

Notice is hereby given that an Ordinary Meeting of Southland District Council will be held on:

**Date:** Thursday, 23 February 2017  
**Time:** 1pm  
**Meeting Room:** Council Chambers  
**Venue:** 15 Forth Street  
Invercargill

---

## Council Agenda

### OPEN

---

#### MEMBERSHIP

<b>Mayor</b>	Mayor Gary Tong
<b>Deputy Mayor</b>	Paul Duffy
<b>Councillors</b>	Stuart Baird
	Brian Dillon
	John Douglas
	Bruce Ford
	Darren Frazer
	George Harpur
	Julie Keast
	Ebel Kremer
	Gavin Macpherson
	Neil Paterson
	Nick Perham

#### IN ATTENDANCE

<b>Chief Executive</b>	Steve Ruru
<b>Committee Advisor</b>	Fiona Dunlop

Contact Telephone: 0800 732 732  
Postal Address: PO Box 903, Invercargill 9840  
Email: [emailsdc@southlanddc.govt.nz](mailto:emailsdc@southlanddc.govt.nz)  
Website: [www.southlanddc.govt.nz](http://www.southlanddc.govt.nz)

**Full agendas are available on Council's Website**  
[www.southlanddc.govt.nz](http://www.southlanddc.govt.nz)



## TABLE OF CONTENTS

ITEM		PAGE
<b>PROCEDURAL</b>		
1	Apologies	5
2	Leave of absence	5
3	Conflict of Interest	5
4	Public Forum	5
5	Extraordinary/Urgent Items	5
6	Confirmation of Council Minutes	5
<b>REPORTS - POLICY AND STRATEGY</b>		
7.1	Draft Easter Sunday Shop Trading Policy	7
7.2	Draft Remission and Postponement of Rates on Maori Freehold Land Policy	17
7.3	Draft Stewart Island/Rakiura Visitor Levy Policy	23
7.4	2017 Southland District Council Scholarship Recipients	33
7.5	Submission on transmission pricing methodology	35
<b>REPORTS - OPERATIONAL MATTERS</b>		
8.1	Approval of Unbudgeted Expenditure by the Limehills/Centre Bush Community Development Area Subcommittee for Limehills Stormwater Maintenance Project	41
<b>REPORTS - GOVERNANCE</b>		
9.1	Financial Report for the month ended 31 December 2016	45
9.2	Triennial Agreement 2016 - 2019	107
9.3	Milford Community Trust - Statement of Intent 2017-2020.	123
9.4	Minutes of the Colac Bay Community Development Area Subcommittee Meeting dated 12 July 2016	135

## **PUBLIC EXCLUDED**

Procedural motion to exclude the public

136

**C10.1 Unbudgeted Expenditure for External Painting Projects at the  
Wyndham and Edendale Community Housing Units**

---

**1 Apologies**

At the close of the agenda no apologies had been received.

**2 Leave of absence**

At the close of the agenda no requests for leave of absence had been received.

**3 Conflict of Interest**

Councillors are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a councillor and any private or other external interest they might have.

**4 Public Forum**

Notification to speak is required by 5pm at least two days before the meeting. Further information is available on [www.southlanddc.govt.nz](http://www.southlanddc.govt.nz) or phoning 0800 732 732.

**5 Extraordinary/Urgent Items**

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) that item may be discussed at that meeting if-
  - (i) that item is a minor matter relating to the general business of the local authority; and
  - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

**6 Confirmation of Council Minutes**

- 6.1 Meeting minutes of Council, 01 February 2017



## Draft Easter Sunday Shop Trading Policy

Record No: R/17/1/1591  
Author: Robyn Rout, Policy Analyst  
Approved by: Rex Capil, Group Manager Community and Futures

Decision  Recommendation  Information

Item 7.1

### Purpose

- 1 This report presents the draft Easter Sunday Shop Trading Policy to Council for adoption.

### Executive Summary

- 2 On the 1<sup>st</sup> of February 2017 the Community and Policy Committee endorsed the revised Easter Sunday Shop Trading Policy after considering submissions. The Committee also recommended to Council that the draft Policy be adopted.
- 3 The Easter Sunday Shop Trading Policy would allow all shops in the Southland District to trade on Easter Sunday.
- 4 The draft Policy is included as an attachment to this report (see attachment A).
- 5 A late submission was received on the draft Policy, which raised concerns about the consequences of forgetting god and ignoring the primary reason for the Easter holiday. This submission has also been included as an attachment, for Councils information.

### Recommendation

That the Council:

- a) **Receives the report titled “Draft Easter Sunday Shop Trading Policy” dated 23 February 2017.**
- b) **Receives the late submission on the draft Easter Sunday Shop Trading Policy.**
- c) **Adopts the draft Easter Sunday Shop Trading Policy.**

### Attachments

- A Draft Easter Sunday Shop Trading Policy [↓](#)
- B Late submission on Draft Easter Sunday Shop Trading Policy [↓](#)

## SOUTHLAND DISTRICT COUNCIL EASTER SUNDAY SHOP TRADING POLICY

This policy applies to: Southland District

### DOCUMENT CONTROL

Policy owner: Group Manager Environmental Services	TRIM reference number: R/2016/10/17248	Effective date: 22 February 2017
Approved by: Council	Date approved:	Next review date: 2022

### CONTENTS

<b>1.</b>	<b>PURPOSE</b> .....	<b>1</b>
<b>2.</b>	<b>DEFINITIONS AND ABBREVIATIONS</b> .....	<b>1</b>
<b>3</b>	<b>BACKGROUND</b> .....	<b>1</b>
<b>4.</b>	<b>POLICY DETAILS</b> .....	<b>2</b>
4.1	Shop Trading Permitted	
4.2	The Right To Refuse To Work	
4.3	Scope	
4.4	Review	
<b>4.</b>	<b>ROLES AND RESPONSIBILITIES</b> .....	<b>2</b>
<b>5.</b>	<b>ASSOCIATED DOCUMENTS</b> .....	<b>3</b>
<b>6.</b>	<b>REVISION RECORD</b> .....	<b>3</b>

## EASTER SUNDAY SHOP TRADING POLICY

### 1. PURPOSE

The purpose of this policy is to allow all shops in the Southland District to open on Easter Sunday. This policy will:

- promote ease of business;
- recognise the needs of the retail and tourism sectors;
- apply a consistent and simple approach to Easter Sunday shop trading.

### 2. DEFINITIONS AND ABBREVIATIONS

Term	Meaning
<b>Shop</b>	is a building, place, or part of a building or place, where goods are kept, sold, or offered for sale, by retail; and includes an auction mart, and a barrow, stall, or other subdivision of a market; but does not include - (a) a private home where the owner or occupier's effects are being sold (by auction or otherwise); or (b) a building or place where the only business carried on is that of selling by auction agricultural products, pastoral products, and livestock, or any of them; or (c) a building or place where the only business carried on is that of selling goods to people who are dealers, and buy the goods to sell them again.
<b>Employer</b>	has the same meaning as in s5 of the Employment Relations Act 2000
<b>Shop Employee</b>	means an employee within the meaning of s6 of the Employment Relations Act 2000 who works in or from a shop.
<b>Southland District</b>	is the area depicted in Appendix 1.

### 3 BACKGROUND

In 2016 the Shop Trading Hours Act 1990 (the Act) was amended, allowing Councils to introduce a policy letting shops trade on Easter Sunday.

Council can apply the policy to the whole District, or just to a particular region or regions. A policy cannot define specific opening hours, what types of shops may open, or for what purposes a shop may open.

#### 4. POLICY DETAILS

##### 4.1 Shop Trading Permitted

This policy allows all shops to trade on Easter Sunday.

##### 4.2 Right to refuse to work

Employers must comply with the provisions relating to a Shop Employees right to refuse to work, as is set out in the Act and in the Employment Relations Act 2000.

Employers and Shop Employees must also give notice in accordance with the time provisions set out in the Act.

##### 4.3 Scope

This Policy applies to the whole of the Southland District. A map outlining the boundaries of the Southland District is included as Appendix 1.

This Policy does not apply to the sale or supply of alcohol. Alcohol sale and supply is regulated under the Sale and Supply of Alcohol Act 2012.

##### 4.4 Review

This Policy will be reviewed within five years of adoption. The Act requires the use of the Special Consultative Procedure when adopting, reviewing and determining whether to amend, revoke, replace or continue the policy.

#### 4. ROLES AND RESPONSIBILITIES

Party/Parties	Roles and Responsibilities
Environmental Services	Providing advice on the content and scope of the policy. Advising on adopting, reviewing, amending, revoking, replacing or continuing the policy.
Strategy and Policy	Adopting, reviewing, amending, revoking, replacing or continuing the policy. Undertaking consultation in accordance with the Special Consultative Procedure.
Communications	Developing a communications strategy and assisting with consultation.

#### 5. ASSOCIATED DOCUMENTS

The sale and supply of alcohol on Easter Sunday aligns with the Act. The sale and supply of alcohol is restricted by the Sale and Supply of Alcohol Act 2012.

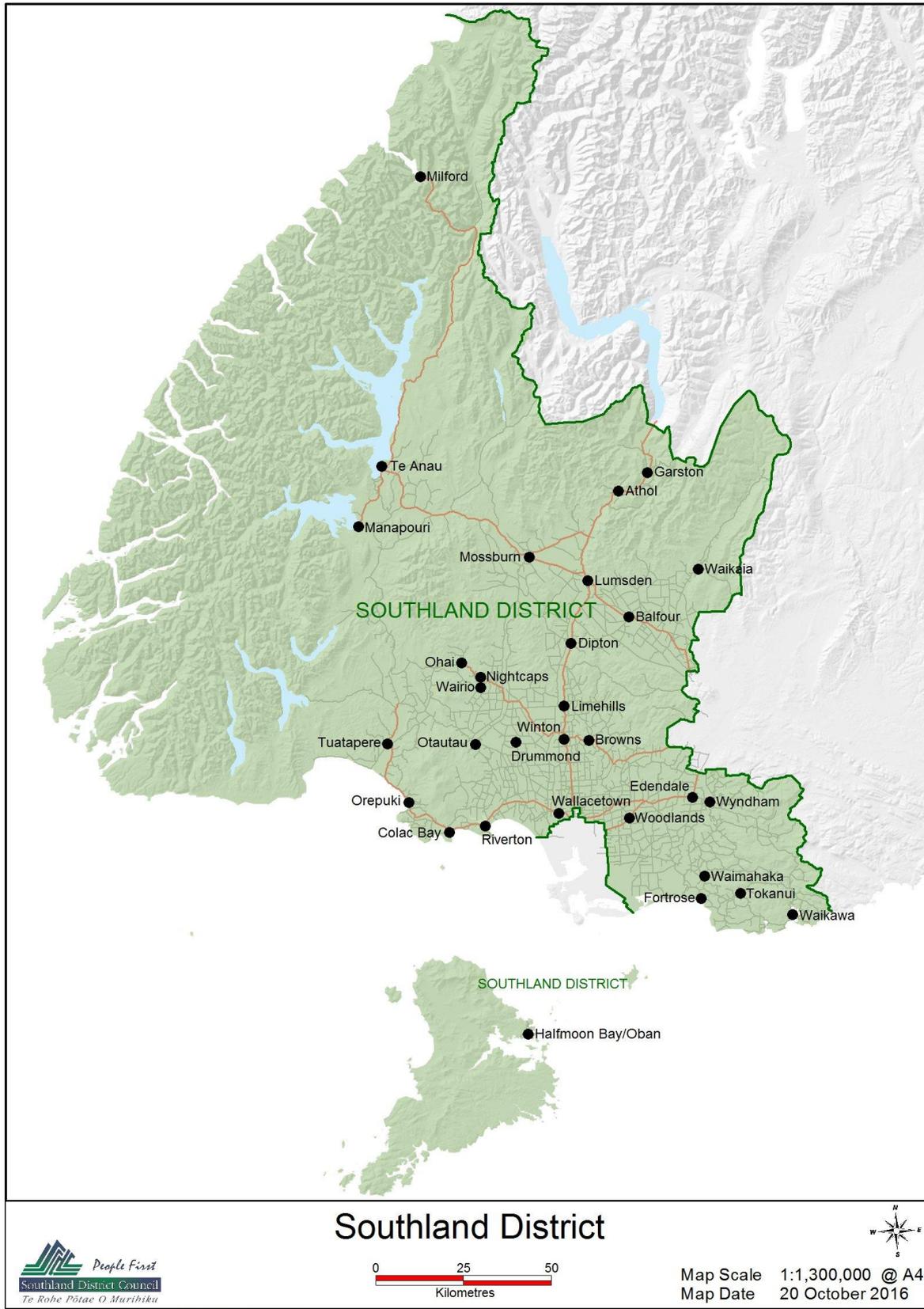
This policy aligns with the Southland Regional Development Strategy's objective of generating an ease of doing business in Southland.

**6. REVISION RECORD**

Date	Version	Revision Description
22 February	1	First version of Policy introduced

APPENDIX 1. Map of the Southland District

Item 7.1 Attachment A



G:\GIS\Geoworkspaces\Corporate\_Planning\Robyn\Easter\_Sunday\_trading.gws

Prepared by the SDC Property & Spatial Department

SIMON MACDONALD

Item 7.1 Attachment B

Tuesday, 7 February 2017.

Dear Community & Policy Committee members,

**Re.: Easter Trading.**

I would like to make a late submission to the Daft (sic draft) Easter trading policy.

You've got to look at the primary reason for the Easter Sunday holiday. If you ignore the primary reason it was created as a holiday, then you basically make the holiday null-&-void. Therefore the holiday will be deleted off the calendar by the central government at some stage. Therefore Southland District Council staff members will (at that time) have to work on Monday, and not take it off, as a holiday. Paid to work. Not paid to have a holiday.

New Zealand is the 34th most secular country in the world (according to Phil Zuckerman, Prof of Secularity, at Pitzer College, California). The Southland District Council wants to open shops on Easter Sunday. So Easter Sunday will not be observed by Sellers, it will be a trading day as usual. Therefore by that logic, the NZ govt. ought to cancel the Easter Sunday holiday & the

"Mondayisation" of it. Get rid of our 1 day off, so we can 'shop-til-we-drop'. Why? Because Christians believe that Jesus rose from the dead & ascended into Heaven to save us from our sins.

The majority of atheistic, secular Kiwi's don't believe this. So the Easter Sunday holiday is effectively null-and-void, as Kiwi's don't believe in forgiveness, eternal life, Heaven / Hell, the 4 Last

Things. And we now intend to open shops on Easter Sunday, the most important day of the Christian Calendar, more important than Christmas Day.

Easter Sunday is not observed religiously, people don't go to Church or Mass. Easter Sunday will not be observed by shop-keepers. Shops will be open. Therefore, cancel the holiday. See how our

weather, crops, animals, house prices, interest rates, population, failed marriages, partnerships, broken families, are all affected when we forget God. There are things that happen to you when you

don't obey God.

No! I say to this rubbish idea of Easter Trading.

Yours faithfully,



Simon MacDonald.



Item 7.1 Attachment B

*BE STILL, AND KNOW THAT I AM GOD. Ps. 46:10*



## Draft Remission and Postponement of Rates on Maori Freehold Land Policy

Record No: R/17/1/1593  
Author: Robyn Rout, Policy Analyst  
Approved by: Anne Robson, Chief Financial Officer

Decision  Recommendation  Information

### Purpose

- 1 This report presents the draft Remission and Postponement of Rates on Maori Freehold Land Policy (the "Policy") to Council for adoption.

### Executive Summary

- 2 On the 1<sup>st</sup> of February 2017 the Community and Policy Committee endorsed the draft Policy after considering the submission received. The Committee also recommended to Council that the draft Policy be adopted.
- 3 This Policy allows rates to be remitted when Māori Freehold Land within the District is not used for economic purposes and does not have a dwelling.
- 4 The draft Policy is included as an attachment to this report.

### Recommendation

That the Council:

- a) **Receives the report titled "Draft Remission and Postponement of Rates on Maori Freehold Land Policy" dated 13 February 2017.**
- b) **Adopts the draft Remission and Postponement of Rates on Maori Freehold Land Policy.**

### Attachments

- A Draft Remission and Postponement of Rates on Maori Freehold Land Policy [↓](#)

## SOUTHLAND DISTRICT COUNCIL DRAFT REMISSION AND POSTPONEMENT OF RATES ON MĀORI FREEHOLD LAND

This policy applies to: Council and owners of Māori freehold land

### DOCUMENT CONTROL

<b>Policy owner:</b> Community and Futures	<b>TRIM reference number:</b> R/16/8/13717	<b>Effective date:</b> 1/07/2017
<b>Approved by:</b>	<b>Date approved:</b>	<b>Next review date:</b> 1/07/2020

### CONTENTS

<b>1.</b>	<b>PURPOSE</b> .....	<b>2</b>
<b>2.</b>	<b>DEFINITIONS AND ABBREVIATIONS</b> .....	<b>2</b>
<b>3.</b>	<b>POLICY DETAILS</b> .....	<b>2</b>
3.1	Background .....	2
3.2	Objectives .....	3
3.3	Conditions and Criteria for the Postponement and Remission of Rates on Maori Freehold Land .....	3
3.4	Postponement of Rates .....	3
3.5	Remission of Penalties .....	3
3.6	Remission of Rates .....	4
3.7	Existing decisions on Maori Freehold land.....	4
3.8	Length of decision .....	4
<b>4.</b>	<b>ROLES AND RESPONSIBILITIES</b> .....	<b>4</b>
<b>5.</b>	<b>ASSOCIATED DOCUMENTS</b> .....	<b>5</b>
<b>6.</b>	<b>REVISION RECORD</b> .....	<b>5</b>

# REMISSION AND POSTPONEMENT OF RATES ON MĀORI FREEHOLD LAND

## 1. PURPOSE

Southland District Council has developed the Remission and Postponement of Rates on Māori Freehold Land Policy (the Policy) to ensure fair and equitable collection of rates from all sectors of the community. The Policy recognises that certain Māori-owned lands have particular features, ownership structures or other circumstances that make it appropriate to provide rates relief.

The Policy provides the framework for granting remissions and postponements for the payment of rates and penalties on Māori freehold land, as is adopted under Section 102(2)(e) and Section 108 of the Local Government Act (2002).

## 2. DEFINITIONS AND ABBREVIATIONS

Term	Meaning
LGA	Local Government Act (2002)
LGRA	Local Government (Rating) Act (2002)
Maori freehold land	Land whose beneficial ownership has been determined by the Māori Land Court by freehold order.
Service Rates	Sewerage and water rates, recycling and rubbish bin collection rates
Waahi Tapu	Place sacred to Maori in the traditional, religious, ritual or mythological sense.

## 3. POLICY DETAILS

### 3.1 Background

The Southland District Council carries out its rating function in accordance with the requirements of the LGRA and the LGA.

All Māori freehold land in the Southland District is liable for rates in the same manner as if it were general land (as per section 91 LGRA).

Māori Freehold land is defined in the LGRA as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is the subject of such an order may qualify for remission or postponement under this policy.

Whether rates are remitted in any individual case will depend on the individual circumstances of each application. Schedule 11 of the LGA identifies the matters which must be taken into account by Council when considering rates relief on Māori freehold land.

When considering the objectives listed below Council must take into account:

- the desirability and importance of the objectives (3.2) to the District; and
- whether remitting the rates would assist attainment of those objectives.

### 3.2 Objectives

The objectives of rates remission and postponement on Māori freehold land by Council are:

- (a) supporting the use of the land by the owners for traditional purposes;
- (b) recognising and supporting the relationship of Māori and their culture and traditions with their ancestral lands;
- (c) avoiding further alienation of Māori freehold land;
- (d) facilitating any wish of the owners to develop the land for economic use;
- (e) recognising and taking account of the presence of Waahi Tapu that may affect the use of the land for other purposes;
- (f) recognising and taking account the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere);
- (g) recognising and taking account of the importance of the land for community goals relating to:
  - i. the preservation of the natural character of the coastal environment,
  - ii. the protection of outstanding natural features,
  - iii. the protection of significant indigenous vegetation and significant habitats of indigenous fauna;
- (h) recognising the level of community services provided to the land and its occupiers;
- (i) recognising matters related to the physical accessibility of the land.

### 3.3 Conditions and Criteria for the Postponement and Remission of Rates on Maori Freehold Land

Conditions for the rates to receive rates remission include for defined Maori freehold land to be:

- Maori freehold land as set out in the definitions
- not occupied by a dwelling, out-building or commercial building; and
- not used for economic benefit.

Applications for remission of rates on Māori freehold land must be made in writing, and should include:

- a description of the size, position and current use of the land,
- an indication of the ownership and documentation that shows the land which is subject to the application for rates remission is Māori freehold land,
- outline future plans for the land (if any),
- sources and level of income generated by the land (if any),
- financial accounts if requested,
- outline the reason for the request,
- describe how the application meets any one or more of the objectives listed in 3.2.

Council may grant a remission of up to 100% of all rates, except Service Rates.

### 3.4 Postponement of Rates

Council does not postpone rates for Māori freehold land; however, it will remit 100% of rates (excluding Service Rates) on application, if the application meets the criteria set out in 3.3.

### 3.5 Remission of Penalties

Remission on rates penalties on Māori freehold land will be subject to application meeting the criteria set out in 3.3. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Where significant arrears exist, penalties may be remitted whilst regular payments are made to reduce the arrears balance.

Decisions on remission of penalties will be made on the same basis as remission of rates, with the delegated authority to remit penalties being given to the Chief Financial Officer, with recommendations from the Finance Manager.

### **3.6 Remission of Rates**

An application for remission of rates must be considered by the Chief Financial Officer.

All rates on Māori freehold land whose owners name or names (or the name of the lessee) appears on the valuation roll (under Section 92 of the LGRA) will be collected in the usual manner of rate collection and follow up.

All rates, rates arrears and penalties on Māori freehold land vested in trustees will be collected from income derived from that land and held by the trustees for the beneficial owners, but limited to the extent of the money derived from the land and held by the trustees on behalf of the beneficial owner or owners (as per Section 93 LGRA).

For Māori freehold land, any person who actually uses the land whether for residing, farming, storage or any other use, whether they have a lease or not, is liable to pay the rates (as per Section 96 LGRA). The rates invoice will be delivered to that person and the rates will be collected in the usual manner. Section 97 of the LGRA provides for the person to be treated as having used the whole of the land for the whole financial year, unless they can establish otherwise.

Rates arrears on Māori freehold land shall be reviewed annually and amounts determined by Council as uncollectible shall be written off (for accounting purposes) on such land.

### **3.7 Existing decisions on Māori Freehold land**

Any decisions made by Council regarding rates remissions on Māori freehold land before 1 July 2017 remain recognised by Council.

### **3.8 Length of decision**

Decisions regarding rates remission on Māori freehold land remain in perpetuity, unless the land becomes occupied or used for economic benefit. In this case, it is expected that the landowners would advise Council of the change in land use. If there is evidence of the use of the land for occupation or economic benefit, Council may request financial statements regarding the property in order to review a decision. Reviews of decisions regarding rates remission for Māori freehold land will be made by the Chief Financial Officer.

#### 4. ROLES AND RESPONSIBILITIES

Party/Parties	Roles and Responsibilities
Finance Manager	Receive applications and make recommendations to Chief Financial Officer for remission of rates on Māori freehold land.
	May request financial statements regarding the property if there is evidence that the land is occupied or being used for economic benefit.
	May write off rates if the application is accepted
Chief Financial Officer	Accept or decline applications for remission of rates on Māori freehold land.
	Review applications, if applicable, for remission of rates on Māori freehold land.

#### 5. ASSOCIATED DOCUMENTS

- Local Government Act (2002),
- Local Government (Rating) Act (2002)

#### 6. REVISION RECORD

Date	Version	Revision Description
2016	Remission and Postponement of Rates on Māori Freehold Land	R/16/8/13717 – Long Term Plan 2018-2028
2015	Remission and Postponement of Rates on Māori Freehold Land	R/15/6/10846 – Long Term Plan 2015-2025
2012	Remission and Postponement of Rates on Māori Freehold Land	R/13/8/11136 - Long Term Plan 2012-2022
2007	Rates Remission Policy for Māori Freehold Land	2007/05/4523
26 June 2003	Remission and Postponement of Rates on Māori Freehold Land	
30 January 1997	Remission and Postponement of Rates on Māori Freehold Land	

## Draft Stewart Island/Rakiura Visitor Levy Policy

Record No: R/17/2/1891  
Author: Robyn Rout, Policy Analyst  
Approved by: Rex Capil, Group Manager Community and Futures

Decision  Recommendation  Information

### Purpose

- 1 This report presents the draft Stewart Island/Rakiura Visitor Levy Policy (the “Policy”) to Council for adoption.
- 2 On the 1<sup>st</sup> of February 2017, officers presented a revised Policy to the Community and Policy Committee. The Committee suggested some additional minor changes, endorsed the Policy, and recommended to Council that the Policy be adopted.
- 3 The Policy provides guidance on the governance and administration of the Stewart Island/Rakiura Visitor Levy.
- 4 A more thorough review of the Policy, including looking into collection methods, whether all visitors are paying the levy, and the amount the levy is set at, will be completed in 2018.
- 5 The draft Policy is included as an attachment to this report.

### Recommendation

#### That the Council:

- a) **Receives the report titled “Draft Stewart Island/Rakiura Visitor Levy Policy” dated 13 February 2017.**
- b) **Adopts the Stewart Island/Rakiura Visitor Levy Policy.**

### Attachments

- A Draft Stewart Island/Rakiura Visitor Levy Policy [↓](#)

**POLICY:** STEWART ISLAND/RAKIURA VISITOR LEVY

**ROLE RESPONSIBLE:** Activity Manager Community Assistance

**DATE APPROVED:** 29 January 2014

**DATE AMENDED:** 7 October 2015

**FILE NO:** 140/20/1/4

### 1.0 PURPOSE

This policy provides guidance on governance and administration of the Stewart Island/Rakiura Visitor Levy. The policy outlines who is liable to pay the levy as well as how the levy will be collected, administered, allocated and enforced.

### 2.0 BACKGROUND

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 Southland District 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 Southland District Council set and collect levies and obtain revenue from visitors to Stewart Island/ Rakiura. Under the Act, funds must be used to better provide services, facilities, and amenities for Island visitors.

### 3.0 DEFINITIONS

**The Act** - the Southland District Council (Stewart Island/ Rakiura Visitor Levy) Empowering Act 2012.

**Council** - the Southland District Council.

**Island** - Stewart Island/Rakiura.

**Levy** - the sum of money (inclusive of GST) collected under Stewart Island/ Rakiura Visitor Levy Bylaw 2012.

**Revenue** - revenue (inclusive of GST) collected under Stewart Island/ Rakiura Visitor Levy Bylaw 2012, by an approved operator in accordance with contractual arrangements with the Council.

**Visitor** - any person who travels to the Island and is not exempt from payment of levy or revenue under the Act or the provisions of this policy.

**Approved Operator** - once an agreement is reached between Southland District Council and a transport vessel operator for the collection and payment of revenue, the operator becomes an Approved Operator. The Approved Operators are Real Journeys on behalf of Stewart Island Experience, Stewart Island Flights and ISS McKay on behalf of the cruise ships.

**Agent** - a business entity that enters into a contractual arrangement with Southland District Council to collect the Levy from its passengers on behalf of the Council.

**Resident** - a person recognised as living on the Island for electoral residency purposes under Section 23 of the Local Electoral Act 2001.

**Ratepayer** - a person who is named on a current rates notice of a rating unit on the Island. Only persons who are named on current rates notices are considered to be ratepayers, regardless of who funds rates payments.

**Tenant** - a person who has a tenancy agreement for a rating unit on the Island under the provisions of the Residential Tenancies Act 1986.

**Dependant** - a person primarily under the care and responsibility of another person, living with that person as a member of their family and substantially reliant on that person for financial support.

**Activity** - has the meaning given in [Section 5\(1\)](#) of the Local Government Act 2002 This includes:

- (a) the provision of facilities and amenities; and
- (b) the making of grants; and
- (c) the performance of regulatory and other governmental functions.

**Freedom traveller** - a visitor who travels to the Island by means other than as a passenger of an approved operator. This includes chartered vessels and independent travel. It does not include people who travel via the ferry (Stewart Island Experience) or scheduled flight (Stewart Island Flights) or cruise ships.

**Rakiura Māori Land Trust** - the Rakiura Māori Lands Trust is governed by six Trustees appointed by the Māori Land Court upon recommendation from the beneficial owners. The Rakiura Māori Land Trust holds lands and funds in trust for many Rakiura Māori descendants.

#### 4.0 COLLECTION

The Act provides for the collection of money from two sources:

1. **Revenue** collected on behalf of Southland District Council by Approved Operators; and
2. **Levy** income from visitors arriving as freedom travellers.

Through contractual arrangements, Southland District Council will collect *revenue* from Approved Operators. Approved Operators include Stewart Island Experience (the ferry), Stewart Island Flights (scheduled airline service) and cruise ships. Passengers will pay the Approved Operator in accordance with the terms of carriage ie, the levy will form part of their ticket price.

However, if the person travels via an Approved Operator and pays a local or child fare, the Approved Operator will not charge the levy.

Under the Stewart Island/Rakiura Visitor Levy Bylaw 2012, Southland District Council will collect the *levy*. The *levy* will be collected from freedom travellers, ie those who are visitors under the Act but do not travel as passengers of an Approved Operator. Where a person is a freedom traveller the categories of exemption in Clause 4.1 apply. This means that if a person is not exempt, he or she will have to pay the levy.

The Act exempts people visiting the Island for a continuous period of 21 days. If revenue is collected from such individuals, they can seek a refund from Southland District Council by providing proof they have been on the Island for at least 21 days.

#### 4.1 Who Pays

All individuals travelling to Stewart Island/Rakiura must pay the levy or pay revenue to an Approved Operator unless they are exempt under the Act or pay a local fare.

The Act provides several categories of exemption. These are:

1. Residents, ratepayers and tenants of Stewart Island/Rakiura and their spouses, civil union partners, de facto partners, or dependants;
2. Beneficiaries of the Rakiura Māori Land Trust or individuals who have an ownership interest in a Māori land block on the Island;
3. Visitors who remain on the Island for any continuous period of 21 days or more;
4. Owners of a transport vessel or individuals employed under contract to work on a transport vessel;
5. Individuals whose visit is entirely within the boundaries of the Rakiura National Park;
6. Persons under the age of 18 years on the date of arrival on the Island.

Where the resident or ratepayer exemption applies to a person, the exemption does not automatically apply to the whole family or group. The exemption applies to the ratepayer(s) set out on the rates notice and their spouse, civil union partner, de factor partner or dependant. This does not include visiting adult children or grandchildren (unless they are dependants). Holiday home owners are exempt if they are a ratepayer on the Council's rates notice. However, beneficiaries of family trusts are unlikely to be exempt if they are not designated by name as ratepayers on the Southland District Council rates notice.

The exemption does not apply to visiting trades-people unless the person stays for more than 21 days. Volunteer visitors are also required to pay the levy unless they fall within a category of exemption.

Visiting entirely within the boundaries of the Rakiura National Park means the person visiting does not arrive or leave through the township of Oban.

## 5.0 CALCULATION

The amount of the levy is set out in the Stewart Island/Rakiura Visitor Levy Bylaw 2012 and is currently set at \$5.00.

In the event an increase in the levy amount is considered, public consultation will occur via the Southland District Council Annual/ Long Term Plan process. If Council decides to increase the levy amount, the increase will not take effect until 1 October in the year following the decision ie, Approved Operators will receive 15 months lead in time before they start collecting the new amount.

