

2021/2022



SOUTHLAND DISTRICT COUNCIL
ANNUAL REPORT

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Southland District Council TE ROHE PŌTAE O MURIHIKU

VISION

Southland - one community
offering endless opportunities

MISSION

Working together for a better Southland

Photo: Lake Manapouri



Positively Southland

A message from Mayor Gary Tong and
chief executive Cameron McIntosh

It has been an eventful year, to say the least. The past 12 months have seen a continuation of the intermittent disruptions, rising prices, labour constraints, material supply delays, legislative changes and other challenges experienced since the onset of the global pandemic in 2020.

Despite the numerous distractions, Southland District Council has remained positive and focused on continuing to deliver services and projects for the benefit of the communities we serve, while making plans for the future.

We're extremely proud of what we achieved throughout the 2021/2022 year. Not the least of this was completing \$34 million of capital works in a year truncated by nearly three months while New Zealand was in red traffic light status. Additionally, a further \$17 million of government stimulus fund and Tourism Infrastructure Fund projects were carried out that were not in our Long Term Plan works programme.

Council received a special mention from Crown Infrastructure Partners, which oversaw the national three waters stimulus programme on behalf of the Department of Internal Affairs, for its successful delivery of more than \$13 million of three waters projects. This funding enabled Council to complete a significant programme of renewals and upgrades of water networks throughout the district.

During the year we began a progressive seven-year, \$5.4 million open spaces delivery plan, designed to activate the district's many parks, reserves and open spaces. These vital recreational spaces provide a myriad of opportunities for people to come together and spend quality time in a healthy natural environment.

The investment is the largest Council has made in the district's open spaces, and we believe it will create ongoing benefits for current and future users. Part of the project is a partnership with Active Southland, which will enable a new activator role to be established.

It was very pleasing, too, to celebrate the end of a massive three-year project to refurbish the Winton Library, the district hub for our seven libraries and mobile bookbus service. The library closed on 14 May 2019 after testing confirmed the presence of airborne mould spores and fungal contamination.

A massive thanks to all the staff who adapted to their smaller temporary site in the Winton RSA building and continued to provide great, helpful and friendly service to their many customers.

As they did for everybody during this challenging year, rising costs and interest rates had an impact.

It cost more to do the same amount of work. As a Council we foreshadowed this in our 2021-2031 Long Term Plan when we raised



our net debt ceiling to 175% of total revenue to help fund increased capital costs and maintain borrowing capacity for any unplanned events.

Under the circumstances, we think we managed to negotiate these challenges well. Our finances are reasonable and reflect our Financial Strategy.

Of course, another major event we worked towards in 2022 was the three-yearly local elections in October and, as we all know now, they brought in many new faces across our elected membership of Council and nine community boards.

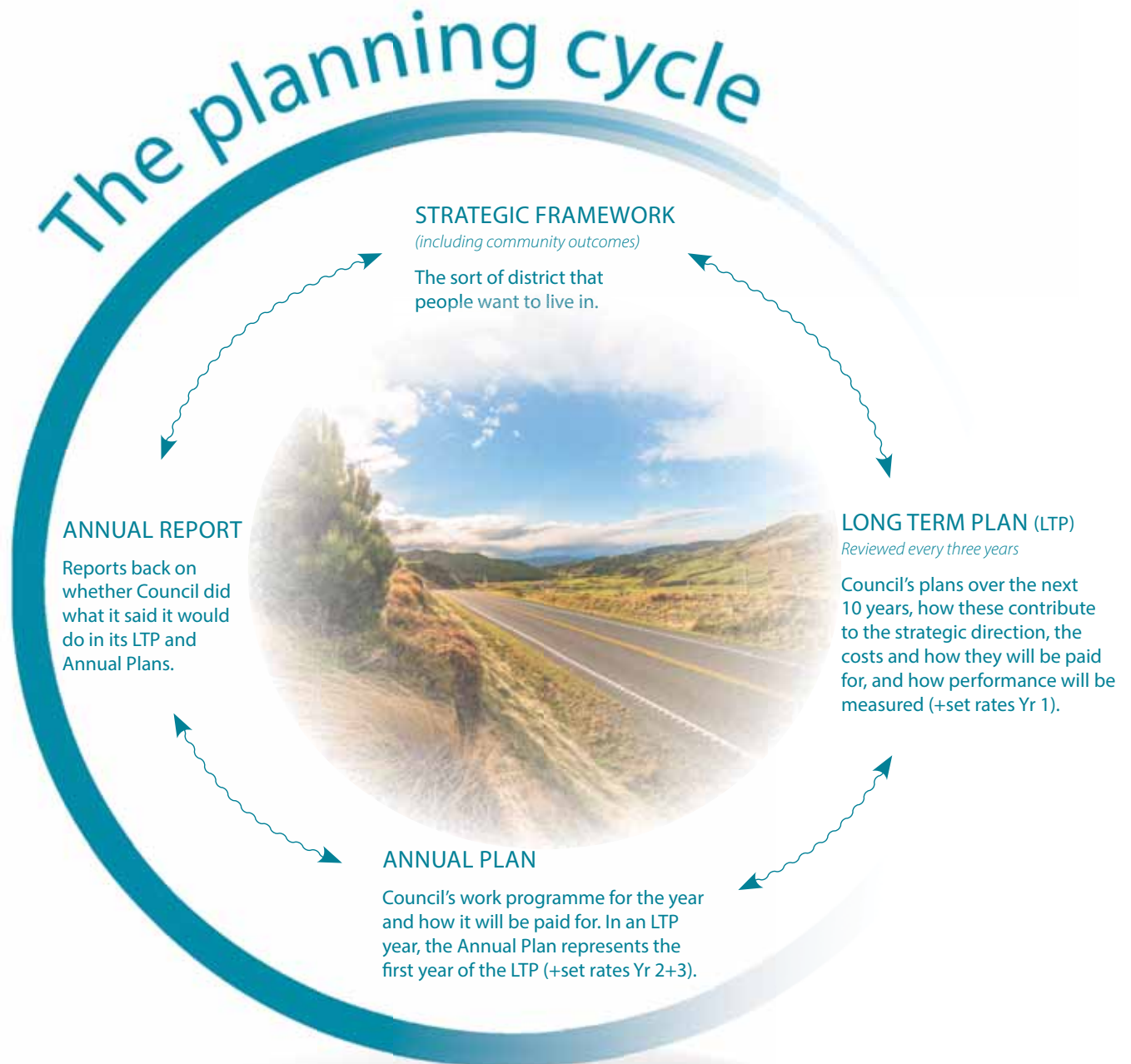
The new Council looks forward to the next three years of serving the people of Southland district the next three years of serving the people of Southland district with optimism, and we sincerely thank those who served before the current crop of newly elected members.

The outgoing Council is confident it is handing over a solid platform. While we realise there are challenges ahead, we believe the new Council is well placed to meet those challenges head on.

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





This document reports on
Council's activities during the
year 1 July 2021 to 30 June 2022.

Photo: Lora Gorge farm



Photo: Fiordland National Park

Strategic framework

VISION	Southland – one community offering endless opportunities			
MISSION	Working together for a better Southland			
WELLBEING	Environment	Culture	Economic	Social
COMMUNITY OUTCOMES	Kaitiakitanga (guardianship) for future generations	Inclusive connected communities	A diverse economy creating healthy and affordable lifestyles	Empowered communities with the right tools to deliver the best outcomes
STRATEGIC PRIORITIES	Support healthy environments and sustainable communities	Better preparing our communities and council for future changes	Provision of appropriate infrastructure and services	Improve how we work to build resilience



- **\$34 million** of capital projects delivered
- **80 projects** (approximately) from 2021/2022 to be delivered within first quarter of 2022/2023 (carried forward mostly as a result of Covid-related delays in material delivery or contractor unavailability)
- **37,969** phone calls received
- **98%** requests for service resolved within timeframe
- **91.95%** roading requests for service resolved within timeframe
- **6.2%** (827,497m²) of sealed road network resurfaced
- **41 KPIs** achieved/16 KPIs not achieved/1 KPI not measured
- **432** resource consents lodged
- **425** resource consents issued
- **1,114** building consents lodged
- **977** building consents issued
- **\$609,076** grants and donations made to community

Key highlights

- 1 Long Term Plan/Waka Kotahi funding
- 2 Tourism Infrastructure Fund
- 3 Building awards
- 4 Capital works projects
- 5 Stimulus funding projects
- 6 Open spaces project
- 7 New rating valuations
- 8 Annual Plan adopted
- 9 Stewart Island Visitor Levy
- 10 Three waters services response

LONG TERM PLAN WAKA KOTAHI FUNDING

Our Long Term Plan 2021-2031 (LTP) was adopted on 29 June 2021.

Shortly before adoption, we were advised by our road funding partner Waka Kotahi NZ Transport Agency that we would not receive the full amount of nearly \$100 million applied for to carry out the proposed programme of road rehabilitations, bridge replacements and footpath renewals over the next three years.



Instead, the government agency granted around \$85 million, a \$15 million shortfall which would not enable us to carry out the full programme of works outlined in our Long Term Plan consultation document.

As a result, the rates increase required to access Waka Kotahi's 52% contribution to all approved road works was reduced accordingly.

However, in September 2021 Council was advised by Waka Kotahi that we would receive an extra \$6.9 million funding for road network improvements.

The revised allocation for continuous programmes (maintenance and renewals) over the first three years of the LTP totals \$92.3 million, reducing the initial shortfall to \$7.4 million.



Photo: Bluegum Point Te Anau

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

Stewart Island/Rakiura received \$99,125 to build a viewing platform at Observation Rock, and \$600,000 towards the replacement of Ulva Island Wharf.

TOURISM INFRASTRUCTURE FUND

Council received \$3.7 million from the Tourism Infrastructure Fund (TIF) for projects in Fiordland and Stewart Island/Rakiura after it was announced the fund would prioritise areas like Fiordland which had been most affected by the absence of international visitors.



Photo: Woodlands

Council later received TIF funding towards creating a Matariki way-finder project. This will see ten pou (carvings) placed around the region to signify the stars of the Matariki constellation, along with interpretation panels which may include information on the Matariki celebration and local rūnanga history.

There will also be a shelter and toilet at Slope Point and a shelter at Te Anau as part of this project.

We are partnering with Murihiku mana whenua on this project and have had good support from Catlins Coast Inc. This will be a story spread throughout the region, hopefully encouraging people to travel throughout Southland to read the stories.

BUILDING AWARDS



Photo: Building solutions team

Our building solutions team was recognised at the Building Officials Institute of New Zealand (BOINZ) awards ceremony, when they were named winners of the Organisational Commitment to Customer Service and Excellence Award.

Building solutions team leader Angus McIntyre was judged to be the Young Building Control Professional of the Year.

CAPITAL WORKS PROJECTS

Despite a difficult year Council completed capital works projects totalling \$34 million in the 2021/2022 year.



This was less than the \$45 million of work targeted in the first year of LTP, which is traditionally a slow starter in the three-year LTP cycle as procurement and scoping of projects identified cannot be begun until LTP budgets are adopted.

Part of the reduction was because of total savings made of around \$3.3 million through a range of factors and efficiencies, including bulk buying, project contingencies not required, and packaging projects together where appropriate to meet the demands of the market.

Compounding challenges during the year included rising prices, disruptions caused by Covid-19 restrictions and illness, delays in sourcing construction materials, freight holdups, high demand for contractor resources and major flooding in the North Island.

Our roading team completed \$3.4 million, amounting to 9km, of road rehabilitations, as well as \$2.4 million of new bridges.

Council's reseal programme was affected dramatically by the rising price of bitumen, along with increased costs for labour, plant and materials.

This is illustrated in road reseals, where around 820,000m² of road reseals were completed, short of the 870,000m² programmed in the LTP.

STIMULUS FUNDING PROJECTS

Council earned recognition from Crown Infrastructure Partners (CIP), which oversaw the national three waters stimulus programme on behalf of the Department of Internal Affairs, for our successful delivery of more than \$13 million of three waters projects.



These were additional projects not programmed in our LTP capital works programme. Southland District Council was one of only six councils nationally to receive plaudits from CIP, which classified SDC as “green light”.

We were allocated \$13.53 million in stimulus funding from the government in 2020 after opting to sign a memorandum of understanding with the Crown regarding three waters reform. The funding enabled Council to embark on a significant programme of renewals and upgrades of water networks throughout the district.

Of that, \$1.5 million was put towards a regional condition assessment programme, \$2 million towards the Te Anau wastewater scheme, and the remaining \$10.03 million was allocated to a renewals programme throughout the district.

The projects included upgrades and renewals to some of Southland’s water mains, stormwater and wastewater networks and ensured critical infrastructure got much-needed improvements.

OPEN SPACES PROJECT

We adopted a seven-year \$5.4 million open spaces delivery plan. The plan aims to make the best use of our network of open spaces. SDC manages 813 hectares of open spaces, a mixture of undeveloped natural and recreational areas, parks and reserves, playgrounds, gardens, sports fields, and walkways.



Photos left to right: Monowai Village playground, Lake Te Anau, Alex McKenzie Memorial Arboretum, Otautau

They provide vital places for people to connect with nature, to come together, and to spend quality time. The delivery plan is broken down into three key areas; activation and management, strategic district projects and the community project fund.

Activation and management will be a collaboration between Council and Active Southland where we will work with communities, community groups and sporting codes to better use the 155 Council reserves across the district. Strategic district projects will be identified across the district by the previous work and engagement. While many key projects have already been identified, the plan allows for projects to be added as they are identified.

A community project fund is to be established. Community groups will be able to apply for this fund to deliver projects up to \$50,000. Some examples of what these projects could include community gardens, community events and barbecue facilities.

Work was to begin on the delivery plan later in 2022.

NEW RATING VALUATIONS

New rating valuations were prepared for 19,948 properties on behalf of Southland District Council by Quotable Value (QV). They showed the total rateable value for the district is now \$25.5 billion (up 10.9%), with the land value of those properties now valued at \$17.7 billion (up 9.9%).

Rating valuations are usually carried out on all New Zealand properties every three years to help local councils set rates for the following three-year period. They reflect the likely selling price of a property at the effective revaluation date, which was 1 August 2021, and do not include chattels.

On average, the value of residential housing increased by 46% since the district's last rating revaluation in 2018, with the average house value now sitting at \$441,000, while the corresponding average land value has increased by 67% for an average of \$172,000.



STEWART ISLAND VISITOR LEVY

We adopted the new Stewart Island/Rakiura Visitor Levy Policy and Bylaw on 22 June 2022.

The main change is to increase the levy from \$5 to \$10 on 1 October 2023, and then to increase it again to \$15 on 1 October 2025. Preliminary engagement and feedback were sought on this matter, before formal consultation in March 2022.

In April Council heard from 16 submitters out of 102 written submissions. Other changes include allowing multi-year funding of up to 30 years for Council and community-owned infrastructure, and clarifying the allocations process.

ANNUAL PLAN ADOPTED

Councillors adopted the 2022/2023 Annual Plan in June 2022.

The average rate increase for 2022/2023 financial year is 9.25%, compared with the 8.31% proposed in the LTP 2021-2031.

The main reason for the rates increase in the Annual Plan compared with year two of the LTP was an increase in the interest rates charged on loans associated with capital works projects.

It is important to note that the figure of 9.25% is an average only. In real terms, rate rises vary across the district depending on a wide range of factors, including the location of the property, the services households receive and how their rating value has changed compared with other properties, from the recent revaluation.



THREE WATERS SERVICES RESPONSE

In July 2020 the government announced a proposal to change the way the three waters – drinking water, wastewater and stormwater – are delivered, to improve public health, and provide better environmental and economic outcomes.



Photo: Lake Te Anau

The proposal is for four large regional service delivery entities to provide these services, rather than the 67 individual councils that currently do. In late October 2021 the government announced that it would be mandatory for councils to take part in the reforms

Southland District Council asked the government to halt progress on the draft Water Services Entities Bill until more information and detail is available.



Photo: Manapouri

The bill, part of the three waters reform, is the first in a series of bills which will establish the four entities to run three waters services throughout New Zealand.

It follows on from the first stage of the reform, the setting up of a new water services regulator, Taumata Arowai, which enforces drinking water standards and will be responsible for wastewater and stormwater standards from 1 July 2024, when the entities are proposed to take over day-to-day running of three waters services.

Council said in its submission to the government that it was strongly opposed to the three waters reform process as it stands. "We have always accepted the need for reform, but believe the reform process is severely flawed in several areas. Our first concern is with the assumptions and data used to back up the reform. The assumptions are clearly incorrect and we pointed this out, with no response from the minister.

"From the beginning of the reform up to this bill, information on process and detail has been lacking, which means we have not been able to communicate and engage with our communities who own the assets."

Council said in its submission it believes the bill needs to be suspended until there is more information and the two planned water bills are combined into one so Council and other submitters can submit with all the information and detail in front of them.

Council has frequently asked for more information from the beginning of this reform process to not only go through its decision-making process of whether to support the reforms or not, but also to have enough information to share with its communities and to seek their feedback.

In late October 2021 the government announced that it would be mandatory for councils to take part in the reforms.

IWI LIAISON

All four Southland councils have continued to fund and support Te Ao Mārama Inc, the agency approved by Te Runanga o Ngāi Tahu to act on iwi liaison matters in Murihiku/Southland under the Resource Management Act 1991 and the Local Government Act 2002.

Since its inception, Queenstown Lakes District Council, Otago Regional Council and Clutha District Council have also joined supporting Te Ao Mārama Inc.

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

The main aim is to give these meetings more of a strategic focus and less focus on day to day operational/retrospective reporting back.

A change to the membership of Te Ao Mārama is being considered, with one of the rūnanga stepping out of the structure in order to manage its own resource management involvements directly with the local authority it is situated in.

Photo: Manapouri



Māori contribution to decision-making

Southland District Council was officially gifted its Māori name, Te Rohe Pōtae o Murihiku at a naming ceremony at Takutai o te Titi 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.



Approximately 10% of Southland district's population is Māori.

Council acknowledges the importance of tikanga Māori and values its relationship with both Ngāi Tahu (through the four Southland papatipu rūnanga) and ngā matawaka (other Māori who are not Ngāi Tahu) living within Murihiku/Southland.

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 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 Waihopai at governance, management and operational levels.	ONGOING	Liaison between staff and the four rūnanga is growing, particularly around projects, and staff are working on that engagement being earlier in the process. Individual rūnanga have been engaged around open spaces in Riverton Aparima, Oreti and southern Southland and it is hoped that the open spaces project will include representatives on the project planning group. Several elected members, leadership team members, managers and other staff were fortunate during 2021/2022 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, cultural landscape plan change and so on, which have provided opportunities to build relationships with mana whenua and rūnanga/rūnaka. There is, however, much more to be done in this space.

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. Council will begin seeking advice and looking into ways where we can align Te Ao Māori into these protocols to ensure this invitation is more likely to be taken up.
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	Te Rohe Potāe o Murihiku Tikanga Māori Rōpū has formed and is striving to meet the cultural development needs of staff and councillors, by offering opportunities to learn and participate in Tikanga Māori practices in a safe learning environment. The first block of Te Tiriti training for rōpū members was carried out at Te Rau Aroha Marae, Bluff, in 2021.
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 meets weekly to discuss strategic goals and activities to assist in the delivery of core strategic business outcomes for SDC.
Reviewing the Charter of Understanding between Te Rūnanga o Awarua, Te Rūnanga o Oraka/Aparima, Te Rūnanga o Hokonui and, Te Rūnaka o Waihopai, 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 Ngāi 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 Ngāi Tahu taonga items, following agreement with Murihiku Ngāi Tahu Papatipu Rūnanga at its Invercargill office and all area offices, to acknowledge the strength and importance of its relationship with Ngāi Tahu.	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

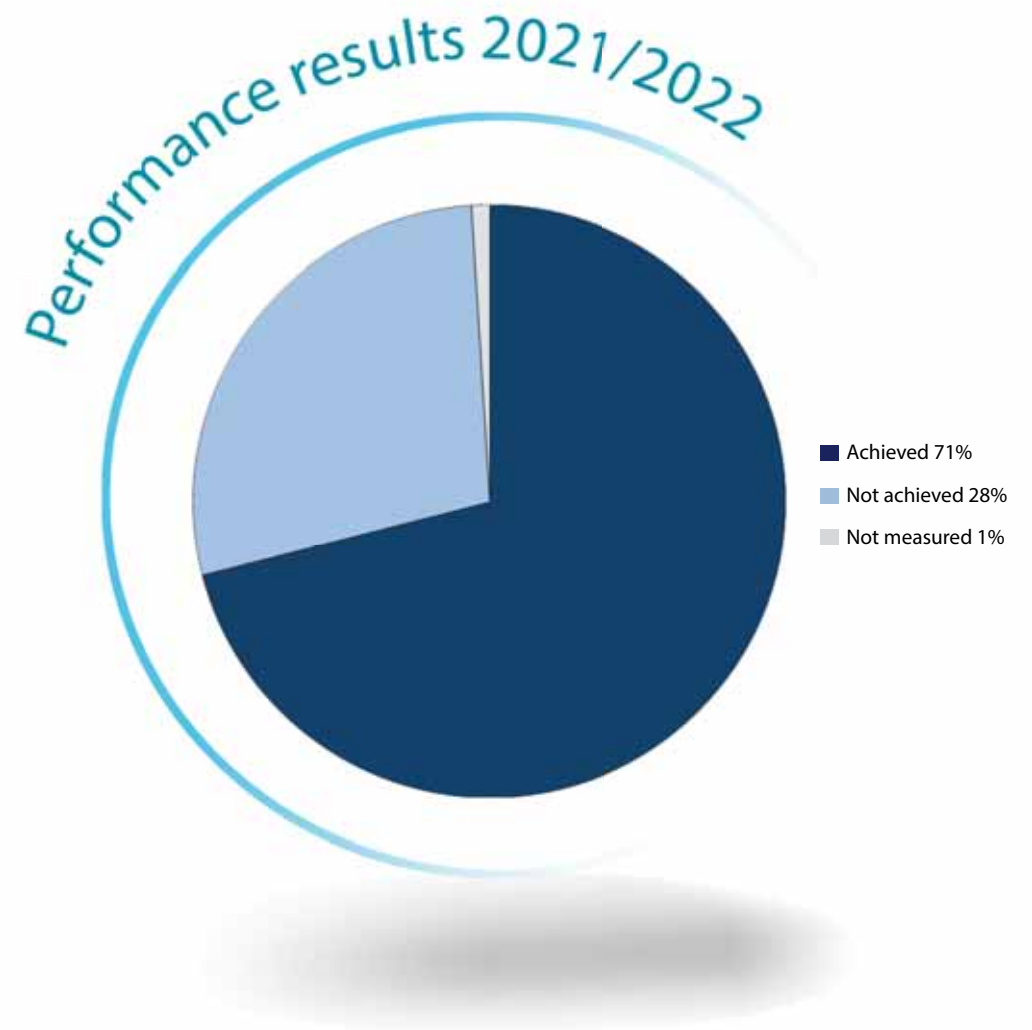


Council activities are broken down into seven activity groups. Each activity group has performance measures and key performance indicator (KPI) targets that were set in the Long Term Plan 2021-2031, as well as capital expenditure projects.

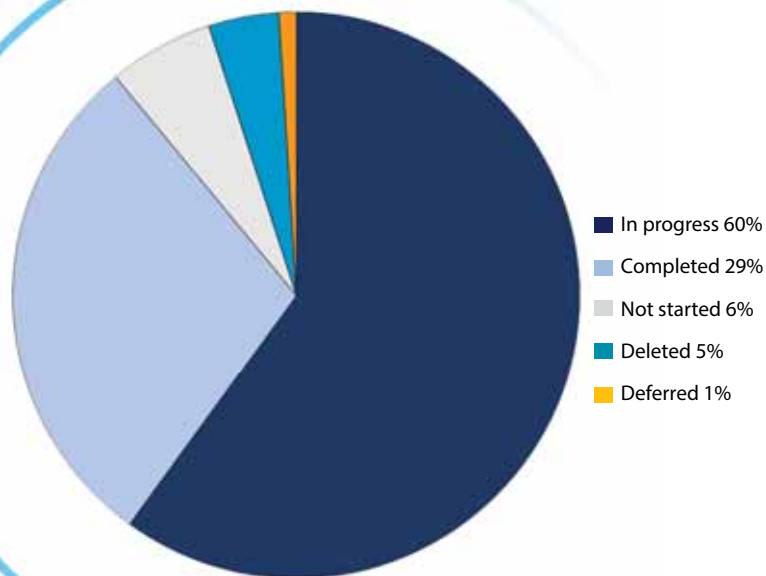
For more detail, please refer to individual activity groups in the Council activities section.

KPIs

Activity group performance results	Achieved	Not achieved	Not measured	Total
Community leadership	3	-	-	3
Community resources	6	4	-	10
Environmental services	5	4	-	9
Stormwater	8	1	-	9
Sewerage	8	1	-	9
Transport	6	2	1	9
Water supply	5	4	-	9
Total	41	16	1	58



Project status 2021/2022



CAPITAL EXPENDITURE PROJECTS

The project list is extracted from an internal system as at 30 June 2022. 29% of projects were completed, 60% were in progress, 6% were not started, 1% were deferred and 5% were deleted.

Activity group projects status	Completed	In progress	Not started	Deferred	Deleted	Total
Community leadership	-	1	-	-	1	2
Community resources	45	72	7	2	7	133
Corporate services*	-	1	-	-	-	1
Environmental services	-	-	-	-	-	-
Stormwater	5	2	2	-	-	9
Sewerage	9	12	-	-	1	22
Transport	8	46	2	-	2	58
Water supply	7	17	5	-	-	29
Total	74	151	16	2	11	254

* 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.

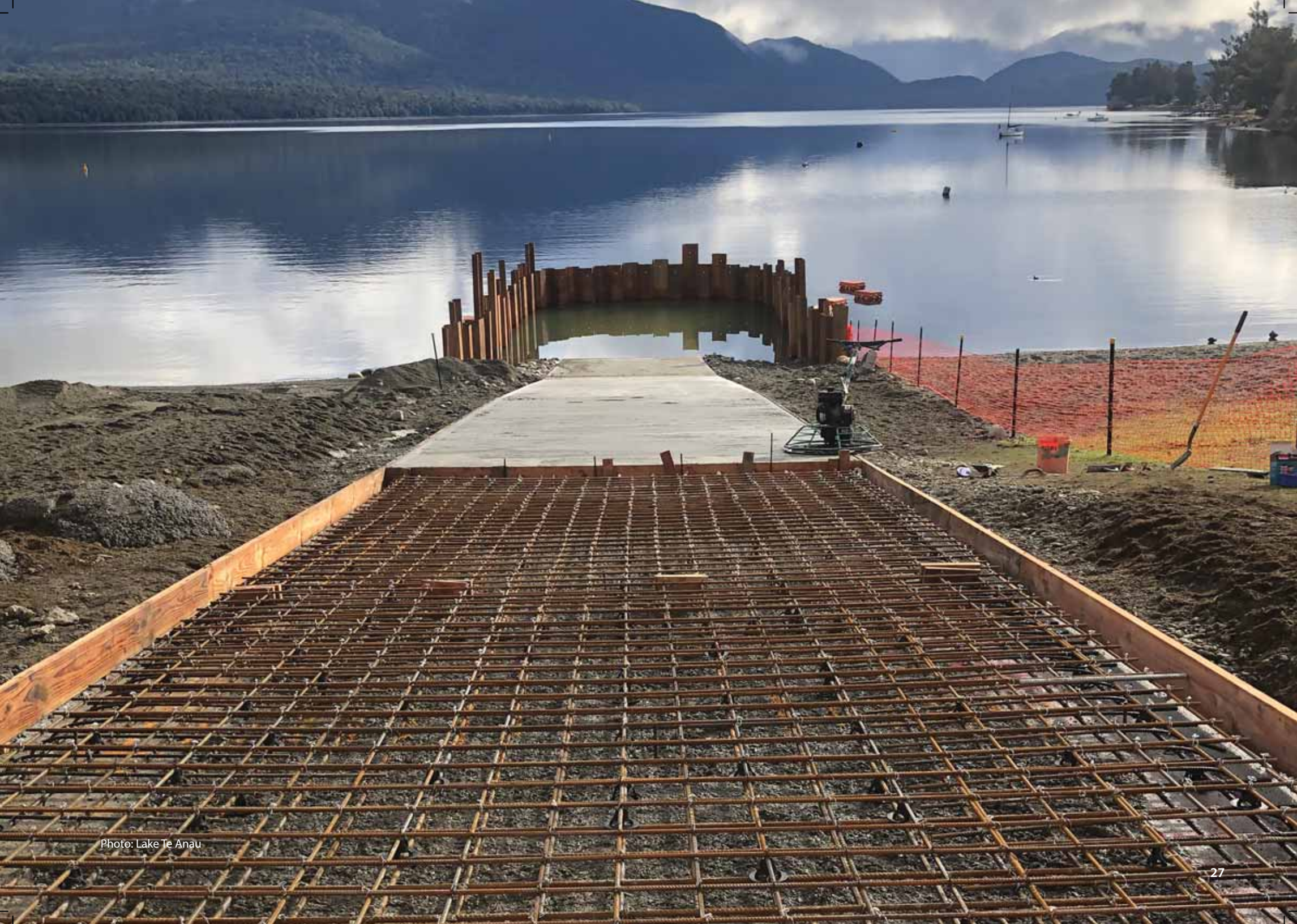


Photo: Lake Te Anau



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 2022, and includes comparisons from the previous financial year and the budget for 2021/2022 as outlined in the Long Term Plan 2021-2031.

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

There have been no changes in accounting policies for the year ended 30 June 2022. Full details of Council's accounting policies can be found on pages 145 - 159.

