

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

**Date:** Wednesday, 27 September 2017  
**Time:** 2pm  
**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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**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, 06 September 2017



## Adoption of Annual Report 2016/2017

**Record No:** R/17/9/21043  
**Author:** Nicole Taylor, Project Co-ordinator Corporate Planning  
**Approved by:** Rex Capil, Group Manager Community and Futures

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 Adoption of the Annual Report is required under the Local Government Act 2002.
- 2 The Annual Report is a means for Council to account and report to the community on its performance for the preceding financial year. It reports on outcomes, performance measures, both financial and non-financial and provides the actual results against budgeted results. This Annual Report reports against the second year of the Council's 10 Year Plan 2015-2025 and the Annual Plan 2016/2017.

### Executive Summary

- 3 Council is required to adopt an Annual Report within four months of the end of a financial year.
- 4 Council officers have compiled the Annual Report which has been reviewed by members of the Executive Leadership Team and the Council's Finance and Audit Committee prior to being audited by Audit New Zealand. Changes required from these processes have been incorporated into the document.
- 5 The updated Annual Report is attached to this report (Attachment B) and includes the draft audit opinion on page 21. A copy of the draft representation letter is also attached as Attachment A. The draft audit management report is expected to be provided on 25 September 2017 and will be tabled at the meeting.
- 6 Officers have also prepared the draft unaudited Summary Annual Report (Attachment C). This document will be audited separately in early October. Once the audit is complete and any changes are made, a separate audit opinion will be received and the Summary will be approved by the Mayor and Chief Executive for distribution.

## Recommendation

That the Council:

- a) Receives the report titled “Adoption of Annual Report 2016/2017” dated 21 September 2017.
- b) Determines that this matter or decision be recognised as 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) Adopts the Annual Report for the year ended 30 June 2017.
- e) Delegates authority to the Chief Executive to approve any minor amendments needed to the Annual Report subsequent to this meeting.
- f) Delegates authority to the Chief Executive and Mayor to sign the Annual Report letter of representation to Audit New Zealand on behalf of Council.
- g) Endorses the draft Summary Annual Report for the year ended 30 June 2017 for audit.
- h) Delegates authority to the Chief Executive and Mayor to approve any audit/officer changes to the Summary Annual Report.
- i) Delegates authority to the Chief Executive and Mayor to sign the Summary Annual Report letter of representation to Audit New Zealand on behalf of Council.
- j) Notes that the Summary Annual Report will be released to the public once approved by the Chief Executive and Mayor.
- k) Receives the Management Report from Audit New Zealand for the year ended 30 June 2017.

## **Content**

### **Background**

- 7 The Local Government Act 2002 requires Council to prepare and adopt an Annual Report within four months of the end of each financial year. This is the second year that Council has adopted its Annual Report within three months.
- 8 An Annual Report is intended to outline Council's actual performance in comparison with its intended performance as outlined in its Annual or Long Term Plan.
- 9 The Annual Report details the operating activities of the Council and includes financial statements for the Council. The Report and financial statements have been audited by Audit New Zealand on behalf of the Auditor-General.
- 10 The Report and Summary (once confirmed) will be made available to the public via Council's website, by placing printed copies in libraries and service centres and having printed copies available for distribution on request. Availability of the Report will be advertised. Printed copies of the Report and Summary will also be sent to those on Council's mailing list.
- 11 A draft of the unaudited Annual Report was presented to the Finance and Audit Committee on 6 September 2017. The Committee recommended that Council adopt the Report and delegated authority to the chair of the Finance and Audit Committee to reconfirm this following any changes made from either audit or officer review, ahead of the Council meeting on 27 September 2017. A table outlining the key changes that have occurred since review by the Finance and Audit Committee and approved by the Chair, are attached as Appendix 1.
- 12 The audit by Audit New Zealand has been completed and a number of adjustments have been made to the document following audit and officer review. An updated copy of the document has since been circulated to the chair of the Finance and Audit Committee outlining the material changes made. On behalf of the Finance and Audit Committee, the chair has also confirmed that the Annual Report, incorporating these changes, be recommended to Council for adoption.
- 13 The Summary Annual Report is not required to be adopted by the Council. The Summary will be released once the audit of the document has been completed and the Summary has been approved by the Mayor and Chief Executive.

### **Status of the Report**

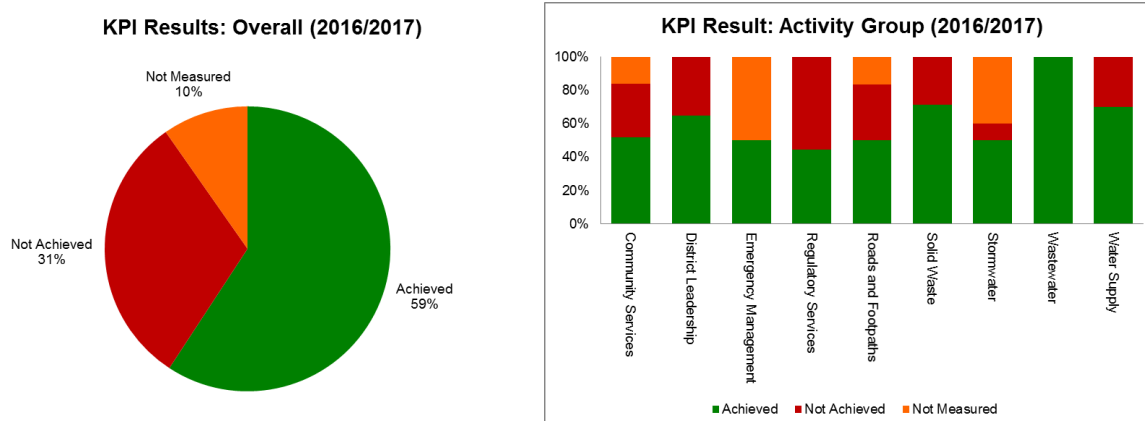
- 14 At the date of this report the Report and Summary are substantially complete. The principal matters outstanding include audit and design of the Summary document, and any final changes as a result of the final audit review processes. Any material changes made to the Report will be outlined at the meeting.
- 15 At the time of writing this report, Audit New Zealand have completed the majority of their audit fieldwork and review of the Annual Report, however are not in a position to be able to provide audit clearance. Verbal audit clearance is expected to be received on Monday 25 September 2017.
- 16 Audit New Zealand has provided Council with the draft audit opinion (included on page 21 of the annual report) and the draft representation letter (Attachment A). The letter of representation is required to be signed by the Mayor and Chief Executive. The management report will be provided to Council on 25 September and will be tabled at the meeting.

- 17 Ian Lothian, Director of Audit New Zealand will be in attendance at the meeting to present the audit opinion and answer any questions regarding the annual report, audit opinion or the representations required.

## **Issues**

### **Organisational Performance**

- 18 The Annual Report 2016/2017 details performance of the organisation against the key performance targets that were specified in 10 Year Plan. Of the 103 service performance targets, 61 (59%) were achieved, 32 (31%) were not achieved and 10 (10%) were not measured. There were a variety of reasons why target Key Performance Indicators (KPI) were not met and these are outlined in more detail in the various activity sections of the Annual Report.
- 19 A small number of performance measures have had their results changed as a result of both internal and Audit New Zealand reviews since the Finance and Audit Committee meeting. Details of the key changes are included in the appendix.



### **Statement of Compliance (page 20)**

- 20 Clause 34 of Schedule 10 of the Local Government Act 2002 requires that a Statement of Compliance be included in the Annual Report indicating whether the statutory requirements in relation to preparation of the Annual Report have been met. The Statement is required to be signed by the Chief Executive and Mayor.
- 21 The main statutory requirements relating to preparation of the Annual Report are outlined in the Act under Part 6, Section 98 and Part 3 of Schedule 10. These sections largely require that the statements be prepared in accordance with Generally Accepted Accounting Practice (GAAP) and that certain information be disclosed in the Annual Report. Hence, in essence, the Statement of Compliance is confirming that the information that is required to be included in an Annual Report has been included and whether the Report itself has been adopted within the four month timeframe and that it has been audited. The representations required in the Statement do not extend to confirming, for example, that Council has met all of its statutory responsibilities during previous decision-making processes.

### **Financial Results**

- 22 These financial statements have been prepared in accordance with Tier 1 PBE accounting standards. Explanations of the variance between actual results and budgeted results for 2016/2017 year can be found in note 33 of the Annual Report (page 133).

- 23 A summary of key financial information is set out below.

Statement of Comprehensive Revenue and Expense (page 94)

- 24 The Statement of Revenue and Expense records the revenue received and the expenditure incurred by Council. It also records changes in the value of Council's assets. In summary, Council's financial performance was as follows:

	<b>Actual 16/17</b>	<b>Budget 16/17</b>	<b>Actual 15/16</b>
Total Revenue	\$72.1M	\$68.4M	\$67.2M
Total Expenditure	(\$72.0M)	(\$69.3M)	(\$65.8M)
Operating Surplus/(Deficit)	\$0.1M	(\$0.9M)	\$1.4M
Gains on Assets at fair value	(\$0.1M)	-	\$1.3M
Gains on Assets	\$95.4M	\$21.7M	\$0.4M
Total Comprehensive Revenue and Expense	\$95.5M	\$20.8M	\$3.1M

- 25 Total revenue was \$3.7M over budget primarily as a result of forestry sales being significantly higher than forecast (\$3.9M) as well as an increase in the forestry valuation of \$0.8M. This was offset by a decrease in NZTA funding of \$1.9M as a result of a delay in the tendering of the Alternative Coastal Route project and several bridge replacement projects; as well as reduced grants and subsidies income of \$1.2M, predominantly associated with the Around the Mountains Cycle Trail.
- 26 Total expenditure was \$2.7m above budget predominantly due to costs associated with the increased forestry harvesting (\$1.9M) and costs associated with stage 8 and 9 of the Around the Mountain Cycle Trail being expensed.
- 27 Gains on Assets was \$73.7M greater than budget due to a significant increase in the roading revaluation as a result of current market conditions as well as more accurate costing information being available as a result of the Alternative Coastal Route project tender being awarded recently.

Statement of Financial Position (page 96)

- 28 The Statement of Financial Position (also referred to as the Balance Sheet) records the assets Council owns, and how those assets are financed. Total Assets is what the council owns for example infrastructure assets, Total Liabilities are finance from third parties, for example accounts payable; and Total Equity is the net community assets (Total Assets less Total Liabilities). Key items in the Statement of Financial Position are:

	<b>Actual 16/17</b>	<b>Budget 16/17</b>	<b>Actual 15/16</b>
Total Assets	\$1,496M	\$1,437M	\$1,400M
Total Liabilities	\$11.1M	\$13.9M	\$11.0M
Total Equity	\$1,485M	\$1,423M	\$1,389M

- 29 Total Assets are over budget primarily due to property, plant and equipment and investments being significantly more than budgeted by (\$37.0M and \$21.5M respectively). This is primarily as a result of the higher than budgeted revaluation of infrastructural assets offset by

less capital works being completed than anticipated, and consequently more funds being retained in investments.

Statement of Cash Flows (page 97)

30 The Statement of Cash Flows records the cash that Council received and disbursed. Broadly cash, under financial reporting rules is recorded in three separate categories:

- Operating cash flows - the cash flow related to day-to-day operating activities.
- Investing cash flows - the cash flow received from sale of assets and cash spent on capital assets.
- Financing cash flows - the cash flow received from any borrowings and the cash flow disbursed in repaying borrowings.