### 5.1 Arrangements with Approved Operators

Approved Operators will collect revenue on behalf of Southland District Council in accordance with contractual arrangements. The contractual arrangements will be negotiated for each Approved Operator taking into account the individual circumstances of each transport business.

Apart from cruise ships, Approved Operators will charge the levy for both inbound and outbound journeys (\$2.50 each way). This allows for passengers who use different modes of transport to travel to and from the Island and allows the levy to be apportioned across the modes of transport on an equitable basis.

### 5.2 Collection of the Levy from Freedom Travellers

The Stewart Island/Rakiura Visitor Levy Bylaw 2012 outlines levy collection from visitors who travel to the Island via private or chartered transportation ie, freedom travellers. A levy of \$5.00 will be payable when the person arrives on the Island. Southland District Council has provided a collection box to receive payments, placed at the Southland District Council office at 10 Ayr Street, Oban. Freedom travellers can deposit levy payments at this location at any time. Southland District Council will also enter into agreements with an agent(s) operating chartered vessels to collect the levy from passengers on behalf of Southland District Council.

Only one payment is required per person for the duration of their stay on the Island. Travel to neighbouring Islands (excluding the mainland) will not constitute leaving the Island.

## 6.0 PROOF OF EXEMPTION

Persons exempt under the Act can apply for a Southland District Council photo identification card. Southland District Council photo identification cards will be accepted as proof of exemption by Approved Operators and agents. They will also be accepted by enforcement officers monitoring compliance with the Stewart Island/Rakiura Visitor Levy Bylaw 2012.

A Southland District Council photo identification card will be issued and renewed at no cost to exempt applicants. Renewing a Southland District Council photo identification card will require confirmation of entitlement using documentation as set out in Appendix A. Photographs will also be updated at the time of renewal. It is the responsibility of the card holder to advise the Council of any change in contact details or exemption status.

The card remains the property of Southland District Council. Cards are not transferable and cardholders retain sole responsibility for use of the card issued to them. A replacement fee will apply to lost or damaged cards. This fee will be set out in the Southland District Council Schedule of Fees and Charges.

Agreements between Southland District Council and Approved Operators are reached on an individual basis and may differ. A Southland District Council photo identification card may be required by the Approved Operator at the time of ticket purchase or boarding the vessel for an exemption to be granted.

Each Approved Operator may choose to compile a list of names eligible for local fares. Eligibility for a local fare is a commercial decision made at the discretion of Approved Operators and is not influenced or administered by Southland District Council. Individuals can contact Approved Operators to ascertain whether they maintain such a list and to determine their eligibility for inclusion. Eligibility for local fares may mean that there is no requirement to apply for and carry a photo identification card when travelling.

#### 6.1 Application for Exemption

An application to receive a Southland District Council photo identification card can be made by attending the Southland District Council office located at 15 Forth Street, Invercargill or by sending a completed application form to PO Box 903, Invercargill 9840 accompanied by a colour passport sized photo of each applicant.

Applicants are also required to provide documentation which proves their exemption. Examples of accepted documentation to prove exemption status are set out in Appendix A.

Two categories of card will exist, distinguished from one another by colouring. The first category will cover people with long term exemptions, including ratepayers, residents and beneficiaries of the Rakiura Māori Land Trust. Cards issued to individuals in this category will be valid for a period of up to five years.

A second category of card will be issued to people who have a temporary exemption due to circumstances such as seasonal work or extended temporary stay on the Island. These cards will be valid for a fixed period of time up to six months. To align with seasonal work trends, fixed periods for temporary cards will be from 1 October to 31 March and from 1 April to 30 September each year.

### 7.0 REFUNDS

People who have been charged the levy but believe that they are exempt under the Act can apply to Southland District Council to receive a refund. Refund applications should state the reason for the claim, along with a copy of supporting documentation as set out in Appendix A.

An application for a refund must be made within six months of the date of travel.

### 8.0 AUDIT

Southland District Council has the ability to audit the collection and payment of the levy by agents and revenue by Approved Transport Operators. Audit procedures may include a review of visitor numbers against funds received.

## 9.0 ENFORCEMENT

Part 2 of the Act outlines infringement offences. Any person considered a visitor that has evaded payment or falsely claims that they are not a visitor will be considered to have committed an infringement offence.

An infringement fee is set by way of regulation and will be displayed on signs erected on the Island. Infringement notices can be issued by Southland District Council Enforcement Officers. Enforcement Officers are authorised to request proof of payment or exemption from individuals.

Southland District Council photo identification cards are accepted as proof of exemption. A ticket issued by an approved transport operator, a cruise ship boarding pass or a receipt from the collection box or a levy collection agent will also be accepted as proof of payment.

## 10.0 ADMINISTRATION

The Stewart Island/Rakiura Visitor Levy Subcommittee (the Subcommittee) has delegated responsibility to make decisions regarding funding from the Stewart Island/Rakiura Visitor Levy Fund. Decisions will be based on the compatibility of applications with allocation criteria and alignment with strategic outcomes determined by the Subcommittee.

The Stewart Island/Rakiura Visitor Levy Subcommittee is a Subcommittee of the Community and Policy Committee and is subject to standard audit procedures. The Community and Policy Committee will be informed of funding decisions via memoranda. Southland District Council's Annual Report will contain an itemised statement of the Stewart Island/ Rakiura Visitor Levy Fund each year.

### 10.1 Stewart Island/ Rakiura Visitor Levy Subcommittee Membership

The Subcommittee will meet annually to review applications and allocate funding. The Subcommittee will consist of the following members appointed by Council:

- A representative recommended by each of the Approved Operators (three in total).
- One Community Board representative and the Councillor for Stewart Island.
- One independent Councillor who will act as a representative of Southland District Council and be appointed by the Council. The independent Councillor will act as Chair of the Subcommittee.

The Chair of the Subcommittee will have a casting vote, which can only be exercised to resolve an evenly split vote.

### 10.2 Technical Advisory Group

The Subcommittee will be supported by a Technical Advisory Group (TAG). The TAG will be appointed by Southland District Council to provide strategic insight and technical expertise regarding funding applications. The Technical Advisory Group will provide recommendations to the Subcommittee based on an assessment of the demand for projects, their viability, likely impact and alignment with strategic outcomes.

### 10.3 Allocation Criteria

Allocations will be made in May of each year. The application process will be administered by Venture Southland. Advertisements will be placed once the fund is open to receive applications and will include the deadline for receipt of applications. Late applications will not be considered.

Only funds that have been received by Southland District Council at the time of advertisement will be allocated.

To be considered for funding, applications must be consistent with Section 6(b) of the Act. Section 6(b) states that revenue and levies collected must be used to fund:

1. Activities used by visitors;
2. Activities on the Island for the benefit of visitors; or
3. To mitigate the adverse effects of visitors on the environment of the Island.

These criteria do not exclude applications for funding in relation to the development or maintenance of existing facilities, services and projects. However, no funds will be allocated retrospectively for projects that have already been completed.

In considering applications, the Subcommittee will give priority to applications for activities or projects that can demonstrate the widest public benefit. Applications that primarily benefit a single or limited number of persons or entities will be given a low priority.

Applications to the Stewart Island/Rakiura Visitor Levy Fund must be made using the appropriate documentation provided by Venture Southland. All applications must include:

- An outline of the project or work requiring funding, including a timeline.
- If the project involves physical works, scale conceptual plans including site plans.
- Any requirement for resource or building consent.
- A business plan for the project including costs and on-going funding requirements, if any.
- Evidence of legal status of the applicant (eg, charitable trust or body corporate).
- An assessment of how the project meets the purposes of the Act and responds to the set strategic outcomes.
- Declarations of interest.

If a Subcommittee member has any connection to an application greater than that of the general public that member should declare an interest in the relevant application, prior to it being considered. In such circumstances, the member affected shall still be entitled to speaking and voting rights, unless the member has a pecuniary interest in the application.

**11.0 REVIEW**

Southland District Council will review the Stewart Island Rakiura Bylaw and this Policy within 6 years of adoption.

### APPENDIX A: DOCUMENTS WHICH CAN BE USED TO CLAIM EXEMPTION OR REFUND

The table below contains a list of documents which will be accepted as proof of exemption from the need to pay the Stewart Island/Rakiura Levy.

These documents will be accepted in relation to 1) applying for a photo identification card and 2) applying for a refund.

Original documentation from both Category A and Category B must be presented concurrently. Southland District Council requires proof of both identity and levy exemption status. A current address will need to be provided to receive notice of renewals and other information.

This is not a comprehensive list and other equivalent documents may be accepted when applying for a Southland District Council photo identification card or applying for levy refund.

At least one photo ID must be produced from Category A	
The name on the document must be exactly the same as the applicant's name	
<ul style="list-style-type: none"> <li>• Passport (Passports can be accepted up to two years after the expiry date).</li> <li>• Proof of Age Card with photo.</li> <li>• Drivers Licence.</li> <li>• Public Service Employee ID Card bearing a photo.</li> <li>• Education ID Card with photo.</li> <li>• Firearms licence.</li> </ul>	
At least one form of identification from Category B	
Reason for exemption	Example of accepted proof of exemption
<ul style="list-style-type: none"> <li>• <i>Ratepayers.</i></li> <li>• <i>Tenants.</i></li> <li>• <i>Residents.</i></li> </ul>	<p>One or more of the following documents showing name and address on Stewart Island:</p> <ul style="list-style-type: none"> <li>• Notice of rates or VG number verified by Rates Department. Rates Notices must state that the applicant is the owner of the property to which the Rates Notice was sent and the document must be current at the time of the application.</li> <li>• Tenancy Agreement.</li> <li>• Utilities bill.</li> <li>• Insurance Renewal Advice.</li> <li>• Motor Vehicle Registration.</li> <li>• Electoral roll number.</li> <li>• Mortgage documents.</li> <li>• Current Land Titles Office records.</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Spouses of a ratepayer or tenant.</i></li> <li>• <i>Civil union or de facto partner of a ratepayer or tenant.</i></li> <li>• <i>Dependants of a ratepayer or tenant.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Application to be made in conjunction with the respective person.</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Rakiura Māori Land Trust beneficiaries.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Southland District Council may be able to check property rights via the <a href="http://www.Māorilandonline.govt.nz">www.Māorilandonline.govt.nz</a> website or work with the Rakiura Māori Land Trust to access its database of beneficiaries.</li> </ul>
<ul style="list-style-type: none"> <li>• <i>People under the age of 18.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Passport.</li> <li>• School student concession card.</li> <li>• Birth Certificate.</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Owners or those working on transport vessels.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Employment documentation (eg, payslips, letter from employer).</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Visitors whose visit is for 21 days or more.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Tickets or invoices showing names and dates of arrival and departure.</li> <li>• Receipts for accommodation covering the relevant time period.</li> </ul>

## 2017 Southland District Council Scholarship Recipients

Record No: R/17/1/1783  
Author: Bronwyn Affleck, Administration Manager  
Approved by: Rex Capil, Group Manager Community and Futures

Decision  Recommendation  Information

Item 7.4

### 2017 Scholarship Applicants

- 1 The Southland District Council Community and Policy Scholarship and Bursaries Interview Panel conducted scholarship applicant interviews on 19 January 2017. No applications were received for the Community Outward Bound 18 – 27 year category.

### 2017 Scholarship Recipients

- 2 Centennial Bursary (\$2,000 each recipient): Robert Grove and Sophie Sangster.
- 3 Valmai Robertson Arts Scholarship (\$2,500 contestable): Samantha Chandler \$1,000 and Richard Crouchley \$1,500.
- 4 “Eric Hawkes Memorial” Community Outward Bound Scholarship 27 years and over: Maree Small.
- 5 “Eric Hawkes Memorial” Employee Outward Bound Scholarship: Peter Meikle.

### Recommendation

That the Council:

- a) Receives the report titled “2017 Southland District Council Scholarship Recipients” dated 16 February 2017.
- b) Approves the 2017 Southland District Council Scholarship recipients as recommended by the Southland District Council Scholarship and Bursaries Interview Panel – being
  - Centennial Bursary (\$2,000 each recipient):  
Robert Grove and Sophie Sangster
  - Valmai Robertson Arts Scholarship (\$2,500 contestable):  
Samantha Chandler \$1,000 and Richard Crouchley \$1,500
  - “Eric Hawkes Memorial” Community Outward Bound Scholarship 27 years and over:  
Maree Small
  - “Eric Hawkes Memorial” Employee Outward Bound Scholarship:  
Peter Meikle

### Attachments

There are no attachments for this report.



## Submission on transmission pricing methodology

Record No: R/17/2/2679  
Author: Louise Pagan, Communications Manager  
Approved by: Rex Capil, Group Manager Community and Futures

Decision  Recommendation  Information

### Purpose

- 1 To seek Council's approval of the draft submission to the Electricity Authority on the review of transmission pricing methodology.

### Executive Summary

- 2 This report presents a draft submission to the Electricity Authority regarding its review of transmission pricing methodology. This submission is to the supplementary consultation after Venture Southland wrote a submission on behalf of the Councils to the first round. The methodology changed from the first round and Venture Southland is again writing a submission looking at the issues in depth. Council is seeking a fairer way of assigning costs of the national electricity grid.

### Recommendation

That the Council:

- a) **Receives the report titled "Submission on transmission pricing methodology" dated 16 February 2017.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the draft submission to the Electricity Authority on the transmission pricing methodology.**

## **Content**

### **Background**

- 3 At the moment consumers in Southland pay the same rates for electricity transmission that consumers further north pay, even though much of New Zealand's electricity is generated in the South Island through the hydro-electric schemes. This means Southlanders, much of the rest of the South Island and the lower North Island are subsidising grid upgrades in Auckland, for example. This not only affects ratepayers and residents, but also industry, which is paying more in transmission costs in Southland than further north.
- 4 The Electricity Authority began a review into the way transmission prices are allocated in 2014, releasing its first paper for submissions in 2015. Changes were made to the methodology and a second issues paper was consulted on in mid-2016 and in December last year it released a supplementary paper to seek further submissions on this issue.
- 5 Submissions close at 5pm on Friday 25 February 2017.

### **Issues**

- 6 Council's submission is asking for more fairness in the way transmission pricing is allocated and is suggesting user pays is fair.

### **Factors to Consider**

#### **Legal and Statutory Requirements**

- 7 There are no legal requirements in making a submission regarding pricing to the Electricity Authority.

#### **Community Views**

- 8 Council is working with the other three southern Councils in a Facebook campaign to try to ensure ratepayers and residents are aware of the issues and this review. The campaign encourages them to make submissions as well.

#### **Costs and Funding**

- 9 There are no costs to making a submission.

#### **Policy Implications**

- 10 There are no policy implications.

## **Analysis**

### **Options Considered**

- 11 1. To make a submission on transmission pricing methodology.
- 12 2. To not make a submission on transmission pricing methodology.

## Analysis of Options

### Option 1 – To make a submission

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Council lobbies on behalf of its ratepayers and residents for fairness in pricing</li><li>• Changes to pricing may occur</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>

### Option 2 – To not make a submission

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• None</li></ul>	<ul style="list-style-type: none"><li>• Council is seen as not representing its ratepayers and residents on national issues that affect them.</li></ul>

## Assessment of Significance

- 13 This is not considered significant under Council's Engagement and Significance Policy.

## Recommended Option

- 14 Option 1 – To make a submission on transmission pricing methodology.

## Next Steps

- 15 If Council approves the submission, it will be sent to the Electricity Authority before Friday 25 February 2017.

## Attachments

- A 2017 Submission on Transmission Pricing Methodology [↓](#)

15 February 2017

Submissions  
Electricity Authority  
PO Box 10041  
WELLINGTON 6143

Via e-mail: [submissions@ea.govt.nz](mailto:submissions@ea.govt.nz)

**Transmission Pricing Methodology: Second issues paper, supplementary consultation**

Southland District Council is pleased to provide a submission to the Electricity Authority on its supplementary consultation on the Transmission Pricing Methodology: Second issues paper, supplementary consultation.

Southland District Council covers the largest geographical area, with 11% of NZ's physical land area, of any territorial local authority. We have a population of 29,613 (Census 2013), who predominantly live in either rural towns or on farms.

The way in which electricity transmission prices are spread out across New Zealand at present isn't fair or equitable. Even though much of New Zealand's electricity is generated here with some 22% of all electricity generated south of Cromwell, the people of the South are actually subsidising the transmission costs of people living in other parts of the country.

1. Council supports the submission made on behalf of the Southland Region submitted by Venture Southland. We also highlight the following points.
2. Council supports the principle that costs should be allocated to those who benefit from provision of the service. This does not happen at present.
3. More than **\$1.3 billion** of transmission investment has been commissioned in the upper North Island since 2004. But only **39%** of that investment is being paid for by the upper North Island. The remaining 61% of these upper North Island upgrades is being paid for by increased transmission costs in the lower North Island and South Island.<sup>1</sup>
4. We support the Electricity Authority's process of reforming how the costs of the national grid are charged to customers. We believe the Authority has run a good and inclusive consultation process, listening to the concerns of stakeholders and adjusting its proposals as a result.
5. We support the proposed Area of Benefit (AoB) approach outlined in the Authority's recent papers. This should see costs mostly fall to customers who benefit from the transmission services they receive. As far as possible the cost of the grid should be met under the proposed AoB, if a customer is able to benefit from a transmission asset or infrastructure then that benefit and the cost of it should be allocated to that customer.
6. Transpower's unallocated overheads and expenses should also be allocated as much as possible to those customers who benefit from those costs.

---

<sup>1</sup> Second Issues Paper, paragraph 6.49(a)

7. In short any charges that relate to the provision of a service to a particular customer or group of customers should be identified and charged to that group of customers.
8. Remaining charges allocated via “the Residual” and allocated to customers should be minimised as much as possible. The costs that make up the total Residual should be clearly itemised for all customers to understand. Therefore it would be clear if it included costs that in fact benefit one customer or a group of customers over others and should be allocated via the AoB. If this is not done we once again could see a situation where one group of customers are in effect subsidising the service another group of customers receive.
9. If, despite reform of the transmission pricing methodology, it is obvious that a customer is still being charged significantly more than the actual cost of delivering the transmission service they receive, then we support the concept of a Prudent Discount Policy.
10. It is important that the Authority does not delay its work in reviewing the TPM. Customers in regions like Southland and Otago are currently facing transmission costs that are disproportionate to the services they receive. Any more delays mean we as Southern customers will be continuing to pay for investments that customers in other regions benefit from. We will never be paid back for that over payment – but we would like to stop paying for other regions’ transmission grid infrastructure as soon as possible.
11. This situation is made even more unfair by the fact that Southland is geographically close to abundant hydro generation. This is something that should represent a global competitive edge as the world moves to a lower carbon future. To have that regional advantage undermined by transmission pricing does not deliver good economic outcomes for the whole of New Zealand.
12. We would like to see a fairer method of allocating the cost of New Zealand’s national grid in place as soon as possible.

Southland District Council has been so concerned by this issue that we have worked together with our three southern councils – Environment Southland, Gore District Council and Invercargill City Council – to run a Facebook campaign to ensure our ratepayers and residents understand the impact of transmission pricing issues. We are encouraging them to submit to you as well.

The campaign has only been running since February 10 on all of the aforementioned Councils’ Facebook pages, and on our page alone we had reached 7026 people by February 15.

We strongly encourage you to continue to seek fairer ways of allocating transmission costs between different consumers.

Yours sincerely

Gary Tong

Mayor

Southland District Council



# Approval of Unbudgeted Expenditure by the Limehills/Centre Bush Community Development Area Subcommittee for Limehills Stormwater Maintenance Project

Item 8.1

Record No: R/17/1/1492  
Author: Moira Tinnock, Community Engineer  
Approved by: Ian Marshall, Group Manager Services and Assets

Decision  Recommendation  Information

## Purpose

- 1 To seek Council's approval to spend up to \$9,505.00, excluding GST, unbudgeted expenditure on mechanical cleaning of the Limehills stormwater ditches.
- 2 The budgeted expenditure to mechanically clean the stormwater ditches is \$11,695.00 for the 16/17 financial year leaving a shortfall of \$9,505.00.
- 3 The Limehills/Centre Bush Community Engineer requested price quotes based on the current Limehills stormwater system map held by Council. The range of received quotes to date are from \$19,580.00 to \$21,200.00, excluding GST.
- 4 The current budget to undertake the above work is \$11,695.00.
- 5 The Board has requested approval to spend up to \$9,505.00, excluding GST, to be funded from the Board's stormwater reserve to start works.
- 6 Mechanical cleaning of the ditches was budgeted to occur in the 14/15 financial year and it was not undertaken. \$11,695.00 was carried forward into the 15/16 financial year but the stormwater ditches were sprayed instead of being mechanically cleaned.
- 7 Pricing in the open market for this work to be undertaken has not occurred for a number of years and because of this, the budget now does not reflect the actual costs of completing the mechanical cleaning.

## Recommendation

That the Council:

- a) Receives the report titled “Approval of Unbudgeted Expenditure by the Limehills/Centre Bush Community Development Area Subcommittee for Limehills Stormwater Maintenance Project” dated 16 February 2017.
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Approves the request of the Limehills/Centre Bush Community Development Area Subcommittee for approval of unbudgeted expenditure of up to \$9,505.00, excluding GST, to be funded from the Board’s stormwater reserve to progress mechanical cleaning of the stormwater ditches.

## Content

### Background

- 8 The stormwater ditches were programmed to be mechanically cleaned in 2014 but the work was not undertaken as the ditch was sprayed instead.
- 9 The last known mechanical cleaning undertaken was in 2008.
- 10 Spraying of the ditches has been undertaken every year and approximately every five years mechanical cleaning is programmed to be undertaken.
- 11 Approval is sought to spend this unbudgeted amount of up to \$9,505.00 excluding GST, to be funded from the Board’s stormwater reserve account.

### Issues

- 12 Pricing in the open market has not been sought for a number of years.
- 13 Unbudgeted expenditure which this report is seeking to resolve.

### Factors to Consider

#### Legal and Statutory Requirements

- 14 None identified at this stage.

#### Costs and Funding

- 15 The Limehills/Centre Bush CDA Subcommittee’s stormwater reserve currently has a budget of \$54,338.00, with forecasted budget of \$59,135.00 at end of financial year (30 June 2017).

### Policy Implications

- 16 None identified at this stage.

### Analysis

#### Options Considered

- 17 Either approve or not approve the unbudgeted expenditure.

#### Analysis of Options

##### Option 1 - Approve expenditure.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>Stormwater reserves are utilised as to not require new or increase to budgets and rates.</li><li>Stormwater system is maintained to the level required for optimal functionality.</li></ul>	<ul style="list-style-type: none"><li>None identified.</li></ul>

##### Option 2 - Do not approve expenditure.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>None identified.</li></ul>	<ul style="list-style-type: none"><li>Stormwater system will not function to its optimal requirements.</li><li>Restricted flow may result in flooding of properties in the township.</li></ul>

#### Assessment of Significance

- 18 This request and required works are to ensure the optimal functioning of the existing stormwater system and to mitigate the risk of any potential flooding in the township.

#### Recommended Option

- 19 Approve expenditure.

#### Next Steps

- 20 If expenditure is approved, arrangement of works to be awarded to approved contractor.

#### Attachments

There are no attachments for this report.



# Financial Report for the month ended 31 December 2016

Record No: R/17/1/1619  
Author: Robert Tweedie, Management Accountant  
Approved by: Anne Robson, Chief Financial Officer

Decision  Recommendation  Information

Item 9.1

## Background

1. This report outlines the financial results for the six months to 31 December 2016 or 50% of the financial year.
2. The Monthly and YTD Actual results, in the attached Monthly Financial Summary Report, are compared to the Full Year Budget (Projection) in the 2016/2017 Annual Plan Budget. The projection values include any carried forward items approved by Council in August 2016 and will include any changes as a result of forecasting that Council approved. The 2016/2017 Annual Plan budget is shown in the Monthly Financial Summary Report as the Full Year Budget (Budget).

## Overview

3. The Summary Monthly Financial Report consolidates the business units within each of the key areas of the Executive Leadership Team (ELT) responsibility. The following commentary focusses on the year to date (YTD) results excluding GST.
4. The Detailed Monthly Financial Report includes more detailed explanations and commentary on variances by the Executive Leadership Team. Commentary generally focuses on the year to date (YTD) results and, where specified, monthly results.
5. Part of the monthly review involves budget managers phasing or timing their budgets in conjunction with the Finance team. Where phasing of budgets has not occurred, one twelfth of annual budgeted cost is used to calculate the monthly budget.
6. In the Council Summary and Detail Reports, the values in the columns for:
  - The Monthly Budget is phased, where appropriate, and includes forecasting.
  - The YTD Budget is the Annual Plan, carry forwards and forecasting year to date.
  - The Full Year Budget is the LTP budget for the year.
  - The Full Year Projection is the forecasted year end result.
7. Council staff will continue to refine the format of this report to enhance the financial information reported. We welcome any feedback or suggestions on further improvements that could be made to this report.
8. There is an ongoing review across the organisation to phase the budgets. This will reduce significant costs variations appropriately.

9. The Council Summary Report (actuals vs *phased and forecast* budget) year to date are as follows:

INCOME YTD			
Actual	Budget	Variance	Act to Bgt
\$ 32.2M	\$ 34.6M	(\$2.4M)	↓ (7%)

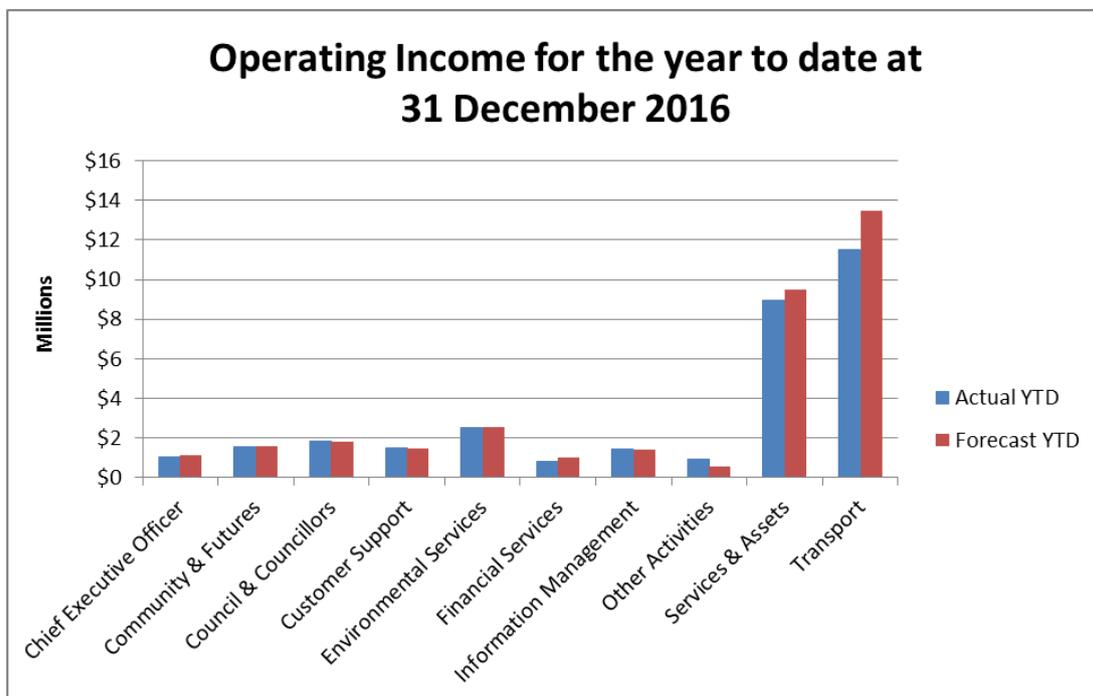
NET SURPLUS YTD			
Actual	Budget	Variance	Act to Bgt
\$ 7.8M	\$ 9.6M	(\$1.8M)	↓ 19%

OPERATING EXPENDITURE YTD			
Actual	Budget	Variance	Act to Bgt
\$ 24.4M	\$ 25.1M	(\$0.7M)	↓ 2%

CAPITAL EXPENDITURE YTD			
Actual	Budget	Variance	Act to Bgt
\$ 5.8M	\$ 15.6M	(\$9.8M)	↓ 63%

**Income**

10. Operating Income is (\$2.4M) 7% under budget year to date (\$32.2M actual vs \$34.6M budget).



11. Other Activities is over budget due to external interest income on investments being higher than budgeted. Annual Budget interest assumptions were made based on the level of cash reserves of projected capital works that were going to be undertaken. Cash reserves which would have been applied to these projects have resulted in higher cash reserves than budgeted leading to more interest income.

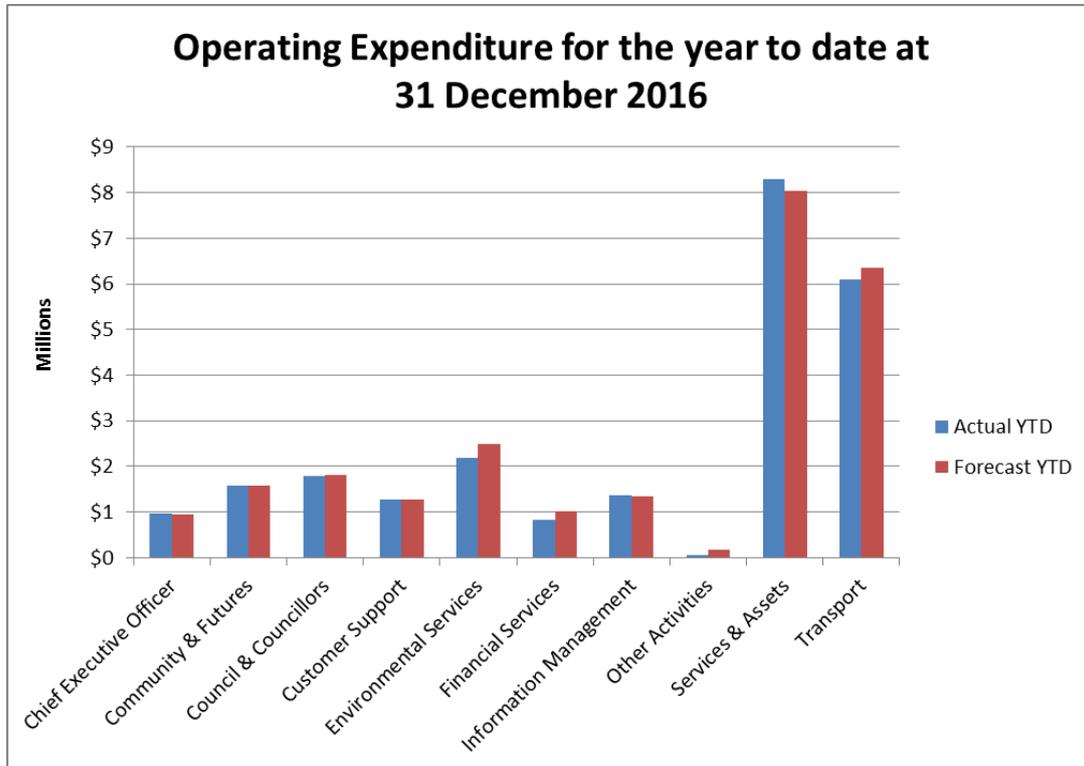
12. Services and Assets are \$531K under budget.

- The grant from NZ Lotteries of \$500K for the Around the Mountains Cycle Trail will be removed as part of the first round of forecasting.
- Community Engineers and Engineering Consultants business units are internally funded and under budget year to date. The costs are lower for both these business units against budget but will be on target by the end of the year.