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) AFTER TAX What income the Council group 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 2020/2021 Actual (\$000)		GROUP 2021/2022 Actual (\$000)	COUNCIL* 2021/2022 Budget LTP (\$000)
COMPREHENSIVE REVENUE AND EXPENSE			
87,889	Revenue earned (incl asset development)	96,559	90,067
(87,017)	Less total expenditure	(95,248)	(89,917)
(27)	Less finance costs	(402)	(1,265)
474	Share of associate's surplus/deficit	319	-
1,319	Net surplus/(deficit)	1,228	(1,115)
1,195	Movement in fair value reserve	3,495	-
18,665	Movement in asset revaluation reserve	368,977	53,208
21,178	Comprehensive revenue and expense	373,699	52,093
CHANGES IN EQUITY			
1,603,266	Equity at start of year	1,624,444	1,629,495
21,178	Total comprehensive income	373,699	52,093
1,624,444	Equity at the end of the Year	1,998,143	1,681,588
FINANCIAL POSITION			
1,624,444	Total equity	1,998,144	1,681,588
15,317	Current assets	21,777	11,152
1,633,499	Non-current assets	2,008,951	1,760,037
1,648,816	Total assets	2,030,728	1,771,189
24,339	Current liabilities	15,758	18,537
33	Non-current liabilities	16,826	71,064
24,372	Total liabilities	32,584	89,602
1,624,444	Net assets (assets less liabilities)	1,998,144	1,681,588
CASH FLOWS			
30,745	Operating cashflow	29,294	21,601
(43,044)	Investing cashflow	(34,213)	(43,892)
2,500	Financing cashflow	11,800	24,447
(9,799)	Net cashflow increase/(decrease)	6,880	2,156
11,816	Opening cash Balance	2,016	(1,935)
2,017	Closing cash balance	8,897	221

* The 2021/2022 budget is for Council only (ie excludes Milford Community Trust).

IN SUMMARY

The Council group's revenue was \$6.5 million higher than budgeted as a result of government grants for three water stimulus and Predator Free Rakiura as well as increased forestry income as a result of additional harvest.



Photo: Lake Te Anau

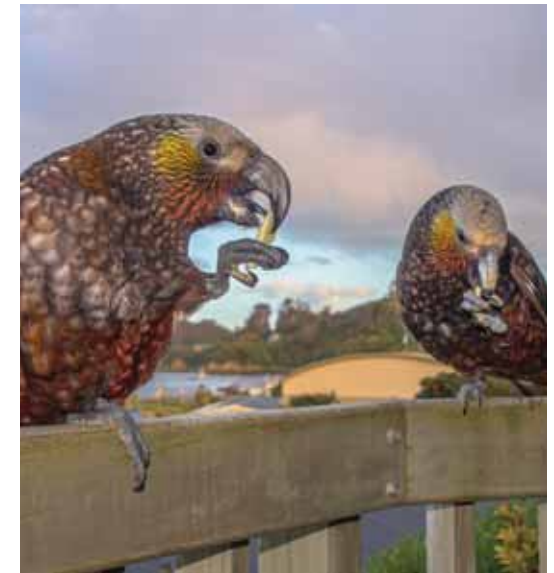


Photo: Stewart Island/Rakiura

Group operating expenditure was \$5.3 million over budget for the year, primarily due to higher depreciation costs resulting from the revaluation of roading and three water assets offset by lower interest and employee related costs.

As a result, the group's net surplus was \$2.3 million more than budgeted.

Group net assets are \$317 million more than budgeted due to the overall asset revaluation being more than budgeted. Council continues to maintain a strong financial position with \$2 billion in assets and minimal liabilities.

The group's closing cash balance was \$7.7 million above budget as a result of a stronger opening cash balance, higher operating cashflows and lower borrowings.

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 \$96.6 million. 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
Rates revenue	53,959	56%	54,179	60%
Waka Kotahi NZ Transport Agency	15,058	16%	15,328	17%
Other revenue	14,417	15%	9,214	10%
Other gains/(losses)	(209)	0%	647	0.7%
Grants and subsidies	13,234	14%	8,669	10%
Interest and dividends	105	0%	2,019	2.2%
Vested assets	-	0%	-	0%
Development and financial contributions	(5)	0%	10	0%
TOTAL	96,559	100%	90,067	100%

Total revenue was \$6.5 million higher than budget primarily due to:

- forestry harvesting income (\$3.2 million)
- grants for three waters stimulus (\$3.9 million)
- grants for Predator Free Rakiura project (\$1.0 million).

Where your rates were spent

The following table shows the breakdown of where the rates collected by Council were spent in 2021/2022.

ACTIVITIES RATES WERE SPENT ON	Actual (\$000)	% of total rates
Transport	16,799	31%
Community Resources	12,584	23%
Community Leadership	8,631	16%
Water Supply	5,327	10%
Environmental Services	4,794	9%
Sewerage	4,726	9%
Stormwater	1,100	2%
TOTAL	53,959	100%

Operational expenditure

Group operating expenditure totalled \$95.2 million, with nearly half of this relating to roading and transport services (39%).

Overall operating expenditure was over budget by \$5.3 million. This was primarily due to higher-than-anticipated depreciation costs which were \$4.8 million above budget as a result of the revaluation of infrastructure for roading and the three waters.

This was offset by lower employee-related costs (\$0.9 million) resulting from staff vacancies and lower interest costs (\$0.8 million) due to lower levels of external borrowing.

Capital expenditure

Capital expenditure totalled \$34.3 million in 2021/2022 with the majority of this occurring across the infrastructure activities as shown in the table below.

Overall capital expenditure was \$11.3 million less than the \$45.6 million budgeted due to delays completing projects and programmed works for roading, three waters and tourism infrastructure projects which were government-funded.

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

Activity capital expenditure	Group Actual (\$000)	% of total	Budget (\$000)	% of total capital budgeted
Transport	16,232	47%	20,712	47%
Water Supply	6,705	20%	8,938	20%
Sewerage	5,329	16%	6,140	16%
Community Resources	3,868	11%	6,336	11%
Stormwater	1,767	5%	2,208	5%
Corporate Services	219	1%	1,079	1%
Environmental Services	137	0%	108	0%
Community Leadership	-	0%	79	0%
Total	34,257	100%	45,600	100%

Net assets and equity

Overall, Council's total net assets are \$317 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 \$7.7 million higher than budgeted.

Receipts from other revenue was higher than budgeted as a result of additional government grants received for various projects (including three waters stimulus) as well as increased forestry harvesting income due to the windthrow event in July 2022 not budgeted for.

Net cash outflows from investing activities were \$9.7 million lower than budgeted due to lower capital works being completed. Net cash inflow from financing activities was \$12.7 million less than budget due to the level of external borrowings required being less than budgeted.

Overall, Council has ended the year with a cash balance of \$8.8 million, which was \$8.6 million more than budget.



Photo: Colac Bay

Disclosure statement



Financial prudence
benchmarks

Purpose

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

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

Actual results for the 2017/2018 financial years have been compared against the benchmarks set in the 2015-2025 Long Term Plan.

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 financial year are compared against the benchmarks set in the 2021-2031 Long Term Plan.

Rates affordability benchmark

Council meets the rates affordability benchmark if:

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

KEY

- Benchmark Met
- Benchmark Not Met
- Benchmark

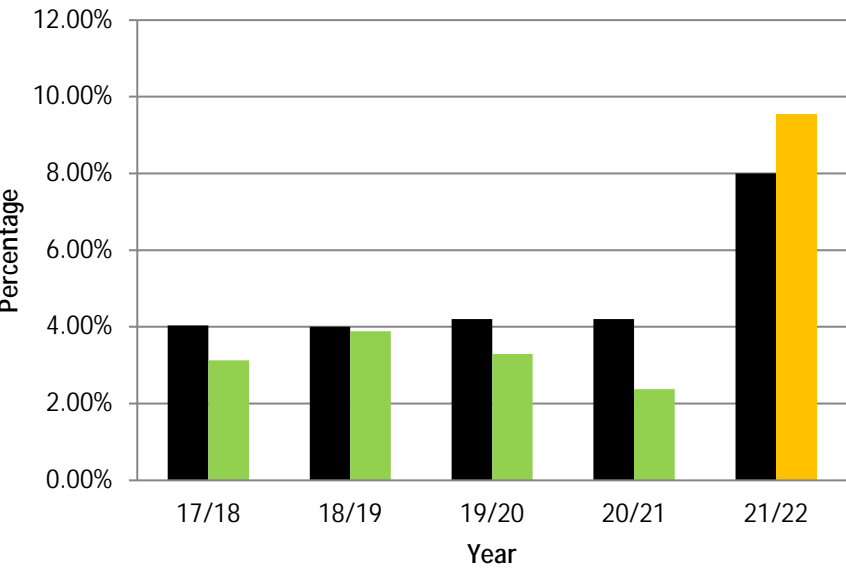
Rates (increases) affordability benchmark

Figure 1 compares Council's actual rates increases with the limit imposed in the 2015-2025, 2018-2028 and 2021-2031 Long Term Plans.

The limits are indicated by the black columns in Figure 1.

This limit is set by Council.

FIGURE 1 – TOTAL RATES INCREASE



- Total Rates Increase Limit
- Actual Total Rates Increase (at or within limit)
- Actual Total Rates Increase (exceeds limit)

Debt affordability (net debt)

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

Figure 2 compares Council's actual debt with a quantified limit on its borrowing contained in the financial strategy included in the Long Term Plan.

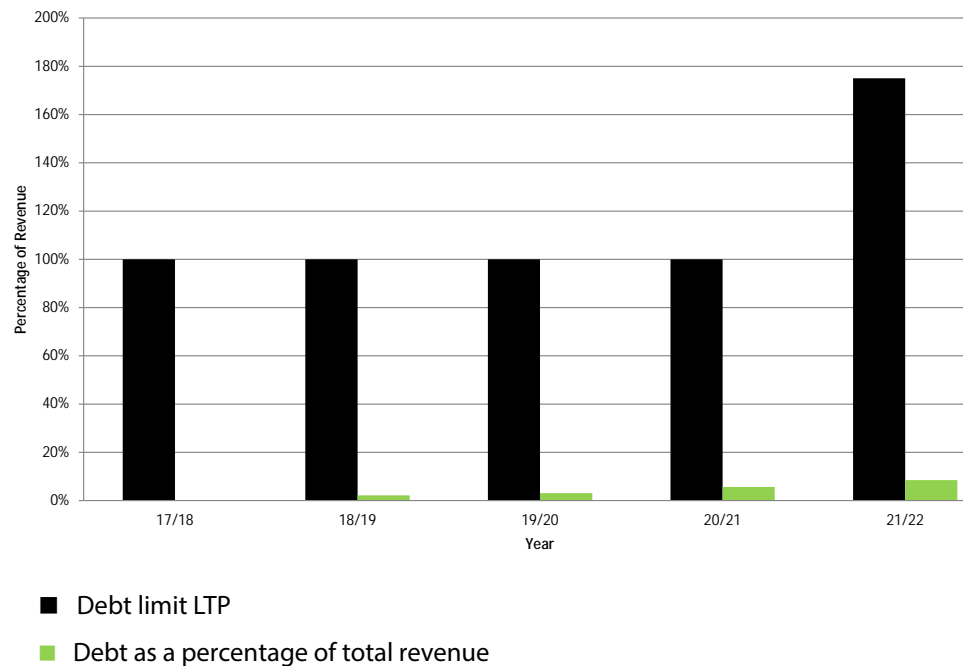
Council's limit per the 2015- 2025 and 2018-2028 Long Term Plans was that borrowing of external funds is limited to 100% of total revenue.

Council's limit per the 2021-2031 Long Term Plan is that net borrowing of external funds is limited to 175% of total revenue.

This limit is set by Council.

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

FIGURE 2 DEBT AFFORDABILITY (NET DEBT)



Debt servicing benchmark

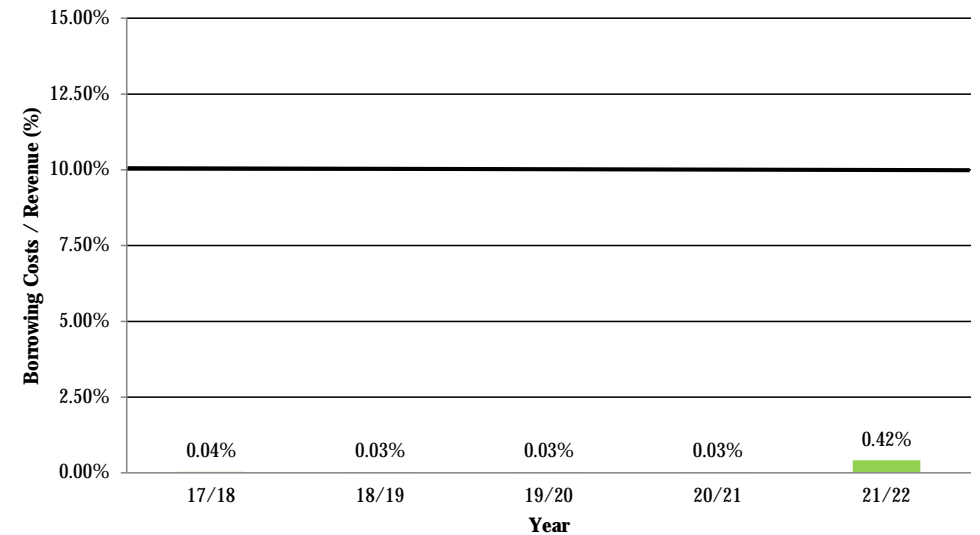
Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

Figure 3 displays Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

The limit of this benchmark is set by legislation.

Council's borrowing costs have increased from previous years but still meets the debt servicing benchmark.

FIGURE 3 DEBT SERVICING



Essential services benchmark

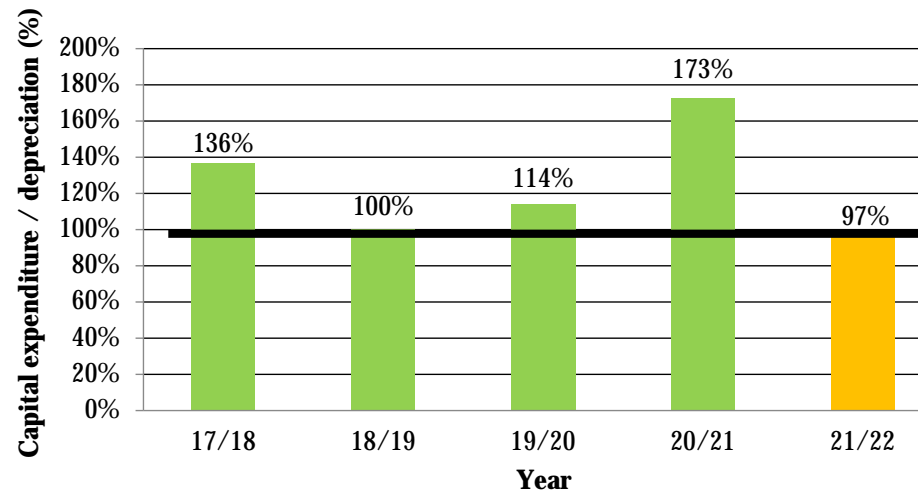
Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Figure 4 displays Council's capital expenditure on network services as a proportion of depreciation on the network services.

This limit is set by legislation.

Council does not meet this benchmark. As asset lives are up to 100 years there will be years that Council's capital renewal programme is less than depreciation.

FIGURE 4 ESSENTIAL SERVICES



Balanced budget benchmark

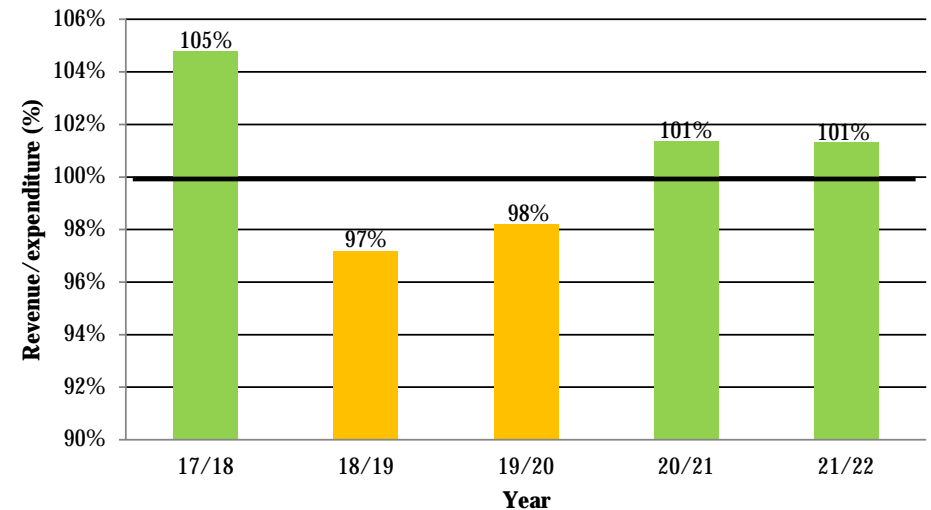
Council meets this benchmark if its revenue equals or is greater than its operating expenses.

Figure 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.

Council met its balanced budget benchmark in 2021/2022.

FIGURE 5 BALANCED BUDGET



Operations control benchmark

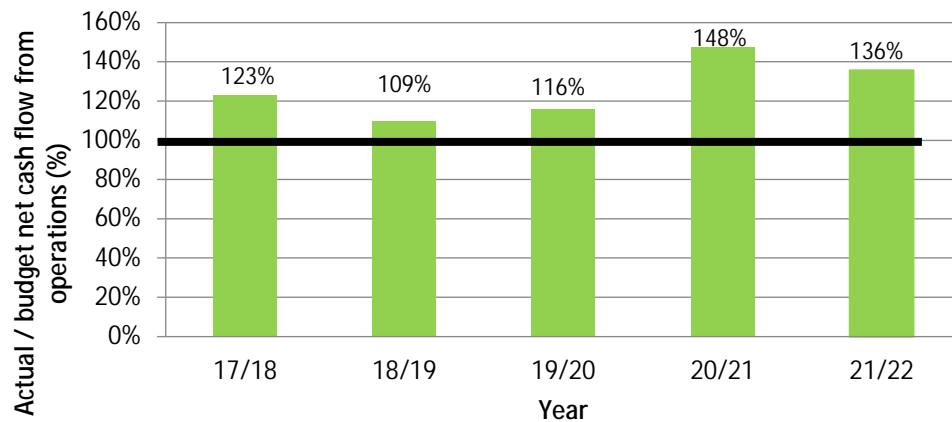
Council meets the operations control benchmark if its actual net cashflow from operations equals or is greater than its planned net cashflow from operations.

Figure 6 displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The limit is set by legislation.

Council continues to meet this benchmark.

FIGURE 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.

Figure 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 does meet this benchmark in 2021/2022 due to the actual level of debt at balance date being less than what was planned in the 2021-2031 Long Term Plan

FIGURE 7 DEBT CONTROL

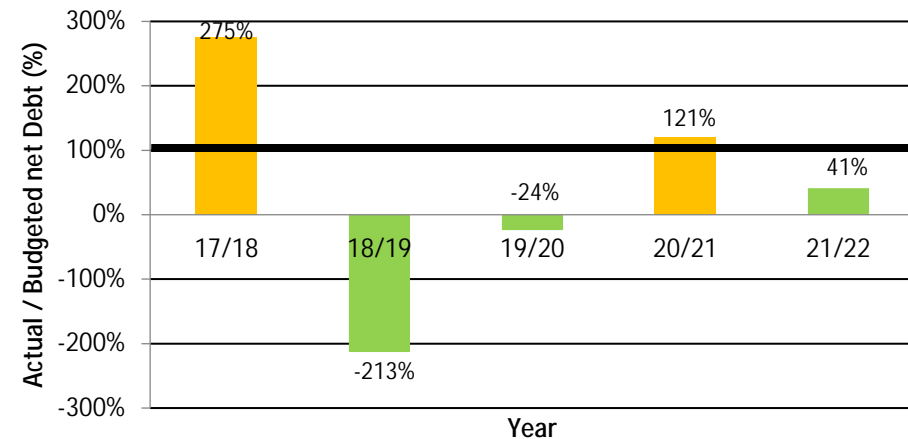




Photo: Taramea Bay, Riverton

Shared services



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.

BUILDING CONTROL

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.



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

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



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 do happen. Specific actions include public education and ensuring a pool of trained personnel.

During the 2021/2022 year, the EMS team was deployed on two separate occasions to assist Westport during two weather related declarations, providing Westport with much needed staff and EMS staff with invaluable experience. EMS was also involved in coordinating the response to water shortage situation in autumn 2022 at the request of the Mayoral Forum.

INFORMATION TECHNOLOGY

The IT Shared Services operations sub-committee has undertaken some activities over the past 12 months that will align the operations of member councils and provide a more collaborative platform moving forward.

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:

- Datto technology was chosen as the backup and recovery solution with a cloud-first approach being utilised that is scalable in the event of a disaster, and this project was a finalist in the Association of Local Government Information Management (ALGIM) Information, Communication and Technology Project of the Year Award.
- Significant progress was made on the Provincial Growth Fund Regional LiDAR Project. As at 30 June 2022, the total area captured by the contractor, Aerial Services Limited, for Murihiku Southland was 74%. Once captured the data is sent offshore for processing and then comes back to Environment Southland for quality assurance checking. The first set of high-resolution 3D mapping data for the Oban area of Stewart Island/Rakiura was released publicly and can be accessed via the LINZ Data Service www.data.linz.govt.nz. The rest of Southland will be released as it becomes available.
- Member councils supported each other during periods of remote working due to Covid to ensure high availability of networks and services to enable staff members to work effectively from remote locations.
- Work on a cybersecurity programme was advanced, including security awareness training, penetration testing and incident response plans to ensure the right technologies, education, and resources are in place.

IWI LIAISON

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).



Photo: Southland District Council mihi whakatau (welcome ceremony)

The councils continued to fund and support Te Ao Mārama Inc during the 2021/2022 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.

SOUTHLIB LIBRARY CONSORTIUM

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.



Photo: Winton Library

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 300,000 people living in Otago and Southland have free access to 35 public library branches, three book buses and a collection of more than 1.5 million items.

The consortium came together to share a range of services which originally included the Symphony Library Management system, which allowed access to the complete catalogues of Dunedin, Invercargill, Queenstown Lakes, Central Otago and Southland District Libraries for all residents. Differing demands by various councils saw a very amiable split from this in 2016/2017 although most consortium members still use the Symphony management system. Dunedin City, Central Otago, Queenstown Lakes Districts and Southland District have joined the national consortium, Kōtui, which provides enhanced support, searching and ongoing enhancements.

A range of other opportunities are also being explored between the districts and these include integrated holiday and reading programmes, requests and holds able to be placed across boundaries and the possibility of staff exchanges.

Purchase of large print, audio, e-book and e-audio collections have long been shared by the consortium and these collections are exchanged, or made available, to all members. Authors visits are co-ordinated to minimise costs/travel and accommodation.

REGIONAL DEVELOPMENT

The Southland Regional Development Strategy (SoRDS) was published by the Mayoral Forum in 2015.

The main goal of the Strategy was to increase the Southland population by 10,000 more people by 2025, through creating more jobs and taking up more development opportunities.

Modelling shows Southland is on track to achieve this population target. In addition, many of the actions identified within the strategy are either already complete or underway.

During the 2021/2022 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.

This work, known as “Beyond 2025 Southland”, has 16 workstreams within five areas of focus that build on the previous work of the Southland Regional Development Strategy (SoRDs).

The process to develop the Beyond 2025 Southland Plan will take 18 months and requires a multi-stakeholder partnership with councils, mana whenua, the business sector, local communities, other key stakeholders and central government. Further information can be sourced from www.beyond2025southland.nz



Photo: Great South

REGIONAL PLANNING

The membership and terms of reference for the Regional Planning Managers Group (comprising staff from Environment Southland, Invercargill City Council, Southland District Council and Gore District Council) were reviewed and expanded during the year to enable an improved response to impending legislative changes. The membership of the group now includes the Regional Strategy Managers, Te Ao Mārama Inc and Great South.



Photo: Lora Gorge

Regional hui with elected members during the year included a session in November 2021 on the consultation document on New Zealand's first Emissions Reduction Plan, Resource Management Reform and the Review of Local Government. A Climate Change hui was to have also been held during the 2021/22 year but was moved to 4 July 2022 due to Covid.

Joint submissions included responses to the consultation documents on the Emissions Reduction Plan and National Adaptation Plan, along with the exposure draft of the National Policy Statement for Indigenous Biodiversity and discussion document on proposals to prevent exotic forests from registering in the permanent forest category of the Emissions Trading Scheme (ETS).

A coordinated approach to regional spatial planning in the region was also scoped.

Future challenges

- Resource Management, Three Waters and Local Government Reform
- Adapting to impacts of climate change
- The proposed closure of Tiwai aluminium smelter
- Freshwater and estuary health and implementation of Te Mana o te Wai

Southland district



*one community offering
endless opportunities...*

About the Council

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

The purpose of Council is:

- to enable democratic local decision-making 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

This information is correct as at 30 June 2022 but local body elections were held in October 2022 and there were a number of changes as a result.

GOVERNANCE SYSTEMS



Photo: Ivy Russell Reserve, Winton

Council committees

Committees have been established by Council to assist with conducting the business of Council; these are listed on page 49.

Community boards

The 2019 local elections were held using Council's new community governance structure.

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 secondary school representatives who live across the district and meet every three months.

Mayor - Gary Tong		
Twelve councillors		
Councillor Rob Scott - Mararoa Waimea Ward Councillor Ebel Kremer - Mararoa Waimea Ward (deputy mayor) Councillor John Douglas - Mararoa Waimea Ward Councillor Karyn Owen - Waiau Aparima Ward	Councillor Don Byars - Waiau Aparima Ward Councillor George Harpur - Waiau Aparima Ward Councillor Paul Duffy - Waihopai Toetoe Ward Councillor Julie Keast - Waihopai Toetoe Ward	Councillor Darren Frazer - Oreti Ward Councillor Margie Ruddenklau - Oreti Ward Councillor Christine Menzies - Oreti Ward Councillor Bruce Ford - Stewart Island/Rakiura Ward
Community boards	Council committees	Joint committees
Ardlussa Fiordland Northern Oraka Aparima Oreti Stewart Island/Rakiura Tuatapere Te Waewae Waihopai Toetoe Wallace Takitimu	Community and Strategy Committee Chair: Cr Keast Executive Committee Chair: Mayor Tong Finance and Assurance Committee Chair: Mr B Robertson Regulatory and Consents Committee Chair: Cr Duffy Services and Assets Committee Chair: Cr Kremer	Combined Local Alcohol Policy Joint Committee Combined Local Approved Products Joint Committee Southland Civil Defence Emergency Management Group Southland Regional Heritage Committee Southland Regional Land Transport Committee WasteNet (WasteNet Management Advisory Group)
Council membership on external organisations	Council-controlled organisations	Council subcommittees
Age Concern Southland Creative Communities Destination Fiordland Gore and Districts Community Counselling Centre Inc Milford Opportunities Project Pioneer Women's Memorial Trust (Gore) Rakiura Heritage Centre Trust Regional Community Road Safety Network Southland Regional Indoor Leisure Centre Charitable Trust Southland Medical Foundation Southland Regional Heritage Building and Preservation Trust Te Rōpū Taiao Waiau Working Party Whakamana Te Waituna	Great South Milford Community Trust Southland Museum and Art Gallery Trust	Ohai Railway Fund Riverton Harbour Stewart Island/Rakiura Visitor Levy Subcommittee
	Youth representation	Water supply subcommittees
	Southland District Youth Council	Five Rivers Matuku Te Anau Basin

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.

JOANNE DAVIDSON	NICK HAMLIN	FRAN MIKULICIC	MATT RUSSELL	ANNE ROBSON
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

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Compliance

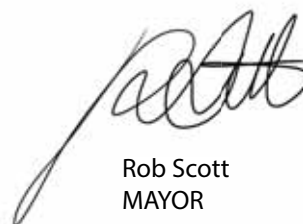
Council and management of Southland District Council hereby confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

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 2022 fairly reflect the financial position and operations of Southland District Council.



Rob Scott
MAYOR



Cameron McIntosh
CHIEF EXECUTIVE



Photo: Stewart Island/Rakiura

Auditor's Report



To the readers of Southland District Council's annual report for the year ended 30 June 2022

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 5 April 2023. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the Council Activities statement

In our opinion:

- the financial statements on pages 145 to 221.
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2022;
 - 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 pages 165 to 166 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 about capital expenditure for each group of activities on pages 71, 82, 94, 103, 109, 115 and 124, 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 71, 82, 94, 103, 109, 115 and 124, 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.

Qualified opinion on the Council Activities statement

In our opinion, except for the possible effects of the matters describes in the “*Basis for our opinion*” section of our report, the Council Activities statement on pages 60 to 125:

- o presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2022, 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
- o complies with generally accepted accounting practice in New Zealand

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 34 to 38, 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.

Basis for our opinion

The prior year opinion on the Council Activities statement was qualified due to limitations on our work with respect to the number of complaints for some services

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules). These mandatory performance measures include the total number of complaints (per 1,000 properties connected) received about the following:

- drinking water clarity, taste, odour, pressure or flow, and continuity of supply and the District Council’s response to any of these issues;
- sewage odour, sewerage system faults and blockages, and the District Council’s response to issues with the sewerage system; and
- the performance of the stormwater system.

The Department of Internal Affairs issued guidance on applying the Rules, including how to count complaints. In the prior year, the District Council did not apply this guidance to count the complaints, which resulted in a likely understatement of the reported total number of complaints. It was not possible to determine whether the reported results for these performance measures were materially correct because complete records of the complaints were not available. A qualified opinion was therefore issued on the Council Activities statement for the 30 June 2021 year.

The above matter has been resolved for the 30 June 2022 year and we obtained adequate evidence to verify the reported results for these mandatory performance measures. As the matter cannot be resolved for the 30 June 2021 year, the reported results for the 30 June 2022 year may not be directly comparable to the 30 June 2021 performance 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 qualified opinion on the audited information.

Emphasis of matter – Uncertainty over the financial impact of three waters reform

Without further modifying our opinion, we draw attention to Note 30 on pages 201 to 202, which outlines that the Water Services Entities Act 2022 received royal assent on 14 December 2022. The Act establishes four publicly owned water services entities to take over responsibilities for three waters service delivery and infrastructure from local authorities from 1 July 2024, or earlier by Order in Council. In December 2022, the Government introduced two additional water services Bills, one of which will enable the transfer of three waters related assets and liabilities to the water services entities. Until the Bills receive royal assent, the financial impact of the transfer on the District Council remains uncertain.