31 Overall, Council's cash position increased from June 2016 by \$4.0M (rounded). In summary, the cash flows recorded within these categories are as follows:

Operating cash flows	Actual 16/17	Budget 16/17	Actual 15/16
Cash surplus/(deficit)	\$21.1M	\$22.2M	\$23.2M

Investing cash flows	Actual 16/17	Budget 16/17	Actual 15/16
Cash surplus/(deficit)	(\$17.1M)	(\$35.7M)	(\$27.1M)

Financing cash flows	Actual 16/17	Budget 16/17	Actual 15/16
Cash surplus/(deficit)	-	(\$0.9M)	(\$0.01M)

32 Net operating cashflows were lower than budgeted. Payments to supplier and employees were \$1.7M above budget primarily due to harvesting costs associated with increased forestry harvesting undertaken.

## Factors to Consider

### Legal and Statutory Requirements

- 33 Section 98 of the Local Government Act 2002 requires the Council to prepare and adopt an Annual Report within four months of the end of the financial year.
- 34 The Act also requires that Council make available the Annual Report within one month after adoption and publish a Summary of the Annual Report within one month of the Annual Report being adopted. Officers are finalising the Summary document (Attachment 2) which will be released in mid-October following audit and graphic design.
- 35 Part 3 of Schedule 10 also outlines a number of disclosures that are required to be included in the Annual Report.

### Community Views

- 36 The community expects Council to adopt an Annual Report in accordance with the requirements of the Local Government Act 2002. The Report is an important accountability



document in terms of explaining the actual performance of the organisation relative to the objectives that were set via the Long Term Plan and Annual Plan.

- 37 The Report and Summary (once confirmed) will be made available to the public via Council's website, by placing printed copies in libraries and service centres and having printed copies available for distribution on request. Availability of the Report will be advertised. Printed copies of the Report and Summary will also be sent to those on Council's mailing list.

### **Costs and Funding**

- 38 The audit fee for the Annual Report is \$115,440 (excluding GST) plus associated disbursements (\$2,183 or 1.9% increase on the 2015/2016 fee).
- 39 There are no additional financial considerations associated with making a decision on whether to adopt the Annual Report.

### **Policy Implications**

- 40 Council's policies relating to the basis upon which the Annual Report is prepared are outlined in the Statement of Accounting Policies contained in the Report itself.

## **Analysis**

### **Options Considered**

- 41 Under the Local Government Act 2002, the Council must prepare and adopt an Annual Report in respect of each financial year, no other options are available.

### **Analysis of Options**

#### **Option 1 – Adopt the Annual Report 2016/2017**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Compliance with Council's legislative requirements.</li><li>• The document provides information to the public on the performance to budget and against key performance indicators.</li></ul>	<ul style="list-style-type: none"><li>• There are no disadvantages.</li></ul>

#### **Option 2 – Do not adopt the Annual Report 2016/2017**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• There are no advantages of this option.</li></ul>	<ul style="list-style-type: none"><li>• Council will not be compliant with the legislation.</li></ul>

### **Assessment of Significance**

- 42 The Annual Report 2016/2017 is considered significant under Council's significance and engagement policy because the performance of Council is of wide community interest.
- 43 It is important to the public that Council meets both its financial and non-financial commitments to ensure it delivers its services efficiently and effectively. To do this the public

relies on the information provided in the Annual Report to give it assurance that Council is undertaking its responsibilities and how well it is performing these.

- 44 Along with the processes and procedures Council undertakes to track and record the information provided in the Annual Report, to ensure that the public can rely on the information provided an independent review is undertaken by auditors (Audit New Zealand). In general the Audit New Zealand provides an opinion as to whether Council has complied with Generally Accepted Accounting Practice (GAAP) and that the annual report fairly reflects council's financial position, results of operations and cashflows, and levels of service and reasons for any variance.

### **Recommended Option**

- 45 The recommended option is Option 1 – Adopt the Annual Report 2016/2017.

### **Next Steps**

- 46 Once the Annual Report is adopted, and the signed representation letter has been provided to Audit NZ, the final audit opinion will be issued to Council. The audit opinion will be finalised in the Annual Report and an online and printed version of the Annual Report will be made available to the public.
- 47 The Summary Annual Report will be graphically designed and will be audited separately in early October. Once the audit is complete and any changes are made, the Summary will be approved by the Mayor and Chief Executive and will also be made available to the public.

## Appendices

### Appendix 1 – Key Changes to the Annual Report since 1 September 2017

Change	Updated Page	Original Page
Some measures have had wording changes for consistency and changes to explanatory reasons and some have had the prior year result added again for consistency	Throughout	
Activity Report - Total number of KPI's achieved increased from 58 to 61, not achieved decreased from 34 to 32 and not measured increased from 7 to 10. The reasons for this change are:	7	7
<ul style="list-style-type: none"> <li>Resource Management KPIs – Correction to the number of KPIs.</li> </ul>	46	48
<ul style="list-style-type: none"> <li>Roading and Footpaths KPI (Road Safety) – Updated information from the roading team provided during the audit meant that the number of crashes/fatalities was 16 rather than 15. As this was the same number as the prior year the result was updated to “No Change” which was “Not Achieved” (from Achieved).</li> </ul>	54 + 56	56 + 58
<ul style="list-style-type: none"> <li>Stormwater KPI (Management of Environmental Impacts) – The auditors requested that the various components of the measure (a) through to (d) be reported separately so that each of these were reported as “Not Measured”. As a result the number of KPI's not measured increased from 1 to 4.</li> </ul>	63 + 64	65 + 66
<ul style="list-style-type: none"> <li>Stormwater KPI (Customer Satisfaction) – The result changed from 18 to 10 which means it is now achieved. The change related to rural properties being incorrectly included in the calculation. The mandatory measure only refers to urban properties.</li> </ul>	63 + 65	66
<ul style="list-style-type: none"> <li>Wastewater KPI (Discharge compliance) – The auditors requested that the various components of the measure (a) through to (d) be reported separately so that each of these were reported as “Achieved”. As a result the number of KPI's achieved increased from 5 to 8.</li> </ul>	67 + 68	69 + 70
<ul style="list-style-type: none"> <li>Water Supply KPI (Quality/Consumption) – The result changed to 790 litres which means it is now achieved against the restated target of 845 litres. The change related to the fact that the target was calculated differently than the mandatory measure requirements so this has been restated to enable comparison.</li> </ul>	75	76
Changes to KPI results		
<ul style="list-style-type: none"> <li>Community Assistance (Annual Outcomes Report) from 3 to 4</li> </ul>	28	31
<ul style="list-style-type: none"> <li>Community Development (GDP) from 5.1 to -1%</li> </ul>	38	40
<ul style="list-style-type: none"> <li>Community Development (Occupancy Rates) from 12.2% to 11.4%</li> </ul>	40	41
<ul style="list-style-type: none"> <li>Wastewater (Customer Satisfaction) splitting out results for components (a) to (d) and adding prior year comparatives for each component.</li> </ul>	69	71
<ul style="list-style-type: none"> <li>Water Supply (Customer Satisfaction) splitting out results for components (a) to (f) and adding prior year comparatives for each component.</li> </ul>	74	76
\$285K increase in the water asset valuation for year ended 30 June 2017. This matter was identified by our valuer (Vaughn) when they were uploading the assets into the asset database and a number of water assets did not have an installation date included, and therefore the Depreciated Replacement Cost was calculated incorrectly.	Throughout	

Correct forestry income receipted 1 July 2017, however invoice was dated pre 30 June, therefore increase bank account by \$934K (net amount), reduce accrued expenses by \$475K and reduce accrued income by \$1,409K.	Throughout	
Correct Stewart Island Visitor Levy grants – re-accrue \$50K for Regional Heritage Trust awarded in 15/16 year and remove accrual for \$42K to Stewart Island Jetties due to insufficient funds being available at 30 June 2017.	Throughout	
\$120K increase in expenditure accruals associated with roading.	Throughout	
Updates to accounting policies as requested by Audit NZ.	84-93	86-96
Inclusion of going concern wording in relation to Venture Southland.	124	127
Update of the net asset value of Southland Regional Heritage Committee based on the final audited accounts.	124	127
Correction to events after balance date disclosure in relation to legal proceedings, as no case management meeting was required.	129	132
Update value of contingent liabilities for Building Act claims.	129 + 130	132 + 133

## Attachments

- A Draft Letter of Representation for the year ended 30 June 2017 to Audit New Zealand [↓](#)
- B Full Annual Report 2016/2017 [↓](#)
- C Draft Unaudited Summary Annual Report 2016/2017 (Text Version) [↓](#)

[Entity Letterhead]

27 September 2017

Ian Lothian  
Director  
Audit New Zealand  
PO Box 232  
Dunedin 9054

Dear Ian

### **Representation letter for the year ended 30 June 2017**

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements and statement of service performance of Southland District Council (the District Council) for the year ended 30 June 2017 for the purpose of expressing an opinion about whether:

- the financial statements:
  - present fairly, in all material respects:
    - the financial position as at 30 June 2017; and
    - the financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Accounting Standards.
- the funding impact statement presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statement of service provision (referred to as Activities):
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2017, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice.

- The statement about capital expenditure for each group of activities presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan.
- the funding impact statement for each group of activities presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand).

### **General responsibilities**

To the best of our knowledge and belief:

- the resources and activities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the District Council) to prevent and detect fraud.

### **Representations on the financial statements and the statement of service provision (referred to as Activities)**

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements and statement of service provision (referred to as Activities), and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements and the statement of service provision (referred to as Activities) as required by the Local Government Act 2002 and, in particular, that:
  - the financial statements:
    - and present fairly, in all material respects:
      - the financial position of the District Council as at 30 June 2017; and

- the results of its operations and its cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Accounting Standards.
- the statement of service provision (referred to as Activities):
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2017, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand.
- the funding impact statement presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement about capital expenditure for each group of activities presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan;
- the funding impact statement for each group of activities presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- we have complied with the requirements of Schedule 10 of the Act that apply to the annual report;
- we have made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations 2014);
- we believe the significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable;
- we have appropriately accounted for and disclosed related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements and the statement of service provision (referred to as Activities) that require adjustment or disclosure;

- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements and statement of service provision (referred to as Activities) as a whole. A list of the uncorrected misstatements is attached as Appendix 1 to this representation letter; and
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Benefit Entity Accounting Standards.

### **Representations about the provision of information**

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
  - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and the statement of service provision (referred to as Activities); and
  - unrestricted access to persons within the District Council from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements and statement of service provision (referred to as Activities) may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the District Council and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements and statement of service provision (referred to as Activities);
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the District Council's financial statements and statement of service provision (referred to as Activities) communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements and the statement of service provision (referred to as Activities), including possible non-compliance with laws for setting rates;
- we have provided you with all the other documents ("other information") which will accompany the financial statements and the performance information which are consistent with one another, and the other information does not contain any material misstatements; and



- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.

**Publication of the financial statements and statement of service provision (referred to as Activities) and related audit report on a website**

The Council accepts that it is responsible for the electronic presentation of the audited financial statements and statement of service provision (referred to as Activities).

The electronic version of the audited financial statements and statement of service provision (referred to as Activities) and the related audit report presented on the website are the same as the final signed version of the audited financial statements and statement of service provision (referred to as Activities) and audit report.

We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.

We have assessed the security controls over audited financial and performance information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.

Where the audit report on the full financial statements and statement of service provision (referred to as Activities) is provided on a website, the financial statements and statement of service provision (referred to as Activities) are also provided in full.

**Going concern**

We confirm that, to the best of our knowledge and belief, the District Council has adequate resources to continue operations at their current level for the foreseeable future. For this reason, the Council continues to adopt the going concern basis of accounting in preparing the financial statements and the statement of service provision (referred to as Activities) for the year ended 30 June 2017. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the District Council during the period of one year from [date of signing the financial statements], and to circumstances that we know will occur after that date which could affect the validity of the going concern assumption.