13. Transport and Roding income is below budget year to date. Weather conditions to date have resulted in this year's capital works programme being behind the planned schedule which directly affects the level of income from NZTA. Works have progressed on roading and the NZTA funding will be on budget by year end.

**Operating Expenditure**

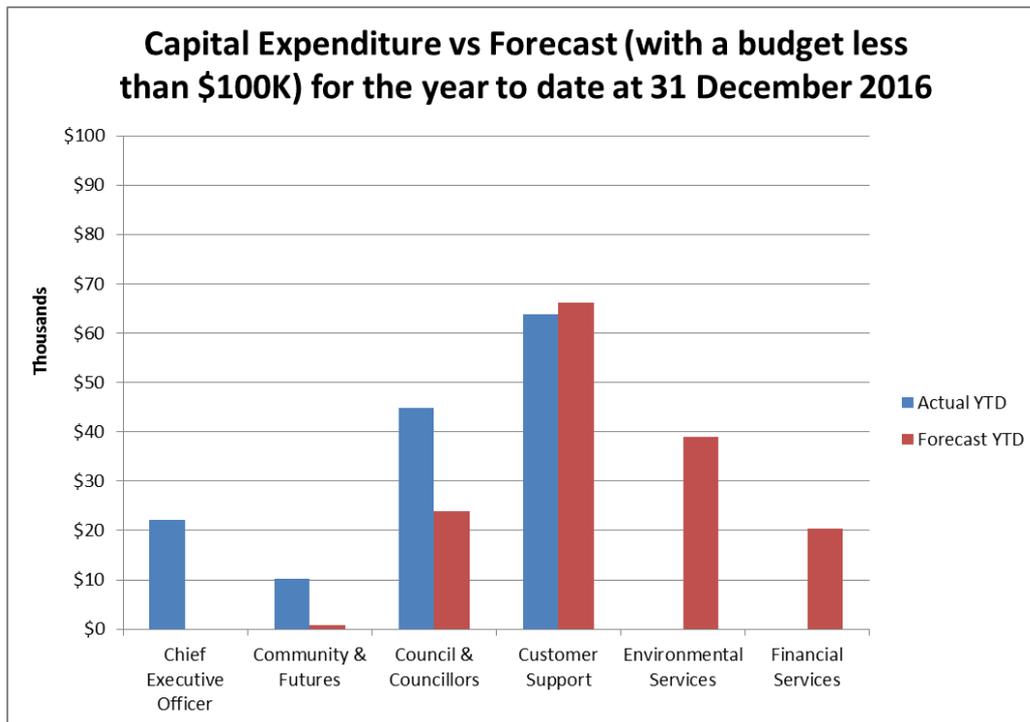
14. Operating Expenditure is (\$0.7M) 2% under budget for the year to date (\$24.4M actual vs \$25.1M budget).



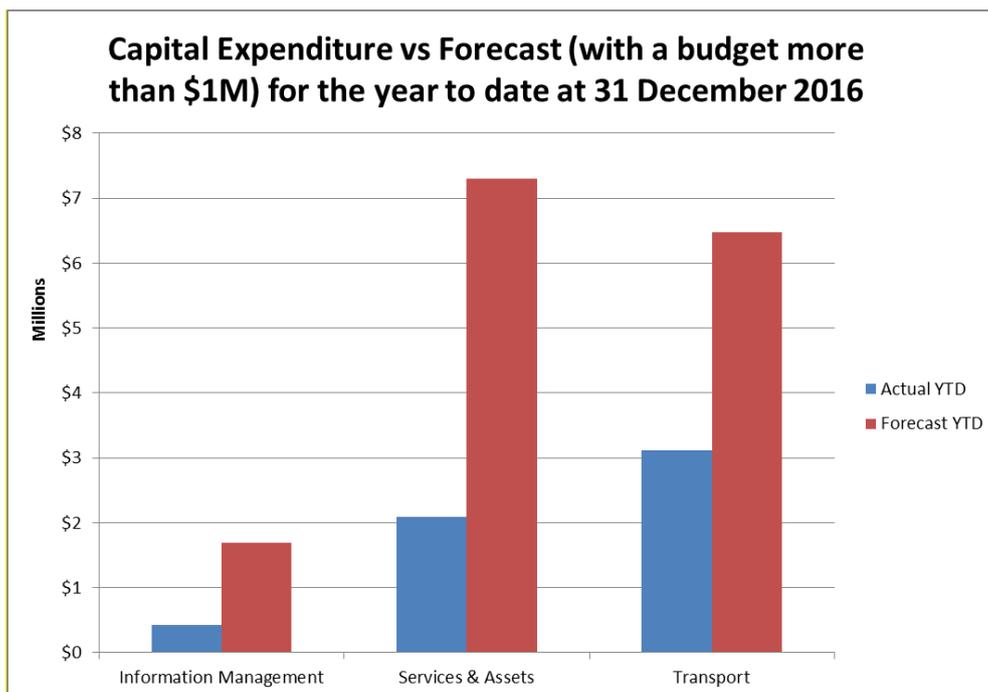
15. Environmental Services is down on budget due to the lower activity levels in the district. Staff are actively managing costs to keep them in line with the reduced revenue.
16. Financial Services is below budget. Insurance and valuation roll costs are estimated to be well below budget for the year as well as savings due to staff vacancies. The lower costs will reflect lower income “recoveries” for the year.
17. Services and Assets are over budget by \$271K. Forestry harvesting costs are over budget by \$149K due to increased sales in forestry. Harvesting costs have historically been directly offset against sales income. The forecast budgets for forestry will be adjusted in January to reflect the actual sales and harvesting costs.
18. Transport and Roding operational maintenance costs are slightly behind budget and will pick up after the December / January break.

**Capital Expenditure**

19. Capital Expenditure is 63% (\$9.8M) under budget year to date (\$5.8M actual v \$15.6M budget).



20. Chief Executive capital expenditure includes the new reception desk, funding for this will be from savings in the business unit or the district operating reserve. This adjustment has been included in the first round of forecasting and will be reflected in the January results.
21. Community and Futures capital expenditure relates to office furniture purchased in the Policy and Governance areas. This will be funded from the district operating reserves.



22. Information Management Services is progressing with the digitisation project. Work in respect of the Core Systems Review is still in progress as noted in the forecast report to Council last month. No significant capital expenditure will be incurred in this financial year. The January financial report will reflect the reduction in capital expenditure.
23. Capital expenditure for Services and Assets includes the project to complete the Around the Mountains Cycle Trail of \$2.2M, Water \$1.4M and Sewerage \$800K. Projects in Water and Sewerage are still in the design and tender phase and yet to commence. Work on the Winton Water Main replacement has begun and will continue through until June. At this stage it is anticipated that the Riversdale Sewerage Treatment upgrade will not be undertaken, although some funds may be required for the land purchase.. The cycle trail will be removed in the January results.
24. Overall roading costs are \$2.8M less than budgeted for the year to date due to weather conditions. The resealing programme and tendered projects is expected to increase significantly to meet the target by year end.

**Balance Sheet**

25. Council's financial position as at 31 December 2016 is detailed below and is for the activities of Council. The balance sheet as at 30 June 2016 represents the audited balance sheet for activities of Council and includes SIESA and Venture Southland.
26. At 31<sup>st</sup> December 2016, Council had \$15M invested in five term deposits ranging from one to six month maturities as follows:

Bank	Amount	Interest Rate	Date Invested	Maturity Date
ANZ	\$ 2,000,000	2.89%	29-Nov-16	29-Mar-17
ASB	\$ 5,000,000	3.50%	30-Nov-16	30-May-17
BNZ	\$ 3,000,000	3.32%	30-Aug-16	28-Feb-17
WPC	\$ 2,000,000	3.10%	31-Aug-16	18-Jan-17
WPC	\$ 3,000,000	3.40%	30-Nov-16	19-Apr-17

27. Funds on call:

Balance at 31 December	Bank	Interest Rate
\$ 661,781	BNZ	0.55%

28. The borrowings shown in Current Liabilities was the outstanding amount of assets funded by finance leases for computer equipment in the prior year. External borrowings have not been required with internal funds being used to meet obligations for the year to date.
29. Current Assets (Other Financial Assets) at 30 June 2016 relate to loans to Venture and SIESA. An additional amount of \$10M in term deposits was disclosed under Other Financial Asset. This is in line with reporting standards for deposits with a term of 90 days or more at year end.
30. Intangible Assets are the acquisition costs for the Council's software.

SOUTHLAND DISTRICT COUNCIL  
STATEMENT OF FINANCIAL POSITION  
31 December 2016

	31-Dec-16	30-Jun-16
<b>Equity</b>		
Retained Earnings	721,942,194	727,868,332
Asset Revaluation Reserves	628,114,960	628,114,960
Other Reserves	30,676,903	31,174,431
Fair Value Reserve	1,983,063	1,983,063
	<u>1,382,717,120</u>	<u>1,389,140,785</u>
<b>Represented by:</b>		
<b>Current Assets</b>		
Cash & Cash Equivalents	15,007,715	5,714,785
Trade and Other Receivables	4,692,479	5,854,023
Inventories	85,148	98,991
Other Financial Assets	421,198	12,511,753
	<u>20,206,540</u>	<u>24,179,551</u>
<b>Non-Current Assets</b>		
Property, Plant and Equipment	1,352,011,466	1,358,059,613
Intangible Assets	2,372,428	2,177,601
Forestry Assets	12,951,000	12,951,000
Internal Loans	18,403,402	19,992,918
Work in Progress	2,779,101	2,779,101
Other Financial Assets	3,752	3,956
	<u>1,388,521,148</u>	<u>1,395,964,188</u>
<b>TOTAL ASSETS</b>	<b>1,408,727,688</b>	<b>1,420,143,740</b>
<b>Current Liabilities</b>		
Trade and Other Payables	3,541,019	6,696,612
Contract Retentions and Deposits	446,544	449,416
Employee Benefit Liabilities	1,147,191	1,341,157
Development and Financial Contributions	2,286,209	2,285,557
Borrowings	0	51,092
Landfill Contingency	14,000	14,000
	<u>7,434,963</u>	<u>10,837,833</u>
<b>Non-Current Liabilities</b>		
Employment Benefit Liabilities	147,051	147,051
Provision for Decommissioning	25,151	25,151
Provisions	-	-
Internal Loans - Liability	18,403,403	19,992,919
Borrowings	-	-
	<u>18,575,605</u>	<u>20,165,121</u>
<b>TOTAL LIABILITIES</b>	<b>26,010,568</b>	<b>31,002,954</b>
<b>NET ASSETS</b>	<u><b>1,382,717,120</b></u>	<u><b>1,389,140,785</b></u>

## Recommendation

That the Council:

- a) Receives the report titled “Financial Report for the month ended 31 December 2016” dated 17 February 2017.

## Attachments

- A Council s District Activities Detailed Monthly Financial Report - 31 December 2016 [↓](#)
- B Council s District Activities Detailed Monthly Financial Report - 31 December 2016 [↓](#)



## **DISTRICT COUNCIL ACTIVITIES**

(ATTACHMENT TO THE REPORT TO COUNCIL)

# **DETAILED MONTHLY FINANCIAL REPORT FOR THE MONTH OF DECEMBER 2016**

#17111475

For the period ending December 2016

Council Detail Report



	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Chief Executive Officer</b>												
<b>Income</b>												
Chief Executive	80,379	83,971	(3,591)	(4%)	430,350	402,151	28,199	7%	680,738	680,738	-	-
Civil Defence	21,444	21,414	30	-	128,522	128,486	36	-	256,972	256,972	-	-
People and Capability	52,946	50,497	2,448	5%	267,433	302,985	(35,551)	(12%)	605,969	605,969	-	-
Rural Fire Control	24,735	24,700	35	-	148,243	148,202	41	-	296,404	296,404	-	-
Shared Services Forum	-	-	-	-	56,444	56,439	5	-	56,439	56,439	-	-
SI Visitor Levy	1,737	11,104	(9,367)	(84%)	38,790	66,625	(27,835)	(42%)	133,807	133,807	-	-
<b>Total</b>	<b>181,241</b>	<b>191,687</b>	<b>(10,446)</b>	<b>(5%)</b>	<b>1,069,782</b>	<b>1,104,888</b>	<b>(35,106)</b>	<b>(3%)</b>	<b>2,030,329</b>	<b>2,030,329</b>	<b>-</b>	<b>-</b>
<b>Operating Expenditure</b>												
Chief Executive	59,728	51,968	(7,760)	(15%)	384,200	339,751	(44,449)	(13%)	679,654	679,654	-	-
Civil Defence	20	-	(20)	-	128,606	128,486	(120)	-	256,972	256,972	-	-
People and Capability	52,946	48,338	(4,608)	(10%)	267,433	298,979	31,546	11%	605,969	605,969	-	-
Rural Fire Control	-	-	-	-	148,571	148,202	(369)	-	296,404	296,404	-	-
Shared Services Forum	21,570	4,703	(16,866)	(359%)	29,435	28,220	(1,216)	(4%)	56,439	56,439	-	-
SI Visitor Levy	-	-	-	-	43	-	(43)	-	133,250	133,250	-	-
<b>Total</b>	<b>134,263</b>	<b>105,009</b>	<b>(29,254)</b>	<b>(28%)</b>	<b>958,288</b>	<b>943,638</b>	<b>(14,651)</b>	<b>(2%)</b>	<b>2,028,688</b>	<b>2,028,688</b>	<b>-</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>												
<b>Net Surplus/(Deficit)</b>	<b>46,978</b>	<b>86,678</b>	<b>(39,700)</b>	<b>(46%)</b>	<b>111,494</b>	<b>161,250</b>	<b>(49,756)</b>	<b>(31%)</b>	<b>1,641</b>	<b>1,641</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditure</b>												
Chief Executive	-	-	-	-	22,222	-	(22,222)	-	-	-	-	-
Civil Defence	-	-	-	-	-	-	-	-	-	-	-	-
People and Capability	-	-	-	-	-	-	-	-	-	-	-	-
SI Visitor Levy	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,222</b>	<b>-</b>	<b>(22,222)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funding Adjustments</b>												
Chief Executive	-	(90)	90	(100%)	-	(542)	542	(100%)	(1,084)	(1,084)	-	-
Civil Defence	-	-	-	-	-	-	-	-	-	-	-	-
People and Capability	-	-	-	-	-	-	-	-	-	-	-	-
Rural Fire Control	-	-	-	-	-	-	-	-	-	-	-	-
Shared Services Forum	-	-	-	-	-	-	-	-	-	-	-	-
SI Visitor Levy	-	(46)	46	(100%)	-	(279)	279	(100%)	(557)	(557)	-	-
<b>Total</b>	<b>-</b>	<b>(137)</b>	<b>137</b>	<b>(100%)</b>	<b>-</b>	<b>(821)</b>	<b>821</b>	<b>(100%)</b>	<b>(1,641)</b>	<b>(1,641)</b>	<b>-</b>	<b>-</b>

r/17/1/1476

**CHIEF EXECUTIVE COMMENTARY****Chief Executive**

Income in this business unit is 7% (\$28K) over budget predominantly due to higher rates penalties income (\$24K) for the year.

Expenditure year to date is 13% (\$44K) over budget mainly due to the annual membership of NZ Society of Local Government Managers (\$10K) and Consultant for the independent review of Around the Mountain Cycle Track (\$29k) year to date.

**Civil Defence**

Income and expenditure are on budget.  
Rates collected are paid as a grant to Environment Southland.

**People and Capability**

Income year to date is 12% (\$35K) under budget due to internal overhead recoveries being lower than budget.

Expenditure year to date is 14% (\$31K) under budget year to date. This is mainly due to reduced expenditure on training (\$17K), other expenditure for OSH (\$4K), catering / surveys (\$3.5K) and consultants (\$9K). This is offset by an over spend on insurance write off of personal accident and employee and stat liability (\$9K). As this activity is internally funded, the reduced expenditure impacts directly on income.

**Rural Fire Control**

Income and expenditure are on budget.  
Rates collected are paid out as a grant to Southern Rural Fire.

**Shared Services Forum**

Income and expenditure is on target year to date with a deficit of \$27k at the end of December.  
Additional consultant fees are expected for the establishment of SORDS.

**Stewart Island Visitor Levy**

Income is 42% (\$28K) under budget as levies are still to be processed. Last year, the bulk of the levies were collected over the summer months from December through to the end of May.

Group Manager – Community and Futures

4

For the period ending December 2016

Council Detail Report



	Community & Futures											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Income</b>												
Communications and Engagement	93,936	95,224	(1,288)	(1%)	519,558	571,344	(51,785)	(9%)	1,142,687	1,142,687	-	-
Community Leadership	45,945	46,717	(771)	(2%)	293,245	280,299	12,946	5%	560,599	560,599	-	-
Community Outcomes	3,750	3,750	-	-	22,500	22,500	-	-	45,000	45,000	-	-
Governance	70,898	52,135	18,762	36%	318,796	312,812	5,984	2%	625,623	625,623	-	-
Strategy & Policy	86,145	70,715	15,430	22%	413,416	424,290	(10,874)	(3%)	848,580	848,580	-	-
<b>Total</b>	<b>300,674</b>	<b>268,541</b>	<b>32,133</b>	<b>12%</b>	<b>1,567,515</b>	<b>1,611,245</b>	<b>(43,729)</b>	<b>(3%)</b>	<b>3,222,489</b>	<b>3,222,489</b>	<b>-</b>	<b>-</b>
<b>Operating Expenditure</b>												
Communications and Engagement	92,364	90,412	(1,952)	(2%)	510,123	555,129	45,006	8%	1,121,580	1,121,580	-	-
Community Leadership	45,945	42,636	(3,309)	(8%)	293,245	271,636	(21,609)	(8%)	560,599	560,599	-	-
Community Outcomes	-	3,750	3,750	100%	50,000	22,500	(27,500)	(122%)	45,000	45,000	-	-
Governance	70,879	49,089	(21,790)	(44%)	318,684	307,163	(11,521)	(4%)	625,623	625,623	-	-
Strategy & Policy	85,645	68,241	(17,404)	(26%)	410,416	419,288	8,872	2%	847,380	847,380	-	-
<b>Total</b>	<b>294,833</b>	<b>254,128</b>	<b>(40,705)</b>	<b>(16%)</b>	<b>1,582,468</b>	<b>1,575,716</b>	<b>(6,752)</b>	<b>-</b>	<b>3,200,182</b>	<b>3,200,182</b>	<b>-</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>												
	5,841	14,413	(8,572)	(59%)	(14,953)	35,528	(50,481)	(142%)	22,307	22,307	-	-
<b>Capital Expenditure</b>												
Communications and Engagement	-	145	145	100%	-	872	872	100%	1,743	1,743	-	-
Community Leadership	-	-	-	-	-	-	-	-	-	-	-	-
Governance	-	-	-	-	1,290	-	(1,290)	-	-	-	-	-
Strategy & Policy	(771)	-	771	-	8,919	-	(8,919)	-	-	-	-	-
<b>Total</b>	<b>(771)</b>	<b>145</b>	<b>916</b>	<b>631%</b>	<b>10,209</b>	<b>872</b>	<b>(9,338)</b>	<b>(1071%)</b>	<b>1,743</b>	<b>1,743</b>	<b>-</b>	<b>-</b>
<b>Funding Adjustments</b>												
Communications and Engagement	-	(1,614)	1,614	(100%)	-	(9,682)	9,682	(100%)	(19,364)	(19,364)	-	-
Community Leadership	(172)	-	(172)	-	(1,033)	-	(1,033)	-	-	-	-	-
Community Outcomes	-	-	-	-	-	-	-	-	-	-	-	-
Strategy & Policy	-	(100)	100	(100%)	-	(600)	600	(100%)	(1,200)	(1,200)	-	-
<b>Total</b>	<b>(172)</b>	<b>(1,714)</b>	<b>1,541</b>	<b>(90%)</b>	<b>(1,033)</b>	<b>(10,282)</b>	<b>9,249</b>	<b>(90%)</b>	<b>(20,564)</b>	<b>(20,564)</b>	<b>-</b>	<b>-</b>

r/17/1/1476

Group Manager - Community and Futures 5

### **COMMUNITY AND FUTURES COMMENTARY**

Income is 3% (\$44K) under budget and expenditure is (\$7K) under budget for the year-to-date.

#### **Communications and Engagement**

Income is 9% under budget and expenditure is 8% under budget.

As this activity is internally funded the expenditure impacts directly on income allocation.

Expenditure was down mainly due to First Edition being \$17K below budget year to date, \$20K below on salaries and \$15K on Communication and Public expenditure.

#### **Community Leadership**

Income is 5% over budget and expenditure is 8% over budget year to date.

As this activity is internally funded the expenditure impacts directly on income allocation.

Expenditure reflects staff related costs of \$30K undertaking roles which had not been budgeted in this financial year.

#### **Community Outcomes**

Income is on target and expenditure is over budget year to date.

Expenditure is over budget by \$28K due to the payment as part of the agreed SDC allocation to the SORDS project.

#### **Governance**

Income is 2% under budget and expenditure is 4% under budget year to date. There are no significant variances this month.

As this activity is internally funded the expenditure impacts directly on income allocation.

Capital expenditure includes minor furniture acquisitions which were not budgeted.

#### **Strategy and Policy**

Income is 3% under budget and expenditure is 2% under budget year to date. As this activity is internally funded the expenditure impacts directly on income allocation.

Capital expenditure of \$9K was for furniture acquisitions as part of the office relocation which were not budgeted.

r17/1/1475

Team Leader - Governance

6

For the period ending December 2016

Council Detail Report



Council & Councillors												
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Income</b>												
Council and Councillors	68,950	66,752	2,198	3%	400,794	400,510	284	-	801,020	801,020	-	-
Council Contributions/Gran	32,996	32,950	46	-	197,755	197,700	55	-	395,400	395,400	-	-
Council Elections	5,026	5,535	(509)	(9%)	32,030	33,208	(1,178)	(4%)	66,416	66,416	-	-
Council Water & Sewerage L	42,220	42,141	79	-	253,128	252,845	283	-	505,690	505,690	-	-
International Relations Commit	923	922	1	-	5,534	5,532	2	-	12,303	12,303	-	-
Regulatory - Non Recoverab	11,273	11,258	16	-	67,565	67,547	19	-	135,093	135,093	-	-
Venture Southland	146,468	146,267	201	-	877,840	877,600	240	-	1,755,199	1,755,199	-	-
<b>Total</b>	<b>307,857</b>	<b>305,824</b>	<b>2,033</b>	<b>1%</b>	<b>1,834,646</b>	<b>1,834,941</b>	<b>(295)</b>	<b>-</b>	<b>3,671,121</b>	<b>3,671,121</b>	<b>-</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Operating Expenditure</b>												
Council and Councillors	61,848	65,057	3,210	5%	359,527	424,521	64,994	15%	832,425	832,425	-	-
Council Contributions/Gran	(33,974)	10,202	44,175	433%	279,872	256,061	(23,811)	(9%)	380,400	380,400	-	-
Council Elections	16,253	13,941	(2,312)	(17%)	103,303	83,644	(19,659)	(24%)	167,288	167,288	-	-
Council Water & Sewerage L	20,153	20,153	-	-	120,920	120,920	-	-	241,839	241,839	-	-
International Relations Commit	-	1,025	1,025	100%	600	6,151	5,551	90%	12,303	12,303	-	-
Regulatory - Non Recoverab	6,041	22,966	16,925	74%	31,339	47,283	15,944	34%	135,093	135,093	-	-
Venture Southland	-	-	-	-	884,400	877,600	(6,801)	(1%)	1,755,199	1,755,199	-	-
<b>Total</b>	<b>70,321</b>	<b>133,344</b>	<b>63,023</b>	<b>47%</b>	<b>1,779,962</b>	<b>1,816,180</b>	<b>36,218</b>	<b>2%</b>	<b>3,524,547</b>	<b>3,524,547</b>	<b>-</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Net Surplus/(Deficit)</b>	<b>237,535</b>	<b>172,479</b>	<b>65,056</b>	<b>38%</b>	<b>54,684</b>	<b>18,761</b>	<b>35,923</b>	<b>191%</b>	<b>146,574</b>	<b>146,574</b>	<b>-</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Capital Expenditure</b>												
Council and Councillors	21,739	3,995	(17,744)	(444%)	44,795	23,969	(20,826)	(87%)	47,938	47,938	-	-
<b>Total</b>	<b>21,739</b>	<b>3,995</b>	<b>(17,744)</b>	<b>(444%)</b>	<b>44,795</b>	<b>23,969</b>	<b>(20,826)</b>	<b>(87%)</b>	<b>47,938</b>	<b>47,938</b>	<b>-</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Funding Adjustments</b>												
Council and Councillors	23,056	6,612	16,444	249%	23,056	39,672	(16,616)	(42%)	79,343	79,343	-	-
Council Contributions/Gran	-	(1,250)	1,250	(100%)	-	(7,500)	7,500	(100%)	(15,000)	(15,000)	-	-
Council Elections	-	8,406	(8,406)	(100%)	-	50,436	(50,436)	(100%)	100,872	100,872	-	-
Council Water & Sewerage L	(21,988)	(21,988)	-	-	(131,925)	(131,925)	-	-	(263,851)	(263,851)	-	-
International Relations Commit	-	-	-	-	-	-	-	-	-	-	-	-
Regulatory - Non Recoverab	-	-	-	-	-	-	-	-	-	-	-	-
Venture Southland	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,068</b>	<b>(8,220)</b>	<b>9,288</b>	<b>(113%)</b>	<b>(108,870)</b>	<b>(49,318)</b>	<b>(59,552)</b>	<b>121%</b>	<b>(98,636)</b>	<b>(98,636)</b>	<b>-</b>	<b>-</b>

r/17/1/1476

Team Leader - Governance

7

**COUNCIL AND COUNCILLORS' COMMENTARY**

Total Income is on budget and total expenditure 2% below year to date.

**Council and Councillors**

Income is on target and expenditure is 17% under budget. The main variance was in councillors' expenditure under budget for the year.

**Council Contributions / Grants**

Income is on budget and expenditure is currently 9% over budget

This is due to the timing of paying out committed grants earlier than expected and community assistance allocations.

**Council Elections**

Income is 4% under budget and expenditure is 24% over budget.

This is due to the following overspend:

- Election Expenses of \$102K against a budget of \$81K year to date. These expenses are within the full year budget of \$167K.

**Council Water and Sewerage Loans**

Income is on budget and expenditure is on budget for the year-to-date. These are for council's contribution to sewerage schemes.

**International Relations Committee**

Income is on budget and expenditure is 90% (\$5K) under budget for this reporting period.

The International Relations Committee is no longer operating as a standalone Committee and its functions are now included as part of the Community and Policy Committee.

**Regulatory - Non Recoverable**

Income is on budget and expenditure is 34% below budget on internal building regulation services.

**Venture Southland**

Income is on budget and expenditure is 1% over budget. This is primarily for the rates collected and the grant paid to Venture Southland.

r1711/284

Group Manager – Customer Support

8

For the period ending December 2016

Council Detail Report



	Customer Support											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Offices	51,734	50,156	1,578	3%	313,757	300,936	12,821	4%	601,873	601,873	-	-
Customer Services	111,752	107,025	4,727	4%	675,121	642,149	32,972	5%	1,284,298	1,284,298	-	-
District Library	86,764	88,506	(1,742)	(2%)	520,411	531,037	(10,625)	(2%)	1,062,073	1,062,073	-	-
<b>Total</b>	<b>250,250</b>	<b>245,687</b>	<b>4,563</b>	<b>2%</b>	<b>1,509,289</b>	<b>1,474,122</b>	<b>35,167</b>	<b>2%</b>	<b>2,948,244</b>	<b>2,948,244</b>	<b>-</b>	<b>-</b>
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Offices	22,331	21,864	(466)	(2%)	128,586	131,799	3,213	2%	262,985	262,985	-	-
Customer Services	111,732	104,611	(7,121)	(7%)	675,000	651,492	(23,507)	(4%)	1,324,298	1,324,298	-	-
District Library	74,493	78,750	4,257	5%	473,021	496,132	23,111	5%	997,174	997,174	-	-
<b>Total</b>	<b>208,555</b>	<b>205,225</b>	<b>(3,330)</b>	<b>(2%)</b>	<b>1,276,607</b>	<b>1,279,423</b>	<b>2,817</b>	<b>-</b>	<b>2,584,457</b>	<b>2,584,457</b>	<b>-</b>	<b>-</b>
Net Surplus/(Deficit)	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
	41,695	40,462	1,234	3%	232,682	194,699	37,983	20%	363,787	363,787	-	-
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Offices	-	-	-	-	5,419	-	(5,419)	-	-	-	-	-
Customer Services	-	-	-	-	295	-	(295)	-	-	-	-	-
District Library	17,943	11,037	(6,907)	(63%)	58,022	66,219	8,198	12%	123,021	132,438	(9,417)	(8%)
<b>Total</b>	<b>17,943</b>	<b>11,037</b>	<b>(6,907)</b>	<b>(63%)</b>	<b>63,735</b>	<b>66,219</b>	<b>2,484</b>	<b>4%</b>	<b>123,021</b>	<b>132,438</b>	<b>(9,417)</b>	<b>(8%)</b>
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Offices	(15,532)	(28,241)	12,709	(45%)	(93,190)	(169,444)	76,254	(45%)	(338,888)	(338,888)	-	-
Customer Services	-	3,333	(3,333)	(100%)	-	20,000	(20,000)	(100%)	40,000	40,000	-	-
District Library	-	5,628	(5,628)	(100%)	-	33,770	(33,770)	(100%)	58,122	67,539	9,417	16%
<b>Total</b>	<b>(15,532)</b>	<b>(19,279)</b>	<b>3,747</b>	<b>(19%)</b>	<b>(93,190)</b>	<b>(115,675)</b>	<b>22,484</b>	<b>(19%)</b>	<b>(240,766)</b>	<b>(231,349)</b>	<b>9,417</b>	<b>(4%)</b>

r/17/1/1476

Group Manager – Customer Support 9

### **CUSTOMER SUPPORT**

YTD our Expenditure is 19% over budget and Income 2% above

#### **Area Offices**

The transfer of the Stewart Island Area Office to combining with the Stewart Island Library has required some electrical, networking and building work so there is some capital expenditure, however this is expected to come under \$10,000 in total.

#### **Customer Services**

In December, the Customer Services budget reduced the gap from being 15% over budget YTD in November to 5% over budget in December. The area is still over budget due to unbudgeted staff salaries and travel costs for our Quarterly Staff Training Day.

#### **Libraries**

Electricity costs in almost every building are exceeding budgeted figures and are likely to continue in this pattern for the remainder of the year with the inclement weather conditions.

