

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

**Date:** Wednesday, 19 July 2017  
**Time:** 10am  
**Meeting Room:** Council Chambers  
**Venue:** 15 Forth Street  
Invercargill

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## Council Agenda

### OPEN

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#### 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

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



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## **PUBLIC EXCLUDED**

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**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, 21 June 2017



## Use of Unmanned Aerial Vehicle Policy

**Record No:** R/17/5/11414  
**Author:** Robyn Rout, Policy Analyst  
**Approved by:** Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 This report presents the draft Use of Unmanned Aerial Vehicle Policy (the “Policy”) to Council for adoption.

### Executive Summary

- 2 On the 17<sup>th</sup> of May 2017 the Community and Policy Committee (the Committee) endorsed the draft Policy after considering the submissions received. The Committee also recommended to Council that the draft Policy be adopted.
- 3 This Policy generally allows operators to fly unmanned aerial vehicles, such as drones, above Council land, except in some specified circumstances. In those circumstances, Council approval is required.
- 4 The draft Policy is included as an attachment to this report.

### Te Anau lake front

When the draft Policy was discussed at the May Committee meeting, Councillors raised concerns about people flying drones around the lake front area in Te Anau, near the helicopter and float plane landing areas. Staff have written a letter to the Civil Aviation Authority regarding this concern, and are awaiting a response. Staff will continue to follow up on this matter, and consider appropriate actions as required.

### Recommendation

**That the Council:**

- a) **Receives the report titled “Use of Unmanned Aerial Vehicle Policy” dated 4 July 2017.**
- b) **Adopts the Use of Unmanned Aerial Vehicle Policy.**

### Attachments

- A Draft Use of Unmanned Aerial Vehicle Policy [↓](#)

## SOUTHLAND DISTRICT COUNCIL

### USE OF UNMANNED AERIAL VEHICLES POLICY

This policy applies to:

#### DOCUMENT CONTROL

Administered by: Strategic Manager (Property)	TRIM reference number: r/15/12/22465	Effective date: «type date»
Approved by: Council	Date approved: «type date»	Next review date: «type date»

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## USE OF UNMANNED AERIAL VEHICLES POLICY

### 1. PURPOSE

This policy sets out the conditions for use of Unmanned Aerial Vehicles (UAVs) on Council owned or controlled land.

### 2. DEFINITIONS AND ABBREVIATIONS

Term	Meaning
Unmanned Aerial Vehicle (UAV)	<p>The term UAV covers all electric powered remote controlled model aircraft, including the type commonly referred to as “drones” that are capable of vertical take-off and landing and small hand-launched gliders less than 1.5 metre wing span.</p> <p>UAVs are also known as drones, Remotely Piloted Aircraft Systems and Unmanned Aerial Systems.</p> <p>The term UAV does not include the following:</p> <ul style="list-style-type: none"> <li>• Fixed wing electric-powered model aircraft greater than 1 metre wing span.</li> <li>• All fixed - winged model aircraft that are internal combustion engine (petrol) powered.</li> <li>• Gliders greater than 1.5 metre wing span and bungee-launched gliders.</li> <li>• Single rotor helicopters that are electric powered or internal combustion engine (petrol) powered.</li> <li>• Jet powered models.</li> </ul>
Civil Aviation Authority Rules / CAA rules	<p>Civil Aviation Rules are set by the Minister of Transport. The rules are divided into parts. The two parts relevant to UAVs are:</p> <ul style="list-style-type: none"> <li>• Part 101: <i>Gyrogliders and Parasails, Unmanned Aircraft (including Balloons), Kites, and Rockets - Operating Rules</i>, and</li> <li>• Part 102: <i>Unmanned Aircraft Operator Certification</i>.</li> </ul>

### 3 BACKGROUND

Under rules introduced by the Civil Aviation Authority (CAA) on 1 August 2015, Council can grant or decline consent for the use of UAVs on property that it owns or controls. This policy establishes criteria for UAV use over Council owned and controlled land in the Southland District.

### 4. POLICY DETAILS

#### 4.1 General Criteria

In addition to the CAA rules, the following criteria apply to the use of UAVs over land or property owned or controlled by Southland District Council. They do not apply to the use of UAVs by Southland District Council.

Operators of UAVs must:

- Comply with the Office of the Privacy Commissioner guidance on preserving peoples' personal privacy by not flying over other people or adjoining private property without their consent.
- Be courteous of other park users, who often are there for the quiet enjoyment of Council's parks, reserves and open spaces.
- Wear a high visibility vest.

#### 4.2 Restrictions

Operators do not need approval to use UAVs over land or property owned or controlled by the Southland District Council except in the following situations:

- Over a sports field if in use by others, or within 50 metres of any organised activity taking place in a reserve or Council controlled open space.
- Over or above Council owned or controlled cemeteries, commercial forestry or formed roads.
- Over or within 50 metres of other users of open spaces. If another open space user moves within this range, the UAV user must immediately land their UAV.
- Over or within 50 metres of any building on Council land or any playground equipment or swimming pool.
- Within 50 metres of livestock, wildlife or sensitive wildlife habitats. If livestock or wildlife move within this range, the UAV user must immediately land their UAV.
- Within 50 metres of a reserve boundary where residential housing or stock farming adjoins.
- Within 100 metres of another UAV user.

Written Council approval must also be obtained for any organised event involving the use of UAVs.

If requested to cease operations by Council officers operators must land their UAV immediately.

If the Council owned land or property is held under a lease or licence from Council, or there is an organised event taking place, the applicant must obtain written approval from the lessee, licensee or the event organiser, prior to seeking approval from Council. Operators of UAVs must comply with any additional conditions imposed by the lessee, licensee or event organiser.

Council's approval can be sought by making a written request to Council's property department. Council will notify the applicant about whether or not approval has been granted. If a request to fly a UAV in a restricted situation is declined, Council will outline the reasons why.

#### 4.3 Prohibited Areas

There are some areas where the use of UAVs is prohibited unless written approval has been granted by Council. These areas are:

- There are no prohibited areas.

#### 4.4 Reporting incidents and near misses

UAV users must report all incidents and near misses of a significant nature (such as those involving people and property (including animals, buildings and power lines)) to Southland District Council. This obligation also extends to other reserve users involved in any incident or near miss relating to UAV use.

#### 4.5 Enforcement

Any breach of the above conditions could result in termination of your permission to fly unmanned aircraft over Council land.

Council will report breaches to the Civil Aviation Authority, which may result in infringements or prosecution.

### 5. ASSOCIATED DOCUMENTS

- Civil Aviation Authority Rules and Guidelines: <http://www.caa.govt.nz/rpas/>
- Southland District Council District Reserves Management Policy

### 6. REVISION RECORD

Date	Version	Revision Description
«Type Date»	«Version»	«Revision»
«Type Date»	«Version»	«Revision»
«Type Date»	«Version»	«Revision»



## Draft Health and Safety Plan for 2017/2018

**Record No:** R/17/6/12903  
**Author:** Janet Ellis, People and Capability Manager  
**Approved by:** Rex Capil, Group Manager Community and Futures

☐ Decision ☒ Recommendation ☐ Information

### Purpose

- 1 To seek approval for the draft Health and Safety Governance Framework and draft Health and Safety Plan for 2017/2018.

### Executive Summary

- 2 In February 2017, Council contracted Simpson Grierson to undertake a Health and Safety Gap Analysis. The analysis identified a number of improvement opportunities which will be reflected in a formal Action Plan to be reported to a future meeting of the Finance and Audit Committee.
- 3 As part of the improvement recommendations officers have progressed development of a draft Health and Safety Governance Framework and a draft Health and Safety Plan for 2017/18.
- 4 Southland District Council has an obligation to manage the safety of workers under Health and Safety legislative requirements. The Health and Safety Framework, containing a single policy with clear standard procedures will enable a risk based approach to managing health and safety.
- 5 The Health and Safety Plan details a draft Health and Safety Commitment statement. In addition the plan contains a review of previous performance and objectives and identifies key elements to deliver improvement.
- 6 These have been presented to the Finance and Audit Committee and the Committee is recommending that the Council approves the framework and the plan and notes that there will be ongoing financial implications for implementing the plan.

## Recommendation

That the Council:

- a) **Receives the report titled “Draft Health and Safety Plan for 2017/2018” dated 20 June 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 Health and Safety Plan for 2017/18 and notes that there will be ongoing financial implications for implementing the plan.**
- e) **Approves the Health and Safety Management System Governance Framework.**

## Content

### Background

#### Health and Safety Gap Analysis

- 7 In February 2017, Council contracted Simpson Grierson to undertake a Health and Safety Gap Analysis. The analysis included a review of Southland District Councils Health and Safety Management System, discussions with key operational leaders, visits to operational locations and discussions with workers and key contractors. The result of the Gap Analysis was a written report detailing findings and recommendations for improvement. The report was presented to the March 2017 Finance and Audit Committee meeting.
- 8 The Gap Analysis determined that Council had a “developing maturity” in Health and Safety, some processes had been developed and good work had been undertaken in identifying and managing the key risks. However, there were a number of recommendations made that indicated that our Health and Safety systems were more reactive and that we had significant opportunity to further develop our overall health and safety systems.
- 9 The recommendations made included:
  - That the Executive Leadership Team needed to develop a statement of intent for Health and Safety that expressed their ambition and direction in this area
  - The Executive Leadership Team needed to look for opportunities to express their support and leadership of Health and Safety, including site visits and more interaction with key contractors
  - The Executive Leadership Team should consider Health and Safety Leader training to support them and their direct reports in their roles. The training should cover key aspects of health and safety culture development, safety observations and conversations and behavioural safety elements

- Development of a Health and Safety Plan that details specific improvement initiatives for the following year. It was also recommended that the plan be approved by the Executive and ratified by both Council and the Finance and Audit Committee.
  - Establishment of a health and safety Governance Framework
  - Review current procedural gaps and draft new procedures to ensure a full management system over time
  - Ensure employees are involved in the change process and development of new procedures
  - Create clarity on critical risks and what these are. In addition create control plans that indicate how we control risk and who is responsible, using a 'bow tie' methodology
  - Review hazard and risk procedures to create one process for management of risks and the risk registers
  - Develop a reporting process that conveys how Council will report its Health and Safety performance, set targets and who details, who receives this information and when they receive the information
  - Ensure measures include lead and lag indicators and provide a view of actual performance, so that Council can measure its progress.
- 10 Following the March Finance and Audit committee meeting, a plan, including objectives and targets was to be developed and presented.

### Health and Safety Commitment Statement

- 11 The Executive Leadership Team undertook Health and Safety Leader training on 16 May 2017. The training covered key aspects of legislation, Health and Safety responsibilities and culture development.
- 12 As part of the training the Leadership Team drafted a Health and Safety Commitment Statement.

***"We are committed to caring for the wellbeing and safety of our people and those who interact with us.***

***Our goal is for our people to be bold and actively think about their own and others safety and wellbeing, so that we deliver safe and effective services to our community and that everyone gets home safe and well."***

### Health and Safety Plan 2017/2018

- 13 A Health and Safety Plan for 2017/2018 has been drafted. The plan contains a review of previous performance and objectives and spells out proposed improvement measures and targets. It identifies key elements to deliver improvement and allocates sponsors to ensure momentum is maintained.
- 14 Work needs to be undertaken on resourcing of the plan to ensure not only development of the new procedures but ensure that it is communicated effectively, resourced effectively and implemented throughout the whole of the organisation.
- 15 The plan is the start of fundamental change to 'how we do things' to ensure we meet legislative requirements and that people get home safe and healthy. It is important to

recognise that that the implementation of this plan and the recommended procedures will lead to increased costs which will need to be reflected in future Annual and Long Term Plans. The extent of these additional costs will become clear as we go through the process of implementing the plan.

### **Health and Safety Framework**

- 16 A Draft Health and Safety Framework has been drafted.
- 17 The document forms the overarching governance document that provides the context, structure and overview of the unified health and safety management system utilised across the organisation.
- 18 The purpose of the Framework is to document how Health and Safety will be managed throughout Council and its operations; provide information on the hierarchy of documentation to be used, define document types and define the document control process.
- 19 To ensure that the Finance and Audit Committee and Council have assurance that the policy and procedures are being implemented Audit and Assurance Procedures will be drafted as part of the framework. The Audit and Assurance Procedures will outline how Southland District Council will evaluate the implementation of its policies and identify ongoing improvement opportunities.

### **Factors to Consider**

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

- 20 Council has an obligation to manage the safety of workers under Health and Safety legislative requirements in New Zealand.
- 21 The Health and Safety Framework, containing a single policy with clear standard procedures will enable a risk based approach to managing health and safety based within its undertakings.
- 22 The Health and Safety at Work Act (2015) provides guidance that if cost is the reason for not implementing a safety system, the provision of safety equipment or the changing of a process, to enable work to be done safely, then that cost must be something deemed to be grossly disproportionate to the risk being managed.
- 23 There is no further guidance in the Act on what grossly disproportionate means however it does give us an indication that we need to be very clear if we limit taking action or providing equipment or implementing improvements based on costs that there is significant risk to breaching the Act.

#### **Costs and Funding**

- 24 Indicative costs from Simpson Grierson for the development of the procedures and the critical risks and bowties is \$15,000.
- 25 Once these procedures are developed it is expected that there will be ongoing additional costs to meet the recommendations and the implementation requirements of the procedures. This could include additional equipment needed, education costs, health and safety system costs and recruitment of additional resources to ensure compliance with the Health and Safety framework and health and safety legislation. Examples of additional costs include \$15,000 per annum for Audit and Assurance requirements; \$10,000 per annum for a Health and Safety system; \$10,000 for education and training on health and safety.

- 26 It is also inevitable that additional costs with, for example, mitigating some of the risks will be incurred once the risks are clearly defined and control plans are put in place. For example the cost of GPS in vehicles to ensure the safety of our workers is estimated to be an additional \$20,000 per annum and the cost of security cameras in our area offices is an estimated \$10,000.
- 27 The above costs are indicative only to give Council an understanding of some of the costs associated with implementing the Plan and the Framework. Costs will need to be budgeted as part of the Long Term Plan and Annual Plan process.

### Policy Implications

- 28 The current Health and Safety Policy will need to be amended following finalisation of the Plan.

### Analysis

#### Options Considered

- 29 The options considered are to recommend to Council for approval the Governance Framework and Health and Safety Plan as presented (Option 1), recommend them subject to some minor amendments (Option 2) or Do Nothing (Option 3).

#### Analysis of Options

##### Option 1 – Agree to the draft Health and Safety Framework and Plan for 2017/18

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Robust framework</li><li>• Improvement of Health and Safety Culture</li><li>• Illustration that Council and ELT are committed to caring for the wellbeing and safety of our people</li><li>• Decline in the number of injuries</li><li>• Meet legislative requirements</li></ul>	<ul style="list-style-type: none"><li>• Financial implications</li></ul>

##### Option 2 – Modifies the Health and Safety Framework and Plan

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Save some initial costs in the short term</li></ul>	<ul style="list-style-type: none"><li>• Inconsistency in procedures</li><li>• No clear guidelines</li><li>• Health, safety and wellbeing of our people in jeopardy</li><li>• May not be consistent with legislative obligations.</li></ul>

**Option 3 – Do nothing**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Avoids short term cost implications</li></ul>	<ul style="list-style-type: none"><li>• Inconsistency in procedures</li><li>• No clear guidelines</li><li>• Health, safety and wellbeing of our people in jeopardy</li><li>• Not consistent with legislative obligations.</li></ul>

**Assessment of Significance**

- 30 The matter being considered is of an administrative matter and hence is not considered to be significant in terms of section 76 of the Local Government Act 2002.

**Recommended Option**

- 31 Agrees to the draft Health and Safety Governance Framework and Health and Safety Plan for 2017/18 which includes the commitment statement, as recommended by the Finance and Audit Committee.

**Next Steps**

- 32 Continue working on the procedures and the implementation plan.

**Attachments**

- A Health and Safety Plan 2017-2018 [↓](#)  
B Southland District Council Health and Safety Management System Governance Framework [↓](#)





**Our H&S Commitment - developed by the Leadership Team 16 May 2017**

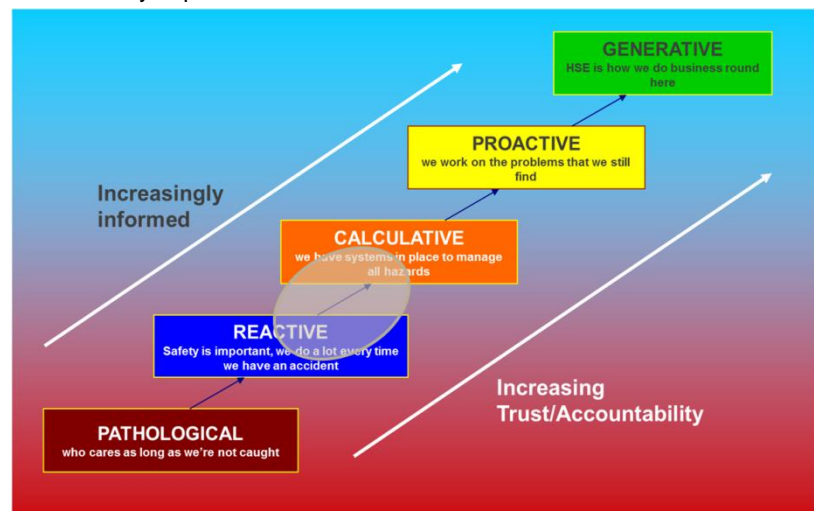
*We are committed to caring for the wellbeing and safety of our people and those who interact with us.*

*Our goal is for our people to be bold and actively think about their own and others safety and wellbeing, so that we deliver safe and effective services to our community and that everyone gets home safe and well.*

**Current State**

We feel we have made good progress on H&S over the last few years and there are definite signs that our people believe we take accountability for their safety and want them to go home safe and well at the end of the day.

We have reviewed our progress using an external organisation and have used this to refocus our intentions and develop this plan to continue our H&S Journey. While we do not experience a large number of significant injuries, we know our people are managing and working with risk every day that has potential to cause a significant injury. Our aim is to ensure we manage and control these risks and work with our people to continually improve and learn.



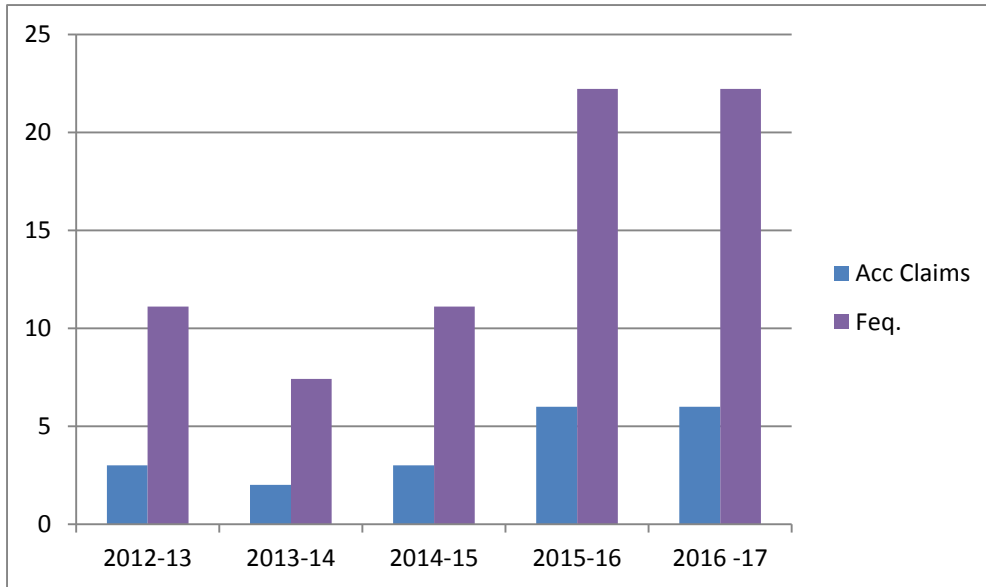
As an Executive Leadership Team we have discussed our current culture in H&S against the Hearts and Minds culture ladder developed by Hudson. The diagram below shows what our belief in our current organisational culture. To move up this ladder towards a more PROACTIVE culture we need to have a plan that will deliver a different focus on H&S. We have developed this plan, as a way to ensure we measure and progress our H&S journey.

The table below shows our current injury rates since 2012. This is based on the hours worked by our 135 FTE workforce and the numbers of injuries come from our ACC data. While most of the injuries recorded here are minor in nature, we accept this doesn't guarantee a serious injury cannot occur at any time. We can also see an increase in the number of work injuries in the last two years, with 2016-17 not yet completed. Contemporary organisations use a less than 5 frequency rate as a benchmark target.

**Action Plan**

As part of our commitment as a Leadership Team we will co-sponsor a key activity within the H&S plan, this sponsorship commitment is to supporting the roll-out of the initiative or objective and keep each other and our teams honest in undertaking the objectives within SDC. The focus areas were identified at the Executive Leadership Team H&S Workshop on the 16 May 2017.

Key Focus Areas for H&S	Steps to complete	Sponsor	Complete by date
<b>Complete implementation of H&amp;S Framework</b>  In February Terry Johnson from Simpson Grierson completed a review of our current H&S processes and provided recommendations.  Terry has since helped us develop a framework and governance process for H&S, this will include the development of key procedures and review of some current process to ensure we have a robust and clearly documented H&S framework to move forward with.	Drafting of procedures, including consultation with workers.	SR	August 2017
	Develop education on our key H&S processes and ensure our people are trained in what we are doing.		Nov 2017
	New framework implemented.		Dec 2017
<b>Critical Risk</b>  Prioritise the development of the Risk and Hazard Management Procedure above, and progress work on critical risk already underway. Educate and train our people on risk and hazard management.  Prioritise Critical Risks and allocate resources based on	Development of Risk and Hazard procedure, including prioritisation of critical risk.	IM	July 2017
	Development of critical risk control plans (bowties) and approval from ELT sponsor.		August 2017 – June 2018



Currently, we are limited in the information we capture for H&S, and there is inconsistency with our definitions and reporting. We will begin to capture more, including our contractors, with a focus on three levels of incident information. These are Serious Injuries – those requiring hospital admittance and treatment (and would be notifiable to Worksafe), ACC Claims - all work injuries with medical treatment accepted as ACC claims, and near-miss and first aid level incidents. We will begin to collate this information using a frequency rate to indicate our performance.

We will continue to track and use incident information along with other measures identified to track our progress.

the priorities. Complete the development of control plans, and assessment of effectiveness of the controls for the risks.  On-going monitoring and management of critical risks seen as part of the audit and assurance process.	Assess the effectiveness of the controls for the each of the control plans and create corrective actions for any deemed not effective.		Dec 2018
	Monitor closing out of corrective actions in Monthly reporting.		August 2017 onwards
<b><u>H&amp;S Participation an HSC Committee Review</u></b>  Consider current arrangements for participation and ensure that the Leadership and Participation Procedure reflects our HS Policy intentions.  Review the role of the H&S Committee, including the make- up of the Committee and the overall consultation and participation arrangements for SDC.  Rewrite the terms of reference for the HSC and move the focus of the HSC towards more proactive advocacy of H&S.	Draft procedure and undertake consultation.	BH	Aug 2017
	Review terms of reference with HSC		Aug 2017
	Transition and monitor progress.		From Oct 2017.
<b><u>Incident Management</u></b>  Escalation process for	Draft procedure and undertake consultation.	JE	June 2017

	<p>ensuring notification of events is clear and occurs. Define what level of investigation is required determined by the potential of the event, ensuring all have corrective actions and these are monitored to completion.</p> <p>Ensure this process is an important input into our monitoring and measuring and our audit and assurance. It provides our lag measures and opportunity to improve our systems.</p>	<p>Educate our people and train resources (as required).</p> <p>Implement new processes.</p>		Sep 2017
	<p><b><u>Measuring &amp; Monitoring</u></b></p> <p>Seek understanding of elected representatives' requirements for information that supports their due diligence obligations.</p> <p>Develop consistent and accurate reporting processes that measure progress and enable future decision making on H&amp;S initiatives.</p>	<p>Define lead and lag measures that enable the delivery of our H&amp;S objectives, and demonstrate progress against these.</p>	RC	Aug 2017
		<p>Draft procedure and undertake consultation.</p> <p>Educate our people and implement.</p>		<p>Sept 2017</p> <p>Dec 2017</p>

# Health and Safety Management System Governance

<b>Document Name and Number:</b>		<b>HSMS Governance – r/17/5/10807</b>	
<b>Document Owner and Approver</b>		Manager People and Capability	
<b>Original Issue Date:</b>	May 2017	<b>Date Issued:</b>	May 2017
<b>Version Number</b>	Attachment B One	<b>Review Date:</b>	May 2019

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## 1. Background and Purpose

This document forms the overarching governance document which provides the context, structure and overview of the unified Health and Safety Management System (**HSMS**) utilised across Southland District Council (**SDC**).

The purpose of this unified HSMS is to:

- Set out the Health and Safety (**H&S**) framework for SDC and document how H&S will be consistently managed throughout Council and its operations;
- Provide information on the hierarchy of documentation to be used and define the document types;
- Determine and document the numbering system used within the unified HSMS; and
- Define the document control process.

The above framework ensures SDC has a system that is unified, robust, meets organisational needs, and supports the goal of creating an inclusive business-wide safety culture.

## 2. Scope

This document applies to all businesses and subsidiaries, which collectively form SDC.

## 3. Governance Process

### 3.1 Overview

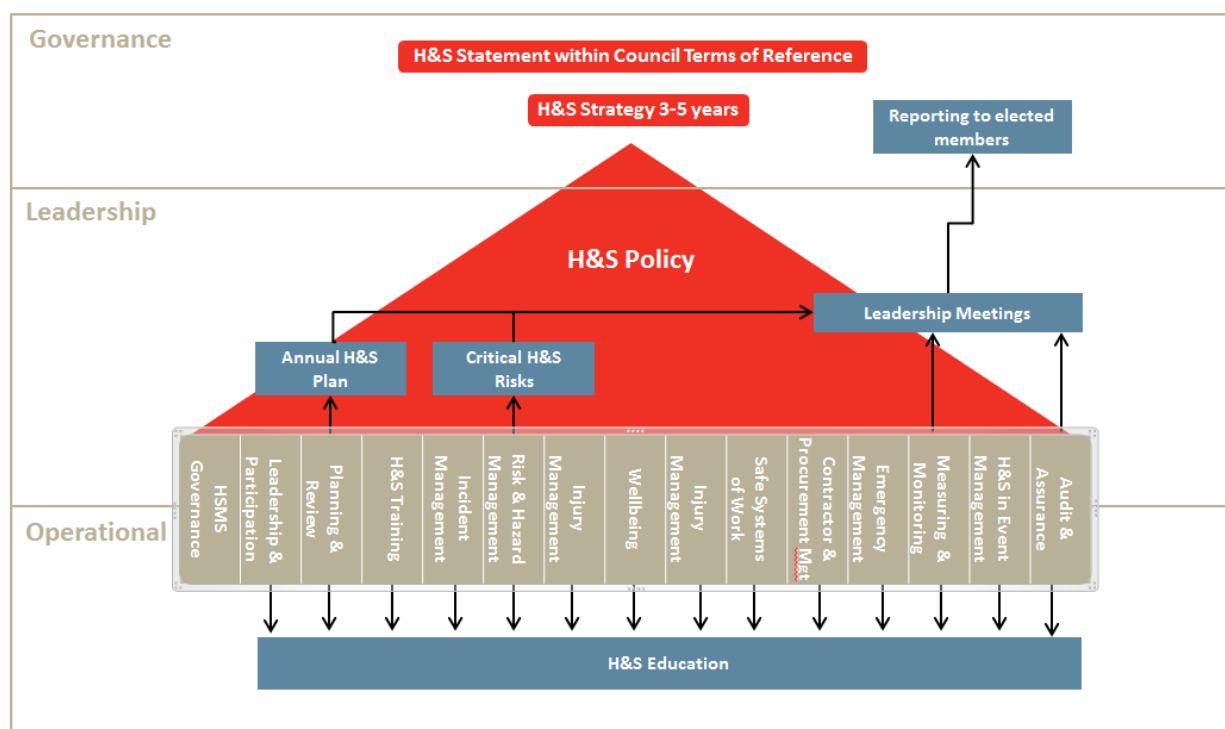
SDC is a territorial authority as defined by the Local Government Act (xxxx).