We consider that the financial statements and the statement of service provision (referred to as Activities) adequately disclose the circumstances, and any uncertainties, surrounding the adoption of the going concern basis of accounting by the District Council.

Throughout the year, the District Council has conformed with the requirements of its banking arrangements, debenture trust deeds, or negative pledge agreements, including those relating to its net tangible assets ratios.

**Sign-off on these representations**

These representations are made at your request, and to supplement information obtained by you from the records of the District Council and to confirm information given to you orally.

Yours sincerely

Gary Tong  
Mayor

Steve Ruru  
Chief executive

Item 7.1 Attachment A

## Appendix 1: Uncorrected misstatements

To be confirmed

Note	Statement of comprehensive income		Statement of financial position	
	Dr \$000	Cr \$000	Dr \$000	Cr \$000
1				
2				
3				

**Explanation for uncorrected misstatements**

Item 7.1 Attachment A

Item 7.1 Attachment B



Annual Report 2016/2017

Item 7.1 Attachment B

Cover photo: Macaela Hawkins  
Ivon Wilson Scenic Reserve, Te Anau

## Item 7.1 Attachment B

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# Overview

The overview describes the key highlights from the past year and summarises how Council has performed against its financial and service performance measures. The section also reports on progress made towards achieving community outcomes, opportunities for Māori to contribute to decision-making and explains other related documents. The section finishes with a report from Audit New Zealand which gives an opinion on whether the financial statements and service performance information fairly represent Council's financial performance and position, and how accurately we have monitored and reported on our activities.

# Message from the Mayor and Chief Executive

Welcome to Southland District Council's 2016/2017 Annual Report.

Council has ticked a lot of boxes and progressed a number of important projects in the past 12 months. While each piece of work we've carried out has presented its own unique challenges, we've asked ourselves the same question for every one of them.

That question is: is this the best way to prepare Southland District for the future?

Whether we are replacing asbestos pipes with new high-density polythene pipes in the Winton water mains, doing the groundwork to seal the Catlins Alternative Coastal Route road or getting up close and personal with residents in Community Conversations, our underlying objective is always to explore the best ways to prepare our District for what tomorrow might bring.

Here at Council we take our responsibility towards the many communities on our watch very seriously. Our primary concern is to get the best result representing the best value over the longest term possible to help ensure Southland District is in the right shape to meet the challenges we face now and the challenges yet to come.

These are coming in many forms: a declining, ageing population, a shrinking rating base, increasingly automated work systems, wear and tear on infrastructure, resource management demands, and legislative pressures...the list goes on.

But there are endless opportunities right in front of us too, with tourism, smarter use of technology and a diversified economy right up there among them.

Southland District Council is fully on board with the Southland Regional Development Strategy (SoRDS) Action Plan, which was launched with much fanfare in November 2016. This was Southland's moment to shine on the national stage, and together Southland demonstrated in emphatic style to the rest of the country the force of our collective will during a glittering event at Bill Richardson Transport World.

Government ministers Steven Joyce and Nathan Guy would have been in no doubt how determined Southland is as a region to defuse its demographic time bomb, its shrinking population.

Getting all four Southland councils to this moment was a triumph, but we should be under no illusions about the difficulties we face trying to progress to the next phase of the SoRDS Action Plan.

Philosophical differences are proving major sticking points as the four authorities try to negotiate an agreement on how we move forward with the strategy to have 10,000 more people living in Southland by 2025.

Despite these differences, we as a Council remain committed to the partnership-and-collaboration approach that we see as being critical to the future of not just our own District, but the region as a whole.

We must be the authors of our own destinies. If we sit back and wait for central government to prop up our region our voices will be lost in the noise coming from further north and as a region we will decline.

Together, we must be smarter, presenting a unified front, working together, combining resources, collaborating to find greater efficiencies, sharing a vision and a sense of purpose – these are our District's greatest strengths going forward, and Council is determined to lead the way.

We've focused a lot on health and safety within the organisation this year. Making sure our people get home to their loved ones safely each night is our primary concern. A new Health and Safety Governance Framework and a Health and Safety Plan for 2017/2018 were approved by the Finance and Audit committee at its meeting in June.

Not the least of the work we've been doing in the past 12 months is writing the Southland District Story, the narrative for Council's strategic framework for the future.

This work – carried out in-house by Council staff – forms the basis of our first rebrand since local government amalgamation in 1989. It will refocus our organisation on the crucial work ahead, as we partner closely with our communities to ensure they are fit to meet future challenges.

We're excited about the message it will send, and the opportunities ahead. Stay tuned for the big reveal.

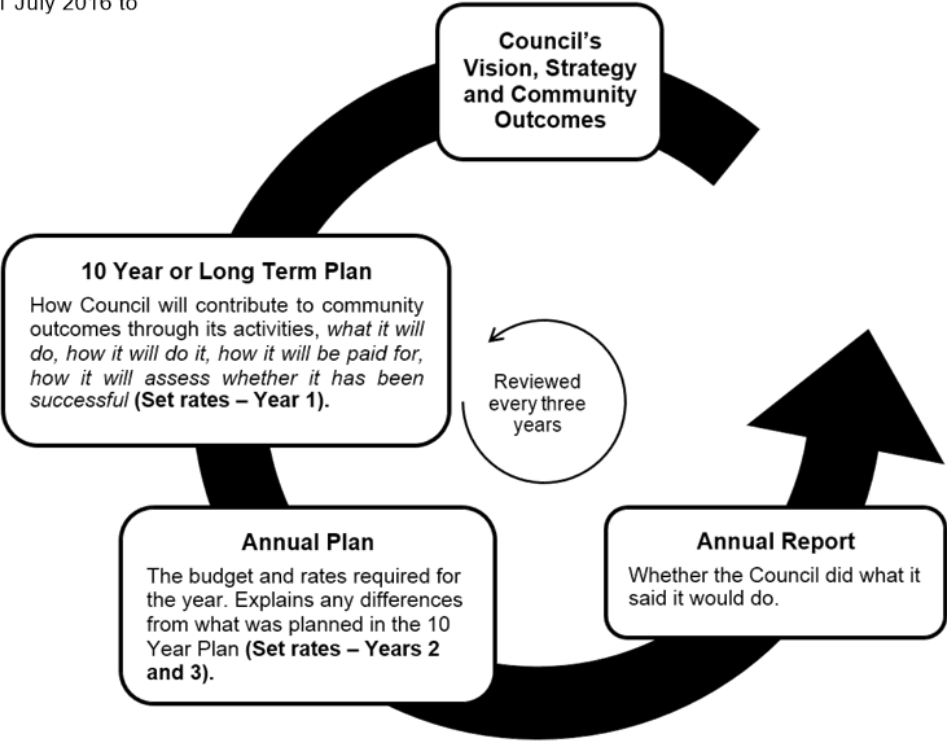


# What is an Annual Report?

This Annual Report tells you and us how well we did against what we said we were going to do in the 10 Year Plan 2015-2025 and Annual Plan 2016/2017, how much it cost to do this and how we paid for it.

Audit New Zealand gives its opinion on whether the financial statements fairly reflect the Council's financial performance and financial position and comply with generally accepted accounting practice. Additionally, the opinion is given on how accurately we have monitored and reported on our activities and whether what we have reported on is a good reflection of our performance.

This document reports on the Council's activities during the year 1 July 2016 to 30 June 2017.



## Council's Strategic Direction

The following table sets out Council's strategic framework. It outlines Council's approach to planning and the strategies and proposals that are set out in the 10 Year plan. The principle that guides Council in everything it does is "People First".

VISION : To have thriving, healthy Southland communities		
MISSION : Working together for a better Southland		
COMMUNITY OUTCOMES		
<b>Supporting our communities</b> We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.	<b>Making the most of our resources</b> We will strive to be good custodians of the environment to ensure that people living here now and in the future can grow and prosper while retaining the natural beauty of Southland.	<b>Being an effective Council</b> We will endeavour to be prudent, innovative and be an enabler for our communities.
Council's role in delivering on its outcomes		
<ul style="list-style-type: none"> <li>Help communities to help themselves, providing them with support, resources and mentoring</li> <li>Encourage our residents and ratepayers to have pride in their communities</li> <li>Deliver our own services and activities in ways which help create desirable communities</li> <li>Encourage appropriate employment and economic opportunities which sustain these communities</li> <li>Advocate on behalf of our communities</li> <li>Celebrate our communities' successes</li> <li>Consider community capacity and promote equity across the District</li> <li>Help the District adapt to the changes in our community demographics to ensure the young, elderly or culturally diverse members of our society are catered for.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that we make the best use of our water and our land, particularly as productive agricultural land</li> <li>Deliver our own services and activities in a sustainable manner</li> <li>Ensure that our policies and plans help retain the value of our natural environment</li> <li>Support initiatives which reduce impacts on the environment.</li> </ul>	<ul style="list-style-type: none"> <li>Listen to our communities, empower them and be responsive to their needs</li> <li>Work together with others to achieve our community goals</li> <li>Proactively lead our communities</li> <li>Ensure that infrastructure and services are provided and maintained consistent with community needs and provide value for money in a sustainable manner</li> <li>Ensure that decisions are based on good information and advice</li> <li>Focus on what is important (must have versus nice to have)</li> <li>Look for opportunities to increase value of our services</li> <li>Be an employer and Council of choice.</li> </ul>
<b>COUNCIL'S ACTIVITIES :</b> Community services, regulatory services, emergency management, district leadership, solid waste, roads and footpaths, water supply, wastewater and stormwater		

# Key Highlights

## Executive Summary

### Sealing the Catlins Alternative Coastal Route

This is a major two year project which has two stages. Approximately \$900,000 was spent within the 2016/2017 year with the remaining budget scheduled to be spent within the 2017/2018 year.

Favourable winter weather enabled our contractors to make good progress on stage one of the project (Slope Point Road). Earthworks are near completion at the end of 2016/2017 with drainage and construction crews preparing the road for sealing in the 2017/2018 financial year.

Stage two of the project involves preparing 13.3km of the Otara-Curio Bay road and then the 4.2km Waipapa Point lighthouse road for sealing. There is a high level of enthusiasm and support from the local community for the \$9.5 million project.

### Winton water mains upgrade

Stage two of the renewal of the water mains in Winton was completed in 2016/2017. This cost \$1 million and is part of a three-year upgrade programme. Old asbestos pipes were replaced with new high-density polythene pipes. The final stage involves replacing articulated piping around the northern parts of Winton. Council has budgeted \$1.1 million in the 2017/2018 year to do this.

### The Southland District Story

Southland District Council staff worked on a rebranding project in 2016/2017. It incorporates a new logo, new vision and the development of a set of brand values which have been incorporated into the Southland District Story.

This is a significant step for Council, which has earned a reputation for being a solid and trusted custodian of Southland District's infrastructure since being formed in 1989.

The new brand will reflect Council's evolving community leadership role and its focus on preparing the District for the future.

All brand development work was carried out by Council staff at no extra cost to ratepayers.

### Community Facilities

The Winton Memorial Hall upgrade was completed and officially opened in October 2016, 60 years after it was opened in 1956. The project involved seismic strengthening, better heating and lighting, plumbing and flooring improvements, new kitchen, bar and server, upgraded toilets and fresh paint. Public feedback to the refurbishment has been positive.

The Riverton Skate Park shelter got a new shelter in the shape of a paua shell. The project was initiated by the Southland District Youth Council and the shelter was opened during a community day in November 2016.