The Libraries budget YTD is still 3% under budget with income 2% under expectations due to less fines, DVD rentals collected and a reduction in copying income. However, less salary cost is due to staff being moved across to the Customer Support cost centre.

r17/1/1475

Group Manager – Environmental Services

10

For the period ending December 2016

Council Detail Report



Environmental Services												
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Income</b>												
Alcohol Licensing	12,495	17,052	(4,558)	(27%)	114,946	102,314	12,631	12%	205,290	205,290	-	-
Animal Control	13,569	15,100	(1,532)	(10%)	405,306	452,603	(47,296)	(10%)	555,620	555,620	-	-
Building Regulations	102,772	131,923	(29,150)	(22%)	746,807	791,535	(44,728)	(6%)	1,583,070	1,583,070	-	-
Enviro & Com Dev Admin	16,575	20,420	(3,845)	(19%)	106,687	122,518	(15,831)	(13%)	245,036	245,036	-	-
Environmental Health	(16,064)	10,704	(26,768)	(250%)	79,819	81,753	(1,934)	(2%)	145,978	145,978	-	-
Health Licensing	32,671	1,236	31,435	2544%	99,855	93,224	6,631	7%	122,090	122,090	-	-
Museum	52,486	51,975	510	1%	330,021	311,851	18,170	6%	623,702	623,702	-	-
Resource Consent Processin	116,382	80,612	35,770	44%	509,147	483,671	25,476	5%	967,343	967,343	-	-
Resource Planning/Policy	23,726	23,693	33	-	142,198	142,158	40	-	284,316	284,316	-	-
<b>Total</b>	<b>354,611</b>	<b>352,715</b>	<b>1,896</b>	<b>1%</b>	<b>2,534,786</b>	<b>2,581,628</b>	<b>(46,841)</b>	<b>(2%)</b>	<b>4,732,445</b>	<b>4,732,445</b>	<b>-</b>	<b>-</b>
<b>Operating Expenditure</b>												
Alcohol Licensing	14,832	16,683	1,852	11%	100,402	103,965	3,563	3%	212,409	212,409	-	-
Animal Control	38,550	50,354	11,804	23%	314,290	321,439	7,149	2%	656,828	656,828	-	-
Building Regulations	125,697	122,777	(2,921)	(2%)	740,722	765,513	24,791	3%	1,555,905	1,555,905	-	-
Enviro & Com Dev Admin	16,575	17,792	1,217	7%	106,687	114,087	7,399	6%	236,348	236,348	-	-
Environmental Health	6,219	10,049	3,830	38%	81,658	85,430	3,771	4%	145,978	145,978	-	-
Health Licensing	8,904	9,627	724	8%	57,885	59,907	2,021	3%	122,090	122,090	-	-
Museum	44,409	46,087	1,678	4%	336,649	345,210	8,561	2%	623,702	623,702	-	-
Resource Consent Processin	60,904	76,396	15,492	20%	414,695	475,807	61,112	13%	967,343	967,343	-	-
Resource Planning/Policy	14,316	37,442	23,126	62%	42,202	228,111	185,909	81%	459,316	459,316	-	-
<b>Total</b>	<b>330,406</b>	<b>387,208</b>	<b>56,802</b>	<b>15%</b>	<b>2,195,192</b>	<b>2,499,469</b>	<b>304,276</b>	<b>12%</b>	<b>4,979,919</b>	<b>4,979,919</b>	<b>-</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>	<b>24,205</b>	<b>(34,493)</b>	<b>58,698</b>	<b>(170%)</b>	<b>339,594</b>	<b>82,159</b>	<b>257,435</b>	<b>313%</b>	<b>(247,474)</b>	<b>(247,474)</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditure</b>												
Animal Control	-	-	-	-	-	-	-	-	-	-	-	-
Building Regulations	-	3,403	3,403	100%	-	20,417	20,417	100%	40,833	40,833	-	-
Enviro & Com Dev Admin	-	3,082	3,082	100%	-	18,493	18,493	100%	36,986	36,986	-	-
Environmental Health	-	-	-	-	-	-	-	-	-	-	-	-
Health Licensing	-	-	-	-	-	-	-	-	-	-	-	-
Museum	-	-	-	-	-	-	-	-	-	-	-	-
Resource Consent Processin	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>6,485</b>	<b>6,485</b>	<b>100%</b>	<b>-</b>	<b>38,910</b>	<b>38,910</b>	<b>100%</b>	<b>77,819</b>	<b>77,819</b>	<b>-</b>	<b>-</b>

Item 9.1 Attachment A

Item 9.1 Attachment A

Group Manager – Environmental Services

11

For the period ending December 2016

Council Detail Report



Funding Adjustments	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Alcohol Licensing	-	593	(593)	(100%)	-	3,560	(3,560)	(100%)	7,119	7,119	-	-
Animal Control	-	8,434	(8,434)	(100%)	-	50,604	(50,604)	(100%)	101,208	101,208	-	-
Building Regulations	-	1,139	(1,139)	(100%)	-	6,834	(6,834)	(100%)	13,668	13,668	-	-
Enviro & Com Dev Admin	-	2,358	(2,358)	(100%)	-	14,149	(14,149)	(100%)	28,298	28,298	-	-
Environmental Health	-	-	-	-	-	-	-	-	-	-	-	-
Health Licensing	-	-	-	-	-	-	-	-	-	-	-	-
Museum	-	-	-	-	-	-	-	-	-	-	-	-
Resource Consent Processin	-	-	-	-	-	-	-	-	-	-	-	-
Resource Planning/Policy	-	14,583	(14,583)	(100%)	-	87,500	(87,500)	(100%)	175,000	175,000	-	-
<b>Total</b>	-	<b>27,108</b>	<b>(27,108)</b>	<b>(100%)</b>	-	<b>162,647</b>	<b>(162,647)</b>	<b>(100%)</b>	<b>325,293</b>	<b>325,293</b>	-	-

r/17/1/1475

Group Manager – Environmental Services 12

**ENVIRONMENTAL SERVICES COMMENTARY**

**Overall December 2016 monthly income for the Environmental Services Group was 1% (\$1,896) ahead of budget at \$354,611 actual versus \$352,715 budget.**

Key features of this month's income were that Building Control income was 22% (\$29,150) below budget at \$102,772 actual, versus \$131,923 budget reflecting levels of activity, and conversely Resource Consent Processing was 44% ( 35,770) ahead of budget at \$116,382 actual versus \$80,612 budget reflecting the invoicing for two large resource consent processes during this period .

There was an internal adjustment during this period between the Environmental Health and Health Licensing areas to ensure income was credited to the correct area.

**Overall December 2016 monthly expenditure for the Environmental Services Group was 15% (\$56,802) below budget at \$330,406 actual v \$387,208 budget.**

Most departments were well below budget expenditure-wise, reflecting a close focus on spending, which is important in the current economic/ development climate.

The only exception to this was Building Control / Building Regulations where expenditure was 2% (\$,921) ahead of budget due to some additional payroll costs which were incurred in December due to a long serving staff member retiring and another resigning

***Overall Group YTD Summary as at end of December 2016 , first half of 2016/2017 financial year:***

**Overall Group YTD Income at the end of December 2016 for the 2016/2017 financial year is 2% (\$46,841) below budget, at \$2,534,786 actual versus \$2,581,628 budget.**

It is anticipated that if the current trend regarding levels of incoming development-related work continues, then overall Group income could be approximately \$150,000 below the original 2016/2017 Annual Plan income budget, at year end.

This is largely a reflection of the current development climate in the Southland District where, with the exception of the Te Anau area, development activity, particularly larger scale activity, has been relatively subdued. Some resourcing changes have been made to reflect these economic conditions.

**Overall Group YTD Expenditure at the end of December 2016 of the 2016/2017 financial year is 12% (\$304,276) below budget at \$2,195,192 actual versus \$2,499,469 budget.**

17/1/1475

Chief Financial Officer

13

Item 9.1 Attachment A

For the period ending December 2016

Council Detail Report



	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Income</b>												
Financial Services	107,144	176,396	(69,251)	(39%)	829,783	1,043,721	(213,937)	(20%)	2,087,441	2,087,441	-	-
<b>Total</b>	<b>107,144</b>	<b>176,396</b>	<b>(69,251)</b>	<b>(39%)</b>	<b>829,783</b>	<b>1,043,721</b>	<b>(213,937)</b>	<b>(20%)</b>	<b>2,087,441</b>	<b>2,087,441</b>	<b>-</b>	<b>-</b>
<b>Operating Expenditure</b>												
Financial Services	107,223	151,426	44,203	29%	829,802	1,027,627	197,825	19%	2,087,412	2,087,412	-	-
<b>Total</b>	<b>107,223</b>	<b>151,426</b>	<b>44,203</b>	<b>29%</b>	<b>829,802</b>	<b>1,027,627</b>	<b>197,825</b>	<b>19%</b>	<b>2,087,412</b>	<b>2,087,412</b>	<b>-</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>	<b>(78)</b>	<b>24,970</b>	<b>(25,048)</b>	<b>(100%)</b>	<b>(18)</b>	<b>16,093</b>	<b>(16,112)</b>	<b>(100%)</b>	<b>29</b>	<b>29</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditure</b>												
Financial Services	-	3,398	3,398	100%	-	20,390	20,390	100%	40,780	40,780	-	-
<b>Total</b>	<b>-</b>	<b>3,398</b>	<b>3,398</b>	<b>100%</b>	<b>-</b>	<b>20,390</b>	<b>20,390</b>	<b>100%</b>	<b>40,780</b>	<b>40,780</b>	<b>-</b>	<b>-</b>
<b>Funding Adjustments</b>												
Financial Services	-	3,396	(3,396)	(100%)	-	20,375	(20,375)	(100%)	40,751	40,751	-	-
<b>Total</b>	<b>-</b>	<b>3,396</b>	<b>(3,396)</b>	<b>(100%)</b>	<b>-</b>	<b>20,375</b>	<b>(20,375)</b>	<b>(100%)</b>	<b>40,751</b>	<b>40,751</b>	<b>-</b>	<b>-</b>

#17/1/1476

Chief Financial Officer

14

**FINANCIAL SERVICES COMMENTARY**

Operating expenditure is 19% (\$198K) under budget for the year to date. The annual maintenance cost of councils purchase order system (\$25k) is payable in April, this will be phased correctly and will be reflected in the financial report for the period ended 31 January 2017. Valuation Roll costs and insurance will be under budget at year end by \$55K. Staff vacancies s resulted in staff costs being \$43K under budget. A review of Council's outstanding debt and processes is currently underway, as a result of this debt collection costs are less than budgeted (20K).

As this activity is internally funded the reduced expenditure impacts income.

r17/1/1475

Chief Information Officer

15

For the period ending December 2016

Council Detail Report



	Information Management											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Income</b>												
Information Management	155,938	151,720	4,218	3%	933,687	910,318	23,369	3%	1,820,636	1,820,636	-	-
Knowledge Management	51,514	52,811	(1,297)	(2%)	307,322	316,865	(9,543)	(3%)	633,730	633,730	-	-
Property & Spatial Services	26,614	32,731	(6,117)	(19%)	209,423	196,383	13,040	7%	392,767	392,767	-	-
<b>Total</b>	<b>234,066</b>	<b>237,261</b>	<b>(3,195)</b>	<b>(1%)</b>	<b>1,450,432</b>	<b>1,423,566</b>	<b>26,866</b>	<b>2%</b>	<b>2,847,133</b>	<b>2,847,133</b>	<b>-</b>	<b>-</b>
<b>Operating Expenditure</b>												
Information Management	16,042	134,436	118,394	88%	857,001	826,341	(30,660)	(4%)	1,673,358	1,673,358	-	-
Knowledge Management	51,307	53,341	2,035	4%	306,075	327,063	20,987	6%	660,401	660,401	-	-
Property & Spatial Services	26,614	31,478	4,864	15%	209,423	194,061	(15,362)	(8%)	392,767	392,767	-	-
<b>Total</b>	<b>93,963</b>	<b>219,255</b>	<b>125,293</b>	<b>57%</b>	<b>1,372,499</b>	<b>1,347,464</b>	<b>(25,034)</b>	<b>(2%)</b>	<b>2,726,526</b>	<b>2,726,526</b>	<b>-</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>												
	140,103	18,006	122,098	678%	77,933	76,102	1,831	2%	120,607	120,607	-	-
<b>Capital Expenditure</b>												
Information Management	3,284	165,243	161,958	98%	101,872	991,455	889,584	90%	1,750,000	1,982,911	(232,911)	(13%)
Knowledge Management	163,444	115,923	(47,520)	(41%)	320,165	695,541	375,375	54%	1,391,081	1,391,081	-	-
<b>Total</b>	<b>166,728</b>	<b>281,166</b>	<b>114,438</b>	<b>41%</b>	<b>422,037</b>	<b>1,686,996</b>	<b>1,264,959</b>	<b>75%</b>	<b>3,141,081</b>	<b>3,373,992</b>	<b>(232,911)</b>	<b>(7%)</b>
<b>Funding Adjustments</b>												
Information Management	(980)	152,969	(153,950)	(101%)	(5,882)	917,816	(923,698)	(101%)	1,602,722	1,835,633	232,911	15%
Knowledge Management	(1,356)	118,146	(119,502)	(101%)	(8,138)	708,876	(717,014)	(101%)	1,417,752	1,417,752	-	-
Property & Spatial Services	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(2,337)</b>	<b>271,115</b>	<b>(273,452)</b>	<b>(101%)</b>	<b>(14,020)</b>	<b>1,626,692</b>	<b>(1,640,712)</b>	<b>(101%)</b>	<b>3,020,474</b>	<b>3,253,385</b>	<b>232,911</b>	<b>8%</b>

r/17/1/1475

**INFORMATION MANAGEMENT COMMENTARY**

Overall Income is 2% (\$27K) over budget for the year-to-date.  
Overall Operating expenditure is 2% (\$25K) over budget for the year-to-date.  
The year-to-date position is on target.  
Capital expenditure is 75% under budget

**Information Management**

Income is 3% (\$24K) over budget for the year-to-date. Overall expenditure is 4% (\$31K) over budget. The net year-to-date position is \$7K under budget.

**Capital Work:***Core Systems Project:*

Expenditure for consultants have been incurred for this project, with professional services for development of the terms of reference and governance options for this project as well as some work around data collection in terms of organisation wide surveys. The two surveys completed will be used as the benchmark for the annual review of Information Management services and the effectiveness of these to the organisation.

Work is currently focusing on the current business process mapping and documentation that will be used for benchmarking against future improvements and opportunities. This work will in understanding and prioritising what application and/or services are identified for review under core systems.

The capital expenditure budget will be reduced to forecast spending to \$250K for this financial year.

**Knowledge Management**

Income is 3% (\$10K) under budget.

- This is mainly due to Internal Overhead recoveries being (\$16K) under budget.

Expenditure is 6% (\$21K) under budget year-to-date:

**Capital Work:***Digitisation Project:*

Expenditure to date includes the purchase of Nova software licence and setup of Nova for Council's requirements, project management, and costs associated with packing and transporting files to Power Business Services premises in Auckland. The recent upgrade to Office 2013 and the training that was made available to all staff is also included. Total expenditure is \$140K. This does not include any costs associated with preparation, scanning and metadata allocation for the pilot.

Current work around this project has focused on the fixed price negotiation that is planned to be finalised in December. Once this contract price has been completed we will be able to forecast the next 12 months of expenditure for this project.

With the recent earthquakes that occurred in November the options for freighting our planned 5,000 property file has been affected and alternatives are currently being investigated. This will impact future planning freight costs but will report back to Council once confirmed.

As this activity is internally funded, the changes in expenditure impacts directly on income.

**Property and Spatial Services**

-(17/1/1475

Chief Information Officer

17

Income is 7% (\$13K) over budget. This mainly comes from Internal income which includes overhead recoveries and GIS income.

Expenditure is 8% (\$15K) over budget.

Over expenditure variances included:

- Consultants \$31K over budget.

#17111475

Finance

18

For the period ending December 2016

Council Detail Report



	Other Activities											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Allocation Committees	119,503	14,305	105,198	735%	218,596	106,950	111,645	104%	309,620	309,620	-	-
Operating investments	112,775	76,737	36,038	47%	735,206	460,419	274,787	60%	1,220,392	1,220,392	-	-
<b>Total</b>	<b>232,278</b>	<b>91,041</b>	<b>141,236</b>	<b>155%</b>	<b>953,802</b>	<b>567,370</b>	<b>386,432</b>	<b>68%</b>	<b>1,530,012</b>	<b>1,530,012</b>	<b>-</b>	<b>-</b>
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Allocation Committees	51,700	117,003	65,303	56%	55,770	161,252	105,482	65%	322,503	322,503	-	-
Operating investments	(27,718)	3,184	30,902	970%	(5,100)	19,105	24,205	127%	1,170,885	1,170,885	-	-
<b>Total</b>	<b>23,982</b>	<b>120,187</b>	<b>96,205</b>	<b>80%</b>	<b>50,670</b>	<b>180,357</b>	<b>129,686</b>	<b>72%</b>	<b>1,493,388</b>	<b>1,493,388</b>	<b>-</b>	<b>-</b>
Net Surplus/(Deficit)	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Net Surplus/(Deficit)</b>	<b>208,295</b>	<b>(29,146)</b>	<b>237,441</b>	<b>(815%)</b>	<b>903,131</b>	<b>387,013</b>	<b>516,118</b>	<b>133%</b>	<b>36,624</b>	<b>36,624</b>	<b>-</b>	<b>-</b>
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Allocation Committees	(105,000)	1,074	(106,074)	(9880%)	(105,000)	6,441	(111,441)	(1730%)	12,883	12,883	-	-
Operating investments	-	(4,126)	4,126	(100%)	-	(24,753)	24,753	(100%)	(49,507)	(49,507)	-	-
<b>Total</b>	<b>(105,000)</b>	<b>(3,052)</b>	<b>(101,948)</b>	<b>3340%</b>	<b>(105,000)</b>	<b>(18,312)</b>	<b>(86,688)</b>	<b>473%</b>	<b>(36,624)</b>	<b>(36,624)</b>	<b>-</b>	<b>-</b>

r/17/1/1475

**OTHER ACTIVITIES COMMENTARY****Allocations Committee**

Year to date Income is 104% (\$112K) over budget. This is due to \$105K being returned by the Edendale Community Board which had previously been given for the Edendale Hall project which is no longer going ahead. Additionally, Creative Community and Sport NZ funding is expected to be approximately \$5K and \$3K over budget at year end respectively.

Year to date Expenditure is 65% (\$105K) under budget. The first Allocations committee meeting was held in December 2016 with grants totalling \$117,990 awarded. Additionally, grants were awarded in December for the Ohai Railway Board. These grants have not been reflected in the December report as they were not processed until January, causing the \$105K variance from budget.

**Operating Investments**

Income is \$274K over budget year to date.

- Interest earned on investments is \$170K over budget. Surplus cash has been invested as it has not been needed for the distribution of internal loans.
- Internal Interest received on loans is calculated monthly and is (\$177K) less than budget year to date. This is mainly due to internal loan balances being less than budgeted. Council has set the interest rate to be charged on these loans as part of its 10 Year Plan process and interest is being charged on a monthly basis on all internal loan draw-downs up until 30 June, end of the last financial year.
- Internal Interest is only calculated at year end on Reserves, Cost of Capital and Contribution balances. This has a budget variance of \$278K year to date and needs to be budgeted to be received at year end in June.

Expenditure (Bank and Interest Charges) is in line with budget year to date.

Group Manager – Services and Assets

20

For the period ending December 2016

Council Detail Report



	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Income</b>												
Area Engineers	86,667	97,725	(11,058)	(11%)	542,954	586,349	(43,395)	(7%)	1,172,698	1,172,698	-	-
Around Mountains Cycle Trail	2,993	45,083	(42,090)	(93%)	17,998	270,500	(252,502)	(93%)	541,000	541,000	-	-
Council Property	91,555	76,878	14,676	19%	480,360	461,270	19,090	4%	925,562	925,562	-	-
District Reserves	13,924	13,904	19	-	83,449	83,426	23	-	166,852	166,852	-	-
District Sewerage	291,138	295,508	(4,370)	(1%)	1,730,673	1,773,050	(42,377)	(2%)	3,500,579	3,555,579	55,000	2%
District Water	332,123	317,101	15,022	5%	1,605,069	1,612,945	(7,876)	-	3,230,030	3,230,030	-	-
Engineering Administration	40,992	42,320	(1,328)	(3%)	238,223	253,921	(15,698)	(6%)	507,841	507,841	-	-
Engineering Consultants	42,725	67,438	(24,712)	(37%)	348,759	404,627	(55,868)	(14%)	809,254	809,254	-	-
Forestry	1,646	138,488	(136,842)	(99%)	650,515	830,925	(180,410)	(22%)	1,661,850	1,661,850	-	-
Property Administration	45,852	46,657	(805)	(2%)	268,461	279,943	(11,482)	(4%)	559,886	559,886	-	-
Public Conveniences	65,656	56,550	9,105	16%	341,177	339,302	1,876	1%	678,603	678,603	-	-
Road Safety Com. Advisor	67,167	3,082	64,086	2080%	68,897	18,491	50,407	273%	36,991	36,991	-	-
Waste Management	323,305	321,513	1,792	1%	1,959,694	1,929,080	30,615	2%	3,863,337	3,863,337	-	-
Water Services	83,274	82,350	924	1%	491,038	494,097	(3,060)	(1%)	1,000,626	1,000,626	-	-
Work Schemes (CTF)	25,917	23,881	2,037	9%	122,689	143,284	(20,595)	(14%)	286,568	286,568	-	-
<b>Total</b>	<b>1,514,934</b>	<b>1,628,478</b>	<b>(113,545)</b>	<b>(7%)</b>	<b>8,949,958</b>	<b>9,481,209</b>	<b>(531,251)</b>	<b>(6%)</b>	<b>18,941,677</b>	<b>18,996,677</b>	<b>55,000</b>	<b>-</b>
<b>Operating Expenditure</b>												
Area Engineers	86,655	87,051	396	-	542,881	555,453	12,573	2%	1,148,316	1,148,316	-	-
Around Mountains Cycle Trail	101,637	3,417	(98,220)	(2875%)	265,132	20,500	(244,632)	(1193%)	41,000	41,000	-	-
Council Property	84,135	62,220	(21,915)	(35%)	572,786	553,026	(19,759)	(4%)	911,347	926,347	(15,000)	(2%)
District Reserves	16,216	13,654	(2,562)	(19%)	48,781	82,217	33,436	41%	164,143	164,143	-	-
District Sewerage	166,919	179,116	12,197	7%	1,079,302	1,140,620	61,319	5%	2,215,317	2,215,317	-	-
District Water	196,834	200,803	3,969	2%	1,241,170	1,269,795	28,625	2%	2,474,615	2,474,615	-	-
Engineering Administration	40,992	38,838	(2,153)	(6%)	238,223	243,712	5,489	2%	498,368	498,368	-	-
Engineering Consultants	42,725	67,438	24,712	37%	348,759	404,627	55,868	14%	809,254	809,254	-	-
Forestry	31,402	67,011	35,609	53%	593,619	444,413	(149,206)	(34%)	846,477	846,477	-	-
Property Administration	46,801	43,348	(3,452)	(6%)	274,468	273,321	(1,146)	-	559,886	559,886	-	-
Public Conveniences	(35,358)	48,797	84,155	172%	277,214	309,991	32,778	11%	602,773	602,773	-	-
Road Safety Com. Advisor	47,471	2,538	(44,933)	(1770%)	118,826	16,971	(101,855)	(600%)	36,991	36,991	-	-
Waste Management	328,916	315,087	(13,830)	(4%)	1,798,477	1,906,549	108,072	6%	3,805,379	3,805,379	-	-
Water Services	113,527	102,884	(10,644)	(10%)	770,606	680,182	(90,423)	(13%)	1,127,060	1,137,060	(10,000)	(1%)
Work Schemes (CTF)	22,861	20,718	(2,143)	(10%)	133,307	131,123	(2,184)	(2%)	268,202	268,202	-	-
<b>Total</b>	<b>1,291,733</b>	<b>1,252,920</b>	<b>(38,813)</b>	<b>(3%)</b>	<b>8,303,549</b>	<b>8,032,503</b>	<b>(271,046)</b>	<b>(3%)</b>	<b>15,509,128</b>	<b>15,534,128</b>	<b>(25,000)</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>	<b>223,200</b>	<b>375,558</b>	<b>(152,358)</b>	<b>(41%)</b>	<b>646,409</b>	<b>1,448,707</b>	<b>(802,298)</b>	<b>(55%)</b>	<b>3,432,549</b>	<b>3,462,549</b>	<b>30,000</b>	<b>1%</b>

r/17/1/1476

Group Manager – Services and Assets

21

For the period ending December 2016

Council Detail Report



	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Capital Expenditure</b>												
Area Engineers	-	9,061	9,061	100%	-	54,366	54,366	100%	108,732	108,732	-	-
Around Mountains Cycle Trail	79,725	488,980	409,255	84%	86,966	2,933,882	2,846,916	97%	5,867,764	5,867,764	-	-
Council Property	12,020	37,080	25,060	68%	42,354	222,480	180,126	81%	444,960	444,960	-	-
District Reserves	243,865	70,336	(173,529)	(247%)	600,675	422,016	(178,659)	(42%)	815,000	844,031	(29,031)	(4%)
District Sewerage	519,649	269,781	(249,868)	(93%)	1,072,953	1,618,687	545,733	34%	1,744,734	3,237,373	(1,492,639)	(86%)
District Water	164,431	324,799	160,368	49%	259,791	1,948,793	1,689,002	87%	3,300,757	3,897,586	(596,829)	(18%)
Engineering Administration	-	3,361	3,361	100%	-	20,163	20,163	100%	40,327	40,327	-	-
Engineering Consultants	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-
Property Administration	-	-	-	-	-	-	-	-	-	-	-	-
Public Conveniences	3,504	12,940	9,435	73%	11,599	77,638	66,039	85%	126,976	155,276	(28,300)	(22%)
Road Safety Com. Advisor	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	2,057	-	(2,057)	-	15,743	-	(15,743)	-	-	-	-	-
Water Services	-	-	-	-	-	-	-	-	-	-	-	-
Work Schemes (CTF)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,025,251</b>	<b>1,216,337</b>	<b>191,086</b>	<b>16%</b>	<b>2,090,081</b>	<b>7,298,025</b>	<b>5,207,943</b>	<b>71%</b>	<b>12,449,250</b>	<b>14,596,049</b>	<b>(2,146,799)</b>	<b>(17%)</b>
<b>Funding Adjustments</b>												
Area Engineers	-	7,029	(7,029)	(100%)	-	42,175	(42,175)	(100%)	84,350	84,350	-	-
Around Mountains Cycle Trail	-	447,314	(447,314)	(100%)	-	2,683,882	(2,683,882)	(100%)	5,367,764	5,367,764	-	-
Council Property	-	37,145	(37,145)	(100%)	-	222,873	(222,873)	(100%)	430,745	445,745	15,000	3%
District Reserves	-	70,110	(70,110)	(100%)	-	420,661	(420,661)	(100%)	812,291	841,322	29,031	4%
District Sewerage	(1,388)	158,093	(159,480)	(101%)	(8,325)	948,555	(956,881)	(101%)	459,472	1,897,111	1,437,639	313%
District Water	(9,352)	261,848	(271,199)	(104%)	(56,109)	1,571,086	(1,627,195)	(104%)	2,545,342	3,142,171	596,829	23%
Engineering Administration	-	2,571	(2,571)	(100%)	-	15,427	(15,427)	(100%)	30,854	30,854	-	-
Forestry	-	(17,030)	17,030	(100%)	-	(102,181)	102,181	(100%)	(815,374)	(815,374)	-	-
Property Administration	-	-	-	-	-	-	-	-	-	-	-	-
Public Conveniences	(5,421)	6,621	(12,042)	(182%)	(32,526)	39,723	(72,249)	(182%)	51,146	79,446	28,300	55%
Road Safety Com. Advisor	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	(3,064)	(4,830)	1,766	(37%)	(18,383)	(28,979)	10,596	(37%)	(57,958)	(57,958)	-	-
Water Services	-	11,370	(11,370)	(100%)	-	68,217	(68,217)	(100%)	126,434	136,434	10,000	8%
Work Schemes (CTF)	-	(1,531)	1,531	(100%)	-	(9,183)	9,183	(100%)	(18,366)	(18,366)	-	-
<b>Total</b>	<b>(19,224)</b>	<b>978,709</b>	<b>(997,933)</b>	<b>(102%)</b>	<b>(115,344)</b>	<b>5,872,255</b>	<b>(5,987,599)</b>	<b>(102%)</b>	<b>9,016,700</b>	<b>11,133,499</b>	<b>2,116,799</b>	<b>23%</b>

r/17/1/1475

Group Manager – Services and Assets 22

### **SERVICES AND ASSETS COMMENTARY (EXCLUDING TRANSPORT / ROADING)**

#### Overall Financial Performance

The overall financial performance of the Services and Assets group shows income is below and expenditure is over budget year to date.

The forestry result is a timing issue in that the revenue flow is not in line with the staged budgets. Overall other income streams are 5% below budget.

Operating expenditure overall is 3% over budget. The outliers are the Around the Mountains Cycle Trail legal expenses which was the last of the legal and expert witness costs for the Environment Court hearing. The outcome of the environment court is being contested and may result in future legal expenditure. The forestry expenditure is 34% above budget at this point in time. This is due to the gross costs of harvesting now being charged (and the gross harvesting revenue also being shown).

The Road Safety Community Advisor costs are 600% over budget. The portion of costs for Gore and Invercargill are not budgeted as it is recovered from Invercargill City Council (ICC), Gore District Council (GDC). This business unit is balanced to zero at year end.

Capital expenditure is only 29% of the budgeted figure. The biggest variance is the Around the Mountains Cycle Trail where no expenditure has been incurred against a budget of \$2.7M. Many capital works projects, including District Water (\$1.6M) and Sewerage (\$1M) under budget, are not yet underway or are underway but little costs have come to charge.

