	35	-	(4,165)	5,640	3,469
Land	10,927	-	-	3,626	(124)	-	14,429	-	-	-	-	-	14,429	10,927
Library	1,581	193	-	-	(216)	-	1,558	(655)	(174)	216	-	(614)	945	925
Motor vehicles	2,391	785	-	-	(238)	-	2,938	(1,347)	(324)	187	-	(1,484)	1,454	1,044
Office equipment	59	3	-	-	-	-	61	(24)	(6)	-	-	(30)	32	35
Other equipment	434	14	-	-	-	-	448	(221)	(33)	-	-	(254)	194	213
Other plant	5,291	(89)	236	-	(23)	-	5,415	(4,028)	(179)	26	-	(4,181)	1,234	1,263
Landfill sites	115	-	-	-	-	-	115	(115)	-	-	-	(115)	-	-
Transfer stations	569	276	-	-	-	-	844	(463)	(13)	-	-	(477)	367	105
Work in progress*	3,616	558	(2,971)	-	-	-	1,204	-	-	-	-	-	1,204	3,616
Work in progress – Intangibles (note 17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	50,911	4,284	(142)	3,626	(711)	-	57,958	(20,569)	(2,047)	519	-	(22,095)	35,863	30,342
Infrastructural														
Bridges	157,887	877	-	-	-	81,395	240,159	(3,371)	(5,362)	-	3,371	(5,362)	234,797	154,517
Footpaths	20,582	418	60	554	-	(94)	21,520	(701)	(735)	-	701	(735)	20,785	19,881
Wastewater other	155,866	-	1,583	4,105	-	7,598	169,153	(2,864)	(3,113)	-	2,864	(3,113)	166,040	153,002
Wastewater plant	36,157	-	289	250	-	3,061	39,758	(1,497)	(1,618)	-	1,497	(1,618)	38,140	34,661
Water other assets	107,327	-	2,941	1,858	-	4,542	116,668	(2,312)	(2,475)	-	2,312	(2,475)	114,193	105,015

2022/2023 Actual	Cost Revaluation 1 Jul 2022 (\$000)	Current Year Additions (\$000)	Transfers (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2023 (\$000)	Accumulated Depreciation and Impairment Charges 1 Jul 2022 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation/ Write-Off (\$000)	Accumulated Depreciation and Impairment Charges 30 Jun 2023 (\$000)	Carrying Amount 30 Jun 2023 (\$000)	Carrying Amount 1 Jul 2022 (\$000)
Water plant	11,741	-	82	-	-	19	11,842	(662)	(692)	-	662	(692)	11,150	11,078
Stormwater system	40,864	-	1,219	2,035	-	1,297	45,415	(992)	(1,082)	-	992	(1,082)	44,332	39,872
Unsealed roads	512,738	2,987	-	-	-	15,482	531,206	(3,949)	(4,199)	-	3,949	(4,199)	527,007	508,789
Cycle trail	7,592	15	-	-	-	540	8,147	(142)	(153)	-	142	(153)	7,994	7,451
Sealed roads	914,111	9,411	-	1,886	-	22,155	947,564	(12,906)	(14,662)	-	12,906	(14,662)	932,902	901,205
Street lighting	3,174	(4)	4	223	-	(43)	3,355	(225)	(241)	-	225	(241)	3,113	2,949
Work in progress*	15,569	7,502	(6,179)	-	-	-	16,893	-	-	-	-	-	16,893	15,569
progress	1,983,609	21,205	_	10,912	_	135,952	2,151,679	(29,620)	(34,332)		29,620	(34,332)	2,117,346	1,953,989
Other assets at		21,203	_	10,512	_	133,932	2,131,079	(25,020)	(37,332)		23,020	(37,332)	2,117,340	1,233,263
Marine	864	1,250	142	_	(179)	_	2,077	(419)	(22)	169	_	(272)	1,805	445
Runways	5,059	1,230	172	_	(175)	_	5,059	(5,059)	(22)	-	_	(5,059)	1,005	-
Resource Consent - Sewerage	516	-	-	-	-	-	516	(62)	(21)	-	-	(83)	434	454
Resource Consent - Water	94	-	-	-	-	-	94	(2)	(7)	-	-	(9)	85	92
Work in progress*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	6,533	1,250	142	-	(179)	-	7,746	(5,542)	(49)	169	-	(5,422)	2,324	991
Total SDC	2,041,053	26,739	-	14,538	(891)	135,952	2,217,383	(55,731)	(36,428)	688	29,620	(61,849)	2,155,533	1,985,322

2022/2023 Actual	Cost Revaluation 1 Jul 2022 (\$000)	Current Year Additions (\$000)	Transfer s (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)			Accumulated Depreciation and Impairment Charges 1 Jul 2022 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Write-Off	Accumulated Depreciation and Impairment Charges 30 Jun 2023 (\$000)	Carrying Amount 30 Jun 2023 (\$000)	Carrying Amount 1 Jul 2022 (\$000)
Milford Commu	unity Trust													
Building	54	-	-	-	-	-	-	(8)	(1)	-	-	(9)	45	46

2022/2023 Actual	Cost Revaluation 1 Jul 2022 (\$000)	Current Year Additions (\$000)	Transfer s (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2023 (\$000)	Accumulated Depreciation and Impairment Charges 1 Jul 2022 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Write-Off	Accumulated Depreciation and Impairment Charges 30 Jun 2023 (\$000)	Carrying Amount 30 Jun 2023 (\$000)	Carrying Amount 1 Jul 2022 (\$000)
Total Milford Community Trust	54	-	-	-	-	-	-	(8)	(1)	-	-	(9)	45	46
TOTAL GROUP	2,041,107	26,739	-	14,538	(891)	135,952	2,217,383	(55,739)	(36,429)	688	29,620	(61,858)	2,155,578	1,985,368

<sup>\*</sup> Refer to table below for detail of work in progress.

2021/2022 Actual	Cost Revaluation 1 Jul 2021 (\$000)	Current Year Additions (\$000)	Transfers (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2022 (\$000)	Accumulated Depreciation and Impairment Charges 1 Jul 2021 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation/ Write-Off* (\$000)	Accumulated Depreciation and Impairment Charges 30 Jun 2022 (\$000)	Carrying Amount 30 Jun 2022 (\$000)	Carrying Amount 1 Jul 2021 (\$000)
Operational Ass														
Art	76	-	-	-	-	-	76	-	-	-	-	-	76	76
Buildings	16,588	12	-	-	(47)	-	16,553	(8,182)	(422)	36	-	(8,569)	7,984	8,405
EDP hardware	2,024	113	-	-	(846)	-	1,291	(1,600)	(329)	846	-	(1,083)	208	424
Furniture and fittings	813	134	-	-	(12)	-	936	(359)	(110)	9	-	(459)	477	455
Improvements	6,539	484	111	-	(60)	-	7,073	(3,157)	(507)	60	-	(3,604)	3,469	3,382
Land	10,927	-	-	-	-	-	10,927	-	-	-	-	-	10,927	10,927
Library	1,833	187	-	-	(440)	-	1,581	(917)	(178)	440	-	(655)	925	916
Motor vehicles	2,315	205	-	-	(129)	-	2,391	(1,134)	(305)	91	-	(1,347)	1,044	1,181
Office equipment	34	25	-	-	-	-	59	(21)	(3)	-	-	(24)	35	13
Other equipment	265	191	-	-	(21)	-	434	(229)	(14)	21	-	(221)	213	36
Other plant	4,988	199	104	-	-	-	5,291	(3,842)	(168)	-	-	(4,028)	1,263	1,146
Landfill sites	115	-	-	-	-	-	115	(115)	-	-	-	(115)	-	-
Transfer stations	491	71	6	-	-	-	569	(458)	(5)	-	-	(463)	105	32
Work in progress*	453	3,405	(241)	-		-	3,616	-	-	-	-	-	3,616	453
Work in progress – Intangibles (note 17)	-	-	20	-	-	-	-	-	-	-	-	-	-	-