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 and Group'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 Council Activities statement, 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 and Group'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 audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- 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 obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 33, 39 to 55 and 126 to 144, 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 other assurance 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.

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 and partnerships so communities can achieve more, but also strengthens community connections, understanding and self-reliance. There are two key pillars that support the community leadership and governance concept as it is being implemented within the district.

These are:

- a community-led development pillar that has ‘place’ as its central focus, with Council being one of a number of agencies supporting the development of each place or local community
- a representative leadership pillar, which encompasses the more traditional role of elected representatives as the identified political leaders within their 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 8. The orange shading indicates a primary outcome contribution.

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

Representation and advocacy

- A new governance manager was appointed.
- Local government elections are held every three years to determine who Southland district's mayor, councillors and community board members will be. Preparations were made for these upcoming local body elections, which will be held in October 2022. This included work such as confirming the order of candidate names, appointing electoral officers and organising providing information to potential candidates.
- Work began on implementing recommendations from the community board health check.
- There was a review of what days Council committee meetings were scheduled on and changes made to make these consistent for advanced planning.
- Online Council committee meetings continued during the Covid-19 red traffic light setting and beyond. Livestreaming is proving popular.
- Staff revised how meeting minutes were recorded for some community boards.
- A number of community service awards were given out.

- Preparations were made for the inaugural meetings in October 2022.

Legislative changes

There are a number of key legislative changes that will affect local government, including the review of the Resource Management Act (RMA), the Climate Change Adaptation Act and the Strategic Planning Act.

The Local Government Minister has begun a review of how local government works. The review will focus on how our system of local democracy needs to evolve over the next 30 years. The review panel will consider what local government does, how it does it, and how it pays for it. From there, it will explore what local government's future looks like, including:

- roles, functions and partnerships
- representation and governance
- funding and financing.

The first stage involved initial scoping and early engagement with local government and other organisations to help the review panel take a future-focused look at the local governance system and identify key issues and lines of inquiry. This is now complete.

The second stage involved broader public engagement about the future of local governance and democracy in New Zealand, alongside research and policy development, with submissions closing on 30 June 2022.

The final third stage involves formal consultation about draft recommendations. The review panel will consider public submissions, before ~~we~~ delivering its final report to the Minister of Local Government in June 2023.

Community and futures (community development, engagement and planning)

- The community board plans are completed and have been published on Council's website. Each of the nine community boards prepared a three-year plan, which was developed in consultation with the wider community. The plans guide the community board's in their decision-making processes with each plan having unique visions, outcomes and actions to be achieved. The intention behind creating the plans was to have a living document that guides the community board, assists with funding and expenditure decisions, and helps to inform each community board's annual work programme and delivery of locally funded activities for the duration of the three-year period the plan covers.
- Leadership Academy programmes have been operating throughout the Southland district for the past two years, in partnership with Commerce South. They have a focus on building local capability and leadership development for those in the district. The community partnership leaders support Commerce South to run these academies and organised local community speakers to share their leadership journeys with participants. There were three courses across the District in the reporting period, each had nine sessions and up to 16 people per each course. Funding through the Office of the Ethnic Communities allowed migrants to participate in the Leadership Academy.

- Past successes of the Leadership Academy led to the formation of the Future Rakiura group. The group's lead project is the new emergency services helipad as well as mental health initiatives on the island, including a Matt Chisholm speaking event which was in partnership with the Southland Rural Support Trust. Positive feedback was received from participants, particularly about the academies.
- Another community-led project was the redevelopment of Butterfields Beach recreation/playground area on Stewart Island/Rakiura, with Council as a partner. The community raised \$50,000 and Council undertook drainage (\$17,000).
- A community partnership leader supported the Ulva Island jetty project.
- The community partnership leaders assisted with the Vote Murihiku campaign, which encouraged people to stand for the local body elections.
- The Waikaia Trails Trust project originated from the Ardlussa Community Board and is a community-led initiative with a newly formed independent trust. The trust is applying for funding for the multi-stage multi-million-dollar project, with the first stage being a hub and pump track in the Waikaia village.
- The Drive My Life programme in association with Southland councils and the Ministry of Ethnic Communities funded a grant to assist migrants to get their driver licences, particularly those who are isolated on farms. The programme was conducted by REAP, with support from Council staff and the Welcoming Communities organisation, and included providing a translator.
- A number of Welcoming Communities workshops (both in person and by Zoom video conferencing) were held in the district. A survey was delivered to all ratepayers for the development of a Welcoming Communities strategy.
- The Shaping Our Futures organisation will lead work with communities on what their future should look like through a series of community workshops due to be held in July 2022.
- A variety of meetings and drop-in sessions were held between community boards and communities, with social media engagement and surveys. For example, the Oreti Community Board went to five towns to talk with local people.
- The Ardlussa and Northern community boards consulted on pool rates for the Annual Plan 2022/2023.
- Climate change-related topics discussed with community boards included:
 - A strong environmental focus and erosion on Stewart Island/Rakiura
 - A closed landfill report for Colac Bay
 - Flooding, and extraction by Environment Southland of gravel out of rivers
 - Wellbeing and the effects of drought on the farming community
 - Forging a better relationship with Environment Southland around its water plan. Representatives came to community meetings and talked about the implications of the new water plan, with questions allowed. Board members, the chief executive and iwi attended.
- The importance of the community board plans has been recognised by boards. For example, there is more buy-in and understanding of the funding implications of having a plan for open spaces.
- Engagements about town planning in Tuatapere.

Community assistance

- Community partnership funds were well subscribed and the process has helped form connections and relationships. Community boards invited speakers to their meetings to talk at each meeting, strengthening relationships with community groups. Community board chairs attended Rotary, business associations and promotions group meetings to talk about what is happening in their communities, which has led to collaborations and strengthened relationships with community groups.

Performance results

The community leadership activity group has three KPIs and three targets. All of the targets were achieved. KPI 1.1 showed an improvement on the previous year and KPI 1.2 and 1.3 were new measures introduced in the 2021-2031 LTP.

There were two projects for this activity group; a memorial archway at Wyndham, which is in progress, and installing a bell at the Gorge Road war memorial, which was deleted.

Performance measures

Performance measures - community leadership			
Community Leadership What levels of service (LoS) we provide	Level of Service 1: Make decisions in an open, transparent manner and support collaborative 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%	94%	Achieved This is based on the number of public-excluded items on an agenda compared with the number of open items. There were 442 open items from the total number of 471 agenda items for the year. (2020/2021: Achieved – 91%)
KPI 1.2: Percentage of the community partnership fund and district initiatives fund requested meets the budgeted amount	100%	129%	Achieved 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 remained strong over the whole year with the overall subscription rate being 129%. This means there were more requests than funds available, which demonstrates the importance of community funding. Staff in the community

Performance measures - community leadership

			<p>leadership team will continue to promote the funds so as to continue to encourage applications going forward.</p> <p>(2020/2021: no result available - new measure in 2021 LTP)</p>
KPI 1.3: Percentage of community board meetings and workshops where the community is in attendance to address the board	50%	56%	<p>Achieved</p> <p>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.</p> <p>56% of the community board meetings and workshops that took place over the year had members of the public in attendance to address the board. 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 such as Environment Southland, Department of Conservation, iwi, Lions Clubs and local police officers. Petitions for footpaths were presented and concerned members of the community addressed some of our boards about bigger issues such as three waters. All boards had members of the public address them.</p> <p>Covid-19 and the traffic light system implemented early in 2022 made meeting attendance difficult but the community leadership team will continue to work with the boards to encourage engagement with their wider community and relevant stakeholders.</p> <p>(2020/2021: no result available - new measure in 2021 LTP)</p>
1 – This refers to the reports on the Council agenda and existing four standing committees and nine community boards			

Community assistance funding

	2021/2022 Actual \$(000)	2021/2022 Budget (LTP)\$(000)
Grants		
High Values Area	-	15
Hollyford Conservation Trust	10	10
IWI funding	178	180
Safe Swim Programme	23	23
Southland Indoor Leisure Centre (Stadium maintenance	75	75
Southland Regional Heritage Committee	638	636
Southland Safer Communities	-	10
Toimata Foundation (formally Enviroschools Programme)	10	10
Waituna Partnership	25	25
Warm Homes Trust	35	35
Miscellaneous grant	-	-
	2020/2021 Actual \$(000)	2020/2021 Budget (LTP)\$(000)
Scholarships		
Bursaries	7	7
Community service award	1	1
Debating competition	-	1
Outward Bound	2	8
Allocation grants		
Creative Communities	56	26
District Heritage	72	65
John Beange Reserve	8	5
Northern Southland Development Fund	10	10
Ohai Railway Fund	57	55
Sport NZ	16	13
Stewart Island Visitor Levy	217	143
District Initiative Fund	64	63
Ardlussa Community Partnership Fund	6	6
Fiordland Community Partnership Fund	32	32
Northern Community Partnership Fund	6	6
Oraka-Aparima Community Partnership Fund	9	12
Oreti Community Partnership Fund	34	34
Stewart Island Community Partnership Fund	4	4
Tuatapere Tewaewae Community Partnership Fund	16	20
Waihopai Toetoe Community Partnership Fund	19	22
Wallace Takitimu Partnership Fund	16	18

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, amenities for island visitors, or 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.

\$126,000 of levies were received during the year, which was slightly lower than the \$143,000 budgeted, as visitor numbers were lower than expected.

The subcommittee allocated grants to six applicants during the year, totalling \$236,529, with \$216,600 to be spent in this financial year compared with the \$142,797 budgeted to be allocated. Council approved unbudgeted expenditure for the amount of \$73,803 in visitor levy fund allocations to be funded from the Stewart Island Visitor Levy Reserve in July 2022. Two of the six grants were for multi-year funding.

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 2021/2022 year the funds were allocated as follows:

Organisation	Allocation amount	Multi-year
Rakiura Heritage Trust	\$20,000	no
Stewart Island Rakiura Community Environment Trust	\$28,600	Each for two years
Stewart Island/Rakiura Community Board – Dundee Street footpath	\$19,929	Each for 10 years from 2022/2023
Stewart Island/Rakiura Community Board – Golden Bay Geotech survey	\$140,000	no
Stewart Island Health committee/Future Rakiura	\$25,000	no
Stewart Island Lions – Butterfield Beach community project	\$3,000	no

Funding impact statement - community leadership

2020/2021 Budget (AP) (\$000)	2020/2021 Budget (LTP) (\$000)		2020/2021 Actual (\$000)	2021/2022 Actual (\$000)	2021/2022 Budget (LTP) (\$000)
		<i>Sources of operating funding</i>			
5,539	5,907	General rates, uniform annual general charges, rates penalties	5,538	7,723	7,754
1,470	1,091	Targeted rates	1,472	907	903
1,924	1,924	Subsidies and grants for operating purposes	1,765	1,355	115
-	-	Fees and charges	-	-	-
1,922	1,922	Internal charges and overheads recovered	1,514	470	551
289	289	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	371	265	235
11,143	11,133	Total operating funding	10,660	10,721	9,553
		<i>Applications of operating funding</i>			
5,807	5,807	Payments to staff and suppliers	5,155	2,980	3,825
-	-	Finance costs ²	-	-	5
3,185	3,185	Internal charges and overheads applied ²	2,955	2,345	2,526
3,009	3,009	Other operating funding applications	2,816	4,133	2,990
12,001	12,001	Total applications of operating funding	10,925	9,459	9,347
(858)	(868)	Surplus (deficit) of operating funding	(266)	1,262	212
		<i>Sources of capital funding</i>			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	2	(100)	-
(249)	(249)	Increase (decrease) in debt	(169)	(270)	67
-	-	Gross proceeds from sale of assets	37	-	26
-	-	Lump sum contributions	-	-	-
(249)	(249)	Total sources of capital funding	(130)	(370)	93
		<i>Applications of capital funding</i>			
		Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	80	-	-
-	-	▪ to replace existing assets	-	-	79
(107)	(107)	Increase (decrease) in reserves	340	1,025	346
(1,000)	(1,000)	Increase (decrease) in investments	(816)	(133)	(120)
(1,107)	(1,107)	Total applications of capital funding	(395)	892	305
858	858	Surplus (deficit) of capital funding	266	(1,262)	(212)
-	-	Funding balance	-	-	-

¹ includes all other operating funding from sources not identified in the table.

² interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2021/2022 was \$10,000 (2021: \$20,000).

Funding impact statement – budget variations

Subsidies and grants for operating purposes were above budget due to government grants being received for the Predator Free Rakiura project and Milford Opportunities Project. Internal charges and overheads were less than budgeted due to a reduction in the amount of interest paid on reserves.

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.

Other operating funding applications are over budget, primarily as a result of government grants for the Predator Free Rakiura project being paid to the Te Puka-Rakiura Trust and an increase in the Stewart Island Visitor Levy grants being awarded.

Capital expenditure was under budget due to delays with vehicle replacements. Debt was lower than budgeted, with expected loan funding for projects not being needed. Reserves increased 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 being held in reserve, with reserves decreasing as a result.

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 across the Southland councils.

SIESA generates and supplies electricity to consumers on Stewart Island/Rakiura. This activity also undertakes waste collection, 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 8. 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 – key highlights and projects

The community resources activity group had a number of challenges throughout the year including material costs increasing, limited contractor resourcing availability, recruitment of staff, price uncertainty, impending legislative changes, delays due to sickness from Covid-19 and supply delays.

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

- In July 2021, it was announced that funding would be provided from the government's Tourism Infrastructure Fund (TIF) for several Council projects. The Fiordland area will receive \$1,100,000 to upgrade the boat ramp, toilets, car park and replace the gabion basket retaining wall at Pearl Harbour, Manapouri. Additional work will be carried out to upgrade the access road and toilets at Fraser's Beach, Manapouri. Funding of \$440,000 was received for the replacement of two boat ramps in Te Anau to meet the required standards and a replacement toilet for Bluegum Point. Stewart Island Rakiura will receive \$99,125 to build a viewing platform at Observation Rock, and \$600,000 for replacement of the Ulva Island wharf. The Ulva Island jetty project is a multi-year project.
- The halls team developed an online booking system, which is being trialled.

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

Cemeteries

- Memorial walls were completed at Lumsden, Centre Hill (Mossburn), Isla Bank (Calcium), Otautau, Dipton, Wairio and Lynwood (Te Anau) cemeteries.
- We investigated the installation of an electronic cemetery management system, which will support the GIS system and genealogy searches and will be able to be used at all times. This system will be installed in the 2022/2023 year and will provide a better service.

Libraries

- The Winton Library reopening was delayed until after the end of the 2021/2022 financial year. Most of the delays can be attributed to Covid-19 disruptions, labour shortages, supply chain interruptions, and manufacturing bottlenecks and stoppages. The library reopened on 30 August 2022.
- The radio frequency identification (RFID) project, which will enable customers to scan multiple books instantly and staff to stocktake electronically, was almost complete. It was delayed by Covid-related factors, including delays in sourcing technology items and some restricted travel for experts required for setup and configuration of equipment). The RFID system became operational at the end of August 2022.

Heritage and museums

- We support the work of Southland's roving museum officer (RMO), who provides hands-on assistance to the many volunteer museums around Southland, connecting people to the stories hidden in history throughout the region. This role is the only one of its kind in New Zealand. Her work in 2021/2022 focused on smaller collection-based projects and ongoing reporting, along with involvement in local and regional heritage initiatives. These included Project ARK, a two-year pilot to start cataloguing Southland's heritage collections and share them online.
- An inventory of collections at Lumsden was begun and work progressed on the Switzers (Waikaia) Museum Inc bottle house story; a New Zealand Archaeological Association (NZAA) lecture event was held; an interactive memories room was installed at Switzers Museum with a touchscreen that guides visitors to other images and objects on display; and bulk storage distribution was carried out from Waikaia because of Covid-19 protocol restrictions.
- The RMO assisted with Project ARK registration documentation for Te Hikoi. She was involved in discussions with rūnanga around taonga cataloguing and digitisation protocols; research on the significance of a founding collection; assistance in the design of specialised arms storage; and an extensive report on their Māori textiles was completed.

- Assistance was given to the Otautau Museum with collection housing. This led to discussions regarding the resurgence and treatment of borer in Southland's museum collections and a proposal to approach the issue across the region was developed. A major hazard was identified at the Waikawa & Districts Museum Inc, which will lead to a resource detailing hazards in generalised collections for our museums.
- Some of our smaller museums have struggled to raise funds in traditional ways and to retain volunteers. Many have taken up hardship grants and/or adapted, with several thriving through changing visitor types and/or increasing visitation and retail opportunities.

Stewart Island Electrical Supply Authority (SIESA)

- An increased level of contract management awareness has been generated, with clearer expectations on performance delivered to the contract. A large proportion of the annual works programme related to investigative work has been completed and will feed into the 2022/2023 annual works programme.

Open spaces

- Covid-19 has highlighted the importance of open spaces to the wellbeing of communities. Open spaces include green (parks), blue (connections to water) and grey spaces (civic squares).
- A key highlight was getting the project approved in January 2022 to progress work in open spaces. Included in the project was a seven-year programme of works worth \$5.4 million. There are three focus areas – activation and management, strategic district, the community project fund, and a variety of projects.
- We created an open spaces lead position and an appointment made.
- There are ongoing collaborations with Active Southland that will help deliver some of the outcomes of the open spaces project. They are collecting data on the usage of sports fields and are holding activation events on Council's open spaces.
- An innovation in connecting with local communities is a \$1 million contestable fund over seven years for community-led projects.
- The Dipton playground was upgraded, with a new surface, play equipment and fencing.
- Community pest groups, Environment Southland and Council collaborated on pest control, with funding from the Environmental Enhancement Fund contributing to the work. This includes the Aparima Pestbusters group in Riverton and the Manapouri Weedbusters group.
- Memoranda of understanding were signed with various groups throughout the district, including at Gorge Road, with Winton Rotary for track maintenance at Ivy Russell Park and the Mossburn Lions Club.
- Government changes to urban environments included a change to reforestation where there needs to be 10% planting of native forest.
- We are drafting a district tree plan that enables planning, removing, clearing and maintaining trees as assets.
- Active Southland is gathering data for the regional places and spaces strategy and was compiling data for sports fields.

- A StoryWalk® was opened at Te Anau in November. It is an example of good use of open spaces. StoryWalk® is a picture book story, which is framed page by page and placed on poles along a walkway for people to enjoy and read as they walk. The stories are interchangeable. StoryWalk® is an international initiative that aims to get people out and about in nature together, combining the benefits of physical exercise and reading an uplifting tale to support mental health and literacy development, especially in children.

Performance results

This activity group has a total of 10 KPIs. Six targets were achieved and four targets were not achieved.

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

- KPI 3.2 – there were some contractor timing issues
- KPI 5.1 - the Winton Library refurbishment opened later than planned
- KPI 7.1 – there were several island-wide disruptions of the electricity network
- KPI 8.1 – there were several occurrences of recycling being contaminated, which meant it had to go to landfill.

There were 133 capital expenditure projects in total for this activity group. 45 were completed, 72 were still in progress, 7 not started, 2 deferred, and 7 were deleted.

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%	87%	Achieved There were 382 requests for the year and 334 were completed within timeframes. (2020/2021: no result available - new measure in 2021 LTP)
Community services			
Level of service 3: Facilities are fit for purpose, to enable healthy grieving and memorialisation for the community			
KPI 3.1: Cemetery internment costs are not funded by rates	\$0	\$0	Achieved As at 30 June, there was \$10,083 excess income over expenditure so there are no costs funded by rates.

Performance measures - community resources

			(2020/2021: Achieved – 0)
KPI 3.2: To meet family expectations that the burial plots are prepared by the time required.	100%	95%	<p>Not achieved</p> <p>There were four interments of the 86 interments where confirmation of the completion of preparation by the contractor was not received by Council by the due time. These four timings vary from 2 minutes to 17 minutes. In these cases, the reasons can vary between a physical onsite issue to communication delays between completion and actual notification to Council. None of the notification delays affected the level of service to the families. However, these timing failures will be taken up with the contractor. The process has safeguards in place to mitigate any risk as there is always a two-hour gap between when the plot is due to be prepared and when a burial occurs.</p> <p>(2020/2021: no result available - new measure in 2021 LTP)</p>
Community services Level of service 4: Facilities are fit for purpose, in the appropriate locations and cater for future needs			
KPI 4.1: Community housing occupancy rate	80%	87%	<p>Achieved</p> <p>A constant turnover of tenancies was experienced in the last 12 months, with 12 tenancies finishing and 10 tenancies beginning. At year end there were nine current vacancies. It was a challenging year with limited contractor availability to undertake HealthyHomes work in preparation for a unit to be tenanted, along with the limited staff resource available to shortlist and prepare tenancies.</p> <p>(2020/2021: Achieved – 90%)</p>
KPI 4.2: Percentage of people who meet priority criteria ¹	80%	90%	<p>Achieved</p> <p>90% of current tenants meet the priority criteria of being over the age of 60.</p> <p>(2020/2021: no result available - new measure in 2021 LTP)</p>

Performance measures – community resources

Library Services

Level of service 5: Each facility will offer access to a space for tamariki, collaborative and quiet spaces for the community to use, customer support functions, library basics*, disability access, and areas for Council staff to work

KPI 5.1: Number of Council library facilities that meet all LoS criteria	1/7	0/7	<p>Not achieved</p> <p>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. No library met our minimum level of service criteria until the refurbished Winton library was reopened in August 2022. We are working towards our other libraries being able to meet the level of service criteria stated in the Long Term Plan.</p> <p>(2020/2021: no result available - new measure in 2021 LTP)</p>
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Open Spaces

Level of Service 6: The Council provides safe, well maintained open spaces for the community to enjoy sports and leisure activities

KPI 6.1- Open spaces requests for services ² are completed within specified timeframes	80%	93%	<p>Achieved</p> <p>There were 401 requests for the year, 373 within timeframes. The requests for service out of timeframes were due to the unavailability of contractors to complete the work. Most of the requests for service were related to trees that required specialist arborists to carry out the work and one of the tree contractors pulled out of the Southland market.</p> <p>(2020/2021: no result available - new measure in 2021 LTP)</p>
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SIESA

Level of service 7: Council provides a reliable, sustainable electricity supply to Stewart Island that meets current and future needs

KPI: 7.1: Number of unplanned point of consumer supply interruptions to Stewart Island electricity supply	≤6	9	<p>Not achieved</p> <p>There were nine unplanned outages, which fall into one of two categories - all of island and part of Island. There were five outages for all of the island and four outages for part of the island. The all-of-island outages related to excessive load increases at particular times of the day, while the</p>
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Performance measures – community resources

			<p>part-of-island increases generally related to environmental factors such as tree or pest interference.</p> <p>The annual works programme for SIESA has focused on addressing and reducing both categories of outages through targeted asset maintenance, renewals programming and level of service investment to adequately respond to and manage demand on the network. Further, future decision-making of infrastructure renewal and investment for the financial year 2023/2024 is in progress to allow for further asset data to be gathered to increase the capability of SIESA to invest in infrastructure upgrades based on sound asset management practices. (2020/2021: Achieved – 4)</p>
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Waste services

Level of service 8: Provide convenient and reliable rubbish and recycling services that minimise the amount of waste going to landfill

KPI 8.1: The amount of waste diverted from landfill (tonnes) as a percentage of total waste ³	a) 40%	35%	<p>Not achieved</p> <p>Percentages improved in this financial year even though there was still some contaminated recycling going to landfill on the odd occasion. Council are continuing to educate the public via social media and through WasteNet advertising via radio.</p> <p>(2020/2021: Not achieved – 30.5%)</p>
KPI 8.2: The maximum amount of waste per property disposed of to landfill (kilograms)	b) 650kg per property	518kg per property	<p>Achieved</p> <p>There is more recycling of waste and less waste being disposed of to landfill per property.</p> <p>(2020/2021: Achieved – 610kg)</p>

1. Policy states that priority criteria include persons are over 60 years old or persons that are considered to be in need of community housing
2. Open spaces requests for related activities e.g, playgrounds, reserves etc
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

2020/2021 Budget (AP) (\$000)	2020/2021 Budget (LTP) (\$000)		2020/2021 Actual (\$000)	2021/2022 Actual (\$000)	2021/2022 Budget (LTP) (\$000)
		<i>Sources of operating funding</i>			
3,076	5,112	General rates, uniform annual general charges, rates penalties	3,077	6,865	6,856
6,581	4,537	Targeted rates	6,597	5,718	5,712
655	655	Subsidies and grants for operating purposes	230	399	304
1,688	1,655	Fees and charges	1,731	1,673	1,774
2,910	2,910	Internal charges and overheads recovered	2,808	2,680	2,682
622	622	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	594	725	719
15,531	15,524	Total operating funding	15,033	18,060	18,045
		<i>Applications of operating funding</i>			
11,334	11,334	Payments to staff and suppliers	10,365	12,285	13,240
-	-	Finance costs ²		-	169
3,672	3,672	Internal charges and overheads applied ²	3,564	4,751	4,604
15	15	Other operating funding applications	37	83	39
15,020	15,020	Total applications of operating funding	13,967	17,119	18,053
511	503	Surplus (deficit) of operating funding	1,071	940	(7)
		<i>Sources of capital funding</i>			
-	-	Subsidies and grants for capital expenditure	261	134	54
24	24	Development and financial contributions	93	41	10
2,178	2,178	Increase (decrease) in debt	1,139	1,685	5,781
10	10	Gross proceeds from sale of assets	276	-	83
-	-	Lump sum contributions	-	-	-
2,212	2,212	Total sources of capital funding	1,769	1,861	5,923
		<i>Applications of capital funding</i>			
		Capital expenditure			
79	79	▪ to meet additional demand	-	-	10
620	620	▪ to improve the level of service	1,217	2,963	1,515
2,144	2,144	▪ to replace existing assets	1,207	852	4,810
(109)	(109)	Increase (decrease) in reserves	332	(1,003)	(289)
(11)	(11)	Increase (decrease) in investments	84	(16)	(120)
2,723	2,723	Total applications of capital funding	2,840	2,802	5,927
(511)	(511)	Surplus (deficit) of capital funding	(1,071)	(940)	7
-	-	Funding balance	-	-	-

¹ includes all other operating funding from sources not identified in the table.

² interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2021/2022 was \$186,000 (2021: \$279,000).

Funding impact statement – budget variations

Subsidies and grants for operating purposes were higher than budgeted due to an increase in the waste minimisation levy received. Fees and charges were lower than budget as a result of reduced income being received for Stewart Island Electrical Supply Authority (SIESA) and transfer stations. Payments to staff and suppliers were lower than budgeted with less maintenance work being carried out on community facilities resulting from difficulty engaging contractors to undertake smaller projects, and a number of parks, cemetery and hall projects being reclassified as capital expenditure rather than maintenance. These underspends were offset by higher landfill waste disposal costs and increasing fuel costs for SIESA. Finance costs are 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.

Subsidies and grants for capital purposes exceeded budget due to additional government funding received from the Tourism Infrastructure Fund (TIF) for toilet renewal projects. Capital expenditure to improve levels of service was higher than budgeted as a result of projects being reclassified as levels of service from maintenance and renewal. Additionally, a number of budgeted projects to replace existing assets or improve levels of service were delayed until 2022/2023. These delays have offset the increase in level of service expenditure. The works include TIF projects to replace and build new toilets and improve other tourism facilities in Manapouri and Te Anau as well as a number of other projects to replace playground equipment across the district, including the pilot station at Taramea Bay and electricity supply infrastructure on Stewart Island. Accordingly, this reduction in capital expenditure resulted in a decrease in the level of debt funding required.

Reserves are primarily lower than 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 being held in reserve, with reserves decreasing as a result. While reserves have also been used to fund increased costs in a number of areas such as SIESA fuel, underspends or delays in other reserve funded projects have largely offset this.

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. Southland District Council supports 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 8. 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

RMA reforms

- The Resource Management Act 1991 (RMA) will be repealed and replaced with three new laws:
 1. The Natural Built Environment Act (NBA)
 2. The Strategic Planning Act
 3. The Climate Change Adaptation Act
- Significant changes and updates from the government in February 2022 confirmed that the reform is going ahead. The announcement committed to a 12-month timeline with an exposure draft NBA to be presented to a subcommittee then to the select committee. Council submitted on this as part of a southern-wide submission.
- The reforms will have a significant impact on Council as a whole, the resource management team, regional partnerships, community, iwi, partnerships, and customers' involvement in the system.
- External submissions on these legislative changes are open. Council is part of a southern-wide submission on the National Adaptation Plan (NAP) on climate change, managed retreat and adapting to climate change.
- The National Policy Statement for Indigenous Biodiversity was out until the end of July 2022 for submissions, and Council submitted on this.
- There was a District Plan change in the landscape section, to manage forestation of northern Southland, landscapes and biodiversity, which will be notified in April or May 2023.

- There was a significant increase in consent volume and complexity with a 53% increase in consents (including publicly notified consents) compared with the previous financial year, including high numbers of publicly notified consents, a higher volume of consents and an increase in inquiries. The team had three external consultants helping with processing to meet the demand.
- Several vacancies were recruited for, including a team leader (consents), climate change lead, and team leader (District Plan).
- This year there was an increase in enforcement proceedings-

Environmental health

Liquor licensing

- Recruitment during the year helped to ease the backlog in liquor licensing applications.
- There were two hearings for off-license applications (in Riverton and Winton); and Council was awaiting the appeal outcome for Riverton.
- The Alcohol Licensing Fee Setting Bylaw was revoked from 1 July 2022, meaning the 30% discount was removed, and all fees reverted to those stated in central government regulations.

Food registration

- In regards to trading in public places there is an increasing number of food caravans and trucks in Winton and Riverton on public land.
- New al fresco dining licenses have been granted, predominantly at Stewart Island/Rakiura.