1471/1475

Strategic Transport Manager

23

For the period ending December 2016

Council Rooding Report



Item 9.1 Attachment A

	Rooding											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var%	Budget	Projection	Variance	Var %
<b>Income</b>												
Contributions	-	-	-	-	(9,054)	-	(9,054)	-	-	-	-	-
Grants	1,124,028	148,377	(294,349)	(21%)	4,729,887	6,692,511	(1962,624)	(29%)	15,187,248	15,415,148	227,900	2%
Internal Income	-	-	-	-	35,335	40,507	(5,172)	(13%)	288,938	288,938	-	-
Other Income	35,748	40,747	(4,999)	(12%)	204,368	239,565	(35,197)	(15%)	505,588	505,588	-	-
Rates	1,095,160	1,093,431	1,729	0%	6,534,177	6,520,079	14,097	0%	13,085,913	13,085,913	-	-
User Charges and Fees	-	1,307	(1,307)	(100%)	-	2,717	(2,717)	(100%)	31,058	31,058	-	-
<b>Total</b>	<b>2,254,936</b>	<b>2,553,862</b>	<b>(298,926)</b>	<b>(12%)</b>	<b>11,494,713</b>	<b>13,495,378</b>	<b>(2,000,666)</b>	<b>(15%)</b>	<b>29,098,745</b>	<b>29,326,645</b>	<b>227,900</b>	<b>1%</b>

Direct Expenditure												
Advertising	-	177	177	100%	354	254	(100)	(39%)	769	769	-	-
Communications	252	932	681	73%	2,848	4,351	1,503	35%	7,770	7,770	-	-
Conferences and courses	130	-	(130)	-	6,766	12,010	5,243	44%	16,915	16,915	-	-
Electricity	3,303	3,000	(303)	(10%)	23,537	18,000	(5,537)	(3%)	36,000	36,000	-	-
Fees and Charges	-	-	-	-	-	-	-	-	-	-	-	-
Financial Expenses	(151)	-	151	-	151	-	(151)	-	-	-	-	-
Insurance	-	-	-	-	2,438	2,731	293	11%	2,731	2,731	-	-
Other Expenditure	(29,386)	2,142	31,528	1472%	(108,545)	12,039	120,585	1002%	16,333	16,333	-	-
Postage and Stationery	-	215	215	100%	764	390	(375)	(96%)	1,025	1,025	-	-
Professional Services	-	3,075	3,075	100%	13,042	22,499	9,456	42%	35,875	35,875	-	-
Rates	-	191	191	100%	2,014	1,148	(866)	(75%)	2,295	2,295	-	-
Repairs and Maintenance												
Emergency Reinstatement	-	21,666	21,666	100%	-	173,597	173,597	100%	268,710	268,710	-	-
Environmental Maintenance	1,1724	96,112	(5,612)	(6%)	662,443	501,919	(160,524)	(32%)	1,067,912	1,067,912	-	-
General Projects	-	-	-	-	-	-	-	-	-	-	-	-
Level Crossing Warning Devices	2,146	2,129	(17)	(1%)	4,929	3,993	(936)	(65%)	30,420	30,420	-	-
Maint - General	9,746	427	(9,319)	(2122%)	25,221	2,562	(22,659)	(884%)	5,125	5,125	-	-
Network and Asset Management	171,134	185,807	14,674	8%	1,224,640	1,183,828	(40,811)	(3%)	2,321,667	2,321,667	-	-
Routine Drainage Maintenance	26,267	65,653	39,386	60%	560,746	475,110	(85,636)	(18%)	932,177	932,177	-	-
Sealed Pavement Maintenance	235,035	243,199	8,164	3%	1,495,238	1,519,997	24,758	2%	3,039,993	3,039,993	-	-
Spraying	-	3,177	3,177	100%	26,072	19,062	(7,010)	(37%)	38,125	38,125	-	-

r/17/1/1475

Strategic Transport Manager

24

For the period ending November 2016

Council Rooding Report



	Rooding											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var%	Budget	Projection	Variance	Var %
<b>Income</b>												
Contributions	-	-	-	-	(9,054)	-	(9,054)	-	-	-	-	-
Grants	672,639	1,662,983	(990,343)	(60%)	3,005,859	5,274,134	(1,868,275)	(32%)	15,187,248	15,415,148	227,900	2%
Internal Income	-	-	-	-	35,335	40,507	(5,172)	(13%)	288,938	288,938	-	-
Other Income	33,372	39,708	(6,334)	(16%)	168,620	198,818	(30,198)	(15%)	505,588	505,588	-	-
Rates	1,095,103	1,093,431	1,671	0%	5,439,017	5,426,848	12,169	0%	13,085,913	13,085,913	-	-
User Charges and Fees	-	28	(28)	(100%)	-	1,410	(1,410)	(100%)	31,058	31,058	-	-
<b>Total</b>	<b>1,801,113</b>	<b>2,796,145</b>	<b>(995,032)</b>	<b>(36%)</b>	<b>9,239,777</b>	<b>10,941,517</b>	<b>(1,701,740)</b>	<b>(16%)</b>	<b>29,098,745</b>	<b>29,326,645</b>	<b>227,900</b>	<b>1%</b>
<b>Direct Expenditure</b>												
Advertising	-	38	38	100%	354	77	(277)	(300%)	769	769	-	-
Communications	234	622	388	62%	2,596	3,419	823	24%	7,770	7,770	-	-
Conferences and courses	2,700	3,383	683	20%	6,836	12,010	5,174	45%	16,915	16,915	-	-
Electricity	3,962	3,000	(962)	(32%)	20,234	15,000	(5,234)	(35%)	36,000	36,000	-	-
Fees and Charges	-	-	-	-	-	-	-	-	-	-	-	-
Financial Expenses	302	-	(302)	-	302	-	(302)	-	-	-	-	-
Insurance	-	-	-	-	2,438	2,731	293	11%	2,731	2,731	-	-
Other Expenditure	(37,515)	222	37,737	16989%	(79,159)	9,897	89,057	900%	16,333	16,333	-	-
Postage and Stationery	-	31	31	100%	764	174	(590)	(339%)	1,025	1,025	-	-
Professional Services	-	7,226	7,226	100%	13,042	19,424	6,381	33%	35,875	35,875	-	-
Rates	(255)	191	446	233%	2,014	956	(1,058)	(111%)	2,295	2,295	-	-
<b>Repairs and Maintenance</b>												
Emergency Reinstatement	-	17,308	17,308	100%	-	151,931	151,931	100%	268,710	268,710	-	-
Environmental Maintenance	65,482	96,112	30,630	32%	560,719	405,807	(154,912)	(38%)	1,067,912	1,067,912	-	-
General Projects	-	-	-	-	-	-	-	-	-	-	-	-
Level Crossing Warning Devices	1,024	1,521	497	33%	2,782	11,864	9,082	77%	30,420	30,420	-	-
Maint - General	125	427	302	71%	15,475	2,135	(13,340)	(625%)	5,125	5,125	-	-
Network and Asset Management	290,889	208,802	(82,084)	(39%)	1,053,506	998,021	(55,485)	(6%)	2,321,667	2,321,667	-	-
Routine Drainage Maintenance	72,651	74,674	2,023	3%	534,479	409,457	(125,022)	(31%)	932,177	932,177	-	-
Sealed Pavement Maintenance	290,269	364,799	74,530	20%	1,260,203	1,276,797	16,594	1%	3,039,993	3,039,993	-	-
Spraying	-	3,177	3,177	100%	26,072	15,885	(10,187)	(64%)	38,125	38,125	-	-

r/17/1/1476

Strategic Transport Manager

25

Stock Underpasses Minor Improv	-	9,013	9,013	100%	-	38,025	38,025	100%	76,050	76,050	-	-
Street Lighting Transit	2,749	2,292	(457)	(20%)	21,187	13,750	(7,437)	(54%)	27,500	27,500	-	-
Structures Maintenance	53,254	7,115	(46,139)	(648%)	213,053	99,575	(113,478)	(114%)	172,380	172,380	-	-
Traffic Services Maintenance	34,977	25,646	(9,331)	(36%)	258,754	219,457	(39,297)	(18%)	509,539	509,539	-	-
Unsealed Pavement Maintenance	105,053	168,122	63,068	38%	917,174	1,259,643	342,469	27%	2,382,424	2,382,424	-	-
Staff Costs	41,560	41,665	105	0%	267,315	269,815	2,501	1%	563,545	563,545	-	-
Travel and Accommodation	1,652	1,309	(343)	(26%)	4,518	6,262	1,744	28%	11,719	11,719	-	-
Vehicle Expenses	924	585	(339)	(58%)	3,941	413	(3,527)	(853%)	(183)	(183)	-	-
<b>Total</b>	<b>760,368</b>	<b>893,650</b>	<b>133,282</b>	<b>15%</b>	<b>5,628,601</b>	<b>5,870,430</b>	<b>241,829</b>	<b>4%</b>	<b>11,566,816</b>	<b>11,566,816</b>	<b>-</b>	<b>-</b>

<b>Indirect Expenditure</b>												
<b>Total</b>	<b>73,941</b>	<b>83,626</b>	<b>9,685</b>	<b>12%</b>	<b>460,606</b>	<b>487,336</b>	<b>26,730</b>	<b>5%</b>	<b>1,017,862</b>	<b>1,017,862</b>	<b>-</b>	<b>-</b>

<b>Net Surplus/(Deficit)</b>	<b>1,420,627</b>	<b>1,576,586</b>	<b>(155,959)</b>	<b>(10%)</b>	<b>5,405,506</b>	<b>7,137,612</b>	<b>(1,732,107)</b>	<b>(24%)</b>	<b>16,514,067</b>	<b>16,741,967</b>	<b>227,900</b>	<b>1%</b>
------------------------------	------------------	------------------	------------------	--------------	------------------	------------------	--------------------	--------------	-------------------	-------------------	----------------	-----------

<b>Capital Expenditure</b>												
Assoc Imprmnts - Acq LOS	412	-	(412)	-	492	-	(492)	-	-	-	-	-
Bridges - Renewal	39,920	-	(39,920)	-	43,897	208,000	164,103	79%	1,300,000	1,300,000	-	-
Drainage Renewals - Acq LOS	8,571	130,174	121,603	93%	102,745	875,716	772,971	88%	1,183,400	1,183,400	-	-
Drainage Renewals - Renewal	38,752	24,336	(14,416)	(59%)	109,285	143,988	34,703	24%	202,800	202,800	-	-
Minor Improvements Acq LOS	2,162	72,878	70,696	97%	1,432	655,904	645,472	98%	1,027,564	1,457,564	(430,000)	(42%)
Minor Improvements Renewals	27,740	-	(27,740)	-	281,295	-	(281,295)	-	-	-	-	-
Other Equip - Acq LOS	-	-	-	-	65	-	(65)	-	-	-	-	-
Pavement Rehab - Acq LOS	-	27,732	27,732	100%	-	27,732	27,732	100%	55,463	55,463	-	-
Pavement Rehab - Renewal	52,120	79,746	27,626	35%	154,148	378,792	224,645	59%	996,822	996,822	-	-
Preventive Maint - Renewals	407	2,535	2,128	84%	13,232	55,770	42,538	76%	253,500	253,500	-	-
Seal Rd Resurface - Acq LOS	36,671	420,000	383,329	91%	130,151	420,000	289,849	69%	2,800,000	2,800,000	-	-
Seal Rd Resurface - Renewal	796,798	730,441	(66,358)	(9%)	912,141	1,773,928	861,786	49%	5,217,434	5,217,434	-	-
Structure Component - Renewal	13,611	39,100	25,489	65%	73,704	135,700	61,996	46%	230,000	230,000	-	-
Traffic Services - Acq LOS	920	36,887	35,966	98%	46,228	590,188	543,960	92%	922,169	922,169	-	-
Traffic Services - Renewal	44,977	11,437	(30,541)	(212%)	312,998	339,260	26,262	8%	721,830	721,830	-	-
Unsealed Rd Metal - Renewal	124,241	93,964	(30,277)	(32%)	931,663	845,678	(85,984)	(10%)	2,349,106	2,349,106	-	-
Vehicles - Renewal	-	3,117	3,117	100%	-	18,702	18,702	100%	37,403	37,403	-	-
<b>Total</b>	<b>1,187,324</b>	<b>1,675,346</b>	<b>488,022</b>	<b>29%</b>	<b>3,122,476</b>	<b>6,469,357</b>	<b>3,346,881</b>	<b>52%</b>	<b>17,297,491</b>	<b>17,727,491</b>	<b>(430,000)</b>	<b>(2%)</b>

r/17/1/1475

**TRANSPORT COMMENTARY**

*Please note that the budgeted numbers for 16/17 have not been apportioned, therefore a number of the variances are as a result of timing issues.*

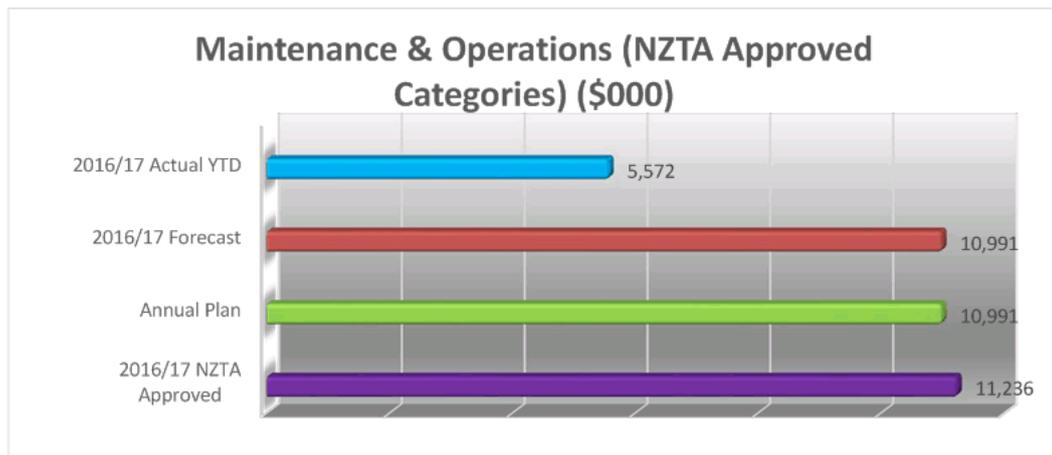
*The commentary below relates to NZTA funded activities only.  
(Emergency re-instatement will only be spent in the event of damage to roading from extreme conditions e.g. flooding and claimed from NZTA if the claim exceeds \$100K)*

Overall Financial Performance

Strategic Roothing is currently placing a major focus on the Southern Scenic Route and the Alliance Maintenance Contracts with both going to Tender in December. Roothing is continuing to design guardrail and bridge projects in order to fully utilise NZTA funding. A planning session is due to occur in January to identify the projects for 2017/18 financial year. These projects will be sent to our consultants for design prior to the financial year beginning giving contractors a large window to complete the various projects.

Operating Expenditure

Operating expenditure is slightly over for the year to date however this is expected to be in line with budget after the New Year break.

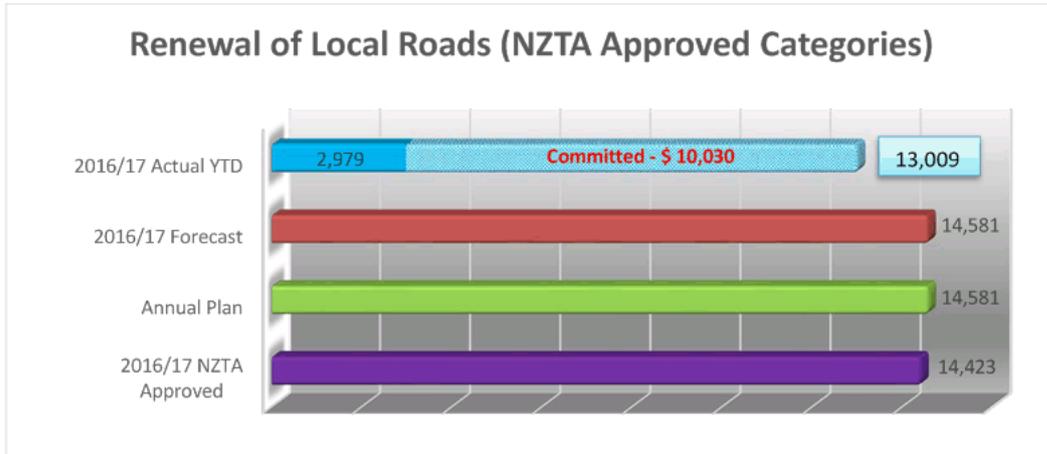


Financial Tracking vs Plans (Maintenance)			
YTD	Forecast	Annual Plan	NZTA Approved
50.70%	50.00%	50.00%	49.59%

Capital Expenditure

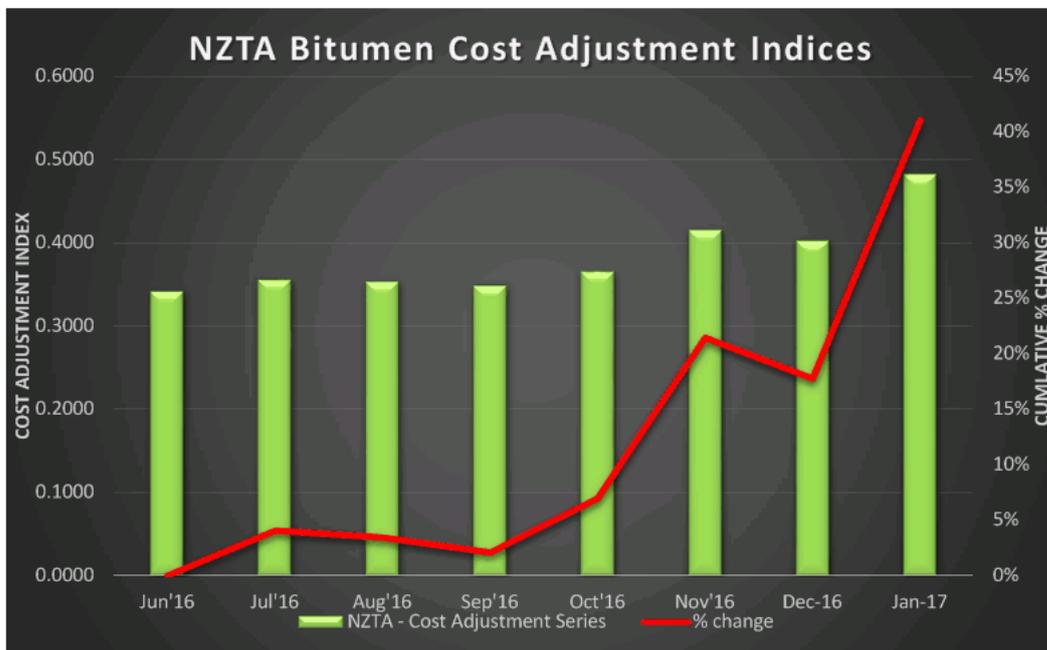
Capital expenditure is currently behind budget however with the reseal programme underway and other capital projects being tendered this is expected to increase significantly in next 3-4 months.

14714475



Financial Tracking vs Plans (Capital)			
YTD	Forecast	Annual Plan	NZTA Approved
20.43%	50.00%	50.00%	20.52%

The increase in the Bitumen Index is going to have significant impact on the per m2 rate for the 2016/17 reseal contracts. Below is a graph of the indices by month with the percentage change the red line. As of January 2017 the NZTA bitumen indices has increased by 41% from June when the contracts were approved. The cost of bitumen per tonne to December has increased from \$240 (USD) to \$327 (USD) or a 36.25% increase. The indices only relates to the Bitumen portion of each contract. The effect on the reseal programme will be in the vicinity of a \$200k increase which is within the approved programme budget. This will not impact the rehabilitations contracts as these are fixed price contracts.



#171/1475



## **DISTRICT COUNCIL ACTIVITIES**

(ATTACHMENT TO THE REPORT TO COUNCIL)

# **DETAILED MONTHLY FINANCIAL REPORT FOR THE MONTH OF DECEMBER 2016**

r/17/14475

For the period ending December 2016

Council Detail Report



Chief Executive Officer												
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Income</b>												
Chief Executive	80,379	83,971	(3,591)	(4%)	430,350	402,151	28,199	7%	680,738	680,738	-	-
Civil Defence	21,444	21,414	30	-	128,522	128,486	36	-	256,972	256,972	-	-
People and Capability	52,946	50,497	2,448	5%	267,433	302,985	(35,551)	(12%)	605,969	605,969	-	-
Rural Fire Control	24,735	24,700	35	-	148,243	148,202	41	-	296,404	296,404	-	-
Shared Services Forum	-	-	-	-	56,444	56,439	5	-	56,439	56,439	-	-
SI Visitor Levy	1,737	11,104	(9,367)	(84%)	38,790	66,625	(27,835)	(42%)	133,807	133,807	-	-
<b>Total</b>	<b>181,241</b>	<b>191,687</b>	<b>(10,446)</b>	<b>(5%)</b>	<b>1,069,782</b>	<b>1,104,888</b>	<b>(35,106)</b>	<b>(3%)</b>	<b>2,030,329</b>	<b>2,030,329</b>	<b>-</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Operating Expenditure</b>												
Chief Executive	59,728	51,968	(7,760)	(15%)	384,200	339,751	(44,449)	(13%)	679,654	679,654	-	-
Civil Defence	20	-	(20)	-	128,606	128,486	(120)	-	256,972	256,972	-	-
People and Capability	52,946	48,338	(4,608)	(10%)	267,433	298,979	31,546	11%	605,969	605,969	-	-
Rural Fire Control	-	-	-	-	148,571	148,202	(369)	-	296,404	296,404	-	-
Shared Services Forum	21,570	4,703	(16,866)	(359%)	29,435	28,220	(1,216)	(4%)	56,439	56,439	-	-
SI Visitor Levy	-	-	-	-	43	-	(43)	-	133,250	133,250	-	-
<b>Total</b>	<b>134,263</b>	<b>105,009</b>	<b>(29,254)</b>	<b>(28%)</b>	<b>958,288</b>	<b>943,638</b>	<b>(14,651)</b>	<b>(2%)</b>	<b>2,028,688</b>	<b>2,028,688</b>	<b>-</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Net Surplus/(Deficit)</b>	<b>46,978</b>	<b>86,678</b>	<b>(39,700)</b>	<b>(46%)</b>	<b>111,494</b>	<b>161,250</b>	<b>(49,756)</b>	<b>(31%)</b>	<b>1,641</b>	<b>1,641</b>	<b>-</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Capital Expenditure</b>												
Chief Executive	-	-	-	-	22,222	-	(22,222)	-	-	-	-	-
Civil Defence	-	-	-	-	-	-	-	-	-	-	-	-
People and Capability	-	-	-	-	-	-	-	-	-	-	-	-
SI Visitor Levy	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,222</b>	<b>-</b>	<b>(22,222)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Funding Adjustments</b>												
Chief Executive	-	(90)	90	(100%)	-	(542)	542	(100%)	(1,084)	(1,084)	-	-
Civil Defence	-	-	-	-	-	-	-	-	-	-	-	-
People and Capability	-	-	-	-	-	-	-	-	-	-	-	-
Rural Fire Control	-	-	-	-	-	-	-	-	-	-	-	-
Shared Services Forum	-	-	-	-	-	-	-	-	-	-	-	-
SI Visitor Levy	-	(46)	46	(100%)	-	(279)	279	(100%)	(557)	(557)	-	-
<b>Total</b>	<b>-</b>	<b>(137)</b>	<b>137</b>	<b>(100%)</b>	<b>-</b>	<b>(821)</b>	<b>821</b>	<b>(100%)</b>	<b>(1,641)</b>	<b>(1,641)</b>	<b>-</b>	<b>-</b>

r/17/1/1475

**CHIEF EXECUTIVE COMMENTARY****Chief Executive**

Income in this business unit is 7% (\$28K) over budget predominantly due to higher rates penalties income (\$24K) for the year.

Expenditure year to date is 13% (\$44K) over budget mainly due to the annual membership of NZ Society of Local Government Managers (\$10K) and Consultant for the independent review of Around the Mountain Cycle Track (\$29k) year to date.

**Civil Defence**

Income and expenditure are on budget.  
Rates collected are paid as a grant to Environment Southland.

**People and Capability**

Income year to date is 12% (\$35K) under budget due to internal overhead recoveries being lower than budget.

Expenditure year to date is 14% (\$31K) under budget year to date. This is mainly due to reduced expenditure on training (\$17K), other expenditure for OSH (\$4K), catering / surveys (\$3.5K) and consultants (\$9K). This is offset by an over spend on insurance write off of personal accident and employee and stat liability (\$9K). As this activity is internally funded, the reduced expenditure impacts directly on income.

**Rural Fire Control**

Income and expenditure are on budget.  
Rates collected are paid out as a grant to Southern Rural Fire.

**Shared Services Forum**

Income and expenditure is on target year to date with a deficit of \$27k at the end of December.  
Additional consultant fees are expected for the establishment of SORDS.

**Stewart Island Visitor Levy**

Income is 42% (\$28K) under budget as levies are still to be processed. Last year, the bulk of the levies were collected over the summer months from December through to the end of May.

1471/1475

Group Manager – Community and Futures

4

For the period ending December 2016

Council Detail Report



	Community & Futures											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Income</b>												
Communications and Engagement	93,936	95,224	(1,288)	(1%)	519,558	571,344	(51,785)	(9%)	1,142,687	1,142,687	-	-
Community Leadership	45,945	46,717	(771)	(2%)	293,245	280,299	12,946	5%	560,599	560,599	-	-
Community Outcomes	3,750	3,750	-	-	22,500	22,500	-	-	45,000	45,000	-	-
Governance	70,898	52,135	18,762	36%	318,796	312,812	5,984	2%	625,623	625,623	-	-
Strategy & Policy	86,145	70,715	15,430	22%	413,416	424,290	(10,874)	(3%)	848,580	848,580	-	-
<b>Total</b>	<b>300,674</b>	<b>268,541</b>	<b>32,133</b>	<b>12%</b>	<b>1,567,515</b>	<b>1,611,245</b>	<b>(43,729)</b>	<b>(3%)</b>	<b>3,222,489</b>	<b>3,222,489</b>	<b>-</b>	<b>-</b>
<b>Operating Expenditure</b>												
Communications and Engagement	92,364	90,412	(1,952)	(2%)	510,123	555,129	45,006	8%	1,121,580	1,121,580	-	-
Community Leadership	45,945	42,636	(3,309)	(8%)	293,245	271,636	(21,609)	(8%)	560,599	560,599	-	-
Community Outcomes	-	3,750	3,750	100%	50,000	22,500	(27,500)	(122%)	45,000	45,000	-	-
Governance	70,879	49,089	(21,790)	(44%)	318,684	307,163	(11,521)	(4%)	625,623	625,623	-	-
Strategy & Policy	85,645	68,241	(17,404)	(26%)	410,416	419,288	8,872	2%	847,380	847,380	-	-
<b>Total</b>	<b>294,833</b>	<b>254,128</b>	<b>(40,705)</b>	<b>(16%)</b>	<b>1,582,468</b>	<b>1,575,716</b>	<b>(6,752)</b>	<b>-</b>	<b>3,200,182</b>	<b>3,200,182</b>	<b>-</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>												
	5,841	14,413	(8,572)	(59%)	(14,953)	35,528	(50,481)	(142%)	22,307	22,307	-	-
<b>Capital Expenditure</b>												
Communications and Engagement	-	145	145	100%	-	872	872	100%	1,743	1,743	-	-
Community Leadership	-	-	-	-	-	-	-	-	-	-	-	-
Governance	-	-	-	-	1,290	-	(1,290)	-	-	-	-	-
Strategy & Policy	(771)	-	771	-	8,919	-	(8,919)	-	-	-	-	-
<b>Total</b>	<b>(771)</b>	<b>145</b>	<b>916</b>	<b>631%</b>	<b>10,209</b>	<b>872</b>	<b>(9,338)</b>	<b>(1071%)</b>	<b>1,743</b>	<b>1,743</b>	<b>-</b>	<b>-</b>
<b>Funding Adjustments</b>												
Communications and Engagement	-	(1,614)	1,614	(100%)	-	(9,682)	9,682	(100%)	(19,364)	(19,364)	-	-
Community Leadership	(172)	-	(172)	-	(1,033)	-	(1,033)	-	-	-	-	-
Community Outcomes	-	-	-	-	-	-	-	-	-	-	-	-
Strategy & Policy	-	(100)	100	(100%)	-	(600)	600	(100%)	(1,200)	(1,200)	-	-
<b>Total</b>	<b>(172)</b>	<b>(1,714)</b>	<b>1,541</b>	<b>(90%)</b>	<b>(1,033)</b>	<b>(10,282)</b>	<b>9,249</b>	<b>(90%)</b>	<b>(20,564)</b>	<b>(20,564)</b>	<b>-</b>	<b>-</b>

r/17/1/1476

Group Manager - Community and Futures 5

### **COMMUNITY AND FUTURES COMMENTARY**

Income is 3% (\$44K) under budget and expenditure is (\$7K) under budget for the year-to-date.

#### **Communications and Engagement**

Income is 9% under budget and expenditure is 8% under budget.

As this activity is internally funded the expenditure impacts directly on income allocation.

Expenditure was down mainly due to First Edition being \$17K below budget year to date, \$20K below on salaries and \$15K on Communication and Public expenditure.

#### **Community Leadership**

Income is 5% over budget and expenditure is 8% over budget year to date.

As this activity is internally funded the expenditure impacts directly on income allocation.

Expenditure reflects staff related costs of \$30K undertaking roles which had not been budgeted in this financial year.

#### **Community Outcomes**

Income is on target and expenditure is over budget year to date.

Expenditure is over budget by \$28K due to the payment as part of the agreed SDC allocation to the SORDS project.

#### **Governance**

Income is 2% under budget and expenditure is 4% under budget year to date. There are no significant variances this month.

As this activity is internally funded the expenditure impacts directly on income allocation.

Capital expenditure includes minor furniture acquisitions which were not budgeted.

#### **Strategy and Policy**

Income is 3% under budget and expenditure is 2% under budget year to date. As this activity is internally funded the expenditure impacts directly on income allocation.

Capital expenditure of \$9K was for furniture acquisitions as part of the office relocation which were not budgeted.

1471/1475

Team Leader - Governance

6

For the period ending December 2016

Council Detail Report



	Council & Councillors											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Council and Councillors	68,950	66,752	2,198	3%	400,794	400,510	284	-	801,020	801,020	-	-
Council Contributions/Gran	32,996	32,950	46	-	197,755	197,700	55	-	395,400	395,400	-	-
Council Elections	5,026	5,535	(509)	(9%)	32,030	33,208	(1,178)	(4%)	66,416	66,416	-	-
Council Water & Sewerage L	42,220	42,141	79	-	253,128	252,845	283	-	505,690	505,690	-	-
International Relations Commit	923	922	1	-	5,534	5,532	2	-	12,303	12,303	-	-
Regulatory - Non Recoverab	11,273	11,258	16	-	67,565	67,547	19	-	135,093	135,093	-	-
Venture Southland	146,468	146,267	201	-	877,840	877,600	240	-	1,755,199	1,755,199	-	-
<b>Total</b>	<b>307,857</b>	<b>305,824</b>	<b>2,033</b>	<b>1%</b>	<b>1,834,646</b>	<b>1,834,941</b>	<b>(295)</b>	<b>-</b>	<b>3,671,121</b>	<b>3,671,121</b>	<b>-</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Council and Councillors	61,848	65,057	3,210	5%	359,527	424,521	64,994	15%	832,425	832,425	-	-
Council Contributions/Gran	(33,974)	10,202	44,175	433%	279,872	256,061	(23,811)	(9%)	380,400	380,400	-	-
Council Elections	16,253	13,941	(2,312)	(17%)	103,303	83,644	(19,659)	(24%)	167,288	167,288	-	-
Council Water & Sewerage L	20,153	20,153	-	-	120,920	120,920	-	-	241,839	241,839	-	-
International Relations Commit	-	1,025	1,025	100%	600	6,151	5,551	90%	12,303	12,303	-	-
Regulatory - Non Recoverab	6,041	22,966	16,925	74%	31,339	47,283	15,944	34%	135,093	135,093	-	-
Venture Southland	-	-	-	-	884,400	877,600	(6,801)	(1%)	1,755,199	1,755,199	-	-
<b>Total</b>	<b>70,321</b>	<b>133,344</b>	<b>63,023</b>	<b>47%</b>	<b>1,779,962</b>	<b>1,816,180</b>	<b>36,218</b>	<b>2%</b>	<b>3,524,547</b>	<b>3,524,547</b>	<b>-</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
Net Surplus/(Deficit)	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
	237,535	172,479	65,056	38%	54,684	18,761	35,923	191%	146,574	146,574	-	-
	Monthly				YTD				Full Year Budget			
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Council and Councillors	21,739	3,995	(17,744)	(444%)	44,795	23,969	(20,826)	(87%)	47,938	47,938	-	-
<b>Total</b>	<b>21,739</b>	<b>3,995</b>	<b>(17,744)</b>	<b>(444%)</b>	<b>44,795</b>	<b>23,969</b>	<b>(20,826)</b>	<b>(87%)</b>	<b>47,938</b>	<b>47,938</b>	<b>-</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Council and Councillors	23,056	6,612	16,444	249%	23,056	39,672	(16,616)	(42%)	79,343	79,343	-	-
Council Contributions/Gran	-	(1,250)	1,250	(100%)	-	(7,500)	7,500	(100%)	(15,000)	(15,000)	-	-
Council Elections	-	8,406	(8,406)	(100%)	-	50,436	(50,436)	(100%)	100,872	100,872	-	-
Council Water & Sewerage L	(21,988)	(21,988)	-	-	(131,925)	(131,925)	-	-	(263,851)	(263,851)	-	-
International Relations Commit	-	-	-	-	-	-	-	-	-	-	-	-
Regulatory - Non Recoverab	-	-	-	-	-	-	-	-	-	-	-	-
Venture Southland	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,068</b>	<b>(8,220)</b>	<b>9,288</b>	<b>(113%)</b>	<b>(108,870)</b>	<b>(49,318)</b>	<b>(59,552)</b>	<b>121%</b>	<b>(98,636)</b>	<b>(98,636)</b>	<b>-</b>	<b>-</b>

r/17/1/1476

Team Leader - Governance

7

**COUNCIL AND COUNCILLORS' COMMENTARY**

Total Income is on budget and total expenditure 2% below year to date.