### Around the Mountains Cycle Trail

Stage one from Kingston to Mossburn has now been open for three years and the section from Mossburn to Centre Hill is also complete.

Council considered options to finish the Around the Mountains Cycle Trail. One option is to temporarily complete the trail from Centre Hill to Walter Peak as a "Heartland Ride," using the existing Centre Hill and Mavora Lakes roads. This would mean Council could market the trail as a complete ride while considering how to develop it to "Great Ride" standard, which Council is contractually obliged to do.

### Te Anau wastewater discharge project

Councillors asked staff to prepare a business case to build a treated wastewater discharge system on the Kepler block, about 18km from Te Anau. We need to have an alternative treated wastewater discharge system for Te Anau fully up and running by December 2020, unless we can get new consents to extend use of the existing Upukerora River discharge.

The door has not been shut on other potential waste disposal sites, however. Staff are working on a process which could be used to identify other potentially suitable sites.

This follows a period of negotiation to do further investigations on an alternative block of land near Te Anau early in 2017 proved unsuccessful.

### Curio Bay project

Council built and commissioned a new wastewater treatment plant at Curio Bay/Tumu Toka, which is running smoothly and meeting consent requirements. The Department of Conservation's carpark and the South Catlins Charitable Trust's camping amenities building are complete, and the trust has started construction of the new heritage building. Council, DOC and the trust have started a planting programme on the reserve to increase the habitat for yellow-eyed penguins (hoiho).

### District Plan update

The Proposed District Plan went through a full public consultation process in 2016/2017 and there are a few provisions still subject to appeal. Those parts of the plan that were not subject to appeal are now effectively operative, and supersede the provisions of the previous District Plan.

The District Plan is the guiding document which sets out how land can be used in Southland District. This ranges from farming activities to business ventures. Changes made through the plan review process will impact on all land use activities that can be carried out in the District.

### Southland Regional Development Strategy

The Southland Regional Development Strategy (SoRDS) Action Plan was launched in November 2016. The strategy, initiated by the Mayoral Forum and launched in October 2015, has a clear and simple goal: to attract 10,000 more people to Southland by 2025.

Nine teams, involving more than 95 leaders from the public and private sectors, outlined action plans to the Governance Group, chaired by Tom Campbell. These were then presented to the Mayoral Forum and the four Southland councils for formal endorsement. At the time of writing, the four authorities were consulting on a proposal to form a council controlled organisation to lead the next phase of work.

### Bylaws and policies

Council has 22 bylaws on its books. We have a relaxed approach to introducing new bylaws or policy. Unless there's a problem, we don't try to fix it.

Three of the more significant bylaws Southland District Council adopted in 2016/2017 were:

- Easter Sunday Shop Trading Policy: This policy allows all shops in the district to open on Easter Sunday.

- Signs and objects on Roads and Footpaths Bylaw: The bylaw addresses the placement of signs and other objects in the road reserve, for example sandwich boards on footpaths. It has been introduced to lessen potential for nuisance and risk to public health.
- Reserves Management Policy: This provides general guidance on the administration, use, maintenance and development of reserves throughout the Southland District.

### Digitisation of property files

Council's massive digitisation project was largely completed in 2016/2017.

All Council's paper property files, dating back to 1942, were boxed and sent away to be scanned and returned as PDF files. These are being imported into Council's electronic document and records management system which make them more accessible for the public and Council staff.

The project was budgeted to cost \$1.5 million, but the number of files was greater than initially estimated and the total cost is about \$2 million. Council approved \$500,000 of unbudgeted expenditure to complete the project.

### Roading contract renewal

Council renewed its roading alliance maintenance contracts for up to seven years starting on 1 July 2017. The Waimea and Central contracts were awarded to SouthRoads and the Foveaux Alliance contract was awarded to Fulton Hogan.

### Staff awards

During 2016/2017, the achievements of Southland District Council staff were recognised with several awards.

- Southland District Council's roading programme won a Local Government New Zealand Excellence Award for the presentation, Changing Direction: The Way Forward for Southland's Roads.
- Matthew Keil, water and waste operations project engineer, won the Improving Water Quality section of the Water NZ awards, for his work upgrading the Orawia water supply.
- James McCallum, roading engineer, won the under-35 young presenter competition at the Road Engineering Association of Asia and Australasia southern region conference in Dunedin for his presentation on Council's ground-breaking use of unmanned aerial vehicle technology.

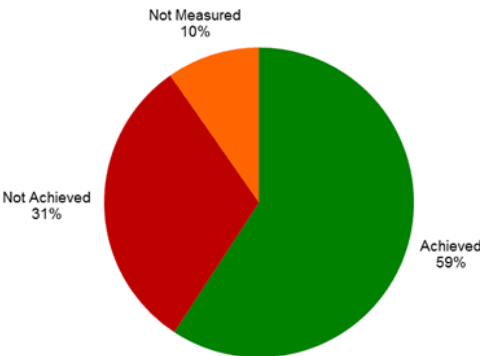
Summary Activity Report

The graphs and table opposite and below provide a snapshot of the status of the projects and achievements of performance targets as at 30 June 2017 for the 2016/2017 financial year. Council's 26 activities are broken down into 9 activity groups.

There were 103 performance targets of which 93 were measured. Of the 10 performance targets that were not measured, five related to differences in timing of when information is measured and the preparation of the Annual Report, one related to the airport audit no longer being required and four related to stormwater consents which are not yet in place.

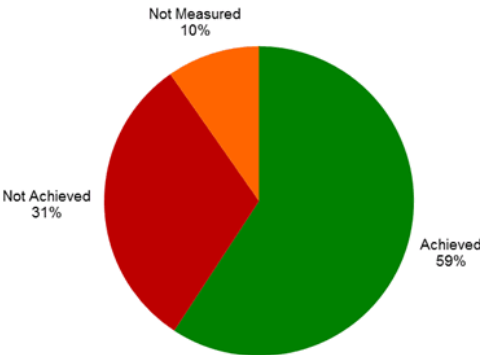
Activity Group	Performance Targets			Total
	Achieved	Not Achieved	Not Measured	
Community Services	13	8	4	25
District Leadership	11	6	0	17
Emergency Management	1	0	1	2
Regulatory Services	8	10	0	18
Roads and Footpaths	3	2	1	6
Solid Waste	5	2	0	7
Stormwater	5	1	4	10
Sewerage	8	0	0	8
Water Supply	7	3	0	10
TOTAL	61	32	10	103

Performance Targets (2016/2017)



Of the 158 projects in the 2016/2017 financial year, overall, 59 were completed by the end of the year, 3 projects were deleted, 58 projects were still in progress, 17 were deferred and 21 projects were not started.

Performance Targets (2016/2017)





## Financial Overview

The financial overview provides a summary of the year-end financial results for the Southland District Council. The information contained in this overview has been extracted from the full financial statements which contain detailed information about Council's finances and service performance. The financial results include information about Council, Stewart Island Electricity Supply Authority and Council's share in Venture Southland. The table shows the financial year-end results, as at 30 June 2017 and includes comparisons from the previous financial year and the budget as outlined in the 2016/2017 Annual Plan.

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

Full details of Council's accounting policies can be found on page 84.

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

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

### Definitions

- **NET SURPLUS**  
What income Council has left after operational costs are paid.
- **EQUITY**  
Net assets owned by ratepayers.
- **NET ASSETS**  
What Council owns less what it owes at the end of the year.
- **CASHFLOW**  
How Council generated and used cash during the year.

Financial Summary		
Actual 2015/2016 (\$000)	Actual 2016/2017 (\$000)	Budget AP 2016/2017 (\$000)
<b>COMPREHENSIVE REVENUE AND EXPENSE</b>		
67,193	72,129	68,372
(65,757)	(71,980)	(69,281)
(20)	(22)	(20)
<b>1,416</b>	<b>127</b>	<b>(929)</b>
1,272	(67)	-
415	95,408	21,718
<b>3,103</b>	<b>95,469</b>	<b>20,789</b>
<b>CHANGES IN EQUITY</b>		
1,386,039	1,389,142	1,401,785
3,103	95,469	20,789
<b>1,389,142</b>	<b>1,484,611</b>	<b>1,422,574</b>
<b>FINANCIAL POSITION</b>		
<b>1,389,142</b>	<b>1,484,611</b>	<b>1,422,574</b>
24,180	27,866	5,054
1,375,972	1,467,978	1,431,467
<b>1,400,152</b>	<b>1,495,844</b>	<b>1,436,521</b>
10,838	11,149	12,852
172	84	1,095
<b>11,010</b>	<b>11,232</b>	<b>13,947</b>
<b>1,389,142</b>	<b>1,484,611</b>	<b>1,422,574</b>
<b>CASH FLOWS</b>		
23,205	21,172	22,232
(27,144)	(17,078)	(35,667)
(6)	(37)	913
<b>(3,943)</b>	<b>4,056</b>	<b>(12,521)</b>
<b>9,658</b>	<b>5,715</b>	<b>9,741</b>
<b>5,715</b>	<b>9,771</b>	<b>(2,780)</b>

In summary

Financially 2016/2017 was a satisfactory year for Council. Revenue was impacted by a less NZTA subsidy being received, due to the timing of tendering the Alternative Coastal Route project and delays in several bridge replacement projects. However this was offset by an increase in forestry income as a result of changes to the way forestry income is disclosed, strong log prices and increased harvesting.

Operating expenditure was over budget for the year, primarily due to changes to the way forestry expenditure is disclosed, costs associated with additional forestry harvesting and costs expensed in relation to stage 8 and 9 of the Around the Mountain Cycle Trail. Overall resulting in Council's net surplus before tax being \$1.2 million higher than budgeted.

As a result of improved market conditions there has been a significant increase of the roading asset valuation.

Council continues to maintain a strong financial position with \$1.5 billion in assets and minimal liabilities. At balance date Council has no external debt. The only significant variance from budget on the statement of financial position is property, plant and equipment which is as a result of the infrastructure asset revaluations the deferral/delay of a number of capital projects.

More specific explanation of financial statement variances from budget can be found at note 33 on page 133.

Where the revenue came from

Council's consolidated revenue this year is \$72.1 million, including \$43.2 million from rates. The breakdown of this revenue is shown in the table (below).

Sources of Revenue	Actual (\$000)	% of Total Revenue
Rates Revenue	43,160	60%
NZ Transport Agency	13,382	19%
Other Revenue	13,346	18%
Other Gains/(Losses)	935	1%
Grants and Subsidies	632	1%
Interest and Dividends	552	1%
Development and Financial Contributions	121	0%
Total	72,129	100%

Where your rates were spent

The following table shows the breakdown of where the rates per property were spent in 2016/2017. The most significant areas were Roothing and Transport, followed by Stormwater, Wastewater and Water, Other District Services, Governance, Strategy and Communication, Other Local Services, and Solid Waste Management. "Other District Services" groups together the Emergency Management, District Support and Library activities. "Other Local Services" groups together community buildings, cemeteries, pools, public conveniences, jetties etc.

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

Rates Expenditure	Actual (\$000)	% of Total Rates Expenditure
Roothing and Transport	13,958	32%
Stormwater, Wastewater and Water	7,438	17%
Other District Services	5,344	12%
Governance, Strategy and Communication	5,037	12%
Other Local Services	4,578	11%
Solid Waste Management	4,128	10%
Regulatory Services	1,736	4%
Grants and Donations	940	2%
Total	43,160	100%

Revenue

\$72.1 million of revenue was collected during the financial year. Overall revenue was \$3.8M higher than budget primarily due to increased forestry harvesting revenue.