Freedom camping

- There were good numbers at Monkey Island and there was a trend of seeing more freedom camping as a lifestyle choice.
- In August 2022, the government proposed new rules which will be enacted once the Self-Contained Motor Vehicles Bill is passed, with a two-year phasing in period. This will allow time for vehicle owners to meet the new certification standards, which includes having a fixed toilet. An expected date is yet to be set. Part of the proposed rules include that freedom campers will need to be in a certified self-contained vehicle to stay overnight on land managed by local councils, unless the council has designated the area for non-certified vehicles. It is also intended to strengthen the infringement system for freedom camping.

Gambling

- After a review and consultation, we adopted our TAB and gambling venue policies in July 2022.

Animal control

- In 2021/2022 fees were not increased and we were tracking the same as last year for registrations. The dog registration process has become easier and there has been a successful push to move registrations online, with 60-70% now processed online.
- There were more dogs dumped, surrendered, or given to Furever Homes directly for rehoming during the year. Goats are also rehomed through Furever Homes. Council's free dog microchipping service continues to be offered throughout the district.
- A "One tag for life" joint initiative with Gore District Council and Invercargill City Council is being investigated.
- There was a significant increase in complaints for barking dogs and wandering dogs.

Building control

- We had a great outcome from the International Accreditation New Zealand (IANZ). The team received two commendations from the audit.
- Our team won the Building Officials Institute of New Zealand (BOINZ) Customer Service and Excellence award.
- We were unable to recruit staff or contractors for six months after a need was identified but this has been rectified. This impacted on compliance to timeframes. The team has been growing capacity over the past few years to reduce backlogs but any increase in volume, staff sickness and contractor unavailability has impacts on timeframes.
- After 12 months of between 95% and 100% compliance to timeframes, our inability to source contractor or staff support saw us drop to 88% in June.
- A 5.5% increase in inspections were driven by both increase in work volume and product supply chain disruptions creating changes in the building site after consent has been issued. Applying our Covid-19 Business Continuity Plan, we completed more video/photo-based inspections in the past financial year than any other.
- In March 2022, 73% more building consents were applied for than expected, with 150 in total.
- There was a 3.5% increase on the previous year in the number of applications for building consents. There was also an increase in renovation-type building consents.
- The industry struggled with the increased volume of consents. The increased volume may be due to a number of factors such as lifestyle changes of people moving away from larger cities (change of scene), changes to investment property rules which encouraged investors to build new property and the MBIE Building Code changes to insulation and energy efficiency which will come into effect in July 2023.
- Each year MBIE consults on different areas of the Building Code. In 2021 the consultation was on energy efficiencies in housing. This means there will be increased wall, floor and roof insulation requirements in new homes. MBIE decided to extend the transition period to 1 May 2023 for new wall floor and roof requirements. For window and door insulation requirements there will be a staged implementation process depending on what climate zone your home is in but by November 2023 all windows in new housing will be required to meet the requirements.

- Changes to the definition of good ground came into effect from November 2021. This now includes consideration of liquefaction risks.
- In 2022 the MBIE Building Code consultation proposed changes to plumbing and drainage, structural stability of hollow-core floors and protection from fires for new builds. Consultation closed on 1 July 2022 and outcomes were expected in late 2022.

Emergency management

- The team assisted with co-ordination during the hydrological drought response with Environment Southland, Ministry of Primary Industries and the Rural Support Trust.
- The Emergency Management Southland manager became the steering group chair of the AF8 project and is hoping to expand the programme to provide more inter-regional capability all six South Island groups that are involved in the programme. (e.g, developing strategic plans with all stakeholders so all are well equipped for an event.
- A recovery workshop was held. There was a large variety of speakers who expanded on recovery practices after an emergency.
- Training included a welfare training day and CIMS courses.
- The severity of weather and climate change-related events is expected to increase and will have future impacts on communities within the district.
- External legislative changes included:
 1. Modernising the emergency management framework
 2. Release of the Emergency Management Regulatory Framework Review (Trifecta) Programme document
 3. Emergency Management provided a submission on behalf of the Southland councils to the above programme.
- No national tier exercises took place due to Covid-19 restrictions but a national tier exercise is being planned within the next two years.
- Work continued on a Hazardscape to evaluate risk for the region.
- The EMS website was updated so it is easier for users to navigate. An online seminar was run on what the team does in a day and another seminar was held on what to do in a drought.
- All community response plans are available to view on the website.

Performance results

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

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

- KPI 9.1 – the consent volume increased by 40%, Consent complexity, consenting volume, staff vacancies, external processing resources and delayed internal inputs all contributed towards consent applications going over time.

- KPI 9.2 - there was a significant increase in the volume of work and an inability to recruit resource, which has since been rectified.
- KPI 9.3 – the result was 99% but there was a significant increase in the volume of consents, Covid-19-related delays and an inability to recruit resource, which has since been rectified.
- KPI 10.2 - Emergency Management Southland has changed the survey methodology starting this financial year. The methodology change has increased independence and ensured better community representation.

There were no capital expenditure projects for this activity group.

Performance measures – environmental services			
Environmental services			
Level of service 9: Enhance the health, safety and well-being of the community and environment, through the effective implementation of a range of legislation			
	Target	Result	How council performed
KPI 9.1: Percentage of non-notified resource consents processed within statutory timeframes	100%	85%	<p>Not achieved</p> <p>85% of consent applications were processed within timeframes. Consent complexity, consenting volume, staff vacancies, external processing resources and delayed internal inputs all contributed towards consent applications going over time.</p> <p>Consent volume this financial year has been 40% higher than the previous year with an extra 123 consents being processed (from 302 to 425) (2020/2021: no result available - new measure in 2021-2031 LTP)</p>
KPI 9.2: Percentage of building consent applications processed within statutory timeframes	100%	93%	<p>Not achieved</p> <p>This year saw a 3.5% increase in the volume of building consents received (a total of 1,046 compared with last year's total of 1010). 14.5% of these were received in the month of March 2022 and 41.8% of this volume was received in the last four months of the year.</p> <p>Council's contractor did not have capacity to take on work when requested during the year and then notified Council at the start of June that they will be cancelling their contract. This, in addition to the</p>

Performance measures – environmental services

			<p>sudden volume of consents during the same quarter, has collectively created a 'perfect storm' and a tail of significant non-compliance that will continue into the financial year 2022/2023.</p> <p>In addition to an increase in building consents, there was a 25% increase in inspections required during the year, which has further compounded the known capacity issues within the team. This increase is the by-product of both product substitution due to supply chain issues and inefficiencies caused by Covid-19 disruptions to job sites. Ongoing difficulties with recruiting skilled workers within the industry continues across the nation. However, the team successfully engaged a replacement contractor during August to support the workload and recover compliance to statutory timeframes in the following financial year. It was anticipated that this support will improve the consent application processing times for the future and bring the compliance levels back by Christmas 2022.</p> <p>(2020/2021: no result available - new measure in 2021-2031 LTP)</p>
KPI 9.3: Percentage of code compliance certificate applications processed within statutory timeframes	100%	99%	<p>Not achieved</p> <p>Council have achieved a cumulative value of 99% for the year. While not the legislated 100%, this is an excellent result when considering the staff capacity and Covid-19-related challenges that have been experienced during the year.</p> <p>(2020/2021: no result available - new measure in 2021-2031 LTP)</p>
KPI 9.4: Number of serious injuries to the public from dog attacks ¹	0	0	<p>Achieved</p> <p>There have been no reports of serious dog attacks to the public for the 2021/2022 year.</p> <p>(2020/2021: Not achieved – 1)</p>
KPI 9.5: Percentage of non-working dogs subject to the responsible owner category	85%	90%	<p>Achieved</p>

Performance measures – environmental services

			<p>There are two criteria for receiving the responsible owner discount:</p> <p>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.</p> <p>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.</p> <p>Further discounts apply if the dog is spayed/neutered and/or the dog is in a fenced/control property (2020/2021: Achieved – 90%)</p>
KPI 9.6: Number of incidents ² of foodborne illness believed ³ to be caused by food sold at a Council-verified business	0	0	<p>Achieved</p> <p>There have been no incidents of foodborne illness caused by food sold at a Council-verified business for the 2021/2022 year. A verified business is a business who is registered and holds a food registration with Council. (2020/2021: Achieved - 0)</p>
KPI 9.7: Onsite Building Warrant of Fitness (BWOFF) audits completed in the community	20% of buildings audited	20% of buildings audited	<p>Achieved</p> <p>The team achieved the target of 20% Building Warrant of Fitness (BWOFF) audits for the year. (2020/2021: no result available - new measure in 2021 LTP)</p>
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	27	<p>Achieved</p> <p>The Community Response Plans (CPRs) have been reviewed over the year. As Covid-19 restrictions have eased towards the end of the financial year Emergency Management Southland staff are</p>

Performance measures – environmental services

			conducting more face-to-face community meetings enabling the review process to continue. (2020/2021: Achieved - 27)
KPI 10.2 – Percentage of surveyed households that have an emergency plan (written or verbal)	≥ 60%	48%	Not achieved Emergency Management Southland has changed the survey methodology starting this financial year. The survey was conducted by an independent company. The new methodology provided better community representation. The result was 48% of the community that have created or discussed a house hold emergency plan. (2020/2021: Achieved – 88%)

1. This is not intended to capture injuries from dog bites within a home environment.

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

2020/2021 Budget (AP) (\$000)	2020/2021 Budget (LTP) (\$000)		2020/2021 Actual (\$000)	2021/2022 Actual (\$000)	2021/2022 Budget (LTP) (\$000)
		<i>Sources of operating funding</i>			
2,503	2,503	General rates, uniform annual general charges, rates penalties	2,507	4,794	4,792
-	-	Targeted rates	-	-	-
16	16	Subsidies and grants for operating purposes	92	6	10
2,915	2,915	Fees and charges	2,633	3,593	3,678
358	358	Internal charges and overheads recovered	343	651	657
46	46	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	59	167	198
5,839	5,839	Total operating funding	5,634	9,212	9,336
		<i>Applications of operating funding</i>			
3,888	3,888	Payments to staff and suppliers	4,604	4,919	6,099
-	-	Finance costs ²	-	-	2
2,025	2,025	Internal charges and overheads applied ²	1,806	3,223	3,448
337	337	Other operating funding applications	345	437	419
6,250	6,250	Total applications of operating funding	6,755	8,579	9,968
(411)	(411)	Surplus (deficit) of operating funding	(1,122)	633	(632)
		<i>Sources of capital funding</i>			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(14)	(14)	Increase (decrease) in debt	285	27	105
32	21	Gross proceeds from sale of assets	8	10	-
-	-	Lump sum contributions	-	-	-
7	7	Total sources of capital funding	293	37	105
		<i>Applications of capital funding</i>			
		Capital expenditure			
-	-	▪ to meet additional demand	-	-	-
-	-	▪ to improve the level of service	121	102	109
-	-	▪ to replace existing assets	50	35	-
73	73	Increase (decrease) in reserves	(776)	821	(516)
(478)	(478)	Increase (decrease) in investments	(224)	(288)	(120)
(405)	(405)	Total applications of capital funding	(829)	670	(527)
411	411	Surplus (deficit) of capital funding	1,122	(633)	632
-	-	Funding balance	-	-	-

¹ includes all other operating funding from sources not identified in the table.

² interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2021/2022 was \$7,000 (2021: \$2,000).

Funding impact statement – budget variations

Fees and charges were lower than budget. While building regulation and resource consent processing had high numbers of consents during the year, a large portion of work associated with these consents was still to be completed at 30 June, meaning that a portion of the income for these pre-paid consents is excluded from the financial results. In addition, lower income was received for alcohol/health licensing due to Covid-19 impacting the hospitality sector.

Payments to staff and suppliers were below budget due to delays recruiting staff in the building regulation area and for projects in resource management related to climate change/spatial planning and biodiversity. Accordingly, these delays reduced the amount of funding required from reserves and debt.

Investments were lower than budget following an increase in liabilities associated with consents paid for in advance but for which work was yet to be completed.

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 8. 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. Council tries to mitigate these negative effects as much as possible.

How we did – key highlights and projects

Work programme

- A \$3 million bridge replacement project was completed, with more bridges rebuilt than originally proposed. A total of 22 bridges were replaced, more than the 18 scheduled.
- There was a disruptive start due to the Waka Kotahi NZ Transport Agency funding changes in the LTP and the rate of cost increases impacted on the programme. The increased funding was scheduled for year two and three and built into the work programme.
- 95% of the resurfacing programme was completed.
- There were some weather challenges but it was generally a good season. Dry weather is better for construction but means more dust and heat can cause bleeding of the bitumen surfaces, cracks and depressions and affect the grading as there is no moisture in the road.
- Slip repair work was carried out in Monowai and Riverton (Bay Road).

Technology

- The district is seeing more charging stations for electric vehicles appearing but uptake remains low.

Dust suppression – Otta seal programme

- In the 2021-2031 LTP submitters requested that Council consider options such as Otta seal to help mitigate the effect dust is having on residences near gravel roads. In response budget was set aside for a joint initiative with homeowners to assist with dust suppression controls including laying Otta seal.
- As a result of the LTP submissions a new initiative was created where we subsidise Otta seal in problem areas and homeowners pay 50% of the cost. There was a large uptake, with the programme being oversubscribed. In total, 26 sites were provided with an Otta seal treatment of around 150 metres to help with dust suppression. Weather assisted with making this happen. Council is committed to a five-year maintenance period.

Footpaths

- The team re-consulted with community boards about prioritised footpath projects and chose a strategy of delaying the delivery of the programme. This had timing and delivery implications.

Road safety

- The Speed Limit Bylaw adopted on 12 August 2020 set speed limits in the district to enhance public safety. Subsequently a national Land Transport Rule: Setting of Speed Limits 2022 came into force on 19 May 2022, which included the setting of speed limits for schools - 30kmh for city schools (unless the speed limit was 40kmh on 20 April 2021) and 60kmh or less for rural schools. These speed limits must be 40% implemented by 30 June 2024 and fully implemented by 31 December 2027.
- This rule establishes an integrated speed management planning process that considers how safety infrastructure, safety cameras and speed limits can be combined effectively to help achieve a safe transport system. Speed management plans are the primary means by which proposed speed limits changes are developed, shared and certified. The rule came into force on 19 May 2022.
- The Drive My Life programme facilitated by Southern REAP helped people, especially young mums, to get their full driving licences.

Water facilities

- In July 2021, it was announced that funding would be provided from the government's Tourism Infrastructure Fund (TIF) for several Council projects. The Fiordland area received \$1,100,000 to upgrade the boat ramp, toilets, car park and replace the gabion basket retaining wall at Pearl

Harbour, Manapouri. Additional work was carried out to upgrade the access road and toilets at Fraser's Beach, Manapouri. Funding of \$440,000 was received for the replacement of two boat ramps in Te Anau to meet the required standards 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. The Ulva Island jetty project will be a multi-year project.

Cycle trail

- The Around the Mountains Cycle Trail surface continues to receive good feedback following the flood repairs in October 2020. Regular maintenance is undertaken to keep the trail in good condition.
- Feedback from local businesses has been positive about the number of cyclists using the trail. The numbers of cyclists and pedestrians continues to increase year on year with a 20% increase over the last year.
- The Around the Mountains Cycle Trail Trust was established in the latter part of 2021 by Southland District Council and is made up of seven local trustees with a range of skills and experience. The purpose of the trust is to manage the user experience and marketing aspects of the cycle trail. They see a key priority is developing a strategic vision for the trail. The trust met with the community and is holding monthly meetings.
- The Ministry of Business, Innovation and Employment (MBIE) has confirmed that trail manager funding will be extended to the 2024/2025 financial year.
- New Zealand Cycle Trails has a signage project for all 23 Great Rides around New Zealand. The Kingston and Mossburn signs were installed in the second half of 2022.

Airport

- The airport achieved/retained its part 139 certification
- Covid-19 severely impacted on tourist numbers into the area. There was a good number of light aircraft landings with 1281, which is about normal, but only five large planes landed, which is well down as they normally average around 55.

Performance measures

This activity has nine KPIs. Six were achieved, two were not achieved and one target was not measured this year.

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 (19 compared with 11). Half of the crashes were found to have alcohol as a factor

There were 58 capital expenditure projects in total for this activity group. There were eight completed, 46 were still in progress, two were not started, and two were deleted.

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			
How we measure performance	Target	Result	How council performed
KPI 12.1: Condition of the sealed road network – The average quality of ride on sealed local road network measured by smooth travel exposure ¹ .	Smooth Travel Exposure ¹ of ≥ 97%	-	Not measured Data is collected biennially and is not next collected until February 2023. The survey result from February 2021 was 99% as reported in the 2020/21 end of year report. Overall network condition remains stable. (2020/2021: Achieved – 99%)
KPI 12.2: Percentage of gravel road tests where road roughness ² meets acceptable standards	≥85%	89%	Achieved The 2021/2022 RoadRoid survey was completed during November/December last year and achieved a score of 89.2%, which exceeds the target of 85%. This score is consistent with results of previous year audits. (2020/2021: Achieved – 88%)
KPI 12.3: Maintenance of a sealed local road network - The percentage of sealed local road network that is resurfaced	6.5%	6.2%	Not Achieved For the 2021/2022 reseal season, 827,497m ² have been resurfaced, which is approximately 6.2% of the sealed network (based on total area at the time of LTP adoption). The reason this fell short of the target of 6.5% (or 870,000m ²) is the intervention type required and bitumen cost increases versus the budget available. (2020/2021: Achieved – 7.8%)

KPI 12.4: Response to service requests – The percentage of customer service requests relating to roads and footpaths to which the Council responds within the required timeframes ³	≥90%	92%	Achieved The percentage of requests responded to within acceptable timeframes is 92% for the year - which is above the minimum target of 90%. This continues to be a focus area of improvement. (2020/2021: Achieved – 93%)
KPI 12.5: Road safety – 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)	19	Not achieved As at year end there are 19 serious injury or fatality crashes. This is higher than last year's result. 50% of these crashes had alcohol as a suspected contributing factor. The mitigations for this KPI include road safety education and initiatives relating to reducing the contributing factors of crashes such as alcohol, fatigue and speed . In order to have met the target the result would have to have been 10. (2020/2021: Achieved - 11)
KPI 12.6: Footpath condition ⁴ – 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 program or long term plan).	≥70%	95%	Achieved The footpath survey was completed during April this year and 95% were in an acceptable standard. 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. (2020/2021: Achieved - 90.7%)
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. (2020/2021: no result available - new measure in 2021 LTP)
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, which is a duration of five years. (2020/2021: no result available - new measure in 2021 LTP)
Water facilities			
Level of service 13: Council provides safe and well-maintained water facilities to enable public enjoyment and access 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 17 requests for service, all of which were completed on time.

			(2020/2021: no result available - new measure in 2021 LTP)
<p>1 - Smooth travel exposure is an index that determines the proportion of travel on sealed roads which are smoother than a defined threshold.</p> <p>2 - Road roughness is measured by RoadRoid testing.</p> <p>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.</p> <p>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.</p>			

Funding impact statement - transport

2020/2021 Budget (AP) (\$000)	2020/2021 Budget (LTP) (\$000)		2020/2021 Actual (\$000)	2021/2022 Actual (\$000)	2021/2022 Budget (LTP) (\$000)
		<i>Sources of operating funding</i>			
293	293	General rates, uniform annual general charges, rates penalties	291	977	969
13,411	13,411	Targeted rates	13,432	15,822	15,810
6,509	6,509	Subsidies and grants for operating purposes	8,895	6,682	6,316
68	68	Fees and charges	46	46	40
706	706	Internal charges and overheads recovered	469	380	374
1,043	1,043	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	1,215	1,433	1,115
22,031	22,031	Total operating funding	24,343	25,339	24,624
		<i>Applications of operating funding</i>			
14,173	14,173	Payments to staff and suppliers	16,199	13,945	13,435
-	-	Finance costs ²	-	-	237
1,776	1,776	Internal charges and overheads applied ²	1,345	2,489	2,296
337	337	Other operating funding applications	107	209	202
16,287	16,287	Total applications of operating funding	17,651	16,644	16,170
5,744	5,744	Surplus (deficit) of operating funding	6,697	8,695	8,454
		<i>Sources of capital funding</i>			
9,311	9,311	Subsidies and grants for capital expenditure	9,292	8,215	9,556
-	-	Development and financial contributions	7	30	-
1,222	1,222	Increase (decrease) in debt	1,634	(271)	2,258
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
10,532	10,532	Total sources of capital funding	10,933	7,975	11,814
		<i>Applications of capital funding</i>			
		<i>Capital expenditure</i>			
-	-	▪ to meet additional demand	80	-	-
2,179	2,179	▪ to improve the level of service	1,765	1,079	2,527
15,870	15,870	▪ to replace existing assets	17,488	15,153	18,185
(1,773)	(1,773)	Increase (decrease) in reserves	(1,704)	472	(409)
-	-	Increase (decrease) in investments	-	(35)	(35)
16,276	16,276	Total applications of capital funding	17,630	16,670	20,263
(5,744)	(5,744)	Surplus (deficit) of capital funding	(6,697)	(8,695)	(8,454)
-	-	Funding balance	-	-	-

¹ includes all other operating funding from sources not identified in the table.

² interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2021/2022 was \$245,000 (2021: \$449,000).

Funding impact statement – budget variations

Subsidies and grants for operating purposes and payments to staff and suppliers were higher than budget due to higher costs for drainage and streetlight maintenance, electricity costs as well as the continuation of works to reinstate the lower Hollyford Road following repeated flooding events, all of which received funding contributions from Waka Kotahi NZ Transport Agency. Payments to staff and suppliers and other local authority operating funding was also higher than budget as a result of the introduction of a dust suppression subsidy for Otta seal with the work co-funded by Council and individual households on gravel roads. Finance costs are less than budgeted 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.

Subsidies and grants for capital expenditure and capital expenditure to improve assets and replace existing assets were all below budget due to a number of reasons. Bridge and footpath replacements were delayed as a result of contractor unavailability and roading drainage work has been delayed until the following year. Footpath improvements were reduced as a result of lower subsidy funding available from Waka Kotahi, which also reduced the number of minor road improvement projects carried out during the year. Capital expenditure and associated subsidies and grants were also lower than budget as a result of planning work for the Ulva Island jetty replacement taking longer than expected, affecting the timing of grant funding for these projects. Physical works to improve boat ramps at Manapouri and Te Anau were delayed by design and consenting process and the project to resurface the Te Anau Airport Manapouri runway has been delayed until investigations are completed. Accordingly, this reduction in capital expenditure resulted in a decrease in the level of debt and reserve funding required.

Three waters reforms

The government's three waters reform proposal has had a significant impact on activities.

The proposal, released in July 2020, is for a programme to change the way drinking water, wastewater and stormwater are delivered to improve public health, environmental and economic outcomes.

The government is proposing a small number of larger regional service delivery entities would provide these services, rather than the 67 individual councils that currently do.

Working with councils, iwi and water industry leaders, the government has created a plan to make sure New Zealand's three waters system is in good condition to meet challenges such as population growth, climate change and natural disasters.

Under this plan four new publicly owned Water Services Entities will run New Zealand's drinking water, wastewater and stormwater services – currently operated by councils on behalf of communities.

The entities will benefit from scale and operational efficiencies and reflect neighbouring catchments and communities of interest. The government's ongoing partnership with the local government sector and mana whenua is central to this plan.

At the same time as the proposal was released, a multi-million-dollar stimulus funding package was announced to maintain and improve three waters infrastructure and support the introduction of the reform programme. Funding was given to councils, including Southland District Council, that agreed to participate in the programme's first stage. We received a total of \$13.53 million, which was being used to carry out pipe replacements and improve water treatment facilities across the district, as well as condition assessments of sewerage and stormwater assets.

Collaboration through a contracting panel set up with Invercargill City Council created efficiencies in the procurement of stimulus work by determining value for money, a competitive process, and streamlined delivery.

A new national regulatory agency, Taumata Arowai, was set up. It became fully operational following the commencement of the Water Services Act on 15 November 2021, taking over as the drinking water regulator from the Ministry of Health.

In late October 2021 the government announced that it would be mandatory for councils to take part in the reforms, with all entities to be operational by 1 July 2024.

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 which 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 8. 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

- The stormwater activity group is now district funded and the team is planning a gradual upgrade over the whole network during the 2021-2031 LTP period.
- The government's three waters stimulus funding enabled good progress with smaller projects, as well as major projects at:
 - Woodlands: increased capacity and underground pipe replacement.
 - Wyndham: new outfall constructed and pipes and swales upgraded to the bottom of the network.
- The stimulus funding also enabled condition assessments of the infrastructure to be undertaken. These assist with planning and prioritisation of future projects. Other projects completed included:
 - Stewart Island/Rakiura: upgrade on Main Street.
 - Orepuki: Outfall improvement and stormwater upgrade
 - Riverton: Upgrade to drainage that flowed into private property on Towack Street.
- When undertaking infrastructure renewals, larger diameter pipes are now being used to ensure the system is able to cope with larger and more frequent events.

Performance results

This activity has five KPIs with nine targets. Eight targets were achieved, and one was not achieved. The target that was not achieved was due to an increase in the cost per connection calculation, which had a higher than expected depreciation charge due to an increase in the valuation.

There were nine capital expenditure projects in total for this activity group. There were five completed, two were still in progress and two were not started.

Performance measures – stormwater			
Level of service 11: Provide a reliable stormwater system that protects public health and the environment			
How we measure performance	Target	Result	How council performed
<p>KPI 11.1: System adequacy - Overflows resulting from the stormwater system that result in the flooding of a habitable floor¹</p> <p>(a) The number of "flooding events" that occur within the district.</p> <p>(b) For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the council stormwater system).</p>	<p>a) ≤ 5</p> <p>b) ≤ 1</p>	<p>a) 0</p> <p>b) 0</p>	<p>Achieved</p> <p>The DIA mandatory measure methodology defines flooding events as those that affect "habitable floors". There were no overflow events recorded from the storm water system that affected habitable floors for the year.</p> <p>(2020/2021 – Achieved – 0)</p> <p>Achieved</p>

			There were no flooding events that affected habitable floors (2020/2021– Achieved – 0)
<p>KPI 11.2: Discharge compliance - Compliance with the resource consents for discharge from the stormwater system, measured by the number of:</p> <p>(a) abatement notices (b) infringement notices (c) enforcement orders (d) successful prosecutions, received in relation to those resource consents.</p>	<p>a) 0 b) 0 c) 0 d) 0</p>	<p>a) 0 b) 0 c) 0 d) 0</p>	<p>Achieved No abatement notices issued. (2020/2021: Achieved - 0) Achieved No infringements issued. (2020/2021: Achieved - 0) Achieved No enforcement orders issued. (2020/2021: Achieved - 0) Achieved No prosecutions. (2020/2021: Achieved - 0)</p>
KPI 11.3: Response to stormwater issues - 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	<p>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. (2020/2021: Achieved – 0)</p>
KPI 11.4: Customer satisfaction – The number of complaints received about the performance of Council’s stormwater system, expressed per 1000 properties connected to the stormwater system.	≤ 15 per 1000 properties	2 per 1000 properties	<p>Achieved There were 22 requests for service which expressed per 1000 properties as a whole number is 2. (2020/2021: Achieved – 4)</p>
KPI 11.5: Percentage of monitoring results that show compliance with resource consent conditions.	100%	90%	<p>Not achieved 90% of samples are compliant for the 2021/2022 year. Non-compliances were at Dipton for E-coli and Nightcaps for total ammoniacal nitrogen. There is an ongoing investigation to find the sources. (2020/2021: no result available - new measure in 2021 LTP)</p>
1. 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

2020/2021 Budget (AP) (\$000)	2020/2021 Budget (LTP) (\$000)		2020/2021 Actual (\$000)	2021/2022 Actual (\$000)	2021/2022 Budget (LTP) (\$000)
		<i>Sources of operating funding</i>			
		General rates, uniform annual general charges, rates penalties		363	361
485	485	Targeted rates	485	736	758
		Subsidies and grants for operating purposes	43	479	400
		Fees and charges	2	-	-
62	62	Internal charges and overheads recovered	52	57	77
		Local authorities fuel tax, fines, infringement fees, and other receipts ¹		-	-
547	547	Total operating funding	581	1,635	1,596
		<i>Applications of operating funding</i>			
274	274	Payments to staff and suppliers	246	865	977
		Finance costs ²		-	19
154	154	Internal charges and overheads applied ²	148	607	613
		Other operating funding applications		-	-
428	428	Total applications of operating funding	394	1,472	1,610
119	119	Surplus (deficit) of operating funding	188	163	(13)
		<i>Sources of capital funding</i>			
		Subsidies and grants for capital expenditure	603	1,758	1,658
		Development and financial contributions		-	-
(33)	(33)	Increase (decrease) in debt	(336)	(156)	443
		Gross proceeds from sale of assets		-	-
		Lump sum contributions		-	-
(33)	(33)	Total sources of capital funding	266	1,602	2,102
		<i>Applications of capital funding</i>			
		Capital expenditure			
		▪ to meet additional demand			
20	20	▪ to improve the level of service	494	736	728
		▪ to replace existing assets	108	1,031	1,480
65	65	Increase (decrease) in reserves	(149)	22	(96)
		Increase (decrease) in investments	-	(24)	(24)
85	85	Total applications of capital funding	454	1,765	2,083
(119)	(119)	Surplus (deficit) of capital funding	(188)	(163)	13
-	-	Funding balance	-	-	-

¹ includes all other operating funding from sources not identified in the table.

² interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2021/2022 was \$28,000 (2021: \$46,000).

Funding impact statement – budget variations

Payments to staff and suppliers were underspent with less monitoring and investigations required given the focus on completing condition assessments of the pipe network as part of the three waters stimulus projects. Finance costs are less than budgeted 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.

Subsidies and grants for operating and capital purposes were higher than budget due to the timing of when government funding was received for three waters stimulus projects to improve the stormwater network in Woodlands and Stewart Island/Rakiura and undertake condition assessments. While these projects were started in 2020/2021, they were not completed until 2021/2022, which affected the timing of when the grants were received.