Actual	Cost Revaluation 1 Jul 2021 (\$000)	Current Year Additions (\$000)	Transfers (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2022 (\$000)	Accumulated Depreciation and Impairment Charges 1 Jul 2021 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation/ Write-Off* (\$000)	Accumulated Depreciation and Impairment Charges 30 Jun 2022 (\$000)	Carrying Amount 30 Jun 2022 (\$000)	Carrying Amount 1 Jul 2021 (\$000)
	47,459	5,027	-	-	(1,556)	-	50,911	(20,013)	(2,058)	1,503	-	(20,569)	30,342	27,446
Infrastructural a								<i>(</i> )	()			4		
Bridges	135,642	2,687	-	-	-	19,559	157,887	(2,949)	(3,371)	-	2,949	(3,371)	154,517	132,694
Footpaths	18,718	7	-	-	-	1,856	20,582	(627)	(701)		627	(701)	19,881	18,092
Wastewater	65,563	-	12,686	-	-	77,617	155,866	(1,207)	(2,864)		1,207	(2,864)	153,002	64,356
other														
Wastewater plant	16,594	-	13,846	-	-	5,717	36,157	(961)	(1,497)		961	(1,497)	34,661	15,633
Water other assets	51,415	-	3,244	-	-	52,668	107,327	(1,160)	(2,312)		1,160	(2,312)	105,015	50,255
Water plant	12,105	-	222	-	-	(586)	11,741	(555)	(662)		555	(662)	11,078	11,551
Stormwater system	28,717	-	2	-	-	12,144	40,864	(692)	(992)		692	(992)	39,872	28,026
Unsealed roads	442,133	2,273	-	-	-	68,332	512,738	(3,395)	(3,949)		3,395	(3,949)	508,789	438,737
Cycle trail	6,662	-	-	-	-	968	7,592	(120)	(142)		120	(142)	7,451	6,504
Sealed roads	795,820	10,684	-	-	-	107,607	914,111	(10,958)	(12,906)		10,958	(12,906)	901,205	784,862
Street lighting	2,901	-	-	-	-	273	3,174	(198)	(225)		198	(225)	2,949	2,703
Work in progress*	32,628	12,941	(30,000)	-	-	-	15,569	-	-		-	-	15,569	32,628
progress	1,608,861	28,592	_	_	_	346,157	1,983,609	(22,820)	(29,620)	_	22,820	(29,620)	1,953,989	1,586,041
Other assets at o		,				,	.,,	(==,===,	(==7==7			(==,===,	.,,.	1,000,000
Marine	837	27	_	-	-	_	864	(398)	(21)	_	_	(419)	445	439
Runways	5,059		-	-	-	_	5,059	(5,059)	-	-	_	(5,059)	-	-
Resource Consent- Sewerage	-	516					516	-	(62)			(62)	454	-
Resource	-	94					94	-	(2)			(2)	92	-
Consent - Water									(=)			(=)		
Work in	-	-	-	-	-	-	-	-	-	-	-	-	-	-
progress*	5,896	637	_		-	_	6,533	(5,457)	(85)	_	_	(5,542)	991	439
Total SDC	1,662,217	34,256			(1,556)	(346,157)	2,041,073	(48,291)	(31,763)	1,503	22,820	(55,731)	1,985,322	1,613,926

2021/2022 Actual	Cost Revaluation 1 Jul 2021 (\$000)	Current Year Additions (\$000)	Transfer s (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2022 (\$000)	Accumulated Depreciation and Impairment Charges 1 Jul 2021 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation/ Write-Off* (\$000)	Accumulated Depreciation and Impairment Charges 30 Jun 2022 (\$000)	Carrying Amount 30 Jun 2022 (\$000)	Carrying Amount 1 Jul 2021 (\$000)
Milford Commu	nity Trust													
Building	54	-	-	-	-	-	54	5	(1)	-	-	(7)	47	49
Total Milford Community	54	-	-	-	-	-	54	5	(1)	-	-	(7)	47	49
Trust														
TOTAL GROUP	1,662,271	34,256	-	-	(1,556)	(346,157)	2,041,073	(48,296)	(31,764)	1,503	22,820	(55,739)	1,985,368	1,613,973

<sup>\*</sup> Refer to table below for detail of work in progress.

# **Core infrastructure assets**

Included within the Council assets above are the following core Council assets:

Most recent replacement cost estimate for revalued assets	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Roading	2,112,263	2,375,934
Water		
Water plant	23,804	26,892
Water other assets	183,815	199,602
Stormwater		
Stormwater system	99,914	96,920
Wastewater		
Wastewater plant	59,362	57,673
Wastewater other	247,869	276,670

# Work in progress

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Buildings	1,717	75
Improvements	913	271
Information Systems	-	-
Marine	405	473
Transfer stations	-	-
Other	581	385
SIESA	-	-
Roading and Footpaths	82	61
Wastewater	4,292	5,308
Water	8,818	9,099
Stormwater	2,378	2,424
Total Work in Progress	19,186	18,096

## **Leased assets**

The net value of plant and equipment held under finance lease is \$Nil (2022: \$Nil).

## **Insurance of assets**

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

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Total value of all assets that are covered by insurance contracts (carrying amount at 30 June)	77,689	87,004
Maximum amount to which these assets are insured	255,556	274,320
Total value of all assets that are covered by financial risk sharing arrangements	319,072	351,126
Maximum amount available to Council under those arrangements	150,000	150,000
Total value of all assets that are self-insured (roads, footpaths, bridges, streetlighting)	1,594,792	1,726,618
Value of any fund maintained by Council for that purpose	1,443	-

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

#### Infrastructural assets

Appropriately qualified personnel from Beca have completed a revaluation of District roading, footpaths and bridge asset networks as at 30 June 2023. Land values associated with Council's roading network are recognised at cost and have not been revalued.

Additionally, Waugh Infrastructure Management Limited have completed a revaluation of the water supply, sewerage scheme and stormwater assets as at 30 June 2023.

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

Sewerage, water, stormwater, and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- The replacement cost reflects existing assets and network capacity. There is possibly some obsolescence in the network due to declining populations in remote locations. However, with increasing water quality requirements, moving service populations to un-serviced populations would not support New Zealand's wider ambitions for quality of water for all. Additionally, the spread of the existing population is likely to remain and therefore the extension of the existing network is also assumed to be required in the future.
- Estimating the replacement cost of the asset. The replacement cost of an asset is based on recent construction contracts across the South Island for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location. If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand's Capital Goods Price Index (based on the March 2023 quarter index and then extrapolated to June 2023) for civil constructions to convert them to current dollar value at the valuation date.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected 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 the Council could be over-or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and the International Infrastructure Management Manual, 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 asset management planning activities, which provide further assurance over useful life estimates.

# Heritage assets

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

Artworks are revalued every three - five years. These have been valued by an independent valuer of International Art Centre, Auckland, as at 25 May 2021 and recorded at fair value.

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	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Cost		
Opening cost at 1 July	1,862	762
Additions	21	-
Disposals	(1,121)	-
Closing cost at 30 June	762	762
Accumulated amortisation and impairment		
Balance at 1 July	(1,717)	(692)
Amortisation charge	(96)	(60)
Impairment	1,121	-
Closing at 30 June	(692)	(752)
Net book value at 30 June	70	10

Trademarks/patents	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Opening cost at 1 July	8	8
Additions	-	-
Disposals	-	-
Closing cost at 30 June	-	-
Accumulated amortisation and impairment		
Balance at 1 July	-	-
Amortisation charge	-	-
Impairment	-	-
Closing at 30 June	-	-
Net book value at 30 June	8	8

Emission trading units	COUNCIL/GROUP 2021/2022 Units	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Units	COUNCIL/GROUP 2022/2023 Actual (\$000)
Opening balance at 1 July	107,629	4,682	109,673	8,335
Additions	2,044	155	-	-
Disposals / Surrendered	-	-	-	-
Change in market value 30 June	-	3,498	-	(3,756)
Closing balance at 30 June	109,673	8,335	109,673	4,579
Total intangible assets		8,413		4,579

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 \$41.75 per unit (2022: \$76.00).

Emission Trading Units 2023	COUNCIL/GROUP Pre-1990 Forest	COUNCIL/GROUP Post-1989 Forest	COUNCIL/GROUP Total
Productive area (hectares)	1,412.5	116.8	1,529.3
NZUs opening balance 1 July	82,914	26,759	109,673
NZUs allocated/transferred during the year	-	-	-
NZUs sold during the year	-	-	-
NZUs on hand at 30 June	82,914	26,759	109,673

Emission Trading Units 2022	COUNCIL/GROUP	COUNCIL/GROUP	COUNCIL/GROUP
	Pre-1990 Forest	Post-1989 Forest	Total
Productive area (hectares)	1,384	116.8	1,500.8
NZUs opening balance 1 July	82,914	24,715	107,629
NZUs allocated/transferred during the year	-	2,044	2,044
NZUs sold during the year	-	-	-
NZUs on hand at 30 June	82,914	26,759	109,673

#### Post-1990 Forests

Nil units (2022: 2,044) were received during the year on 116.8 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 \$41.75 per unit (2022: \$76.00). 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.

## **Expected credit losses**

# **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

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Balance at 1 July	13,270	13,010
Increase due to purchases	-	-
Gains/(losses) arising from changes attributed to physical changes	1,350	1,400
Gains/(losses) arising from changes attributed to price changes	1,360	100
Decreases due to harvest	(2,970)	(1,090)
Balance at 30 June	13,010	13,420

SDC owns 1,840 hectares of forest in five areas: Dipton, Gowan Hill, Ohai (2 sites), and Waikaia, which are managed as one forest. The tree crop covers 1,460 hectares (2022: 1,484 hectares). The predominant species grown in these four blocks is Radiata pine followed by Douglas fir. The age of the tree crop ranges from one year to 39 years. In the year ending 30 June 2023, Council sold 26.3 hectares of timber for \$1.9 million (2022: 30.8 hectares of timber for \$4.9 million).

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

Council instructed Woodlands Pacific Consulting Limited (Woodlands Pacific), to independently value its forestry assets as at 30 June 2023. Woodlands Pacific 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. The objective of the PBE IPSAS 27 Standard is estimating "fair value" for financial reporting purposes.

#### Valuation conventions

A pre-tax discount rate of 7.5% (2022: 7.5%) has been used in discounting the present value of expected future cash flows;

Only the current tree crop is valued, in accordance with the valuation standard;

Land use cost are recognised by applying notional land rental based on the prevailing market rentals of forestry land in the Otago/Southland region;

Woodlands Pacific assumes inflation will affect costs and prices equally;

Current log prices are used reverting to long-term prices.