**Council and Councillors**

Income is on target and expenditure is 17% under budget. The main variance was in councillors' expenditure under budget for the year.

**Council Contributions / Grants**

Income is on budget and expenditure is currently 9% over budget

This is due to the timing of paying out committed grants earlier than expected and community assistance allocations.

**Council Elections**

Income is 4% under budget and expenditure is 24% over budget.

This is due to the following overspend:

- Election Expenses of \$102K against a budget of \$81K year to date. These expenses are within the full year budget of \$167K.

**Council Water and Sewerage Loans**

Income is on budget and expenditure is on budget for the year-to-date. These are for council's contribution to sewerage schemes.

**International Relations Committee**

Income is on budget and expenditure is 90% (\$5K) under budget for this reporting period.

The International Relations Committee is no longer operating as a standalone Committee and its functions are now included as part of the Community and Policy Committee.

**Regulatory - Non Recoverable**

Income is on budget and expenditure is 34% below budget on internal building regulation services.

**Venture Southland**

Income is on budget and expenditure is 1% over budget. This is primarily for the rates collected and the grant paid to Venture Southland.

-14714/284

Group Manager – Customer Support

8

Item 9.1 Attachment B

For the period ending December 2016

Council Detail Report



	Customer Support											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Offices	51,734	50,156	1,578	3%	313,757	300,936	12,821	4%	601,873	601,873	-	-
Customer Services	111,752	107,025	4,727	4%	675,121	642,149	32,972	5%	1,284,298	1,284,298	-	-
District Library	86,764	88,506	(1,742)	(2%)	520,411	531,037	(10,625)	(2%)	1,062,073	1,062,073	-	-
<b>Total</b>	<b>250,250</b>	<b>245,687</b>	<b>4,563</b>	<b>2%</b>	<b>1,509,289</b>	<b>1,474,122</b>	<b>35,167</b>	<b>2%</b>	<b>2,948,244</b>	<b>2,948,244</b>	<b>-</b>	<b>-</b>
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Offices	22,331	21,864	(466)	(2%)	128,586	131,799	3,213	2%	262,985	262,985	-	-
Customer Services	111,732	104,611	(7,121)	(7%)	675,000	651,492	(23,507)	(4%)	1,324,298	1,324,298	-	-
District Library	74,493	78,750	4,257	5%	473,021	496,132	23,111	5%	997,174	997,174	-	-
<b>Total</b>	<b>208,555</b>	<b>205,225</b>	<b>(3,330)</b>	<b>(2%)</b>	<b>1,276,607</b>	<b>1,279,423</b>	<b>2,817</b>	<b>-</b>	<b>2,584,457</b>	<b>2,584,457</b>	<b>-</b>	<b>-</b>
Net Surplus/(Deficit)	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
	41,695	40,462	1,234	3%	232,682	194,699	37,983	20%	363,787	363,787	-	-
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Offices	-	-	-	-	5,419	-	(5,419)	-	-	-	-	-
Customer Services	-	-	-	-	295	-	(295)	-	-	-	-	-
District Library	17,943	11,037	(6,907)	(63%)	58,022	66,219	8,198	12%	123,021	132,438	(9,417)	(8%)
<b>Total</b>	<b>17,943</b>	<b>11,037</b>	<b>(6,907)</b>	<b>(63%)</b>	<b>63,735</b>	<b>66,219</b>	<b>2,484</b>	<b>4%</b>	<b>123,021</b>	<b>132,438</b>	<b>(9,417)</b>	<b>(8%)</b>
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Offices	(15,532)	(28,241)	12,709	(45%)	(93,190)	(169,444)	76,254	(45%)	(338,888)	(338,888)	-	-
Customer Services	-	3,333	(3,333)	(100%)	-	20,000	(20,000)	(100%)	40,000	40,000	-	-
District Library	-	5,628	(5,628)	(100%)	-	33,770	(33,770)	(100%)	58,122	67,539	9,417	16%
<b>Total</b>	<b>(15,532)</b>	<b>(19,279)</b>	<b>3,747</b>	<b>(19%)</b>	<b>(93,190)</b>	<b>(115,675)</b>	<b>22,484</b>	<b>(19%)</b>	<b>(240,766)</b>	<b>(231,349)</b>	<b>9,417</b>	<b>(4%)</b>

#17/1/1476

Group Manager – Customer Support 9

### **CUSTOMER SUPPORT**

YTD our Expenditure is 19% over budget and Income 2% above

#### **Area Offices**

The transfer of the Stewart Island Area Office to combining with the Stewart Island Library has required some electrical, networking and building work so there is some capital expenditure, however this is expected to come under \$10,000 in total.

#### **Customer Services**

In December, the Customer Services budget reduced the gap from being 15% over budget YTD in November to 5% over budget in December. The area is still over budget due to unbudgeted staff salaries and travel costs for our Quarterly Staff Training Day.

#### **Libraries**

Electricity costs in almost every building are exceeding budgeted figures and are likely to continue in this pattern for the remainder of the year with the inclement weather conditions.

The Libraries budget YTD is still 3% under budget with income 2% under expectations due to less fines, DVD rentals collected and a reduction in copying income. However, less salary cost is due to staff being moved across to the Customer Support cost centre.

1471/1475

Group Manager – Environmental Services

10

Item 9.1 Attachment B

For the period ending December 2016

Council Detail Report



	Environmental Services											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Income</b>												
Alcohol Licensing	12,495	17,052	(4,558)	(27%)	114,946	102,314	12,631	12%	205,290	205,290	-	-
Animal Control	13,569	15,100	(1,532)	(10%)	405,306	452,603	(47,296)	(10%)	555,620	555,620	-	-
Building Regulations	102,772	131,923	(29,150)	(22%)	746,807	791,535	(44,728)	(6%)	1,583,070	1,583,070	-	-
Enviro & Com Dev Admin	16,575	20,420	(3,845)	(19%)	106,687	122,518	(15,831)	(13%)	245,036	245,036	-	-
Environmental Health	(16,064)	10,704	(26,768)	(250%)	79,819	81,753	(1,934)	(2%)	145,978	145,978	-	-
Health Licensing	32,671	1,236	31,435	2544%	99,855	93,224	6,631	7%	122,090	122,090	-	-
Museum	52,486	51,975	510	1%	330,021	311,851	18,170	6%	623,702	623,702	-	-
Resource Consent Processin	116,382	80,612	35,770	44%	509,147	483,671	25,476	5%	967,343	967,343	-	-
Resource Planning/Policy	23,726	23,693	33	-	142,198	142,158	40	-	284,316	284,316	-	-
<b>Total</b>	<b>354,611</b>	<b>352,715</b>	<b>1,896</b>	<b>1%</b>	<b>2,534,786</b>	<b>2,581,628</b>	<b>(46,841)</b>	<b>(2%)</b>	<b>4,732,445</b>	<b>4,732,445</b>	<b>-</b>	<b>-</b>
<b>Operating Expenditure</b>												
Alcohol Licensing	14,832	16,683	1,852	11%	100,402	103,965	3,563	3%	212,409	212,409	-	-
Animal Control	38,550	50,354	11,804	23%	314,290	321,439	7,149	2%	656,828	656,828	-	-
Building Regulations	125,697	122,777	(2,921)	(2%)	740,722	765,513	24,791	3%	1,555,905	1,555,905	-	-
Enviro & Com Dev Admin	16,575	17,792	1,217	7%	106,687	114,087	7,399	6%	236,348	236,348	-	-
Environmental Health	6,219	10,049	3,830	38%	81,658	85,430	3,771	4%	145,978	145,978	-	-
Health Licensing	8,904	9,627	724	8%	57,885	59,907	2,021	3%	122,090	122,090	-	-
Museum	44,409	46,087	1,678	4%	336,649	345,210	8,561	2%	623,702	623,702	-	-
Resource Consent Processin	60,904	76,396	15,492	20%	414,695	475,807	61,112	13%	967,343	967,343	-	-
Resource Planning/Policy	14,316	37,442	23,126	62%	42,202	228,111	185,909	81%	459,316	459,316	-	-
<b>Total</b>	<b>330,406</b>	<b>387,208</b>	<b>56,802</b>	<b>15%</b>	<b>2,195,192</b>	<b>2,499,469</b>	<b>304,276</b>	<b>12%</b>	<b>4,979,919</b>	<b>4,979,919</b>	<b>-</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>	<b>24,205</b>	<b>(34,493)</b>	<b>58,698</b>	<b>(170%)</b>	<b>339,594</b>	<b>82,159</b>	<b>257,435</b>	<b>313%</b>	<b>(247,474)</b>	<b>(247,474)</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditure</b>												
Animal Control	-	-	-	-	-	-	-	-	-	-	-	-
Building Regulations	-	3,403	3,403	100%	-	20,417	20,417	100%	40,833	40,833	-	-
Enviro & Com Dev Admin	-	3,082	3,082	100%	-	18,493	18,493	100%	36,986	36,986	-	-
Environmental Health	-	-	-	-	-	-	-	-	-	-	-	-
Health Licensing	-	-	-	-	-	-	-	-	-	-	-	-
Museum	-	-	-	-	-	-	-	-	-	-	-	-
Resource Consent Processin	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>6,485</b>	<b>6,485</b>	<b>100%</b>	<b>-</b>	<b>38,910</b>	<b>38,910</b>	<b>100%</b>	<b>77,819</b>	<b>77,819</b>	<b>-</b>	<b>-</b>

Group Manager – Environmental Services

11

For the period ending December 2016

Council Detail Report



Funding Adjustments	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Alcohol Licensing	-	593	(593)	(100%)	-	3,560	(3,560)	(100%)	7,119	7,119	-	-
Animal Control	-	8,434	(8,434)	(100%)	-	50,604	(50,604)	(100%)	101,208	101,208	-	-
Building Regulations	-	1,139	(1,139)	(100%)	-	6,834	(6,834)	(100%)	13,668	13,668	-	-
Enviro & Com Dev Admin	-	2,358	(2,358)	(100%)	-	14,149	(14,149)	(100%)	28,298	28,298	-	-
Environmental Health	-	-	-	-	-	-	-	-	-	-	-	-
Health Licensing	-	-	-	-	-	-	-	-	-	-	-	-
Museum	-	-	-	-	-	-	-	-	-	-	-	-
Resource Consent Processin	-	-	-	-	-	-	-	-	-	-	-	-
Resource Planning/Policy	-	14,583	(14,583)	(100%)	-	87,500	(87,500)	(100%)	175,000	175,000	-	-
<b>Total</b>	-	<b>27,108</b>	<b>(27,108)</b>	<b>(100%)</b>	-	<b>162,647</b>	<b>(162,647)</b>	<b>(100%)</b>	<b>325,293</b>	<b>325,293</b>	-	-

r/17/1/1475

Group Manager – Environmental Services 12

**ENVIRONMENTAL SERVICES COMMENTARY**

**Overall December 2016 monthly income for the Environmental Services Group was 1% (\$1,896) ahead of budget at \$354,611 actual versus \$352,715 budget.**

Key features of this month's income were that Building Control income was 22% (\$29,150) below budget at \$102,772 actual, versus \$131,923 budget reflecting levels of activity, and conversely Resource Consent Processing was 44% ( 35,770) ahead of budget at \$116,382 actual versus \$80,612 budget reflecting the invoicing for two large resource consent processes during this period .

There was an internal adjustment during this period between the Environmental Health and Health Licensing areas to ensure income was credited to the correct area.

**Overall December 2016 monthly expenditure for the Environmental Services Group was 15% (\$56,802) below budget at \$330,406 actual v \$387,208 budget.**

Most departments were well below budget expenditure-wise, reflecting a close focus on spending, which is important in the current economic/ development climate.

The only exception to this was Building Control / Building Regulations where expenditure was 2% (\$,921) ahead of budget due to some additional payroll costs which were incurred in December due to a long serving staff member retiring and another resigning

***Overall Group YTD Summary as at end of December 2016 , first half of 2016/2017 financial year:***

**Overall Group YTD Income at the end of December 2016 for the 2016/2017 financial year is 2% (\$46,841) below budget, at \$2,534,786 actual versus \$2,581,628 budget.**

It is anticipated that if the current trend regarding levels of incoming development-related work continues, then overall Group income could be approximately \$150,000 below the original 2016/2017 Annual Plan income budget, at year end.

This is largely a reflection of the current development climate in the Southland District where, with the exception of the Te Anau area, development activity, particularly larger scale activity, has been relatively subdued. Some resourcing changes have been made to reflect these economic conditions.

**Overall Group YTD Expenditure at the end of December 2016 of the 2016/2017 financial year is 12% (\$304,276) below budget at \$2,195,192 actual versus \$2,499,469 budget.**

17/1/1475

Chief Financial Officer

13

For the period ending December 2016

Council Detail Report



	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Financial Services</b>												
Income												
Financial Services	107,144	176,396	(69,251)	(39%)	829,783	1,043,721	(213,937)	(20%)	2,087,441	2,087,441	-	-
<b>Total</b>	<b>107,144</b>	<b>176,396</b>	<b>(69,251)</b>	<b>(39%)</b>	<b>829,783</b>	<b>1,043,721</b>	<b>(213,937)</b>	<b>(20%)</b>	<b>2,087,441</b>	<b>2,087,441</b>	<b>-</b>	<b>-</b>
<b>Operating Expenditure</b>												
Operating Expenditure												
Financial Services	107,223	151,426	44,203	29%	829,802	1,027,627	197,825	19%	2,087,412	2,087,412	-	-
<b>Total</b>	<b>107,223</b>	<b>151,426</b>	<b>44,203</b>	<b>29%</b>	<b>829,802</b>	<b>1,027,627</b>	<b>197,825</b>	<b>19%</b>	<b>2,087,412</b>	<b>2,087,412</b>	<b>-</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>												
Net Surplus/(Deficit)	(78)	24,970	(25,048)	(100%)	(18)	16,093	(16,112)	(100%)	29	29	-	-
<b>Capital Expenditure</b>												
Capital Expenditure												
Financial Services	-	3,398	3,398	100%	-	20,390	20,390	100%	40,780	40,780	-	-
<b>Total</b>	<b>-</b>	<b>3,398</b>	<b>3,398</b>	<b>100%</b>	<b>-</b>	<b>20,390</b>	<b>20,390</b>	<b>100%</b>	<b>40,780</b>	<b>40,780</b>	<b>-</b>	<b>-</b>
<b>Funding Adjustments</b>												
Funding Adjustments												
Financial Services	-	3,396	(3,396)	(100%)	-	20,375	(20,375)	(100%)	40,751	40,751	-	-
<b>Total</b>	<b>-</b>	<b>3,396</b>	<b>(3,396)</b>	<b>(100%)</b>	<b>-</b>	<b>20,375</b>	<b>(20,375)</b>	<b>(100%)</b>	<b>40,751</b>	<b>40,751</b>	<b>-</b>	<b>-</b>

r/17/1/1475

Chief Financial Officer

14

Item 9.1 Attachment B

**FINANCIAL SERVICES COMMENTARY**

Operating expenditure is 19% (\$198K) under budget for the year to date. The annual maintenance cost of councils purchase order system (\$25k) is payable in April, this will be phased correctly and will be reflected in the financial report for the period ended 31 January 2017. Valuation Roll costs and insurance will be under budget at year end by \$55K. Staff vacancies s resulted in staff costs being \$43K under budget. A review of Council's outstanding debt and processes is currently underway, as a result of this debt collection costs are less than budgeted (20K).

As this activity is internally funded the reduced expenditure impacts income.

17/1/17

Chief Information Officer

15

For the period ending December 2016

Council Detail Report



	Information Management											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Information Management	155,938	151,720	4,218	3%	933,687	910,318	23,369	3%	1,820,636	1,820,636	-	-
Knowledge Management	51,514	52,811	(1,297)	(2%)	307,322	316,865	(9,543)	(3%)	633,730	633,730	-	-
Property & Spatial Services	26,614	32,731	(6,117)	(19%)	209,423	196,383	13,040	7%	392,767	392,767	-	-
<b>Total</b>	<b>234,066</b>	<b>237,261</b>	<b>(3,195)</b>	<b>(1%)</b>	<b>1,450,432</b>	<b>1,423,566</b>	<b>26,866</b>	<b>2%</b>	<b>2,847,133</b>	<b>2,847,133</b>	<b>-</b>	<b>-</b>
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Information Management	16,042	134,436	118,394	88%	857,001	826,341	(30,660)	(4%)	1,673,358	1,673,358	-	-
Knowledge Management	51,307	53,341	2,035	4%	306,075	327,063	20,987	6%	660,401	660,401	-	-
Property & Spatial Services	26,614	31,478	4,864	15%	209,423	194,061	(15,362)	(8%)	392,767	392,767	-	-
<b>Total</b>	<b>93,963</b>	<b>219,255</b>	<b>125,293</b>	<b>57%</b>	<b>1,372,499</b>	<b>1,347,464</b>	<b>(25,034)</b>	<b>(2%)</b>	<b>2,726,526</b>	<b>2,726,526</b>	<b>-</b>	<b>-</b>
Net Surplus/(Deficit)	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	140,103	18,006	122,098	678%	77,933	76,102	1,831	2%	120,607	120,607	-	-
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Information Management	3,284	165,243	161,958	98%	101,872	991,455	889,584	90%	1,750,000	1,982,911	(232,911)	(13%)
Knowledge Management	163,444	115,923	(47,520)	(41%)	320,165	695,541	375,375	54%	1,391,081	1,391,081	-	-
<b>Total</b>	<b>166,728</b>	<b>281,166</b>	<b>114,438</b>	<b>41%</b>	<b>422,037</b>	<b>1,686,996</b>	<b>1,264,959</b>	<b>75%</b>	<b>3,141,081</b>	<b>3,373,992</b>	<b>(232,911)</b>	<b>(7%)</b>
Funding Adjustments	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Information Management	(980)	152,969	(153,950)	(101%)	(5,882)	917,816	(923,698)	(101%)	1,602,722	1,835,633	232,911	15%
Knowledge Management	(1,356)	118,146	(119,502)	(101%)	(8,138)	708,876	(717,014)	(101%)	1,417,752	1,417,752	-	-
Property & Spatial Services	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(2,337)</b>	<b>271,115</b>	<b>(273,452)</b>	<b>(101%)</b>	<b>(14,020)</b>	<b>1,626,692</b>	<b>(1,640,712)</b>	<b>(101%)</b>	<b>3,020,474</b>	<b>3,253,385</b>	<b>232,911</b>	<b>8%</b>

r/17/1/1475

Chief Information Officer

16

**INFORMATION MANAGEMENT COMMENTARY**

Overall Income is 2% (\$27K) over budget for the year-to-date.  
 Overall Operating expenditure is 2% (\$25K) over budget for the year-to-date.  
 The year-to-date position is on target.  
 Capital expenditure is 75% under budget

**Information Management**

Income is 3% (\$24K) over budget for the year-to-date. Overall expenditure is 4% (\$31K) over budget. The net year-to-date position is \$7K under budget.

**Capital Work:***Core Systems Project:*

Expenditure for consultants have been incurred for this project, with professional services for development of the terms of reference and governance options for this project as well as some work around data collection in terms of organisation wide surveys. The two surveys completed will be used as the benchmark for the annual review of Information Management services and the effectiveness of these to the organisation.

Work is currently focusing on the current business process mapping and documentation that will be used for benchmarking against future improvements and opportunities. This work will in understanding and prioritising what application and/or services are identified for review under core systems.

The capital expenditure budget will be reduced to forecast spending to \$250K for this financial year.

**Knowledge Management**

Income is 3% (\$10K) under budget.

- This is mainly due to Internal Overhead recoveries being (\$16K) under budget.

Expenditure is 6% (\$21K) under budget year-to-date:

**Capital Work:***Digitisation Project:*

Expenditure to date includes the purchase of Nova software licence and setup of Nova for Council's requirements, project management, and costs associated with packing and transporting files to Power Business Services premises in Auckland. The recent upgrade to Office 2013 and the training that was made available to all staff is also included. Total expenditure is \$140K. This does not include any costs associated with preparation, scanning and metadata allocation for the pilot.

Current work around this project has focused on the fixed price negotiation that is planned to be finalised in December. Once this contract price has been completed we will be able to forecast the next 12 months of expenditure for this project.

With the recent earthquakes that occurred in November the options for freighting our planned 5,000 property file has been affected and alternatives are currently being investigated. This will impact future planning freight costs but will report back to Council once confirmed.

As this activity is internally funded, the changes in expenditure impacts directly on income.

**Property and Spatial Services**

-1171/14475

Chief Information Officer

17

Income is 7% (\$13K) over budget. This mainly comes from Internal income which includes overhead recoveries and GIS income.

Expenditure is 8% (\$15K) over budget.

Over expenditure variances included:

- Consultants \$31K over budget.

1471/1475

Finance

18

For the period ending December 2016

Council Detail Report



	Other Activities											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Income</b>												
Allocation Committees	119,503	14,305	105,198	735%	218,596	106,950	111,645	104%	309,620	309,620	-	-
Operating investments	112,775	76,737	36,038	47%	735,206	460,419	274,787	60%	1,220,392	1,220,392	-	-
<b>Total</b>	<b>232,278</b>	<b>91,041</b>	<b>141,236</b>	<b>155%</b>	<b>953,802</b>	<b>567,370</b>	<b>386,432</b>	<b>68%</b>	<b>1,530,012</b>	<b>1,530,012</b>	<b>-</b>	<b>-</b>
<b>Operating Expenditure</b>												
Allocation Committees	51,700	117,003	65,303	56%	55,770	161,252	105,482	65%	322,503	322,503	-	-
Operating investments	(27,718)	3,184	30,902	970%	(5,100)	19,105	24,205	127%	1,170,885	1,170,885	-	-
<b>Total</b>	<b>23,982</b>	<b>120,187</b>	<b>96,205</b>	<b>80%</b>	<b>50,670</b>	<b>180,357</b>	<b>129,686</b>	<b>72%</b>	<b>1,493,388</b>	<b>1,493,388</b>	<b>-</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>	<b>208,295</b>	<b>(29,146)</b>	<b>237,441</b>	<b>(815%)</b>	<b>903,131</b>	<b>387,013</b>	<b>516,118</b>	<b>133%</b>	<b>36,624</b>	<b>36,624</b>	<b>-</b>	<b>-</b>
<b>Funding Adjustments</b>												
Allocation Committees	(105,000)	1,074	(106,074)	(9880%)	(105,000)	6,441	(111,441)	(1730%)	12,883	12,883	-	-
Operating investments	-	(4,126)	4,126	(100%)	-	(24,753)	24,753	(100%)	(49,507)	(49,507)	-	-
<b>Total</b>	<b>(105,000)</b>	<b>(3,052)</b>	<b>(101,948)</b>	<b>3340%</b>	<b>(105,000)</b>	<b>(18,312)</b>	<b>(86,688)</b>	<b>473%</b>	<b>(36,624)</b>	<b>(36,624)</b>	<b>-</b>	<b>-</b>

r/17/1/1475

Finance

19

**OTHER ACTIVITIES COMMENTARY****Allocations Committee**

Year to date Income is 104% (\$112K) over budget. This is due to \$105K being returned by the Edendale Community Board which had previously been given for the Edendale Hall project which is no longer going ahead. Additionally, Creative Community and Sport NZ funding is expected to be approximately \$5K and \$3K over budget at year end respectively.

Year to date Expenditure is 65% (\$105K) under budget. The first Allocations committee meeting was held in December 2016 with grants totalling \$117,990 awarded. Additionally, grants were awarded in December for the Ohai Railway Board. These grants have not been reflected in the December report as they were not processed until January, causing the \$105K variance from budget.

**Operating Investments**

Income is \$274K over budget year to date.

- Interest earned on investments is \$170K over budget. Surplus cash has been invested as it has not been needed for the distribution of internal loans.
- Internal Interest received on loans is calculated monthly and is (\$177K) less than budget year to date. This is mainly due to internal loan balances being less than budgeted. Council has set the interest rate to be charged on these loans as part of its 10 Year Plan process and interest is being charged on a monthly basis on all internal loan draw-downs up until 30 June, end of the last financial year.
- Internal Interest is only calculated at year end on Reserves, Cost of Capital and Contribution balances. This has a budget variance of \$278K year to date and needs to be budgeted to be received at year end in June.

Expenditure (Bank and Interest Charges) is in line with budget year to date.

r17/1/1475

Group Manager – Services and Assets

For the period ending December 2016

Council Detail Report



	Services & Assets											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Income</b>												
Area Engineers	86,667	97,725	(11,058)	(11%)	542,954	586,349	(43,395)	(7%)	1,172,698	1,172,698	-	-
Around Mountains Cycle Trail	2,993	45,083	(42,090)	(93%)	17,998	270,500	(252,502)	(93%)	541,000	541,000	-	-
Council Property	91,555	76,878	14,676	19%	480,360	461,270	19,090	4%	925,562	925,562	-	-
District Reserves	13,924	13,904	19	-	83,449	83,426	23	-	166,852	166,852	-	-
District Sewerage	291,138	295,508	(4,370)	(1%)	1,730,673	1,773,050	(42,377)	(2%)	3,500,579	3,555,579	55,000	2%
District Water	332,123	317,101	15,022	5%	1,605,069	1,612,945	(7,876)	-	3,230,030	3,230,030	-	-
Engineering Administration	40,992	42,320	(1,328)	(3%)	238,223	253,921	(15,698)	(6%)	507,841	507,841	-	-
Engineering Consultants	42,725	67,438	(24,712)	(37%)	348,759	404,627	(55,868)	(14%)	809,254	809,254	-	-
Forestry	1,646	138,488	(136,842)	(99%)	650,515	830,925	(180,410)	(22%)	1,661,850	1,661,850	-	-
Property Administration	45,852	46,657	(805)	(2%)	268,461	279,943	(11,482)	(4%)	559,886	559,886	-	-
Public Conveniences	65,656	56,550	9,105	16%	341,177	339,302	1,876	1%	678,603	678,603	-	-
Road Safety Com. Advisor	67,167	3,082	64,086	2080%	68,897	18,491	50,407	273%	36,991	36,991	-	-
Waste Management	323,305	321,513	1,792	1%	1,959,694	1,929,080	30,615	2%	3,863,337	3,863,337	-	-
Water Services	83,274	82,350	924	1%	491,038	494,097	(3,060)	(1%)	1,000,626	1,000,626	-	-
Work Schemes (CTF)	25,917	23,881	2,037	9%	122,689	143,284	(20,595)	(14%)	286,568	286,568	-	-
<b>Total</b>	<b>1,514,934</b>	<b>1,628,478</b>	<b>(113,545)</b>	<b>(7%)</b>	<b>8,949,958</b>	<b>9,481,209</b>	<b>(531,251)</b>	<b>(6%)</b>	<b>18,941,677</b>	<b>18,996,677</b>	<b>55,000</b>	<b>-</b>
<b>Operating Expenditure</b>												
Area Engineers	86,655	87,051	396	-	542,881	555,453	12,573	2%	1,148,316	1,148,316	-	-
Around Mountains Cycle Trail	101,637	3,417	(98,220)	(2875%)	265,132	20,500	(244,632)	(1193%)	41,000	41,000	-	-
Council Property	84,135	62,220	(21,915)	(35%)	572,786	553,026	(19,759)	(4%)	911,347	926,347	(15,000)	(2%)
District Reserves	16,216	13,654	(2,562)	(19%)	48,781	82,217	33,436	41%	164,143	164,143	-	-
District Sewerage	166,919	179,116	12,197	7%	1,079,302	1,140,620	61,319	5%	2,215,317	2,215,317	-	-
District Water	196,834	200,803	3,969	2%	1,241,170	1,269,795	28,625	2%	2,474,615	2,474,615	-	-
Engineering Administration	40,992	38,838	(2,153)	(6%)	238,223	243,712	5,489	2%	498,368	498,368	-	-
Engineering Consultants	42,725	67,438	24,712	37%	348,759	404,627	55,868	14%	809,254	809,254	-	-
Forestry	31,402	67,011	35,609	53%	593,619	444,413	(149,206)	(34%)	846,477	846,477	-	-
Property Administration	46,801	43,348	(3,452)	(8%)	274,468	273,321	(1,146)	-	559,886	559,886	-	-
Public Conveniences	(35,358)	48,797	84,155	172%	277,214	309,991	32,778	11%	602,773	602,773	-	-
Road Safety Com. Advisor	47,471	2,538	(44,933)	(1770%)	118,826	16,971	(101,855)	(800%)	36,991	36,991	-	-
Waste Management	328,916	315,087	(13,830)	(4%)	1,798,477	1,906,549	108,072	6%	3,805,379	3,805,379	-	-
Water Services	113,527	102,884	(10,644)	(10%)	770,606	680,182	(90,423)	(13%)	1,127,060	1,137,060	(10,000)	(1%)
Work Schemes (CTF)	22,861	20,718	(2,143)	(10%)	133,307	131,123	(2,184)	(2%)	268,202	268,202	-	-
<b>Total</b>	<b>1,291,733</b>	<b>1,252,920</b>	<b>(38,813)</b>	<b>(3%)</b>	<b>8,303,549</b>	<b>8,032,503</b>	<b>(271,046)</b>	<b>(3%)</b>	<b>15,509,128</b>	<b>15,534,128</b>	<b>(25,000)</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>												
	223,200	375,558	(152,358)	(41%)	646,409	1,448,707	(802,298)	(55%)	3,432,549	3,462,549	30,000	1%

r/17/1/1476

Group Manager – Services and Assets

21

For the period ending December 2016

Council Detail Report



Capital Expenditure	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Engineers	-	9,061	9,061	100%	-	54,366	54,366	100%	108,732	108,732	-	-
Around Mountains Cycle Trail	79,725	488,980	409,255	84%	86,966	2,933,882	2,846,916	97%	5,867,764	5,867,764	-	-
Council Property	12,020	37,080	25,060	68%	42,354	222,480	180,126	81%	444,960	444,960	-	-
District Reserves	243,865	70,336	(173,529)	(247%)	600,675	422,016	(178,659)	(42%)	815,000	844,031	(29,031)	(4%)
District Sewerage	519,649	269,781	(249,868)	(93%)	1,072,953	1,618,687	545,733	34%	1,744,734	3,237,373	(1,492,639)	(86%)
District Water	164,431	324,799	160,368	49%	259,791	1,948,793	1,689,002	87%	3,300,757	3,897,586	(596,829)	(18%)
Engineering Administration	-	3,361	3,361	100%	-	20,163	20,163	100%	40,327	40,327	-	-
Engineering Consultants	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-
Property Administration	-	-	-	-	-	-	-	-	-	-	-	-
Public Conveniences	3,504	12,940	9,435	73%	11,599	77,636	66,039	85%	126,976	155,276	(28,300)	(22%)
Road Safety Com. Advisor	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	2,057	-	(2,057)	-	15,743	-	(15,743)	-	-	-	-	-
Water Services	-	-	-	-	-	-	-	-	-	-	-	-
Work Schemes (CTF)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,025,251</b>	<b>1,216,337</b>	<b>191,086</b>	<b>16%</b>	<b>2,090,081</b>	<b>7,298,025</b>	<b>5,207,943</b>	<b>71%</b>	<b>12,449,250</b>	<b>14,596,049</b>	<b>(2,146,799)</b>	<b>(17%)</b>

Funding Adjustments	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Engineers	-	7,029	(7,029)	(100%)	-	42,175	(42,175)	(100%)	84,350	84,350	-	-
Around Mountains Cycle Trail	-	447,314	(447,314)	(100%)	-	2,683,882	(2,683,882)	(100%)	5,367,764	5,367,764	-	-
Council Property	-	37,145	(37,145)	(100%)	-	222,873	(222,873)	(100%)	430,745	445,745	15,000	3%
District Reserves	-	70,110	(70,110)	(100%)	-	420,661	(420,661)	(100%)	812,291	841,322	29,031	4%
District Sewerage	(1,388)	158,093	(159,480)	(101%)	(8,325)	948,555	(956,881)	(101%)	459,472	1,897,111	1,437,639	313%
District Water	(9,352)	261,848	(271,199)	(104%)	(56,109)	1,571,086	(1,627,195)	(104%)	2,545,342	3,142,171	596,829	23%
Engineering Administration	-	2,571	(2,571)	(100%)	-	15,427	(15,427)	(100%)	30,854	30,854	-	-
Forestry	-	(17,030)	17,030	(100%)	-	(102,181)	102,181	(100%)	(815,374)	(815,374)	-	-
Property Administration	-	-	-	-	-	-	-	-	-	-	-	-
Public Conveniences	(5,421)	6,621	(12,042)	(182%)	(32,526)	39,723	(72,249)	(182%)	51,146	79,446	28,300	55%
Road Safety Com. Advisor	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	(3,064)	(4,830)	1,766	(37%)	(18,383)	(28,979)	10,596	(37%)	(57,958)	(57,958)	-	-
Water Services	-	11,370	(11,370)	(100%)	-	68,217	(68,217)	(100%)	126,434	136,434	10,000	8%
Work Schemes (CTF)	-	(1,531)	1,531	(100%)	-	(9,183)	9,183	(100%)	(18,366)	(18,366)	-	-
<b>Total</b>	<b>(19,224)</b>	<b>978,709</b>	<b>(997,933)</b>	<b>(102%)</b>	<b>(115,344)</b>	<b>5,872,255</b>	<b>(5,987,599)</b>	<b>(102%)</b>	<b>9,016,700</b>	<b>11,133,499</b>	<b>2,116,799</b>	<b>23%</b>

r/17/1/1476

Group Manager – Services and Assets 22

**SERVICES AND ASSETS COMMENTARY (EXCLUDING TRANSPORT / ROADING)**

Overall Financial Performance

The overall financial performance of the Services and Assets group shows income is below and expenditure is over budget year to date.