Capital expenditure was lower than budget with projects to replace stormwater mains in Winton delayed until the condition assessment work was completed to confirm pipe replacement priorities. As a result of this, the loans required to fund capital projects were also lower than budgeted. Reserves increased as a result of the underspends in payments to staff and suppliers.

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 8. 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 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 manages 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

- The Te Anau wastewater treatment plant and Kepler dispersal field project was completed in December 2021.
- An upgrade of sewer pipes to increase capacity in Caswell Road, Te Anau, was completed.
- Stewart Island/Rakiura's wastewater treatment plant was upgraded to automate the dispersal field and ensure uniform saturation across the field
- Safety ladders were installed in all district wastewater ponds.
- An iodine infiltration and inflow study was carried out at Ohai and Riversdale in order to establish if stormwater infiltration is occurring.
- The Monowai wastewater system was cleaned and optimised.
- Capacity modelling of networks was undertaken using CCTV and conditions assessments.
- Pre-work has been undertaken for the operations and maintenance contract renewal.
- A working group was established to agree on options for Manapouri and consultation was undertaken.
- The Tokanui wastewater pond embankments and associated beautification plantings project was completed.
- Preliminary work began on the Riversdale waste treatment plant upgrade project.

Performance results

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

There were 22 capital expenditure projects in total for this activity group. There were nine completed, 12 were still in progress and one was deleted.

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: System and adequacy – The number of dry weather ¹ 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 six overflow service requests and only one was identified as a dry weather wastewater (sewerage) overflow. Calculation for number of dry weather overflows per 1000 connections is $(1/9,658) \times 1000 = 0.103$. Therefore, there is 0 (rounded to the nearest whole number) dry weather wastewater overflow. (2020/2021: Achieved – less than 1)

KPI 14.2: Response to wastewater (sewerage) system faults - 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 ² measured: (a) Attendance time: from the time of notification to the time when service personnel reach the site; and (b) Resolution time: from the time of notification to the time that service personnel confirm resolution ¹ of the blockage or other fault	a) ≤1 hour	19 minutes	Achieved The median response time for the five service requests for the year is 9.6 minutes which is within the expected attendance (response time) of 1 hour. (2020/2021: Achieved – 17 minutes) Achieved The median response time for the five service requests for the year is 59.4 minutes, which is within the expected attendance (response time) of 6 hours. (2020/2021: Achieved – 2 hours 58 minutes)
	b) ≤6 hours	59.4 minutes	
KPI 14.3: Customer satisfaction – 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	4 per 1,000 connections	Achieved There were 41 requests for service for the year. The complaints include 33 calls related to blockages, 2 for sewer main damage and 6 for sewer odour issues. The calculation for the total number of sewerage system complaints is $(41/9,658) \times 1000 = 4.245$. The number of sewerage system complaints for the year is 4 (rounded to the nearest whole number) and is within the target number of customer satisfaction which is 8 per 1000 connections. (2020/2021: Achieved – 6)
KPI 14.4: Discharge compliance - 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 from 1st July 2021 till 30 June 2022. (2020/2021: Achieved – 0)
(b) Infringement notices	0	0	Achieved There were no infringement notices issued from 1st July 2021 till 30 June 2022. (2020/2021: Achieved – 0)
(c) Enforcement orders	0	0	Achieved There were no enforcement notices issued from 1st July 2021 till 30 June 2022. (2020/2021: Achieved – 0)
(d) Convictions received in relation to the resource consents	0	0	Achieved There were no successful prosecutions from 1 July 2021 till 30 June 2022. (2020/2021: Achieved – 0)
KPI 14.5: Percentage of monitoring results that show compliance with resource consent conditions.	100%	95%	Not Achieved

		<p>In the financial year, 366 samples out of 387 were compliant, which is 95% compliant. For the 21 non-compliant samples these were in Oban, Ohai, Te Anau and Winton. Improvements will be made to Oban upon completion of the discharge pipe network, Ohai is due to have a larger ultra-violet unit installed at the end of 2022, Te Anau after the artificial wetland is filled in, estimated for May 2023, and Winton will see improvements after the new resource consent to land is completed in 2027.</p> <p>(2020/2021: no result available - new measure in 2021 LTP)</p>
<p>1 - 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.</p>		

Funding impact statement - wastewater

2020/2021 Budget (AP) (\$'000)	2020/2021 Budget (LTP) (\$'000)		2020/2021 Actual (\$'000)	2021/2022 Actual (\$'000)	2021/2022 Budget (LTP) (\$'000)
		<i>Sources of operating funding</i>			
-	-	General rates, uniform annual general charges, rates penalties	-	651	646
3,905	3,903	Targeted rates	3,940	4,075	4,094
-	-	Subsidies and grants for operating purposes	140	864	800
-	-	Fees and charges	3	25	-
139	139	Internal charges and overheads recovered	116	187	187
33	33	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	48	94	33
4,077	4,075	Total operating funding	4,246	5,895	5,760
		<i>Applications of operating funding</i>			
1,954	1,952	Payments to staff and suppliers	2,611	3,345	3,311
-	-	Finance costs ²	-	-	305
840	840	Internal charges and overheads applied ²	674	1,961	1,604
-	-	Other operating funding applications	80	-	-
2,794	2,791	Total applications of operating funding	3,365	5,307	5,221
1,283	1,283	Surplus (deficit) of operating funding	881	590	539
		<i>Sources of capital funding</i>			
2,000	2,000	Subsidies and grants for capital expenditure	2,295	3,755	1,450
-	-	Development and financial contributions	-	25	-
10,174	10,174	Increase (decrease) in debt	12,601	(120)	2,712
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
12,174	12,174	Total sources of capital funding	14,896	3,660	4,163
		<i>Applications of capital funding</i>			
		<i>Capital expenditure</i>			
4,340	4,340	▪ to meet additional demand	5,727	1,060	905
8,157	8,157	▪ to improve the level of service	9,829	3,979	5,235
94	94	▪ to replace existing assets	232	283	-
867	867	Increase (decrease) in reserves	(10)	(1,025)	(1,390)
-	-	Increase (decrease) in investments	-	(48)	(48)
13,457	13,457	Total applications of capital funding	15,777	4,250	4,702
(1,283)	(1,283)	Surplus (deficit) of capital funding	(881)	(590)	(539)
-	-	Funding balance	-	-	-

¹ includes all other operating funding from sources not identified in the table.

² interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2021/2022 was \$439,000 (2021: \$297,000).

Funding impact statement – budget variations

Subsidies and grants for operating and capital purposes exceeded budget due to additional government funding received for the Te Anau wastewater treatment plant upgrade and the timing of when government funding for other three waters stimulus projects was received. Finance costs are 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.

Capital expenditure is under budget for the year with the Riversdale wastewater treatment plant upgrade behind schedule. As a result of this and the additional government funding for the Te Anau wastewater project, the loans required to fund capital projects were also lower than budgeted.

Reserves are lower than 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 being held in reserve, with reserves decreasing as a result.

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 8. 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

- The \$4.2 million AC water main renewals at Lumsden, Ohai, Riverton (Rocks Highway and Havelock Street), Te Anau (Caswell Street and Lakefront Drive) and Tuatapere were completed.
- A new building was completed at the Riverton treatment plant to house the UV units.
- The Sandy Brown Road booster station in Te Anau was upgraded for capacity and firefighting purposes.
- Plant compliance and monitoring equipment upgrades to anticipate changes to the drinking water standards were completed.
- A number of replacements of AC pipes were completed around the district
- Investigations were undertaken into a new water source for the Eastern Bush-Otahu Flat water plant upgrade.
- Investigations were made into source water quality for the Manapouri water treatment plant upgrade.

Performance results

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

Of the four 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.

KPI 15.5 - The calculation is based on the total treated water network water supplied from all plants and sources in litres per year and the normal population serviced. Being a district council, the water supplied from all sources also includes stock water sources, which means there is a higher number of litres of

water consumed within the year and a small resident population. The large amount of water and the small population base skews the overall result and this increases the average consumption per resident, per day result.

There were 29 capital expenditure projects in total for this activity group. There were 7 completed, 17 are still in progress and 5 were not started.

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: Fault response times – 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 ¹ : from the time Council receives notification to the time that service personnel reach the site;	a) ≤ 1 hour	a) 10.2 minutes	Achieved The median response time to attend urgent call-outs to the 19 requests for service is 10.2 minutes for the year, which is within the expected attendance (response time) target of 1 hour. (2020/2021: Achieved – 15 minutes)
(b) <u>resolution</u> of urgent call-outs ¹ : from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption;	b) ≤ 6 hours	b) 3 hours, 24 minutes	Achieved The median response time to resolve urgent call-outs to 19 requests for service is 3 hours and 24 minutes for the year, which is within the expected attendance (resolution time) of 6 hours. (2020/2021: Achieved 4 hours, 51 minutes)
(c) <u>attendance for non-urgent call-outs</u> ¹ : from the time that Council receives notification to the time that service personnel reach the site; and	c) ≤ 4 hours	c) 44 minutes	Achieved The median response time to attend non-urgent call-outs to 583 requests for service is 44 minutes, which is within the expected attendance (resolution time) of 4 hours. (2020/2021: Achieved – 1 hour, 6 minutes)
(d) <u>resolution of non-urgent call-outs</u> ¹ : from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	d) ≤ 24 hours	d) 21 hours, 21 minutes	Achieved The median response time to resolve non-urgent call-outs to 583 requests for service is 21 hours and 21 minutes, which is within the expected attendance (resolution time) of 24 hours. (2020/2021: Achieved – 20 hours, 20 minutes)
KPI 15.2: Customer satisfaction – 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 1000 connections to Council's networked reticulation system.	≤10 per 1,000 connections	14 per 1,000 connections	Not achieved There are 115 total service requests for the year. There were 28 calls related to water quality (smell, taste, colour, clarity), 43 for water supply and 44 for low pressure issues. The calculation for the total number of water system complaints is (115/8,057)*1000=14.27. Therefore, there are 14.27 per 1000 connections total number of drinking water complaints for the year. The total number of drinking water complaints exceeded the target number of customer satisfaction which is 10 per 1000 connections. Most of the exceedance is due to water supply shortage, low pressure and water quality complaints because of drought during summer.

			(2020/2021: Achieved – 6)																																				
KPI 15.3: Drinking water safety – The extent to which the Council drinking water supplies complies with: (a) drinking water standards (bacteria compliance criteria) and	a) 100%	a) 91%	<p>a) Not achieved</p> <p>10 of the 11 plants throughout the district are compliant.</p> <table><tr><th>Plant</th><th>Met</th><th>Reason</th></tr><tr><td>Edendale</td><td>Yes</td><td></td></tr><tr><td>Eastern Bush-Otahu Flat</td><td>No</td><td>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 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 (either 2022/2023 or 2023/2024).</td></tr><tr><td>Lumsden/Balfour</td><td>Yes</td><td></td></tr><tr><td>Manapouri</td><td>Yes</td><td></td></tr><tr><td>Mossburn</td><td>Yes</td><td></td></tr><tr><td>Ohai/Nightcaps</td><td>Yes</td><td></td></tr><tr><td>Otautau</td><td>Yes</td><td></td></tr><tr><td>Riverton</td><td>Yes</td><td></td></tr><tr><td>Te Anau</td><td>Yes</td><td></td></tr><tr><td>Tuatapere</td><td>Yes</td><td></td></tr><tr><td>Winton</td><td>Yes</td><td></td></tr></table> <p>(2020/2021: Not achieved – 91%)</p>	Plant	Met	Reason	Edendale	Yes		Eastern Bush-Otahu Flat	No	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 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 (either 2022/2023 or 2023/2024).	Lumsden/Balfour	Yes		Manapouri	Yes		Mossburn	Yes		Ohai/Nightcaps	Yes		Otautau	Yes		Riverton	Yes		Te Anau	Yes		Tuatapere	Yes		Winton	Yes	
Plant	Met	Reason																																					
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Eastern Bush-Otahu Flat	No	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 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 (either 2022/2023 or 2023/2024).																																					
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Ohai/Nightcaps	Yes																																						
Otautau	Yes																																						
Riverton	Yes																																						
Te Anau	Yes																																						
Tuatapere	Yes																																						
Winton	Yes																																						
KPI 15.3: Drinking water safety – The extent to which the Council drinking water supplies complies with: (b) drinking water standards (protozoal compliance criteria).	b) 100%	b) 36%	<p>b) Not achieved</p> <p>Four of the 11 plants throughout the district are compliant and seven plants were non-compliant. In order to achieve protozoal compliance with the standard, each plant must continue to record and transmit compliant data every minute of the year. For Southland district this is at times problematic given the number of plants across a large geographical expanse that at times encounters connectivity and</p>																																				

automation issues. A steady programme of investment over a number of years is **under** way to resolve these issues and increase connectivity and automation resilience. In the interim, based on ongoing testing results and the level of bacterial compliance, the very short (relatively across the year) periods of intermittent non-compliances are assessed as a very low risk.

Plant	Met	Reason for non compliance
Edendale	No	Edendale / Wyndham was 6 minutes non-compliant due to low or no UV dose. This issue has been rectified.
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 (either 2022/2023 or 2023/2024). 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	Yes	
Manapouri	No	Manapouri was 604 minutes (10 hours, 4 minutes) non-compliant over 6 periods due to high turbidity (> 1 NTU). The plant upgrade in 2022/2023 will mitigate this issue .
Mossburn	No	Mossburn was 177 minutes (2 hours, 57 minutes) non-compliant over 4 periods due to turbidity spikes in the water, mainly caused by air in the turbidity meter feed line .
Ohai/Nightcaps	No	Ohai was non-compliant for 1 day due to the automated integrity test not being undertaken. The plant supplier is amending the plant programming to prevent this from occurring.
Otautau	Yes	
Riverton	Yes	
Te Anau	Yes	
Tuatapere	No	Tuatapere is technical non-compliant due to a cartridge filtration issue. The plant requires treatment to 4 log credits. The plant does meet 3 log credits with UV

			<table><tr><td></td><td></td><td>treatment. The filter is being used which gives a further 2 log credits, but the filter housing is not validated. (It is an old filter housing and the manufacturer is no longer operating) The options to remedy this are being investigated at present.</td></tr><tr><td>Winton</td><td>No</td><td>Winton was 28 minutes non-compliant over 9 periods. These were caused by either air spikes in the long pumping main or power spikes at the plant. This is currently being investigated.</td></tr></table>			treatment. The filter is being used which gives a further 2 log credits, but the filter housing is not validated. (It is an old filter housing and the manufacturer is no longer operating) The options to remedy this are being investigated at present.	Winton	No	Winton was 28 minutes non-compliant over 9 periods. These were caused by either air spikes in the long pumping main or power spikes at the plant. This is currently being investigated.
		treatment. The filter is being used which gives a further 2 log credits, but the filter housing is not validated. (It is an old filter housing and the manufacturer is no longer operating) The options to remedy this are being investigated at present.							
Winton	No	Winton was 28 minutes non-compliant over 9 periods. These were caused by either air spikes in the long pumping main or power spikes at the plant. This is currently being investigated.							
			(2020/2021: Not achieved – 73%)						
KPI 15.4: Maintenance of the reticulated network – The percentage of water lost from the Council’s networked reticulation system ²	≤25%	16%	Achieved The water loss calculation is the weighted averaged percentage loss reduction per urban drinking water supply. The result for this KPI is influenced by a lack of district -wide metering and Covid-19 meant there was a drop in consumption in Te Anau by 36% due to a lack of tourists, which impacted on the calculation. The calculation relies on the accurate capture of water use at points of supply (i.e. houses, motels and businesses etc.) Of the 3.5 million cubic metres of water produced annually only 4% of the total network (144,000 cubic metres) is metered (i.e. measured usage). Part of the calculation is based on the estimated unmetered usage to 6,800 properties comprising 7,900 district water rates. It is estimated that almost 1 million cubic metres of water is supplied to rural properties. The DIA requested that the Lumsden-Balfour and Eastern Bush schemes be included in the calculation (but they are primarily stock schemes so include stock such as cows which consume a large quantity of water). The only township that is currently metered is Te Anau so for all other areas that don’t have district -wide metering mean it is difficult to determine how much water is lost from the networked reticulation system on a district-wide basis. Water loss reporting will generally follow a downward trend as old infrastructure (e.g. asbestos mains) are replaced and targeted leak detection is employed to various schemes to reduce annual leakage. The ongoing infrastructure renewals have led to an improvement within the overall network in the percentage of water losses. (2020/2021: Achieved - 24%)						
KPI 15.5: Demand management – The average consumption of drinking water per day, per resident within the territorial authority district.	≤ 850 litres per person per day	919 litres per person per day	Not achieved The calculation is based on the total treated water network water supplied from all plants and sources in litres per year, and the normal population serviced. The small population within the district skews the results. Larger urban areas such as Auckland, Wellington and Christchurch quote consumptions ranging from 270 to 400 litres/person/day.						

			<p>The total treated water network includes schemes at Lumsden-Balfour and Eastern Bush-Otahu Flat that also service stock.</p> <p>(2020/2021: Not achieved – 891 litres)</p>
<p><i>1 - 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</i></p> <p><i>2 - The water loss calculation is the weighted averaged percentage loss reduction per urban drinking water supply</i></p>			

Funding impact statement – water supply

2020/2021 Budget (AP) (\$000)	2020/2021 Budget (LTP) (\$000)		2020/2021 Actual (\$000)	2021/2022 Actual (\$000)	2021/2022 Budget (LTP) (\$000)
		<i>Sources of operating funding</i>			
		General rates, uniform annual general charges, rates penalties	2	643	638
4,120	4,100	Targeted rates	4,128	4,770	4,886
-	-	- Subsidies and grants for operating purposes	189	9	90
-	-	- Fees and charges	21	31	-
47	47	Internal charges and overheads recovered	47	113	113
1	1	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	1	1	1
4,163	4,143	Total operating funding	4,383	5,566	5,723
		<i>Applications of operating funding</i>			
2,705	2,685	Payments to staff and suppliers	2,884	2,897	2,684
-	-	- Finance costs ²	-	-	236
804	804	Internal charges and overheads applied ²	729	1,875	1,697
-	-	- Other operating funding applications	10	8	-
3,509	3,489	Total applications of operating funding	3,624	4,780	4,613
659	659	Surplus (deficit) of operating funding	764	786	1,111
		<i>Sources of capital funding</i>			
-	-	- Subsidies and grants for capital expenditure	1,298	3,784	2,318
-	-	- Development and financial contributions	62	-	-
4,442	4,442	Increase (decrease) in debt	2,070	2,017	5,867
-	-	- Gross proceeds from sale of assets	-	-	-
-	-	- Lump sum contributions	-	-	-
4,442	4,442	Total sources of capital funding	3,430	5,801	8,185
		<i>Applications of capital funding</i>			
		Capital expenditure			
-	-	▪ to meet additional demand	369	4	-
3,428	3,428	▪ to improve the level of service	1,233	1,793	5,217
1,647	1,647	▪ to replace existing assets	2,530	4,909	3,721
26	26	Increase (decrease) in reserves	62	(70)	406
-	-	- Increase (decrease) in investments	-	(48)	(48)
5,101	5,101	Total applications of capital funding	4,194	6,587	9,296
(659)	(659)	Surplus (deficit) of capital funding	(764)	(786)	(1,111)
-	-	- Funding balance	-	-	-
¹ includes all other operating funding from sources not identified in the table.					
² interest on internal loans is included in internal charges and overheads applied. Actual interest on internal loans for 2021/2022 was \$253,000 (2021: \$402,000).					

Funding impact statement – budget variations

Targeted rates were lower than budget as a result of water meter charges being overestimated for the year. Subsidies and grants for operating purposes were lower than budget due to government funding for the three waters stimulus projects being classified as capital expenditure.

Payments to staff and suppliers were higher than budget due to an increase in unplanned maintenance costs for repairing parts of the water supply network. Finance costs are less than budgeted 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.

Subsidies and grants for capital purposes were higher than budget due to the timing of when government funding was received for three waters stimulus projects to replace AC pipes and automate water treatment processes across the district. While these projects were started in 2020/2021, they were not completed until 2021/2022 which affected the timing of when the grants were received.

Capital expenditure is under budget for the year, with the projects to replace water mains in Te Anau (Caswell Road) and upgrade the Eastern Bush-Otahu Flat water supply and Manapouri water treatment plant all behind schedule. Accordingly, the loans required to fund these projects, shown under increase (decrease) in debt, were also lower.

Reserves are lower than budgeted 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 being held in reserve, with reserves decreasing as a result.

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 2021-2024.

The trust amended the Trust Deed on 28 July 2021 to clarify a number of operational matters in the clauses. The most significant change was to the governance structure, to reduce the number of trustees by two to create greater flexibility and to better reflect the activity of the trust. Now there is an independent chair and four trustees nominated by members of the Milford community. There were 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, coordinated 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.	<p>Communicate the roles of the trust and other authorities more clearly to the Milford community.</p> <p>Affirm the trust role as a voice for the Milford community.</p> <p>Maintain closer relationships with Milford infrastructure providers.</p> <p>Provide clear information to concessionaires regarding intentions and implementation of trust policies.</p> <p>Consult with the community and concessionaires to develop a strategic project plan for the trust to deliver for the benefit of the community.</p>

Planned activities/services 2021/2022

Activity description	Date	Status
Planned activities		
Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.	June 2022	<p>There have been ongoing discussions with the Department of Conservation, primarily through their representatives who attend the trust meetings.</p> <p>The chair has also participated in discussions with the Milford Opportunities Project consultants who were working on a long-term master plan for Milford that was publicly released in July 2021.</p>
Determine the future direction of the trust.	June 2022	<p>A review of the Trust Deed was undertaken and the trustees agreed to change the rules of the deed to better reflect the operations and capacity of the trust. That decision was made at its meeting on 28 June 2021 and the amendments were electronically lodged on 28 July 2021.</p> <p>The trust is also working with Council to consider how to operate more independently.</p>

Activity description	Date	Status
Facilitate the construction of the Milford recreation centre if it gets approval.	June 2022	Construction was intended to occur. However, the financial impact from Covid-19 on Milford operators who would fund the ongoing operational costs plus any additional capital costs means that the trust continues to put this project on hold.
Unplanned activities		
None		
Information requirements		
Draft Statement of Intent approved by the trust.	21 February 2022	Achieved. The trust received the report on 21 February 2021.
Final Statement of Intent prepared and circulated to key partners.	9 March 2022	Achieved. Council approved the Statement of Intent on 9 March 2022.
Half-yearly report prepared and circulated to key partners.	17 December 2021	Achieved. The trust received the report on 17 December 2021

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	2	Achieved Two meetings were held in 2021/2022, in February and June. (2020/2021: Not Achieved - 3)
Keep the Milford community informed about trust plans and outcomes	Number of public forums held in Milford each year:	1	0	Not achieved Due to the lack of trust activity planned for the year, particularly the deferment of the proposed recreation centre, the trustees considered it wasn't necessary to hold a meeting at Milford Sound/Piopiota. (2021/2022 : Not Achieved - 0)

Financial Summary	2021/2022 Actual (\$000)	2020/2021 Actual (\$000)
Income		
Concessionaires income	-	-
Interest	6	6
Trustee fees forgiven	3	3
Total income	8	9
Operational costs		
Management/administration ¹	14	23
Operations and maintenance	-	-
Total expenses	14	23
Operational surplus/(deficit)	(6)	(14)

Milford Community Trust representatives		
Designation	Name	Term expires
Independent chair	Ebel Kremer	December 2022
Milford Community Association elected representative	Brad Johnstone	30 June 2023
Milford community appointee	Steve Norris	30 June 2024
Milford community appointee	Tony Woodham	30 June 2024
Milford community appointee	Roscoe Gaudin	30 June 2023

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 2021-2024.

Net assets	443	449
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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 2 March 2021 and 3 March 2022 to forgo this revenue, to provide relief for the concessionaires due to the impact on tourism from the February floods and Covid-19.

Operations and maintenance expenditure includes consent fees. There was no actual spend in 2021/2022 as the Department of Conservation and Environment Southland are still finalising their approach.

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 which 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 2021/2022 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 “supporting our communities”. 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. Until the Appointments Committee formally convened, an “Initial Board” comprising the chief executives of the three councils and a representative of the four rūnanga was appointed. The Appointments Committee will be responsible for the appointment of five board members, and a combined rūnanga committee will be responsible for the appointment of a collective rūnanga representative.

Organisation	Invercargill City Council	Gore District Council	Southland District Council	Tangata whenua
Representatives	Clare Hadley	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, the art gallery was added later as part of the single-storey extensions added between 1960 and 1980. In 1989 construction began on the “Pyramid”, which opened in 1990. Covering all existing buildings, it provided an approximate floor area of 4,500 square metres, including the observatory.

The collection holds more than 4.5 million items. This includes a significant photographic collection, archaeological material, ephemera and taonga 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 those who explored our shores, 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

- 35,000 collection items have been digitised
- 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 2022: 8392, which included full documentation (Stage 1), rehousing (Stage 2), and photography (Stage 3)
- Work continues on processing the Textile, Social History, Pasifika and South East Asian Collections for relocation.
- Sixteen exhibitions were presented at He Waka Tuia against a target of 12 exhibitions between 1 July and 30 June 2022
- Six public programmes, which included Arts on Tour, were presented at He Waka Tuia
- Visitor numbers recorded 7,726 visitors between 1 July and 30 June 2022 at He Waka Tuia
- 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		
<i>The collection is developed to enable the museum to document, illustrate and explore Southland's unique natural and cultural heritage</i>		
Collection management policies are reviewed as required. Number reviewed annually	One review annually	The collection management policy was reviewed in full during this period. The policy is currently under review by the four rūnanga

New acquisitions are considered according to the Collection Management Policy. (Minimal acquisitions desired while museum building is closed).	100% of objects acquired are considered	All objects accessioned into the collection have been done on the basis that they comply with the collection management policy
New acquisitions are entered into Vernon CMS (collection management system). Achieved annually.	1,000 records	Not achieved. 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). Stage 1 is designed to make the updated records searchable, identify key hazards, and ensure that the items are ready for relocation.	2,400 records	In 2021/2022 8,392 records were completed in full to Stage 1; Stage 2a and 2b and Stage 3.
Collections items to have digital images made as funds are available. Achieved annually.	0 items (Photography will only be undertaken as required for the purposes of condition reporting, online presence and the temporary gallery space.)	27,000 digital items for an online presence have been captured. These images are used for condition reporting, Vernon records, and the temporary exhibition space.
<i>The collection is prepared for removal from the building by 2021/2022 (4 years)</i>		
Pack items for storage and transportation. Stage 2a of the current Collection Relocation Plan involves packing and physically readying objects for relocation. Stage 2b of the current Collection Relocation Plan involves implementing a temporary transporting/packing solution for objects to be safely transported off site.	2,000 items across Stage 2a and Stage 2b.	In 2021/22 ICC agreed to construct a permanent collection storage facility at Tisbury Reserve. The project is due for completion in November 2023, with a six-month transfer of the collection from the current facility to Tisbury Reserve to be completed by the end of May 2024. In 2021/2022 8,392 records were completed in full to Stage 1; Stage 2a and 2b and Stage 3.
<i>Collections are maintained in optimal conditions for their long-term preservation</i>		
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	Not achieved
Storage space is monitored for infestation by pests and moulds.	Minimum pests, moulds and pollutants found	Weekly monitoring for pests and rodents. No rodents have been recorded.
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 with community		
<i>Maintain strong relationships with iwi over issues relating to the collections, exhibitions and tuatara management</i>		
Iwi Liaison Komiti (representing the four Southland rūnanga; Waihopai, Oraka-Aparima, Hokonui, Awarua) meets regularly.	Four meetings	Five meetings
<i>Promotion of a museum presence</i>		
Provide outreach to other museums and related organisations in the region and community.	No target	Ongoing support of: Bluff Maritime Museum, Rakiura Museum, Te Hikoi, Invercargill Public Art Gallery,

		volunteer museums; as well as marae. Supported through policy development assistance, object loans, professional advice and support.
The development: Planning, consulting and establishing a future direction.		
<i>Awaiting decision on SMAGTB future governance structure</i>		
The Southland Museum & Art Gallery Trust Deed to be reviewed.	Updating of Trust Deed	In May 2022 a new Trust Deed was signed which supports the appointment of a skills-based, collections-focused board.

Financial summary

	Actual 2021/2022 (\$000)	Actual 2020/2021 (\$000)
<i>Revenue</i>		
Grants and donations revenue – Invercargill City Council	20	20
Grant – Southland Regional Heritage Committee	1,221	1,182
Revenue from providing services	0	997
Bequests	.6	1
Interest revenue	3	3
Total revenue	1,245	2,202
<i>Expenses</i>		
Cost of providing services	1,225	2,197
Depreciation of property, plant and equipment	2	2
Loss on disposal	0	-
Audit fees	8	8
Total expenses	1,235	2,207
Total surplus/(deficit)	9	(5)
Net assets	1,250	1,241

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’s vision is better lives through sustainable development. Its long-term goals are to diversify the Southland economy, create exciting jobs, grow innovative businesses and grow the population.

In response to the evolving situation presented by Covid-19, Great South set short-term goals to retain jobs and a skilled workforce, to facilitate economic restart and rebuild, to champion significant projects and to identify opportunities for diversification and build economic resilience.

Great South’s objective is to drive economic, social and cultural growth and to provide a unified voice for the Southland region.

Great South is a council-controlled organisation as defined in Section 6 of the Local Government Act 2002. The board has six independent directors, who are responsible for the strategic direction of Great South, and a chief executive who is responsible for the day-to-day operations. Great South’s class A shareholders are Southland District Council, Invercargill City Council, Gore District Council and Environment Southland; its class B shareholders are Invercargill Licensing Trust, Maitauro Licensing Trust, Southland Chamber of Commerce and Southern Institute of Technology; and Community Trust South is a non-shareholder member.

Great South is in the process of establishing a memorandum of understanding with the four papatipu rūnanga in Murihiku; Awarua Rūnanga, Ōraka Aparima Rūnanga, Waihōpai Rūnanga, and Te Rūnanga o Hokonui (signed in August 2022).

Our long-term goals

These goals have been set to provide a pathway to achieving Great South’s vision and to ultimately contribute to the overall success of the Southland region. By investing in these four goals, “even better lives through sustainable development” will be achieved.