SDC has undertaken to manage the health and safety of workers and others under H&S safety legislative requirements in New Zealand, and has determined that a HSMS framework, containing a single Policy with clear standard procedures, will enable a risk based approach to managing H&S based within its undertakings.

This document sets out the governance process and the expectations for all SDC businesses.

### 3.2 Document Hierarchy

The model below defines the structure of the HSMS Framework within SDC and the expected minimum documentation associated with H&S.



### 3.3 H&S Policy

One H&S Policy will exist for SDC and this will be developed in consultation with our workers and their representatives. The H&S Policy will be approved by Council. The Chief Executive will sign the Policy.

### 3.4 SDC H&S Procedure

Procedures will be written to ensure SDC clearly documents what is expected in order to manage the different elements of H&S. The procedures will be approved by the Chief Executive. Each procedure will contain the following sections:

1. Background and Purpose.
2. Scope.
3. Procedure.
4. Responsibilities.
5. Other information.

The table below calls out the procedures to be contained within the SDC HSMS and describes them below:

Title	Description of Procedure.
<b>HS01 HSMS Governance</b>	Our overarching document that sets out the intent of the HSMS and how the documents which collectively create the HSMS are designed to be used. It includes any approval process and document control requirements.
<b>HS02 Leadership and Participation in H&amp;S</b>	This procedure outlines how our leaders and people will be involved in H&S at SDC. It will provide the framework for our H&S Committee to work within and call out our processes for interacting with our contractors and their workers.

Title	Description of Procedure.
<b>HS03</b> <b>Planning and Review</b>	This procedure supports the Identification of key H&S objectives, goals and targets. It sets out how methodical planning will be used to deliver these objectives. It includes regular reviews and supports keeping the H&S Plan alive and on track.
<b>HS04</b> <b>H&amp;S Training</b>	<p>This Procedure outlines how the organisation will determine what training is required to support H&amp;S and the organisations objectives. Training requirements will be based on the risks associated with the work undertaken by SDC and its workers, and include training required by regulation such as first aid training requirements, training requirements for H&amp;S Representatives etc.</p> <p>This procedure will also call out the requirement for Elected Members and Leadership to be kept informed and up to date with H&amp;S developments internally and externally to SDC.</p>
<b>HS05</b> <b>Incident Management</b>	<p>This Procedure enables the organisation to record how it reports and investigates events, including the escalation of events, and process to determine causation. It includes the need to ensure any appropriate preventative measures and associated corrective actions are identified as part of investigations.</p> <p>It includes how to meet statutory requirements in relation to notifiable events and participation with regulatory bodies in such situations.</p> <p>It also contains how corrective actions will be monitored to ensure completion.</p>
<b>HS06</b> <b>Risk and Hazard Management</b>	<p>This Procedure outlines how the organisation will identify and manage its most critical risks, including the development of control plans, and assessment against the effectiveness of these controls.</p> <p>Hazards will managed through local hazard registers, when exposure to a hazard cannot be eliminated in a timely manner.</p>
<b>HS07</b> <b>Injury Management</b>	This Procedure outlines how the organisation supports and cares for its people to recover and rehabilitate from work and non-work injuries and return to their pre-injury roles.
<b>HS08</b> <b>Wellbeing</b>	<p>This procedure will provide the organisation with a proactive approach to managing the wellbeing of our people. It will determine what health related risks are present in the work undertaken by SDC. It will also ensure where risk assessment determines it, and actual exposure is present, what on-going health monitoring is required.</p> <p>The wellbeing procedure will also be used to support positive outcomes from other potential health risk issues such as work pressure, mental health or fatigue, and acknowledges that these can be exacerbated by other influences such as factors such physical health, relationship issues or financial uncertainty.</p>
<b>HS09</b> <b>Safe Systems of work</b>	The purpose of this Procedure is to specifically outline how key activities which have a significant risk are to be controlled. Typically this Procedure will include arrangements for access to sensitive/restricted areas, issuing of permits, management of critical risks such as Work at Height, Electrical Safety and Confined Spaces.
<b>HS10</b> <b>Contractor and Procurement Management</b>	<p>This Procedure will outline arrangements in place to ensure that each PCBU can fulfil its individual and overlapping duties. It can include specific pre-qualification processes, tendering information and selection of competent providers.</p> <p>It should also include the processes for ensuring that goods and services procured for use within SDC are suitable for purpose and are fit for purpose. It should call out the need for the design and manufacturing of items for supply to SDC (eg. playground equipment or infrastructure) to meet any necessary design regulations and include H&amp;S Risk Assessments as part of the design requirements in SDC bid documents.</p>
<b>HS11</b> <b>Emergency Management</b>	<p>This Procedure does not replace Business Continuity Arrangements but often aligns with and supports those arrangements that are already in place. It identifies relevant emergency situations which the organisation and its people may face and outlines how these are best managed should they occur and are periodically tested to ensure, should the need arise, the arrangements will be effective on the day.</p> <p>The treatment of visitors within the organisation (eg. those present on site for the purposes of visiting SDC locations other than completing work) will be covered by this procedure to ensure emergency arrangements are in place to support visitors in an emergency situation.</p>

Title	Description of Procedure.
<b>HS12</b> <b>Measuring and Monitoring</b>	The process for periodic monitoring of the effectiveness of the agreed HSMS and achievement of targets and goals is contained within this Procedure. In addition, it includes how that information will be disseminated (upwards and downwards) in the organisation to inform on progress or any roadblocks. This particular Procedure is useful for evidencing due diligence obligations.
<b>HS13</b> <b>H&amp;S in Event Management</b>	This procedure will cover the H&S process SDC will use when managing a public event or when members of the public are in charge of our facilities or council controlled locations (including halls, reserves and other amenities).
<b>HS14</b> <b>Audit and Assurance</b>	An effective HSMS is only beneficial if it works in practice. This Procedure outlines how the organisation will undertake its own internal evaluation of the implementation of those processes and identify ways to improve or focus on any gaps.

These procedures have been determined as necessary to ensure the safe and healthy operations of SDC locations and operational activities as they currently exist. Further procedures may be added in the future should the risk profile of SDC change.

Prior to publishing H&S Procedures, contents will be discussed and feedback sought, through the use of the SDC H&S Committee and Contractors Engagement Processes.

### 3.5 Numbering System

Each Procedure will have its own document reference number, which will correspond to the relevant supporting documents using a sub-numbering system. For example, H&S Governance Procedure will be the first document in the System and will be called HS01, any documents used to support this procedure will have the suffix after them, the first being HS01-01 with the suffix increasing each time a sub-document is added.

### 3.6 Document Control

Each document will have a document control table embedded in the footer of the document prior to publication. This footer table will be as follows:

<b>Document Name &amp; Number:</b>		<b>Management of Change - HS04</b>	
<b>Document Owner and Approver</b>		Manager People and Capability	
<b>Original Issue Date:</b>	May 2017	<b>Date Issued:</b>	May 2017
<b>Version No.</b>	One	<b>Review Date:</b>	May 2019

### 3.7 Approval Level

For SDC issued documentation, the document owner and approver will be Manager People and Capability

### 3.8 Document Review Periods

SDC will review its H&S Procedures every two years, and other key H&S documents such as risk registers or risk control plans must also be reviewed every two years at a minimum. The review will occur prior to the completion of the month shown in the review date box.

Reviews may also be undertaken at any time should the following occur:

- A change to the SDC structure, business model or general undertaking that necessitates a review;

- A significant event occurs that determines a change to a standard or procedure is necessary;
- Legislation or regulation change occurs necessitating review, and where necessary, changes to current HSMS contents;
- At the request of the Council or Chief Executive; or
- Where an audit or self-Assurance process has determined that a change is required and this change is agreed to by the Manager People and Capability and Chief Executive.

## 4. Responsibilities

The following roles have an active part to play in ensuring effective governance of the agreed SDC HSMS Framework:

### Chief Executive

- Ensures SDC maintains a HSMS that is able to provide assurance to Council that the system is resourced, robust, used, and delivers the intent of the SDC H&S Policy.
- Ensures the Executive Leadership Team have personal H&S objectives each year which support implementation of the agreed HSMS and H&S Plan.
- Signs and approves the H&S Policy.

### Manager People and Capability

- Approves the H&S Procedures and ensures resourcing is available to support the HSMS Framework, its implementation and ongoing management.

### Executive Leadership Team

- Are accountable for ensuring that appropriately documented procedures specified in this governance process are implemented and used across their area of responsibility.
- Be aware of the contents of the HSMS and actively encourage its use.

### Operational Leaders

- Actively encourage implementation of all approved procedures, monitor compliance, and if necessary, address any areas of non-conformance as appropriate.
- Holds to account those with responsibility for requirements within the agreed procedures.
- Participate in the review of, and where relevant, improvements to the contents of the local procedures to ensure they remain relevant and easily understood.

### Workers under SDC's influence and/or control

- Comply with the H&S Policy, Standards and procedures of SDC.
- When requested, actively participate in the review and creation of local procedures, guidelines and checklists.

## 5. Other information

- SDC H&S Policy
- H&S Definitions
- Add other links as necessary.

## Approval of an Unbudgeted Grant to the Waiau Star Rugby Club

Record No: R/17/6/13752  
Author: Anne Robson, Chief Financial Officer  
Approved by: Steve Ruru, Chief Executive

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 To seek Council approval of a grant of \$10,000 for the purchase of a ride on lawnmower and associated accessories by the Waiau Star Rugby Club for the mowing of the Tuatapere Domain areas.

### Executive Summary

- 2 Councillor Harpur has been approached by the Waiau Star Rugby Club to request a grant for the purchase of a new lawnmower for the mowing of the Tuatapere Domain Areas.
- 3 The total cost of the ride on lawnmower and accessories is estimated at \$20,000. The Rugby Club is contributing \$5,000, a grant of \$5,000 has been received from Meridian with the balance of \$10,000 being sought from the ward reserve.
- 4 Cr Harpur, Cr Baird and Cr Perham are in agreement to fund the unbudgeted grant request from the Waiau-Aparima Reserve.

## Recommendation

That the Council:

- a) **Receives the report titled “Approval of an Unbudgeted Grant to the Waiau Star Rugby Club” dated 10 July 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 a grant of \$10,000 (gst excl) to the Waiau Star Rugby Club for the purchase of a ride on lawnmower subject to the following conditions**
  - **A Health and Safety Plan must be submitted to and approved by Council prior to the release of the grant.**
  - **If the club disbands or is unable to undertake the mowing of the domain area within 5 years of purchase, then the Waiau Rugby Club agree to gift the ride on lawnmower to the Tuatapere Axemans Athletics Society**
- e) **Approves the funding of the grant from the Waiau-Aparima General reserve**

## Content

### Background

- 5 Currently the mowing of the Tuatapere domain reserve (the Reserve) is undertaken by local volunteers. They undertake this mowing by using the mower that is currently owned by the Tuatapere Axemans Athletics Society and stored in a shed owned by the Tuatapere Domain Board (a sub-committee of Council) on the reserve.
- 6 The Tuatapere Domain Board oversee the operations of the Council owned Reserve.
- 7 The current ride on mower is 9 years old and is voluntarily maintained by the local mechanic. Apart from the age of the mower it also will not collect wet grass.
- 8 Acknowledging the issues with the current mower the Waiau Star Rugby Club have identified an appropriate ride on mower for future use and are seeking a funding contribution towards it and a number of accessories. To assist with the maintenance of the grounds these accessories include a small trailer that can be towed behind.

### Issues

- 9 Considerable discussion has been held around who the most appropriate entity is for the ownership of the mower. This includes
  - The Tuatapere Axemans Athletics Society are the owners of the current mower used. They will continue to own the current mower.
  - The Tuatapere Domain Board, Council staff believe it is not appropriate for an entity of Council to own the mower given the ongoing maintenance and Health and Safety responsibilities especially when Council staff will not be using the asset.
  - The Rugby Club, who are prepared to contribute to the mower purchase and control the ongoing operation of the mower.
- 10 Cr Harpur has commented that he believes that it is appropriate to contribute towards the purchase of the mower because the Tuatapere Domain is one of the most iconic sporting venues in the Southland Region. Although there is a lawn mowing contractor doing some of the work, this tends to be not at the correct time and is subject to weather conditions on their visits. Over the last eight years or so volunteers have been mowing the rugby ground and lines before the fixtures and over the summer, in particular in the lead up to the annual New Years Day sports fixture. At this time the ground requires mowing at a two day interval for its presentation for this event. This activity is currently being done by volunteers using the current mower which is owned by the Tuatapere Axemans Athletic Society and is currently reaching the end of its reliable life.
- 11 Given that Council would be contributing up to ½ of the purchase cost for an asset that will be used solely on Council reserves it is appropriate that a number of conditions be attached to the purchase.
- 12 The conditions discussed and deemed appropriate are
  - A Health and Safety Plan must be submitted to and approved by the Council by the Waiau Star Rugby Club before the release of the grant.

- If the club disbands or is unable to undertake the mowing of the domain areas within 5 years of purchase, then the Waiau Rugby Club agree to gift the ride on lawnmower to the Tuatapere Axemans Athletics Society.

## Factors to Consider

### Legal and Statutory Requirements

- 13 There are no other legal or statutory requirements than those noted in other sections of this report.

### Community Views

- 14 No formal community views have been sought on this issue. It is not deemed significant in terms of Council's significance policy.

### Costs and Funding

- 15 The cost of the new mower and accessories is estimated at \$20,000.
- 16 To fund the purchase, the Rugby Club have indicated they will contribute \$5,000, a further \$5,000 has been received from Meridian. To fund the balance a request has been made of Cr Harpur for \$10,000.
- 17 Cr Harpur has approached Cr Baird and Cr Perham to seek approval for the balance to be met from the Waiau-Aparima Reserve. Cr Baird and Cr Perham have agreed to the request.

### Policy Implications

- 18 Currently no delegations exist for the authorisation of unbudgeted Ward funds. As such formal approval is required by Council.

## Analysis

### Options Considered

- 19 As discussed above a number of ownership models have been considered. The Rugby Club seems the most logical. Cr Harpur, Baird and Perham are supportive of the request.

### Analysis of Options

**Option 1 – Approve unbudgeted expenditure in the form of a grant of \$10,000 (gst excl) with conditions (as noted in this report) to the Waiau Star Rugby Club for the purchase of a ride on lawnmower and associated accessories.**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Assists the non-profit entity of the Rugby Club to purchase the mower to undertake the mowing at Council's reserve.</li><li>• A community approach to asset management.</li></ul>	<ul style="list-style-type: none"><li>• May be setting a precedent to other community groups seeking funding.</li></ul>

**Option 2 – Make amendments to the unbudgeted expenditure request and conditions as outlined in Option 1 above.**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>Allows Council to make any changes to the recommendations as they see necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Depending on change may depend on timing of approval, whether the Rugby Board agrees or not, whether Council has to seek other contractors to undertake the mowing.</li> </ul>

**Option 3 – Do not approve the unbudgeted expenditure request**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>The monies can be used for other Council activities.</li> <li>Possibility to merge this contract into other existing contracts in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Rugby Club will be required to seek funding from other sources. It may not be able to seek the funding.</li> <li>If other funding is not sought then the Domain Board/Council will need to look at other mowing contractors.</li> <li>Possibly seen not to support community enterprises.</li> </ul>

**Assessment of Significance**

- 20 The issue is not deemed significant in terms of Council's Significance Policy.

**Recommended Option**

- 21 Option 1 – Approve unbudgeted expenditure in the form of a grant of \$10,000 (gst excl) with conditions (as noted in this report) to the Waiau Star Rugby Club for the purchase of a ride on lawnmower and associated accessories.

**Next Steps**

- 22 If approved, the Waiau Star Rugby Club will be formally advised by letter of the grant and the conditions attached to the grant, for ratification by the club.
- 23 On receipt of agreement to the conditions and an invoice for the amount required, payment will be made.

**Attachments**

There are no attachments for this report.



## Contract 17/22 - Southland Sealed Road Drainage 2017

**Record No:** R/17/7/15068  
**Author:** Hartley Hare, Roading Asset Management Engineer  
**Approved by:** Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 This report outlines the tenders received for the Southland Sealed Drainage project and seeks Council's approval to award Contract 17/22 to the recommended tenderer.

### Executive Summary

- 2 This report covers the tendering for the Southland District Sealed Road Drainage 2017 Contract, the tenders received, the evaluation carried out and recommendations for letting the contract.

### Recommendation

That the Council:

- a) Receives the report titled "Contract 17/22 - Southland Sealed Road Drainage 2017" dated 11 July 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 of advantages and disadvantages prior to making a decision on this matter.
- d) Approves the acceptance of Wilson & Keen Contracting tender price of \$374,678.04 plus GST for Contract 17/22 - Southland Sealed Road Drainage 2017.

### Content

#### Background

- 3 Contract 17/22 was tendered for drainage improvements at 28 different sites throughout the Southland District; predominantly in the central region.
- 4 The above sites were identified and prioritised as part of a complete review of the drainage on sealed roads throughout the district. Contract 17/22 is roughly a third of the total planned programme that has been prepared to be released to market that will address the highest priority deficient drainage sites throughout the rural sealed road network.

- 5 Drainage activities include clearing and reshaping existing drainage channels as well as complete formation of new water paths where existing is insufficient or non-existent. These high priority sites are then tied into medium priority sites if immediately adjacent to each other to save on establishment costs and ensure positive drainage throughout the entire area. Access culverts will be extended or replaced where necessary to meet required specification as applicable.

#### **Issues**

- 6 Nil.

#### **Factors to Consider**

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

- 7 The tender has been conducted in accordance with NZTA and Council requirements.

##### **Community Views**

- 8 No known community views relevant to this report.

##### **Costs and Funding**

- 9 Wilson & Keen Contracting tendered the lowest conforming tender at \$374,678.04. This was 87% of the Engineer's estimate for physical works of \$430,863.20.
- 10 Please see attached for the Full Tender Evaluation breakdown for Contract 17/22.
- 11 The costs for this contract will be covered by NZTA category 113 Routine Drainage and 213 Drainage Renewals as part of the Council roading programme included in the Long Term Plan and Annual Plan.

##### **Policy Implications**

- 12 No known considerations relevant to this report.

#### **Analysis**

##### **Options Considered**

- 13 The contract went out to open tender to obtain market value for the contracts work. The options now are to accept the lowest conforming tender or not award the contract.

## Analysis of Options

### Option 1 - Acceptance of tender

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Safety benefit of ensuring positive outfall of surface water from the pavement surface.</li><li>• Longevity of pavement life.</li><li>• Meeting our projected forward works programme.</li></ul>	<ul style="list-style-type: none"><li>• Nil.</li></ul>

### Option 2 - Not award tender

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Nil.</li></ul>	<ul style="list-style-type: none"><li>• Safety implication of potential hydroplaning where high-lip shoulder is preventing positive outfall of water on the pavement surface.</li><li>• Decreased pavement life and increased maintenance costs.</li></ul>

## Assessment of Significance

- 14 The procurement method used through an open tender process, utilising the budget in the Annual Plan, means that the letting of this contract is not significant in terms of Section 76 of the Local Government Act 2002.

## Recommended Option

- 15 Wilson & Keen Contracting have carried out similar scope works throughout the region with a high standard. Acceptance of its tender as the Lowest Price Conforming Tender is recommended.

## Next Steps

- 16 Council formally awards the contract to the recommended tenderer and Council's Group Manager Services and Assets formally notifies the successful and unsuccessful tenderers of the outcome from the tendering process.

## Attachments

- A 17-22 Tender Evaluation [↓](#)



22 June 2017

Opus International Consultants Ltd

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Tender Evaluation Team Leader  
Southland District Council  
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PO Box 903  
Invercargill 9840

Invercargill Office  
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New Zealand

Ref: VN093.00

### Contract 17/22 – Southland Sealed Road Drainage 2017

Dear Hartley

Attached is the final tender evaluation for Contract 17/22 – Southland Sealed Road Drainage 2017 for your consideration.

#### Recommendation

The tender evaluation team recommend the acceptance of the tender from Wilson & Keen Contracting for the sum of \$374,678.04 being the lowest conforming tender under evaluation.

The tendered price from Wilson & Keen Contracting is 13% lower than the physical works base estimate of \$430,863.20.

#### Tender Prices

Four (4) tenders were received, 3 conforming and 1 non-conforming. Tenders are detailed in the below table.

Tenderer	Tender Price	% of Engineers Estimate	Conforming/ Non-conforming
Wilson & Keen Contracting	\$374,678.04	87%	Conforming
Wilson Contracting Ltd	\$413,705.43	96%	Conforming
SouthRoads	\$429,981.32	100%	Non-Conforming
Fulton Hogan	\$479,726.35	111%	Conforming

It is noted SouthRoads submitted a Non-conforming tender as they failed to sign the tender offer. As they were not the lowest tender this error was ignored.

### Engineers Estimate vs Recommended Tender

To understand where the recommended tender differs from the final engineers estimate, a tender evaluation summary has been prepared (see attached). From this summary, the recommended tender is slightly below the engineers estimate, possibly due to Wilson & Keen's desire for winter work.

The tender price is believed to be sustainable; Wilson & Keen Contracting have completed numerous contracts for SDC in the past two seasons and have experience in road drainage works.

Regards



Andrew Bruce.  
Engineer to Contract

Encl

Item 8.3 Attachment A



## Pyramid Bridge Replacement Options

**Record No:** R/17/7/15616  
**Author:** Hartley Hare, Roading Asset Management Engineer  
**Approved by:** Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 To obtain formal support from the Council to proceed with the design and tender of two replacement options for the Pyramid Bridge. Option one consists of a single lane bridge at a width of 4.5 metres and option two consists of a two lane option, 8 metres in width.

### Executive Summary

- 2 This report outlines the proposed replacement of the Pyramid Bridge on Riversdale Pyramid Road across the Mataura River. The report covers the potential replacement options along with the procurement methodology proposed.

### Recommendation

That the Council:

- a) **Receives the report titled “Pyramid Bridge Replacement Options” dated 12 July 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) **Supports the option for two designs (Single and Two Lane Options) to be completed and tendered.**
- e) **Resolves that the outcome of the tender result be reported back to Council.**

## Content

### Background

- 3 Pyramid Bridge is located across the Mataura River and provides one lane access between Riversdale Pyramid Road, Pyramid Waiparu Road and Otama Road. The bridge is located on the boundary between the Southland District Council (SDC) and Gore District Council (GDC) areas. The bridge is managed on a day to day basis by the Gore District Council who are also the lead agency on the project.
- 4 Pyramid Bridge consists of seven 12.2 m spans totalling 86 m in length with steel beams and a timber deck. The bridge was built in the 1930. As well as providing a traffic link between the two districts the bridge also carries the main pipeline for the Otama Water Supply Scheme.
- 5 The benefits of the replacement are on retaining access across the Mataura River at the same location. The benefits of this investment include:
  - Avoiding the use of longer detour routes in the future. Detour routes will have impacts on travel time for all users.
  - Retaining the resilience and security of two roading networks (SDC and GDC).
  - Reducing the safety risk of retaining the current bridge configuration.
- 6 A business case has been developed for the replacement of the bridge. The business case looked at issues and options primarily focusing on a one lane bridge replacement due to cost.
- 7 Further discussion has been held between SDC, GDC and New Zealand Transport Agency (NZTA) with the most recent discussion taking place on 22 June 2017 with the aim of taking a longer term view (80 years) and exploring a two lane option.
- 8 The outcome of the meeting resulted in a proposal (Appendix A) from NZTA to proceed with the design and tendering of both a single lane option and two lane option.
- 9 Stantec (formerly MWH) have also been requested to review the business case with a view of establishing whether or not a two lane bridge provides an increased cost ratio.

### Procurement Process

- 10 It is proposed to advertise the tender on Local Government Online and in the Tenders Gazette.
- 11 The tenders will be set up to be let on a Price Quality Method basis, with the total non-price weighting of 30% being on relevant experience, track record, resources, relevant skills and methodology. These attributes are then evaluated prior to opening the price envelopes. To do this the Tender Evaluation Team studies the tenders and meet to discuss and agree scores.
- 12 With the Price Quality Method, evaluation of the non-priced scores are used to evaluate the Supplier Quality Premium. These premiums are then deducted from the tender prices to determine who had the lowest overall tender price and therefore becomes the recommended Tenderer. For the purposes of tender evaluation the Contingency Sum and any Provisional Sums, included in the tender schedule, are excluded from the estimate but left in the Tenderer's prices for the calculation.

## Issues

- 13 An inspection of the bridge was completed in 2005 which indicated a number of bridge defects including:
- Steel beams were visually deflecting during heavy vehicle crossings.
  - Steam beams were also permanently sagging at mid span.
  - Debris was jammed against the piers.
  - A number of routine maintenance activities were required eg deck joints to be re-levelled, wheel guard section to be replaced.
- 14 A number of large weather events have accelerated the deterioration of the bridge. In particular, the bridge piers are often affected by river and large debris including tree branches that lodge themselves against the piers.
- 15 It is likely that the bridge will continue to need to be closed during future flood/storm events to limit the danger to users of the bridge collapsing.
- 16 Specific inspections following events have found significant concerns with the remaining capacity of the piles and also issues with the timber bridge deck which is nearing the end of its life. It is not worth spending a large amount on a deck replacement when the bridge piles are highly suspect.

## Factors to Consider

### Legal and Statutory Requirements

- 17 No significantly unusual legal considerations are involved with this project. As with all larger value projects, there is the risk of a legal challenge regarding the tender results from unsuccessful tenderers. To reduce this risk the Tender Evaluation Team will diligently follow the NZ Transport Agency procurement procedures.
- 18 While the location of the bridge still needs to be finalised, the preferred location for the bridge is within the legal road reserve. The approaches to the bridge will need to be realigned which will require the purchase of some private land. Initial discussion have already been held with landowners and no significant concerns have been raised. The full extent of the land required will depend on the final option selected (one lane or two lane bridge).

### Community Views

- 19 No specific communities' views have been sought however discussion were held with representatives from Federated Farmers, Rural Contractors and Fonterra.
- 20 The replacement of the bridge was included as part of the SDC and GDC Long Term Plan (2015-25).