Operational expenditure

\$72.0 million was spent on operating expenditure with nearly half of this going to Roothing and Transport services (45%). Overall operating expenditure was over budget by \$2.7 million. This was primarily due to changes to the way forestry expenditure is disclosed, costs associated with additional forestry harvesting and costs expensed in relation to stage 8 and 9 of the Around the Mountain Cycle Trail.

Net assets and equity

Overall Council's total net assets have increased by \$95M from last year. This is primarily due to an increase in the valuation of Council's infrastructure (Council has total assets of approximately \$1.4 billion).

Cash flow

Council's net operating cashflows were lower than budgeted. Payments to suppliers and employees were \$1.7M above budget primarily due to harvesting costs associated with increased forestry harvesting. Net cash outflows from investing activities were \$18.6 million lower than budgeted due to the deferral/delay of several significant capital projects being carried forward into future financial years including the Alternative Coastal Route project, Te Anau Wastewater discharge project and Around the Mountains Cycle Trail. Overall, Council has ended the year with a cash balance of \$9.8 million which is \$12.6 million more than budget.

Capital expenditure

Council spent \$17.7 million on capital projects in 2016/2017. Of this total, \$11.7 million (66%) was spent on roading and transport projects throughout the District and \$2.5 million (14%) was spent on stormwater, wastewater and water projects in local townships. The capital project spending was lower than the \$35.8 million budgeted for 2016/2017 in the Annual Plan as a number of roading, stormwater, wastewater and water capital projects were still in progress or not yet started at 30 June 2017, deferrals of projects to future years and the environment court appeal process delaying work on the Around The Mountains Cycle Trail. More detail on these is shown in the activity sections of this report.

Activity Capital Expenditure (Including Vested Assets)	Actual (\$000)	% of Total Capital Expenditure
Roothing and Transport	11,664	66%
Stormwater, Wastewater and Water	2,487	14%
Other Local Services	1,805	10%
Other District Services	1,702	10%
Solid Waste Management	40	0%
Regulatory Services	23	0%
Total	17,721	100%



# Annual Report Disclosure Statement

## Purpose

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

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

Actual results for the 2012/2013, 2013/2014 and 2014/2015 financial years have been compared against the benchmarks set in the 2012-2022 Long Term Plan.

Actual results for the 2015/2016 and 2016/2017 financial year are compared against the benchmarks set in the 2015-2025 Long Term Plan.

### Key



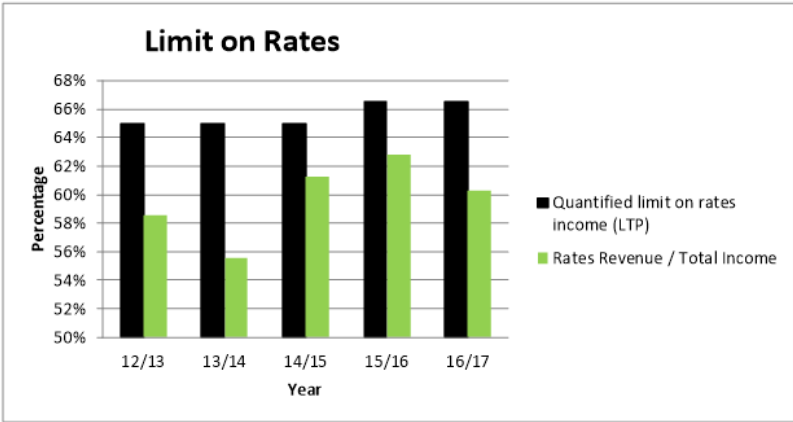
## Rates (income) affordability benchmark

The following graph compares Council's actual rates income with the limits imposed in the 2012-2022 and 2015-2025 Long Term Plan.

Council's previous rates limit as set in the 2012-2022 Long Term Plan being "Rates revenue as a source will not exceed 65% of its total revenues".

Council's current rates limit as set in the 2015-2025 Long Term Plan being "Rates revenue as a source will not exceed two-thirds of its total revenues".

This limit is set by Council.



Council has been mindful of the amount of rates compared to total income and as such has been within the limit on total rates income over the last five years. Rates revenue as a percentage of total revenue decreased in the 2016/2017 year as a result of higher income from forestry sales.

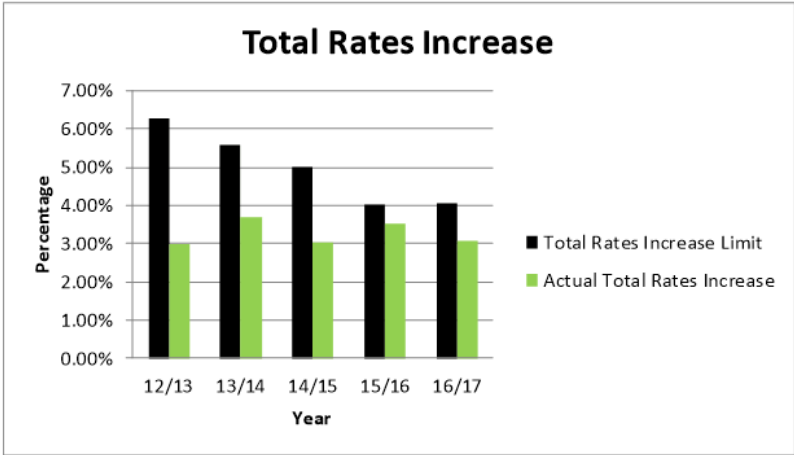
Total rates increase

The following graph compares Council's actual rates increases with the limit imposed in the 2012-2022 and 2015-2025 Long Term Plan.

Council's previous rates limit benchmark of "total rates increase will be limited to LGCI + 2.5%" as set in the 2012-2022 Long Term Plan has been applied for the 2012/2013, 2013/2014 and 2014/2015 financial years.

Council's current rates limit benchmark of "total rates increase will be limited to LGCI + 2.0%" as set in the 2015-2025 Long Term Plan has been applied for the 2015/2016 and 2016/2017 financial years.

This limit is set by Council.



Council has achieved its goal of total rates increases as set in the 2012-2022 and 2015-2025 Long Term Plan.

Debt affordability benchmark

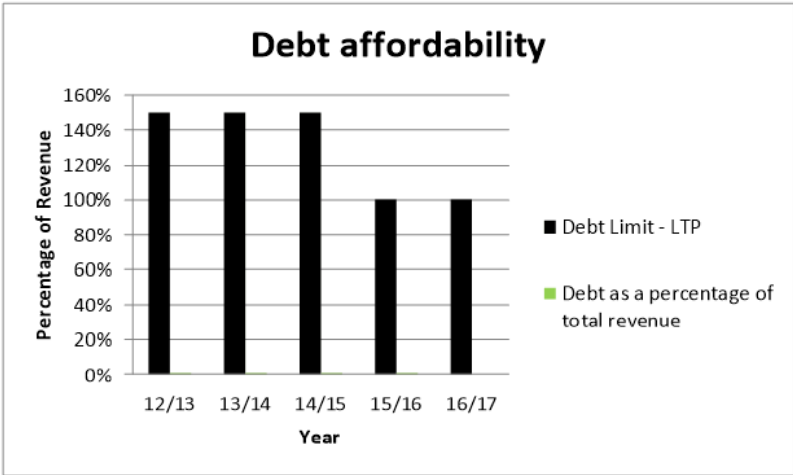
Council meets the debt affordability benchmark if its actual borrowings are within each quantified limit on borrowing.

Council's previous limit per the 2012-2022 Long Term Plan was that borrowing of external funds is limited to 150% of total revenue.

Council's current limit per the 2015-2025 Long Term Plan is that borrowing of external funds is limited to 100% of total revenue.

The following graph compares Council's actual borrowing with these limits.

This limit is set by Council.



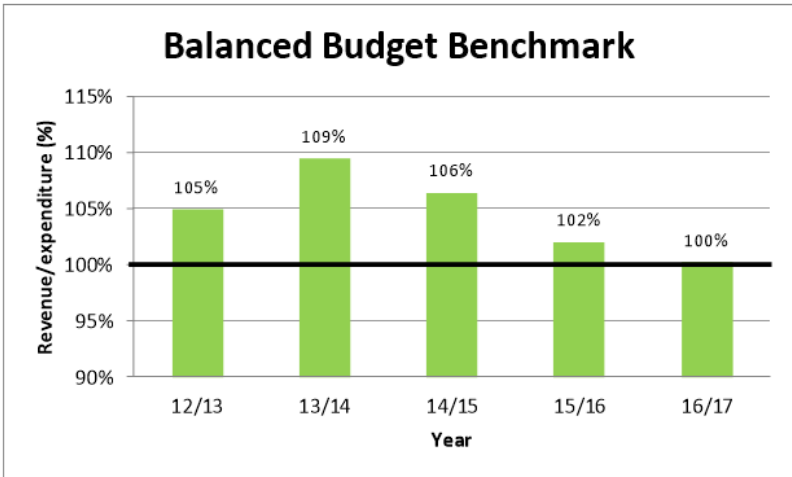
Council has a small finance lease which is classified as debt, (hence the lack of visible actual results). No other external borrowings have been required.

Balanced budget benchmark

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

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

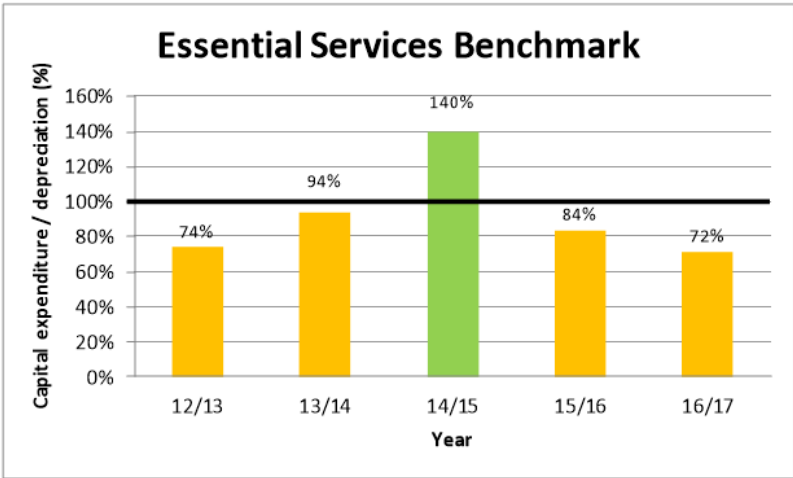
This limit is set by legislation.



Essential services benchmark

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

This limit is set by legislation.



Over time Council's capital expenditure should equal its depreciation, which will mean Council is replacing its assets as they deteriorate, however due to some projects being large it is difficult to assess this on a year by year basis. In the current year Council has not reached the benchmark, primarily due to delays to work on the Around the Mountains Cycle Trail, Southern Scenic Route and the Core Systems Review.

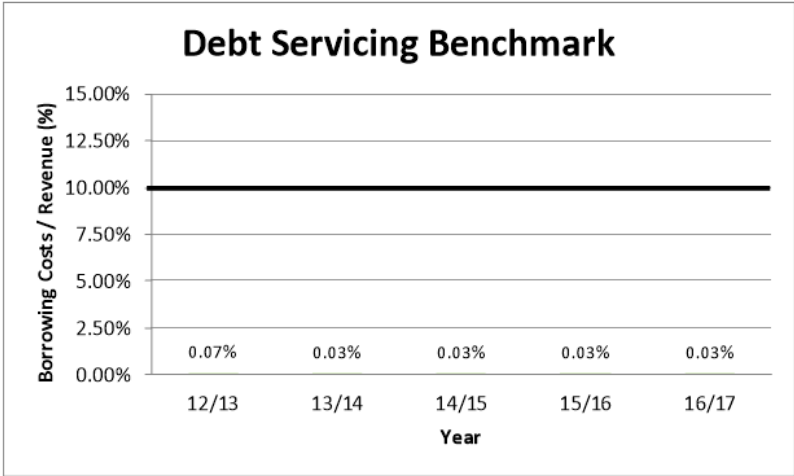
Item 7.1 Attachment B

Debt servicing benchmark

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

The limit of this benchmark is set by legislation because Statistics New Zealand forecasts that Southland District's population will grow more slowly than the national population growth rate. Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

This limit is set by legislation.