## 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 expect short term volatility in the domestic and export market, however council expects timber prices not to decline significantly in the foreseeable long term future. Council reviews the outlook for timber prices regularly in considering the need for further 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

	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)	COUNCIL 2022/2023 Actual (\$000)	GROUP 2022/2023 Actual (\$000)
Payables and deferred revenue under exchange transactions				
Trade payables and accrued expenses	5,588	5,593	8,286	8,294
Total	5,588	5,593	8,286	8,294
Payables and deferred revenue under non-exchange transactions				
Income taxes payable	209	209	225	225
Other taxes payable (ie GST and FBT)	34	34	29	29
Grants payable	1,260	1,260	222	222
Other	2,024	2,024	1,928	1,928
Total	3,527	3,527	2,404	2,404
Total trade and other payables	9,115	9,121	10,689	10,698

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. Deferred revenue

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Grants (subject to conditions not yet met)	357	732
Dog registrations in advance	198	220
Outstanding building consents	1,238	1,271
Total deferred revenue	1,792	2,224

#### Grants

## 2023 grants include:

- \$210,337 from Ministry of Business, Innovation and Employment ("MBIE") towards the Milford opportunities project.
- \$345,651 from Better Off Funding.
- \$17,270 from Te Hau Toka Funding (Library)
- \$124,000 from Department of Internal Affairs
- \$35,125 from Department of Conservation Rock Grant

# 2022 grants include:

- \$210,337 from Ministry of Business, Innovation and Employment ("MBIE") towards the Milford opportunities project.
- \$140,000 from the Stewart Island
- Visitors Levy for Geotech Survey costs.
- \$6,189 from Ministry of Business, Innovation and Employment ("MBIE") for the Tourism Infrastructure Fund projects.

# Outstanding building consents

Council receives income from ratepayers to undertake required inspections at the time a building consent is issued. Each building consent typically requires multiple inspections which occur over an extended period, sometimes longer than 12 months. This inspection value is held in Councils general ledger as 'deferred revenue' until the work is completed, and then the income is assigned to the building team.

During 2022/2023, Council completed less 'historical' inspections sitting in the deferred revenue account than the volume that was added as new work assigned to the deferred revenue account. This is primarily because building work is becoming more complex and requiring a greater number of required inspections at the time the consent is issued. As a result, the difference of value of work recognised as deferred revenue at 30 June 2023 increased by \$33K, resulting in an end of year balance of \$1.27 million (2022 \$1.24)

# 21. Employee benefit liabilities

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Current		
Holiday pay accrual	1,784	1,868
Long service leave	5	-
Wages accrual	654	742
	2,443	2,610
Non-current		
Retirement gratuity	19	11
Long service leave (potential)	-	-
	19	11
Total employment entitlements	2,462	2,620

# 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. All employees entitled to a retirement gratuity have already reached retirement age, therefore the discount rate and inflation rate were not required for this calculation as the full benefit will be paid on retirement.

# 22. Development and financial contributions

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Roading contributions	408	408
Wastewater contributions	540	-
Water contributions	370	-
Reserves contributions	263	589
Other contributions		26
Total development and financial contributions	1,580	1,023

## 23. Borrowings

Current portion	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Short term loan – LGFA	-	-
Total current portion	-	-
LGFA	16,800	21,800
Total non-current portion	16,800	21,800
Total borrowings	16,800	21,800

Council's external borrowings are secured by security stock certificates in favour of the Local Government Funding Agency under a Debenture Trust Deed between Southland District Council and Covenant Trustees Limited. Interest is incurred at an average 4.70% per annum at 30 June 2023 (2022: 3.47%). The LGFA borrowing is due for repayment on July 2024 (\$5 million), May 2035 (\$8.4 million) and April 2036 (\$8.4 million).

#### Internal loans

Internal loans total \$60.3 million (2022: \$55.1 million). These loans are not represented in the statement of financial position. Council's internal loans are designed to help local communities within 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 3 percent (2022: 2 percent). A summary of these internal loans by group activity follows:

Internal loans	COUNCIL/GROUP Balance	COUNCIL/GROUP New Advances	COUNCIL/GROUP Total Repayments	COUNCIL/GROUP Balance	COUNCIL/GROUP Interest Paid
	2022	(\$000)	(\$000)	2023	(\$000)
	(\$000)			(\$000)	
Internal loans by group of activity					
Community resources	8,781	2,666	(535)	10,911	168
Community leadership	76	-	(25)	51	2
Environmental services	366	-	(92)	275	11
Transport	11,121	777	(1,124)	10,774	336
Stormwater	803	1,085	(26)	1,863	24
Sewerage	18,900	1,362	(929)	19,333	645
Water Supply	12,819	2,842	(561)	15,100	403
Total by group of activity	52,867	8,732	(3,292)	58,306	1,589
Internal loans by other activity					
Corporate services <sup>1</sup>	2,259	-	(284)	1,975	68
Total by other activity	2,259	-	(284)	1,975	68
Total internal loans	55,126	8,732	(3,576)	60,281	1,657

<sup>1</sup> Council has various corporate services that have internal loans. These corporate services are funded through internal charges which are spread over the seven activities.

## 24. Provisions

Provisions are represented by:	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Opening balance - landfill aftercare provision	13	10
Unused amounts reversed during the year	(3)	(3)
Additional provisions made in the period		8,361
Closing balance - landfill aftercare provision	10	8,369
Other provisions	-	-
	10	8,369
Current	3	3
Non-current	7	8,365
Closing balance	10	8,369

A Closed Landfill Risk Assessment report was completed in September 2022 to identify risks related to closed landfill across the District. This report then lead council to obtain further information from industry experts to quantify the best estimate of the cost to remove or protect the material in the closed landfills. As a result, Council has reflected the estimate in its landfill provision.

The cash outflows for post-closure costs are expected to occur until 2040. The long-term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking this into account and is discounted using a discount rate of 5.43 percent.

# 25. Investment in joint operations

#### WasteNet

Council has a 31 percent interest in WasteNet, a jointly controlled operation of Council. The principal activity of WasteNet is managing the disposal of rubbish and recycling in Southland. Council's interest in the joint venture is disclosed in the financial statements under the classifications shown below.

Council's interest in WasteNet is represented by:	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Share of:		
Income	1,290	1,561
Expenses	(1,241)	(1,393)
Share of surplus/(deficit)	49	168
Share of:		
Current assets	788	1,184
Current liabilities	(375)	(604)
Equity	412	580

## 26. Investment in associates

Council has investments in the following associated entities:

- Venture Southland (VS) 0% (2022: 42%)
- Southland Regional Heritage Committee (SRHC) 33% (2022: 33%)
- Emergency Management Southland (EMS) 28.27% (2022: 28.27%)
- Southland Regional Development Agency Limited Trading as Great South (GS) 48.73% (2022: 48.73%)

					COUNCIL/GROUP 2022/2023 Actual (\$000)
Council's interest in associates is represented by:	VS	SRHC	EMS	GS	Total
Share of income	-	713	528	4,672	5,913
Share of expenses	-	(690)	(439)	(4,362)	(5,491)
Share of surplus/(deficit)	-	23	89	309	422
Share of assets	-	364	250	3,263	3,877
Share of liabilities	-	(89)	-	(1,704)	(1,793)
Share of equity	-	275	250	1,559	2,084
Share of associates' contingent liabilities incurred jointly with other investors	-	-	-	-	-
Share of associates' joint commitments with other investors	-	14	-	-	14

					COUNCIL/GROUP 2021/2022 Actual (\$000)
Council's interest in associates is represented by:	VS	SRHC	EMS	GS	Total
Share of income	-	638	484	3,989	5,111
Share of expenses	-	(527)	(379)	(3,887)	(4,793)
Share of surplus/(deficit)	-	111	105	102	319
Share of assets	76	338	160	6,896	7,470
Share of liabilities	-	(86)	-	(5,647)	(5,733)
Share of equity	76	252	160	1,249	1,737
Share of associates' contingent liabilities incurred jointly with other investors	-	-	-	-	-
Share of associates' joint commitments with other investors	-	46	-	-	46

# 27. Reconciliation between the operating surplus (from the statement of revenue and expense) and net cash from operating activities (from the statement of cash flows)

	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)	COUNCIL 2022/2023 Actual (\$000)	GROUP 2022/2023 Actual (\$000)
Operating surplus/(deficit)	1,234	1,228	(8,366)	(8,358)
Add/(less) non-cash Items				
Share of associate's surplus	(319)	(319)	(346)	(346)
Depreciation and amortization	31,859	31,860	36,485	36,487
Vested assets	-	-	(14,538)	(14,538)
Forestry revaluation	260	260	(410)	(410)
Loss on emission trading units	-	-	-	-
Reclassification of work in progress (Intangibles)	-	-	-	-
Add/(less) movements in working capital items				
Trade and other receivables	254	254	1,863	1,859
Interest receivable	(17)	(19)	(29)	(29)
Inventories and work in progress	(3)	(3)	-	-
Trade and other payables	(3,570)	(3,572)	1,497	1,500
Provision				
Net GST	(484)	(485)	542	542
Development and financial contributions	(41)	(41)	(557)	(557)
Other				
Movement in employee benefit liabilities	340	340	158	158
(Gains)/losses on disposal of investments	(206)	(206)	73	73
Movement in provision for decommissioning	(3)	(3)	8,359	8,359
Net cash inflow/(outflow) from operating activities	29,304	29,294	24,731	24,740

# Reconciliation of movements in liabilities arising from financing activities

	COUNCIL	Cashflow Movement	COUNCIL
	2021/2022	2022/2023	2022/2023
	Actual (\$000)	Actual (\$000)	Actual (\$000)
Long term borrowings	16,800	21,800	21,800
Short term borrowings		-	-
Total liabilities from financing activities	16,800	21,800	21,800

#### 28. Financial instruments

The council did not elect to early adopt PBE IPSAS 41.