### Costs and Funding

- 21 The overall project currently has an approved NZTA budget to a total value of \$1.75M based on using some of Southern Regional Funds (R Funds).
- 22 The cost received for the design and tendering of a single lane bridge is \$80,000. The additional cost for the design and tendering of a two lane option is estimated at approximately \$25,000.

- 23 As Pyramid Bridge is a boundary bridge between SDC and GDC the shared cost agreement for capital works comes into effect. For joint assets, capital and renewal costs are shared 50/50 between the two Councils. SDC's share (50%) will attract NZTA subsidy (currently 52%) up to a cost benefit of 1.

### **Policy Implications**

- 24 Council's Procurement Policy.
- 25 Council's NZTA Procurement Strategy.
- 26 As outlined above in the report, NZTA tender evaluation process will be followed along with Council's Procurement Policy

## **Analysis**

### **Options Considered**

- 27 Proceed to tender with a single lane option or a two lane option.

### **Analysis of Options**

#### **Option 1 - Single Lane Option**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>Cost - Highest likelihood to receive full NZTA subsidy.</li> </ul>	<ul style="list-style-type: none"> <li>Does not address the safety risks associated with a one lane bridge.</li> <li>May restrict some over width vehicles.</li> </ul>

#### **Option 2 - Two Lane Option**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>Addresses the majority of safety risks associated when compared to a one lane bridge.</li> <li>Increased capacity for over width vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>Increased in cost.</li> <li>If the Cost Benefit ratio drops below 1 NZTA funding will not apply.</li> </ul>

### **Assessment of Significance**

- 28 The decision requested is limit to the design and tendering process, along with this activity forming part of the Long Term Plan, means that it is not significant in terms of Section 76 of the Local Government Act 2002.

### **Recommended Option**

- 29 The cost for designing a second option suitable for tendering is relatively minimal compared to the total value of the project, it is requested that Council endorse the NZTA proposal of developing and tendering two designs, a single lane option and two lane options to allow for full consideration of the potential cost implication of the two options.
- 30 That both options are put to public tender with the results being reported back to Council for consideration.

## Next Steps

- 31 Notify Gore District Council of Council's decision.

## Attachments

- A Pyramid Bridge Business Case letter to Gore DC 27 June 2017 [↓](#)



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27 June 2017

Peter Standring  
Gore District Council  
PO Box 8  
Gore 9740

Dear Peter

**Pyramid Bridge Business Case: NZTA funding Situation**

Thank you for arranging the 22 June 2017 meeting in Gore with Southland and Gore District Council representatives and ourselves to discuss the Pyramid Bridge project.

I confirm that we have the Pyramid Bridge Indicative/Detailed Business Case Report dated September 2016 and the process to approve this as a NZTA funded project is expected to be completed within the next 14 days.

This Business Case approval will be based on the submitted September 2016 document of "a single lane replacement bridge preliminary bridge design of between \$1,233,000 and \$2,052,000 depending on the material and the design philosophy". We note from the business plan, that this single lane bridge can be to a maximum width of 4.5 metres to cope with the increasing needs of agricultural machinery and equipment.

The Thursday 22 June 2017 meeting highlighted the option of providing a two lane bridge as a replacement. NZTA do not see the future need for this based on the evidence in the business plan as provided by your council. However we would consider applying the NZTA funding component of the single lane bridge option, to a double lane bridge if the other details were as per the business plan and the remaining funding required came from third parties without the NZTA subsidy above the \$2million level or where the costs are likely to exceed the benefits.

We would suggest that any tender should include a single lane bridge option to that if the two lane option is a greater cost than the third party funders can accommodate, we can at least go forward within a short time frame with a single lane bridge option. I note that the above variation (to allow our funding to go to a two lane bridge) is different to your Gore District Council Combined

Indicative/Detailed Business Case Report and is subject to the process in my second paragraph, which requires a decision from the Regional Manager Planning and Investment. We anticipate this decision could be made by Wednesday 7 July 2017.

Yours sincerely



**Graeme Hall**  
Planning and Investment Manager Otago/Southland



## Management Report

Record No: R/17/7/15393  
Author: Steve Ruru, Chief Executive  
Approved by: Steve Ruru, Chief Executive

☐ Decision ☐ Recommendation ☒ Information

### Chief Executive

#### Bonamia Ostreae Response

- 1 There has been a significant multi-agency response in relation to the discovery of the Bonamia Ostreae parasite in two marine farms in the Big Glory Bay area of Stewart Island. This parasite can be fatal to flat oysters and has been in New Zealand in the Nelson/Marlborough area since 2015.
- 2 This response has been led by the Ministry of Primary Industries (MPI) under the Biosecurity Act 1993 and there is a controlled area notice in place which legally restricts the movement of shellfish, vessels and equipment, to seek to limit the potential for spread of the parasite to uninfected areas.
- 3 The response has also been utilising the facilities and support structures provided by Emergency Management Southland and the Emergency Control Centre (ECC) at North Road. MPI staff have been very complimentary regarding the ECC and the assistance from Emergency Management Southland.
- 4 Southland District Council has been involved in the response in two key ways. Firstly, Mayor Tong has facilitated several key meetings involving key stakeholders/ communities at Bluff and Oban. Secondly, the Council was asked to participate in the multi-agency response planning team.
- 5 A focus of the initial stage of the response planning work was to seek to establish a location to dispose of the large volume of removed material. It was resolved that the most appropriate location for disposal was the regional landfill operated by AB Lime at Kings Bend. AB Lime have been proactive in working with the response team to facilitate this disposal occurring.
- 6 The operation of physically removing the affected marine farms is a significant body of work, and obviously this operation planning has to have very strong regard to the biosecurity and health and safety risks which are applicable to this work. Working in the marine environment and in waters which can be at times very rough means that the work programme need to be factored around the ability to safely perform key tasks, having regard to factors such as fatigue and climatic conditions. Indications are at this stage that the overall operation could take in the order of 100 days but this is obviously dependent on a range of these factors.
- 7 At the time of writing, phase 2 of the operation has been completed which involves the removal of the remaining cages, with a total of approximately 80 tonnes of cages having been removed by the end of Stage 2. Stage 3 involves the uplifting and removal of ropes and strings from the marine farms.
- 8 The Biosecurity Act includes compensation provisions for losses where actions are necessitated by provisions within the Act. The MPI website provides further information on this issue. Council has no statutory role in relation to the issue of compensation.

- 9 Obviously, the removal operation is having a significant impact on the affected famers, families and staff and the wider community. MPI has been working closely with the Rural Support Trust and other agencies to provide welfare services and support.
- 10 Testing has been occurring to establish whether the parasite is present in the wild oyster beds in Foveaux Strait. The results from this work were released on 10 July and have shown that it is not present at the moment. Further testing will occur in September.

### Civil Defence Review

- 11 As indicated in the last Management report Central Government have decided to carry out a review of the way in which natural disasters and other emergencies are currently managed by the existing civil defence structures.
- 12 The review is described as: “Better responses to natural disasters and other emergencies in New Zealand”, and will be led by a Technical Advisory Group (“TAG”) which is chaired by Hon Roger Sowry.
- 13 The terms of reference for the review have now been released. In the problem definition section they note that:
- The underlying principle of “act locally, coordinate regionally, support nationally” may not be suitable in all circumstances
  - Decisions are not necessarily made by adequately skilled and experienced people, mandated at the appropriate level of government, and supported by the best information possible in the circumstances
  - Volunteers may not be adequately supported by a professional emergency management force
  - Information is not always readily available to decision makers on the scale, complexity and evolving nature of an emergency, to determine the capacity and capabilities required for the response effort
  - There is a need for timely, consistent and accurate communication to the public
  - Response capabilities are not necessarily deployed as promptly and seamlessly as possible, *taking advantage of economies of scale and the experience of senior responders.*
- 14 The overall focus of the review will be on:
- The decision-making process and chain of command including the devolved nature of this structure from central to local government and how the response to emergencies is managed by the different agencies
  - How decisions and who has power to declare a state of emergency
  - The nature of information flows to the public and media given available technology and the nature of the resources available locally and centrally to assist
  - Capability and capacity across the system including ways and means to better deploy resources depending on priorities
  - Whether legislative changes are needed to improve the way in which emergencies are managed.
- 15 An initial report from the Technical Advisory Group is required to be with the Minister by 1 September 2017.

- 16 Officers will continue to monitor the review as it proceeds and report on any outcomes of significance to Southland.

### **Rural Fire**

- 17 The transition process to merge Rural Fire Authorities with the NZ Fire Service to create Fire and Emergency Management NZ (FENZ) was completed with the establishment of FENZ on 1 July 2017. This included the transfer of all Rural Fire Southland staff and assets into the new structure.
- 18 As part of the transition process Council entered into a formal agreement with FENZ to provide for the sale of the relevant firefighting equipment to FENZ for \$1 as previously approved by Council. The agreement also provides for the continuation of some internal support services for a further 12 month period until FENZ is in a position to assume responsibility for these functions.

### **Open Spaces Strategy**

- 19 Council adopted, in late 2014, an Open Spaces Strategy to set a strategic framework within which the provision and planning for reserves and other open spaces owned by Council could be managed.
- 20 While the strategy sets the overall strategic goals within which Council is looking to manage its reserves and open spaces there is a need for more detailed planning work and a prioritised work programme to be developed to support implementation of the overall strategy.
- 21 Officers are now having work advanced to:
- Assess current usage and the issues associated with our current open space network relative to community demand
  - Assess the extent to which the network is currently 'fit for purpose' and understand any gaps that might need to be addressed
  - Develop a prioritised work programme for the district as a whole to ensure that Council can deliver on its overall strategic goals.
- 22 The outputs from the prioritised work programme can be used to inform the 2018 10 Year Plan and any future grant applications that Council may wish to make.
- 23 It is important to recognise that the programme will look at the priorities from a district wide perspective. There is a risk that individual communities (including Community Boards and CDAs) may have a view on priorities that is different to that which is established at the district level.

### **LGNZ Business Plan**

- 24 LGNZ has developed a new Business Plan for the 2017-2019 term to continue to assist achieve policy and advocacy goals.
- **Infrastructure:** Ensuring infrastructure and associated funding mechanisms are in place to allow for growth and maintenance across housing, building, transport, broadband, tourism-related, three waters and flood control infrastructure.
  - **Risk and resilience:** Understanding and addressing risks from natural hazards and other events – both for infrastructure and to support resilience in the economy and our communities.
  - **Environmental:** Leading and championing policy and working alongside central government and iwi to deal with the increasing impact of environmental issues

including climate change, the quality and quantity of New Zealand's freshwater resources, and biodiversity.

- **Social:** Working alongside central government, iwi and stakeholders to address social issues and needs in our communities including an ageing population, disparity between social groups, housing (including social housing) supply and quality, and community safety.
- **Economic:** Developing a range of policy levers, to address and fund economic development and growth across all of New Zealand.

- 25 The Plan identifies as priorities the need to proactively develop responses to climate change policy and water policy. The climate change work will build on the sector's work around risk and resilience and the roles we will have to play in climate change adaptation and contribution to mitigation. The work on water policy will seek to integrate the quality, quantity, infrastructure and affordability debates.

### **Tourism Infrastructure Fund**

- 26 The new Tourism Infrastructure Fund was recently announced by Tourism Minister Hon. Paula Bennett.
- 27 The \$102 million fund over four years is a boost for tourism infrastructure funding and recognises the real need some communities are facing as a result of booming visitor numbers. Compared with the \$12 million over four years in the Regional Mid-sized Tourism Facilities Grant Fund announced last year, the new fund adds impetus in this area.
- 28 The panel responsible for assessing proposals and recommending a package of infrastructure projects that best aligns with the Government's priorities for the fund was announced by Tourism Minister Paula Bennett.
- 29 The panel members, appointed for a four year term, are:
- Judy Kirk (chair), consultant and experienced director
  - Norm Thompson (deputy chair), Deputy Chair of Auckland Tourism, Events and Economic Development
  - Kauahi Ngapora, General Manager of Whale Watch Kaikoura
  - Chris Roberts, Chief Executive of Tourism Industry Aotearoa
  - Sarah Hannan, Programme Director for the Southland Regional Development Strategy
  - Iain Cossar, General Manager Tourism, Sectors, Regions and Cities at the Ministry of Business, Innovation and Employment
  - Bruce Parkes, Deputy Director-General Science and Policy at the Department of Conservation.

### **Community Safety**

- 30 There have been concerns raised about police resourcing in smaller communities and there has been some movement towards redressing the balance.
- 31 Earlier this year, the Government announced new investment in police. Of an extra 880 police to hit the ground over the next four years 140 are destined for rural and regional areas, a further 20 stations will have a 24/7 officer on duty and all 12 police districts are to receive more police over the four years. The Southern Region is to receive an extra 37 police on top of the 557 sworn staff already policing the Southern Region. The Southland Rural Police base is still to be confirmed.

- 32 Local authorities are encouraged to continue to highlight the issues being faced by communities in their areas. We as a Council now have an opportunity to further work with the Commissioner, our local Area Commanders and the Government to make sure the safety of our communities improves. While four years is a long time to wait, the challenge of recruiting and training 880 new officers cannot be underestimated.
- 33 LGNZ and Chair of the Rural Sector Brian Hanna has met with police Commissioner Mike Bush to discuss the rollout in greater detail and the effectiveness of the regional 'hub' model for rural towns, which has been the source of some concern.

### **Local Government Survey**

- 34 LGNZ has recently released the 2017 Local Government Survey, which is the second three yearly survey looking at how the sector is perceived by citizens and businesses across New Zealand.
- 35 The overall outcome from the survey is similar to the first survey completed in 2014. In summary the key results include:
- The public and businesses consider that local government has an increasingly important role in the country's prosperity and well-being
  - The sectors reputation remains low, and is particularly low amongst businesses
  - There have been, however, some improvements since 2014 with a small positive movement in the public's overall satisfaction with the performance of the sector and the public and businesses are also more positive of the recent performance of Councils in their area than they are of the sector as a whole
  - Key priority areas for improvement continue to be sound financial decision making, delivering strong leadership to develop strategies for prosperity and well-being, and listening to, and acting upon, the needs of the community
  - Compared with 2014 the public and businesses are more likely to want local government to lift its performance by dealing with some of the key issues of the day including transport, infrastructure and housing.
- 36 The findings from this latest survey reinforce the need for the sector as a whole to continue to focus on looking at ways to lift its performance and to also engage with communities about the work that it does. The strategic priorities that Council has developed locally are consistent with this overall theme.
- 37 At a national level LGNZ have developed the CouncilMARK excellence programme to support the work of local authorities that are aiming to lift their performance.

### **CouncilMARK™ Local Government Excellence Programme and Reputation Research**

- 38 Reports from the first group of councils to go through the programme are due to be released in July. It has taken a lot of work from the councils involved, assessors, the Independent Assessment Board and the team at LGNZ to get to this point. It is certainly a comprehensive and collaborative process and the outcomes are going to be effective in achieving the Programme's goal of showing and growing local government performance.
- 39 This is a courageous and necessary step in the sector's long term interest. If we want to change our reputation and our standing with the public then as a sector we have to take action and the Programme will play a critical role in achieving this.

### **Te Anau Wastewater Discharge Project**

- 40 At its 17 May meeting Council asked officers to proceed with the development of a Business Case for the Kepler option. This decision reflects the importance of Council continuing to progress development of this option given the need to have an alternative discharge fully operational by December 2020, unless new consents can be obtained to extend use of the existing Upukerora discharge.
- 41 Following this decision officers have been advancing work to develop the first phase strategic business case and also scope the work needed to develop the financial and commercial business cases needed. This has included workshops to define/refine the key objectives, criteria and weightings.
- 42 In parallel with the work on the Kepler Business Case officers are also progressing development of potential criteria and a process via which it might identify potentially suitable alternative disposal sites. Work is underway to develop these criteria with a report back on these going to the Te Anau Wastewater Project Committee in August. As part of this work officers have undertaken some preliminary GIS work looking at the property sizes, soil classes, and physiographics of the basin.

### **Milford Opportunities Project**

- 43 A strategic Business Case for the Milford Opportunities Project was submitted to the Ministry for Business, Innovation and Employment (MBIE) during June along with details of the proposed governance arrangements for the project. The business case is needed to support the funding agreement that is proposed to be signed between MBIE, the Department of Conservation (DOC) and Council for the project.
- 44 Over recent months there has been significant work advanced by DOC and Milford Sound Tourism looking at different aspects relating to the long term development of Milford and what those development options might mean for the infrastructure and services for which each agency is responsible. The outputs from this work will be used to inform the Milford Opportunities Project strategy work.

### **Using Land for Housing**

- 45 On 17 June the Productivity Commission released a draft report on “Using Land for Housing”. While the report focuses on the processes used within major cities to provide land for housing including the issues relating to housing affordability it is of relevance to all local authorities given that it could well lead to changes within the overall planning framework within which local government works.
- 46 Key issues identified in the report include:
- some of New Zealand’s cities will continue to grow rapidly in the coming years
  - cities have struggled to respond to population growth
  - the projected supply of housing in Auckland is well short of what is needed
  - allowing cities to grow matters for economic growth and individual wellbeing
  - city planning and regulation can work better
  - land readiness matters
  - infrastructure can be a major bottleneck
  - there is scope to make better use of existing funding tools
  - incentives to put land to its best use are needed.

- 47 In response to these issues the Commission have proposed a number of recommendations including:
- allowing large cities to undertake integrated spatial planning as an alternative to current statutory planning mechanisms. This is consistent with recommendations made through previous reviews of the RMA that all regions be required to undertake spatial planning exercises
  - remove regulations that prevent the efficient use of land for housing eg mandatory balconies for apartment
  - give greater priority to cities and housing in the RMA
  - more user charges, particularly for water services, and the removal of prohibitions on tolling and congestion charges
  - greater use of targeted rates to fund infrastructure required to support growth
  - levy rates on Crown-owned land
  - identify and pursue opportunities to develop Crown and local authority land in high growth cities.
- 48 The draft report has been released for public consultation until 4 August. Following consideration of any submissions received the Commission will release a final report which will be considered by central Government.

### **Southland Regional Development Strategy**

- 49 Work has continued with the development of the proposed Council Controlled Organisation (CCO) to lead regional development activity, including the implementation of the SoRDS Action Plan.
- 50 The size of the challenge facing Southland Region was reflected in the Foreward from the Mayoral Forum in the Action Plan where the four Mayors/Chair indicated:
- “The comprehensive development of the region and reversing the loss of population from the demographic time bomb facing us is a challenge at another order of magnitude compared to those we have faced previously.”*
- 51 Given the challenge it is clear that the region needs to significantly lift its performance in advancing development of the region as a whole. While the SoRDS Action Plan provides an overall direction it needs a ‘whole of region’ entity to take it and the broader regional development work needed forward. The need for this was summarised in the SoRDS Action Plan as follows:
- “But the challenges SoRDS is addressing are major, long term and require a strong united regional effort on a scale even Southland has not before achieved.”*
- 52 If progress is to be made in addressing the challenges facing the Region then it is important that Southland District and the region as a whole be prepared to do things differently to the way in which they have been done in the past. Retention of the status quo will not achieve the changes the SoRDS Action Plan indicated as being necessary.
- 53 The work completed to look at a proposed new model has highlighted some differences between the four Councils and other community stakeholders which will need to be addressed as we look at moving forward with the development of a new implementation model.

## **Community and Futures**

### **Representation Review**

- 54 Planning is underway to meet both the statutory requirements of the Representation Review and to inform and engage with the people of Southland.
- 55 The first part of the process will be for Council to consider at meetings in September and October decisions regarding the electoral system to be used for the 2019 and 2022 local authority elections (First Past the Post or Single Transferrable Vote) and whether it wants to consider establishing a Maori ward in the district. These decisions are both required in the legislation.
- 56 Stakeholder engagement will start to occur on the Community Governance Review and Representation Review will be discussed at the Community Conversations in October and November. The issue of representation has already begun to be raised at the April Community Conversations meetings.

### **SOLGM Workshop**

- 57 Officers recently attended the Representation Review Forum run by the Society for Local Government Managers for councils who will be undertaking a Review in 2018. Fifty seven councils are completing reviews. This was a timely reminder about the processes to consider, an opportunity to hear best practice examples, and get advice from the Local Government Commission on their expectations. The learnings from this forum will feed into the planning for the Representation Review.

### **Community Conversations**

- 58 Council has just completed its second round of Community Conversations in Riverton, Te Anau, Tokanui, Wyndham, Lumsden, Winton, Otautau and Stewart Island. Good numbers turned out at every conversation and there was a wide range of topics discussed. The key topics included connectivity, tourism and freedom camping, environmental bottom lines, representation, technology and the changing world.
- 59 Most groups were actively looking to the future and wanted to talk about ensuring their community kept up with the change that is happening. Council plans to hold the next round of Community Conversations in late October-early November, with a focus on community governance and representation and the upcoming Long Term Plan.

### **Residents Survey**

- 60 The Resident survey has been completed with a report presented to the Community and Policy meeting in June for information. The research company presented an overview of the results to the committee. Workshops will be held in July with the council activity managers to discuss the results and create any required improvement plans. The final results report will be added to the website and sent to the CDAs and CBs.

### **Port Craig Viaducts**

- 61 To date Council has not had a response to a letter sent to the Viaducts Trust seeking information on their remedial works plans and health and safety practices. Given Council's responsibilities for the viaducts it is imperative that work not be allowed to progress until Council can be assured that the Trust has appropriate health and safety policies and practices in place.
- 62 Officers are going to install further warning signs adjacent to the DoC track down advising people not to go near the Percy Burn Viaduct from below. Meetings with key stakeholders will be organised in the near future.

### **District Facilities Project**

- 63 We have received the third interim report and have met with Venture Southland's, Amy Bird to agree the style of the report and the expectations around the type of analysis. The final report is due by the end of August and will be reported to Council.

### **Te Anau Community Consultation**

- 64 The Board continues to refine the list the community created and will have another workshop on 10 July to continue advancement. The end result will then go back out to the community for a further opportunity to comment.

### **Milford Fibre Optic Proposal**

- 65 The NZ Transport Agency has engaged Deloitte to undertake an indicative business case to consider installation of a fibre optic solution between Te Anau and Milford Sound. To enable NZTA and Deloitte to gauge potential support and uptake of broadband and high speed access for all, they are discussing this business case with key stakeholders to flesh out the potential opportunities and benefits to both the wider Milford business and local community. Kevin Thompson (Milford Alliance) is holding a meeting with key stakeholders on 10 July in Te Anau.

### **Stewart Island Wharves update**

- 66 The community engagement into the Stewart Island wharves owned by Southland District Council and Golden Bay wharf (currently owned by Southport NZ) is about to conclude.
- 67 The independent consultant will have her report completed and submitted to Council by mid-July. Following this Council staff will present the report to the August Council meeting. The engagement process has been well acknowledged and received 102 survey submissions, 3 days of one-to-one interviews on the island, an evening conversation café, and numerous stakeholder interviews on the island and in Invercargill. Preliminary responses indicate there are some common themes coming through from stakeholders and the community that Council may investigate following the report being presented to Council in August.
- 68 The wharves are an important transport link on Stewart Island, and have been described by the community as their SH1. They accommodate commercial, tourism and recreational users.

### **Service Delivery Scoping Project**

- 69 The purpose of this project is to consider future Council service delivery options for communities in the Southland District with demand from residents, ratepayers and visitors being the primary focus.
- 70 Consultant Rebecca Mc Elrea has been engaged to undertake this process and has been working closely with staff to create an appropriate engagement strategy for the project which includes inviting the public to complete surveys, observations of demand for services in the Council offices and libraries around the district and conducting interviews with customer support staff and other Council staff. Once this part of the process is complete, drop-in sessions will be held around the District to discuss the findings and invite further feedback. This project will culminate in a report being presented to Council to discuss the future options for service delivery across the District.

### **2017/2018 Annual Plan**

- 71 The Annual Plan was adopted by Council at its meeting on 7 June and a copy of the final document is available from the Council's website and offices.

- 72 The final plan resulted in a District Rate increase of 3.63%. The actual rates changes for individual properties will differ depending on the services received, location, land-use and land value. The final Annual Plan document includes details of the different rates from page 67 as well as a table showing rates for a range of sample properties on pages 91 and 92.
- 73 The final plan forecasts a surplus of around \$1.4 million. In adopting the plan, Council also confirmed its fees and charges for the 2017/2018. An updated fees and charges schedule is also available from the Council's website and offices. Officer have sent replies letters to those who provided feedback on the Annual Plan letting them know Council's decisions on the matters they raised. Any feedback related to local Community Board or CDA projects have been forwarded on to these committees and their Community Partnership Leaders/Community Engineers to consider.

### **2018 - 2028 10 Year Plan**

- 74 Work is well underway on the programme of work related to the 2018 - 2028 10 Year Plan. This is the main activity planning and budgeting document for Council. It sets out what services and activities Council will provide, who will pay (and how) and how Council will measure its performance. The purpose of the plan is to:
- Describe the activities of Council
  - Describe the desired community outcomes (the outcome Council aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions)
  - Provide for integrated decision-making and co-ordination of resources
  - Provide a basis for accountability
  - Provide a long-term focus for decisions and activities
  - Provide an opportunity for community participation in these decisions.
- 75 As the plan covers a ten year period (30 years for infrastructure-related assets), the process of preparing the plan is also about considering how the community (and therefore what the community needs from Council) may change in the future. This is then used to identify any key issues and decisions about Council's activities and services with any options identified and the community consulted before final decisions are made.
- 76 Officers have spent the past three months focussed on reviewing Activity Management Plans which underpin the thinking behind what is needed to be done over the next ten years for each key activity area. This has also involved preparing budgets for the next ten years and, as part of this, Council's Community Partnership Leaders have been talking to local Community Boards and CDA Subcommittees about any local projects for that period that they are considering which need to be allowed for in the budgets. Once this work is completed officers will review the financials and the ability to deliver on the work programme and discuss this with Council and local committees in the coming months.
- 77 Workshops are also planned with councillors over August, September and October to discuss the draft Activity Management Plans and budgets and get input into options being considered. An overview of the key stages of the process are shown in Work Plan below. Officers are working through the process and aim to have a draft of the documents prepared by the end of 2018 ready for audit in January 2018 with community consultation in March/April 2018.

### **Stewart Island/Rakiura Visitor Levy Policy**

- 78 Later this year, Council staff will commence a review of the Stewart Island Rakiura Visitor Levy. This will include a thorough review of all parts of the Levy, including reviewing the Stewart Island Rakiura Visitor Levy Policy. As part of this work, Council will be engaging with people in the District to get community views on the Levy and how it should be used.

## **Environmental Services**

### **Resource Management Act Amendments**

- 79 Now that the Resource Management Act amendments have been enacted, staff are working through the implications of these. A report was presented to Council at its meeting on 21 June 2017 explaining the key changes.
- 80 It will be important to ensure that the Council's RMA delegations to staff accurately reflect the new provisions of the Act. A report seeking approval for consequential amendments to these delegations is being developed. This is important to enable staff to give effect to new provisions such as streamlined processing times for simple consents.
- 81 The Ministry for the Environment presented a seminar on the new National Planning Templates under the amended legislation at ICC on 21 June 2017, which a number of staff attended, although these are in their early stages and the information provided was hence fairly general.