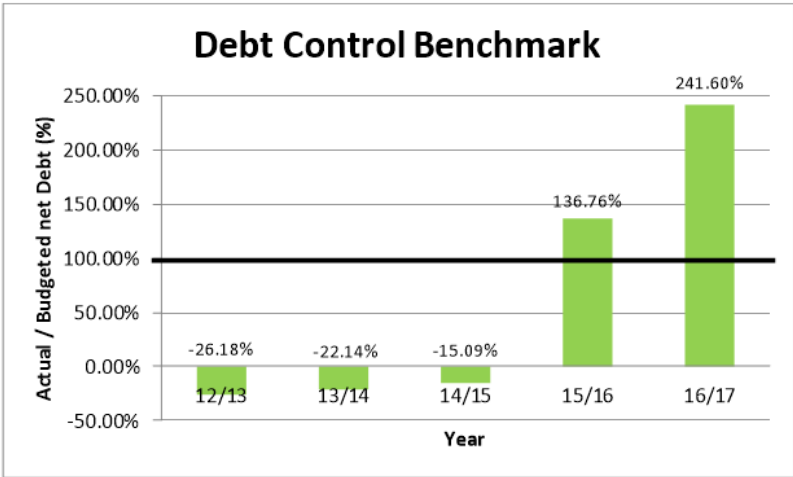
Council currently has minimal debt, which are finance leases. No other external borrowings have been required.

Debt control benchmark

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

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

This limit is set by legislation.



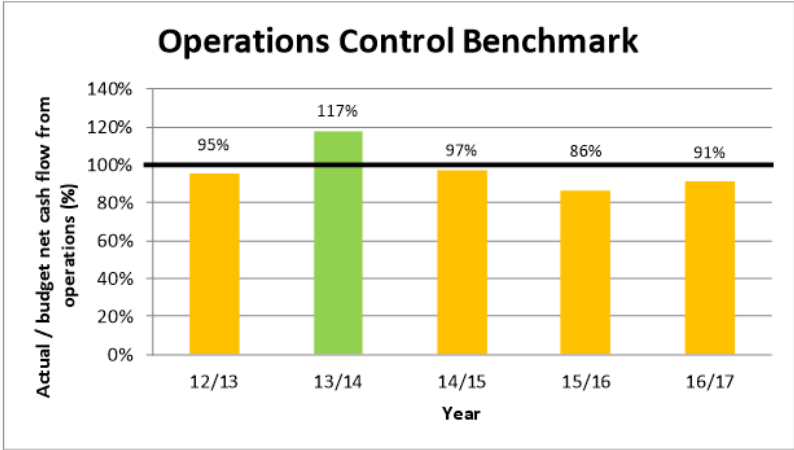
Council maintains a strong balance sheet position with financial assets currently exceeding financial liabilities. In the 2015-2025 10 Year Plan Council were not planning the need for significant debt until 2017/2018. Accordingly in 2016/2017 Council had an actual net financial asset balance of \$11.6M (242%) of the planned net financial asset balance of \$4.8M.

Operations control benchmark

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

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

The limit is set by legislation.



The years that Council did not meet the benchmark, cash from revenue other than rates was lower than anticipated, however overall cash reserves were sufficient to cover the shortfall. In these years there was no material variance in cash payments. However in 2016/2017 year, forestry harvesting costs were \$1.9 million above budget due to increased harvesting.

## Shared Services Annual Report statement

Council fully participates in relevant shared service arrangements via a Memorandum of Understanding with the other local authorities locally and nationally. There is better value obtained through those services than trying to undertake the work on our own. The following are examples of those collaborations.

### Health and Safety

Southland District Council remains committed to providing and maintaining a safe and healthy working environment for all workers – this includes employees, contractors, councillors and other visitors. Southland District Council's three top safety risks are driving, contractor safety and working alone.

This policy was developed and agreed in conjunction with the other three Southland councils (Invercargill City Council, Gore District Council and the Southland Regional Council) and expressed a commitment from each council to leadership in health, safety and wellbeing.

The policy is reviewed biennially and the next review is December 2017. The current Health and Safety Policy was signed by the chief executive, the Public Service Association (PSA) health and safety representative and the health and safety co-ordinator on 14 December 2015.

The mission statement is "*Working together for a safer south.*" The vision statement is "*A safer you, a safer me, a safer south.*"

### Building Control

Four southern territorial authorities continue to work closely together on building control matters in terms of both information sharing and staff exchanges to support each other at busy times.

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

The key milestones achieved to date are the development of a combined process and quality manual as well as shared regulation forms, which all four councils have now adopted. The shared manual and forms standardise the consent processing methodology and quality assurance processes and have now been the subject of formal IANZ reaccreditation reviews with all four councils. IANZ has complimented the shared manual approach and referred several other building consent authorities to seek a copy of the manual.

The next step is consideration of a shared approach to building consent fees across the four councils, which is being considered as part of the Southland Regional Development Strategy ease of doing business action team work. When finalised, this will complete the building control shared services initial action plan initiatives. Work streams completed to date have been undertaken within existing staff resources and funding.

### Emergency Management

Emergency Management Southland (EMS) is a shared service between Southland District Council, Environment Southland, Invercargill City Council and Gore District Council. It focuses on ensuring communities are prepared for emergencies and they are able to respond to and recover from these when they do happen. Specific actions include public education and ensuring a pool of trained personnel.

### Information Technology

The IT Shared Services Operations Subcommittee has over the past 12 months undertaken activities that will have a positive outcome to all the member Councils and the ability to provide a more collaborative platform moving forward.

Shared Services projects that were completed during the past year were:

- Continuation of the CommVault offsite Backup and Recovery project
- Completion of Southland-wide aerial photography including Clutha and Central Otago districts. This data is the cornerstone towards providing a single spatial view of the District
- Initial conversations have been started with potential vendors regarding a Southern Maps Portal
- Retrolens website (a shared service with 11 other councils, including Southland Shared Services) makes use of the historic imagery that we bought in conjunction with Land Information New Zealand. There are more than 600,000 images across New Zealand being digitised over four years



- Working with HR Shared Services scoping out a draft request for proposal for a common Health and Safety system.

Iwi liaison

All four Southland councils have continued to fund and support Te Ao Marama Inc, the agency approved by Te Runanga o Ngāi Tahu, to act on iwi liaison matters in Murihiku/Southland under the Resource Management Act 1991 and the Local Government Act 2002. Since its inception, Queenstown Lakes District Council, Otago Regional Council and Clutha District Council have also joined supporting Te Ao Mārama Inc. The papatipu runanga and the participant councils continue to meet quarterly at the Te Roopū Taiao hui, which provides for excellent partnership and exchange of information. The key focus is to give these meetings more of a strategic focus and less focus on day-to-day operational/retrospective reporting back.

Library consortium

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

Differing demands by various councils saw a very amiable split from this some months ago although Southland District Council is still using the Symphony platform. Dunedin City, Central Otago and Queenstown Lakes Districts have joined the national consortia - Kotui - which provides enhanced support, searching and ongoing enhancements.

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

Although consortium membership is slightly changed, SDC borrowers are able to access all catalogues through their local branch. Reciprocal membership is available at all libraries from Waitaki south for any resident of those local authorities.

Training and professional development is at the forefront of SouthLib activities as this reduces costs, allows access to national and international speakers and offers benchmarking opportunities, which would possibly be outside the scope of a single authority. This also allows for networking and a spirit of collegiality for staff who often work in isolation.

Regional development

In October 2015, the Southland Mayoral Forum published the Southland Regional Development Strategy (SoRDS). This is a significant community collaborative project.

The major goal of the strategy and its subsequent action plan is to increase the Southland population by 10,000 more people by 2025, through creating more jobs and taking up more development opportunities.

During 2016/2017, investigations started into a range of identified opportunities including sheep milk development, tourism development and aquaculture expansion within the region, amongst a variety of other initiatives. The final outcomes from these investigations were used to develop an action plan which was launched publicly in November 2016.

One of the initiatives in that action plan that has been thoroughly investigated is to create a Southland Regional Development Agency which would integrate the current Venture Southland and be based on a wider community-based organisational structure rather than the present joint committee arrangement run by the three territorial authorities. Input from the public will be sought to the proposal during 2017/2018.

Support for the investigations from the Government, Ngāi Tahu, local industries and businesses and the community means that the momentum gained by the Mayoral Forum will continue into 2017/2018 and beyond.

## Opportunities for Māori to contribute to decision-making

Approximately 10% of Southland District's population is Māori. Council acknowledges the importance of tikanga Māori and value its relationship with both Ngāi Tahu (through the four Southland papatipu rūnanga) and ngā matawaka (other Māori who are not Ngāi Tahu) living within Murihiku/Southland.

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

The Māori name acknowledges Council's role as an all-embracing shelter ("umbrella/lid") for its District.

### Charter of Understanding

To help promote and develop its relationship with Māori, the seven local authorities (Southland District Council, Invercargill City Council, Queenstown Lakes District Council, Gore District Council, Clutha District Council, Otago Regional Council and Environment Southland) are active participants and signatories to the Charter of Understanding 'He Huarahi mō Ngā Uri Whakatapu – A Pathway for the Generations Coming Through' with Te Ao Mārama Incorporated. The Charter of Understanding provides:

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

Te Roopū Taiao is the collaborative structure put in place to give effect to the Charter of Understanding and the obligations of the parties to the charter.

Councillors and Council staff involved in resource management regularly attend Te Roopū Taiao meetings.

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



## Fostering Māori capacity

Initiatives	Status	Progress
Continue to engage Te Ao Mārama as an important stakeholder during its decision-making and consultation processes	<b>Achieved</b>	Te Ao Mārama provided a representative (Muriel Johnstone) and participated as a collaborator in the hearing of submissions on the 2016/2017 Annual Plan.
Provide for a representative from Te Ao Mārama for the duration of the District Plan Submission Hearings in conjunction with the Resource Management Committee	<b>Achieved</b>	Mr Don Mowat was part of the District Plan Hearing Panel representing Te Ao Mārama.
Continue to hold regular liaison meetings between Te Ao Mārama and Council executive and senior managers	<b>Achieved</b>	Regular monthly drop in sessions occurred through the 2016/2017 year.
Provide an interpreter on request should Māori wish to present submissions to Council in Te Reo Māori	<b>Achieved</b>	Standing arrangement in place if required.
Provide a standing invitation to all Māori to attend Council meetings and hearings to become familiar with Council protocol	<b>Achieved</b>	Various meetings and hearings attended throughout the year, and standing invitation.
Give consideration to appointment of Iwi representatives to act as hearing commissioners on key issues such as major resource consent applications that have issues of Iwi significance	<b>Achieved</b>	There were no relevant applications where this was undertaken in 2016/2017 year.
Maintain existing protocols with Māori in relation to the ways in which Council undertakes its statutory duties and integrate protocols into the organisation	<b>Achieved</b>	Protocols maintained. Review of the Charter undertaken and endorsed at Te Roopu Taiaio.
Regularly refer to and report against Te Tangi a Tauira, the new Ngāi Tahu Murihiku Resource Management Plan when assessing resource consent applications	<b>Achieved</b>	Every application for resource consent reported to the Resource Management Committee (subsequent to the 2016 elections this was renamed to the Regulatory and Consents Committee) includes an assessment of the proposal against Te Tangi a Tauira.
Maintain its commitment to ongoing funding of Te Ao Mārama Incorporated, the Ngāi Tahu (Murihiku) Resource Management Agency	<b>Achieved</b>	Funding included in the Long Term Plan 2015-2025.
Continue to train new staff and Councillors on marae protocol, local history and related legislation	<b>Not Achieved</b>	No formal training undertaken 2016/2017. New Council elected in 2016 received a formal welcome from Ngai Tahu.
Continue to provide regular contact sessions for SDC staff to interact with Te Ao Mārama staff on topical matters of mutual interest, to maintain and enhance the relationship between the agencies	<b>Achieved</b>	Regular monthly drop-in sessions occurred throughout 2016/2017 year.
Display Ngāi Tahu taonga items, following agreement with Murihiku Ngāi Tahu Papatipu Rūnanga at its Invercargill Office and all Area Offices, to acknowledge the strength and importance of its relationship with Ngāi Tahu	<b>Not Achieved</b>	Work is being developed by Te Ao Marama and progress is likely in the next financial year.