"In accordance with the transitional provisions in PBE IPSAS 41, the council and group have elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening at 1 July 2022 (the date of initial application)."

"The accounting policies for the year ended 30 June 2023 have been updated to comply with PBE IPSAS 41. The main changes to the Council and Group's accounting policy are:

Note 13 – Receivables – the policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.

Note 15 – Financial assets – This policy has been updated to reflect:

- the new classification categories
- the measurement and recognition of loss allowances based on the new expected credit loss (ECL) model; and
- the removal of impairment loss considerations for equity investments at FVTOCRE,"

PBE IPSAS 41 also significantly amended the financial instruments disclosures of PBE IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to hedge accounting and credit risk.

On the date of initial application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 are outlined in the tables below.

Financial Assets	Measurement PBE IPSAS 29	Classification PBE IPSAS 41	30 June 22 PBE IPSAS 29	PBE IPSAS 41	Adoption Adjustment
			\$000	\$000	\$000
Listed and unlisted shares	FVTOCRE	FVTOCRE	398	398	-
Cash and cash equivalents	Loans and receivables	Amortised cost	8,887	8,887	-
Receivables	Loans and receivables	Amortised cost	10,194	10,194	-
Term deposits	Loans and receivables	Amortised cost	1,520	1,520	-
Community Loans	Loans and receivables	Amortised cost	26	26	-
External Loans	Loans and receivables	Amortised cost	1	1	-
Investment in Other Entities	Loans and receivables	Amortised cost	398	398	-
LGFA borrowers note	FVOCRE/Held to maturity	Amortised cost	420	420	-

FVTOCRE = Fair value through other comprehensive revenue and expense

FVTSD = Fair value through surplus or deficit

The measurement categories and carrying amounts for financial liabilities have not changed on transition to PBE IPSAS 41

# Additional Information in relation to subsequent measurement classification assessment

PBE IPSAS 41 required debt instruments to be subsequently measured at FVSTD, amortisation cost or FVTOCRE. This classification is based on the business model for managing the debt instruments and whether the payments are for solely payments of principle and interest on the principle amount outstanding.

Council's debt instruments are solely comprised of contractual cash flows solely for payments of principal and interest, in line with basic lending arrangements. This assessment was based on the facts and circumstances as at the initial recognition of the assets.

PBE IPSAS 41 requires equity instruments to be classified at FVTSD. However, it permits entities to make an irrevocable election on transition to PBE IPSAS 41 to subsequently measure at FVTOCRE if the shares are not held for trading. The Council has elected to subsequently measure all its shares at FVTOCRE.

#### Financial Assets

Amortised Costs (2021) loans and receivables	Actual 2022 \$000	Actual 2023 \$000
Cash and cash equivalents	8,887	12,128
Trade and other receivables	10,194	8,019
Other financial assets	·	
- Term deposits	1,720	1,520
- Community loans	26	-
- Investments in other entities	420	545
Total at amortised cost	21,247	22,212
FVTOCRE		
Other Financial Assets		
Listed bonds	-	-
-Unlisted shares	398	414
Total at FVTOCRE	398	414
Amortised Cost		
Financial Liabilities		
Trade and other payables	(9,115)	(10,689)
Borrowings - Secured loans	(16,800)	(21,800)
Other financial liabilities	-	-
Total financial liabilities at amortised cost	(25,915)	(32,489)

#### Fair Value

The Council carries certain financial assets and financial liabilities at fair value, in accordance with PBE IPSAS 30.

Valuation techniques with non-observable inputs (level 3)

The table below provides a reconciliation from the operating balance to the closing balance for the level 3 fair value measurements

	Actual 2022 \$000	Actual 2023 \$000
Balance as at 1 July	401	398
Gain and losses recognised in the surplus or deficit	(3)	13
Balance as at 30 June	398	414

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

#### Financial instruments risk.

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.

#### interest rate risk

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 2023 (2022: 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	COUNCIL/GROUP			COUNCIL/GROUP
	2021/2022			2022/2023
		Actual		Actual
		(\$000)		(\$000)
	+100bps	-100bps	+100bps	-100bps
Cash and cash equivalents	89	(89)	121	(121)
Borrowings	168	(168)	218	(218)

## Explanation of sensitivity analysis

Cash and cash equivalents include short-term deposits at call totalling \$5 million (2022: \$2.0 million) which are at fixed rates. A movement in interest rates of plus or minus 1.0 percent has an effect on interest income of \$Nil (2022: \$Nil).

# 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 Poor's 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	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)	COUNCIL 2022/2023 Actual (\$000)	GROUP 2022/2023 Actual (\$000)
Cash and cash equivalents	12	8,887	8,897	12,128	12,151
Trade and other receivables (excluding prepayments)	13	9,601	9,604	7,366	7,373
Other financial assets (excluding shares in companies)	15	2,184	2,577	2,085	2,470
Total credit risk		20,672	21,078	21,579	21,994

	Note	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)	COUNCIL 2022/2023 Actual (\$000)	GROUP 2022/2023 Actual (\$000)
Cash at bank and term deposits					
AA-	12, 15	10,607	11,007	13,648	14,056
Total cash at bank and term deposits		10,607	11,007	13,648	14,056
Other financial assets					
AA-	15	443	443	434	434
Total financial assets		443	443	434	434

# 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	COUNCIL Total 2023
Financial assets					
Cash and cash equivalents	12	12,128	-	-	12,128
Trade and other receivables (excluding prepayments)	13	7,366	-	-	7,366
Other financial assets (excluding shares in companies)	15	2,085	-	-	2,085
Financial liabilities					
Trade and other payables	19	10,689	-	-	10,689
Borrowings	23	-	-	21,800	21,800

	Note	Less than 1 Year	1 Year	2 - 5 Years	GROUP Total 2023
Financial assets					
Cash and cash equivalents	12	12,151	-	-	12,151
Trade and other receivables (excluding prepayments)	13	7,373	-	-	7,373
Other financial assets (excluding shares in companies)	15	2,470	-	-	2,470
Financial liabilities					
Trade and other payables	19	10,698	-	-	10,698
Borrowings	23	-	-	21,800	21,800

	Note	Less than 1 Year	1 Year	2 - 5 Years	COUNCIL Total 2022
Financial assets					
Cash and cash equivalents	12	8,887	-	-	8,887
Trade and other receivables (excluding prepayments)	13	9,601	-	-	9,601
Other financial assets (excluding shares in companies)	15	2,184	-	-	2,184
Pin an alal liabilità					
Financial liabilities					
Trade and other payables (excluding taxes payable)	19	8,906	-	-	8,906
Borrowings	23	16,800	-	-	16,800

	Note	Less than 1 Year	1 Year	2 - 5 Years	GROUP Total 2022
Financial assets					
Cash and cash equivalents	12	8,897	-	-	8,897
Trade and other receivables (excluding prepayments)	13	9,603	-	-	9,603
Other financial assets (excluding shares in companies)	15	2,577	-	-	2,577
Financial liabilities					
Trade and other payables	19	8,912	-	-	8,912
Borrowings	23	16,800	-	-	16,800

## 29. 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 conditions 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.

Key Management Personnel	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Councillors		
Remuneration	553	686
Full-time equivalent members	13 FTE	13 FTE
Executive leadership team, including the chief executive		
Remuneration	1,398	1,422
Full-time equivalent members	5.8	5.71
Total key management personnel compensation	1,951	2,108
Total full-time equivalent personnel	18.8 FTE	18.71 FTE

Key management personnel include the mayor, councillors, chief executive, chief financial officer, people and capability manager, group manager programme delivery, group manager infrastructure and environmental services and group manager democracy and community.

Due to the difficulty in determining the full-time equivalent for councillors, the full-time equivalent figure is taken as the number of councillors.

## 30. Events after balance date

The September 2023 flooding has caused damage requiring urgent repairs across the district where landslips and washouts have occurred. It may cost up to \$2 million to repair this damage. A submission is being made to Waka Kotahi for emergency works requesting approval for the additional programme to be funded by the standard funding assistance rate.

# 31. 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 2023 total \$NIL (2022: \$160,000). Specific details are as follows:

### (a) Guarantees

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor's of AAA for local currency and a foreign currency rating of AA+ as at 30 June 2023.

LGFA Shareholders consist of the New Zealand Government (20%) and local authority shareholders (80%). The New Zealand Government shareholding is fully paid. The uncalled capital of local authority shareholders is \$20 million and this is available in the event that an imminent default is identified. Also, together with the shareholders and guarantors, the council is a guarantor of all the LGFA borrowings. At 30 June 2023 LGFA had bond borrowings totalling \$15,160 million (\$14,015 million)

"Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- (b) we are not aware of any local authority debt default events in New Zealand: and
- (c) local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligation if further funds were required."