### **Earthquake Prone Amendments to the Building Act 2004**

- 82 As previously advised the Building (Earthquake-prone Buildings) Amendment Act 2016 No. 22 have now taken effect from 1 July 2017.
- 83 Councillors will recall that key elements of this can be briefly summarised as setting timeframes for assessing buildings identified as potentially earthquake prone, and timeframes for strengthening such identified buildings. The assessments are based on the risk zone within which they are located (Southland District contains High, Medium and Low zones), the use of the buildings and their potential for collapse on key thoroughfares.
- 84 Council's Team Leader Building Solutions Michael Marron and Senior Building Inspector Peter Meikle are developing an action plan for giving effect to these legislative amendments.

### **National Policy Statement for Fresh Water**

- 85 On 5 July a number of officers and elected representatives attended a briefing and interactive discussion on the National Policy Statement for Fresh Water from the Deputy Secretary for the Environment and other senior Ministry for the Environment staff, at Environment Southland. Officers also attended a focused session on the same topic earlier on the same day, which was more focused around discussing the implications of the delivery of this National Policy Statement for territorial authorities.

### **Building Control**

- 86 The issued consents for May 2017 are down by 17%. However, this is in the lower level consent processing category. New houses and house alterations are up slightly. Heating units are back significantly on the same period as last year. The value of consented work is up by 38% which would reflect the complexity of work associated with processing the consents.

- 87 There is a spike in the average cost of a new home up by 65% to \$219,512 and the cost per square metre has also increased 41% to \$223.66 on the same period as last year. The department also completed 414 inspections which is also a noted increase.
- 88 June has shown an increase on the number of consents issued for the same period last year. There is a noted rise in the number of consents issued for new dwellings up from 8 to 16. This represented an additional two to three days of consent processing time. The team also carried out 300+ inspections for the month. These numbers reflect the same level of work in 2015 when there were three additional officers in the Building Control team.
- 89 There were three cowsheds consented this month and none for the same period last year and farm buildings increased from 12 to 24 over the same period. There appears to be a slight increase on farm building consents over the past few months. This appears to indicate improving confidence in the sector.
- 90 The number of consents issued were up 33% compared to the same period last year, however the value of work consented has increased by over 100%. This is accounted for in a 300% increase in the value of work for commercial consents with only one additional consent being issued over the same period last year. The size and complexity of the houses issued this month appears to be predominantly simple in design and smaller in size, this type of dwelling is typically associated with a second home or a rental property more than a large retirement or dream home.
- 91 The consents issued this month will generate 414 inspections over the coming year if all work is completed in a 12 month period.
- 92 Overall, the 2016/2017 financial year has proven to be similar to last year in relation to the number of consents issued - only down by 4% however the value of work has increased by 4%. This is a reflection on the greater complexity of work being consented.

### **Dog Registrations**

- 93 Officers have been with dog registration renewals, with a number of queries being received concerning the new discount regime. Most dog registrations are expected to be processed by around August. Immediate benefits are expected to be high levels of compliance with the microchipping requirement, and in time a reduced rate of wandering dogs and dog nuisance.

### **Food Act**

- 94 All food businesses that were required to transfer to the new Food Act 2014 regime by 30 June 2017 have done so. The Ministry of Primary Industries has a transfer timetable in place and it is in three phases over a three year period ending in early 2019. The first large group of businesses, those with alcohol on-licences, have successfully transferred over. Officers are focussing on the next group of food businesses that are required to transfer by mid-2018, a group including food service businesses without on-licences (eg some cafés and restaurants).

### **Combined Local Alcohol Policy**

- 95 Gore District, Invercargill City, and Southland District Councils are starting discussions on the review of the Combined Local Alcohol Policy that is due next year. It was adopted in 2016 and its key content was setting hours of business for alcohol licences in the region. The other Southern Councils have yet to adopt a Local Alcohol Policy.

### **Rakiura Heritage Centre**

- 96 Resource consent was lodged on 1 March to construct a heritage centre at 6 Argyle Street, Oban. This application has been limited notified to adjoining residents and two submissions

have been received in support. As no submissions were received in opposition a decision can be made under delegated authority without the need for a hearing.

### **Notice of Requirement (Edendale)**

- 97 The submission on the proposal to realign State Highway 1 closed on 11 May. A total of 18 submissions were received and an indicative timeframe for holding a hearing will be late August. An Independent Commissioner will hold the hearing and make a decision on the application.

### **District Plan Appeals**

- 98 The Environment Court mediation on the Proposed District Plan will be held between 8-11 August. All five appeals will be discussed with the aim of resolving these appeals without going to a court hearing, provided that can be achieved without compromising key environmental bottom lines.

### **Non-notified Resource Consents and Other RMA Items**

- 99 Resource consent application numbers being lodged with Council remain steady, with some moderate to large scale development currently occurring in the District. Most consents are being processed within the statutory processing timeframes.
- 100 An average processing time of 16.83 working days from receipt of all required information was achieved for the 6 non-notified consents processed. Five consents were processed within the 20 working day statutory timeframe.

Also processed during this timeframe were two section 88(3) returned applications and one withdrawn application. The number of applications processed was below average this month.

## **Services and Assets**

### **Around the Mountains Cycle Trail - Business Case**

- 101 Work is underway to look at how we might progress development of the business case looking at options for the completion of the Around the Mountains Cycle Trail.
- 102 The initial phase of the business case development will be an Investment Logic Mapping (ILM) workshop. This is a workshop through which we will work through a process to identify the key problem issues and identify the options and benefits.
- 103 The latter part of the process develops the costs and risks of each option and so allows for the full business case to be drafted. At this stage it is anticipated that the business case will be presented towards the end of the 2017 year.

### **Around the Mountains Cycle Trail - MBIE Improvements Funding**

- 104 The Ministry for Business Innovation and Employment (MBIE) has been discussing with officers options for providing assistance to fund 'safety' improvements to the cycle trail on the section of road between Walter Peak and Mavora Lakes. They have proposed a scenario where because of safety concerns for cyclists being caught in bad weather the MBIE will find the full cost of the improvements. This will be subject to agreement with Council about future work and conditions around future funding requests. Discussions will progress with MBIE on this in the second week of July. A teleconference is set down for Monday 10<sup>th</sup> July 2017.

### **Te Anau Airport - Manapouri**

- 105 Runway works in the form of repair and maintenance is a subject that will be addressed during the winter months with crack sealing commencing in the warmer summer months. This will ensure that we get the most out of the overlay seal on the older portion of the runway. Along

with the crack sealing, runway markings will be renewed in portions of the runway effected by crack sealing and other areas that are becoming unserviceable.

- 106 Management staff attended the Invercargill Airport Emergency Exercise during June with some positive lessons learnt which will be incorporated into our Airport Emergency Plan. All staff are through their refresher training ready for the upcoming summer season from the beginning of September through to the end of May.
- 107 The following statistics look over the last six years of operations and provides a steady level of overall growth in aircraft movements:
- Large Aircraft: On average, we get 49 movements during the summer season or just under 1.5 movements per week. In the peak months, we get up to three movements per week and in the shoulder seasons we get one. The percentage increase in aircraft movements over the six year period is approximately 10%.
  - Small Aircraft: On average, we get 246 movements during the summer season or just under seven movements per week. The season doesn't have many highs and low and is mainly constant due to proximity of training organisations in Dunedin and Invercargill, helicopter transit flights from Queenstown and two resident commercial transport operations. There is a slight decline in small aircraft movements this summer season of approximately 6%. This is due to commercial transport operators using larger aircraft which is reflected in a slightly higher revenue take relating to higher landing charges. Less private aircraft owners have additional discretionary income which has been reported by several small aerodromes adding to this decline.

#### **SIESA (PowerNet)**

- 108 The replacement of high voltage strain insulators didn't progress during May as planned due to unavailability of resource from Invercargill. The plan was to replace the 'kidney' strain insulators in Horseshoe Bay Road and Miro Street, this would have necessitated an outage for the commercial area of Oban. The intention is now to complete some of the "end of circuit" replacements which can be managed by station staff. The large section through Oban will be completed prior to the busy part of the tourist year begins.
- 109 As part of the line survey the four streetlight poles outside the school have been identified as not being suitable for further use with cracks in the concrete and electrical covers being "taped on". These will be replaced with bollard type lights, during LED Streetlight upgrade project.
- 110 The tripping issue with Unit 5 has been addressed. As part of the fuel line / day tank installation bunding pipes were installed across the station driveway and connection of pipework and installation of new pumps will be undertaken shortly.

#### **Forestry (IFS)**

- 111 Harvesting continues with 40,000 tonnes harvested to the end of May. Log prices and yields continue to improve against budget, with a healthy net position forecast by year's end of \$2.9M.

#### **Community Centres**

- 112 Edendale hall is on the market for disposal by way of a fixed price given that only one tender was received, which was significantly lower than the market analysis. No action taken yet on the disposal of the Hokonui hall. Menzies Ferry is in a similar situation, however work has commenced to survey out the local war memorial to be retained by Council, prior to starting the local community consultation about closing the hall.

### **Community Housing**

- 113 Occupancy still reasonably high across the district with the external painting project at Wyndham and Edendale completed.

### **Office Buildings**

- 114 Refurbishment has been completed for some rooms in the Invercargill office, as the final step of the reorganisation to allow teams to operate together rather than continue to be separated.

### **Public Conveniences**

- 115 Predominantly, business as usual when it comes to operations, however the budgets clearly show an increase in costs for those toilets situated on the main tourist routes. The upgrade project at Colac Bay has been deferred until the Foreshore Road access issues have been resolved.
- 116 Given that some Council facilities have wash basins or taps connected to non-Council provided potable water supplies, a legal opinion was sought on Council's potential liability should someone use this water for drinking. The opinion advised that if the water is not suitable for that purpose and Council has clearly signed that this is the case, then none if any liability exists if someone drinks the water.
- 117 A project is currently underway to identify these sites and to have the appropriate signage provided.

### **Water Structures**

- 118 Plans are underway to do some initial investigations of the Waiau River boat ramps to identify any urgent issues to be included in this Long Term Plan. A more detailed inspection will be undertaken prior to the next Long Term Plan.
- 119 Licence Agreements with private berth owners at Riverton is progressing with a majority signed and returned. The outstanding ones will be followed up.

### **Curio Bay Project**

- 120 Ongoing with Council's waste water project and Department of Conservation's carpark completed. The South Catlins Trust has the new camping amenities building operational as well as commencing construction on the new heritage building. An ancillary project has resulted from all this development and the three parties in conjunction with other interest groups, are involved in a planting programme on the reserve to increase the habitat for the Yellow Eyed Penguins.

### **Land and Water Plan Implementation**

- 121 Under the National Policy Statement for Freshwater Management (NPS-FM) water quality and quantity are to be maintained and improved, and any over allocation to be phased out over time. Environment Southland (ES) is required to set environmental limits by 2025, with all "communities" required to meet those limits in due course. They are progressing this work via their proposed Water and Land Plan.
- 122 To assist with addressing the impacts of these changes on local authority infrastructure ES have formed a 3 Waters Officer Working Group. The objectives of the Group are to work through the implications of the new freshwater standards, develop an agreed approach to the re-consenting of local authority infrastructure and ensure that the organisational objectives are aligned.
- 123 Council staff, consultants and legal counsel have now prepared evidence for presentation at a hearing in September where submissions on the proposed Water and Land Plan will be

heard. Evidence has been prepared in conjunction with both Gore District and Invercargill City Councils given that the range of issues arising from the plan are likely to have an impact on each Territorial Local Authorities.

### **Havelock North Drinking Water Inquiry**

- 124 The Government established an Inquiry into the issues relating to the contamination of the Havelock North Water Supply last year. The inquiry was originally due to report back to Government by 31 March 2017. The report back date has now been extended and split into two separate phases.
- 125 Stage 1 will address matters relating directly to the Havelock North water contamination incident and the response to that incident. It will include findings of fact and fault. Stage 1 findings were released in May. Key findings include:
- Contamination of drinking water was confirmed as the source of the outbreak
  - Contamination is understood to have arisen from inundation of neighbouring paddocks resulting in water from a pond entering the aquifer around 90m from the bore identified as the source
  - Failings on the part of both the District Council and Regional Council, although not directly responsible for the outbreak, were definitely a contributory factor
  - Lack of contingency planning by the District Council
  - Failure of technical advisers to adequately assess and report on security of the bore heads.
- 126 Water and Waste staff are currently working through understanding the implications of the findings in relation to the 12 community water supplies for which Council has responsibility.
- 127 Stage 2 will address the broader systemic issues and provide recommendations about managing water supply across New Zealand. It will examine the existing statutory and regulatory regimes involved in delivering drinking-water to see if improvements can be made. Stage 2 of the Inquiry is now due to be reported back by 8 December 2017.
- 128 The recommendations coming out of Stage 2 of the Inquiry are expected to be of significance for all local authorities.

### **Alternative Coastal Route Seal Extension Project**

- 129 A sod-turning and blessing for the commencement of the Alternative Coastal Route Seal Extension Project was held in May.
- 130 There is a high level of 'enthusiasm' and support from the local community for the project, which is making it easier for the contractors undertaking the work.

### **District-Wide Resurfacing Contract**

- 131 The Services and Assets Committee have approved the release of tenders for two three-year road resurfacing contracts. The decision to combine the work into three year contracts was made to try and achieve better value for money and mitigate the 'peak and trough' variables which come from having single year contracts.

### **NZTA Investment Procedural Audit**

- 132 An NZTA Investment procedures audit is due to be undertaken this month. As part of this process NZTA will be reviewing the allocation of funding between in-house resources and the professional services contract.

### People and Capability

- 133 The proposed new Health and Safety Governance Framework and draft Health and Safety Plan for 2017/2018 were approved by the Finance and Audit Committee at their meeting on 7 June.
- 134 Both documents have been developed in response to the improvement opportunities identified through the Gap Analysis audit completed by Simpson and Grierson earlier this year.

### Customer Support

- 135 Officers have discussed with the Te Anau Community Board options for the development of a 'community hub', which would include having one centralised location for Council business in Te Anau.
- 136 The concept will be explored over a period of time but does provide the opportunity for improving our service delivery to customer in this area.

### Recommendation

That the Council:

- a) **Receives the report titled "Management Report" dated 12 July 2017.**

### Attachments

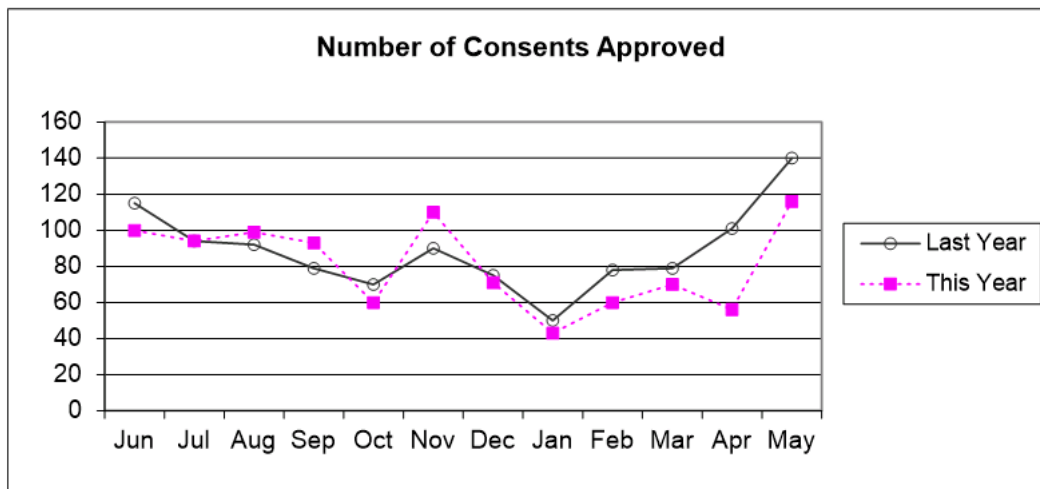
- A LTP Work Plan Overview [↓](#)
- B Building Consents Graph - May 2017 [↓](#)
- C Building Consents Issued Values - May 2017 [↓](#)
- D Building Consents Issued Numbers - May 2017 [↓](#)
- E Building Consents Graph - June 2017 [↓](#)
- F Building Consents Issued Numbers - June 2017 [↓](#)
- G Building Consents Issued Values - June 2017 [↓](#)
- H Resource Consent Numbers - May 2017 [↓](#)

## Item 8.5 Attachment A

2018 LTP Work Plan Overview		Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
1	Budget review + input (Projects, Budgets)			Local Projects	Local Projects												
2	Budget Finalisation and Estimates Analysis							Incl local est	Incl local est								
3	Budgets finalised																
4	AMP Review (Documents, SF, LOS, KPI's)																
5	AMP Finalisation																
6	Finalise assumptions + AMP PART A																
7	Infrastructure Strategy																
8	Financial Strategy																
9	Policy Reviews																
10	QA / Peer Reviews																
11	Document Prep (consultation) + Final																
12	Performance Information (LOS + KPI's)																
13	Audit																
14	Community Conversations + Consultation																

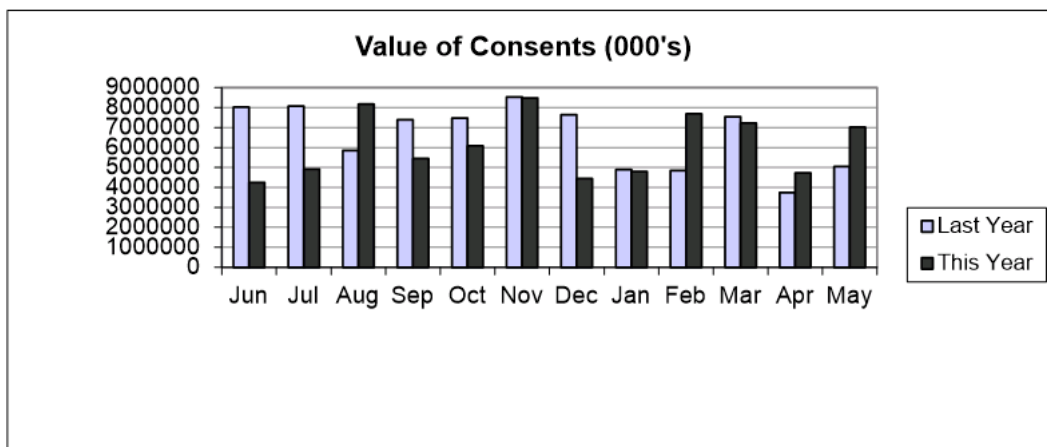
## Southland District Council Building Consents

### Monthly Report - May 2017



#### Percentage Changes - Total Consents

From:	Last month	107.14%
	This month last year	-17.14%
	Cumulative year this month last year	-8.56%



#### Percentage Changes - Total Dollars

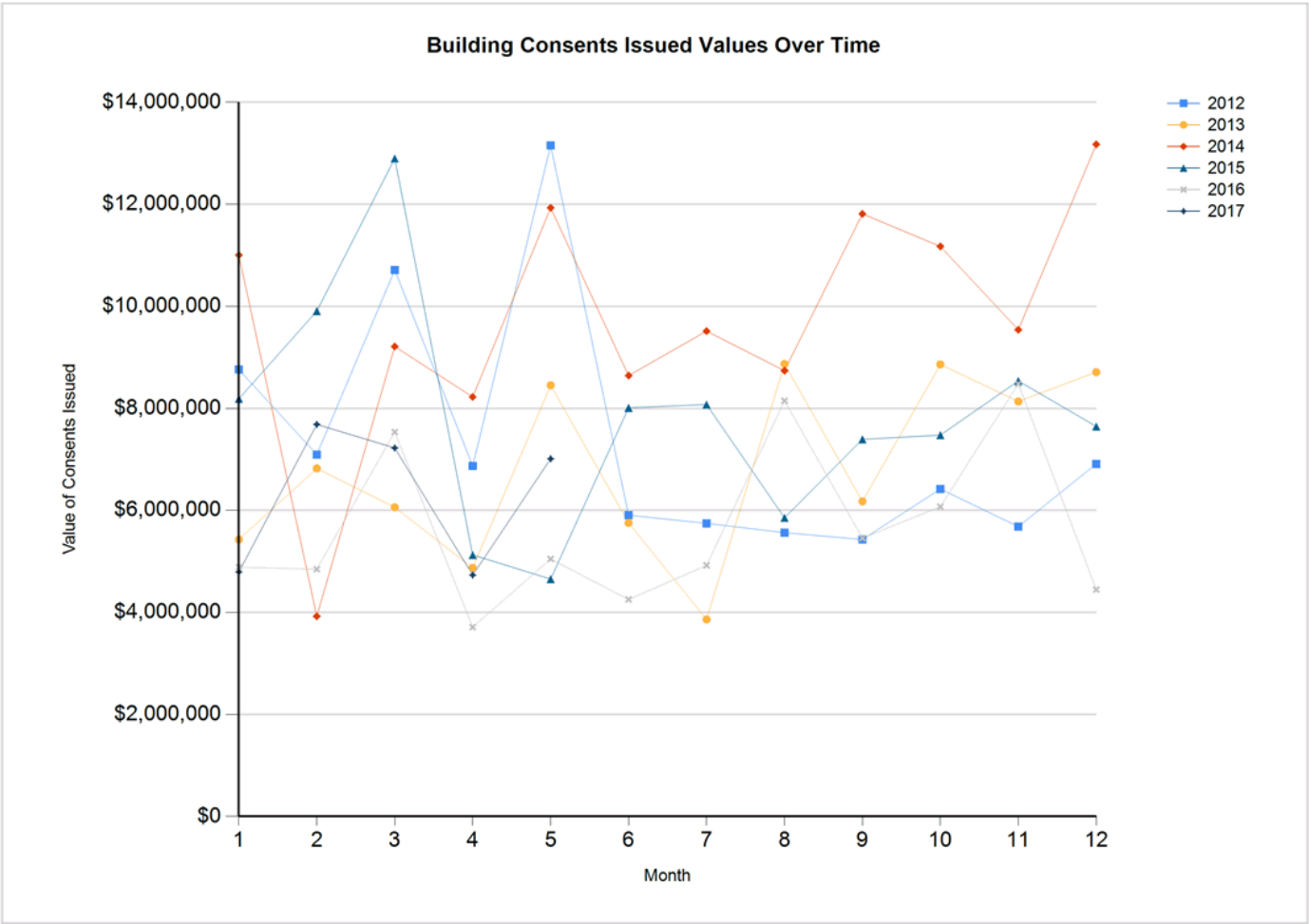
From:	Last month	48.18%
	This month last year	38.91%
	Cumulative year this month last year	-7.36%

## Item 8.5 Attachment C

**Building Consent Issued Values**

Decision Month	2012	2013	2014	2015	2016	2017	Total
January	\$8,761,841	\$5,430,178	\$11,004,801	\$8,187,785	\$4,887,663	\$4,792,520	\$43,064,788
February	\$7,094,309	\$6,822,148	\$3,923,722	\$9,907,900	\$4,848,585	\$7,685,823	\$40,282,487
March	\$10,712,479	\$6,061,045	\$9,212,772	\$12,900,191	\$7,537,689	\$7,225,025	\$53,649,201
April	\$6,871,776	\$4,875,339	\$8,223,725	\$5,127,436	\$3,711,350	\$4,732,284	\$33,541,910
May	\$13,153,910	\$8,452,973	\$11,929,819	\$4,653,849	\$5,048,003	\$7,012,202	\$50,250,756
June	\$5,907,098	\$5,755,189	\$8,642,715	\$8,010,777	\$4,253,356		\$32,569,135
July	\$5,745,579	\$3,863,110	\$9,514,841	\$8,076,255	\$4,923,057		\$32,122,842
August	\$5,564,201	\$8,869,939	\$8,738,431	\$5,855,620	\$8,149,207		\$37,177,398
September	\$5,429,701	\$6,177,080	\$11,813,442	\$7,393,073	\$5,456,971		\$36,270,267
October	\$6,420,178	\$8,861,336	\$11,173,980	\$7,475,727	\$6,073,094		\$40,004,315
November	\$5,682,807	\$8,136,544	\$9,540,239	\$8,538,326	\$8,481,838		\$40,379,754
December	\$6,911,079	\$8,710,688	\$13,174,785	\$7,645,900	\$4,447,994		\$40,890,446
<b>Total</b>	<b>\$88,254,958</b>	<b>\$82,015,569</b>	<b>\$116,893,272</b>	<b>\$93,772,839</b>	<b>\$67,818,807</b>	<b>\$31,447,854</b>	<b>\$480,203,299</b>

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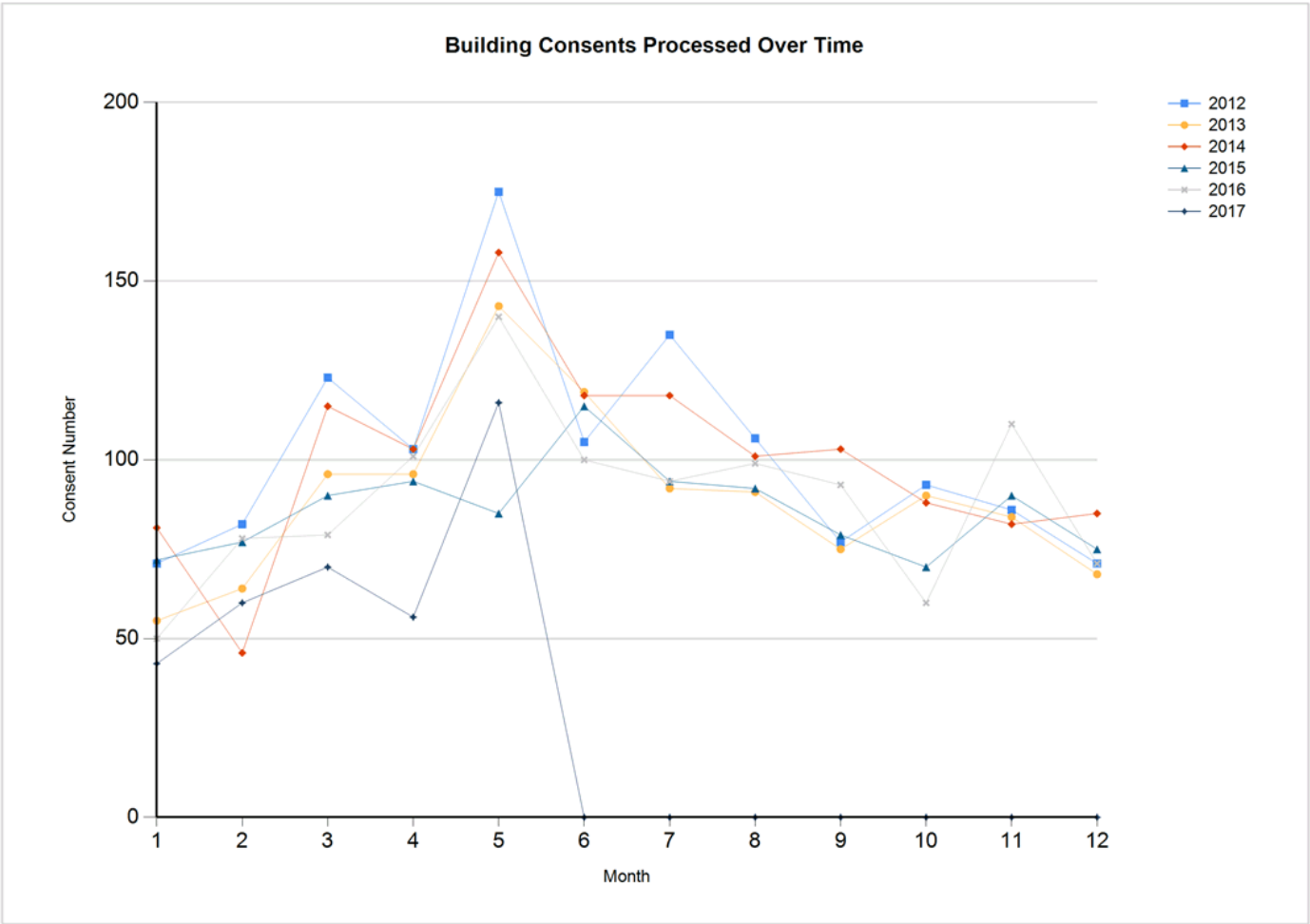
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## Item 8.5 Attachment D