# Statement of compliance and responsibility

## Compliance

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

## Responsibility

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

The Council and management of Southland District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Southland District Council, the annual financial statements for the year ended 30 June 2017 fairly reflect the financial position and operations of Southland District Council.

Gary Tong	Steve Ruru
MAYOR	CHIEF EXECUTIVE
Date: 27 September 2017	Date: 27 September 2017

Audit Report



Independent Auditor's Report

To the readers of Southland District Council's annual report for the year ended 30 June 2017

The Auditor-General is the auditor of Southland District Council (the District Council). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

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

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

We completed our work on 27 September 2017. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages xx to xx:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2017;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards;
- the funding impact statement on page xx, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the statement of service provision (referred to as Activities) on pages xx to xx;

- presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2017, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages xx to xx, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages xx to xx, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

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

Basis for opinion on the audited information

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

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

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

**Responsibilities of the Council for the audited information**

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

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

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

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

**Responsibilities of the auditor for the audited information**

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision (referred to as Activities), as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

**Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages xx to xx, xx to xx and xx to xx, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of [insert description of engagements], which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council.

Ian Lothian  
Audit New Zealand  
On behalf of the Auditor-General  
Dunedin, New Zealand

DRAFT



# Council Activity Groups

## Resident survey

A number of the key service performance targets are measured through the Residents' Opinion and Satisfaction Survey. The Residents' Opinion and Satisfaction Survey is conducted every three years. The survey consists of 62 questions and involves a phone survey with residents over the age of 18 who live in the Southland District.

The last survey period took place in March 2017. The results for this period of the study (n=608) have a margin of error of 3.97% at the 95% confidence level.

## Variations to budget Annual Plan 2016/2017

Commentary provided for "Variation from the budget" in each activity group is a comparison between the Annual Plan 2016/2017 and the actual result for 2016/2017.

## Council's work at a glance

We group our work into nine areas. These are:

### Community Services

Including the following activities:

- Community Assistance
- Parks and Reserves
- Cemeteries
- Community Facilities
- Community Housing
- Library Services
- Public Toilets
- Airports
- Electricity Supply

### District Leadership

Including the following activities:

- Representation and Advocacy
- Community Development
- District Support

- Corporate Support
- Forestry

### Emergency Management

Including the following activities:

- Emergency Management Southland
- Rural Fire

### Regulatory Services

Including the following activities:

- Building Control
- Resource Management
- Animal Control
- Environmental Health

### Roads and Footpaths

### Solid waste

### Stormwater

### Wastewater

### Water Supply

# Community Services

## What we do

Council provides a range of community services for residents. These include libraries, cemeteries, public toilets, parks and reserves, community facilities, community housing and community assistance.

Community assistance covers the grants, donations and community-based work schemes that are available for residents to apply for.

Community facilities include Council facilities, such as community centres, water structures and Council offices and buildings.

The wide range of services reflects the diverse needs of Southland District's communities. Community services such as the Stewart Island Electrical Supply Authority and Te Anau Airport Manapouri meet the needs of these communities.

## Why Council provides these services

Council's community services align with its aim of "supporting our communities".

This has a direct impact on the lives of Southland District residents who have access to activities in their communities that may not otherwise be provided.

It contributes to Southland District's communities being desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

## How well we did

### Performance targets

The community services activity group has 25 targets. 13 were achieved, eight were not achieved and four were not measured.

Of the eight targets not achieved, five were related to a resident's survey and were close to target, one was waiting for external reports, one was due to a change in focus and one was due to not meeting a financial target.

### Projects

There were 67 projects in this activity. Of these 27 were completed, 23 were in progress, 8 were not started, 8 were deferred and 1 was deleted. More detail about the projects is available from the Council on request.

## Key highlights

### Community assistance

#### Work schemes

Work schemes continued to assist local communities with local projects. The main projects completed were the Woodlands cemetery berm, re-gravelling the track in the Kamahi reserve and removing noxious weeds at the Edendale cemetery.

#### Grants and donations

Council established a community committee to decide on Creative New Zealand grants, with representatives from all over Southland District. Community Initiative and Sport NZ grants are now heard by the Community and Policy committee.

### Cemeteries

The cemetery bylaw was reviewed on the basis of splitting out policy issues resulting in an updated and more appropriate bylaw. The policy issues were also reviewed and resulted in a new cemetery policy being developed and adopted.

Installation of memorial boards at Council cemeteries continued throughout the District.

The upgrade of the driveway at the Lumsden cemetery project was completed.

### Community facilities

Riverton harbour licences have been issued to wharf owners based on the coastal permit granted to Council by Environment Southland. Repairs to the wharves identified in an engineering report are ongoing.

Orawia Community Centre was reroofed, the Manapouri hall was recladded and the Orepuki hall's kitchen was upgraded. The Winton Memorial Hall upgrade was completed and officially opened in October 2016. Public feedback has been positive.

### Community housing

The Wyndham, Edendale and Riversdale flats had their exteriors repainted. A number of internal refurbishments were carried out as units throughout the District became vacant.

Occupancy rates remain at a consistently high level.

### Library services

The Stewart Island collection was catalogued as part of the integration with the office and library. This was a significant piece of work by library staff and means we have important local resources on the Island protected and managed.

The Vince Boyle Collection was completed and a successful opening was held at Winton. As a result, the Boyle family has donated further precious resources to be catalogued and included in the collection.

The hours for the Winton and Te Anau libraries were reviewed based on demand, with longer Saturday opening and no late nights.

The community library held at Takitimu School in Nightcaps was reviewed based on demand and this has transitioned to a Bookbus service. The Bookbus service will be trialled over six months to assess demand.

Significant investigation has been completed on joining the Kotui consortium for our library system and technical support. Also included in the research is the move to Radio Frequency Identification (RFID) of our collection as was recommended in the 17A review of Library Services in March 2016.

While users of the library services are satisfied and impressed with content, of concern is the number of residents that do not access our library services, which has dropped to 40% of residents visiting the library within 12 months. This highlights our residents may not be aware that libraries offer more than just books, but access to how they can use technology, online databases and tools such as PressReader to stay connected in this digital age.

Visiting authors included Margaret Pullar, Deborah Challinor and Lucy Davey.

### Parks and Reserves

Council approved a policy on drones used over Council property. It is an empowering policy with some exceptions primarily around not disturbing neighbours or other users of the parks and reserves.

In 2016/2017 the Riverton skate park shelter was completed, Lions Park playground upgraded and the new pump track in Te Anau developed and opened. The development of the Golden Bay to Trail Park path on Stewart Island was also completed.

At Curio Bay, the wastewater treatment plant and infrastructure has been completed as well as the DOC carpark and the new campground amenities block. Work has started on the construction of the new visitor information centre.

### Public toilets

The toilet upgrade to the Colac Bay foreshore has been deferred pending the outcome of the coastal road erosion issues.

The final stages of the Garston toilet upgrade were completed, as was the Riversdale upgrade.

Operational expenditure is increasing for toilets on the District's main tourist routes, reflecting increased visitor numbers.

### Airports

The year was generally business as usual at Te Anau Airport Manapouri. There was positive growth in tourist-based air movements. There has been no growth in the number of businesses based at the airport.

### Electricity supply

Sales were up 2.7% on the previous year. The peak months were January and February with a secondary peak in early winter (May). This trend is consistent with the previous year.

Operation of the scheme has been relatively trouble-free, although a problem with the latest generator set surfaced. This is being dealt with under warranty.



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## Grants and Donations Schedule

	2016/2017 Actual \$(000)	2016/2017 Budget (AP) \$(000)
<b>GRANTS</b>		
Gore Kids Hub	5	5
Citizens Advice Bureau	2	2
International Relations Committee	1	11
Gore Counselling Service	1	1
Te Ao Marama Grant	40	40
Life Education Trust	5	5
Miscellaneous Grant	8	-
Southland Indoor Leisure Centre (Stadium maintenance)	75	75
St John Ambulance	1	1
Southland Regional Heritage Committee	525	525
Toimata Foundation (Enviroschools Programme)	10	10
Southland Coastal Heritage Inventory Project	15	15
Biodiversity Southland	10	10
Highvalues Area	15	15
Swim Safe	20	20
Southland Warm Homes Trust	35	-
Waituna Partnership	-	25
Cycling Southland	3	-
Southland Safer Communities	10	10
<b>SCHOLARSHIPS</b>		
Bursaries	7	7
Community Service Award	-	1

	2016/2017 Actual \$(000)	2016/2017 Budget (AP) \$(000)
Debating Competition	-	1
Outward Bound	2	8
<b>FUNDING ASSISTANCE FOR COUNCIL ACTIVITIES</b>		
Santa Parade	-	1
Holiday Programmes	20	20
Destination Fiordland	26	13
<b>ALLOCATION GRANTS</b>		
Community Initiative	88	110
Contributions and Levies	19	15
Creative Communities	30	22
Sport NZ	13	10
Ohai Railway Fund	20	80
Northern Southland Development Fund	8	15
District Heritage	67	63
John Beange	1	8
Stewart Island/Rakiura Visitor Levy	222	133
<b>OTHER</b>		
Southern Rural Fire Authority	296	296
Venture Southland	1,742	1,755
Emergency Management	257	257
<b>TOTAL</b>	<b>3,599</b>	<b>3,585</b>

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## Performance measures

**Community outcome:** Supporting our communities

What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
<b>Community assistance</b>	<b>Access and Equity</b> Enhance the quality of life through grants/donations to community and regional organisations	Percentage of residents aware of the availability of grants	Triennial residents' satisfaction survey	90%	<b>70%</b>	<b>Not Achieved</b> The latest survey was in 2016/2017 and the result was 70%. A number of further engagement methods will be used to inform residents about the availability of grants. Survey undertaken three-yearly. In 2013/2014 the result was 77%.
	<b>Equity</b> Enhance the quality of life through grants/donations to community and regional organisations	Criteria on funding applications \$10,000 and over include a requirement to write an annual outcomes report on the outputs and benefits of the programme/organisation to Southland residents	Outcome reports sent to Council on an annual basis	100% of reports received	<b>4</b>	<b>Not Achieved</b> The result is four. Four of the seven outcome reports have been received. Survey undertaken three-yearly. In 2015/2016 the result was five.
	<b>Quality</b> Work completed through the work scheme is fit-for-purpose	Percentage of clients satisfied that the work is completed according to the specifications	Annual user survey	90%	<b>100%</b>	<b>Achieved</b> The result is 100%. In 2015/2016 the result was 92%.
<b>Parks and reserves</b>	<b>Quality</b> Appropriate and acceptable quality Beautification, parks, reserves, playgrounds and sports fields	Percentage of residents satisfied with the beautification, reserves, parks, sportsfields and playgrounds	Triennial residents' satisfaction survey	90%	<b>89%</b>	<b>Not Achieved</b> The latest survey was in 2016/2017 and the result was 89%. Whilst the target was not achieved it is very close to the target. Survey undertaken three-yearly. In 2013/2014 the result was 91%.
	<b>Quality</b> Appropriate and acceptable quality Beautification, parks, reserves, playgrounds and sports fields	Percentage of beautification areas, parks, reserves, playgrounds and sportsfields are maintained in accordance with contractual standards <sup>1</sup>	Annual Inspections	100%	<b>100%</b>	<b>Achieved</b> The result is 100%. Of the 913 inspections for the year all met the standard. In 2015/2016 the result was 99.75%.