## (d) Council Mutual Insurance Fund - Riskpool

Council withdrew as a member of a mutual liability fund, Riskpool, as at 30 June 2015. The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified

## (e) Emission Trading Scheme

Council owns approximately 1,840 hectares of forest, of which 1,384 hectares are pre-1990 land under the Emissions Trading Scheme. Of this harvested land, 53.86 hectares has not yet been replanted at 30 June 2023 (2022: 33.4) and carries a potential deforestation liability of \$2,023,639 if the land is not replanted within four years. It is Council's intention that these harvested areas will be re-established to ensure that there will be no obligation to surrender units.

## (f) 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 no matters under this Act which would indicate a liability to Council (2022: \$160,000)

## (g) Weather-tight homes claims

The Weather-tight Homes Resolution Services (WHRS) no longer receives claim applications however still provide an advice and mediation service to resolve leaky home disputes. Included in the Building Act potential liability noted in (b) above are potentially for weather-tight home claims. However, as of 30 June 2023 (2022: Nil), no claims have been lodged with Council.

## (h) Resource Management Act 1991 (RMA) prosecutions

As part of day to day operations, Council pursue a range of enforcement actions for breaches of the RMA. During 2022/2023, Council pursed an enforcement order in relation to non-permitted clearance of indigenous vegetation and earthworks. A court date was set for April 2023 and a decision was made to settle out of court. Additionally, Council had one other case in front of the court for enforcement matters as at 30 June 2023. As at the 13 September 2023, the case is still underway. If unsuccessful, the Court may order Council to pay the respondent's costs

## (i) Water services reform programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023"

## (j) Closed landfill sites

A risk assessment of the closed landfills has been completed as part of an ongoing environmental management plan. The assessment has identified 15 landfills which are considered to present a possible risk due to potential discharges to groundwater or surface water. A two-year sampling regime will be undertaken before council knows what, if any, impact these sites will have on the environment and what possible obligation Council will incur. (permitted activity)

## **Contingent assets**

Council has no contingent assets as at 30 June 2023 (2022: Nil).

# 32. Capital and operating lease commitments

A commitment exists where Council has entered into contracts but the goods and/or services have not been provided by balance date.

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Capital commitments		
Commitments for capital expenditure contracted, but not provided for:		
Water system	347	616
Stormwater system	190	421
Sewerage system	77	1,155
Roading	13,350	7,920
Other	1,244	518
	15,208	10,631

	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2022/2023 Actual (\$000)
Operating leases (as a lessee)		
Commitments for non-cancellable operating leases:		
Not later than one year	374	384
Later than one year and not later than five years	670	757
Later than five years	-	80
	1,044	1,220

## 33. Severance payments

For the year ended 30 June 2023, Council made three severance payments of \$30,500 (2022: one employee totalling \$50,000).

## 34. 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.

#### 35. Explanation of major variances against budget

	Note	COUNCIL 2022/2023 Actual (\$000)
Revenue (excluding asset development revenue)	(a)	15,105
Asset development revenue		
- Development and financial contributions		912
Expenditure	(b)	19,630
Net impact of variance on surplus/(deficit)		(3,613)
Revaluation surplus	(c)	116,492
Total variance in Statement of comprehensive revenue and expense		109,573

### **Explanatory notes:**

## Statement of comprehensive revenue and expense

#### (a) Revenue

Overall revenue was \$16.0 million more than budgeted mainly due to:

- vested assets (\$14.5 million), there were a number of sub-division developments where the developer created new assets eg waterpipes and footpaths, and these have been vested to Council. In particular around Te Anau, Riverson, Riversdale and Winton.
- grants for tourism infrastructure fund (\$1.2 million), to replace and build new toilets and improve other tourism infrastructure in Manapouri and Te Anau
- forestry harvesting income (\$1.6 million), during the Annual Plan Council had not planned to undertake any harvesting activities. However, early in the 2022/2023 year the forestry management plan was reviewed and there was a decision to harvest, which resulted in unplanned harvesting income.
- waste minimisation levy income (\$253k)
- otta-seal income (\$249k)

- Council's share of income from WasteNet not budgeted was (\$1.6 million) Council has a 31% share in WasteNet, a jointly controlled operation of Council which has a principal activity of managing the disposal of rubbish and recycling in Southland. As we cannot anticipate the performance of WasteNet we did not budget in the Annual Plan
- Development and financial contributions (\$0.9 million) Financial contributions were used to supply the following:
  - Riversdale wastewater treatment plant upgrade \$0.5 million
  - Sinclair Avenue water main renewal \$0.4 million

The use of these development contributions has resulted in lower loans drawn down and were at the request at the NTU.

# This was offset by:

- lower investment interest (\$1.5 million) as we have not implemented our proposed investment strategy during the year,
- lower Waka Kotahi funding (\$3.0 million), due to delays in the bridge replacement programme, delivery for road to zero programme and extended procurement process for pavement rehabilitations and traffic services.

#### (b) Expenditure

Overall operating expenditure was \$19.6 million more than budgeted primarily due to the following:

- depreciation costs were higher-than-anticipated being \$8 million above budget as a result of the revaluation of infrastructure for roading and 3waters as the revaluations use the most recent contract rates and price indices to update the asset values.
- other council expenditure is \$14.2 million higher than budget due to:
  - o additional forestry harvesting costs (\$1 million), during the Annual Plan Council had not planned to undertake any harvesting activities. However, early in the 2022-2023 year the forestry management plan was reviewed and there was a decision to harvest, which resulted in unplanned harvesting costs.
  - o unplanned reactive maintenance across the district being incurred to maintain an effective network that meets our regulatory requirements. (\$0.8 million),
  - Council's share of WasteNet expenditure (\$1.4 million), a jointly controlled operation of Council which has a principal activity of managing
    the disposal of rubbish and recycling in Southland. As we cannot anticipate the performance of WasteNet we did not budget in the Annual
    Plan
  - o waste disposal costs (\$0.5 million)
  - higher costs in the maintenance of sealed and unsealed roads (\$1.2 million), the roading activity has included a transfer of capital expenditure to operational spend. This adjustment is to cover inflation increases in the three main maintenance contracts. The result is no change to the overall roading spend but a change to the level of service delivered

- o (\$8.2 million) for updated provision for landfill contingencies which reflects the best estimate of the cost to remove or protect material in closed landfills across the district.
- o Consultants were higher (\$1.1 million). As Council was unable to recruit the vacant positions it has at times hired other resources to fill the need and this cost has primarily been met by lower employee expenses. Extra consultants have also been required for water and waste extra funding

# This is offset by:

- o lower employee expenses (\$0.9 million) Council was unable to recruit the vacant positions. However, the saving in employee costs has been offset by higher consultancy costs to cover vacant positions.
- o lower finance costs (\$1.6 million), Due to investment policy changes we have not borrowed funds as anticipated which resulted in lower finance costs. The current finance charges only reflect the interest on the current LFGA borrowings.

### (c) Revaluation surplus

Overall revaluation surplus was \$116.4 million more than budgeted. The increase in the asset revaluations reflect increasing contract rates and price indices. This year the capital goods price index (CGPI) increase was used for three waters valuation which was tested against recent contracts completed by Council to ensure these reflected local market costs. This showed that the price index increase was quite similar to rates in recent contracts and as such formed a reasonable basis for the revaluation.

#### (d) Statement of changes in equity

Changes in equity are reflected in the variance analysis of the statement of comprehensive revenue and expense above.

# (e) Statement of financial position

Cash and cash equivalents are \$11.9 million higher than budgeted as a result of a stronger opening cash balance than budgeted in the annual plan and higher operating cashflows due to additional government grants for tourism infrastructure funded projects and forestry income. Investing cash flows were 16.5 million lower due to Council undertaking less capital work. As a result of less capital work being undertaken Council did not require the level of financing required (\$15.5 million)

Other financial assets are \$1.9 million over budget due to investment of funds in term deposits.

Property, plant and equipment is \$400 million over budget due to infrastructure revaluations in particular water, stormwater and sewerage (\$370 million) and additional purchases of operational assets (\$26 million) and vested assets (\$39 million) which includes the \$14.5 million of vested assets received in 2022/2023. This is offset by decrease in roading valuation (\$27 million).

Intangible assets are \$0.7 million less than budget to due to a decrease in the value of emission trading units as the unit price has decreased from \$76.00 to \$41.75 and software expenditure due to a change in accounting treatment.

Forestry assets are \$1.1 million lower than budget due to lower revaluation of these assets.

Investment in associates is \$0.7 million higher than budget due to higher than budgeted financial performance of Council's various joint ventures and associates.

Other financial assets are \$38 million below budget due a delay in implementing changes to Council's borrowing and investment strategy which has resulted in lower external borrowing and investments.

Trade and other payables are \$4.4 million below budget. \$2.2 million relates to deferred revenue for income received in advance for dog registrations, outstanding building consents (pre-paid consents) and grants received for projects still in progress at year end. The balance relates to expenses accruals and overpayments.

Borrowings are \$67.0 million under budget due to lower capital expenditure which was budgeted to be funded by external borrowings and the delay in implementing changes to Council's approach to borrowing and movement to borrowing externally.