**Building Consent Issued Numbers**

Decision Month	2012	2013	2014	2015	2016	2017	Total
January	71	55	81	72	50	43	372
February	82	64	46	77	78	60	407
March	123	96	115	90	79	70	573
April	103	96	103	94	101	56	553
May	175	143	158	85	140	116	817
June	105	119	118	115	100	0	557
July	135	92	118	94	94	0	533
August	106	91	101	92	99	0	489
September	77	75	103	79	93	0	427
October	93	90	88	70	60	0	401
November	86	84	82	90	110	0	452
December	71	68	85	75	71	0	370
<b>Total</b>	<b>1227</b>	<b>1073</b>	<b>1198</b>	<b>1033</b>	<b>1075</b>	<b>345</b>	<b>5951</b>

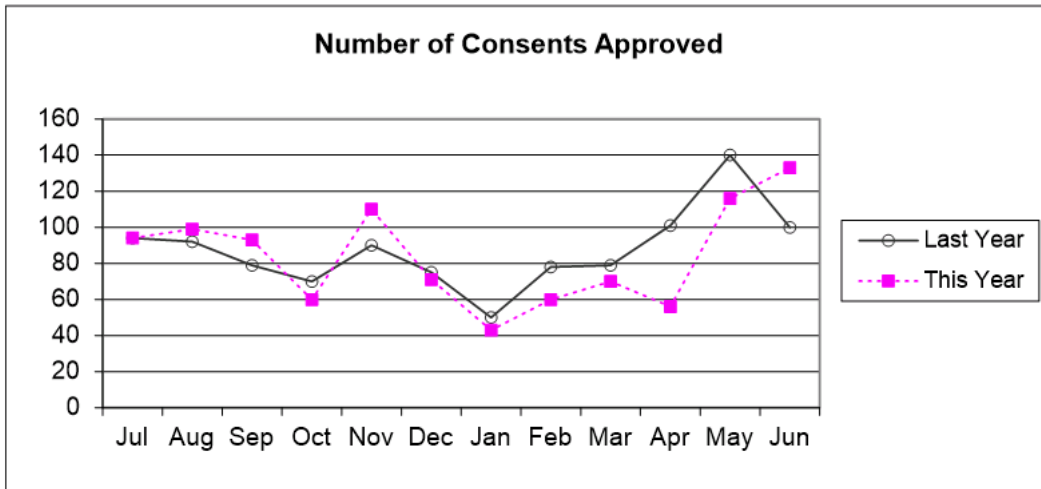
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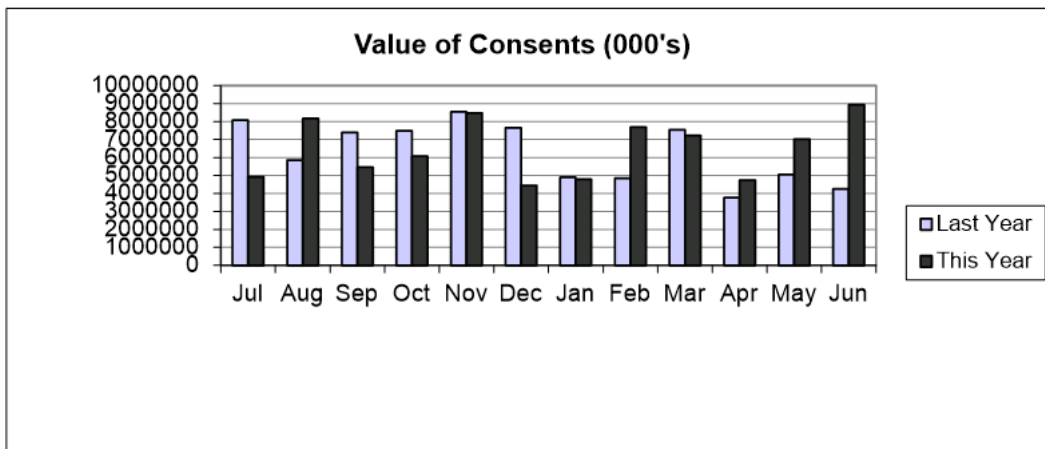
## Southland District Council Building Consents

### Monthly Report - June 2017



#### Percentage Changes - Total Consents

From:	Last month	14.66%
	This month last year	33.00%
	Cumulative year this month last year	-4.10%



#### Percentage Changes - Total Dollars

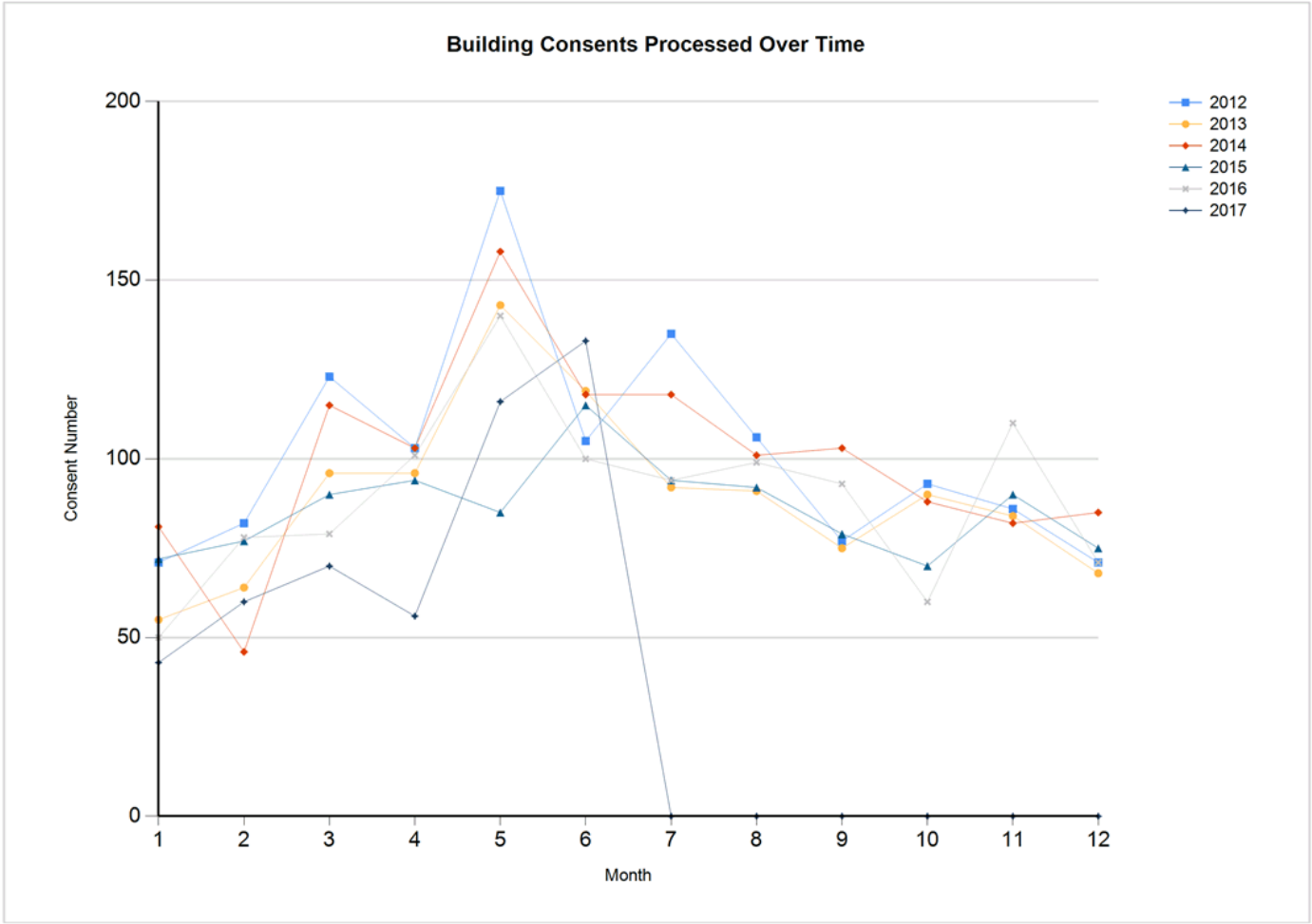
From:	Last month	27.44%
	This month last year	110.10%
	Cumulative year this month last year	3.48%

## Building Consent Issued Numbers

Decision Month	2012	2013	2014	2015	2016	2017	Total
January	71	55	81	72	50	43	372
February	82	64	46	77	78	60	407
March	123	96	115	90	79	70	573
April	103	96	103	94	101	56	553
May	175	143	158	85	140	116	817
June	105	119	118	115	100	133	690
July	135	92	118	94	94	0	533
August	106	91	101	92	99	0	489
September	77	75	103	79	93	0	427
October	93	90	88	70	60	0	401
November	86	84	82	90	110	0	452
December	71	68	85	75	71	0	370
<b>Total</b>	<b>1227</b>	<b>1073</b>	<b>1198</b>	<b>1033</b>	<b>1075</b>	<b>478</b>	<b>6084</b>

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Item 8.5 Attachment F



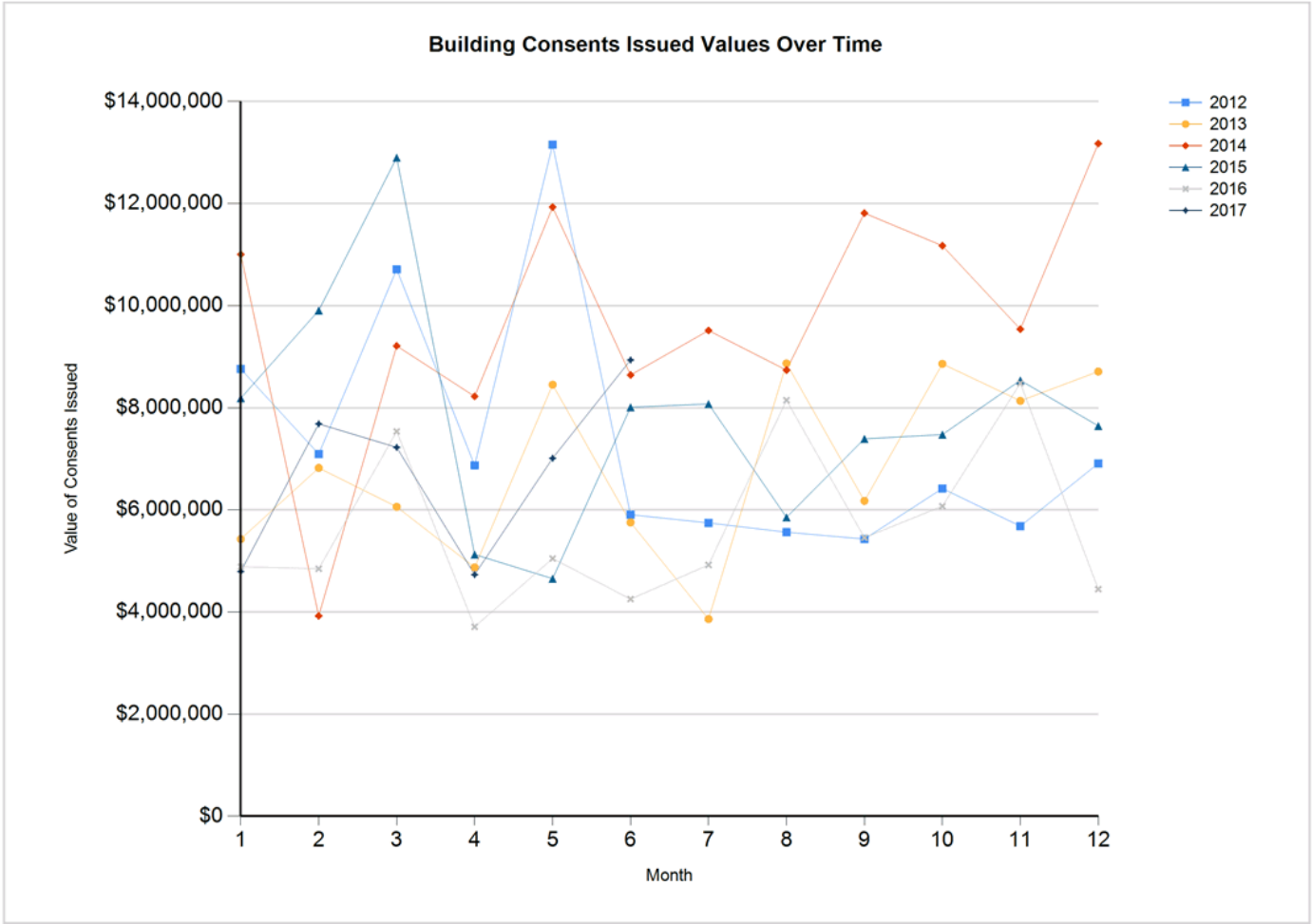
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## Building Consent Issued Values

Decision Month	2012	2013	2014	2015	2016	2017	Total
January	\$8,761,841	\$5,430,178	\$11,004,801	\$8,187,785	\$4,887,663	\$4,792,520	\$43,064,788
February	\$7,094,309	\$6,822,148	\$3,923,722	\$9,907,900	\$4,848,585	\$7,685,823	\$40,282,487
March	\$10,712,479	\$6,061,045	\$9,212,772	\$12,900,191	\$7,537,689	\$7,225,025	\$53,649,201
April	\$6,871,776	\$4,875,339	\$8,223,725	\$5,127,436	\$3,711,350	\$4,732,284	\$33,541,910
May	\$13,153,910	\$8,452,973	\$11,929,819	\$4,653,849	\$5,048,003	\$7,012,202	\$50,250,756
June	\$5,907,098	\$5,755,189	\$8,642,715	\$8,010,777	\$4,253,356	\$8,936,485	\$41,505,620
July	\$5,745,579	\$3,863,110	\$9,514,841	\$8,076,255	\$4,923,057		\$32,122,842
August	\$5,564,201	\$8,869,939	\$8,738,431	\$5,855,620	\$8,149,207		\$37,177,398
September	\$5,429,701	\$6,177,080	\$11,813,442	\$7,393,073	\$5,456,971		\$36,270,267
October	\$6,420,178	\$8,861,336	\$11,173,980	\$7,475,727	\$6,073,094		\$40,004,315
November	\$5,682,807	\$8,136,544	\$9,540,239	\$8,538,326	\$8,481,838		\$40,379,754
December	\$6,911,079	\$8,710,688	\$13,174,785	\$7,645,900	\$4,447,994		\$40,890,446
<b>Total</b>	<b>\$88,254,958</b>	<b>\$82,015,569</b>	<b>\$116,893,272</b>	<b>\$93,772,839</b>	<b>\$67,818,807</b>	<b>\$40,384,339</b>	<b>\$489,139,784</b>

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Item 8.5 Attachment G



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## May 2017

Application Number	Applicant	Address	Ward	Description of Application	Working Days (from receipt of all information)	Total Costs Incurred	Processing Officer	Decision Date
2016/53227	J E McDougall and M E L McDougall	131 Eglinton Street, Winton	Winton Wallacetown	Three lot subdivision	18	840.00	Olivia Krielen	17/05/2017
2017/53008	T E McDougall and F C M R McDougall	63 Great North Road, Winton	Winton Wallacetown	WITHDRAWN - To operate a fast food shop in the Industrial Zone	9	600.00	Olivia Krielen	18/05/2017
2017/53014	L F Wicks and J H Kraak	1725B Manapouri Te Anau Highway, Manapouri - Hillside	Mararoa Waimea	To build two 2 bedroomed self contained B&B units Tourist Accommodation.	14	871.00	Olivia Krielen	9/05/2017
2017/53031	K A Soundy and P W Soundy	1121 Garston Athol Highway, Athol	Mararoa Waimea	To relocate an existing fishing shop cabin and erect a new building	16	845.00	Olivia Krielen	11/05/2017
2017/53043	M B Saunders	150 Diana Road, Makarewa	Winton Wallacetown	Erect a shed including temporary dwelling	20	600.00	Olivia Krielen	12/05/2017
2017/53050	M J Guise and J L Guise	37 Lawson Burrows Crescent, Te Anau	Mararoa Waimea	Two lots	23	660.00	Olivia Krielen	5/05/2017
2017/53055	C M Sheard	17 Waiau Street, Manapouri	Mararoa Waimea	For two lots	10	600.00	Jennifer Green	15/05/2017
2017/53058	K Lewis	70 Hicks Road, Stewart Island	Stewart Island Rakiura	To establish an accessway and a building platform	4	N/A		1/05/2017
2017/53073	Gorge Road Country Club Incorporated	5 Factory Road, Ashers	Waihopai Toetoes	Off-site signage for Gorge Road Country Club at three sites	10	N/A		29/05/2017



## Financial Report for the month ended 31 May 2017

Record No: R/17/6/13742  
Author: Robert Tweedie, Management Accountant  
Approved by: Anne Robson, Chief Financial Officer

☐ Decision ☐ Recommendation ☒ Information

### Background

1. This report outlines the financial results for the eleven months to the 31 May 2017 or 91.67% of the financial year.
2. The Monthly and YTD Actual results are compared to the Full Year Budget (Projection) in the attached Summary Monthly Financial Report. The projection values include any 2015/2016 carried forward items approved by Council in August 2016 and any changes as a result of October 2016 and February 2017 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 focuses 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. In the Council Summary and Detailed 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
6. Phasing of budgets occurs in the first 2 months of the financial year, at forecasting and when one-off costs have actually occurred. This should reduce the number of variance explanations due to timing.
7. Where phasing of budgets has not occurred, one twelfth of annual budgeted cost is used to calculate the monthly budget.
8. The second round of forecasting for the eight months has been adopted. The revised budgets are included in the monthly, year to date budgets and projection.
9. 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.

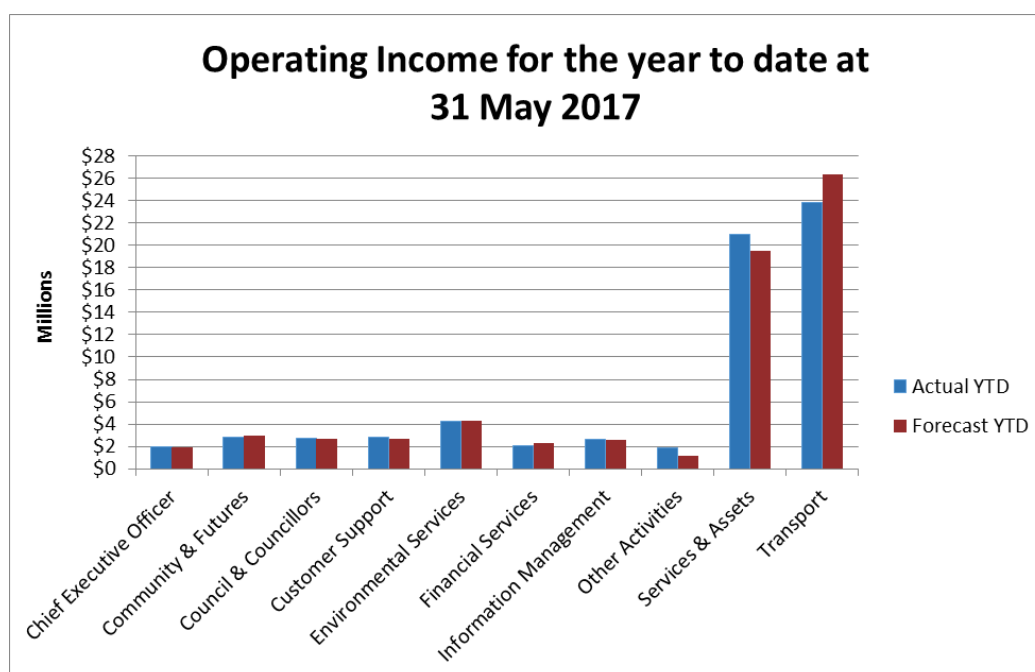
10. The Council Summary Report (actuals vs *phased and forecast* budget) year to date are as follows:

YEAR TO DATE	Actual	Budget	Variance	Act to Bgt
<b>INCOME</b>	\$ 65.9M	\$ 66.5M	(\$0.6M)	↓ (1%)
<b>OPERATING EXPENDITURE</b>	\$ 46.3M	\$ 48.9M	(\$2.6M)	↓ (5%)
<b>NET SURPLUS / (DEFICIT)</b>	\$ 19.6M	\$ 17.6M	\$2.0M	↑ 11%

YEAR TO DATE	Actual	Budget	Variance	Act to Bgt
<b>CAPITAL EXPENDITURE</b>	\$ 16.4M	\$ 20.7M	(\$4.3M)	↓ (21%)

### Income

11. Operating Income is \$0.6M (1%) under budget year to date (\$65.9M actual vs \$66.5M budget).

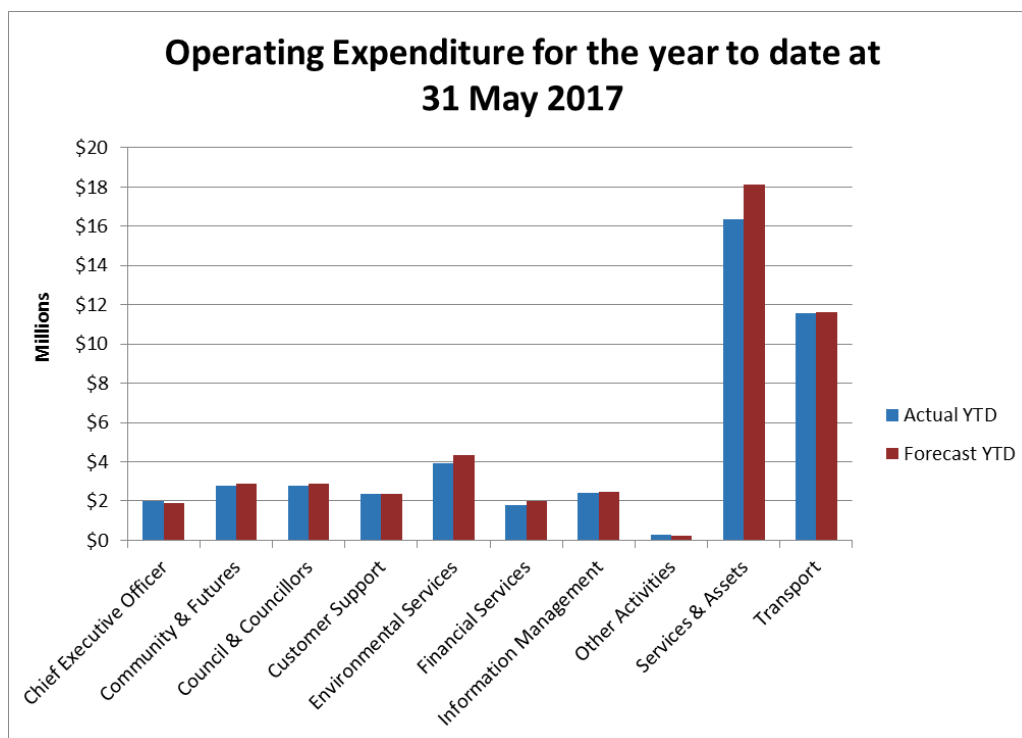


12. Other Activities is over budget due to external interest income on operating investments being higher than budgeted. Annual budget assumptions were made based on the level of cash reserves of projected capital works that were going to be undertaken. Cash reserves have been higher than expected due to the revised project scope and timing of some key projects. This has resulted in earning additional interest income.
13. Services and Assets are over budget. Forestry sales are ahead of projection by \$1M. Dipton sales are forecast to be ahead of target by year end due to better sale prices and greater than expected volumes. Additionally the creation of some access tracks have also resulted in additional harvesting occurring.
14. Transport and Roding income is below budget year to date. The capital works programme has commenced but is still behind the planned schedule which directly affects the level of income from NZTA. Work on the Southern Scenic Route is anticipated to be behind budget and operational expenditure is projected to be on budget by year end. In order to fully utilise the operational budget the Strategic Roding team have instructed SDC's Alliance partners to pull forward some unsealed road metalling and complete additional unsealed road

drainage renewals. These works have been confirmed by the Alliance partners to be completed by 30<sup>th</sup> June, weather dependant.

### Operating Expenditure

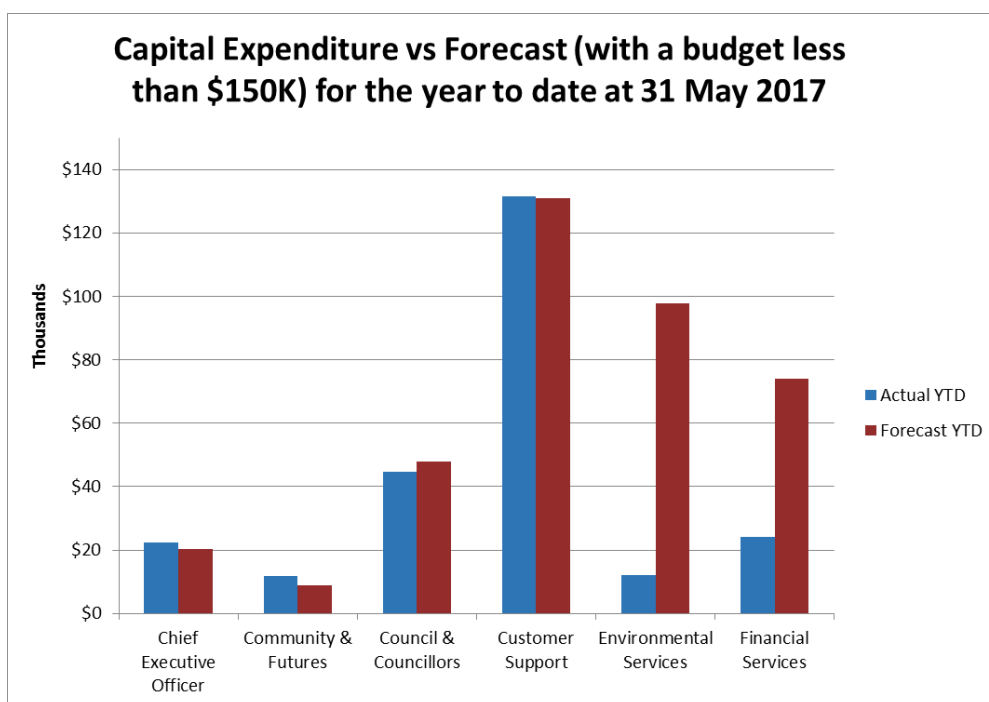
15. Operating Expenditure is \$2.6M (5%) under budget for the year to date (\$46.3M actual vs \$48.9M budget).