The forestry result is a timing issue in that the revenue flow is not in line with the staged budgets. Overall other income streams are 5% below budget.

Operating expenditure overall is 3% over budget. The outliers are the Around the Mountains Cycle Trail legal expenses which was the last of the legal and expert witness costs for the Environment Court hearing. The outcome of the environment court is being contested and may result in future legal expenditure. The forestry expenditure is 34% above budget at this point in time. This is due to the gross costs of harvesting now being charged (and the gross harvesting revenue also being shown).

The Road Safety Community Advisor costs are 600% over budget. The portion of costs for Gore and Invercargill are not budgeted as it is recovered from Invercargill City Council (ICC), Gore District Council (GDC). This business unit is balanced to zero at year end.

Capital expenditure is only 29% of the budgeted figure. The biggest variance is the Around the Mountains Cycle Trail where no expenditure has been incurred against a budget of \$2.7M. Many capital works projects, including District Water (\$1.6M) and Sewerage (\$1M) under budget, are not yet underway or are underway but little costs have come to charge.

r17/1/1475

Strategic Transport Manager  
For the period ending December 2016

23

Council Rooding Report



	Roading											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var%	Budget	Projection	Variance	Var %
<b>Income</b>												
Contributions	-	-	-	-	(9,054)	-	(9,054)	-	-	-	-	-
Grants	1,124,028	1,418,377	(294,349)	(21%)	4,729,887	6,692,511	(1,962,624)	(29%)	5,187,248	5,415,148	227,900	2%
Internal Income	-	-	-	-	35,335	40,507	(5,172)	(13%)	288,938	288,938	-	-
Other Income	35,748	40,747	(4,999)	(12%)	204,368	239,565	(35,197)	(15%)	505,588	505,588	-	-
Rates	1,095,160	1,093,431	1,729	0%	6,534,177	6,520,079	14,097	0%	13,085,913	13,085,913	-	-
User Charges and Fees	-	1,307	(1,307)	(100%)	-	2,717	(2,717)	(100%)	31,058	31,058	-	-
<b>Total</b>	<b>2,254,936</b>	<b>2,553,862</b>	<b>(298,926)</b>	<b>(12%)</b>	<b>11,494,713</b>	<b>13,495,378</b>	<b>(2,000,666)</b>	<b>(15%)</b>	<b>29,098,745</b>	<b>29,326,645</b>	<b>227,900</b>	<b>1%</b>

Direct Expenditure												
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var%	Budget	Projection	Variance	Var %
Advertising	-	177	177	100%	354	254	(100)	(39%)	769	769	-	-
Communications	252	932	681	73%	2,848	4,351	1,503	35%	7,770	7,770	-	-
Conferences and courses	130	-	(130)	-	6,766	12,010	5,243	44%	16,915	16,915	-	-
Electricity	3,303	3,000	(303)	(10%)	23,537	18,000	(5,537)	(31%)	36,000	36,000	-	-
Fees and Charges	-	-	-	-	-	-	-	-	-	-	-	-
Financial Expenses	(151)	-	151	-	151	-	(151)	-	-	-	-	-
Insurance	-	-	-	-	2,438	2,731	293	11%	2,731	2,731	-	-
Other Expenditure	(29,386)	2,142	31,528	1472%	(108,545)	12,039	120,585	1002%	16,333	16,333	-	-
Postage and Stationery	-	215	215	100%	764	390	(375)	(96%)	1,025	1,025	-	-
Professional Services	-	3,075	3,075	100%	13,042	22,499	9,456	42%	35,875	35,875	-	-
Rates	-	191	191	100%	2,014	1,148	(866)	(75%)	2,295	2,295	-	-
Repairs and Maintenance												
Emergency Reinstatement	-	21,666	21,666	100%	-	173,597	173,597	100%	268,710	268,710	-	-
Environmental Maintenance	10,172	96,12	(5,612)	(6%)	662,443	501,919	(160,524)	(32%)	1,067,912	1,067,912	-	-
General Projects	-	-	-	-	-	-	-	-	-	-	-	-
Level Crossing Warning Devices	2,146	2,129	(17)	(1%)	4,929	13,993	9,065	65%	30,420	30,420	-	-
Maint - General	9,746	427	(9,319)	(2182%)	25,221	2,562	(22,659)	(884%)	5,125	5,125	-	-
Network and Asset Management	17,114	185,807	168,693	8%	1,224,640	1,183,828	(40,811)	(3%)	2,321,667	2,321,667	-	-
Routine Drainage Maintenance	26,267	65,653	39,386	60%	560,746	475,110	(85,636)	(18%)	932,177	932,177	-	-
Sealed Pavement Maintenance	235,035	243,199	8,164	3%	1,495,238	1,519,997	24,758	2%	3,039,993	3,039,993	-	-
Spraying	-	3,177	3,177	100%	26,072	19,062	(7,010)	(37%)	38,125	38,125	-	-

r/17/1/1475

Strategic Transport Manager

24

For the period ending November 2016

Council Rooding Report



	Rooding											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var%	Budget	Projection	Variance	Var %
<b>Income</b>												
Contributions	-	-	-	-	(9,054)	-	(9,054)	-	-	-	-	-
Grants	672,639	1,662,983	(990,343)	(60%)	3,605,859	5,274,134	(1,668,275)	(32%)	15,187,248	15,415,148	227,900	2%
Internal Income	-	-	-	-	35,335	40,507	(5,172)	(13%)	288,938	288,938	-	-
Other Income	33,372	39,708	(6,334)	(16%)	168,820	198,818	(30,198)	(15%)	505,588	505,588	-	-
Rates	1,095,103	1,093,431	1,671	0%	5,439,017	5,426,848	12,369	0%	13,085,913	13,085,913	-	-
User Charges and Fees	-	26	(26)	(100%)	-	1,410	(1,410)	(100%)	31,058	31,058	-	-
<b>Total</b>	<b>1,801,113</b>	<b>2,796,145</b>	<b>(995,032)</b>	<b>(36%)</b>	<b>9,239,777</b>	<b>10,941,517</b>	<b>(1,701,740)</b>	<b>(16%)</b>	<b>29,098,745</b>	<b>29,326,645</b>	<b>227,900</b>	<b>1%</b>
<b>Direct Expenditure</b>												
Advertising	-	38	38	100%	354	77	(277)	(360%)	769	769	-	-
Communications	234	622	388	62%	2,596	3,419	823	24%	7,770	7,770	-	-
Conferences and courses	2,700	3,383	683	20%	6,836	12,010	5,374	45%	16,915	16,915	-	-
Electricity	3,962	3,000	(962)	(32%)	20,234	15,000	(5,234)	(35%)	36,000	36,000	-	-
Fees and Charges	-	-	-	-	-	-	-	-	-	-	-	-
Financial Expenses	302	-	(302)	-	302	-	(302)	-	-	-	-	-
Insurance	-	-	-	-	2,438	2,731	293	11%	2,731	2,731	-	-
Other Expenditure	(37,515)	222	37,737	16969%	(79,159)	9,897	89,057	900%	16,333	16,333	-	-
Postage and Stationery	-	31	31	100%	764	174	(590)	(339%)	1,025	1,025	-	-
Professional Services	-	7,226	7,226	100%	13,042	19,424	6,381	33%	35,875	35,875	-	-
Rates	(255)	191	446	233%	2,014	956	(1,058)	(111%)	2,295	2,295	-	-
<b>Repairs and Maintenance</b>												
Emergency Reinstatement	-	17,308	17,308	100%	-	151,931	151,931	100%	268,710	268,710	-	-
Environmental Maintenance	65,482	96,112	30,630	32%	560,719	405,807	(154,912)	(38%)	1,067,912	1,067,912	-	-
General Projects	-	-	-	-	-	-	-	-	-	-	-	-
Level Crossing Warning Devices	1,024	1,521	497	33%	2,782	11,884	9,082	77%	30,420	30,420	-	-
Maint - General	125	427	302	71%	15,475	2,135	(13,340)	(625%)	5,125	5,125	-	-
Network and Asset Management	290,888	208,802	(82,084)	(39%)	1,053,506	998,021	(55,485)	(6%)	2,321,667	2,321,667	-	-
Routine Drainage Maintenance	72,651	74,674	2,023	3%	534,479	409,457	(125,022)	(31%)	932,177	932,177	-	-
Sealed Pavement Maintenance	290,269	364,799	74,530	20%	1,260,203	1,276,797	16,594	1%	3,039,993	3,039,993	-	-
Spraying	-	3,177	3,177	100%	26,072	15,885	(10,187)	(64%)	38,125	38,125	-	-

r/17/1/1475

Strategic Transport Manager

25

Stock Underpasses Minor Improv	-	9,013	9,013	100%	-	38,025	38,025	100%	76,050	76,050	-	-
Street Lighting Transit	2,749	2,292	(457)	(20%)	21,187	13,750	(7,437)	(54%)	27,500	27,500	-	-
Structures Maintenance	53,254	7,115	(46,139)	(648%)	213,053	99,575	(113,478)	(114%)	172,380	172,380	-	-
Traffic Services Maintenance	34,977	25,646	(9,331)	(36%)	258,754	219,457	(39,297)	(18%)	509,539	509,539	-	-
Unsealed Pavement Maintenance	105,053	158,122	63,068	38%	917,174	1,259,643	342,469	27%	2,382,424	2,382,424	-	-
Staff Costs	41,560	41,665	105	0%	267,315	269,815	2,501	1%	563,545	563,545	-	-
Travel and Accommodation	1,652	1,309	(343)	(26%)	4,515	6,262	1,744	28%	11,719	11,719	-	-
Vehicle Expenses	924	585	(339)	(58%)	3,941	413	(3,527)	(853%)	(183)	(183)	-	-
<b>Total</b>	<b>760,368</b>	<b>893,650</b>	<b>133,282</b>	<b>15%</b>	<b>5,628,601</b>	<b>5,870,430</b>	<b>241,829</b>	<b>4%</b>	<b>11,566,816</b>	<b>11,566,816</b>	<b>-</b>	<b>-</b>

<b>Indirect Expenditure</b>												
<b>Total</b>	<b>73,941</b>	<b>83,626</b>	<b>9,685</b>	<b>12%</b>	<b>460,606</b>	<b>487,336</b>	<b>26,730</b>	<b>5%</b>	<b>1,017,862</b>	<b>1,017,862</b>	<b>-</b>	<b>-</b>

<b>Net Surplus/(Deficit)</b>	<b>1,420,627</b>	<b>1,576,586</b>	<b>(155,959)</b>	<b>(10%)</b>	<b>5,405,506</b>	<b>7,137,612</b>	<b>(1,732,107)</b>	<b>(24%)</b>	<b>16,514,067</b>	<b>16,741,967</b>	<b>227,900</b>	<b>1%</b>
------------------------------	------------------	------------------	------------------	--------------	------------------	------------------	--------------------	--------------	-------------------	-------------------	----------------	-----------

<b>Capital Expenditure</b>												
Assoc Imprmnts - Acq LOS	412	-	(412)	-	492	-	(492)	-	-	-	-	-
Bridges - Renewal	39,920	-	(39,920)	-	43,897	208,000	164,103	79%	1,300,000	1,300,000	-	-
Drainage Renewals - Acq LOS	8,571	130,174	121,603	93%	102,745	875,715	772,971	88%	1,183,400	1,183,400	-	-
Drainage Renewals - Renewal	38,752	24,336	(14,416)	(59%)	109,285	143,988	34,703	24%	202,800	202,800	-	-
Minor Improvements Acq LOS	2,182	72,878	70,696	97%	1,432	655,904	645,472	98%	1,027,564	1,457,564	(430,000)	(42%)
Minor Improvements Renewals	27,740	-	(27,740)	-	281,295	-	(281,295)	-	-	-	-	-
Other Equip - Acq LOS	-	-	-	-	65	-	(65)	-	-	-	-	-
Pavement Rehab - Acq LOS	-	27,732	27,732	100%	-	27,732	27,732	100%	55,463	55,463	-	-
Pavement Rehab - Renewal	52,120	79,746	27,626	35%	154,148	378,792	224,645	59%	996,822	996,822	-	-
Preventive Maint - Renewals	407	2,535	2,128	84%	13,232	55,770	42,538	76%	253,500	253,500	-	-
Seal Rd Resurface - Acq LOS	36,671	420,000	383,329	91%	130,151	420,000	289,849	69%	2,800,000	2,800,000	-	-
Seal Rd Resurface - Renewal	796,798	730,441	(66,358)	(9%)	912,141	1,773,928	861,786	49%	5,217,434	5,217,434	-	-
Structure Component - Renewal	13,611	39,100	25,489	65%	73,704	135,700	61,996	46%	230,000	230,000	-	-
Traffic Services - Acq LOS	920	36,887	35,966	98%	46,228	590,188	543,960	92%	922,159	922,159	-	-
Traffic Services - Renewal	44,977	11,437	(30,541)	(212%)	312,998	339,260	26,262	8%	721,830	721,830	-	-
Unsealed Rd Metal - Renewal	124,241	93,964	(30,277)	(32%)	931,663	845,678	(85,984)	(10%)	2,349,106	2,349,106	-	-
Vehicles - Renewal	-	3,117	3,117	100%	-	18,702	18,702	100%	37,403	37,403	-	-
<b>Total</b>	<b>1,187,324</b>	<b>1,675,346</b>	<b>488,022</b>	<b>29%</b>	<b>3,122,476</b>	<b>6,469,357</b>	<b>3,346,881</b>	<b>52%</b>	<b>17,297,491</b>	<b>17,727,491</b>	<b>(430,000)</b>	<b>(2%)</b>

r/17/1/1475

**TRANSPORT COMMENTARY**

Please note that the budgeted numbers for 16/17 have not been apportioned, therefore a number of the variances are as a result of timing issues.

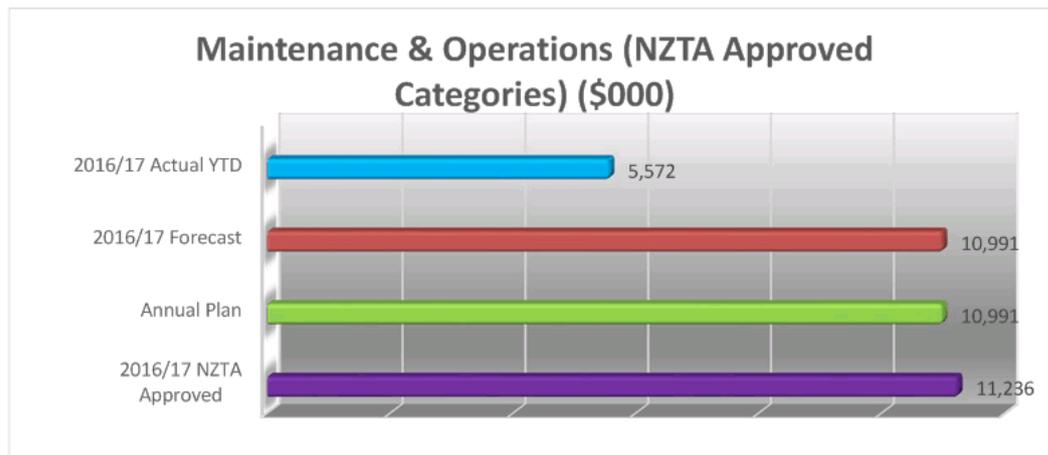
The commentary below relates to NZTA funded activities only.  
 (Emergency re-instatement will only be spent in the event of damage to roading from extreme conditions e.g. flooding and claimed from NZTA if the claim exceeds \$100K)

Overall Financial Performance

Strategic Roothing is currently placing a major focus on the Southern Scenic Route and the Alliance Maintenance Contracts with both going to Tender in December. Roothing is continuing to design guardrail and bridge projects in order to fully utilise NZTA funding. A planning session is due to occur in January to identify the projects for 2017/18 financial year. These projects will be sent to our consultants for design prior to the financial year beginning giving contractors a large window to complete the various projects.

Operating Expenditure

Operating expenditure is slightly over for the year to date however this is expected to be in line with budget after the New Year break.

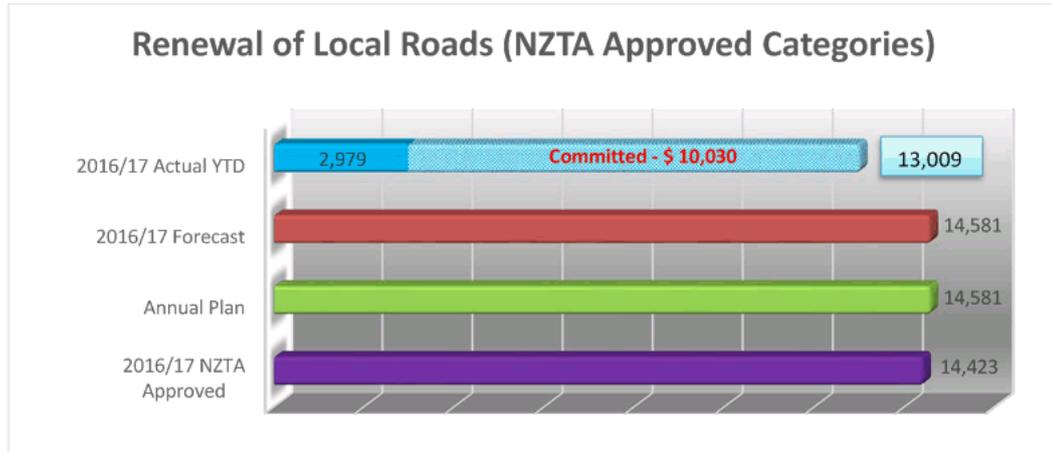


Financial Tracking vs Plans (Maintenance)			
YTD	Forecast	Annual Plan	NZTA Approved
50.70%	50.00%	50.00%	49.59%

Capital Expenditure

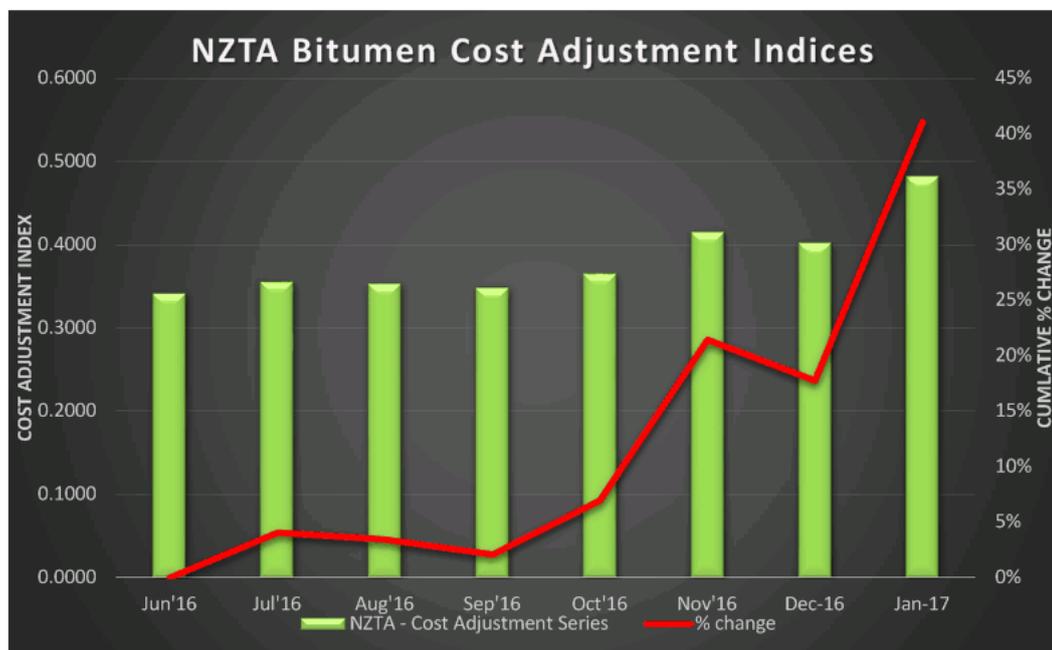
Capital expenditure is currently behind budget however with the reseal programme underway and other capital projects being tendered this is expected to increase significantly in next 3-4 months.

#171/1475



Financial Tracking vs Plans (Capital)			
YTD	Forecast	Annual Plan	NZTA Approved
20.43%	50.00%	50.00%	20.52%

The increase in the Bitumen Index is going to have significant impact on the per m2 rate for the 2016/17 reseal contracts. Below is a graph of the indices by month with the percentage change the red line. As of January 2017 the NZTA bitumen indices has increased by 41% from June when the contracts were approved. The cost of bitumen per tonne to December has increased from \$240 (USD) to \$327 (USD) or a 36.25% increase. The indices only relates to the Bitumen portion of each contract. The effect on the reseal programme will be in the vicinity of a \$200k increase which is within the approved programme budget. This will not impact the rehabilitations contracts as these are fixed price contracts.



14714475



## Triennial Agreement 2016 - 2019

Record No: R/17/2/2163  
Author: Steve Ruru, Chief Executive  
Approved by: Steve Ruru, Chief Executive

Decision  Recommendation  Information

### Background

- 1 Under the Local Government Act 2002 local authorities within a region are required to have in place a Triennial Agreement containing protocols for communication and co-ordination amongst them during the period until the next triennial general election of members.
- 2 Attached to this report is the Triennial Agreement between the Southland District Council, Environment Southland, Gore District Council and Invercargill City Council for the period from 2016 to 2019 which will take effect from 1 March 2016.
- 3 Council staff have reviewed the draft Triennial Agreement and the contents remained largely unchanged.
- 4 The Triennial Agreement promotes the desire of the four Councils to work together as parties to enhance the co-ordination and performance of their respective responsibilities in a collaborative, effective and meaningful way where appropriate. This includes the early pre-consultation around the development of policy and plans.
- 5 Once adopted the Triennial Agreement remains in force until it is replaced by another Agreement. However, there is provision for the Agreement to be amended in the event the Councils wish to change any of the protocols.

### Recommendation

#### That the Council:

- a) **Receives the report titled “Triennial Agreement 2016 - 2019” dated 13 February 2017.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the Mayor and Chief Executive executing the attached Triennial Agreement under seal pursuant to Section 15 of the Local Government Act 2002.**

### Attachments

- A Triennial Agreement 2016 to 2019 [↓](#)

# Triennial Agreement Southland Region

For the triennium October 2016 to October 2019



A267661

## STATEMENT OF INTENT

This agreement represents the shared desire of local government in the Southland Region to pro-actively collaborate and co-operate with each other, to maximise effectiveness and efficiency and to meet the current and future needs and interests of their respective communities.

## PREAMBLE

The Local Government Act 2002 recognises that each individual local authority is only one player in the achievement of community needs and interests, and that attaining those objectives goes beyond local authority boundaries. The Act, through its principles further recognises that local authorities will need to actively seek to collaborate and co-operate with other local authorities and bodies to improve the effectiveness and efficiency with which it achieves its identified priorities and desired outcomes. The main framework for co-ordinating the collaboration between different local authorities is the Triennial Agreement.

This Agreement is deemed to meet the requirements of section 15 of the Local Government Act 2002.

For the legal context see Appendix 2.

## PURPOSE

Through this Triennial Agreement, local authorities are encouraged to work together to recognise and promote the needs and interests of their communities in all of their social, economic, environmental and cultural aspects, consistent with the principles of sustainable development. This agreement provides an opportunity to reinforce the principle of collaboration and improve communication and co-ordination at all levels of local government in the Southland Region.

It is recognised that a significant level of formal and informal collaboration and co-operation already exists between the local authorities. The success of the Triennial

A267661

Agreement will be demonstrated through expanded relationships that help the local authorities to work co-operatively and collaboratively to advance community goals for the region as a whole. This agreement does not address local authorities' relationships with Central Government agencies or other important sectors of the community, each of which will also be important to the effective delivery of community outcomes.

Appendix 1 lists possible areas of collaboration.

## SIGNATORIES

The parties:

- Gore District Council
- Invercargill City Council
- Southland District Council
- Environment Southland (Southland Regional Council).

## PRINCIPLES AND PROTOCOLS

The parties agree to work in good faith together for the good governance of their localities and the region.

Signatories to this agreement recognise that:

1. the communities within the Region are diverse and encompass a range of desired outcomes. Issues and concerns that are shared by some local authorities may be of little relevance to others. This Triennial Agreement acknowledges that it must have a range of sub-agreements or protocols developed for communication and co-ordination on local issues and media responses between and among local authorities.
2. collaboration among local authorities is necessary to address increasingly complex governance issues. Many issues cannot be solved by any one agency acting alone. Issues such as community safety and sustainable

- development do not have simple solutions. This includes a commitment to make staff available across local authority boundaries during emergencies.
3. it is desirable that collaboration occur at both the governance and operational levels.
  4. collaboration can make planning more efficient, reduce costs, increase available resources and help make strategic judgments about the allocation of resources and the delivery of services.
  5. collaboration can help the local authorities promote the social, economic, cultural and environmental needs and interests of communities in the Region.
  6. this agreement establishes a platform for ongoing discussion and consultation on issues, policy and programmes.
  7. the councils agree to act in good faith on issues of information and disclosure.
  8. the councils agree to work collaboratively in an open and transparent manner.
  9. as signatories to this agreement all councils will ensure provision of the following:
    - (a) Early notification to affected councils, through the distribution of draft documentation and information, of major policy discussions which may have implications beyond the boundaries of the decision-making council. This specifically includes the development of consultation policies and policies on significance and engagement.
    - (b) Opportunities for all councils in the region to be involved in early consultation on the development of one another's draft Annual Plan and draft Long-term Plan

and other significant policy consultation processes or consultation documents.

- (c) The application of a 'no surprises' policy, whereby early notice will be given over disagreements or differences between councils concerning issues, policy or programmes, before critical public announcements are made.
- (d) Where practicable, avoidance of unnecessary duplication by jointly or in a collaborative manner, engaging with communities and agencies in order to identify outcomes considered as desirable for communities and to prioritise those outcomes, in the context of s10 and s14 of the Act.

#### MAYORAL FORUM

The Mayoral Forum is a non-statutory body made up of the Mayors, regional Chair and their Chief Executives and its purpose is to provide leadership to programmes and projects with a regional perspective that cut across the local authorities and which require integrated leadership. Its mandate is provided by this Agreement.

A protocol for the operation and meeting format of the Mayoral Forum has been agreed by the parties as part of this Agreement. See Appendix 3.

CEOs will be the "clearing house" for addressing and agreeing any strategic, emerging or identified issues, with information and meeting notes to be distributed to the Mayoral Forum irrespective of the issues. Emergency meetings between the combined CEOs can be called as required.

This does not preclude meetings being co-ordinated by councils other than the council next on the rotation, on request. All public communications from these meetings will be approved by all participants prior to their release.

3

**GENERAL APPROACH TO CONSULTATION**

Signatories to this agreement will endeavour to:

1. work jointly to share resources for the purpose of preparing background information on the various communities within the Region. Such information may include demographics, survey data and scientific studies and the analysis of social, economic, environmental and cultural trends.
2. actively collaborate and cooperate with government agencies and local authorities outside the region as considered appropriate to promote or achieve regionally focused priorities and desired outcomes, while making efficient use of resources, and in situations where issues and potential solutions cross local authority boundaries.
3. develop agreed or joint approaches to engaging with the media (including development of joint media statements), Government agencies, tangata whenua, and other organisations.
4. develop processes, protocols and agreements through which the councils can jointly participate in identifying, delivering services (e.g. S.17A, LGA), and funding facilities of significance to more than one district.
5. promote communication and co-operation among the local authorities in the Region.
6. provide early for notification/circulation of information, and participation in, decisions that may affect other local authorities in the Region.
7. make draft strategies, policies and plans available to all local authorities in the Region for discussion and development.
8. recognise that shared services in the region, or joint procurement approaches with joint or separate contracting, can bring efficiencies and savings in terms of planning, administration, consultation and operations; increases in available resources and promotion of cooperative approaches to the allocation of resources (refer to Appendix One).
9. use our statutory reporting documents to report steps taken to implement the intent of this document.
10. the following consultation process (in terms of Clause 3A, First Schedule RMA) will apply to any change, variation, or review of the Regional Policy Statement for the Southland Region, and the preparation of any future Regional Policy Statement:
  - (a) Environment Southland will seek the input of territorial authorities into the review of the Regional Policy Statement for the Southland Region.
  - (b) Environment Southland will make available to all local authorities, for discussion and development, draft copies of:
    - any change or variation to the Regional Policy Statement
    - any proposed Regional Policy Statement.
  - (c) territorial authorities will be given a reasonable period of time, but no less than 30 working days, to respond to any such proposal. Environment Southland agrees to consider fully any submissions and representations on the proposal made by territorial authorities within the region.

### **SIGNIFICANT NEW ACTIVITIES PROPOSED BY THE REGIONAL COUNCIL**

If Environment Southland or a regional council-controlled organisation proposes to undertake a significant new activity, Section 16 of the Local Government Act 2002 shall be adhered to.