# **36. Schedule of financial reserves**

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

## **Restricted reserves**

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
District res	erves							
	Holding	SDC - officers association	Corporate Services	Held on behalf of SDC Officers Association	1	-	-	1
	Assets and services	Waste minimisation	Waste Services	Waste minimisation reserve	6	351	(307)	50
	Environmental services	Dog and animal control	Environment Services	Residual funds from dog and animal control activity	18	13	-	31
	John Beange	John Beange	Community Leadership	Funding available in Edendale and Wyndham area	19	2	-	21
	Southland joint mayoral fund	Southland joint mayoral fund	Community Leadership	Residual funds from Southland flood relief	121	4	-	121
	Allocation committee	Community development fund	Community Leadership	Development of community facilities, recreational opportunities and events	1	1	-	3
	Allocation committee	Contributions and levies	Community Leadership	Raised through the District plan to be used to remedy, mitigate or offset adverse effects arising from, and in consequence of, or in association with any development	400	-	-	400
	Allocation committee	Contributions and levies -Waihopai Toetoe	Community Leadership	Support community initiatives by way of grants	228	13	-	241
	Allocation committee	Creative NZ	Community Leadership	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	5	-	(3)	2
	Allocation committee	Sparc	Community Leadership	To subsidise travel costs for people 5-19 years of age participating in regular sporting competition	-	-	-	-
	Allocation committee	Meridian contribution	Community Leadership	Support northern Southland community initiatives by way of grants	321	14	(10)	325
	Allocation committee	Ohai Railway Board	Community Leadership	Support Ohai community initiatives by way of grants	1,865	80	(102)	1,843
	Allocation committee	District heritage grant	Community Leadership	Support the heritage in the District area	14	-	(7)	8

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
	Allocation committee	Stewart Island visitor levy	Community Leadership	Stewart Island visitor levy funds	125	9	-	134
	Specific	ECNZ - projects	Community Leadership	Funds available for future projects in accordance with ECNZ requirements	22	-	-	22
Total restri	icted district reserve	es			3,147	490	(429)	3,209

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
Local reserv	es							
	Wallacetown	Cemetery bequest	Community Services	Wallacetown Cemetery	69	1	(7)	63
Total restric	ted local reserves V	Vallacetown			69	1	(7)	63
Total restrict	ed local reserves				69	1	(7)	63
Total restric	ted district reserve	s			3,216	491	(436)	3,272

# Council created – general

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
District rese	rves							
	Council	Global	District	General reserve	1,054	25	(10)	1,069
	Council	District operations	District	General reserve	3,442	2,597	(1,316)	4,723
	Council	Strategic assets reserve	District	Offset rates	7,508	130	(2,000)	5,638
Total Counc	cil created general	district reserves			12,004	2,753	(3,326)	11,430
<b>Total Counc</b>	cil created - genera	al reserves			12,004	2,753	(3,326)	11,430

# Council created – special

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
District res	erves							
	Assets and services	Community housing	Community Services	Operational reserve for community housing	137	43	(147)	33
	Assets and services	District reserves	Open Spaces	Operation reserve for District reserves	29	8	-	36
	Assets and services	Forestry Council reserve	Corporate Services	Residual funds from forestry activities	8,436	1,767	(972)	9,231
	Assets and services	Forestry reserve	Corporate Services	Residual funds from forestry activities	1,000	-	(1,000)	-
	Assets and services	Gravel reserves	Roading	Ensure Council has sufficient funds available for reinstatement of Council's pits	559	-	(8)	552
	Assets and services	Depreciation motor vehicle	Various	Fund motor vehicle fleet replacements	1,305	508	(865)	948
	Assets and services	Depreciation buildings	Various	Fund building replacements	-	219	(195)	24
	Assets and services	Depreciation IT	Various	Fund IT replacements	411	106	(135)	382
	Assets and services	Depreciation Matuku	Water Supply	Fund Matuku water scheme replacements	2	7	(4)	4
	Assets and services	Depreciation public conveniences	Various	Fund public conveniences replacements	-	119	(119)	-
	Assets and services	Depreciation Te Anau rural water	Water Supply	Fund Te Anau rural water scheme replacements	-	124	(124)	-
	Assets and services	Depreciation waste management	Waste Services	Fund waste management replacements	60	45	(105)	-
	Assets and services	Depreciation water	Water Supply	Fund water replacements	-	1,169	(1,169)	-
	Assets and services	Depreciation wheelie bin	Waste Services	Fund wheelie bin replacements	82	26	(63)	45
	Assets and services	Depreciation sewerage	Sewerage	Fund sewerage replacements	-	2,086	(2,086)	-
	Assets and services	Depreciation roading	Roading	Fund roading replacements	-	5,243	(5,243)	-
	Assets and services	Depreciation Cycle Trial	Roading	Fund Cycle Trail replacements	-	87	(87)	-
	Assets and services	Public toilets capital pro reserve	Various	Fund public toilets capital	-	193	(193)	-
	Assets and services	Property development	Various	Balancing fund for sales and operational building expenditure	303	77	(36)	345
	Assets and services	Proposed water	Water Supply	Operational account for proposed water	553	-	-	553

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
	Assets and services	Roading	Roading	Rate smoothing reserve	1,090	2,738	-	3,828
	Assets and services	Road safety community	Roading	Funding accrued from programmes not completed by year end	-	-	-	-
	Assets and services	Waste management	Waste Services	General waste reserve	8	229	(201)	37
	Assets and services	Water schemes	Water supply	Development for water schemes	201	-	-	201
	Assets and services	District wastewater	Wastewater	Development for wastewater schemes	-	-	-	-
	Assets and services	District stormwater	Stormwater	Stormwater investigations	15	-	(15)	-
	Assets and services	District stormwater	Stormwater	Development for stormwater schemes	167	-	(167)	-
	Assets and services	District water	Water	Development for water schemes	-	-	-	-
	Assets and services	Wastewater contribution	Sewerage	Development for building wastewater	-	-	-	-
<b>Total Coun</b>	cil created - Special reserve	es assets and services			14,360	14,794	(12,934)	16,219
	Chief exec	SDC/DOC joint project	Community Leadership	Residual funds from past joint projects for future projects	61	-	-	61
	Chief exec	Around the Mountains	Roading	Around the Mountains Cycle Trail	200	12	(21)	191
<b>Total Coun</b>	cil created - special reserve	es chief exec			261	12	(21)	252
	Policy and community	Waimumu Field Days	Community Services	Fund Council's Field Days every two years	18	-	-	18
	Policy and community	Community outcomes	Corporate Services	Contribute Southland Regional Development Strategy	108	-	-	108
	Policy and community	Elections	Community Leadership	Fund Council's election costs every three years	154	-	(65)	88
	Policy and community	War memorial grant	Community assistance	Funding received for memorial archway	3	-	(3)	-
<b>Total Coun</b>	cil created - special reserve	es policy and community			282	-	(68)	214
	Development and financial	Parks contribution	Open Spaces	Contribution to capital activity - parks and reserves	144	-	-	144
	Development and financial	Roading contribution	Roading	Contribution to capital activity - roading and transport	317	-	-	317

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
	Development and financial	Wastewater contribution	Sewerage	Contribution to capital activity - wastewater	338	-	(92)	246
	Development and financial	Water contribution	Water supply	Contribution to capital activity - water	108	-	(16)	92
<b>Total Counc</b>	cil created - special reser	ves development and financ	ial contributions		907	-	(107)	800
	Environment and community	Alcohol licensing	Environmental health	Residual funds from alcohol licensing	-	-	-	-
	Environment and community	Health licensing	Environmental Services	Residual funds from health licensing	53	41	(48)	46
<b>Total Counc</b>		rves environment services			53	41	(48)	46
	Holding	Milford flood protect	District	Residual funds from Milford Flood protection	46	-	-	46
	Holding	International relationship	Community Leadership	Residual funds from International activities	57	-	-	57
	Holding	Shared services	Community Leadership	Shared services balance	-	88	-	88
Council crea	ated - special reserves h	olding			103	88	-	191
	Specific	Biodiversity initiative	Environment Services	Funds set aside for future biodiversity initiatives	21	-	-	21
	Specific	Disaster recovery	Community Leadership	Funds set aside in case of disaster in accordance with insurance requirements	1,443	-	-	1,443
	Specific	Predator Free Rakiura	Community Leadership	Contribution to the Predator Free Rakiura programme	3	1	-	4
	Specific	Rates civil defence/ rural fire	Emergency management	Fund emergency management	11	-	-	11
	Specific	Tuatapere (Clifden bridge)	Various	Residual funds from Tuatapere project in 2000, to be used for community projects at Council's discretion	19	-	(6)	13
	Specific	North Makarewa rec reserve	Open Spaces	North Makarewa rec reserve	3	1	-	4
	Specific	LGFA repayment reserve	Corporate Services	Funds set aside to repay LGFA loan	-	-	-	-
	ated - special reserves sp				1,501	2	(6)	1,496
<b>Total Counc</b>	cil created -special Distri	ict reserves			17,466	14,937	(13,184)	19,220