1. Grow the population	2. Diversify the economy	3. Grow innovative businesses	4. Build a skilled workforce
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Short-term strategic goals

In response to the evolving situation presented by Covid-19, Great South set short-term goals to retain jobs and a skilled workforce, to facilitate economic restart and rebuild, to champion significant projects and to identify opportunities for diversification and build economic resilience.

1. Retain jobs and a skilled workforce	2. Lead and facilitate the economic rebuild	3. Champion significant sustainability projects	4. Identify opportunities to build resilience and diversify within businesses
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Key activities

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 workplan, Beyond 2025 Southland – He Ara whakamua, he ara hou a Murihiku | Moving forward, new pathways for Southland, includes 16 workstreams within five areas of focus that builds on the previous work of the Southland Regional Development Strategy (SoRDS). The areas of focus are environment and climate change, diversification of the economy, strengthening of local business, resources and infrastructure, and population and people.

Support for Fiordland / tourism business funding

With the continued impacts of Covid-19 on Fiordland, Great South advocated for funding support for tourism businesses impacted by a lack of international tourists. Two funds, the Business Advice and Business Advice Implementation Grants, became available in August 2021, while the Tourism Business Kick-start Fund opened 1 April 2022, delayed due to international borders remaining closed. Those funds were administered by Great South. Great South also administered the Regional Events Fund, of which \$490,000 has been distributed to 25 events in Fiordland (\$90,000 remains available). \$180,000 was distributed to events within the Southland regional tourism organisation. Great South partnered with Te Hau Toka Southern Lakes Wellbeing Group to create a community wellbeing co-ordinator role based in Te Anau. The Fiordland employment and resource planner role to link Fordland workers with local jobs continued. A very successful campaign, Te Anau Time, drew significant national attention to Te Anau.

Establishment of Space Operations NZ

On 1 October 2021, Great South's highly successful space operations business became the stand-alone company Space Operations New Zealand Ltd. The company is 100% owned by Great South. Demand for services from international small satellite companies has grown exponentially in recent years, promising an exciting future for the company, which now has its own premises in Deveron Street, Invercargill, and a growing staff.

Net Zero 2050

Great South commissioned Ernst & Young to establish options for reducing emissions and to determine the cost of doing so. The resulting Net Zero Southland Report was released in July 2021. The report showed Southland has the potential to meet the government's net zero emissions targets by 2050 and retain a positive economic position. 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. Great South is working with businesses, the tourism sector and local councils to assist these entities to identify emissions and to plan decarbonisation abatement, and demand for these services is growing rapidly.

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 hugely successful Summer of Work in September 2021. Due to Covid-19 restrictions the event was held online and there was strong engagement from students, which assisted employers to find staff for the summer months during a difficult time.

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 Smelters plant at Tiwai 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 has assisted NZ Functional Foods (49% owned by Great South) with its plans to establish a beverage processing plant at Makarewa.

Performance measures

Key strategic goal	Performance measure	Target 2021/2022	Result 2021/2022
Regional economic development			
Diversify the economy Grow the population Grow innovative businesses Build a skilled workforce	Identify, advocate for and support new opportunities that encourage economic development, sector extension, resilience and support new investment in the region	Advocate for increased central government funding and support for Southland projects Increased revenue for ground station services	Great South updated the road tax assessment and identified Southland is still not receiving its fair share of funding for roading and bridging. Great South is developing a business case for additional funding. Fiordland was one of five communities in New Zealand identified for Tourism Communities: Support, Recovery and Re-set Plan funding administered by Great South, which included the Tourism Business Kick-start fund. At year end, 42 businesses received kick-start funding totaling \$1,241,637. A new business structure was established for Space Operations NZ Ltd and additional staff were recruited to support the entity's growth, which was launched on 1 October 2021. Great South supported New Zealand Functional Foods with developing an investment
	Provide data and insights on the region's performance to inform decision-making	Provide support for development of aquaculture, oat beverages, tourism and health and wellness food industries New large-scale investment identified	
	Advocate for improved connectivity, infrastructure and services across the region	Support the Southland Housing Forum to increase housing stock across the region Advocate for greater digital connectivity Make five submissions on government policy and legislation	

Key strategic goal	Performance measure	Target 2021/2022	Result 2021/2022
			<p>memorandum, facilitating food and formulation trials and assisting with carbon neutral processing design, energy planning and consent processes.</p> <p>Partnered with Thriving Southland on investigations into five new vegetable protein-based industries.</p> <p>Support for aquaculture provided as required.</p> <p>Oat-growing agronomic modelling has been advanced with Thriving Southland and Abacus Bio and will provide insights into how new crops can be integrated into existing farm systems.</p> <p>Hydrogen: Assessments were undertaken to facilitate the establishment of a \$2 billion 600-megawatt (MW) hydrogen production plant and ammonia plant in Southland. Six potential sites have been assessed and 10 technical reports completed in support of the project, including site selection, hazard risk assessments and groundwater options.</p> <p>A Southland Housing Situation Analysis was completed and presented to the Southland Housing Action Forum. This is now being advanced as part of Beyond 2025 Southland.</p> <p>Supported SDC with a detailed investigation of housing needs and spatial planning requirements.</p> <p>An assessment of digital connectivity has been completed. Internet services are now available to all consumers region-wide.</p> <p>Submissions were completed for:</p> <ul style="list-style-type: none"> • National Emission Reduction Plan • National Hydrogen Strategy Framework • National Energy Strategy • National Climate Change Adaptation Plan

Key strategic goal	Performance measure	Target 2021/2022	Result 2021/2022
Regional business development			
Diversify the economy Grow the population Grow innovative businesses Build a skilled workforce	<p>Support businesses at all stages by providing the resources and training needed to position them to achieve growth, particularly in key tourism centres - Fiordland and Invercargill CBD.</p> <p>Identify initiatives and provide resources that support the region's transition to a low-emission future and mitigate the impact of climate change</p> <p>Co-ordinate initiatives that support the retention of talent in Southland</p>	<p>275 business engagements (not unique); host seven workshops on relevant topics; connect 10 businesses with Callaghan R&D funding; connect 12 businesses with Business Mentors NZ; issue 130 co-funded vouchers for capability management training</p> <p>Provide businesses with resources to achieve their emission reduction goals</p> <p>Host 20 events / workplace tours (Southland Youth Futures) that highlight training and employment opportunities available</p> <p>Increase the number of students engaged with Southland Youth Futures</p> <p>Increase the number of Employer Excellence partners involved with Southland Youth Futures</p>	<p>Great South engaged with 208 businesses, connecting them with useful resources and networks.</p> <ul style="list-style-type: none"> 5 workshops held on business support topics (underdelivered due to Covid-19) \$380,595.50 of Callaghan Innovation Grants distributed to 8 Southland businesses 15 businesses registered for business mentors MBIE capability vouchers distributed to 147 businesses, equating to over \$213,485 (connecting businesses with capability building and training opportunities) <p>One Carbon in Business workshop was held with 20 businesses to help with their carbon neutral strategies. A sustainable tourism pilot programme was also established (now under way).</p> <p>20 workplace tours were held, along with 9 specialty speaker presentations.</p> <p>2,728 students engaged with Great South's Southland Youth Futures programme</p> <p>148 employers are part of the Southland Youth Futures employer network; of these, 43 are employer excellence partners, up from 39 the previous year.</p>
Regional tourism development			
Diversify the economy Grow the population Grow innovative businesses Build a skilled workforce	<p>Lead tourism sector co-ordination and act as local, regional and national liaison, for building capability and market readiness</p> <p>Embrace a holistic approach to planning for and sustainably growing the visitor economy</p>	<ul style="list-style-type: none"> Provide trade-ready advice and support for 20 operators Attend five national tourism industry forums 40 operators attend capability building workshops 	<p>A review of accommodation operators that have potential to become trade-ready was undertaken.</p> <p>Took part in: TRENZ Online Hui in June 2022, Attended Asia Pacific Incentives and Meetings Event</p>

Key strategic goal	Performance measure	Target 2021/2022	Result 2021/2022
	<p>Promote and inspire travel to Southland both domestically and internationally</p> <p>Manage regional tourism organisation services and work with local tourism operators, media and industry representatives to position Southland as a preferred place to visit</p>	<ul style="list-style-type: none"> • Provide tourism business toolkit • Co-ordinate and develop business case for inter-regional touring routes • Drive implementation of six priority projects within the Southland Murihiku Destination Strategy • Support implementation of five projects identified in the Southland Murihiku Destination Strategy • 90 media results featuring the region (advertising and editorial) • Attend three trade or industry events to "sell" Southland as a destination • Deliver and develop four destination promotion campaigns • Develop new "Southland NZ" website • Increase digital exposure for the region via website traffic and social media channels • Host 15 media familiarisations • Increase tourism expenditure, within context of post Covid-19 recovery 	<p>2022 (AIME), TRENZ Connect online event, RTNZ Inbound trade event, MEETINGS 2022, and TECNZ.</p> <p>A Working with Trade Workshop for Fiordland operators was held (ability to hold more events impacted by Covid-19)</p> <p>Great South continues to work with neighbouring RTOs on a southern touring route, now branded The Southern Way. A consultant has been engaged to achieve key deliverables.</p> <p>The brand identity has been developed and website is currently in progress.</p> <p>Dark Skies: Progress made towards establishing Fiordland National Park as a Dark Sky park.</p> <p>Food tourism: The Southland Murihiku Food Tourism Strategy was completed and launched in December.</p> <p>Agritourism: Three workshops undertaken around the region intended to support the development of new and existing agritourism operators.</p> <p>Low emission /sustainable tourism: a pilot tourism sustainability programme for operators was developed and is now under way.</p> <p>Catlins: Great South and Clutha Development are partnering on product development and marketing</p> <p>Cycling: The development of an economic impact assessment for Fiordland's Lake2Lake trail was investigated on behalf of the Fiordland Trails Trust.</p> <p>Supported Savour the South event; supported SDC to identify Catlins projects for Open Spaces Strategy; Catlins coastal walk feasibility contractor engaged; worked with Southland Mountain Bike Club on trail analysis and itinerary development;</p>

Key strategic goal	Performance measure	Target 2021/2022	Result 2021/2022
			<p>supported SDC with Tourism Infrastructure Fund application for Matariki infrastructure around the region.</p> <p>Great South has facilitated 153 media results for Visit Fiordland and 187 for Visit Southland.</p> <p>Took part in three separate online training opportunities for agents in North America, South East Asia and Australia to promote Southland tourism product.</p> <p>Attended RTNZ Inbound trade event in Auckland, 30 May-2 July</p> <p>Campaigns delivered: Unmissable events seasonal campaigns, Seeing is Believing, Te Anau Time, and You're Due South.</p> <p>Development of the new southlandnz.com website is under way with launch date expected before year end 2022.</p> <p>Across all social media channels, the SouthlandNZ brand has 143,806 followers and FiordlandNZ brand has 25,780 followers.</p> <p>Great South has facilitated 23 media famils across Southland and Fiordland.</p>
Regional events			
Diversify the economy Grow the population Grow innovative businesses Build a skilled workforce	<ul style="list-style-type: none"> Support development of Southland's event sector and sustainability of events Profile Southland's range of events to give people further motivation to stay in Southland Deliver and support events that enhance regional wellbeing and encourage vibrancy and diversity across the region Profile Southland as a preferred conference destination 	<ul style="list-style-type: none"> Provide event organisers with the information and resources they need, including the Great South Event Toolkit Establish an 'event organisers network' and a 'funders network' Develop a plan to promote a 'regional events calendar' Integrate events into domestic marketing activity Deliver the ILT Kidzone Festival Support delivery of Burt Munro Challenge Support 20 events unique enough to encourage overnight stay in the region 	<p>An events toolkit for the region is being updated.</p> <p>An event networkers' group was established for organisers of the 36 key destination events</p> <p>The Southland Unmissable Events Calendar was launched in November 2021. It features the region's key destination events organised by season.</p> <p>A 'holiday in Southland' promotion was connected to the ILT Kidzone Festival.</p>

Key strategic goal	Performance measure	Target 2021/2022	Result 2021/2022
		<ul style="list-style-type: none"> Develop a business events strategy 	<p>An Unmissable Events Calendar was created to promote Southland via events.</p> <p>ILT Kidzone was held at Southland Girls' High School for the first time in 2021.</p> <p>The 2022 Burt Munro Challenge was cancelled due to Covid restrictions.</p> <p>Great South supports 36 key destination events with additional marketing.</p> <p>Preliminary work to support the development of a business events strategy is complete, with the strategy to be delivered next financial year.</p>

Financial summary

	Actual 2020/2021 (\$000)	Actual 2021/2022 (\$000)
<i>Revenue</i>		
Shareholder funding	3,106	3,360
Other revenue	4,194	5,560
Total revenue	7,300	8,921
<i>Expenses</i>		
Employee-related costs	861	818
Directors fees	91	146
Other costs	5,818	6,547
Audit fees	51	82
Total expenses	6,821	7,593
Tax expense	(47)	221
Total surplus/(deficit)	460	700

	Actual 2020/2021 (\$000)	Actual 2021/2022 (\$000)
Net assets	1,864	2,564

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.

Our finances



This section presents the financial statements for the 2021/2022 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.

Financial information

Financial information

This section presents the financial statements for the 2021/2022 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 2022. The financial statements were authorised for issue by Council on 5 April 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 nine significant activity groups (detailed on pages 60-125) 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

An amendment to PBE IPSAS 2 Cash Flow Statements requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The new information required by this amendment has been disclosed in Note 27.

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 due
- 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) 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 Statement of Comprehensive Revenue and Expense.

i) Financial assets

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

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

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

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

The four categories of financial assets are:

- *financial assets at fair value through surplus or deficit*

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

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

- *loans and receivables*

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as “trade and other receivables” in the statement of financial position.

- *held to maturity investments*

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

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

- *financial assets at fair value through other comprehensive revenue and expense*

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

This category encompasses:

- investments that Council intends to hold long term but which may be realised before maturity; and
- shareholdings that Council holds for strategic purposes.

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

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

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

j) Impairment of financial assets

At each balance sheet date SDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised through the surplus or deficit.

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.

l) 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		Depreciation	
Asset category	(years)	Percent	Method
<i>Operational assets</i>			
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
<i>Infrastructural Assets</i>			
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 revenue and expense.

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) Trade and other payables

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

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.

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 1.6% 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
- 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 2022:

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 2021-2031 Long Term 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:

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments supersedes PBE IPSAS 29 Financial Instruments: Recognition and Measurement. It is effective for the year ending 30 June 2023, with early adoption permitted. The main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost; and
- a new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses.

Council has performed a preliminary assessment on the impact of the standard and does not expect material changes to the carrying value of its financial instruments. Additional disclosures may be required about Council and the group's financial assets.

PBE FRS 48 Service Performance Reporting

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, with early application permitted. 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.

Financial statements

Southland District Council: Statement of comprehensive revenue and expense for the year ended 30 June 2022

	Note	COUNCIL 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	COUNCIL 2021/2022 Budget (LTP) (\$000)	GROUP 2021/2022 Actual (\$000)
Income						
Rates revenue	1	49,256	49,256	53,959	54,179	53,959
Other revenue	2	11,236	11,239	14,414	9,214	14,417
Interest and dividends		83	89	99	2,020	105
Waka Kotahi NZ Transport Agency		17,924	17,924	15,058	15,328	15,058
Grants and subsidies		7,966	7,966	13,234	8,669	13,234
Other gains/(losses)	3	1,252	1,252	(209)	647	(209)
Vested assets		-	-	-	-	-
Development and financial contributions		164	164	(5)	10	(5)
	4	87,881	87,889	96,550	90,067	96,559
Expenditure						
Employee benefit expenses	5	15,940	15,940	16,055	16,907	16,055
Depreciation and amortisation	9	24,979	24,980	31,859	27,210	31,860
Finance costs		27	27	402	1,265	402
Other council expenditure	6	46,076	46,097	47,319	45,800	47,332
		87,021	87,044	95,635	91,182	95,649
Share of associate's surplus/(deficit)		474	474	319	-	319
SURPLUS/(DEFICIT) BEFORE TAX		1,334	1,319	1,234	(1,115)	1,228
Income tax benefit	8	-	-	-	-	-
SURPLUS/(DEFICIT) AFTER TAX		1,334	1,319	1,234	(1,115)	1,228
Financial assets at fair value through other revenue and expense	10	1,195	1,195	3,495	-	3,495
Gain/(Loss) on property, plant and equipment revaluations	10	18,665	18,665	368,977	53,208	368,977
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		21,193	21,178	373,705	52,093	373,699

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 2022

	Note	COUNCIL 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	COUNCIL 2021/2022 Budget (LTP) (\$000)	GROUP 2021/2022 Actual (\$000)
Balance at 1 July		1,602,802	1,603,266	1,623,995	1,629,495	1,624,444
Total comprehensive revenue and expense for the year		21,193	21,178	373,705	52,093	373,699
Balance at 30 June		1,623,995	1,624,444	1,997,701	1,681,588	1,998,144

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 2022

	Note	COUNCIL 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	COUNCIL 2021/2022 Budget (LTP) (\$000)	GROUP 2021/2022 Actual (\$000)
Equity						
Retained earnings	10	721,948	721,948	721,628	720,986	721,628
Asset revaluation reserves	10	856,313	856,313	1,225,289	922,181	1,225,289
Fair value reserves	10	4,771	4,771	8,266	3,577	8,266
Other equity	10	-	449	-	-	443
Other reserves	11	40,963	40,963	42,517	34,844	42,517
TOTAL EQUITY		1,623,995	1,624,444	1,997,701	1,681,588	1,998,144
Current assets						
Cash and cash equivalents	12	1,997	2,016	8,887	221	8,897
Trade and other receivables	13	10,261	10,262	10,194	10,378	10,198
Inventories	14	126	126	129	105	129
Other financial assets	15	2,523	2,913	2,163	448	2,553
Property, plant and equipment (held for sale)	16	-	-	-	-	-
		14,907	15,317	21,374	11,152	21,777
Non-current assets						
Property, plant and equipment	16	1,613,927	1,613,974	1,985,324	1,704,339	1,985,369
Intangible assets	17	4,835	4,835	8,413	3,900	8,413
Forestry assets	18	13,270	13,270	13,010	13,320	13,010
Investment in associates	26	1,418	1,418	1,737	945	1,737
Other financial assets	15	2	2	421	37,533	421
		1,633,452	1,633,499	2,008,905	1,760,037	2,008,951
TOTAL ASSETS		1,648,359	1,648,816	2,030,279	1,771,189	2,030,728
Current liabilities						
Trade and other payables	19	11,512	11,521	9,115	7,957	9,121
Deferred revenue	20	3,558	3,558	1,792	-	1,792
Contract retentions and deposits		538	538	819	719	819
Employee benefit liabilities	21	2,099	2,099	2,443	2,122	2,443
Development and financial contributions	22	1,621	1,621	1,580	1,730	1,580
Provisions	24	3	3	3	10	3
Borrowings	23	5,000	5,000	-	6,000	-
		24,330	24,339	15,753	18,537	15,758
Non-current liabilities						
Employee benefit liabilities	21	23	23	19	-	19

Provisions	24	10	10	7	-	7
Borrowings	23	-	-	16,800	71,064	16,800
		33	33	16,826	71,064	16,826
TOTAL LIABILITIES		24,364	24,372	32,578	89,602	32,584
NET ASSETS		1,623,995	1,624,444	1,997,701	1,681,588	1,998,144

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 2022

	Note	COUNCIL 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	COUNCIL 2021/2022 Budget (LTP) (\$000)	GROUP 2021/2022 Actual (\$000)
Cash flows from operating activities						
Receipts from rates revenue		49,521	49,521	53,841	54,179	53,841
Receipts from Waka Kotahi NZ Transport Agency		17,161	17,161	16,456	15,328	16,456
Interest and dividends		106	114	82	2,020	86
Contribution from developers		39	39	(45)	-	(45)
Receipts from other revenue		21,254	21,254	24,842	14,629	24,842
Payment to suppliers and employees		(58,057)	(58,077)	(64,984)	(63,290)	(64,997)
Interest paid		(27)	(27)	(402)	(1,265)	(402)
GST (net)		765	760	(486)	-	(487)
Net cash inflow/(outflow) from operating activities	27	30,763	30,745	29,304	21,601	29,294
Cash flows from investing activities						
Receipts from sale of property, plant and equipment		124	124	104	127	104
Receipts from investments [^]		3,540	3,950	-	-	390
Purchase of property, plant and equipment		(42,592)	(42,592)	(34,233)	(44,478)	(34,233)
Acquisition of investments [^]		(4,054)	(4,444)	(63)	1,582	(453)
Purchase of intangible assets		(82)	(82)	(20)	(1,123)	(20)
Net cash inflow/(outflow) from investing activities		(43,064)	(43,044)	(34,213)	(43,892)	(34,213)
Cash flows from financing activities						
Proceeds from borrowings		5,000	5,000	16,800	18,447	16,800
Repayment of borrowings		(2,500)	(2,500)	(5,000)	6,000	(5,000)
Net cash inflow/(outflow) from financing activities		2,500	2,500	11,800	24,447	11,800
Net increase/(decrease) in cash and cash equivalents		(9,801)	(9,799)	6,891	2,156	6,880
Cash and cash equivalents at the beginning of the year		11,798	11,816	1,997	(1,935)	2,016
Cash and cash equivalents at the end of the year		1,997	2,017	8,887	221	8,897

[^] 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 2022 (whole of Council)

COUNCIL 2020/2021 Budget (AP) (\$000)		COUNCIL 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	COUNCIL 2021/2022 Budget (LTP) (\$000)
	Sources of operating funding			
19,559	General rates, uniform annual general charges, rates penalties	19,557	22,017	22,017
29,972	Targeted rates	30,053	32,028	32,162
9,103	Subsidies and grants for operating purposes	11,658	10,229	8,590
4,733	Fees and charges	4,607	5,569	5,633
73	Interest and dividends from investments	101	97	2,020
4,117	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	5,376	7,924	4,096
67,556	Total operating funding	71,352	77,864	74,518
	Applications of operating funding			
55,355	Payments to staff and suppliers	57,081	57,173	58,740
422	Finance costs ²	27	402	1,265
3,914	Other operating funding applications	3,642	5,182	4,115
59,692	Total applications of operating funding	60,750	62,757	64,120
7,865	Surplus (deficit) of operating funding	10,603	15,107	10,398
	Sources of capital funding			
11,311	Subsidies and grants for capital purposes	13,748	17,648	15,036
24	Development and financial contributions	164	(5)	10
19,829	Increase (decrease) in debt	-	(16,800)	24,447
63	Gross proceeds from sale of assets	356	75	127
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
31,227	Total sources of capital funding	14,268	918	39,620
	Applications of capital funding			
	Capital expenditure			
4,419	• to meet additional demand	6,176	1,064	915
14,468	• to improve the level of service	14,895	10,767	15,418
20,819	• to replace existing assets	21,866	22,373	29,267
(2,534)	Increase (decrease) in reserves	(849)	1,554	(1,873)
1,920	Increase (decrease) in investments	(17,217)	(19,732)	6,291
39,091	Total applications of capital funding	24,871	16,025	50,019
(7,865)	Surplus (deficit) of capital funding	(10,603)	(15,107)	(10,398)
-	Funding balance	-	-	-
¹ includes all other operating funding from sources not identified above.				
² interest on internal loans are included in internal charges and overheads applied/ recovered, which offset to nil and therefore are excluded from this statement. Actual total interest on internal loans for 2021/2022 was \$1,218,000 (2021: \$1,612,000).				

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

	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)	COUNCIL/GROUP 2021/2022 Budget (LTP) (\$000)
Surplus/(deficit) of operating funding from funding impact statement	10,603	15,107	10,398
Depreciation	(24,979)	(31,859)	(27,210)
Subsidies and grants for capital purposes	13,748	17,648	15,036
Development and financial contributions	164	(5)	10
Gain on sale	238	22	127
Vested assets	-	-	-
Forestry revaluation	1,010	(260)	520
Emission trading units	87	155	-
Landfill contingency	3	3	3
Internal capital costs	1	56	-
Share of associates	474	319	-
Share of WasteNet (31%)	(18)	47	-
Share of Venture Southland (42%)	-	-	-
Net surplus/(deficit) before tax in Statement of Revenue and Expense	1,334	1,234	(1,115)

Southland District Council: Notes to the financial statements for the year ended 30 June 2022

1. Rates revenue

	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
General rates	21,596	21,661
Targeted rates attributable to activities		
Roading	12,826	15,543
Stormwater	485	736
Regional heritage	610	635
Hall	502	585
Local community	1,862	2,355
Pool	112	143
Water	3,808	4,679
Wastewater	4,022	4,172
Refuse	3,040	3,086
Septic tank cleaning	3	3
Rates penalties	391	361
Total revenue from rates	49,256	53,959

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 \$507,151 (2021: \$483,032), 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 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Number of rating units within Southland District	20,621	20,755
Total rateable capital value within Southland District	21,200,175	21,300,976
Total rateable land value within Southland District	14,592,251	14,606,436

2. Other revenue

	COUNCIL 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)
Regulatory income	2,270	2,270	3,247	3,247
Other income (including Council's share of Venture Southland/WasteNet)	2,925	2,928	2,765	2,767
Provision of services	459	459	496	496
Rental and hire income	683	683	738	738
User charges	2,120	2,123	2,130	2,130
Sales revenue	2,431	2,431	4,910	4,910
Fines and infringements	34	34	42	42
Targeted water rates	314	314	86	86
Total other revenue	11,236	11,239	14,414	14,417

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 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Operating leases (as a lessor)		
Revenue on operating leases as lessor	138	390
Not later than one year	516	379
Later than one year and not later than five years	491	799
Later than five years	810	2,585
	1,817	3,763

3. Other gains/(losses)

	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Gain/(loss) on changes in fair value of forestry assets	1,010	(260)
Gain/(loss) on disposal of property, plant and equipment	242	51
Total gains/(losses)	1,252	(209)

4. Exchange/non-exchange revenue

	COUNCIL 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)
Exchange revenue	6,694	6,700	8,821	8,827
Non-exchange revenue	81,186	81,189	87,729	87,732
Total revenue	87,881	87,889	96,550	96,559

5. Employee benefit expense

	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Salaries and wages	15,287	15,461
Defined contribution plan employer contributions	648	598
Increase/(decrease) in employee entitlements	5	(4)
Total employee benefit expense	15,940	16,055

Employer contributions to defined contribution plans include contributions to KiwiSaver.

6. Other Council expenditure

	COUNCIL 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)
Audit fee - Southland District Council Annual Report ¹	131	131	143	143
Audit fee - Southland District Council prior year Annual Report additional charges	-	-	5	5
Audit fee - Southland District Council Long Term Plan	92	92	-	-
Other assurance services from Audit NZ/Deloitte ²	27	31	55	59
Grants	3,318	3,318	4,699	4,699
Contractors	27,148	27,148	26,254	26,254
Insurance	601	604	645	648
Consultants and legal fees	4,288	4,289	3,059	3,059
Operating lease costs	480	480	560	560
Donations	32	32	16	16
Impairment of receivables	25	25	47	47
Other	9,935	9,948	11,835	11,845
Total other expenses	46,076	46,097	47,319	47,333

¹The auditor of the Council and Group is Deloitte acting on behalf of the Officer of the Auditor General (2021: Audit NZ)

²During the year ended 30 June 2022 Deloitte provided internal audit services to Council.

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 \$314,400 (2021: \$389,754).

For the year ended 30 June 2022, the total annual cost, including fringe benefit tax, to SDC of the remuneration package being received by the chief executive is calculated at \$314,400 (2021: \$393,760).

Elected representatives	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Mayor: Tong, Gary*^ (including FBT, carpark and private use of motor vehicle)	138	141
Byars, Donald (including FBT and carpark)	31	32
Douglas, John^ (including FBT and carpark)	31	32
Duffy, Paul*^ (including FBT and carpark)	38	39
Ford, Bruce	31	31
Frazer, Darren* (including FBT and carpark)	31	32
Harpur, George^ (including FBT and carpark)	31	33
Keast, Julie* (including FBT and carpark)	38	39
Kremer, Ebel (including FBT and carpark)	44	45
Menzies, Christine* (including FBT and carpark)	31	34
Owen, Karyn	31	31
Ruddenklau, Margaret* (including FBT and carpark)	31	32
Scott, Rob (including FBT and carpark)	31	32
Annual cost	538	553

Remuneration for councillors who are members of Council's Regulatory and Consents Committee* may be shown as higher than for other councillors. This additional remuneration is related to the number of hours these councillors spend in hearings and meetings for resource consent applications. These additional costs are recovered from resource consent applicants via a separate resource consent hearing charge. The per hour fee is set by the Remuneration Authority at \$100 per hour for chairpersons (2021: \$100) and \$80 per hour for members (2021: \$80).

Remuneration for councillors who are members of the District Licensing Committee^ may be shown as higher than for other councillors. This additional remuneration is related to the number of hours these councillors spend in hearings and meetings for licensing applications. These additional costs are

recovered from licensing applications. The per hour fee is set in accordance with section 195 of the Sale and Supply of Alcohol Act 2012 at \$78 per hour for chairpersons (2021: \$78) and \$51 per hour for members (2021: \$51).

Travel and other reimbursements are excluded from the above totals.