As part of this communication process, the parties agree to discuss the issues involved at one or more of the existing forums, and to provide early drafts of proposals to affected councils for early comment. This includes amendment of the Environment Southland's significance and engagement policy.

Where it is proposed that Environment Southland undertakes significant new activities that are undertaken or have been proposed in a consultation document to be undertaken by one or more territorial authorities within the Region:

- a. Environment Southland will as soon as practicable inform all territorial authorities within the Region of:
  - the nature of the activity proposed to be undertaken
  - the scope of the proposal (including size, districts covered and why)
  - the reasons for the proposal.
- b. territorial authorities will be given a reasonable period of time, but no less than 30 working days, to respond to any such proposal. Environment Southland agrees to fully consider any submissions and representations on the proposal made by territorial authorities within the Region.
- c. should there be substantive disagreement between the local authorities about whether

Environment Southland should undertake the activity, the parties agree to refer the matter to mediation, as set out in the process in this agreement for resolving disagreement.

### **DECISIONS OF A LOCAL AUTHORITY**

If a decision of a local authority is significantly inconsistent with, or is expected to have consequences that will be significantly inconsistent with this agreement, the local authority must, when making the decision, clearly identify —

- (a) the inconsistency; and
- (b) the reasons for the inconsistency; and
- (c) any intention of the local authority to seek an amendment to this agreement.

As soon as practicable after making any decision to which the above applies, the local authority must give to each of the other local authorities within the region notice of the decision and of the matters specified in subsections (a) – (c).

### **RESOLVING DISAGREEMENT**

In the event of a disagreement over the terms of this agreement, the parties agree to refer the issue of disagreement to mediation for a resolution within 3 months of any such disagreement arising. If no agreement is forthcoming a mediator will be appointed by the president of the Southland District Law Society. If mediation is unsuccessful, any of the local authorities affected may ask the Minister of Local Government to make a decision on the proposal.

### **AUTHORITY**

This agreement is signed under seal by the following on behalf of their respective authorities:

4

**Environment Southland** (Southland Regional Council)

Chair

Chief Executive

**Item 9.2 Attachment A**

A267661

Southland District Council

Mayor

Chief Executive

Invercargill City Council

Mayor

Chief Executive

**Item 9.2 Attachment A**

Gore District Council

Mayor

Chief Executive

Item 9.2 Attachment A

**APPENDIX 1**

Existing structures that promote communication and collaboration include, but are not limited to:

Assistance with WINZ System  
Barberry Control  
Emergency Management Welfare Group  
Co-ordinating Executive Group  
Election Returns  
Emergency Management Southland  
GIS Data Sharing  
Gravel Management  
Hazardous Waste Group  
Hazardous Waste Response Group  
Information Technology  
Laboratory Testing and Monitoring  
Maintenance of Boundary Roads and Bridges  
Milford Community Trust  
NZAA Register Update  
Public Information Management Team (SEMO)  
Rakiura National Park Report  
Regional Advisory Group (Transport)  
Regional Transport Committee  
Representation Review projects  
Review of the Southland District Plan  
Review of the Southland Regional Policy Statement  
Riverton Harbour Committee  
Road Safety Committee  
Road Safety Co-ordination (joint employment)  
Road Safety Southland Trust  
Snow Pole Route Closure  
SoRDS Southland Regional Development Strategy  
Southern Rural Fire Authority  
Southern Scenic Route Signs  
Southland Coastal Landscape Study  
Southland Emergency Management Group  
Southland Heritage Building Preservation Trust  
Southland Regional Heritage Committee  
Southland Shared Services Forum  
Spartina Control  
Specification/Policy Sharing and Development  
Te Anau Basin Planning Study  
Te Roopu Taiao  
Tender Evaluations  
Urban Fire Risk  
Venture Southland  
Waiau River Working Party  
Wastebusters Group  
WasteNet/Waste Advisory Group  
Wetlands on Private Land

**APPENDIX 2****LEGAL REQUIREMENTS – Local Government Act 2002**

This document is deemed to duly constitute fulfillment of section 15 of the Local Government Act 2002.

**Section 15** requires that:

- (1) Not later than 1 March after each triennial general election of members, all local authorities within each region must enter into an agreement under this section covering the period until the next triennial general election of members.
- (2) An agreement under this section must include—
  - (a) protocols for communication and co-ordination among the local authorities; and
  - (b) a statement of the process by which the local authorities will comply with section 16 in respect of proposals for new regional council activities; and
  - (c) processes and protocols through which all local authorities can participate in identifying, delivering, and funding facilities and services of significance to more than 1 district.
- (3) An agreement under this section may also include—
  - (a) commitments by local authorities within the region to establish or continue 1 or more joint committees or other joint governance arrangements to give better effect to 1 or more of the matters referred to in subsection (2); and
  - (b) the matters to be included in the terms of reference for any such committees or arrangements, including any delegations.
- (4) An agreement under this section may be varied by agreement between all the local authorities within the region.
- (5) An agreement under this section remains in force until it is replaced by another agreement.
- (6) If a decision of a local authority is significantly inconsistent with, or is expected to have consequences that will be significantly inconsistent with, the agreement under this section that is currently in force within the region, the local authority must, when making the decision, clearly identify—
  - (a) the inconsistency; and
  - (b) the reasons for the inconsistency; and
  - (c) any intention of the local authority to seek an amendment to the agreement under subsection (4).
- (7) As soon as practicable after making any decision to which subsection (6) applies, the local authority must give to each of the other local authorities within the region notice of the decision and of the matters specified in that subsection.

In addition, other sections of the LGA also require collaboration:

**Section 14 (e) –**

a local authority should actively seek to collaborate and co-operate with other local authorities and bodies to improve the effectiveness and efficiency with which it achieves its identified priorities and desired outcomes;

**Section 14 (g) –**

a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets

**Section 16 – (summary)**

if regional council, or a regional council-controlled organisation, proposes to undertake a significant new activity, the regional council must advise all the territorial authorities within its region of the proposal and seek their agreement

**LEGAL REQUIREMENTS – Resource Management Act 1991****Clause 3A, First Schedule -**

- (1) A triennial agreement entered into under section 15(1) of the Local Government Act 2002 must include an agreement on the consultation process to be used by the affected local authorities in the course of—
  - (a) preparing a proposed policy statement or a variation to a proposed policy statement; and
  - (b) preparing a change to a policy statement; and
  - (c) reviewing a policy statement.
- (2) If an agreement on the consultation process required by subclause (1) is not reached by the date prescribed in section 15(1) of the Local Government Act 2002,—
  - (a) subclause (1) ceases to apply to that triennial agreement; and
  - (b) 1 or more of the affected local authorities—
    - (i) must advise the Minister and every affected local authority as soon as is reasonably practicable after the date prescribed in section 15(1) of the Local Government Act 2002; and
    - (ii) may submit the matter to mediation.
- (3) If subclause (2) applies, the parts of the triennial agreement other than the part relating to the consultative process referred to in subclause (1) may be confirmed before—
  - (a) an agreement on the consultative process is reached under subclauses (4) and (5)(a); or
  - (b) the Minister makes a binding determination under subclause (5)(b).
- (4) Mediation must be by a mediator or a mediation process agreed to by the affected local authorities.
- (5) If the matter is not submitted to mediation or if mediation is unsuccessful, the Minister may either—
  - (a) make an appointment under section 25 for the purpose of determining a consultation process to be used in the course of preparing a proposed policy statement or reviewing a policy statement; or
  - (b) make a binding determination as to the consultation process that must be used.
- (6) The consultative process must form part of the triennial agreement, whether or not the other parts of the triennial agreement have been confirmed, in the event that—
  - (a) an agreement is reached under subclause (4) or subclause (5)(a) as to a consultative process, as required by subclause (1); or
  - (b) the Minister makes a binding determination under subclause (5)(b).
- (7) In this clause, "affected local authorities" means—
  - (a) the regional council of a region; and
  - (b) every territorial authority whose district is wholly or partly in the region of the regional council.]

## APPENDIX 3 – MAYORAL FORUM PROTOCOL

### Status

The Mayoral Forum is a non-statutory body. It is formed by the agreement of the local authorities that comprise it. Its power to act on any matters is prescribed through the Triennial Agreement made between those local authorities at the beginning of each Triennium. This Agreement can be revisited and updated at any time but must be consulted on with each of the local authority signatories.

### Purpose

The purpose of the Mayoral Forum in Southland is to provide governance leadership to programmes and projects with a regional perspective that cut-across the local authorities and which require integrated leadership. These are “horizontal” programmes of a regional nature that require a joined-up regional approach in order to be successful.

### Regional Direction

There are a number of regional documents that need to be co-ordinated into the consensus direction overseen by the Mayoral Forum and delivered by the councils. Arguably, the primary document is the Regional Policy Statement which identifies the high level directions of the region. This is a community consensus document.

The Regional Policy Statement is then given effect to in other documents:

- Regional Plans (Environment Southland)
- District Plans (of each of the territorial councils)

The SoRDS strategy reflects the desire for a strong focus on regional social and economic development to be acknowledged in the Regional Policy Statement, in the regional and district plans, and in the Long-term Plans (LTPs). There is a role for the Mayoral Forum to seek alignment across those primary management documents to ensure that steady progress is being made to achieve their higher level goals.

### Operation of the Mayoral Forum

<b>Frequency –</b>	the Mayoral Forum meets four times a year
<b>Chairing –</b>	the Mayoral Forum is chaired for a period of one year by a mayor agreed by the other mayors on a rota which means that all mayors or chair would have served as a chair in a period of four years. The period of a year is chosen to give the chair an opportunity to develop a solid programme of action.
<b>Meeting location –</b>	the meeting location is circulated around the region on a meeting by meeting rota.
<b>Servicing –</b>	the council organisation of the incumbent chair would be responsible for servicing the Mayoral Forum which would include developing agendas, inviting guests, arranging their presentations and organising the annual forums listed below. This would involve a significant commitment for that organisation and advance planning would be necessary to ensure all responsibilities are met. The proceedings of the Mayoral Forum would be held in a Dropbox to which all the members of the Forum would all have access.

**Meeting format**

1. **Internal Business** (30 minutes) – the Mayors and chief executives will meet alone for the purpose of identifying any issues and dealing with any local-authority-specific business.
2. **Regional Development** (40 minutes) – the Mayors and chief executives will receive a report from the Chair of the Southland Regional Development Strategy Governance Group at every meeting. This report will include reporting against the targets set out in the Southland Regional Development Strategy, and the Action Plan, once it is completed later this year.

This section of the meeting is able to be attended by the local MPs and Ngai Tahu representatives (as agreed).

3. **Regional Forum** (one hour) – the Mayors and chief executives will receive brief presentations from pre-arranged contributors. A regular report would be provided by the Chair and CEO of Venture Southland (on an 'as required' basis) to review progress on major regional projects. From time to time (and not less than annually) the forum will receive reports from the leaders of local agencies such as the DHB, Police, WINZ, Ngai Tahu, CTOS and the Licensing Trusts. The purpose of these discussions will be to identify regional level issues and responses that may benefit from Mayoral support or involvement.

This section of the meeting is able to be attended by the local MPs and Ngai Tahu representatives (as agreed).

4. **Shared Services** (15 minutes) – a brief shared services report would be provided by the chief executive of Southland District Council which oversees the Shared Services operation.
5. **Annual Events** – up to two events are to be considered for placement onto the annual agenda and held in conjunction with a regular Mayoral Forum meeting. They are:
  - **Central Government Forum** – this will comprise a gathering of Ministers and Central Government officials (and local MPs where agreed by Ministers). Its purpose is to cover off the major issues of concern for the region that relate to Central government policies and services. It would be normally expected that at least some of the Regional Economic Development Ministers would attend and that the profile of this gathering would be steadily built over a number of years so that it is a recognised and anticipated annual event.
  - **Local Organisations Forum** – this is a gathering of representatives from local organisations and agencies who have the opportunity to discuss major issues of importance to Southland. It would be themed along such lines as facilities and infrastructure, youth unemployment and training, poverty and housing. The purpose of these Forums would be to sensitise the Mayors to local issues and identify any actions that need to be taken or facilitated by local government. It may be considered that this overlaps with the regional forum outlined above and could be one in the same.



## Milford Community Trust - Statement of Intent 2017-2020.

**Record No:** R/17/2/2326  
**Author:** Jenny Labruyere, Committee Advisor/Customer Support Partner  
**Approved by:** Rex Capil, Group Manager Community and Futures

Decision  Recommendation  Information

### Purpose

1. Council to note the contents of the Milford Community Trust - Statement of Intent 2017-2020 and approve of the document accordingly.

### Executive Summary

2. The draft Statement of Intent was circulated to all stakeholders namely Southland District Council, Environment Southland and the Department of Conservation for comment. Following the process, the draft Statement of Intent was subsequently considered by the Milford Community Trust at its meeting held on 7 December 2016.
3. Trustees made some minor changes to the document and following this the Trust formally resolved to adopt the Statement of Intent for 2017-2020 and submits to Council for approval.

### Recommendation

That the Council:

- a) **Receives the report titled “Milford Community Trust - Statement of Intent 2017-2020.” dated 13 February 2017.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the Milford Community Trust - Statement of Intent 2017-2020.**

### Attachments

- A Milford Community Trust Statement of Intent 2017-2020. [↓](#)



# **MILFORD COMMUNITY TRUST**

## **DRAFT**

# **STATEMENT OF INTENT 2017 - 2020**

## Milford Community Trust

### STATEMENT OF INTENT

#### 1. Introduction

The Milford Community Trust was established in 2007 by the Southland District Council and the Department of Conservation with the assistance of Environment Southland for the purposes of providing leadership and governance for the Milford community.

The Trust Deed defines Milford as the developed area of land and adjacent coastal marine area at the end of State Highway 94 at the head of Milford Sound. It defines the Milford community as being the residents of Milford, the holders of concessions from the Crown operating at Milford and Iwi.

The purpose of this Statement of Intent (SOI) is to:

- Set out the proposed activities of the Trust.
- Provide an opportunity for stakeholders to influence the direction of the organisation.
- Provide a basis for accountability of the Trustees to their stakeholders for the performance of the organisation.

This Statement of Intent covers the three years from 1 July 2017 to 30 June 2020. The statement is updated annually.

#### 2. Objectives of the Trust

The objectives of the Trust are:

- (a) To manage and carry out services and undertake leadership, planning and advocacy for the general benefit of the Milford community so as to ensure as far as possible that the infrastructure of the community and its sense of identity, viability and wellbeing are maintained and enhanced.
- (b) To liaise with and communicate with all individuals, organisations, groups and other parties with interests in the Milford community for all purposes which are beneficial to the community.
- (c) To represent the interests of the Milford community to ensure that the natural environments and outstanding values of the Milford Sound area are safeguarded and protected for all residents and visitors to the area.
- (d) To monitor and maintain an overview of all activities and services provided within the Milford community.
- (e) To consider and report on all matters either referred to and/or delegated to it from time to time by the Department of Conservation and the Southland District Council and on any matter of interest or concern to the Milford community.

- (f) To access, use or invest funds and enter into arrangements, contracts and other agreements upon such securities or in such manner and upon such terms and conditions that the Trustees deem suitable for the purpose of furthering the objects and purposes of the Trust.
- (g) To carry out such other lawful activities which are incidental or conducive to attaining the objects and purposes of the Trust.

### 3. Statement on the Trust's Approach to Governance

#### Establishment

The Milford Community Trust was established in 2007 following a process of consultation with residents, agencies and businesses with interests in Milford in accordance with the special consultation process set out in the Local Government Act 2002. The inaugural meeting of the Trust was held on 18 April 2007.

The Trust was incorporated under the Charitable Trusts Act 1957 on 18 May 2007. The Charities Commission has approved the Trust as being exempt for tax purposes.

The Trust reports to the Southland District Council.

#### Trust Structure

In accordance with Section 9 of the Trust Deed, the Trust is governed by a board of seven Trustees. Current representatives from stakeholder groups are shown in the table below:

Designation	Name	Term Expires 30 June
Independent Chair	Michael Schuck	2017
Mararoa-Waimea Ward Councillor, ex-officio appointment	Ebel Kremer	Oct 2019
Milford Community Association elected representative	Brad Johnstone	2017
Milford Community appointee	Tim Holland	2020
Milford Community appointee	Jason Steele	2018
Milford Community appointee	Mike McConachie	2018
Milford Community appointee	Rosco Gaudin	2019

#### Trust Operations

The Trust Deed sets out the way in which business of the Trust is to be conducted. A strong driver is that the local Milford community should determine its own priorities and agree on the funding for these. The Trust strives to regularly review its performance and to be open and accountable to the community through public meetings. The Trustees also undertake to meet the regulatory and stakeholder requirements for governance, reporting and planning, particularly the local government reporting requirements and recognition of the National Park and World Heritage Area status of the Milford Sound *Piopiotahi* area.

### Resources Available to the Trust

Standing Orders, a Code of Conduct for Trustees and administrative support is available from Southland District Council.

### Significant Policies

The Trust has a comprehensive Communications Policy in relation to its activities. Where appropriate, other policy guidance is obtained from relevant council and other statutory authority policy. It is expected that a full set of all relevant policies will be developed within the period covered by this Statement.

## **4. The Nature and Scope of the Activities to be Under-taken**

### Vision

The Trust's vision is:

**The long-term sustainability of Milford Sound *Piopiota*hi.**

### Strategic Goals

The primary goals of the Trust are to:

- Provide leadership and governance for the Milford community in Milford Sound *Piopiota*hi.
- Monitor the adequacy of all arrangements to ensure sustainability.
- Advocate for the general benefit of the Milford community.
- Coordinate and communicate with all parties having interests in Milford Sound *Piopiota*hi.
- Undertake formal consultation on behalf of the Department of Conservation in relation to their services and facilities to be provided for the benefit of the Milford community.

Within the over-arching vision and strategic goals, the more specific focus areas for 2017- 2020 are:

#### **Planning:**

- Planning to address specific issues: highway safety, control of illegal camping, toilet facilities, community facilities, and coordinated emergency response.

#### **Communication:**

- Communicate the roles of the Trust and other authorities more clearly to the Milford community.
- Communicate the World Heritage Area status and relevance of this to Milford.
- Affirm the Trust role as a voice for the Milford community.
- Maintain closer relationships with Milford infrastructure providers.

- Provide clear information to concessionaires regarding intentions and implementation of Trust policies.
- Communicate with concessionaires and enquire of any planned activities they desire for the next three years and to adopt the SOI which is to be sent to all Concessionaires.

**Advocacy:**

- Advocate on behalf of the Milford community to central government, Environment Southland, Department of Conservation, Southland District Council, Iwi and other authorities.

Planned Activities/Services

**2017/18:**

- Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.
- Advocate and investigate funding options with other organisations for public toilets and shelter at the airport and completion of the walking track to the Lodge.
- Assist the Milford Community Association with the development of the Cleddau Village Recreation area which is to accommodate the community centre.
- Provide funding for medical support, services and facilities for Milford ERT station.
- Funding of the Team Leader Emergency Services and investigate the role of the Fiordland Medical Trust on emergency services.
- Review of the Trust and charging mechanism with stakeholders including concessionaires.
- Engage with NZTA for the development of the walking track from the airport to Deepwater Basin Road, car parking at the rock climbing area etc.
- Advocate the continuation of maintaining beautification and roading within the village.

**2018/19:**

- Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound.
- Review the development of a future focused plan for the Milford ERT station including medical support and services.
- Provide funding for medical support, services and facilities for Milford ERT station.
- Purchase of emergency response equipment as required.
- Advocate and monitor camping ground facilities with affected organisations on Milford side of Homer Tunnel. (Trust to consider, is this the role of the Trust.)
- Advocate the continuation of maintaining beautification and roading issues within the village.
- Review of the requirements and funding of the Team Leader Emergency Services.

- Assist the Milford Community Association with the on-going development of the Cleddau Village Recreation Area to accommodate the community centre.
- Advocate with other organisations for public toilets and shelter at the airport and completion of the walking track to the Lodge. (Trust is operating in an advocacy role and funding options need to be investigated.)

**2019/20:**

- Advocate and assist with other organisations for strategic improvements in community planning in Milford Sound
- Provide funding for medical support, services and facilities for Milford ERT station.
- Purchase of emergency response equipment as required.
- Advocate maintaining beautification and roading issues within the village.
- Funding of the Team Leader Emergency Services if not already complete. (Recommend outcome of review noted in 18/19 for all medical services is relating to this activity.)
- Assist the Milford Community Association with the on-going development of the Cleddau Village Recreation Area which is to accommodate the community centre.
- Advocate with other organisations for public toilets and shelter at the airport and completion of the walking track to the Lodge. (Trust is operating in an advocacy role and funding options need to be investigated.)

## 5. Ratio of Total Assets: Equity

Total assets are defined to include cash, investment and bank balances, accounts receivable, investments, prepayments, fixed assets (net of accumulated depreciation), intangible assets (net of accumulated amortisation), loans (none), etc.

Total equity is defined to include accumulated funds and retained earnings.

The ratio of total assets to total equity is planned at 1:1.

## 6. Significant Accounting Policies

The following accounting policies have been adopted by the Trust.

### **Revenue Recognition**

#### *Concessionaires Fees*

Revenue is recorded when the fee is due to be received.

#### *Donated Assets*

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

#### *Interest*

Interest revenue is recorded as it is earned during the year.

### **Debtors**

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment and the loss is recorded as a bad debt expense. Debtors are shown as GST inclusive.

### **Bank Accounts and Cash**

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

### **Creditors and Accrued Expenses**

Creditors and accrued expenses are measured at the amount owed.

### **Property, Plant and Equipment**

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a diminishing value basis that will write off the cost of the assets over their useful lives. This is calculated using the following rates:

Equipment 40% Diminishing Value

### **Income Tax**

The Trust is exempt from income tax as it is a Charitable Trust registered with the Charities Commission.

### **Budget Figures**

The budget figures are derived from the Statement of Intent as approved by the Trustees at the beginning of the financial year. The budget figures have been prepared in accordance with tier 3 standards, using accounting policies that are consistent with those adopted by the Trustees in preparing these financial statements.

## 7. Key Performance Targets

The Trust has two levels of indicators:

- (a) The first relates to the achievement of objectives set by the Trust and carried through to the Long Term Plan (LTP). These are agreed through a public consultation process undertaken by the Southland District Council. These targets can be changed only through a formal review of the LTP.
- (b) The second set of are generic internal performance measures:

Level of service	Key performance indicator	Actual	Target		Confirmation source	
		16/17	17/18	18/19		19/20
Maintain a structure that facilitates local decision-making.	Hold public forums in Milford each year.	1	1	1	1	Agenda/minute records on file which note meeting location
Keep the Milford community informed about Trust plans and outcomes.	Community newsletters following MCT meetings.	<i>Not achieved</i>	2	2	2	Copies of Community newsletters
Provide leadership and advocacy on major issues.	Number of Milford Community Trust meetings held annually.	4	4	4	4	Agenda/minute records on file.
Response to issues raised by the community.	Percentage of issues raised at Milford Community Association meetings responded to prior to next meeting.	100%	85%	85%	85%	Copies of Milford Community Association letters/minutes and MCT correspondence in response
Milford Community Association meetings	To be reported at MCT meetings.	<i>Not achieved</i>	4	4	4	Agenda/minutes records on file.

## 8. Information to be Reported to Council

In each year the Trust will comply with all reporting requirements under the Local Government Act 2002 (particularly Sections 66 to 69 of that Act). In particular, it will provide:

- A draft Statement of Intent detailing all matters required under the Local Government Act 2002 by 1 March each year for consideration prior to commencement of the new financial year.
- A half yearly report by the end of February each year (specific dates as set by Council).

- An annual report by the end of September each year (specific dates as set by Council).

Copies of the Trust's reports are forwarded to the other major stakeholder authorities, being the Department of Conservation and Environment Southland.

## 9. Activities for which Other Investment is sought

As usual, it is proposed that the annual concession charged will be increased by 10% plus GST. This will continue to be reviewed annually. For 2017/18, the total amount being sought from concessionaires is \$124,449 excluding GST. Any surplus funds will be held by the Trust in its bank account for future project funding.

Included within the Forecast Expenditure of the Trust is Management and Administration costs of \$29,731.

Allowance for Emergency Response Team (ERT) Plant and Equipment purchase is \$2,500.

Additionally grant expenditure has been included for contributions for;

- A walkway to be developed between the Airport and Deepwater Basin.
- The Emergency Service Provider \$46,920

Funding has also been included towards a potential Community Centre building. This still has to go through a planning process including consideration of ownership of the building. At this stage an allowance of \$110,000 has been included.

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.

Future budgeted costs are indicative only and will be reviewed annually by the Trustees.

### Other Project Funding:

In addition to the above operational and project costs, there are also costs associated with other significant projects that fall either directly or indirectly under the influence of the Milford Community Trust but have all or a majority of proposed funding through means other than apportioned implied concessionaires fees. There may also be a portion of public good associated with these projects.

In this Statement of Intent the Trustees are not seeking any funding from Southland District Council or Environment Southland for the activities noted.

## 10. Estimate of Value of Stakeholders Investment

The net value of the stakeholders investment in the Trust is estimated to be valued at \$100. This value shall be reassessed by the Trustees on completion of the annual accounts or at any other time determined by the Trustees. The method of assessment will use the value of stakeholders funds as determined in the annual accounts as a guide.

## 11. Other Matters

No distribution is intended within the period of the Statement or succeeding years, noting the Trust's status as a charitable organisation.

Any subscription for, purchase or otherwise acquiring shares in any company or other organisation requires the prior approval of the Trustees.

**MILFORD COMMUNITY TRUST  
PROSPECTIVE FINANCIAL STATEMENTS 2017 - 2020  
Prospective Statement of Financial Performance**

Account Description	Forecast		Budget 2017/2018	Budget 2018/2019	Budget 2019/2020
	Actuals 2015/2016	Actuals 2016/2017			
<b><u>Income</u></b>					
Concessionaires Income	102,849	113,135	124,449	136,893	150,583
Interest	2,998	-	-	-	-
	<b>105,847</b>	<b>113,135</b>	<b>124,449</b>	<b>136,893</b>	<b>150,583</b>
<b><u>Expenses</u></b>					
<b><u>Management/Administration</u></b>					
Accommodation and Meals	174	800	800	800	800
Administration	67	67	67	67	67
Advertising	546	600	600	600	600
Audit Fees	4,026	5,000	5,000	5,000	5,000
Bad Debts	676	-	-	-	-
Bank Fees	40	40	40	40	40
Catering Expenses	116	500	500	500	500
Chairperson's Fees	4,906	5,000	10,000	10,000	10,000
Depreciation	657	-	-	-	-
Equipment Write off	-	985	-	-	-
General Projects	499	500	500	500	500
Mileage	1,000	3,000	3,000	3,000	3,000
RNZ Licence	360	370	370	370	370
Room Hire	183	300	300	300	300
Trustees Fees	600	6,000	6,000	6,000	6,000
Trustees' Indemnity Insurance	2,455	2,504	2,554	2,605	2,657
	<b>16,305</b>	<b>25,666</b>	<b>29,731</b>	<b>29,782</b>	<b>29,834</b>
<b><u>Grants</u></b>					
Grant - Emergency Services Provider	43,312	46,000	46,920	47,858	48,816
Grant - Airport to Deepwater Basin Walkway	-	-	20,000	-	-
	<b>43,312</b>	<b>46,000</b>	<b>66,920</b>	<b>47,858</b>	<b>48,816</b>
<b><u>Operations &amp; Maintenance</u></b>					
ERT Plant & Equipment Purchases	-	2,500	2,500	2,500	2,500
Environment Southland - Consent Fees	-	-	15,000	15,000	15,000
	-	<b>2,500</b>	<b>17,500</b>	<b>17,500</b>	<b>17,500</b>
<b><u>Project Costs</u></b>					
Project Development and Planning	-	5,000	5,000	5,000	5,000
Cleddau Village Recreation Reserve	476	50,113	-	-	-
Cleddau Village Recreation Building	-	-	110,000	-	-
ERT Building	-	-	-	-	-
	<b>476</b>	<b>55,113</b>	<b>115,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Total Expenses</b>	<b>60,093</b>	<b>129,279</b>	<b>229,151</b>	<b>100,141</b>	<b>101,150</b>
<b>Net Operating Surplus/(Deficit)</b>	<b>45,753</b>	<b>(16,144)</b>	<b>(104,703)</b>	<b>36,753</b>	<b>49,433</b>

## Prospective Statement of Changes in Equity

	Actuals 2015/2016	Forecast Actuals 2016/2017	Budget 2017/2018	Budget 2018/2019	Budget 2019/2020
Balance at 1 July	115,949	161,702	145,558	40,855	77,608
Net Surplus / (Deficit)	45,753	(16,144)	(104,703)	36,753	49,433
Equity at end of year	<b>161,702</b>	<b>145,558</b>	<b>40,855</b>	<b>77,608</b>	<b>127,041</b>

## Prospective Statement of Financial Position

	Actuals 2015/2016	Forecast Actuals 2016/2017	Budget 2017/2018	Budget 2018/2019	Budget 2019/2020
<b>Equity</b>					
Accumulated Funds	161,602	145,458	40,755	77,508	126,941
Trust Capital	100	100	100	100	100
	<b>161,702</b>	<b>145,558</b>	<b>40,855</b>	<b>77,608</b>	<b>127,041</b>
<b>Represented by:</b>					
<b>Current Assets</b>					
Accounts Receivable	100	100	100	100	100
Accrued income	83	-	-	-	-
Bank Account - 00	40,301	15,000	15,000	15,000	15,000
Bank Account - 25	61,742	31,453	-	-	-
Term Deposit	70,000	110,000	36,750	73,503	122,935
GST	-	-	-	-	-
<b>Total Assets</b>	<b>172,228</b>	<b>156,553</b>	<b>51,850</b>	<b>88,603</b>	<b>138,036</b>
<b>Non Current Assets</b>					
Equipment	985	-	-	-	-
<b>Total Assets</b>	<b>173,213</b>	<b>156,553</b>	<b>51,850</b>	<b>88,603</b>	<b>138,036</b>
<b>Current Liabilities</b>					
Accrued Expenses	5,797	5,797	5,797	5,797	5,797
Accounts Payable	516	-	-	-	-
GST	5,198	5,198	5,198	5,198	5,198
<b>Total Liabilities</b>	<b>11,511</b>	<b>10,995</b>	<b>10,995</b>	<b>10,995</b>	<b>10,995</b>
<b>Net Assets</b>	<b>161,702</b>	<b>145,558</b>	<b>40,855</b>	<b>77,608</b>	<b>127,041</b>

## Minutes of the Colac Bay Community Development Area Subcommittee Meeting dated 12 July 2016

Record No: R/17/1/1661  
Author: Alyson Hamilton, Committee Advisor  
Approved by: Alyson Hamilton, Committee Advisor

Decision  Recommendation  Information

### Recommendation

That Council receives the minutes of the Colac Bay Community Development Area Subcommittee meeting held 12 July 2016 as information.

### Attachments

- A Minutes of Colac Bay Community Development Area Subcommittee Meeting dated 12 July 2016 (separately enclosed)

## Exclusion of the Public: Local Government Official Information and Meetings Act 1987

### Recommendation

That the public be excluded from the following part(s) of the proceedings of this meeting.

#### **C10.1 Unbudgeted Expenditure for External Painting Projects at the Wyndham and Edendale Community Housing Units**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Unbudgeted Expenditure for External Painting Projects at the Wyndham and Edendale Community Housing Units	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.