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
Local reserv	ves							
	Ardlussa CB	General	Various	Ardlussa Community Board	21	19	(8)	33
Council cre	ated - special reserves Ar	llussa Community Board			21	19	(8)	33
	Athol	General	Various	Athol general purpose	4		-	4
	Athol	Community centres	Community Facilities	Athol hall	13	5	-	18
Council cre	ated - special reserves At	nol			17	6	-	22
	Balfour	General	Various	Balfour general purpose	112	1	(83)	31
Council cre	ated - special reserves Ba	lfour			112	1	(83)	31
	Browns	Community centres	Community Facilities	Browns hall	2	2	-	4
	Browns	General	Various	Browns general purpose	48	1	-	49
Council cre	ated - special reserves Bro	owns			50	3	0	53
	Brydone	Community centres	Community Facilities	Brydone hall	-	-	-	-
Council cre	ated - special reserves Bry	/done			-	-	-	-
	Clifden	Community centres	Community Facilities	Clifden hall	15	-	(2)	14
	Clifden	Rec reserve Committee	Open Spaces	Clifden reserves	30	7	0	37
Council cre	ated - special reserves Cli	fden			45	8	(2)	51
	Colac Bay	Community centres	Community Facilities	Colac Bay hall	5	-	-	5
	Colac Bay	General	Various	Colac Bay general purpose	33	-	(30)	3
Council cre	ated - special reserves Co	lac Bay			38	-	(30)	9
	Dipton	Cemetery	Cemetery	Dipton cemetery	11	-	-	11
	Dipton	General	Various	Dipton general purpose	24	-	-	25
	Dipton	Stormwater	Stormwater	Dipton stormwater	-	-	-	-
	Dipton	Community centres	Community Facilities	Dipton hall	4	9	-	13
Council cre	ated - special reserves Di		·		39	10	0	49
	Drummond	General	Various	Drummond general purpose	12	-	-	12
	Drummond	Rec reserve committee	Open Spaces	Drummond reserves	-	2	-	2
Council cre	ated - special reserves Dr	ummond			12	2	-	14
	Edendale	Cemetery	Various	Edendale cemetery	8	-	(8)	-
	Edendale -Wyndham	Community centre	Community Facilities	Edendale Wyndham hall	65	5	(5)	65
	Edendale-Wyndham	Footpaths	Various	Footpaths	36	1	-	37
	Edendale-Wyndham	General	Various	General purpose	520	10	(49)	481
	Edendale-Wyndham	Stormwater	Stormwater	Stormwater	-	-	-	-
Council cre	ated - special reserves Ed		1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	1 1 1 1	628	15	(61)	583
	Fiordland CB	- · · · · · · · · · · · · · · · · · · ·			117	233	(130)	220
Council cre	ated - special reserves Fig	rdland	1		117	233	(130)	220

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
	Five Rivers	Community centre	Community Facilities	Five Rivers hall	7	-	-	7
Council cre	ated - special reserves				7	6	-	7
	Fortrose	Community centre	Community Facilities	Fortrose hall	12	-	(1)	11
Council cre	ated - special reserves				12	-	(1)	11
	Garston	Special projects	Various	Garston general purpose	30	1	(3)	27
Council cre	ated - special reserves	s Garston			30	1	(3)	27
	Gorge Road	Gorge Road general	Various	Gorge Road general purpose	37	5	-	42
Council cre	ated - special reserves	s Gorge Road			37	5	-	42
	Hokonui	Community centre	Community Facilities	Hokonui Hall	93	2	-	95
Council cre	ated - special reserves	s Hokonui			93	2	-	95
	Limehills	Community centre	Community Facilities	Limehills hall	4	9	-	13
	Limehills	General	Various	Limehills general purpose	60	1	-	61
	Limehills	Stormwater	Stormwater	Limehills stormwater	-	-	-	-
Council cre	ated - special reserves	s Limehills			64	10	-	74
	Lumsden	Cemetery	Community Services	Lumsden cemetery	1	-	-	1
	Lumsden	Footpaths	Roading	Lumsden footpaths	11	-	(11)	-
	Lumsden	General	Various	Lumsden general purpose	141	4	(12)	133
	Lumsden	Stormwater	Stormwater	Lumsden Stormwater	-	-	-	-
	Lumsden	Community Centre	Community Facilities	Lumsden community centre	20	-	-	20
Council cre	ated - special reserves	s Lumsden			173	4	(24)	154
	Manapouri	Frasers Beach	Open Spaces	Frasers Beach reserve	40	1	-	41
	Manapouri	General	Various	Manapouri general purpose	62	3	-	65
	Manapouri	Community centre	Community Facilities	Manapouri community centre	24	3	(20)	7
	Manapouri	Swimming pool area	Open Spaces	Manapouri pool	2	-	-	3
Council cre	ated - special reserves				129	6	(20)	115
	Mararoa/Waimea V	Vard Mararoa/Waimea Ward	Various	Mararoa/Waimea Ward	68	1	(20)	49
Council cre	ated - special reserves	s Mararoa/Waimea Ward			68	1	(20)	49
	Mataura Island	Community centre	Community Facilities	Mataura Island community centre	6	-	-	6
Council cre	ated - special reserves	s Mataura Island			6	-	-	6
	Matuku	Rural WS general	Water supply	Matuku water	-	1	-	1
Council cre	ated - special reserves	s Matuku			-	1	-	1
	Menzies Ferry	Community centre	Community Facilities	Menzies Ferry community centre	9	-	-	9

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
Council cre	ated - special reserves Mo	enzies Ferry			9	-	-	9
	Mokoreta/Redan	24	Community Facilities	Mokoreta/Redan community centre	24	3	(2)	25
Council cre	ated - special reserves Mo	okoreta/Redan			24	3	(2)	25
	Mossburn	98	Various	Mossburn general purpose	98	2	-	100
Council cre	ated - special reserves Mo	ossburn			98	2	-	100
	Nightcaps	62	Open Spaces	Nightcaps McGregor Park	62	13	(11)	64
	Nightcaps	18	Community facilities	Nightcaps community centre	18	-	-	18
	Nightcaps	15	Various	Nightcaps general purpose	15	-	(10)	6
	Nightcaps	Stormwater - OPR	Various	Nightcaps general purpose	-	-	-	-
Council cre	ated - special reserves Ni	ghtcaps			95	13	(21)	87
	Northern CB	General	Various	Northern CB general purpose	26	28	(29)	24
Council cre	ated - special reserves No	orthern CB			26	28	(29)	24
	Ohai	Community centre	Community Facilities	Ohai community centre	5	3	-	7
	Ohai	General	Various	Ohai general purpose	299	6	(1)	304
	Ohai	Stormwater	Stormwater	Ohai stormwater	-	-	-	-
Council cre	ated - special reserves Oh	nai			304	9	(1)	311
	Oraka-Aparima CB	General	Various	Oraka-Aparima CB general purpose	20	8	(21)	7
	Oraka-Aparima CB	Riverton library endowment	Community Service	Riverton library endowment	7	7	-	14
Council cre	ated - special reserves Or	aka-Aparima			27	16	(21)	21
	Orawia	Community centre	Community Facilities	Orawia community centre	6	4	-	10
	Orawia	Community centre	Community Facilities	Orawia hall group	25	-	(3)	23
Council cre	ated - special reserves Or	awia			30	4	(3)	32
	Orepuki	General	Various	Orepuki general purpose	28	-	(19)	10
	Orepuki	Community centre	Community Facilities	Orepuki community centre	29	4	(20)	13
Council cre	ated - special reserves Or	epuki			57	4	(39)	22
	Oreti	Community centre	Community Facilities	Oreti community centre	-	7	-	7
Council cre	ated - special reserves Or	eti			-	7	-	7
	Oreti CB	Hedgehope recreation reserve	Open Spaces	Hedgehope reserve	1	1	-	2
	Oreti CB	General	Various	Oreti CB general purpose	67	35	(16)	86

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
	Oreti CB	Winton library	Community Service	Winton library	15	4	-	20
		endowment reserve		endowment			()	
Council cre	ated - special reserves		C	0	84	40	(16)	108
	Otapiri/Lora	Community centre	Community Facilities	Otapiri/Lora community centre	71	3	-	74
Council cre	ated - special reserves	o Otapiri/Lora			71	3	-	74
	Otautau	Baths	Community Facilities	Otautau pool	5	6	-	11
	Otautau	Brightwood Develop Co	Community Facilities	Otautau financial contribution	17	-	-	18
	Otautau	CB conference	Community Facilities	Community board conference	-	-	-	-
	Otautau	Forestry	Corporate Services	Holt Park forestry	172	3	-	175
	Otautau	General	Community Facilities	Otautau general purpose	339	7	(11)	334
	Otautau	Bowling club	Community Facilities	Bowling club	-	-	-	-
	Otautau	Stormwater	Stormwater	Otautau stormwater	-	-	-	-
	Otautau	Community centre	Community Facilities	Otautau community centre	30	1	-	30
Council cre	ated - special reserves	Otautau			563	17	(11)	568
	Riversdale	General	Various	Riversdale general purpose	13	-	(10)	3
Council cre	ated - special reserves	s Riversdale		· ·	13	-	(10)	3
	Riverton	Cemetery maintenance	Community Services	Riverton cemeteries	80	2	(4)	77
	Riverton	Doc profits lib sale	Various	Riverton projects	71	1	-	72
	Riverton	General	Various	Riverton general purpose	199	5	(99)	105
	Riverton	Riverton Harbour general	Community Facilities	Riverton Harbour	30	77	-	106
	Riverton	Parks and res develop	Open Spaces	Riverton parks and reserves	-	-	-	-
	Riverton	Property sales	Various	Riverton general purpose	154	3	-	157
	Riverton	War memorial	Open Spaces	Riverton war memorial	14	3	-	17
	Riverton	Stormwater headworks	Stormwater	Riverton stormwater	2	-	(2)	-
	Riverton	Taramea Bay/Rocks development	Community Facilities	Taramea Bay foreshore	28	1	-	28
	Riverton	Taramea Howells Point	Community Facilities	Taramea Howells Point	34	1	-	35
Council cre	ated - special reserves	Riverton			611	91	(105)	597
	Ryal Bush	Community centre	Community Facilities	Ryal Bush community centre	3	1	-	4
Council cre	ated - special reserves	Ryal Bush			3	1	-	4
	SIESA	Operations	SIESA	SIESA operations	494	-	-	494