Total annual remuneration band for employees as at 30 June:	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
< \$60,000	80	59
\$60,000 - \$79,999	45	68
\$80,000 - \$99,999	33	38
\$100,000 - \$119,999	17	21
\$120,000 - \$139,999	13	13
\$140,000 - \$199,999	7	5
\$200,000 - \$359,999	2	4
Total employees	197	208

Total remuneration includes non-financial benefits provided to employees. At balance date Council employed 154 (2021: 124) full-time employees, with the remaining 54 (2021: 73) staff representing 35 (2021: 44) full-time equivalent employees. As at 30 June 2022 there were 13 vacant positions (2021: 8). 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 2020/2021 Actual ¹ (\$000)	GROUP 2020/2021 Actual ¹ (\$000)	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)
Depreciation and amortisation by group of activity				
Community Leadership	63	63	40	40
Community Resources	1,149	1,149	1,273	1,273
Environmental Services	85	85	105	105
Sewerage	2,148	2,148	4,404	4,404
Stormwater	692	692	992	992
Transport	18,456	18,456	21,480	21,480
Water Supply	1,716	1,716	2,977	2,977
Total by group of activity	24,309	24,309	31,271	31,271
Depreciation and amortisation by other activity				
Corporate Services ²	670	670	588	588
Total by other activity	24,979	24,979	31,859	31,859
Depreciation and amortisation not directly related to group activities	-	1	-	1
Total depreciation and amortisation expense	24,979	24,980	31,859	31,860

¹ 2020/2021 numbers are reclassification to the new group of activities as per the 2021-2031 Long Term Plan

² 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 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)
As at 1 July	719,766	719,766	721,948	721,949
Transfer from other reserves (note 11)	849	849	(1,554)	(1,554)
Transfer from reserves	-	-	-	-
Transfer to fair value through statement of comprehensive revenue and expense reserve	-	-	-	-
Operating surplus for the year	1,334	1,319	1,234	1,228
Operating surplus for the year transferred to other equity (Milford Community Trust)	-	15	-	6
As at 30 June	721,948	721,948	721,629	721,629

Asset revaluation reserves	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
As at 1 July	837,648	856,313
Revaluation surplus/(deficit)	18,665	368,977
As at 30 June	856,313	1,225,289
Asset revaluation reserves consist of:		
<i>Infrastructural assets</i>		
Wastewater system	53,028	138,530
Water system	38,115	91,912
Stormwater system	25,241	38,077
Roading network	739,922	956,764
Artwork	6	6
Total	856,313	1,225,289

Fair value through statement of comprehensive revenue and expense reserve	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
As at 1 July	3,577	4,771
Net revaluation gains/(losses)	1,195	3,495
Transfer to retained earnings	-	-
Reclassification to surplus/(deficit) on disposal	-	-

As at 30 June	4,771	8,266
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Fair value through statement of comprehensive revenue and expense reserve consist of:	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Share revaluation reserve	372	369
Emission trading unit revaluation reserve	4,399	7,897
Total	4,771	8,266

Other equity consists of:	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Milford Community Trust	449	443
Total	449	443

11. Other reserves

	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
As at 1 July	41,812	40,963
Transfers from/(to) retained earnings	(849)	1,554
As at 30 June	40,963	42,517

Reserves consist of:	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
General reserves	37,816	39,543
Allocation committees	3,147	2,975
Total	40,963	42,517

See note 37 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 statement:	COUNCIL 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)
Cash at bank and in hand	1,997	2,017	6,887	6,897
Short term deposits and other investments maturing within three months	-	-	2,000	2,000
Total cash and cash equivalents	1,997	2,017	8,887	8,897

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 \$3.2 million (2021: \$3.5 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 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)
Rates receivables	2,045	2,045	2,181	2,181
General receivables	2,236	2,236	3,423	3,423
Other receivables	5,465	5,466	4,090	4,093
Prepayments	558	558	594	594
	10,304	10,305	10,288	10,291
<i>Less provision for doubtful debts</i>	(43)	(43)	(94)	(94)
Net trade and other receivables	10,261	10,262	10,194	10,197
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	9,303	9,304	9,104	9,107
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	958	958	1,090	1,090
	10,261	10,262	10,194	10,197

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: \$89,558 (2021: \$57,270) and section 90B: \$Nil (2021: \$Nil).

Fair value

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

Impairment

Council does not provide for any impairment on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's 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 2021 Gross (\$000)	COUNCIL 2021 Impairment (\$000)	COUNCIL 2021 Net (\$000)	GROUP 2021 Gross (\$000)	GROUP 2021 Impairment (\$000)	GROUP 2021 Net (\$000)	COUNCIL 2022 Gross (\$000)	COUNCIL 2022 Impairment (\$000)	COUNCIL 2022 Net (\$000)	GROUP 2022 Gross (\$000)	GROUP 2022 Impairment (\$000)	GROUP 2022 Net (\$000)
Not past due	8,831	-	8,831	8,832	-	8,832	8,654	-	8,654	8,657	-	8,657
Past due 1-60 days	233	-	233	233	-	233	149	-	149	149	-	149
Past due 60-120 days	33	-	33	33	-	33	40	-	40	40	-	40
Past due > 120 days	1,207	(43)	1,164	1,207	(43)	1,164	1,445	(94)	1,351	1,445	(94)	1,351
Total	10,304	(43)	10,261	10,305	(43)	10,262	10,288	(94)	10,194	10,290	(94)	10,197

All receivables greater than 30 days in age are considered to be past due. The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Individual impairment	43	94
Collective impairment	-	-
Total Provision for impairment	43	94

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

	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Past due 1-60 days	-	-
Past due 60-120 days	-	-
Past due > 120 days	43	94
Total individual impairment	43	94

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

14. Inventories

	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Roading	85	85
Other	41	44
	126	129

The carrying amount of inventories held for consumption that are measured at current replacement cost as at 30 June 2022 amounted to \$129,069 (2021: \$126,353). The write-down of inventory during the year was \$2,715 (2021: \$159). There have been no reversals of write-downs \$Nil (2021: \$Nil). The carrying amount of inventories pledged as security for liabilities is \$Nil (2021: \$Nil).

15. Other financial assets

Current portion	COUNCIL 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)
Short term deposits with maturities 1 - 3 months from 30 June	700	750	500	530
Short term deposits with maturities 4 - 12 months from 30 June	1,370	1,710	1,220	1,580
Short term loans	32	32	26	26
Unlisted shares in Civic Assurance	13	13	13	13
Unlisted shares in Milford Sound Tourism	388	388	384	384
Other financial assets	20	20	20	20
Total current portion	2,523	2,913	2,163	2,553

Non-current portion	COUNCIL 2020/2021 Actual	GROUP 2020/2021 Actual	COUNCIL 2021/2022 Actual	GROUP 2021/2022 Actual
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	(\$000)	(\$000)	(\$000)	(\$000)
External loans with maturities greater than one year	2	2	1	1
Investments with maturities greater than one year	-	-	-	-
LGFA borrowers notes	-	-	420	420
Total non-current portion	2	2	421	421
Total other financial assets	2,525	2,915	2,584	2,974

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.

Impairment

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

Maturity analysis and effective interest rates

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

	COUNCIL 2021 Short term deposits (\$000)	COUNCIL 2021 Other term deposits (\$000)	COUNCIL 2021 Stocks and bonds (\$000)	COUNCIL 2021 Total (\$000)	COUNCIL 2022 Short term deposits (\$000)	COUNCIL 2022 Other term deposits (\$000)	COUNCIL 2022 Stocks and bonds (\$000)	COUNCIL 2022 Total (\$000)
Short term deposits with maturities three months or less from 30 June	700	-	-	700	2,500	-	-	2,500
	0.89%			0.89%	1.92%			1.92%

weighted average effective interest rate								
Short term deposits with maturities of four - 12 months from 30 June	1,370	-	-	1,370	1,220	-	-	1,220
weighted average effective interest rate	0.97%			0.97%	3.51%			3.51%
	2,070	-	-	2,070	3,720	-	-	3,720

	GROUP 2021 Short term deposits (\$000)	GROUP 2021 Other term deposits (\$000)	GROUP 2021 Stocks and bonds (\$000)	GROUP 2021 Total (\$000)	GROUP 2022 Short term deposits (\$000)	GROUP 2022 Other term deposits (\$000)	GROUP 2022 Stocks and bonds (\$000)	GROUP 2022 Total (\$000)
Short term deposits with maturities three months or less from 30 June	750	-	-	750	2,500	-	-	2,500
weighted average effective interest rate	0.87%			0.87%	1.92%			1.92%
Short term deposits with maturities of four - 12 months from 30 June	1,710	-	-	1,710	1,610	-	-	1,610
weighted average effective interest rate	0.99%			0.99%	3.30%			3.30%
	2,460	-	-	2,460	4,110	-	-	4,110

16. Property, plant and equipment

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 Assets														
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

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)
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)	(186)	-	-	(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	-	-	-	-	-	-	-	-	-	-	-
	47,459	5,027	-	-	(1,556)	-	50,911	(20,013)	(2,058)	1,503	-	(20,569)	30,342	27,446
Infrastructural assets at valuation														
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 other	65,563	-	12,686	-	-	77,617	155,866	(1,207)	(2,864)	-	1,207	(2,864)	153,002	64,356
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	6,624	-	-	-	-	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

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)
	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 cost														
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 Consent - Water	-	94	-	-	-	-	94	-	(2)	-	-	(2)	92	
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	2041,073	(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 Community Trust														
Building	54	-	-	-	-	-	-	(7)	(1)	-	-	(8)	46	47
Total Milford Community Trust	54	-	-	-	-	-	-	(7)	(1)	-	-	(8)	46	47
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

* Refer to table below for detail of work in progress.

2020/2021 Actual	Cost Revaluation 1 Jul 2020 (\$000)	Current Year Additions (\$000)	Transfers (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2021 (\$000)	Accumulated Depreciation and Impairment Charges 1 Jul 2020 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation/ Write-Off* (\$000)	Accumulated Depreciation and Impairment Charges 30 Jun 2021 (\$000)	Carrying Amount 30 Jun 2021 (\$000)	Carrying Amount 1 Jul 2020 (\$000)
Operational Assets														
Art	76	-	-	-	-	-	76	-	-	-	-	-	76	76
Buildings	16,421	49	256	-	(138)	-	16,588	(7,856)	(419)	93	-	(8,182)	8,405	8,564
EDP hardware	1,989	198	-	-	(164)	-	2,024	(1,398)	(361)	160	-	(1,600)	424	591
Furniture and fittings	835	309	-	-	(331)	-	813	(602)	(88)	331	-	(359)	455	234
Improvements	7,822	1,461	71	-	(2,814)	-	6,539	(5,531)	(429)	2,803	-	(3,157)	3,382	2,291
Land	10,939	-	-	-	(11)	-	10,927	-	-	-	-	-	10,927	10,938
Library	1,869	176	-	-	(212)	-	1,833	(950)	(179)	212	-	(917)	916	919
Motor vehicles	2,101	355	-	-	(141)	-	2,315	(921)	(310)	97	-	(1,134)	1,181	1,180
Office equipment	199	-	-	-	(165)	-	34	(182)	(4)	165	-	(21)	13	17
Other equipment	307	11	-	-	(53)	-	265	(271)	(11)	53	-	(229)	36	36
Other plant	5,009	92	77	-	(190)	-	4,988	(3,869)	(161)	189	-	(3,842)	1,146	1,140
Landfill sites	115	-	-	-	-	-	115	(115)	-	-	-	(115)	-	-
Transfer stations	457	34	-	-	-	-	491	(457)	(1)	-	-	(458)	32	-
Work in progress*	467	428	(442)	-	-	-	453	-	-	-	-	-	453	467
Work in progress – Intangibles (note 17)	-	-	38	-	-	-	-	-	-	-	-	-	-	-
	48,599	3,113	-	-	(4,220)	-	47,459	(22,153)	(1,962)	4,102	-	(20,013)	27,446	26,451
Infrastructural assets at valuation														
Bridges	146,012	3,776	247	-	-	(14,392)	135,642	(2,712)	(2,949)		2,712	(2,949)	132,694	143,301
Footpaths	18,660	998	-	-	-	(940)	18,718	(619)	(627)		619	(627)	18,092	18,041
Wastewater other	64,153	-	-	-	-	1,411	65,563	(1,155)	(1,207)		1,155	(1,207)	64,356	62,998
Wastewater plant	14,422	-	-	-	-	2,172	16,594	(841)	(961)		841	(961)	15,633	13,581
Water other assets	43,333	-	1,195	-	-	6,888	51,415	(997)	(1,160)		997	(1,160)	50,255	42,336
Water plant	12,350	-	207	-	-	(451)	12,105	(564)	(555)		564	(555)	11,551	11,785

2020/2021 Actual	Cost Revaluation 1 Jul 2020 (\$000)	Current Year Additions (\$000)	Transfers (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2021 (\$000)	Accumulated Depreciation and Impairment Charges 1 Jul 2020 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation/ Write-Off* (\$000)	Accumulated Depreciation and Impairment Charges 30 Jun 2021 (\$000)	Carrying Amount 30 Jun 2021 (\$000)	Carrying Amount 1 Jul 2020 (\$000)
Stormwater system	18,416	-	1,420	-	-	8,881	28,717	(448)	(692)		448	(692)	28,026	17,968
Unsealed roads	436,266	2,715	-	-	-	3,151	442,133	(3,257)	(3,395)		3,257	(3,395)	438,737	433,008
Cycle trail	6,662	15	-	-	-	(53)	6,624	(118)	(120)		118	(120)	6,504	6,545
Sealed roads	794,009	11,658	-	-	-	(9,843)	795,820	(11,083)	(10,958)		11,083	(10,958)	784,862	782,926
Street lighting	3,045	-	-	-	-	(144)	2,901	(196)	(198)		196	(198)	2,703	2,849
Work in progress*	15,098	20,600	(3,069)	-	-	-	32,628	-	-		-	-	32,628	15,098
	1,572,425	39,761	-	-	-	(3,325)	1,608,861	(21,990)	(22,820)		21,990	(22,820)	1,586,041	1,550,435
Other assets at cost														
Marine	951	-	-	-	(114)	-	837	(491)	(21)	114	-	(398)	439	460
Runways	5,059	-	-	-	-	-	5,059	(5,040)	(19)	-	-	(5,059)	-	19
Work in progress*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	6,010	-	-	-	(114)	-	5,896	(5,531)	(40)	114	-	(5,457)	439	479
Total SDC	1,627,034	42,874	-	-	(4,334)	(3,325)	1,662,217	(49,674)	(24,822)	4,216	21,990	(48,291)	1,613,926	1,577,365

2020/2021 Actual	Cost Revaluation 1 Jul 2020 (\$000)	Current Year Additions (\$000)	Transfer s (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2021 (\$000)	Accumulated Depreciation and Impairment Charges 1 Jul 2020 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation/ Write-Off* (\$000)	Accumulated Depreciation and Impairment Charges 30 Jun 2021 (\$000)	Carrying Amount 30 Jun 2021 (\$000)	Carrying Amount 1 Jul 2020 (\$000)
Milford Community Trust														
Building	54	-	-	-	-	-	54	5	(1)	-	-	(7)	47	49
Total Milford Community Trust	54	-	-	-	-	-	54	5	(1)	-	-	(7)	47	49
TOTAL GROUP	1,627,093	42,874	-	-	(4,334)	(3,325)	1,662,271	(49,679)	(24,824)	4,216	21,990	(48,296)	1,613,973	1,577,413

* 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 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
<i>Roading</i>	1,820,929	2,112,263
<i>Water</i>		
Water plant	22,383	23,804
Water other assets	91,324	183,815
<i>Stormwater</i>		
Stormwater system	60,009	99,914
<i>Wastewater</i>		
Wastewater plant	37,127	59,362
Wastewater other	104,585	247,869

Work in progress

	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Buildings	213	1,717
Improvements	101	913
Information Systems	20	-
<i>Marine</i>	-	405
Transfer stations	6	-
<i>Other</i>	99	581
<i>SIESA</i>	13	-
Roading and Footpaths	-	82
Wastewater	26,387	4,292
<i>Water</i>	5,627	8,818
Stormwater	614	2,378
Total Work in Progress	33,081	19,186

Leased assets

The net value of plant and equipment held under finance lease is \$Nil (2021: \$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 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Total value of all assets that are covered by insurance contracts (carrying amount at 30 June)	55,069	77,689
Maximum amount to which these assets are insured	231,099	255,556
Total value of all assets that are covered by financial risk sharing arrangements	175,265	319,072
Maximum amount available to Council under those arrangements	128,000	150,000
Total value of all assets that are self-insured (roads, footpaths, bridges, streetlighting)	1,383,592	1,594,792
Value of any fund maintained by Council for that purpose	1,443	1,443

In the event of natural disaster, central 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 WSP Opus have completed a revaluation of District roading, footpaths and bridge asset networks as at 30 June 2022. 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 2022.

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 extent of 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 2022 quarter index and then extrapolated to June 2022) 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 30 June 2018 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 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Cost		
Opening cost at 1 July	2,150	1,862
Additions	82	21
Disposals	(370)	(1,121)
Closing cost at 30 June	1,862	762
Accumulated amortisation and impairment		
Balance at 1 July	(1,931)	(1,717)
Amortisation charge	(156)	(96)
Impairment	370	1,121
Closing at 30 June	(1,717)	(692)
Net book value at 30 June	145	70

Trademarks/patents	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 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 2020/2021 Units	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Units	COUNCIL/GROUP 2021/2022 Actual (\$000)
Opening balance at 1 July	105,632	3,391	107,629	4,682
Additions	1,997	87	2,044	155
Disposals / Surrendered	-	-	-	-
Change in market value 30 June	-	1,204	-	3,498
Closing balance at 30 June	107,629	4,682	109,673	8,335
Total intangible assets		4,836		8,413

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 \$76.00 per unit (2021: \$43.50).

Emission Trading Units 2022	COUNCIL/GROUP Pre-1990 Forest	COUNCIL/GROUP Post-1989 Forest	COUNCIL/GROUP 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

Emission Trading Units 2021	COUNCIL/GROUP Pre-1990 Forest	COUNCIL/GROUP Post-1989 Forest	COUNCIL/GROUP Total
Productive area (hectares)	1,384	116.8	1,500.8
NZUs opening balance 1 July	82,914	22,718	105,632
NZUs allocated/transferred during the year	-	1,997	1,997
NZUs sold during the year	-	-	-
NZUs on hand at 30 June	82,914	24,715	107,629

Post-1990 Forests

2,044 units (2021: 1,997) 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 \$76.00 per unit (2021: \$43.50). Tax is payable on the receipt or sale of the post-1989 units. Liabilities for emissions relating to post-1990 forest land are capped at the amount of NZUs previously allocated. Accordingly, NZUs are gained as forests grow and are surrendered as forests are harvested or removed in any other way. At balance date no liability for surrender of post-1989 NZUs has been accrued, because the forests are intact.

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

Impairment

Emission Trading Units

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

18. Forestry assets

	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Balance at 1 July	12,260	13,270
Increase due to purchases	-	-
Gains/(losses) arising from changes attributed to physical changes	1,260	1,350
Gains/(losses) arising from changes attributed to price changes	1,070	1,360
Decreases due to harvest	(1,320)	(2,970)
Balance at 30 June	13,270	13,010

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 1,484 hectares (2021: 1,421 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 2022, Council sold 30.8 hectares of timber for \$4.9 million (2021: 35.5 hectares of timber for \$2.4 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 2022. 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% (2021: 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 not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

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

19. Trade and other payables

	COUNCIL 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)
<i>Payables and deferred revenue under exchange transactions</i>				
Trade payables and accrued expenses	8,782	8,791	5,588	5,593
Total	8,782	8,791	5,588	5,593
<i>Payables and deferred revenue under non-exchange transactions</i>				
Income taxes payable	204	204	209	209
Other taxes payable (ie GST and FBT)	36	36	34	34
Grants payable	688	688	1,260	1,260
Other	1,802	1,802	2,024	2,024
Total	2,730	2,730	3,527	3,527
Total trade and other payables	11,512	11,521	9,115	9,121

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 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Grants (subject to conditions not yet met)	2,288	357
Dog registrations in advance	201	198
Outstanding building consents	1,070	1,238
Total deferred revenue	3,558	1,792

Grants

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.

2021 grants include:

- \$1.84 million from Department of Internal Affairs for three waters stimulus projects.
- \$328,000 from Ministry of Business, Innovation and Employment (“MBIE”) towards the Milford opportunities project.
- \$90,000 from various NZ councils for the three waters collaboration project.
- \$14,000 from NZ Walking Access Commission for Around the Mountains Cycle Trail.
- \$8,000 from MBIE for Around the Mountains Cycle Trail cattle stop improvements.

Outstanding building consents

Council receives income from ratepayers to undertake inspections in relation to issuing of building consents. Each building consent typically requires multiple inspections which occur over an extended period, sometimes longer than 12 months. Historically, Council has recognised this income as revenue upon receipt as Council systems have not been able to be relied upon to estimate deferred revenue.

During 2021/2022, Council has undertaken a significant amount of work on outstanding building consents and have estimated the value of outstanding building consents that should be recognised as deferred revenue at 30 June 2022 of \$0.76 million (2021: \$1.07). This change in accounting estimate has been reflected in the 2021/2022 financial results.

21. Employee benefit liabilities

	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Current		
Holiday pay accrual	1,579	1,784
Long service leave	5	5
Wages accrual	514	654
	2,099	2,443
Non-current		
Retirement gratuity	23	19
Long service leave (potential)	-	-
	23	19
Total employment entitlements	2,122	2,462

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 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Roading contributions	408	408
Wastewater contributions	565	540
Water contributions	370	370
Reserves contributions	279	263
Total development and financial contributions	1,621	1,580

23. Borrowings

Current portion	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Short term loan – Westpac	5,000	-
Total current portion	5,000	-
LGFA	-	16,800
Total non-current portion	-	16,800
Total borrowings	5,000	16,800

Council's external borrowings are secured by security stock certificates in favour of the Local Government Funding Agency (2021: Westpac NZ Limited and Westpac Banking Corporation) under a Debenture Trust Deed between Southland District Council and Corporate Trust Limited (trading as Foundation Corporate Trust). Interest is incurred at an average 3.47% per annum at 30 June 2022 (2021: 1.70%). The LGFA borrowing is due for repayment on May 2035 (\$8.4 million) and April 2036 (\$8.4 million).

Internal loans

Internal loans total \$55.1 million (2021: \$52.5 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 2 percent (2021: 4.65 percent). A summary of these internal loans by group activity follows:

Internal loans	COUNCIL/GROUP Balance 2021 (\$000)	COUNCIL/GROUP New Advances (\$000)	COUNCIL/GROUP Total Repayments (\$000)	COUNCIL/GROUP Balance 2022 (\$000)	COUNCIL/GROUP Interest Paid (\$000)
Internal loans by group of activity					
Community resources	7,094	2,445	(759)	8,781	186
Community leadership	345	-	(270)	76	10
Environmental services	340	99	(73)	366	7
Transport	11,392	188	(459)	11,121	245
Stormwater	960	-	(156)	803	28
Sewerage	19,020	574	(695)	18,900	439
Water Supply	10,802	2,439	(422)	12,819	253
Total by group of activity	49,953	5,747	(2,834)	52,867	1,168
Internal loans by other activity					
Corporate services ¹	2,502	27	(269)	2,259	50
Total by other activity	2,502	27	(269)	2,259	50
Total internal loans	52,455	5,773	(3,103)	55,126	1,218

¹ 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 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Opening balance - landfill aftercare provision	16	13
Unused amounts reversed during the year	(3)	(3)
Closing balance - landfill aftercare provision	13	10
Other provisions	-	-
	13	10
Current	3	3
Non-current	10	7
Closing balance	13	10

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

Closure responsibilities:

- final cover application and vegetation
- incremental drainage control features
- completing facilities for leachate collection and monitoring
- completing facilities for water quality monitoring.

Post closure responsibilities:

- treatment and monitoring of leachate
- ground water and surface monitoring
- implementation of remedial measures such as cover and control systems
- ongoing site drainage and final cover and vegetation.

The cash outflows for post-closure costs are not expected to occur until 2025. The long-term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. For instance, some sites may not be required to be continually monitored for the full 20 years, if the results are found to be within appropriate levels. The provision has been estimated taking this into account and is discounted using a discount rate of 5 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 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Share of:		
Income	1,465	1,290
Expenses	(1,481)	(1,241)
Share of surplus/(deficit)	(16)	49
Share of:		
Current assets	636	788
Current liabilities	(273)	(375)
Equity	363	412

26. Investment in associates

Council has investments in the following associated entities:

- Venture Southland (VS) – 42% (2021: 42%)
- Southland Regional Heritage Committee (SRHC) – 33% (2021: 33%)
- Emergency Management Southland (EMS) – 28.27% (2021: 28.27%)
- Southland Regional Development Agency Limited Trading as Great South (GS) – 48.73% (2021: 48.73%)

	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

					COUNCIL/GROUP 2020/2021 Actual (\$000)
<i>Council's interest in associates is represented by:</i>	VS	SRHC	EMS	GS	Total
Share of income	-	613	390	3,915	4,918
Share of expenses	19	(648)	(363)	(3,452)	(4,444)
Share of surplus/(deficit)	19	(35)	27	463	474
Share of assets	76	271	55	2,833	3,235
Share of liabilities	(1)	(131)	-	(1,685)	(1,817)
Share of equity	75	140	55	1,148	1,418
Share of associates' contingent liabilities incurred jointly with other investors	-	-	-	-	-
Share of associates' joint commitments with other investors	-	47	-	-	47

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 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)
Operating surplus	1,334	1,319	1,234	1,228
Add/(less) non-cash Items				
Share of associate's surplus	(474)	(474)	(319)	(319)
Depreciation and amortization	24,979	24,980	31,859	31,860
Vested assets	-	-	-	-
Forestry revaluation	(1,010)	(1,010)	260	260
Loss on emission trading units	-	-	-	-
Reclassification of work in progress (Intangibles)	-	-	-	-
Add/(less) movements in working capital items				
Trade and other receivables	647	647	254	254
Interest receivable	23	25	(17)	(19)
Inventories and work in progress	-	-	(3)	(3)
Trade and other payables	4,837	4,836	(3,570)	(3,572)
Provision	(11)	(11)		
Net GST	765	760	(484)	(485)
Development and financial contributions	(125)	(125)	(41)	(41)
Other				
Movement in employee benefit liabilities	119	119	340	340
(Gains)/losses on disposal of investments	(329)	(329)	(206)	(206)
Movement in provision for decommissioning	8	8	(3)	(3)
Net cash inflow/(outflow) from operating activities	30,763	30,745	29,304	29,294

Reconciliation of movements in liabilities arising from financing activities

	COUNCIL 2020/2021 Actual (\$000)	Cashflow Movement 2021/2022 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)
Long term borrowings		16,800	16,800
Short term borrowings	5,000	- 5,000	-
Total liabilities from financing activities	5,000	11,800	16,800

28. Financial instruments

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

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 2022 (2021: 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 2020/2021 Actual (\$000)		COUNCIL/GROUP 2021/2022 Actual (\$000)	
	+100bps	-100bps	+100bps	-100bps
Cash and cash equivalents	-	-	89	(89)
Borrowings	-	-	168	(168)

Explanation of sensitivity analysis

Cash and cash equivalents include short-term deposits at call totalling \$2 million (2021: \$Nil) 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 (2021: \$Nil).

Council had a bank advance facility of \$5.0 million that could have been drawn down on when required. At 30 June 2022, none of the \$5 million loan facility was drawn down (2021: \$5.0 million). Therefore, there is no interest rate risk (2021: 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 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)
Cash and cash equivalents	12	1,997	2,017	8,887	8,897
Trade and other receivables (excluding prepayments)	13	9,703	9,704	9,601	9,604
Other financial assets (excluding shares in companies)	15	2,124	2,514	2,184	2,577
Total credit risk		13,824	14,235	20,672	21,078

	Note	COUNCIL 2020/2021 Actual (\$000)	GROUP 2020/2021 Actual (\$000)	COUNCIL 2021/2022 Actual (\$000)	GROUP 2021/2022 Actual (\$000)
Cash at bank and term deposits					
AA-	12, 15	4,067	4,477	10,607	11,007
Total cash at bank and term deposits		4,067	4,477	10,607	11,007
Other financial assets					
AA-	15	455	455	443	443
Total financial assets		455	455	443	443

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 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
Financial liabilities					
Trade and other payables	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

	Note	Less than 1 Year	1 Year	2 - 5 Years	COUNCIL Total 2021
Financial assets					
Cash and cash equivalents	12	1,997	-	-	1,997
Trade and other receivables (excluding prepayments)	13	9,703	-	-	9,703
Other financial assets (excluding shares in companies)	15	2,124	-	-	2,124
Financial liabilities					
Trade and other payables (excluding taxes payable)	19	11,272	-	-	11,272
Borrowings	23	5,000	-	-	5,000

	Note	Less than 1 Year	1 Year	2 - 5 Years	GROUP Total 2021
Financial assets					
Cash and cash equivalents	12	2,017	-	-	2,017
Trade and other receivables (excluding prepayments)	13	9,704	-	-	9,704
Other financial assets (excluding shares in companies)	15	2,514	-	-	2,514

Financial liabilities					
Trade and other payables	19	11,281	-	-	11,281
Borrowings	23	5,000	-	-	5,000

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 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
<i>Councillors</i>		
Remuneration	538	553
Full-time equivalent members	13 FTE	13 FTE
<i>Executive leadership team, including the chief executive</i>		
Remuneration	1,671	1,398
Full-time equivalent members	6.7	5.8
Total key management personnel compensation	2,209	1,951
Total full-time equivalent personnel	19.7 FTE	18.8 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 (from 1 July 2021) and group manager democracy and community (from 1 July 2021).

The following positions were disestablished during the year: group manager customer delivery (disestablished 2 July 2021), group manager environmental services (disestablished 30 June 2021), group manager services and assets (disestablished 30 June 2021).

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

In August 2022, Council entered into a conditional contract, subject to due diligence for the sale of land at Luxmore.

On the 28 October 2022, the decision was released in the environmental court on the case between Council and Te Anau landowner P. Chartres. Council had sought a ruling to prevent the further clearing of indigenous vegetation on Mr Chartres' property, Te Anau Downs Station, but the judgment ruled in Mr Chartres' favour. On the 20th December 2022, \$300,000 of costs were awarded against Council in relation to this case.

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated “all in” approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. The Water Services Entities Bill received Royal Assent on 14 December 2022. The impact of these reforms means that the Council will no longer deliver three waters services or own the assets required to deliver these services and transfer all assets and liabilities to the water services entities from 1 July 2024.

In December 2022, Council’s application was approved to receive funding from the Department of Internal Affairs three water reform – better off package. The funding agreement was signed in January 2023, with up to \$4.8million being available for a number of projects between now and the 30 June 2027.