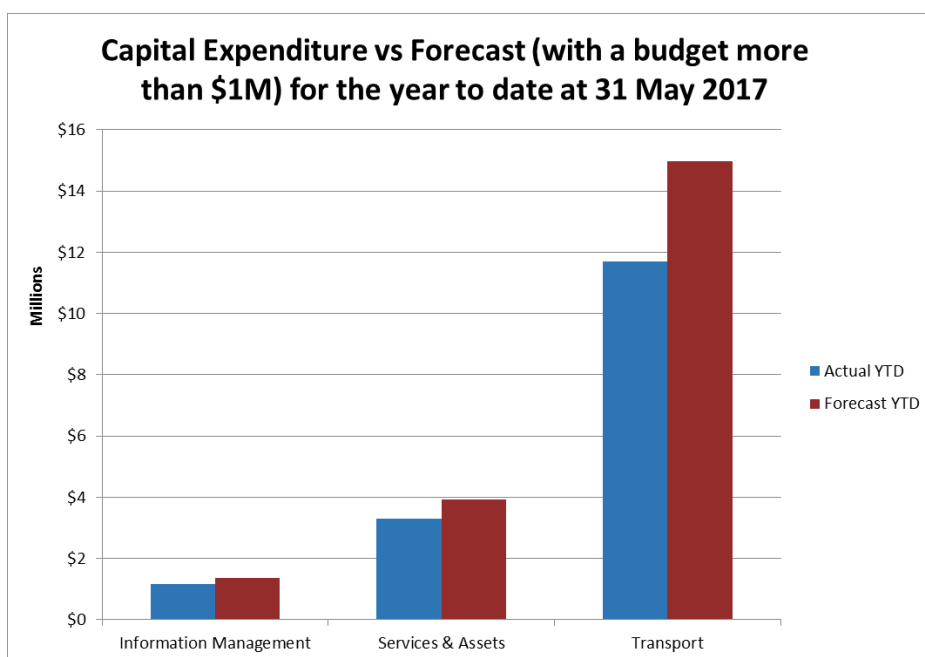
16. Environmental Services is below budget. This is due to reduced staffing levels particularly in resource consents and planning and less costs being incurred in relation to the district plan than budgeted. It is expected that this area will continue to be under budget at year end.
17. Overall, Financial Services is \$213K below budget year to date. This is principally due to lower insurance, debt collection, legal and valuation roll costs as well as savings due to staff vacancies. It is expected that the business unit will continue to be under budget at year end.
18. Services and Assets are under budget by \$1.7M. Costs incurred to date in relation to stages 8 & 9 of the cycle trail will be expensed in June.

### Capital Expenditure

19. Capital Expenditure is \$4.3M (21%) under budget year to date (\$16.4M actual v \$20.7M budget).



20. Community and Futures capital expenditure relates to office furniture purchased in the Policy and Governance areas. This will be funded from savings in the business unit as a result of a staff vacancy.
21. Due to a current review of the vehicle policy, vehicles within a number of areas have not yet been replaced. The capital budget above for Environmental services is for vehicle replacements.
22. Additionally, the Council pool vehicle has also not yet been replaced with funding budgeted in the Financial Services business unit. The office upgrade commenced in April and was completed in May. It will be within the forecast budget by year end.



23. Capital expenditure for Services and Assets is overall \$634K below budget. Projects in Water (\$1.4m behind budget) and Sewerage (\$476K behind budget) 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. \$1.4M costs in relation to stage 8 and 9 of the cycle trail will be expensed before year end. The year to date budget of \$100K for area engineer vehicles has not been spent and is awaiting the outcome of the vehicle policy.
24. Overall roading capital expenditure is \$3.2M less than budgeted for the year to date due to weather conditions. The resealing programme and tendered projects have commenced and are expected to meet the target by year end, except for the Southern Scenic Route which is anticipated to be behind budget at year end. The NZTA contract runs over a 3 year period ending June 2018. This will be under underspent at year end with approval for all carried forward projects been approved by NZTA.

### **Balance Sheet**

25. Council's financial position as at 31 May 2017 is detailed below and is for the activities of Council only. The balance sheet as at 30 June 2016 represents the audited balance sheet for activities of Council and includes SIESA and Venture Southland.
26. Current Assets (Other Financial Assets) at 30 June 2016 includes cash reserves in Venture and SIESA when the year-end accounts were consolidated. An additional amount of \$10M in term deposits was disclosed under Other Financial Assets. This is in line with reporting standards for deposits with a term of 90 days or more at year end.
27. At 31 May 2017, Council had \$15M invested in five term deposits ranging from three to six month maturities as follows:

Bank	Amount	Interest Rate	Date Invested	Maturity Date
ANZ	\$ 3,000,000	3.30%	1-Mar-17	19-Sep-17
ANZ	\$ 2,000,000	3.20%	23-May-17	17-Aug-17
ASB	\$ 5,000,000	3.61%	30-May-17	30-Nov-17
BNZ	\$ 2,000,000	2.12%	30-May-17	19-Jul-17
Westpac	\$ 3,000,000	2.80%	31-May-17	17-Aug-17

28. Funds on call:

Balance at 31 May 2017	Bank	Interest Rate
\$ 2,705,745	BNZ	0.21%
\$ 2,000,000	Westpac	1.55%

29. The principal movement in Property, Plant and Equipment is the budgeted depreciation for the year to date.
30. The reduction in internal loans are the repayment of loans during the year. These are loans to the local communities raised in June each year.
31. The increase in Non-Current Assets (Intangible Assets) is the acquisition costs for Council's digitisation software.

**SOUTHLAND DISTRICT COUNCIL  
STATEMENT OF FINANCIAL POSITION  
31 May 2017**

	Actual 31-May-17	Actual 30-Jun-16
<b>Equity</b>		
Retained Earnings	725,185,371	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><b>1,385,960,297</b></u>	<u><b>1,389,140,785</b></u>
<b>Represented by:</b>		
<b>Current Assets</b>		
Cash & Cash Equivalents	19,986,369	5,714,785
Trade and Other Receivables	4,022,164	5,854,023
Inventories	85,148	98,991
Other Financial Assets	419,274	12,511,753
	<u>24,512,955</u>	<u>24,179,551</u>
<b>Non-Current Assets</b>		
Property, Plant and Equipment	1,353,181,468	1,358,059,613
Intangible Assets	2,990,053	2,177,601
Forestry Assets	12,951,000	12,951,000
Internal Loans	17,930,827	19,992,918
Work in Progress	2,849,290	2,779,101
Other Financial Assets	3,542	3,956
	<u>1,389,906,179</u>	<u>1,395,964,188</u>
<b>TOTAL ASSETS</b>	<b>1,414,419,135</b>	<b>1,420,143,740</b>
<b>Current Liabilities</b>		
Trade and Other Payables	6,446,893	6,696,612
Contract Retentions and Deposits	461,514	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>10,355,807</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
Internal Loans - Liability	17,930,829	19,992,919
	<u>18,103,031</u>	<u>20,165,121</u>
<b>TOTAL LIABILITIES</b>	<b>28,458,838</b>	<b>31,002,954</b>
<b>NET ASSETS</b>	<u><b>1,385,960,297</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 May 2017” dated 10 July 2017.

## Attachments

- A Council's District Activities Summary Monthly Financial Report - 31 May 2017 [↓](#)
- B Council's District Activities Detailed Monthly Financial Report - 31 May 2017 [↓](#)



## DISTRICT COUNCIL ACTIVITIES

(ATTACHMENT TO THE REPORT TO COUNCIL)

# SUMMARY MONTHLY FINANCIAL REPORT FOR MAY 2017

**Key Financial Indicators**

<i>Indicator</i>	<i>Actual</i>	<i>Target*</i>	<i>Variance</i>	<i>Compliance</i>
External Funding: Non rateable income/Total income	37%	≥ 36%	-1%	⊖
Working Capital: Current Assets/Current Liabilities	2.37	≥0.39	1.98	✓
Debt Ratio:** Total Liabilities/Total Assets	0.75%	≤0.82%	-0.07%	✓
Debt To Equity Ratio: Total Debt/Total Equity	0.00%	≤0.01%	-0.01%	✓

\* All target indicators have been calculated using the 2016/17 Annual Plan figures.

\*\* Excludes internal loans.

**Financial Ratios Calculations:****External Funding:**

Non Rateable Income
Total Income

This ratio indicates the percentage of revenue received outside of rates. The higher the proportion of revenue that the Council has from these sources the less reliance it has on rates income to fund its costs. This is a financial prudence benchmark on Rates Income affordability set by Council.

This ratio was under the target at the end of February due to NZTA roading revenue that Council wasn't entitled to yet and not receiving the final grant for the Cycle Trail due to delays in its completion.

**Working Capital:**

Current Assets
Current Liabilities

This ratio indicates the amount by which short-term assets exceed short term obligations. The higher the ratio the more comfortable the Council can fund its short term liabilities.

**Debt Ratio:**

Total Liabilities
Total Assets

This ratio indicates the capacity of which the Council can borrow funds. This ratio is generally used by lending institutions to assess entities financial leverage. Generally the lower the ratio the more capacity to borrow.

**Debt to Equity Ratio:**

Total Debt
Total Equity

It indicates what proportion of equity and debt the Council is using to finance its assets.

For the period ending May 2017

## Council Summary Report



	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Chief Executive Officer	176,224	137,819	38,405	28%	1,957,565	1,935,594	21,971	1%	2,141,745	2,154,461	12,716	1%
Community & Futures	353,235	266,143	87,093	33%	2,826,883	2,927,568	(100,685)	(3%)	3,177,489	3,193,711	16,222	1%
Council & Councillors	248,061	246,890	1,171	-	2,715,703	2,715,793	(90)	-	2,963,922	2,963,922	-	-
Customer Support	281,693	245,687	36,006	15%	2,793,681	2,702,557	91,124	3%	2,948,244	2,948,244	-	-
Environmental Services	377,925	351,248	26,677	8%	4,291,159	4,291,529	(369)	-	4,867,538	4,650,490	(217,048)	(4%)
Financial Services	236,855	201,867	34,989	17%	2,024,882	2,310,101	(285,219)	(12%)	2,593,131	2,522,775	(70,356)	(3%)
Information Management	256,477	237,891	18,585	8%	2,598,124	2,616,806	(18,683)	(1%)	2,847,133	2,854,698	7,565	-
Other Activities	237,044	99,791	137,253	138%	1,832,668	1,129,658	703,010	62%	1,530,012	1,635,012	105,000	7%
Services & Assets	3,763,613	1,743,420	2,020,193	116%	20,996,237	19,454,445	1,541,792	8%	18,941,677	21,304,538	2,362,861	12%
Transport	2,253,893	1,935,882	318,011	16%	23,860,694	26,377,438	(2,516,744)	(10%)	29,098,745	28,690,645	(408,100)	(1%)
<b>Total</b>	<b>8,185,022</b>	<b>5,466,639</b>	<b>2,718,383</b>	<b>50%</b>	<b>65,897,596</b>	<b>66,461,489</b>	<b>(563,893)</b>	<b>(1%)</b>	<b>71,109,636</b>	<b>72,918,496</b>	<b>1,808,860</b>	<b>3%</b>
	Monthly				YTD				Full Year Budget			
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Chief Executive Officer	225,789	219,377	(6,412)	(3%)	1,991,731	1,910,806	(80,925)	(4%)	2,240,976	2,174,522	66,454	3%
Community & Futures	351,144	315,902	(35,242)	(11%)	2,803,881	2,876,339	72,459	3%	3,155,182	3,155,182	-	-
Council & Councillors	87,736	99,181	11,445	12%	2,797,962	2,898,916	100,954	3%	2,980,327	3,028,928	(48,601)	(2%)
Customer Support	253,635	255,234	1,598	1%	2,343,560	2,351,722	8,162	-	2,584,457	2,577,166	7,291	-
Environmental Services	411,067	454,919	43,852	10%	3,921,232	4,338,689	417,458	10%	5,115,012	4,773,419	341,593	7%
Financial Services	214,778	190,397	(24,381)	(13%)	1,782,749	1,995,304	212,555	11%	2,329,251	2,270,865	58,386	3%
Information Management	234,285	259,537	25,252	10%	2,413,423	2,485,713	72,290	3%	2,726,526	2,723,202	3,324	-
Other Activities	95,550	12,034	(83,516)	(694%)	267,885	240,526	(27,358)	(11%)	1,493,388	1,493,388	-	-
Services & Assets	2,174,395	1,680,829	(493,566)	(29%)	16,376,540	18,119,364	1,742,823	10%	15,509,128	19,532,207	(4,023,080)	(26%)
Transport	1,085,918	931,339	(154,579)	(17%)	11,567,373	11,634,490	67,118	1%	12,584,678	12,659,678	(75,000)	(1%)
<b>Total</b>	<b>5,134,296</b>	<b>4,418,748</b>	<b>(715,548)</b>	<b>(16%)</b>	<b>46,266,334</b>	<b>48,851,869</b>	<b>2,585,535</b>	<b>5%</b>	<b>50,718,925</b>	<b>54,388,558</b>	<b>(3,669,633)</b>	<b>(7%)</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Net Surplus/(Deficit)</b>	<b>3,050,726</b>	<b>1,047,891</b>	<b>2,002,835</b>	<b>191%</b>	<b>19,631,262</b>	<b>17,609,620</b>	<b>2,021,641</b>	<b>11%</b>	<b>20,390,711</b>	<b>18,529,938</b>	<b>(1,860,773)</b>	<b>(9%)</b>
	Monthly				YTD				Full Year Budget			
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Chief Executive Officer	-	1,852	1,852	100%	22,222	20,370	(1,852)	(9%)	-	22,222	(22,222)	-
Community & Futures	394	805	411	51%	11,786	8,860	(2,926)	(33%)	1,743	9,665	(7,922)	(455%)

## Item 9.1 Attachment A

For the period ending May 2017

## Council Summary Report



Council & Councillors	-	-	-	-	44,795	47,938	3,143	7%	47,938	47,938	-	-
Customer Support	19,660	11,912	(7,748)	(65%)	131,604	131,027	(577)	-	123,021	142,938	(19,917)	(16%)
Environmental Services	8,353	8,902	549	6%	12,187	97,917	85,730	88%	77,819	106,819	(29,000)	(37%)
Financial Services	407	6,732	6,325	94%	24,147	74,048	49,901	67%	40,780	80,780	(40,000)	(98%)
Information Management	147,608	125,180	(22,428)	(18%)	1,171,266	1,376,975	205,709	15%	3,141,081	1,502,154	1,638,927	52%
Services & Assets	146,712	357,738	211,026	59%	3,300,674	3,935,116	634,443	16%	12,449,250	4,292,854	8,156,396	66%
Transport	2,060,338	736,278	(1,324,059)	(180%)	11,690,671	14,971,458	3,280,787	22%	17,297,491	16,527,491	770,000	4%
Total	2,383,470	1,249,397	(1,134,073)	(91%)	16,409,350	20,663,709	4,254,359	21%	33,179,123	22,732,861	10,446,262	31%



## **DISTRICT COUNCIL ACTIVITIES**

(ATTACHMENT TO THE REPORT TO COUNCIL)

# **DETAILED MONTHLY FINANCIAL REPORT FOR MAY 2017**



For the period ending May 2017

## Council Detail Report

	Chief Executive Officer											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Chief Executive	19,298	20,425	(1,126)	(6%)	587,240	587,822	(582)	-	680,738	688,738	8,000	1%
Civil Defence	21,429	21,414	15	-	235,458	235,558	(100)	-	256,972	256,972	-	-
Community Outcomes	3,750	3,750	-	-	41,250	41,250	-	-	45,000	45,000	-	-
Council Elections	3,483	5,928	(2,445)	(41%)	67,635	65,204	2,431	4%	66,416	71,132	4,716	7%
People and Capability	93,360	50,497	42,862	85%	543,863	555,472	(11,609)	(2%)	605,969	605,969	-	-
Rural Fire Control	24,717	24,700	17	-	271,589	271,704	(115)	-	296,404	296,404	-	-
Shared Services Forum	-	-	-	-	56,444	56,439	5	-	56,439	56,439	-	-
SI Visitor Levy	10,186	11,104	(918)	(8%)	154,086	122,146	31,940	26%	133,807	133,807	-	-
<b>Total</b>	<b>176,224</b>	<b>137,819</b>	<b>38,405</b>	<b>28%</b>	<b>1,957,565</b>	<b>1,935,594</b>	<b>21,971</b>	<b>1%</b>	<b>2,141,745</b>	<b>2,154,461</b>	<b>12,716</b>	<b>1%</b>
	Monthly				YTD				Full Year Budget			
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Chief Executive	134,422	67,260	(67,162)	(100%)	696,478	615,335	(81,143)	(13%)	679,654	675,828	3,826	1%
Civil Defence	19	-	(19)	-	257,191	256,972	(219)	-	256,972	256,972	-	-
Community Outcomes	-	3,750	3,750	100%	50,000	41,250	(8,750)	(21%)	45,000	45,000	-	-
Council Elections	-	8,722	8,722	100%	101,136	95,938	(5,198)	(5%)	167,288	104,660	62,628	37%
People and Capability	93,360	60,841	(32,518)	(53%)	543,863	553,171	9,308	2%	605,969	605,969	-	-
Rural Fire Control	-	74,101	74,101	100%	296,773	296,404	(369)	-	296,404	296,404	-	-
Shared Services Forum	(2,012)	4,703	6,715	143%	46,423	51,736	5,312	10%	56,439	56,439	-	-
SI Visitor Levy	-	-	-	-	(133)	-	133	-	133,250	133,250	-	-
<b>Total</b>	<b>225,789</b>	<b>219,377</b>	<b>(6,412)</b>	<b>(3%)</b>	<b>1,991,731</b>	<b>1,910,806</b>	<b>(80,925)</b>	<b>(4%)</b>	<b>2,240,976</b>	<b>2,174,522</b>	<b>66,454</b>	<b>3%</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Net Surplus/(Deficit)</b>	<b>(49,565)</b>	<b>(81,558)</b>	<b>31,993</b>	<b>(39%)</b>	<b>(34,166)</b>	<b>24,788</b>	<b>(58,954)</b>	<b>(238%)</b>	<b>(99,231)</b>	<b>(20,061)</b>	<b>79,170</b>	<b>(80%)</b>
	Monthly				YTD				Full Year Budget			
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Chief Executive	-	1,852	1,852	100%	22,222	20,370	(1,852)	(9%)	-	22,222	(22,222)	-
Civil Defence	-	-	-	-	-	-	-	-	-	-	-	-
People and Capability	-	-	-	-	-	-	-	-	-	-	-	-
SI Visitor Levy	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,852</b>	<b>1,852</b>	<b>100%</b>	<b>22,222</b>	<b>20,370</b>	<b>(1,852)</b>	<b>(9%)</b>	<b>-</b>	<b>22,222</b>	<b>(22,222)</b>	<b>-</b>

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

Income in this business unit is on budget year to date.

Expenditure year to date is 13% (\$81K) over budget. This is mainly due to ordinary time staff costs overspent by \$37k, \$28k on membership fees and \$41k offset by a number of underspends year to date.

**Civil Defence**

Income and expenditure are on budget.

Rates collected are paid as a grant to Environment Southland for emergency management.

**Community Outcomes**

Income is on target year to date. This activity is internally funded.

The year to date overspend is as a result of \$50K being paid as part of the agreed SDC allocation to the SORDS project. The annual budget is \$45K and is expected to be \$5K over budget for the year.

**Council Elections**

Income is 4% over budget. This activity is partly funded from rates and nomination deposits.

Election costs of \$101K against a budget of \$96K year to date has resulted in expenses being 5% under budget. These expenses are expected to be well below the full year budget of \$167K.

**People and Capability**

Income year to date is 2% (\$12K) under budget. This activity is internally funded and lower expenditure directly impacts on income allocated to this activity.

Expenditure year to date is 2% (\$5K) under budget year to date. This is mainly due to less being spent than budget on training, OSH, consultants and various other expenses.

This activity is internally funded. The reduced expenditure impacts directly on the income allocated to this business unit.

**Rural Fire Control**

Income is on budget.

The payment for the grant for the 4<sup>th</sup> quarter was paid in April amounting to \$74k. This is expected to be in line with budget by year end.

Rates collected are paid out as a grant to Southern Rural Fire. This activity will be managed at a national level from 1 July 2017.

**Shared Services Forum**

Income is on target and expenditure is on budget for the year to date.

Expenditure is 10% (\$5k) below budget although additional consultant fees are expected for the establishment of SORDS.

### **Stewart Island Visitor Levy**

Income is \$154k or 26% (\$32K) above budget as levy collections from visitors have increased over the summer months.

Levies collected for this month was \$10K (\$1K under budget).

Last year, the bulk of the levies were collected over the summer months from December through to the end of May. We expect a similar trend in 2016/2017.

For the period ending May 2017

## Council Detail Report



	Community & Futures											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Communications and Engagement	135,902	95,224	40,678	43%	987,872	1,047,463	(59,591)	(6%)	1,142,687	1,142,687	-	-
Community Leadership	74,448	46,717	27,731	59%	565,711	513,882	51,829	10%	560,599	560,599	-	-
Governance	70,013	53,487	16,526	31%	559,900	588,358	(28,458)	(5%)	625,623	641,845	16,222	3%
Strategy & Policy	72,872	70,715	2,157	3%	713,400	777,865	(64,465)	(8%)	848,580	848,580	-	-
<b>Total</b>	<b>353,235</b>	<b>266,143</b>	<b>87,093</b>	<b>33%</b>	<b>2,826,883</b>	<b>2,927,568</b>	<b>(100,685)</b>	<b>(3%)</b>	<b>3,177,489</b>	<b>3,193,711</b>	<b>16,222</b>	<b>1%</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Operating Expenditure												
Communications and Engagement	134,329	108,087	(26,243)	(24%)	970,574	1,024,862	54,289	5%	1,121,580	1,121,580	-	-
Community Leadership	74,448	59,109	(15,339)	(26%)	565,711	506,998	(58,713)	(12%)	560,599	560,599	-	-
Governance	69,995	66,723	(3,271)	(5%)	559,696	570,243	10,547	2%	625,623	625,623	-	-
Strategy & Policy	72,372	81,984	9,611	12%	707,900	774,236	66,336	9%	847,380	847,380	-	-
<b>Total</b>	<b>351,144</b>	<b>315,902</b>	<b>(35,242)</b>	<b>(11%)</b>	<b>2,803,881</b>	<b>2,876,339</b>	<b>72,459</b>	<b>3%</b>	<b>3,155,182</b>	<b>3,155,182</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>2,091</b>	<b>(49,760)</b>	<b>51,851</b>	<b>(104%)</b>	<b>23,003</b>	<b>51,229</b>	<b>(28,226)</b>	<b>(55%)</b>	<b>22,307</b>	<b>38,529</b>	<b>16,222</b>	<b>73%</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Capital Expenditure												
Communications and Engagement	-	145	145	100%	-	1,598	1,598	100%	1,743	1,743	-	-
Community Leadership	394	-	(394)	-	708	-	(708)	-	-	-	-	-
Governance	-	-	-	-	1,290	-	(1,290)	-	-	-	-	-
Strategy & Policy	-	660	660	100%	9,788	7,262	(2,526)	(35%)	-	7,922	(7,922)	-
<b>Total</b>	<b>394</b>	<b>805</b>	<b>411</b>	<b>51%</b>	<b>11,786</b>	<b>8,860</b>	<b>(2,926)</b>	<b>(33%)</b>	<b>1,743</b>	<b>9,665</b>	<b>(7,922)</b>	<b>(455%)</b>

**COMMUNITY AND FUTURES COMMENTARY**

This group's Income is 3% (\$100K) under budget and expenditure is 3% (\$72K) under budget for the year-to-date.

**Communications and Engagement**

As this activity is internally funded, the expenditure impacts directly on the income allocated to this business unit.

The level of recoveries is 6% less than budgeted.  
Expenditure is 14% below budget

Several invoices will be paid for Community Conversations, First Edition and equipment will be paid in June.  
The advertising budget is 6% over budget because of increased corporate advertising.

**Community Leadership**

Income is 10% over budget and expenditure is 12% over budget year to date.

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

**Governance**

Expenditure is 3% 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.

**Strategy and Policy**

Income is 8% under budget for the year to date. As this activity is internally funded the expenditure impacts directly on income allocation.

Staff costs are \$66K below budget due to a current vacancy.

For the period ending May 2017

## 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	67,801	66,752	1,050	2%	735,005	734,268	737	-	801,020	801,020	-	-
Council Contributions/Gran	32,972	32,950	22	-	362,297	362,450	(153)	-	395,400	395,400	-	-
International Relations Commit	923	922	1	-	10,138	10,142	(4)	-	12,303	12,303	-	-
Venture Southland	146,365	146,267	98	-	1,608,263	1,608,932	(670)	-	1,755,199	1,755,199	-	-
<b>Total</b>	<b>248,061</b>	<b>246,890</b>	<b>1,171</b>	<b>-</b>	<b>2,715,703</b>	<b>2,715,793</b>	<b>(90)</b>	<b>-</b>	<b>2,963,922</b>	<b>2,963,922</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	80,176	79,478	(698)	(1%)	690,803	760,541	69,738	9%	832,425	832,425	-	-
Council Contributions/Gran	7,110	18,678	11,568	62%	337,309	358,297	20,988	6%	380,400	415,400	(35,000)	(9%)
International Relations Commit	450	1,025	575	56%	1,050	11,278	10,228	91%	12,303	12,303	-	-
Venture Southland	-	-	-	-	1,768,800	1,768,800	-	-	1,755,199	1,768,800	(13,601)	(1%)
<b>Total</b>	<b>87,736</b>	<b>99,181</b>	<b>11,445</b>	<b>12%</b>	<b>2,797,962</b>	<b>2,898,916</b>	<b>100,954</b>	<b>3%</b>	<b>2,980,327</b>	<b>3,028,928</b>	<b>(48,601)</b>	<b>(2%)</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Net Surplus/(Deficit)</b>	<b>160,325</b>	<b>147,710</b>	<b>12,616</b>	<b>9%</b>	<b>(82,259)</b>	<b>(183,123)</b>	<b>100,864</b>	<b>(55%)</b>	<b>(16,405)</b>	<b>(65,006)</b>	<b>(48,601)</b>	<b>296%</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	-	-	-	-	44,795	47,938	3,143	7%	47,938	47,938	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,795</b>	<b>47,938</b>	<b>3,143</b>	<b>7%</b>	<b>47,938</b>	<b>47,938</b>	<b>-</b>	<b>-</b>

**COUNCIL AND COUNCILLORS' COMMENTARY**

This group's total Income is on target and total expenditure 3% below budget year to date.

**Council and Councillors**

Expenditure is 11 percent under budget. It is expected this will be adjusted by the end of the financial year, with mileage and conference costs to be accounted for.

**Council Contributions / Grants**

The level of income is as budgeted and expenditure is 6% below budget

**International Relations Committee**

Income is on budget and expenditure is 91% (\$8K) under budget for this reporting period.