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
Council cre	eated - special reserves	SIESA			494	-	-	494
	Stewart Island	General	Various	Stewart Island general purpose	151	16	(20)	146
	Stewart Island	Waste management	Various	Stewart Island general purpose	42	3	-	45
	Stewart Island	Jetties	Various	Stewart Island jetties	-	46	-	47
	Stewart Island	Wharf Golden Bay	Various	Replacement of Golden Bay wharf	-	-	-	-
	Stewart Island	Wharf Ulva Island	Various	Replacement of Ulva Island Bay wharf	148	3	-	151
Council cre	eated - special reserves	Stewart Island		,	341	68	(20)	388
	Te Anau	Te Anau carpark res	Various	Te Anau general purpose	26	1	-	27
	Te Anau	General	Various	Te Anau general purpose	1,317	25	(113)	1,230
	Te Anau	Luxmore	Various	Luxmore subdivision	1,151	15	(768)	399
	Te Anau	Manapouri airport	Roading	Te Anau Manapouri airports	107	78	(145)	40
	Te Anau	Rural WS general	Water supply	Te Anau water	-	66	(66)	-
	Te Anau	Stormwater	Various	Te Anau general purpose	-	-	-	-
	Te Anau	Sandy Brown Ioan	Loan	Loan to ratepayers	-	-	-	-
Council cre	Council created - special reserves Te Anau				2,602	185	(1,091)	1,695
	Thornbury	Community centre	Community Facilities	Thornbury community centre	-	11	-	11
	Thornbury	General	Various	Thornbury general purpose	15	-	-	16
Council cre	Council created - special reserves Thornbury			i i	15	11	-	27
	Tokanui	General	Various	Tokanui general purpose	55	1	-	56
	Tokanui	Community centre	Community Facilities	Tokanui community centre	2	5	-	7
Council cre	eated - special reserves		57	6	-	63		
	Tuatapere	Water Meridian Contract	Various	Tuatapere general purpose	8	-	-	8
	Tuatapere	Community Centre	Community Facilities	Tuatapere community centre	25	5	-	31
	Tuatapere	General - OPR	Various	Tuatapere general purpose	25	1	-	26
	Tuatapere	General	Various	Tuatapere general purpose	172	13	-	185
	Tuatapere	Property	Various	Tuatapere general purpose	3	-	-	3

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
	Tuatapere	Waiau River collection	Various	Tuatapere Waiau River	1	-	-	1
Council cre	ated - special reserves Tua	tapere			234	19	-	253
	Tuatapere Te Waewae	General	Various	Tuatapere Te Waewae general purpose	47	31	(4)	74
Council cre	ated - special reserves Tua	tapere Te Waewae			47	31	(4)	74
	Tussock Creek	Community centre	Community Facilities	Tussock Creek hall	12	8	-	20
Council cre	ated - special reserves Tuss	sock Creek			12	8	-	20
	Waianiwa	Community centre	Community Facilities	Waianiwa community centres	-	-	-	-
Council cre	ated - special reserves Wai	aniwa			-	-	-	-
	Waiau/Aparima Ward	Arboretum reserve	Various	Arboretum reserve	20	1	-	21
	Waiau/Aparima Ward	Wairio cemetery	Community Services	Wairio cemetery	38	1	-	39
	Waiau/Aparima Ward	Wairio Town general	Various	Wairio general purpose	5	-	-	5
	Waiau/Aparima Ward	Wairio reserve	Various	Wairio reserve	6	-	(5)	1
	Waiau/Aparima Ward	Takitimu pool reserve	Various	Takitimu pool	13	7	-	20
	Waiau/Aparima Ward	Tuatapere ward pool	Various	Tuatapere ward pools	38	1	(8)	30
	Waiau/Aparima Ward	Cosy Nook	Various	Cosy Nook general purpose	32	4	-	36
	Waiau/Aparima Ward	Hirstfield reserve	Various	Hirstfield reserve general purpose	29	3	-	32
	Waiau/Aparima Ward	Waiau/Aparima Ward	Various	Waiau/Aparima Ward	217	4	-	221
	Waiau/Aparima Ward	Calcium cemetery	Community Services	Calcium cemetery	10	-	-	10
Council cre	ated - special reserves Wai	au/Aparima Ward			408	20	(13)	415
	Waihopai/Toetoes Ward	Waihopai/Toetoes Ward	Various	Waihopai/Toetoes Ward	82	2	(13)	70
Council cre	ated - special reserves Wai	hopai Toetoes Ward			82	2	(13)	70
	Waihopai-Toetoes CB	General	Various	Waihopai-Toetoes general purpose	77	49	(30)	96
	Waihopai Toetoe Pool	Baths	Community Facilities	Waihopai Toetoe pool	-	4	-	4
Council cre	ated - special reserves Wai	hopai-Toetoes CB	· ·		77	53	(30)	100
	Waikaia	Dickson Park	Open Spaces	Waikaia general purpose	20	-	(3)	18
	Waikaia	Drain filing	Various	Waikaia drains	6	-	(6)	-
	Waikaia	General	Various	Waikaia general purpose	225	10	(50)	185
	Waikaia	Museum donations	Community Facilities	Waikaia Museum	1	2	-	3
	Waikaia	Refuse removal	Solid waste management	Waikaia general purpose	10	-	-	11
	Waikaia	Stormwater	Stormwater	Waikaia Stormwater	-	-	-	-
Council cre	ated - special reserves Wai	kaia			262	13	(58)	217

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2022 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
	Waikawa/Niagara	Community centre	Community Facilities	Waikawa/Niagara community centres	8	2	(8)	2
Council cre	Council created - special reserves Waikawa/Niagara				8	2	(8)	2
	Wallace Takatimu CB	General	Various	Wallace Takatimu CB general purpose	38	44	(6)	76
Council cre	ated - special reserves Wa	Illace Takatimu			38	44	(6)	76
	Waitane Glencoe	Res Reserve Committee	Open Spaces	Waitane Glencoe reserves	2	-	-	2
Council cre	ated - special reserves Wa	itane Glencoe			2	-	-	2
	Wallacetown	General	Various	Wallacetown general purpose	244	5	(26)	223
	Wallacetown	Stormwater	Stormwater	Wallacetown general purpose	-	-	-	-
Council cre	ated - special reserves Wa	Illacetown Ward			244	5	(26)	223
	Winton	Community centre	Community Facilities	Winton community centres	64	26	(16)	73
	Winton	General	Various	Winton general purpose	238	4	(89)	153
	Winton	Medical centre general	Community facilities	Winton Medical Centre	163	26	(33)	156
	Winton	Multi sports	Open Spaces	Winton sports complex	-	-	-	-
	Winton	Property sales	Various	Winton general purpose	202	5	(45)	163
	Winton	Res capital development	Various	Winton general purpose	107	2	-	110
	Winton	Stormwater	Stormwater	Winton stormwater	-	-	-	-
Council cre	ated - special reserves Wi	nton			774	64	(183)	655
	Winton/Wallacetown Ward	Winton/Wallacetown Ward	Various	Winton/Wallacetown Ward	367	7	(18)	356
Council cre	ated - Special reserves Wi	nton/Wallacetown Ward			367	7	(18)	356
		General	Various	Woodlands general purpose	53	1	(2)	53
		Septic tank rates	Sewerage	Woodlands septic tank cleaning	-	-	-	-
Council Cre	Council Created - special reserves Woodlands				54	2	(2)	53
Total Council created - special local reserves				9,830	1,104	(2,111)	8,823	
Total Council created - special reserves					27,297	16,041	(15,295)	28,043
TOTAL RESERVE FUNDS				42,517	19,285	(19,057)	42,745	
Reserves su					Opening balance 1/7/2022 (\$000)	(\$000)	Withdrawals out (\$000)	Closing balance 30/6/2023 (\$000)
Total Council created - special reserves					27,297	16,041	(15,295)	28,043

Reserves	Community	Business unit	Activity to which it	Purpose	Opening	Deposits in	Withdrawals out	Closing balance
			relates		balance	(\$000)	(\$000)	30/6/2023
					1/7/2022			(\$000)
					(\$000)			
Total Counci	il created - general res	erves			12,004	2,753	(3,326)	11,430
Total restrict	Total restricted reserves				3,216	491	(436)	3,272
TOTAL RESE	RVE FUNDS				42,517	19,285	(19,057)	42,745