Other than the matters noted above, there were no significant events subsequent to balance date.

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 2022 total \$160,000 (2021: \$1,349,300). 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 2022.

As at 30 June 2022, the Council is one of 30 local authority shareholders and 68 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. It has uncalled capital of \$1.0 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA’s borrowings. At 30 June 2022, the LGFA had borrowings totalling \$15.79 billion (2021: \$13.61 billion).

PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability. The Council considers the risk of the LGFA defaulting on repayment of

interest or capital to be very low on the basis that: - it is not aware of any local authority debt default events in New Zealand; and - local government legislation would enable local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required

(b) Building Act claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done. At the date of this report there were several matters under this Act indicating liabilities to Council of \$160,000 (2021: \$1,349,300). These potential claims have been brought to the SDC insurer's attention.

(c) Weather-tight homes claims

The Weather-tight Homes Resolution Services (WHRS) receives claim applications and provides mediation services to resolve leaky home disputes as an alternative to the courts. Included in the Building Act potential liability noted in (b) above are potentially for weather-tight home claims. However, as of 30 June 2022 (2021: Nil), no claims have been lodged with the WHRS against Council. If, in future, there are claims against Council, it is expected the successful claims will be substantially covered under the SDC's insurance policies.

(d) Council Mutual Insurance Fund - Riskpool

Council withdrew as a member of a mutual liability fund, Riskpool, as at 30 June 2015. This organisation was established in 1997 to provide councils with commercial insurance options for risk issues facing them. Over the past few years, as a result of the number of claims facing local authorities on the weather-tightness of homes, the fund has been required to be topped up by members by way of a number of calls. As Council was a member from 1 July 2000 to 30 June 2015 Council is liable for any calls for funds relating to these years. The fund currently has reinsurance from 1 July 2013. However, it is expected that there will not be any further calls in the future.

(e) Emission Trading Scheme

Council owns approximately 1,500.8 hectares of forest, of which 1,384 hectares are pre-1990 land under the Emissions Trading Scheme. Of this harvested land, 33.4 hectares has not yet been replanted at 30 June 2022 (2021: zero) and carries a potential deforestation liability of \$1,884,010 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) Closed landfill sites

Council has a number of closed landfill sites. Council recognises that some of these may require a resource consent, and additional work may be required to meet the requirements of any consent. At balance date, the requirements have not been established by Environment Southland.

Council currently has a provision in relation to landfill post-closure costs that were identified in 2005. Details are included in note 23 to these financial statements.

(g) 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 2021/2022, Council pursued an enforcement order in relation to removal of indigenous vegetation in Te Anau. A court date was set for April 2022 and a decision was made in October. Additionally, Council had four other cases in front of the court for enforcement matters as at 30 June 2022. As at the 31 December 2022, once case has been resolved, two cases have been withdrawn and 2 cases are still underway. If unsuccessful, the Court may order Council to pay the respondent's costs.

Contingent assets

Council has no contingent assets as at 30 June 2022 (2021: 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 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Capital commitments		
<i>Commitments for capital expenditure contracted, but not provided for:</i>		
Water system	3,394	347
Stormwater system	-	190
Sewerage system	214	77
Roading	22,213	13,350
Other	2,999	1,244
	28,821	15,208

	COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Operating leases (as a lessee)		
<i>Commitments for non-cancellable operating leases:</i>		
Not later than one year	385	374
Later than one year and not later than five years	1,018	670
Later than five years	-	-
	1,403	1,044

Venture Southland		COUNCIL/GROUP 2020/2021 Actual (\$000)	COUNCIL/GROUP 2021/2022 Actual (\$000)
Operating leases			
<i>Commitments for non-cancellable operating leases:</i>			
Not later than one year		-	-
Later than one year and not later than five years		-	-
Later than five years		-	-
		-	-

33. Severance payments

For the year ended 30 June 2022, Council made one severance payment of \$50,000 (2021: three employees totalling \$193,375).

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 2021/2022 Actual (\$000)
Revenue (excluding asset development revenue)	(a)	6,498
Asset development revenue		
- Development and financial contributions		(5)
Expenditure	(b)	4,607
Net impact of variance on surplus/(deficit)		2,195
Revaluation surplus	(c)	322
Total variance in Statement of comprehensive revenue and expense		327,843

Explanatory notes:**Statement of comprehensive revenue and expense****(a) Revenue**

Overall revenue was \$6.5 million more than budgeted mainly due to higher grant income being received against budget. \$3.9 million of grant income was received for three waters stimulus and Predator Free Rakiura grant income of \$1 million. There was also \$3.2 million of increased forestry harvest income due to the windthrow event in July 2021. These increases were off-set by lower investment interest earned of \$2 million against budget and a decrease in the forestry revaluation of \$0.8million.

(b) Expenditure

Overall operating expenditure was \$4.5 million more than budgeted primarily due to the higher than anticipated infrastructure revaluations resulting in a \$4.8 million increase in depreciation expenditure, predominately for roading and three waters. This was off-set by lower employee-related costs of \$0.9 million as a result of staff vacancies and lower interest costs of \$0.8 million due to lower than anticipated external borrowing.

(c) Revaluation surplus

Overall revaluation surplus was \$319.3 million more than budgeted. The increase in the asset revaluations are a reflection of increasing contract rates and price indices.

Statement of changes in equity

Changes in equity are reflected in the variance analysis of the statement of comprehensive revenue and expense above.

Statement of financial position

Cash and cash equivalents are \$8.7 million more than budgeted due to increased revenue and less than budgeted external debt.

Other financial assets are \$1.7 million over budget due to investment of funds in term deposits.

Property, plant and equipment is \$0.3 million over budget due to the revaluations being significantly higher than budgeted and new asset additions, principally for infrastructure activities.

Intangible assets are \$4.5 million more than budget due to an increase in the value of emission trading units.

Forestry assets are \$0.3 million lower than budget due to lower than budgeted revaluation of these assets.

Investment in associates is \$0.7 million than budget due to lower than budgeted financial performance of Council's various joint ventures and associates.

Other financial assets are \$37 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 \$1.2 million over budget due to an increase in operational costs.

Deferred revenue is \$1.8 million over budget due to income received in advance for dog registrations, outstanding building consents (pre-paid consents) and grants received for projects still in progress at year end.

Borrowings are \$60.3 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 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
District reserves								
	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	17	222	(232)	6
	Environmental services	Dog and animal control	Environment Services	Residual funds from dog and animal control activity	-	18	-	18
	John Beange	John Beange	Community Leadership	Funding available in Edendale and Wyndham area	26	-	(8)	19
	Southland joint mayoral fund	Southland joint mayoral fund	Community Leadership	Residual funds from Southland flood relief	217	4	(100)	121
	Allocation committee	Community development fund	Community Leadership	Development of community facilities, recreational opportunities and events	3	-	(1)	1
	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	249	5	(25)	228
	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	19	-	(14)	5
	Allocation committee	Sparc	Community Leadership	To subsidise travel costs for people 5-19 years of age participating in regular sporting competition	2	-	(2)	-
	Allocation committee	Meridian contribution	Community Leadership	Support northern Southland community initiatives by way of grants	324	6	(10)	321
	Allocation committee	Ohai Railway Board	Community Leadership	Support Ohai community initiatives by way of grants	1,885	37	(58)	1,865
	Allocation committee	District heritage grant	Community Leadership	Support the heritage in the District area	21	-	(7)	14

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
	Allocation committee	Stewart Island visitor levy	Community Leadership	Stewart Island visitor levy funds	209	3	(87)	125
	Specific	ECNZ - projects	Community Leadership	Funds available for future projects in accordance with ECNZ requirements	22	-	-	22
Total restricted District reserves					3,395	296	(545)	3,147

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
Local reserves								
	Wallacetown	Cemetery bequest	Community Services	Wallacetown Cemetery	70	1	(2)	69
Total restricted local reserves Wallacetown					70	1	(2)	69
Total restricted local reserves					70	70	(2)	69
Total restricted District reserves					3,465	298	(547)	3,216

Council created – general

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
District reserves								
	Council	Global	District	General reserve	1,029	25	-	1,054
	Council	District operations	District	General reserve	2,240	2,426	(1,224)	3,442
	Council	Strategic assets reserve	District	Offset rates	8,508	-	(1,000)	7,508
Total Council created general District reserves					11,777	2,451	(2,224)	12,004
Total Council created - general reserves					11,777	2,451	(2,224)	12,004

Council created – special

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
District reserves								
	Assets and services	Community housing	Community Services	Operational reserve for community housing	242	72	(177)	137
	Assets and services	District reserves	Open Spaces	Operation reserve for District reserves	2	27	-	29
	Assets and services	Forestry Council reserve	Corporate Services	Residual funds from forestry activities	7,008	2,341	(912)	8,436
	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	585	-	(25)	559
	Assets and services	Depreciation motor vehicle	Various	Fund motor vehicle fleet replacements	1,055	393	(143)	1,305
	Assets and services	Depreciation buildings	Various	Fund building replacements	375	190	(564)	-
	Assets and services	Depreciation IT	Various	Fund IT replacements	346	197	(132)	411
	Assets and services	Depreciation Matuku	Water Supply	Fund Matuku water scheme replacements	-	5	(3)	2
	Assets and services	Depreciation public conveniences	Various	Fund public conveniences replacements	-	80	(80)	-
	Assets and services	Depreciation Te Anau rural water	Water Supply	Fund Te Anau rural water scheme replacements	-	111	(111)	-
	Assets and services	Depreciation waste management	Waste Services	Fund waste management replacements	44	35	(19)	60
	Assets and services	Depreciation water	Water Supply	Fund water replacements	-	990	(990)	-
	Assets and services	Depreciation wheelie bin	Waste Services	Fund wheelie bin replacements	122	21	(61)	82
	Assets and services	Depreciation sewerage	Sewerage	Fund sewerage replacements	-	1,802	(1,802)	-
	Assets and services	Depreciation roading	Roading	Fund roading replacements	-	5,378	(5,378)	-
	Assets and services	Depreciation Cycle Trail	Roading	Fund Cycle Trail replacements	-	85	(85)	-
	Assets and services	Public toilets capital pro reserve	Various	Fund public toilets capital	-	278	(278)	-
	Assets and services	Property development	Various	Balancing fund for sales and operational building expenditure	351	10	(58)	303
	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 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
	Assets and services	Roading	Roading	Rate smoothing reserve	179	548	363	1,090
	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	161	125	(278)	8
	Assets and services	Water schemes	Water supply	Development for water schemes	280	-	(79)	201
	Assets and services	District wastewater	Wastewater	Development for wastewater schemes	-	-	-	-
	Assets and services	District stormwater	Stormwater	Stormwater investigations	64	-	(49)	15
	Assets and services	District stormwater	Stormwater	Development for stormwater schemes	-	167	-	167
	Assets and services	District water	Water	Development for water schemes	72	-	(72)	-
	Assets and services	Wastewater contribution	Sewerage	Development for building wastewater	-	-	-	-
Total Council created - Special reserves assets and services					12,439	12,856	(10,936)	14,360
	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	156	44	-	200
Total Council created - special reserves chief exec					217	44	-	261
	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	45	63	-	108
	Policy and community	Elections	Community Leadership	Fund Council's election costs every three years	115	39	-	154
	Policy and community	War memorial grant	Community assistance	Funding received for memorial archway	2	-	-	3
Total Council created - special reserves policy and community					181	101	-	282
	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 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
	Development and financial	Wastewater contribution	Sewerage	Contribution to capital activity - wastewater	338	-	-	338
	Development and financial	Water contribution	Water supply	Contribution to capital activity - water	108	-	-	108
Total Council created - special reserves development and financial contributions					907	-	-	907
	Environment and community	Alcohol licensing	Environmental health	Residual funds from alcohol licensing	-	-	-	-
	Environment and community	Health licensing	Environmental Services	Residual funds from health licensing	19	35	-	53
Total Council created - special reserves environment services					19	35	-	53
	Holding	Milford flood protect	District	Residual funds from Milford Flood protection	46	-	-	46
	Holding	International relationship	Community Leadership	Residual funds from International activities	58	-	-	57
	Holding	Shared services	Community Leadership	Shared services balance	-	-	-	-
Council created - special reserves holding					104	-	(1)	103
	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	10	-	(7)	3
	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	-	-	19
	Specific	North Makarewa rec reserve	Open Spaces	North Makarewa rec reserve	2	1	-	3
	Specific	LGFA repayment reserve	Corporate Services	Funds set aside to repay LGFA loan	-	-	-	-
Council created - special reserves specific reserves					1,507	1	(7)	1,501
Total Council created -special District reserves					15,373	13,037	(10,943)	17,466

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
Local reserves								
	Ardlussa CB	General	Various	Ardlussa Community Board	-	25	(4)	21
Council created - special reserves Ardlussa Community Board					-	25	(4)	21
	Athol	General	Various	Athol general purpose	8	-	(4)	4
	Athol	Community centres	Community Facilities	Athol hall	8	5	-	13
Council created - special reserves Athol					16	5	(4)	17
	Balfour	General	Various	Balfour general purpose	112	2	(3)	112
Council created - special reserves Balfour					112	2	(3)	112
	Browns	Community centres	Community Facilities	Browns hall	1	1	-	2
	Browns	General	Various	Browns general purpose	47	1	-	48
Council created - special reserves Browns					48	2	-	50
	Brydone	Community centres	Community Facilities	Brydone hall	-	-	-	-
Council created - special reserves Brydone					-	-	-	-
	Clifden	Community centres	Community Facilities	Clifden hall	11	4	-	15
	Clifden	Rec reserve Committee	Open Spaces	Clifden reserves	42	7	(20)	30
Council created - special reserves Clifden					53	11	(20)	45
	Colac Bay	Community centres	Community Facilities	Colac Bay hall	-	5	-	5
	Colac Bay	General	Various	Colac Bay general purpose	52	1	(20)	33
Council created - special reserves Colac Bay					52	6	(20)	38
	Dipton	Cemetery	Cemetery	Dipton cemetery	17	-	(6)	11
	Dipton	General	Various	Dipton general purpose	62	20	(57)	24
	Dipton	Stormwater	Stormwater	Dipton stormwater	19	-	(19)	-
	Dipton	Community centres	Community Facilities	Dipton hall	4	-	-	4
Council created - special reserves Dipton					101	20	(82)	39
	Drummond	General	Various	Drummond general purpose	12	-	-	12
	Drummond	Rec reserve committee	Open Spaces	Drummond reserves	16	-	(16)	-
Council created - special reserves Drummond					28	-	(16)	12
	Edendale	Cemetery	Various	Edendale cemetery	7	-	-	8
	Edendale-Wyndham	Community centre	Community Facilities	Edendale Wyndham hall	112	2	(49)	65
	Edendale-Wyndham	Footpaths	Various	Footpaths	36	1	-	36
	Edendale-Wyndham	General	Various	General purpose	78	455	(12)	520
	Edendale-Wyndham	Stormwater	Stormwater	Stormwater	444	-	(444)	-
Council created - special reserves Edendale-Wyndham					677	457	(505)	628
	Fiordland CB				-	201	(84)	117
Council created - special reserves Fiordland					-	201	(84)	117

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
	Five Rivers	Community centre	Community Facilities	Five Rivers hall	-	6	-	7
Council created - special reserves Five Rivers					-	6	-	7
	Fortrose	Community centre	Community Facilities	Fortrose hall	3	9	-	12
Council created - special reserves Fortrose					3	9	-	12
	Garston	Special projects	Various	Garston general purpose	39	1	(9)	30
Council created - special reserves Garston					39	1	(9)	30
	Gorge Road	Gorge Road general	Various	Gorge Road general purpose	37	1	(1)	37
Council created - special reserves Gorge Road					37	1	(1)	37
	Hokonui	Community centre	Community Facilities	Hokonui Hall	92	2	-	93
Council created - special reserves Hokonui					92	2	-	93
	Limehills	Community centre	Community Facilities	Limehills hall	-	4	-	4
	Limehills	General	Various	Limehills general purpose	14	45	-	59
	Limehills	Stormwater	Stormwater	Limehills stormwater	44	-	(44)	-
Council created - special reserves Limehills					58	50	(44)	64
	Lumsden	Cemetery	Community Services	Lumsden cemetery	1	-	-	1
	Lumsden	Footpaths	Roading	Lumsden footpaths	11	-	-	11
	Lumsden	General	Various	Lumsden general purpose	91	50	-	141
	Lumsden	Stormwater	Stormwater	Lumsden Stormwater	46	-	(46)	-
	Lumsden	Community Centre	Community Facilities	Lumsden community centre	13	8	-	20
Council created - special reserves Lumsden					161	58	(46)	173
	Manapouri	Fraser's Beach	Open Spaces	Fraser's Beach reserve	39	1	-	40
	Manapouri	General	Various	Manapouri general purpose	61	1	-	62
	Manapouri	Community centre	Community Facilities	Manapouri community centre	21	3	-	24
	Manapouri	Swimming pool area	Open Spaces	Manapouri pool	2	-	-	2
Council created - special reserves Manapouri					124	5	-	129
	Mararoa/Waimea Ward	Mararoa/Waimea Ward	Various	Mararoa/Waimea Ward	71	1	(4)	68
Council created - special reserves Mararoa/Waimea Ward					71	1	(4)	68
	Mataura Island	Community centre	Community Facilities	Mataura Island community centre	6	-	-	6
Council created - special reserves Mataura Island					6	-	-	6
	Matuku	Rural WS general	Water supply	Matuku water	1	-	-	-
Council created - special reserves Matuku					1	-	-	-
	Menzies Ferry	Community centre	Community Facilities	Menzies Ferry community centre	8	-	-	9

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
Council created - special reserves Menzies Ferry					8	-	-	9
	Mokoreta/Redan	Community centre	Community Facilities	Mokoreta/Redan community centre	21	3	-	24
Council created - special reserves Mokoreta/Redan					21	3	-	24
	Mossburn	General	Various	Mossburn general purpose	96	2	-	98
Council created - special reserves Mossburn					96	2	-	98
	Nightcaps	McGregor Park	Open Spaces	Nightcaps McGregor Park	92	11	(41)	62
	Nightcaps	Community centre	Community facilities	Nightcaps community centre	18	-	-	18
	Nightcaps	General	Various	Nightcaps general purpose	14	1	-	15
	Nightcaps	Stormwater - OPR	Various	Nightcaps general purpose	17	-	(17)	-
Council created - special reserves Nightcaps					141	12	(58)	95
	Northern CB	General	Various	Northern CB general purpose	-	38	(12)	26
Council created - special reserves Northern CB					-	38	(12)	26
	Ohai	Community centre	Community Facilities	Ohai community centre	-	5	-	5
	Ohai	General	Various	Ohai general purpose	121	179	-	299
	Ohai	Stormwater	Stormwater	Ohai stormwater	173	-	(173)	-
Council created - special reserves Ohai					294	184	(173)	304
	Oraka-Aparima CB	General	Various	Oraka-Aparima CB general purpose	-	36	(16)	20
	Oraka-Aparima CB	Riverton library endowment	Community Service	Riverton library endowment	-	7	-	7
Council created - special reserves Oraka-Aparima					-	43	(16)	27
	Orawia	Community centre	Community Facilities	Orawia community centre	-	6	-	6
	Orawia	Community centre	Community Facilities	Orawia hall group	24	-	-	25
Council created - special reserves Orawia					24	6	-	30
	Orepuki	General	Various	Orepuki general purpose	27	1	-	28
	Orepuki	Community centre	Community Facilities	Orepuki community centre	26	2	-	29
Council created - special reserves Orepuki					54	3	-	57
	Oreti	Community centre	Community Facilities	Oreti community centre	19	-	(19)	-
Council created - special reserves Oreti					19	-	(19)	-
	Oreti CB	Hedgehope recreation reserve	Open Spaces	Hedgehope reserve	-	1	-	1
	Oreti CB	General	Various	Oreti CB general purpose	-	73	(6)	67

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
	Oreti CB	Winton library endowment reserve	Community Service	Winton library endowment	-	15	-	15
Council created - special reserves Oreti CB					-	89	(6)	84
	Otapiri/Lora	Community centre	Community Facilities	Otapiri/Lora community centre	67	4	-	71
Council created - special reserves Otapiri/Lora					67	4	-	71
	Otautau	Baths	Community Facilities	Otautau pool	18	-	(13)	5
	Otautau	Brightwood Develop Co	Community Facilities	Otautau financial contribution	17	-	-	17
	Otautau	CB conference	Community Facilities	Community board conference	-	-	-	-
	Otautau	Forestry	Corporate Services	Holt Park forestry	168	3	-	172
	Otautau	General	Community Facilities	Otautau general purpose	69	273	(4)	339
	Otautau	Bowling club	Community Facilities	Bowling club	-	-	-	-
	Otautau	Stormwater	Stormwater	Otautau stormwater	267	-	(267)	-
	Otautau	Community centre	Community Facilities	Otautau community centre	29	1	-	30
Council created - special reserves Otautau					568	278	(284)	563
	Riversdale	General	Various	Riversdale general purpose	27	-	(15)	13
Council created - special reserves Riversdale					27	-	(15)	13
	Riverton	Cemetery maintenance	Community Services	Riverton cemeteries	78	2	-	80
	Riverton	Doc profits lib sale	Various	Riverton projects	70	1	-	71
	Riverton	General	Various	Riverton general purpose	233	130	(164)	199
	Riverton	Riverton Harbour general	Community Facilities	Riverton Harbour	19	11	-	30
	Riverton	Parks and res develop	Open Spaces	Riverton parks and reserves	29	-	(29)	-
	Riverton	Property sales	Various	Riverton general purpose	151	3	-	154
	Riverton	War memorial	Open Spaces	Riverton war memorial	14	-	-	14
	Riverton	Stormwater headworks	Stormwater	Riverton stormwater	188	2	(188)	2
	Riverton	Taramea Bay/Rocks development	Community Facilities	Taramea Bay foreshore	38	1	(11)	28
	Riverton	Taramea Howells Point	Community Facilities	Taramea Howells Point	30	4	-	34
Council created - special reserves Riverton					849	154	(392)	611
	Ryal Bush	Community centre	Community Facilities	Ryal Bush community centre	4	-	(1)	3
Council created - special reserves Ryal Bush					4	-	(1)	3
	SIESA	Operations	SIESA	SIESA operations	494	-	-	494

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
Council created - special reserves SIESA					494	-	-	494
	Stewart Island	General	Various	Stewart Island general purpose	148	20	(17)	151
	Stewart Island	Waste management	Various	Stewart Island general purpose	40	2	-	42
	Stewart Island	Jetties	Various	Stewart Island jetties	28	1	(29)	-
	Stewart Island	Wharf Golden Bay	Various	Replacement of Golden Bay wharf	-	-	-	-
	Stewart Island	Wharf Ulva Island	Various	Replacement of Ulva Island Bay wharf	306	4	(163)	148
Council created - special reserves Stewart Island					522	27	(209)	341
	Te Anau	Te Anau carpark res	Various	Te Anau general purpose	26	1	-	26
	Te Anau	General	Various	Te Anau general purpose	805	583	(71)	1,317
	Te Anau	Luxmore	Various	Luxmore subdivision	1,092	59	-	1,151
	Te Anau	Manapouri airport	Roading	Te Anau Manapouri airports	254	4	(151)	107
	Te Anau	Rural WS general	Water supply	Te Anau water	-	43	(43)	-
	Te Anau	Stormwater	Various	Te Anau general purpose	556	-	(556)	-
	Te Anau	Sandy Brown loan	Loan	Loan to ratepayers	-	-	-	-
Council created - special reserves Te Anau					2,732	690	(821)	2,602
	Thornbury	Community centre	Community Facilities	Thornbury community centre	-	-	-	-
	Thornbury	General	Various	Thornbury general purpose	15	-	-	15
Council created - special reserves Thornbury					15	-	-	15
	Tokanui	General	Various	Tokanui general purpose	56	1	(2)	55
	Tokanui	Community centre	Community Facilities	Tokanui community centre	2	-	-	2
Council created - special reserves Tokanui					57	1	(2)	57
	Tuatapere	Water Meridian Contract	Various	Tuatapere general purpose	8	-	-	8
	Tuatapere	Community Centre	Community Facilities	Tuatapere community centre	37	1	(12)	25
	Tuatapere	General - OPR	Various	Tuatapere general purpose	25	-	-	25
	Tuatapere	General	Various	Tuatapere general purpose	242	4	(74)	172
	Tuatapere	Property	Various	Tuatapere general purpose	3	-	-	3

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
	Tuatapere	Waiau River collection	Various	Tuatapere Waiau River	1	-	-	1
Council created - special reserves Tuatapere					315	5	(86)	234
	Tuatapere Te Waewae	General	Various	Tuatapere Te Waewae general purpose	-	99	(52)	47
Council created - special reserves Tuatapere Te Waewae					-	99	(52)	47
	Tussock Creek	Community centre	Community Facilities	Tussock Creek hall	5	7	-	12
Council created - special reserves Tussock Creek					5	7	-	12
	Waianiwa	Community centre	Community Facilities	Waianiwa community centres	26	-	(26)	-
Council created - special reserves Waianiwa					26	-	(26)	-
	Waiau/Aparima Ward	Arboretum reserve	Various	Arboretum reserve	17	-	-	17
	Waiau/Aparima Ward	Wairio cemetery	Community Services	Wairio cemetery	56	1	(19)	38
	Waiau/Aparima Ward	Wairio Town general	Various	Wairio general purpose	5	-	-	5
	Waiau/Aparima Ward	Wairio reserve	Various	Wairio reserve	6	-	-	6
	Waiau/Aparima Ward	Takitimu pool reserve	Various	Takitimu pool	9	4	-	13
	Waiau/Aparima Ward	Tuatapere ward pool	Various	Tuatapere ward pools	37	1	-	38
	Waiau/Aparima Ward	Cosy Nook	Various	Cosy Nook general purpose	29	4	-	32
	Waiau/Aparima Ward	Hirstfield reserve	Various	Hirstfield reserve general purpose	26	3	-	29
	Waiau/Aparima Ward	Waiau/Aparima Ward	Various	Waiau/Aparima Ward	242	5	(30)	217
	Waiau/Aparima Ward	Calcium cemetery	Community Services	Calcium cemetery	12	-	(2)	10
Council created - special reserves Waiau/Aparima Ward					438	17	(51)	405
	Waihopai/Toetoes Ward	Waihopai/Toetoes Ward	Various	Waihopai/Toetoes Ward	100	2	(20)	82
Council created - special reserves Waihopai Toetoes Ward					100	2	(20)	82
	Waihopai-Toetoes CB	General	Various	Waihopai-Toetoes general purpose	-	77	-	77
	Waihopai Toetoe Pool	Baths	Community Facilities	Waihopai Toetoe pool	-	-	-	-
Council created - special reserves Waihopai-Toetoes CB					-	77	-	77
	Waikaia	Dickson Park	Open Spaces	Waikaia general purpose	20	-	-	20
	Waikaia	Drain filing	Various	Waikaia drains	6	-	-	6
	Waikaia	General	Various	Waikaia general purpose	109	123	(6)	225
	Waikaia	Museum donations	Community Facilities	Waikaia Museum	9	2	(10)	1
	Waikaia	Refuse removal	Solid waste management	Waikaia general purpose	10	-	-	10
	Waikaia	Stormwater	Stormwater	Waikaia Stormwater	118	-	(118)	-
Council created - special reserves Waikaia					272	125	(135)	262

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
	Waikawa/Niagara	Community centre	Community Facilities	Waikawa/Niagara community centres	-	8	-	8
Council created - special reserves Waikawa/Niagara					-	8	-	8
	Wallace Takatimu CB	General	Various	Wallace Takatimu CB general purpose	-	59	(18)	42
Council created - special reserves Wallace Takatimu					-	59	(18)	42
	Waitane Glencoe	Res Reserve Committee	Open Spaces	Waitane Glencoe reserves	2	-	-	2
Council created - special reserves Waitane Glencoe					2	-	-	2
	Wallacetown	General	Various	Wallacetown general purpose	191	53	-	244
	Wallacetown	Stormwater	Stormwater	Wallacetown general purpose	49	-	(49)	-
Council created - special reserves Wallacetown Ward					240	53	(49)	244
	Winton	Community centre	Community Facilities	Winton community centres	37	27	-	64
	Winton	General	Various	Winton general purpose	208	58	(28)	238
	Winton	Medical centre general	Community facilities	Winton Medical Centre	144	25	(6)	163
	Winton	Multi sports	Open Spaces	Winton sports complex	-	-	-	-
	Winton	Property sales	Various	Winton general purpose	202	6	(5)	202
	Winton	Res capital development	Various	Winton general purpose	105	2	-	107
	Winton	Stormwater	Stormwater	Winton stormwater	99	-	(99)	-
Council created - special reserves Winton					795	118	(139)	774
	Winton/Wallacetown Ward	Winton/Wallacetown Ward	Various	Winton/Wallacetown Ward	421	8	(62)	367
Council created - Special reserves Winton/Wallacetown Ward					421	8	(62)	367
		General	Various	Woodlands general purpose	56	1	(3)	53
		Septic tank rates	Sewerage	Woodlands septic tank cleaning	4	-	(4)	-
Council Created - special reserves Woodlands					60	1	(7)	54
Total Council created - special local reserves					10,347	2,979	(3,496)	9,830
Total Council created - special reserves					25,720	16,016	(14,440)	27,297
TOTAL RESERVE FUNDS					40,963	18,765	(17,211)	42,517
Reserves summary					Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
Total Council created - special reserves					25,720	16,016	(14,440)	27,297

Reserves	Community	Business unit	Activity to which it relates	Purpose	Opening balance 1/7/2021 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2022 (\$000)
Total Council created - general reserves					11,777	2,451	(2,224)	12,004
Total restricted reserves					3,465	298	(547)	3,216
TOTAL RESERVE FUNDS					40,963	18,765	(17,211)	42,517



A copy of the full Annual Report can be obtained from
any Southland District Council office or library, or on
our website www.southlanddc.govt.nz.

You can also phone Council on 0800 732 732 to
request a copy be sent to you.