The International Relations Committee has been disestablished and now included under the Community and Policy Committee.

**Venture Southland**

Income and expenditure is on target year to date. This business unit consists of rates collected and the grant paid to Venture Southland.

For the period ending May 2017

## 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	52,317	50,156	2,161	4%	580,316	551,717	28,599	5%	601,873	601,873	-	-
Customer Services	141,705	107,025	34,680	32%	1,257,405	1,177,273	80,132	7%	1,284,298	1,284,298	-	-
District Library	87,671	88,506	(835)	(1%)	955,960	973,567	(17,607)	(2%)	1,062,073	1,062,073	-	-
<b>Total</b>	<b>281,693</b>	<b>245,687</b>	<b>36,006</b>	<b>15%</b>	<b>2,793,681</b>	<b>2,702,557</b>	<b>91,124</b>	<b>3%</b>	<b>2,948,244</b>	<b>2,948,244</b>	<b>-</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Offices	19,139	22,481	3,342	15%	227,128	247,904	20,776	8%	262,985	270,385	(7,400)	(3%)
Customer Services	141,685	135,848	(5,837)	(4%)	1,257,183	1,185,459	(71,724)	(6%)	1,324,298	1,299,907	24,391	2%
District Library	92,812	96,905	4,093	4%	859,249	918,359	59,110	6%	997,174	1,006,874	(9,700)	(1%)
<b>Total</b>	<b>253,635</b>	<b>255,234</b>	<b>1,598</b>	<b>1%</b>	<b>2,343,560</b>	<b>2,351,722</b>	<b>8,162</b>	<b>-</b>	<b>2,584,457</b>	<b>2,577,166</b>	<b>7,291</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>28,058</b>	<b>(9,547)</b>	<b>37,605</b>	<b>(394%)</b>	<b>450,121</b>	<b>350,836</b>	<b>99,286</b>	<b>28%</b>	<b>363,787</b>	<b>371,078</b>	<b>7,291</b>	<b>2%</b>
	Monthly				YTD				Full Year Budget			
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Area Offices	-	-	-	-	8,691	-	(8,691)	-	-	-	-	-
Customer Services	-	-	-	-	295	-	(295)	-	-	-	-	-
District Library	19,660	11,912	(7,748)	(65%)	122,618	131,027	8,409	6%	123,021	142,938	(19,917)	(16%)
<b>Total</b>	<b>19,660</b>	<b>11,912</b>	<b>(7,748)</b>	<b>(65%)</b>	<b>131,604</b>	<b>131,027</b>	<b>(577)</b>	<b>-</b>	<b>123,021</b>	<b>142,938</b>	<b>(19,917)</b>	<b>(16%)</b>

**CUSTOMER SUPPORT****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, this came to \$8691 from the Capital Expenditure budget. The benefit for residents of longer library and office hours has been appreciated and a significant lift in circulation of library books has been seen compared to previous usage.

**Customer Support**

Work is completed for the Customer Support team space to provide staff with desks for 12 as opposed to the 9 previously. This work was completed on time and on budget with the last payments being charged to the project in May.

As a new department in Council there was a projection (based on the previous Customer Service team that only had 4 staff) for the travel and accommodation budget. This has been exceeded due to covering travel and accommodation for staff relieving at different sites to cover leave, training days and attending meetings with our councils to view potential business improvements ideas for customer service.

Operationally the department is forecast to be under budget by the end of the financial year.

**Libraries**

Income is below the budgeted level as recoveries fall below the anticipated level and it is unlikely there will be any improvement by the end of June.

Electricity costs in almost every building have exceeded budgeted figures. The addition of PressReader to our range of services has affected the on-line databases account and our annual Internet charge has been paid as a lump sum. In addition to that, a payment for the 2017/18 financial year for our EPIC suite of databases and this has affected the capital expenditure markedly (\$19K)

The grants received and the costs incurred in the Vince Boyle project has been allocated to the Winton branch. There is a slight overrun of costs relating to the relocation and refurbishment at Stewart Island however this is offset by the improved level of service and increased opening hours provided for residents.

Operational costs have been held at 6% under budget to date.

For the period ending May 2017

## Council Detail Report



	Environmental Services											
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Alcohol Licensing	18,105	17,052	1,053	6%	187,403	187,577	(173)	-	205,290	205,290	-	-
Animal Control	31,240	15,100	16,139	107%	519,067	528,105	(9,038)	(2%)	555,620	555,620	-	-
Building Regulations	139,529	113,835	25,693	23%	1,296,795	1,252,187	44,608	4%	1,583,070	1,366,022	(217,048)	(14%)
Enviro & Com Dev Admin	23,521	20,420	3,102	15%	198,790	224,616	(25,826)	(11%)	245,036	245,036	-	-
Environmental Health	11,730	10,704	1,026	10%	156,030	135,274	20,756	15%	145,978	145,978	-	-
Health Licensing	371	6,599	(6,227)	(94%)	98,702	120,855	(22,153)	(18%)	122,090	122,090	-	-
Museum	52,486	51,975	510	1%	591,922	571,727	20,195	4%	623,702	623,702	-	-
Regulatory - Non Recoverab	11,265	11,258	8	-	123,783	123,835	(52)	-	135,093	135,093	-	-
Resource Consent Processin	65,969	80,612	(14,643)	(18%)	858,156	886,731	(28,575)	(3%)	967,343	967,343	-	-
Resource Planning/Policy	23,709	23,693	16	-	260,513	260,623	(110)	-	284,316	284,316	-	-
<b>Total</b>	<b>377,925</b>	<b>351,248</b>	<b>26,677</b>	<b>8%</b>	<b>4,291,159</b>	<b>4,291,529</b>	<b>(369)</b>	<b>-</b>	<b>4,867,538</b>	<b>4,650,490</b>	<b>(217,048)</b>	<b>(4%)</b>
	Monthly				YTD				Full Year Budget			
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Alcohol Licensing	22,265	21,499	(766)	(4%)	189,050	192,197	3,147	2%	212,409	212,409	-	-
Animal Control	62,639	64,844	2,205	3%	552,126	590,078	37,952	6%	656,828	656,828	-	-
Building Regulations	128,865	153,080	24,215	16%	1,272,035	1,395,901	123,866	9%	1,555,905	1,535,905	20,000	1%
Enviro & Com Dev Admin	23,521	25,222	1,700	7%	198,790	213,127	14,337	7%	236,348	236,348	-	-
Environmental Health	10,287	10,235	(52)	(1%)	127,928	135,863	7,935	6%	145,978	145,978	-	-
Health Licensing	12,585	11,954	(631)	(5%)	108,569	110,370	1,801	2%	122,090	122,090	-	-
Museum	47,246	48,699	1,453	3%	563,357	578,259	14,902	3%	623,702	623,702	-	-
Regulatory - Non Recoverab	-	-	-	-	45,460	28,000	(17,460)	(62%)	135,093	40,000	95,093	70%
Resource Consent Processin	84,125	90,990	6,865	8%	733,542	827,371	93,828	11%	967,343	907,343	60,000	6%
Resource Planning/Policy	19,535	28,397	8,863	31%	130,375	267,526	137,150	51%	459,316	292,816	166,500	36%
<b>Total</b>	<b>411,067</b>	<b>454,919</b>	<b>43,852</b>	<b>10%</b>	<b>3,921,232</b>	<b>4,338,689</b>	<b>417,458</b>	<b>10%</b>	<b>5,115,012</b>	<b>4,773,419</b>	<b>341,593</b>	<b>7%</b>
	Monthly				YTD				Full Year Budget			
Net Surplus/(Deficit)	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
	(33,142)	(103,671)	70,529	(68%)	369,928	(47,161)	417,088	(884%)	(247,474)	(122,929)	124,545	(50%)

**ENVIRONMENTAL SERVICES COMMENTARY**

**Overall May 2017 monthly income for the Environmental Services Group was 2% (\$8,590) ahead of budget at \$377,925 actual versus \$369,336 budget.**

Key features of this month's income were that Building Control income was 6% (\$7,606) ahead of budget at \$139,529 actual , versus \$131,923 budget;, which is positive after a couple of months of income being well below budget, and Animal Control income was 107% (\$16,139) ahead of budget at \$31,240 actual , versus \$15,100 budget , largely reflecting sale of a department vehicle.

Conversely, Health Licensing was significantly (94%- \$6,227) below budget but this is essentially a phasing issue reflecting the annual timing of when licensing fees come due, and Resource Consent Processing was 18% (\$14,643) below budget due to reduced levels of more complex incoming resource consents.

**Overall May 2017 monthly expenditure for the Environmental Services Group was 13% (\$59,393) below budget at \$411,067 actual v \$470,461 budget.**

Almost all departments were below budget expenditure-wise, several significantly so, reflecting a close focus on spending, which is important in the current economic/ development climate.

This is also a reflection of reduced staffing in some departments with budgeted salaries, where vacancies have not been filled.

Recruitment is nearing completion for a new Resource Management Planner (a roll-up of two previous positions into one position) and is underway for a Quality Leader which is a reconfiguration of a previous budgeted position with a different focus. Therefore, salaries will track closer to budget when these appointments are made and staff on board.

**Overall Group YTD Summary as at end of May 2017 of the 2016/2017 financial year:**

**Overall Group YTD Income at the end of May 2017 for the 2016/2017 financial year is 4% (\$199,330) below budget, at \$4,291,159 actual versus \$4,490,490 budget.**

It is anticipated that if the current trend regarding levels of incoming development-related work continues, then overall Group income could be approximately \$230,000 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 development activity, particularly larger scale activity, has been relatively subdued.

Some staff resourcing changes have been made to reflect these economic conditions, and this will continue to be monitored.

It is also important however to ensure that there are sufficient staff to manage workloads effectively, provide a timely and professional customer service, and meet agreed KPIs. There have been some recent concerns expressed from customer in the Building Control area regarding delays in processing building consents, for example.

**Overall Group YTD Expenditure at the end of May 2017 of the 2016/2017 financial year is 13% (\$588,416) below budget at \$3,921,232 actual versus \$4,509,648 budget.**

While Group YTD income has been less than budgeted, reflecting current generally subdued development activity levels within the District; Group YTD expenditure is also significantly under budget. A major contributor to this is the reduced salary components as referred to above.

Management staff within the Group are closely monitoring incoming work as well as expenditure, and associated resourcing requirements.

It is anticipated that levels of development activity within the District are likely to remain consistent until the end of the 2016/2017 financial year ; so it appears unlikely there will be a significant upsurge in activity, and hence income, before the end of this current 2016/2017 financial year.

There is outstanding capital expenditure within the Group which has been outstanding for some time. This relates to vehicle renewals and is likely to remain until the end of the 2016/2017 financial year, until a position is resolved in relation organisation-wide vehicle procurement. It is understood that Finance staff will journal overdue vehicle renewals into the 2017/2018 financial year.



For the period ending May 2017

## Council Detail Report

Financial Services												
	Monthly				YTD				Full Year Budget			
Income	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Financial Services	236,855	201,867	34,989	17%	2,024,882	2,310,101	(285,219)	(12%)	2,593,131	2,522,775	(70,356)	(3%)
Total	236,855	201,867	34,989	17%	2,024,882	2,310,101	(285,219)	(12%)	2,593,131	2,522,775	(70,356)	(3%)
Operating Expenditure												
	Monthly				YTD				Full Year Budget			
Operating Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Financial Services	214,778	190,397	(24,381)	(13%)	1,782,749	1,995,304	212,555	11%	2,329,251	2,270,865	58,386	3%
Total	214,778	190,397	(24,381)	(13%)	1,782,749	1,995,304	212,555	11%	2,329,251	2,270,865	58,386	3%
Net Surplus/(Deficit)												
	Monthly				YTD				Full Year Budget			
Net Surplus/(Deficit)	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Net Surplus/(Deficit)	22,078	11,470	10,608	92%	242,133	314,797	(72,664)	(23%)	263,880	251,910	(11,970)	(5%)
Capital Expenditure												
	Monthly				YTD				Full Year Budget			
Capital Expenditure	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Financial Services	407	6,732	6,325	94%	24,147	74,048	49,901	67%	40,780	80,780	(40,000)	(98%)
Total	407	6,732	6,325	94%	24,147	74,048	49,901	67%	40,780	80,780	(40,000)	(98%)

**FINANCIAL SERVICES COMMENTARY**

Operating expenditure is 11% (\$213K) under budget for the year to date. Short term vacancies within the department have resulted in staff costs being \$66K under budget. Staff are currently undertaking a review of Council's outstanding debt and associated processes; as a result of this, debt collection costs are currently less than budgeted (\$22K). Visa and Mastercard charges are currently \$16K under budget, however the fees associated with payments of the fourth rates instalment will bring actual costs closer to budget at year end. Consultant and legal costs are also well under budget (\$30K) with minimal assistance being sought this year.

As part of forecasting in late 2016, \$40K capital expenditure has been set aside for refurbishment of the finance area. The majority of the refurbishment has been completed and the actual cost to date is approximately \$25K.

It is expected that this business unit will be under budget at year end.

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



For the period ending May 2017

## Council Detail Report

	Information Management											
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Income												
Information Management	156,754	152,350	4,404	3%	1,699,391	1,675,851	23,541	1%	1,820,636	1,828,201	7,565	-
Knowledge Management	65,566	52,811	12,755	24%	546,638	580,919	(34,281)	(6%)	633,730	633,730	-	-
Property & Spatial Services	34,157	32,731	1,427	4%	352,094	360,036	(7,943)	(2%)	392,767	392,767	-	-
<b>Total</b>	<b>256,477</b>	<b>237,891</b>	<b>18,585</b>	<b>8%</b>	<b>2,598,124</b>	<b>2,616,806</b>	<b>(18,683)</b>	<b>(1%)</b>	<b>2,847,133</b>	<b>2,854,698</b>	<b>7,565</b>	<b>-</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Operating Expenditure												
Information Management	134,770	164,298	29,529	18%	1,516,976	1,578,915	61,939	4%	1,673,358	1,730,923	(57,565)	(3%)
Knowledge Management	65,358	57,507	(7,851)	(14%)	544,353	559,068	14,715	3%	660,401	611,482	48,919	7%
Property & Spatial Services	34,157	37,732	3,575	9%	352,094	347,730	(4,364)	(1%)	392,767	380,797	11,970	3%
<b>Total</b>	<b>234,285</b>	<b>259,537</b>	<b>25,252</b>	<b>10%</b>	<b>2,413,423</b>	<b>2,485,713</b>	<b>72,290</b>	<b>3%</b>	<b>2,726,526</b>	<b>2,723,202</b>	<b>3,324</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>22,192</b>	<b>(21,646)</b>	<b>43,837</b>	<b>(203%)</b>	<b>184,701</b>	<b>131,094</b>	<b>53,607</b>	<b>41%</b>	<b>120,607</b>	<b>131,496</b>	<b>10,889</b>	<b>9%</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Capital Expenditure												
Information Management	2,858	16,667	13,808	83%	119,393	183,333	63,940	35%	1,750,000	200,000	1,550,000	89%
Knowledge Management	144,749	108,513	(36,236)	(33%)	1,051,872	1,193,641	141,769	12%	1,391,081	1,302,154	88,927	6%
<b>Total</b>	<b>147,608</b>	<b>125,180</b>	<b>(22,428)</b>	<b>(18%)</b>	<b>1,171,266</b>	<b>1,376,975</b>	<b>205,709</b>	<b>15%</b>	<b>3,141,081</b>	<b>1,502,154</b>	<b>1,638,927</b>	<b>52%</b>

**INFORMATION MANAGEMENT COMMENTARY**

Overall Income is 1% (\$19K) under budget for the year-to-date.  
 Overall Operating expenditure is 3% (\$72K) over budget for the year-to-date.  
 The year-to-date position 41% (\$53K) over budget for the year-to-date.  
 Capital expenditure is 15% (\$205k) under budget

**Information Management**

Income is 2% (\$30K) over budget for the year-to-date.  
 Expenditure is 3% (\$42K) over budget.  
 The net year-to-date position is \$39K under budget.

**Capital Work:**

*Core Systems / Business Improvement Project:*

Work is continuing on the mapping and identification of existing processes that are used across Council. This work is being captured in an online tool called ProMapp.

Council officers have established a ProMapp user group which is being used to ensure that knowledge around the usage of ProMapp and recognising any issues that arise whilst undertaking this work as well as recognising the rewards of achieving successes.

The Business Improvement activity has been driven by a small team with a selection of ELT to provide Governance across the organisation to drive this initiative. The work so far has certainly been beneficial to the teams that have taken up the ProMapp challenge.

The Chief Information Officer will be providing the Executive Leadership team a reporting on a scope and action plan to progress the Business Improvement and Core Systems project, which are seen as a key priority for Council moving towards the goal of becoming an efficient, effective and dynamic organisation. \$250K of the \$1.75M has been forecast to be spent in this financial year. The balance will be carried forward to future years for this project.

At year end the funding from the general reserve to cover the cost of the unbudgeted expenditure that was approved by Council last year for the Council Budget application will be transferred into 10095 BU. The enhancement work has been completed and will see the consultant's budget credited with the \$36,883.46 which was spent on this application.

**Knowledge Management**

Income is 6% (\$34K) under budget.  
 Expenditure is 3% (\$11K) under budget year to date.  
 Capital Expenditure is 18% (\$223,285K) less than budget year to date.

Council expects to spend \$271K less on capital projects for the year.

**Capital Work:**

*Digitisation Project:*

This project has been progressing well with a number of key components close to being completed and planning well underway for how the end result will be delivered to staff and customers.

We expect to start uploading the digital files into Records Manger in May/June 2017 with Public View access deployed at the same time. This will allow the public to start accessing the digital property files at selected offices – initially Invercargill.

Processes and system changes relating to data issues impacting the project have now been put in place.

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 and processing up to the end of March.

Another shipment of files will be sent in May this will be the last major shipment with the remaining files being sent as part of the wash up files. 95% of all files will be with PBS by the end of May.

### **Property and Spatial Services**

Income is 3% (\$11K) under budget. This mainly comes from internal income which includes overhead recoveries and GIS income and balanced for the expenditure.

Expenditure is 2% (\$7K) under budget. Consultants are \$16K over budget for the year to date. Savings in other expenditure items will ensure that costs are within budget by year end which is on track to be achieved.



For the period ending May 2017

## 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>												
Grant Allocation Committees	14,523	23,055	(8,532)	(37%)	304,262	285,555	18,707	7%	309,620	414,620	105,000	34%
Operating investments	222,521	76,737	145,785	190%	1,528,406	844,102	684,304	81%	1,220,392	1,220,392	-	-
<b>Total</b>	<b>237,044</b>	<b>99,791</b>	<b>137,253</b>	<b>138%</b>	<b>1,832,668</b>	<b>1,129,658</b>	<b>703,010</b>	<b>62%</b>	<b>1,530,012</b>	<b>1,635,012</b>	<b>105,000</b>	<b>7%</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Operating Expenditure</b>												
Grant Allocation Committees	(11,467)	8,850	20,317	230%	127,293	205,500	78,207	38%	322,503	322,503	-	-
Operating investments	107,017	3,184	(103,833)	(3261%)	140,591	35,026	(105,566)	(301%)	1,170,885	1,170,885	-	-
<b>Total</b>	<b>95,550</b>	<b>12,034</b>	<b>(83,516)</b>	<b>(694%)</b>	<b>267,885</b>	<b>240,526</b>	<b>(27,358)</b>	<b>(11%)</b>	<b>1,493,388</b>	<b>1,493,388</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>141,495</b>	<b>87,757</b>	<b>53,737</b>	<b>61%</b>	<b>1,564,784</b>	<b>889,132</b>	<b>675,652</b>	<b>76%</b>	<b>36,624</b>	<b>141,624</b>	<b>105,000</b>	<b>287%</b>

**OTHER ACTIVITIES COMMENTARY****Grant Allocation Committees**

Year to date Income is 7% (\$19K) over budget. This is predominantly due to the timing of funding returned by the Edendale Community Board which had previously been given for the Edendale Hall project 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 38% (\$78K) under budget. This variance is due to grants allocated in May 2017 still requiring processing. The first Allocations committee meeting was held in December 2016 with grants totalling \$118K awarded. Additionally, grants totalling \$16K and \$19K were awarded in December 16 and May 17 respectively for the Ohai Railway Board. Creative NZ Grants were awarded in February and May totalling \$29K for the year. Grants allocated in the 17 May 2017 Policy and Community Committee meeting have not been reflected in the financial results above as they had yet to be processed.

**Operating Investments**

Income is \$684K over budget year to date.

- Interest earned on operating investments is \$462K 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 (\$329K) 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. 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 and budgeted to be received at year end in June.



For the period ending May 2017

## 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	120,712	97,725	22,987	24%	1,012,757	1,074,973	(62,216)	(6%)	1,172,698	1,172,698	-	-
Around Mountains Cycle Trail	809	3,417	(2,608)	(76%)	37,845	37,583	261	1%	541,000	41,000	(500,000)	(92%)
Council Property	141,046	77,057	63,989	83%	929,554	847,631	81,922	10%	925,562	927,710	2,148	-
District Reserves	13,914	13,904	9	-	152,883	152,948	(65)	-	166,852	166,852	-	-
District Sewerage	285,740	290,544	(4,804)	(2%)	3,223,763	3,255,557	(31,794)	(1%)	3,500,579	3,555,579	55,000	2%
District Water	250,486	244,686	5,800	2%	2,920,444	2,908,789	11,655	-	3,230,030	3,230,030	-	-
Engineering Administration	47,925	42,320	5,605	13%	446,506	465,521	(19,015)	(4%)	507,841	507,841	-	-
Engineering Consultants	90,457	67,438	23,019	34%	648,972	741,816	(92,844)	(13%)	809,254	809,254	-	-
Forestry	2,214,715	371,433	1,843,282	496%	5,489,509	4,085,761	1,403,748	34%	1,661,850	4,457,194	2,795,344	168%
Property Administration	44,523	47,521	(2,998)	(6%)	494,213	522,734	(28,521)	(5%)	559,886	570,255	10,369	2%
Public Conveniences	58,584	56,550	2,034	4%	640,139	622,053	18,086	3%	678,603	678,603	-	-
Road Safety Com. Advisor	-	3,082	(3,082)	(100%)	192,237	33,899	158,338	467%	36,991	36,991	-	-
Waste Management	318,504	321,513	(3,009)	(1%)	3,626,955	3,536,646	90,309	3%	3,863,337	3,863,337	-	-
Water Services	149,598	82,350	67,248	82%	966,636	905,845	60,791	7%	1,000,626	1,000,626	-	-
Work Schemes (CTF)	26,600	23,881	2,719	11%	213,823	262,687	(48,864)	(19%)	286,568	286,568	-	-
<b>Total</b>	<b>3,763,613</b>	<b>1,743,420</b>	<b>2,020,193</b>	<b>116%</b>	<b>20,996,237</b>	<b>19,454,445</b>	<b>1,541,792</b>	<b>8%</b>	<b>18,941,677</b>	<b>21,304,538</b>	<b>2,362,861</b>	<b>12%</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Operating Expenditure</b>												
Area Engineers	120,700	115,428	(5,271)	(5%)	1,012,622	1,036,003	23,381	2%	1,148,316	1,148,316	-	-
Around Mountains Cycle Trail	21,389	180,879	159,490	88%	334,180	1,989,664	1,655,484	83%	41,000	2,170,542	(2,129,542)	(5194%)
Council Property	52,296	62,332	10,036	16%	966,633	871,001	(95,632)	(11%)	911,347	933,333	(21,986)	(2%)
District Reserves	14,308	13,654	(654)	(5%)	94,781	150,489	55,708	37%	164,143	164,143	-	-
District Sewerage	181,432	178,256	(3,176)	(2%)	1,985,626	2,037,061	51,435	3%	2,215,317	2,215,317	-	-
District Water	185,863	200,397	14,534	7%	2,114,287	2,274,218	159,931	7%	2,474,615	2,474,615	-	-
Engineering Administration	47,925	50,374	2,449	5%	446,506	452,329	5,823	1%	498,368	498,368	-	-
Engineering Consultants	90,457	67,438	(23,019)	(34%)	648,972	741,816	92,844	13%	809,254	809,254	-	-
Forestry	783,024	216,000	(567,024)	(263%)	2,513,684	2,417,734	(95,950)	(4%)	846,477	2,633,735	(1,787,258)	(211%)
Property Administration	55,809	59,196	3,387	6%	495,437	516,701	21,264	4%	559,886	570,255	(10,369)	(2%)
Public Conveniences	48,514	52,130	3,616	7%	535,696	590,643	54,947	9%	602,773	642,773	(40,000)	(7%)
Road Safety Com. Advisor	17,008	2,538	(14,470)	(570%)	220,867	32,005	(188,863)	(590%)	36,991	36,991	-	-
Waste Management	340,199	319,756	(20,443)	(6%)	3,423,593	3,514,900	91,308	3%	3,805,379	3,805,379	-	-
Water Services	189,605	135,924	(53,681)	(39%)	1,342,087	1,254,282	(87,805)	(7%)	1,127,060	1,160,985	(33,925)	(3%)
Work Schemes (CTF)	25,866	26,524	659	2%	241,569	240,519	(1,051)	-	268,202	268,202	-	-
<b>Total</b>	<b>2,174,395</b>	<b>1,680,829</b>	<b>(493,566)</b>	<b>(29%)</b>	<b>16,376,540</b>	<b>18,119,364</b>	<b>1,742,823</b>	<b>10%</b>	<b>15,509,128</b>	<b>19,532,207</b>	<b>(4,023,080)</b>	<b>(26%)</b>
	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
<b>Net Surplus/(Deficit)</b>	<b>1,589,218</b>	<b>62,591</b>	<b>1,526,627</b>	<b>2439%</b>	<b>4,619,696</b>	<b>1,335,081</b>	<b>3,284,615</b>	<b>246%</b>	<b>3,432,549</b>	<b>1,772,331</b>	<b>(1,660,219)</b>	<b>(48%)</b>

For the period ending May 2017

## Council Detail Report



	Monthly				YTD				Full Year Budget			
	Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var %	Budget	Projection	Variance	Var %
Capital Expenditure	-	9,061	9,061	100%	-	99,671	99,671	100%	108,732	108,732	-	-
Area Engineers	-	9,061	9,061	100%	-	99,671	99,671	100%	108,732	108,732	-	-
Around Mountains Cycle Trail	(102,426)	(132,462)	(30,036)	23%	34,303	(1,457,080)	(1,491,383)	102%	5,867,764	(1,589,542)	7,457,306	127%
Council Property	(11,418)	5,200	16,618	320%	37,967	57,200	19,233	34%	444,960	62,400	382,560	86%
District Reserves	171	70,336	70,165	100%	748,856	773,695	24,840	3%	815,000	844,031	(29,031)	(4%)
District Sewerage	244,475	162,464	(82,011)	(50%)	1,310,665	1,787,103	476,438	27%	1,744,734	1,949,567	(204,833)	(12%)
District Water	13,101	237,420	224,319	94%	1,116,372	2,611,619	1,495,247	57%	3,300,757	2,849,039	451,718	14%
Engineering Administration	-	3,361	3,361	100%	-	36,966	36,966	100%	40,327	40,327	-	-
Engineering Consultants	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-
Property Administration	-	-	-	-	-	-	-	-	-	-	-	-
Public Conveniences	544	2,358	1,814	77%	18,403	25,942	7,538	29%	126,976	28,300	98,676	78%
Road Safety Com. Advisor	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	2,265	-	(2,265)	-	32,695	-	(32,695)	-	-	-	-	-
Water Services	-	-	-	-	1,412	-	(1,412)	-	-	-	-	-
Work Schemes (CTF)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>146,712</b>	<b>357,738</b>	<b>211,026</b>	<b>59%</b>	<b>3,300,674</b>	<b>3,935,116</b>	<b>634,443</b>	<b>16%</b>	<b>12,449,250</b>	<b>4,292,854</b>	<b>8,156,396</b>	<b>66%</b>

**SERVICES AND ASSETS COMMENTARY (EXCLUDING TRANSPORT / ROADING)****Overall Financial Performance**

During May significant harvesting has been undertaken with the result overall income for the Services and Assets group at the end of May being above budget by \$1.5M. Expenditure is currently under budget for the year by 10%, however this will change with year-end entries relating to Around the Mountain Cycle Trail.

**Income**

Forestry Income is \$1.4M above budget at the end of May. The actual result YTD of \$5.5M is already in excess of the full year projection of \$4.5M. The result to the end of May is based on the harvest at Dipton being 82.57% complete. The higher income is a combination of higher yields per hectare (601.31 versus 525.00 forecasted) and a higher stumpage received per tonne (\$75.25 per T actual compared to \$59.14 forecasted).

Work Scheme income is currently under budget by \$49K. There are a number of larger projects to be invoiced before year end and they expect to be close to budget at year end.

**Operating Expenditure**

The significant variations in operating expenditure relate to:

- Around the Mountain Cycle Trail is currently \$1.7M under budget. This will realign at the end of the year once the journal entries have been processed to expense costs currently in capital for the resource consent process on stage 8 & 9.
- District Water is \$160K under budget, due to lower and interest charges in the current year. These are likely to continue until the end of the year.

**Capital Expenditure**

District Water and District Sewerage are both under budget at the end of May. This is expected to continue through to year end with additional projects having being identified since the February forecasting round that will not be completed by the end of the year.

District Water include residual work on the Riverton water treatment plan, Te Anau lateral replacement, district monitoring and the Winton water main.

District Sewerage include Otautau pump station upgrades, Stewart Island sewer treatment upgrade and expected costs in relation to Te Anau.



For the period ending May 2017

## 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	Total	-	-	-	-	(9,054)	-	(9,054)	-	-	-	-	-
Grants	Total	1,108,616	805,087	303,529	38%	11,423,206	13,879,833	(2,456,627)	(18%)	15,187,248	14,779,148	(408,100)	(3%)
Internal Income	Total	-	-	-	-	35,492	40,507	(5,015)	(12%)	288,938	288,938	-	-
Other Income	Total	50,628	37,338	13,290	36%	403,594	465,737	(62,143)	(13%)	505,588	505,588	-	-
Rates	Total	1,094,649	1,093,431	1,218	0%	12,007,456	11,987,235	20,221	0%	13,085,913	13,085,913	-	-
User Charges and Fees	Total	-	26	(26)	(100%)	-	4,126	(4,126)	(100%)	31,058	31,058	-	-
<b>Total</b>		<b>2,253,893</b>	<b>1,935,882</b>	<b>318,011</b>	<b>16%</b>	<b>23,860,694</b>	<b>26,377,438</b>	<b>(2,516,744)</b>	<b>(10%)</b>	<b>29,098,745</b>	<b>28,690,645</b>	<b>(408,100)</b>	<b>(1%)</b>
<b>Direct Expenditure</b>													
Advertising	Total	-	15	15	100%	354	346	(8)	(2%)	769	769	-	-
Communications	Total	269	1,088	819	75%	4,485	6,838	2,353	34%	7,770	7,770	-	-
Conferences and courses	Total	5,014	169	(4,845)	(2864%)	20,444	15,224	(5,221)	(34%)	16,915	16,915	-	-
Electricity	Total	4,692	3,000	(1,692)	(56%)	42,025	33,000	(9,025)	(27%)	36,000	36,000	-	-
Fees and Charges	Total	-	-	-	-	-	-	-	-	-	-	-	-
Financial Expenses	Total	(55)	-	55	-	302	-	(302)	-	-	-	-	-
Grants	Total	50,000	-	(50,000)	-	50,000	-	(50,000)	-	-	-	-	-
Insurance	Total	-	-	-	-	2,438	2,731	293	11%	2,731	2,731	-	-
Other Expenditure	Total	(34,287)	178	34,464	19415%	(279,256)	16,089	295,345	1836%	16,333	16,333	-	-
Postage and Stationery	Total	70	164	94	58%	992	1,025	33	3%	1,025	1,025	-	-
Professional Services	Total	(300)	3,331	3,631	109%	8,482	34,799	26,316	76%	35,875	35,875	-	-
Rates	Total	-	-	-	-	2,014	2,295	281	12%	2,295	2,295	-	-
Repairs and Maintenance	Total	921,344	783,203	(138,141)	(18%)	10,360,935	10,121,053	(239,881)	(2%)	10,872,022	10,947,022	(75,000)	(1%)
Staff Costs	Total	64,889	62,127	(2,762)	(4%)	503,624	509,407	5,783	1%	563,545	563,545	-	-
Travel and Accommodation	Total	620	1,503	883	59%	7,392	11,337	3,945	35%	11,719	11,719	-	-
Vehicle Expenses	Total	(830)	(261)	569	(217%)	5,458	137	(5,320)	(3871%)	(183)	(183)	-	-
<b>Total</b>		<b>1,011,425</b>	<b>854,516</b>	<b>(156,910)</b>	<b>(18%)</b>	<b>10,729,688</b>	<b>10,754,281</b>	<b>24,592</b>	<b>0%</b>	<b>11,566,816</b>	<b>11,641,816</b>	<b>(75,000)</b>	<b>(1%)</b>
<b>Indirect Expenditure</b>													
Depreciation (Funded)	Total	1,372	1,417	45	3%	20,124	15,585	(4,539)	(29%)	22,985	22,985	-	-
Internal Expenses	Total	73,120	75,406	2,286	3%	817,561	864,625	47,065	5%	994,877	994,877	-	-
<b>Total</b>		<b>74,492</b>	<b>76,823</b>	<b>2,330</b>	<b>3%</b>	<b>837,684</b>	<b>880,210</b>	<b>42,525</b>	<b>5%</b>	<b>1,017,862</b>	<b>1,017,862</b>	<b>-</b>	<b>-</b>
<b>Net Surplus/(Deficit)</b>		<b>1,167,976</b>	<b>1,004,544</b>	<b>163,432</b>	<b>16%</b>	<b>12,293,321</b>	<b>14,742,948</b>	<b>(2,449,627)</b>	<b>(17%)</b>	<b>16,514,067</b>	<b>16,030,967</b>	<b>(483,100)</b>	<b>(3%)</b>

For the period ending M ay 2017		Council Rooding Report													
		Rooding													
		Monthly				YTD				Full Year Budget					
		Actual	Budget	Variance	Var %	Actual	Budget	Variance	Var%	Budget	Projection	Variance	Var %		
Capital Expenditure															
Capital Expenditure	Assoc Imprvmnts - Acq LOS	18,057	-	(18,057)	-	81,498	-	(81,498)	-	-	-	-	-		
	Bridges - Renewal	7,364	-	(7,364)	-	69,771	494,000	424,229	86%	1,300,000	1,300,000	-	-		
	Drainage Renewals - Acq LOS	14,505	34,170	19,665	58%	164,606	676,566	511,960	76%	1,183,400	683,400	500,000	42%		
	Drainage Renewals - Renewal	87,150	6,084	(81,066)	(1332%)	349,230	202,800	(146,430)	(72%)	202,800	202,800	-	-		
	Minor Improvements Acq LOS	102,475	72,878	(29,597)	(41%)	194,664	1,413,837	1,219,173	86%	1,027,564	1,457,564	(430,000)	(42%)		
	Minor Improvements Renewals	(194,219)	-	194,219	-	872,028	-	(872,028)	-	-	-	-	-		
	Other Equip - Acq LOS	-	-	-	-	2,450	-	(2,450)	-	-	-	-	-		
	Pavement Rehab - Acq LOS	-	-	-	-	-	55,463	55,463	100%	55,463	55,463	-	-		
	Pavement Rehab - Renewal	248,502	29,905	(218,597)	(731%)	720,817	976,886	256,069	26%	996,822	996,822	-	-		
	Preventive Maint - Acq LOS	-	-	-	-	-	-	-	-	-	-	-	-		
	Preventive Maint - Renewals	-	68,445	68,445	100%	14,346	225,615	211,269	94%	253,500	253,500	-	-		
	Seal Rd Resurface - Acq LOS	20,515	-	(20,515)	-	171,126	2,800,000	2,628,874	94%	2,800,000	2,800,000	-	-		
	Seal Rd Resurface - Renewal	1,279,328	104,349	(1,174,979)	(126%)	6,104,096	5,165,260	(938,837)	(18%)	5,217,434	5,217,434	-	-		
	Structure Component - Renewal	(20,029)	-	20,029	-	172,944	220,800	47,856	22%	230,000	230,000	-	-		
	Traffic Services - Acq LOS	1,743	-	(1,743)	-	54,858	193,287	138,429	72%	922,169	222,169	700,000	76%		
	Traffic Services - Renewal	43,244	64,965	21,720	33%	535,480	656,865	121,385	18%	721,830	721,830	-	-		
	Unsealed Rd Metal - Renewal	451,701	352,366	(99,335)	(28%)	2,182,756	1,855,794	(326,962)	(18%)	2,349,106	2,349,106	-	-		
	Vehicles - Renewal	-	3,117	3,117	100%	-	34,286	34,286	100%	37,403	37,403	-	-		
	Total		2,060,338	736,278	(1,324,059)	(180%)	11,690,671	14,971,458	3,280,787	22%	17,297,491	16,527,491	770,000	4%	
			2,060,338	736,278	(1,324,059)	(180%)	11,690,671	14,971,458	3,280,787	22%	17,297,491	16,527,491	770,000	4%	
Total															
Funding Adjustments															
Total		-	(167,407)	167,407	(100%)	9,054	664,693	(655,639)	(99%)	783,424	496,524	(286,900)	(37%)		

**TRANSPORT COMMENTARY**Operating Income

YTD Income is \$23.9M versus a Budget of \$26.3M with a variance of \$2.5M or 9.5%. The variance is predominantly due to the timing of capital expenditure (\$3.3M).

Direct Expenditure

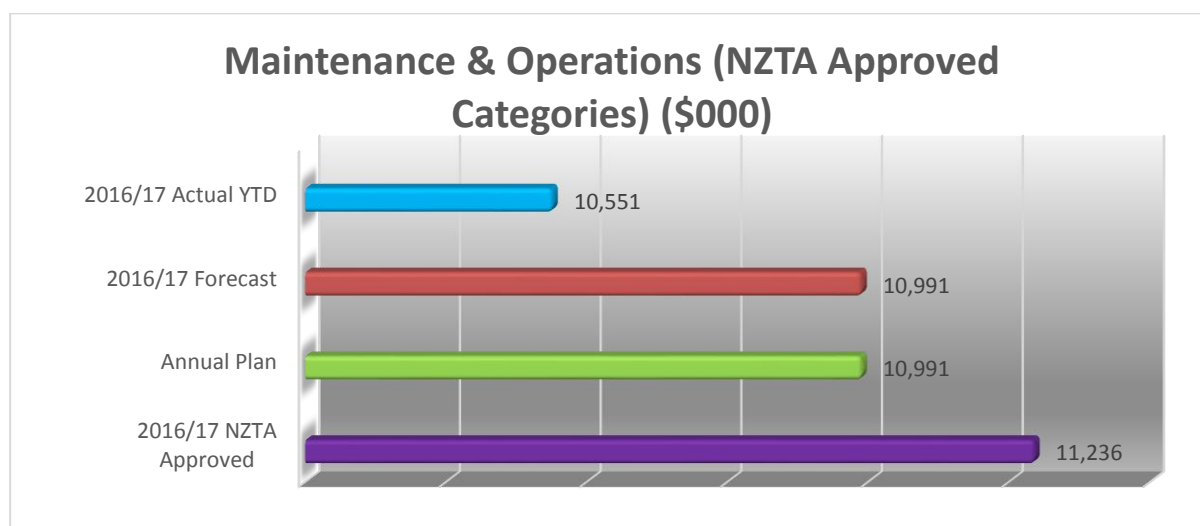
YTD Direct Expenditure is \$10.73M versus a Budget of \$10.75M with a variance of \$25K. This is related to the Special Purpose Roads Business Unit which is tracking \$150K under budget. This business unit is 100% funded by NZTA so this is purely a reflection of what work is required or not in this instance. The remaining variance is an overspend in maintenance activities due to a shift from capital expenditure. Sealed pavement maintenance and drainage are both overspent for 2016/17

Capital Expenditure

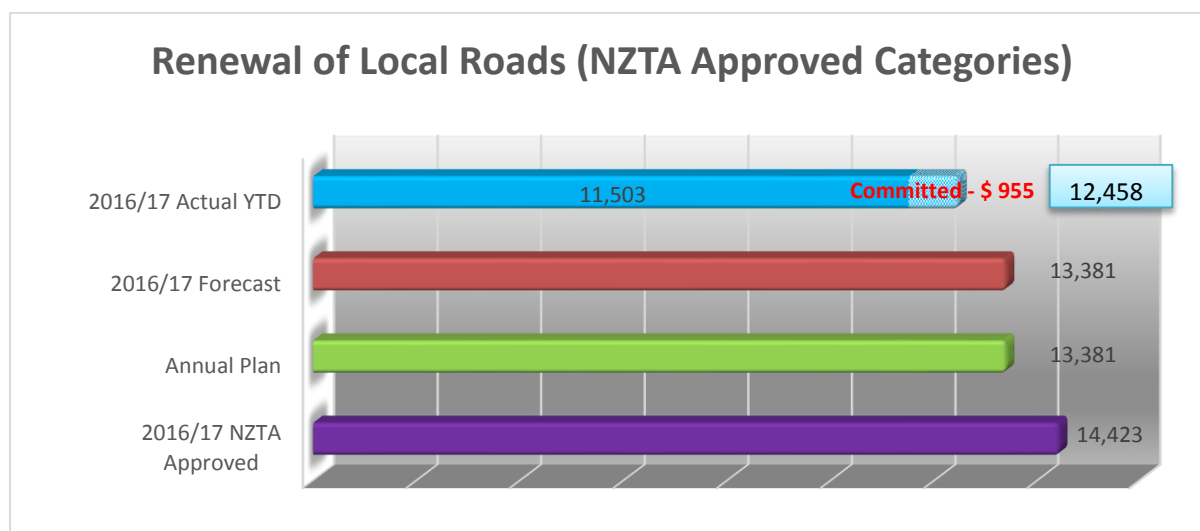
YTD Capital Expenditure is \$11.7M versus a Budget of \$15m with a variance of (\$3.3M). The variance is predominately due to the timing of Capital Expenditure. Due to the timing of the Alternative Coastal Route Seal Extension (\$2.6M) the project has been approved however consents and weather will impact the overall Capital spend for the 2016/17 financial year. Other categories with significant underspends are Bridge Renewals (\$424K), Drainage Renewals (\$336K), Minor Improvements (\$347K), Pavement Rehabs (\$300K) and Traffic Services (\$259K).

NZTA Performance

*The below information includes the main business activity for Council (excluding the Alternative Coastal Route Seal Extension and other Business Units that are fully funded by NZTA).*



Financial Tracking vs Plans (Maintenance)			
YTD	Forecast	Annual Plan	NZTA Approved
96.00%	91.67%	91.67%	93.90%



Financial Tracking vs Plans (Capital)			
YTD	Forecast	Annual Plan	NZTA Approved
85.96%	91.67%	91.67%	79.22%

### NZTA Commentary

Maintenance continues to track well against budget with the expectation this will be over budget at year end by approx. \$500K or 4.5%.

Capital Expenditure is tracking well below budget, the reseal contractors were finished in April. With the cost fluctuation indices having increased significantly since the contract was signed it is expected that the total cost of the Reseal programme will be approximately \$5.6m.

All of the 2016/17 Rehabilitations are under construction or have been tendered with the final Rehab Otapiri Gorge due to be completed in Oct 2017 which will see approx. \$500k carried forward into the 2017/18 financial year. Overall it is expected that this activity will be on or slightly over budget at year end.

The Minor Improvement projects are under construction with the guardrails for Blackmount Redcliff completed on the 5<sup>th</sup> April. Long Ridge guardrail package is under construction, this should be completed by 30<sup>th</sup> June. A package for Wyndham is currently in the tender process with designs continuing for 2017/18. Five bridges are currently tendered and have had to be delayed due to the Department of Conservation not signing off as an "Affected Party". Overall this will mean a shortfall in capital expenditure of approx. \$800K, this will be carried forward into 2017/18. A resolution is currently being worked through with Stantec. A business case has been developed for Advanced Renewal for LED's in the Southland District. This is now required to go to the Regional Authority for retrospective inclusion in the RLTP, if successful the remainder of the network will be completed in 2017/18.

In order to fully utilise the Budget Strategic Roding has instructed SDC's Alliance partners to pull forward some Unsealed Road Metalling and complete additional Unsealed Road Drainage Renewals. These works have been confirmed by our Alliance partners and this should be completed by 30<sup>th</sup> June.

At this stage Strategic Roding forecast that approx. \$1.8m will be carried forward into the 2017/18 financial year. The \$1.8m is made up of \$500k for Rehabs and \$500k for Reseals with the remainder as Minor Improvements (bridges). To achieve the remainder of the 2016/17 Budget SDC is still largely reliant on weather and the resources of our contractors.

#### Other Commentary

The Roding Company are making good progress with the final section of Slope Point drainage and preparation works (cuts, fill area, rock placement etc.) being undertaken. The first blast of Mair's Pit has occurred with gravel extraction and production expected to begin in June. Any underspend will be carried forward, at this stage it is estimated that \$2M will be carried forward to 2017/18, weather will still determine the amount of work achieved in the remaining month.

Special Purpose Roads will be under budget for both Expenditure and Income as this Business Unit is 100% funded from NZTA this has no overall impact on SDC. The Lower Hollyford Road has required no emergency works this year with preventative maintenance of \$14k spent the Chaslands Highway.

Transit Recoveries are expected to be on budget at year end, this Business Unit is 95% funded by NZTA this has a minimal impact on SDC.

# Southland Regional Development Agency - Consultation Document

Record No: R/17/7/15585  
Author: Steve Ruru, Chief Executive  
Approved by: Steve Ruru, Chief Executive

☒ Decision ☐ Recommendation ☐ Information

Item 9.2

## Purpose

- 1 To seek formal Council approval to the formation of a Council Controlled Organisation (CCO) to lead regional development activity across the Southland Region.

## Executive Summary

- 2 Over the last two years Council has actively lead and contributed to the development of the Southland Regional Development Strategy and Action Plan. The Action Plan was formally endorsed by Council on 1 February 2017.
- 3 It is proposed that a new Agency be established, as a council controlled organisation but with involvement from Ngai Tahu, business and community interests, to lead regional development activity, including the implementation of the SoRDS Action Plan, across the Region. There is a need for Council to consult on the proposal.
- 4 A copy of the proposed consultation document and process will be circulated under separate cover.

## Recommendation

That the Council:

- a) Receives the report titled "Southland Regional Development Agency - Consultation Document" dated 11 July 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 release of the proposed consultation document on the formation of a new Southland Regional Development Agency as a council-controlled organisation to lead regional development activity across the Southland Region.

## **Content**

### **Background**

- 5 Over the last two years a jointly funded council programme lead to development of the Southland Regional Development Strategy and Action Plan (SoRDS). Council formally endorsed the Action Plan on 1 February 2017.
- 6 Through the SoRDS process it became very clear that the size of the challenge that Southland faces, if it is to prosper in the future and 'turn the tide' against the 'megatrends', is enormous. The challenge was reflected in the Foreward from the Mayoral Forum in the Action Plan where the four Mayors/Chair indicated:

*"The comprehensive development of the region and reversing the loss of population from the demographic time bomb facing us is a challenge at another order of magnitude compared to those we have faced previously."*

- 7 The SoRDS strategy includes a number of economic, social, cultural, educational and environmental initiatives which set a clear set of priorities that should focus regional development activity over the next period of time.
- 8 A central part of the Strategy is the idea that a 'whole-of-region' approach is needed to regional development at a level of activity that has not previously been undertaken in Southland. The 'whole of region' approach is critical to being able to achieve the ambitious goal of increasing the population by 10,000 in just under 10 years.
- 9 To achieve the 'whole of region' approach needed it is proposed that a new Agency be formed with shareholding and financial involvement from Ngai Tahu, business and community interests. The proposal is full outlined in a proposed community consultation document and report which will be circulated under separate cover.

### **Issues**

- 10 There is a need for Council to determine whether it should approve the CCO proposal and community consultation process, which will be outlined in the report to be circulated under separate cover.

### **Factors to Consider**

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

- 11 Under section 56 of the Local Government Act 2002 (LGA2002) a proposal to form a CCO must be subject to consultation in accordance with the provisions in section 82. Section 82 outlines a number of generic consultation principles.

#### **Community Views**

- 12 The views of the community will be sought through the proposed community consultation process.

#### **Costs and Funding**

- 13 The costs associated with the community consultation process will be managed from within existing budgets.

### Policy Implications

- 14 There is no existing policy on this issue.

### Analysis

#### Options Considered

- 15 The options considered are to either Endorse the Consultation Document or Do Nothing.

#### Analysis of Options

##### Option 1 – Endorse Consultation Document

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Will enable progress to be made with establishment of a 'whole of region' entity to lead regional development.</li><li>• Allow progress to be made with implementation of the SoRDS Action Plan.</li></ul>	<ul style="list-style-type: none"><li>• There will be costs associated with formation of the new regional entity proposed.</li></ul>

##### Option 2 – Do Nothing

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Could allow for the proposal to be modified to address any concerns that Council may have.</li></ul>	<ul style="list-style-type: none"><li>• Will not be able to proceed with formation of a new regional entity.</li><li>• Will lead to delays and continued uncertainty about who will be responsible for leading implementation of the SoRDS Action Plan.</li></ul>

#### Assessment of Significance

- 16 A decision to endorse the proposed consultation document and process is not considered significant.

#### Recommended Option

- 17 It is recommended that Council endorse the proposed consultation document and process.

#### Next Steps

- 18 The consultation document will be released for feedback from the community.

#### Attachments

There are no attachments for this report.



## Vacancy - Athol Community Development Area Subcommittee

**Record No:** R/17/6/13830  
**Author:** Rose Knowles, Committee Advisor/Customer Support Partner  
**Approved by:** Rex Capil, Group Manager Community and Futures

☐ Decision ☒ Recommendation ☐ Information

### Summary of Report

The Athol CDA Subcommittee has a vacancy due to only five members being elected at its triennial meeting on the 22 March 2017.

The process to fill vacancies on CDA Subcommittees is usually via one of the following options;

- (a) Advertisements placed in local information bulletins
- (b) Holding of a public meeting
- (c) Notices strategically placed throughout the affected township

In this particular case the Athol CDA decided to invite nominations via notices placed throughout the Township.

As a result of the advertisement there was one nomination received by the CDA namely from Mr Arthur Innes, a resident of the Athol Community that resides just outside the CDA boundary.

Council is requested to consider whether or not to grant a dispensation to Mr Arthur Innes so that he may be confirmed as a member Athol CDA; if this confirmation is received the Athol CDA will again have a complement of six local members.

Council should note that if Mr Innes is not granted a dispensation then the membership of the Athol CDA will remain at five local members until such time as another interested local puts their name forward.

### Recommendation

**That the Council:**

- a) **Receives the report titled “Vacancy - Athol Community Development Area Subcommittee” dated 26 June 2017.**
- b) **Grants a dispensation to the Athol Community Development Area Subcommittee to operate with a member from outside their boundary as identified at their meetings.**
- c) **Confirms the Athol Community Development Area Subcommittee recommendation that Mr Arthur Innes be appointed to fill the vacancy on the Subcommittee.**

### Attachments

There are no attachments for this report.



## Gorge Road and Districts Community Development Area Subcommittee - New Members

Record No: R/17/6/14300  
Author: Fiona Dunlop, Committee Advisor  
Approved by: Rex Capil, Group Manager Community and Futures

☒ Decision ☐ Recommendation ☐ Information

### Purpose of report

- 1 The Triennial Election for the Gorge Road and Districts Community Development Area Subcommittee was held on Monday 20 March 2017.
- 2 At the meeting there were four nominations for the six places on the Subcommittee. The Members present agreed that they would approach members of the Gorge Road and Districts Community to find two more suitable members.
- 3 At the Council meeting on 6 April 2017, it was resolved that a dispensation for the Gorge Road and Districts Community Development Area Subcommittee be granted to operate with less than six local members, provided a quorum of not less than four, as per the Terms of Reference, exists at each meeting.
- 4 Since the granting of the dispensation by the Council, Helen O'Connor and Rex Botting who are members of the Gorge Road and Districts Community have indicated that they are willing to fill the vacancies on the Subcommittee.

### Recommendation

That the Council:

- a) **Receives the report titled "Gorge Road and Districts Community Development Area Subcommittee - New Members" dated 9 July 2017.**
- b) **Confirms that Helen O'Connor and Rex Botting be members of the Gorge Road and Districts Community Development Area Subcommittee.**

### Attachments

There are no attachments for this report.



## Minutes of the Community and Policy Committee Meeting dated 17 May 2017

Record No: R/17/6/14634  
Author: Alyson Hamilton, Committee Advisor  
Approved by: Alyson Hamilton, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

### Recommendation

That Council receives the minutes of the Community and Policy Committee meeting held 17 May 2017 as information.

### Attachments

- A Minutes of Community and Policy Committee Meeting dated 17 May 2017 (separately enclosed)



## Minutes of the Regulatory and Consents Committee Meeting dated 17 May 2017

Record No: R/17/6/14824  
Author: Alyson Hamilton, Committee Advisor  
Approved by: Alyson Hamilton, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

### Recommendation

That Council receives the minutes of the Regulatory and Consents Committee meeting held 17 May 2017 as information.

### Attachments

- A Minutes of Regulatory and Consents Committee Meeting dated 17 May 2017 (separately enclosed)



## Minutes of the Thornbury Community Development Area Subcommittee Meeting dated 9 March 2017

Record No: R/17/6/14633  
Author: Alyson Hamilton, Committee Advisor  
Approved by: Alyson Hamilton, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

### Recommendation

That Council receives the minutes of the Thornbury Community Development Area Subcommittee meeting held 9 March 2017 as information.

### Attachments

- A Minutes of Thornbury Community Development Area Subcommittee Meeting dated 9 March 2017 (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 Finance and Audit Committee - External Representative**

#### **C10.2 Southland Regional Development Strategy Implementation**

#### **C10.3 Public Excluded Minutes of the Community and Policy Committee Meeting dated 17 May 2017**

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
Finance and Audit Committee - External Representative	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	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.
Southland Regional Development Strategy Implementation	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	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.
Public Excluded Minutes of the Community and Policy Committee Meeting dated 17 May 2017	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	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.