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
<b>Cemeteries</b>	<b>Quality</b> Cemeteries are maintained to a standard acceptable to the public	Percentage of community satisfied with the appearance of Council maintained cemeteries	Triennial residents' satisfaction survey	90%	<b>94%</b>	<b>Achieved</b> The latest survey was in 2016/2017 and the result was 94%. Survey undertaken three-yearly. In 2013/2014 the result was 93%.
	<b>Quality</b> Cemeteries are maintained to a standard acceptable to the public	Percentage of cemeteries where lawns are mown as specified in maintenance contracts	Council records	100%	<b>100%</b>	<b>Achieved</b> The result was 100%. All 63 for the year were up to standard. In 2015/2016 the result was 100%.
<b>Community facilities</b>	<b>Safety</b> Harbour facilities and jetties are safe to use	Number of safety issues reported and resolved in an acceptable timeframe	Reported issues by users	<3	<b>0</b>	<b>Achieved</b> The result was 0. In 2015/2016 the result was 1.
	<b>Safety</b> Percentage of facilities that meet their statutory requirements	Percentage of Council buildings that hold current warrants of fitness	Council records	100%	<b>100%</b>	<b>Achieved</b> The result was 100%. All buildings are compliant. In 2015/2016 the result was 100%.
	<b>Quality</b> Council office buildings are appropriate to the needs of the occupier	Percentage of Council staff who think that the council building they work in is appropriate for the purposes of doing their job effectively	Biennial staff survey	80%	-	<b>Not Measured</b> This survey is only conducted every two years so was not conducted in 2016/2017. In 2015/2016 the result was 42%.
	<b>Access</b> Community centres are available for public use	Percentage of residents satisfied that their nearest hall/community centre meets community needs	Triennial residents' satisfaction survey	90%	<b>85%</b>	<b>Not Achieved</b> The latest survey was in 2016/2017 and the result was 85%. Survey undertaken three-yearly. In the 2013/2014 survey 85% of residents indicated that they were satisfied with the standard of community centres and 83% were satisfied with the availability.
	<b>Safety</b> Community Centres are safe to use for their intended purpose	Percentage of community centres that hold current warrants of fitness	Annual Inspections	100%	<b>100%</b>	<b>Achieved</b>

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
						The result was 100%. All buildings are compliant. In 2015/2016 the result was 100%.
<b>Community housing</b>	<b>Quality</b> Suitable housing which has pleasant surroundings for tenants	Percentage of tenants who believe that the housing facilities are maintained satisfactorily and are suitable for use	Biennial tenants' satisfaction survey	80%	-	<b>Not Measured</b> This survey is only conducted every two years so was not conducted in 2016/2017. The latest survey was conducted in 2015/2016 and the result was that 77% of residents were satisfied with the maintenance of the housing facilities and 97% said it was suitable for their needs.
	<b>Safety</b> A safe environment is provided	Percentage of residents who feel safe and secure when living in the community housing building	Biennial tenants' satisfaction survey	100%	-	<b>Not Measured</b> This survey is only conducted every two years so was not conducted in 2016/2017. The latest survey was conducted in 2015/2016 and the result was 100%.
	<b>Responsiveness</b> Tenants receive prompt response to identified problems	Percentage of requests for maintenance actioned within agreed timeframes <sup>2</sup>	Council records of requests including department records and Customer service system (Pathway)	100%	<b>100%</b>	<b>Achieved</b> The result was 100%. 129 requests were received and they did meet the timeframes. In 2015/2016 the result was 100%.
<b>Library Services</b>	<b>Service</b> Provide an overall level of service that meets or exceeds residents' expectations	Number of residents satisfied with library services overall	Triennial residents' satisfaction survey	90%	<b>98%</b>	<b>Achieved</b> The latest survey was in 2016/2017 and the result was 98%. This was a new question in the 2017 survey.
	<b>Quality</b> The range, quality and number of resources are relevant to SDC residents' demands and are consistent with national standards	Access to a wide range of quality resources with at least 80% of collections less than 10 years old (excludes local history items)	Complies with the guidelines in LIANZA Standards for NZ Public Libraries. Symphony & Collection HQ reports	80% (restated from 97% 88,200 titles held in LTP)	<b>75%</b>	<b>Not Achieved</b> The result was 75% (97,071 of 129,711 titles held were less than 10 years old). This target was incorrectly stated in the LTP so has been restated with the correct target.

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
						All collections, and their usage, were assessed as part of the Library Services Review March 2016. While off target, the focus was initially on LIANZA but now the new focus is on local demand. Changes in selection processes to reflect local demand were initiated mid-way through the 2015/2016 year. In 2015/2016 the result was 76%.
	<b>Quality</b> A range of programmes are delivered to meet community needs	Users satisfied with the range of programmes offered	Programme evaluation forms	80%	<b>100%</b>	<b>Achieved</b> The result was 100%. 139 events were offered to members of the public across the District and there were 1860 attendees - all of whom expressed satisfaction with the content and organisation. In 2015/2016 the result was 100%.
	<b>Relevance</b> Services and resources are well used and libraries remain relevant to the communities they serve	The percentage of the District population who access library services (at least once per annum)	Triennial residents' satisfaction survey as per LIANZA guideline of 52% of the population	52%	<b>40%</b>	<b>Not Achieved</b> The latest survey was in 2016/2017 and the result was 40%. This was a new question in the 2017 survey. This was a new question in the 2015 LTP and while customers may not be visiting in person, we have seen increases in online databases such as PressReader that customers can access from home, free with their library card.
<b>Public Toilets</b>	<b>Quality</b>	Percentage of toilets that are cleaned in accordance with contractual standards	Annual Inspections	100%	<b>100%</b>	<b>Achieved</b>

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
	Maintain public conveniences in a functional, clean and sanitary condition					The result was 100%. All 180 inspections met standards. In 2015/2016 the result was 100%.
	<b>Quantity</b> Provide sufficient toilets at appropriate locations	Percentage of residents satisfied with the locations of public toilets for residents and tourists	Triennial residents' satisfaction survey	80%	<b>78%</b>	<b>Not Achieved</b> The latest survey was in 2016/2017 and the result was 78%. Whilst the target was not achieved it is very close to the target and the result may reflect the increasing demand within the district. Survey undertaken three-yearly. In 2013/2014 the result was 77%.
<b>Airports</b>	<b>Reliability and Safety</b> Provide accessible, reliable and safe air facilities and operations for the Te Anau Basin	Percentage of Civil Aviation Authority guidelines complied with	Audit - Civil Aviation Authority	100%	-	<b>Not Measured</b> Audits not needed. In 2015/2016 the result was not measured.
	<b>Financial Sustainability</b> Managing the asset in a business-like way, with a long term focus	Percentage of revenue achieved against target	Statement of Financial Performance	100%	<b>94.5%</b>	<b>Not Achieved</b> The result was 94.5%. In 2015/2016 the result was 99.93%.
<b>Electricity Supply</b>	<b>Responsiveness</b> SIESA is responsive to customer needs	Percentage of complaints and requests responded to within agreed timeframes <sup>3</sup>	PowerNet quarterly report	90%	<b>100%</b>	<b>Achieved</b> The result was 100%. No complaints received. In 2015/2016 the result was also 100%.
	<b>Reliability</b> All SIESA consumers connected are provided with reliable and continuous service	Number of unplanned interruptions	PowerNet quarterly report	<6	<b>5</b>	<b>Achieved</b> The result was 5 unplanned interruptions. In 2015/2016 the result was 4.
<sup>1</sup> "Contractual standards" cover lawn mowing, weed removal and equipment inspection and maintenance. <sup>2</sup> "Agreed Timeframes" means urgent matters are responded to within four hours and other matters are responded to within five days. Response refers to contacting the tenant regarding their request and does not include resolving the request. <sup>3</sup> "Agreed timeframe" is within two hours.						

Funding Impact Statement – Budget Variations

Revenue related to local authorities fuel tax, fines, infringement fees and other receipts were higher than budget due to the harvesting of trees at the Tuatapere Reserve. Payments to staff and suppliers were lower than budget, mainly because of a decision to review the reseal of the Manapouri airport in the current year. Capital expenditure to replace existing assets was lower than budgeted as Council deferred the upgrade of the Invercargill office to future years.



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## Funding Impact Statement – Community Services

2015/2016 Budget (LTP) (\$000)		2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (AP) (\$000)
	<b>Sources of operating funding</b>			
2,128	General rates, uniform annual general charges, rates penalties	2,119	1,999	2,004
2,655	Targeted rates	2,652	2,786	2,788
71	Subsidies and grants for operating purposes	136	88	70
1,234	Fees and charges	1,286	1,274	1,251
2,927	Internal charges and overheads recovered	2,941	3,058	2,975
867	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	711	914	673
<b>9,881</b>	<b>Total operating funding</b>	<b>9,846</b>	<b>10,119</b>	<b>9,761</b>
	<b>Applications of operating funding</b>			
5,963	Payments to staff and suppliers	5,723	5,980	6,355
-	Finance costs	-	-	-
1,829	Internal charges and overheads applied	2,005	2,059	1,988
1,641	Other operating funding applications	1,461	1,188	1,239
<b>9,434</b>	<b>Total applications of operating funding</b>	<b>9,189</b>	<b>9,227</b>	<b>9,582</b>
<b>448</b>	<b>Surplus (deficit) of operating funding</b>	<b>656</b>	<b>892</b>	<b>179</b>
	<b>Sources of capital funding</b>			
166	Subsidies and grants for capital expenditure	311	73	47
106	Development and financial contributions	31	114	50
510	Increase (decrease) in debt	(255)	233	637
17	Gross proceeds from sale of assets	108	145	10
-	Lump sum contributions	-	-	-
<b>799</b>	<b>Total sources of capital funding</b>	<b>196</b>	<b>565</b>	<b>744</b>
	<b>Applications of capital funding</b>			
	Capital expenditure			
248	▪ to meet additional demand	243	62	50
2,653	▪ to improve the level of service	968	1,840	1,655
577	▪ to replace existing assets	342	133	858
(1,931)	Increase (decrease) in reserves	(416)	(280)	(947)
(300)	Increase (decrease) in investments	(285)	(298)	(693)
<b>1,247</b>	<b>Total applications of capital funding</b>	<b>852</b>	<b>1,457</b>	<b>923</b>
<b>(448)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(656)</b>	<b>(892)</b>	<b>(179)</b>
-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating finding from sources not identified above.



## District Leadership

### What we do

District leadership describes Council's role as a leader in its communities where it provides information, support and development opportunities to residents. This empowers them to make a difference in their communities by becoming involved in decision-making. The group of activities includes representation and advocacy, community development, district support (area offices and customer support), corporate support (people and capability, finance, strategy and policy, communications and information management) and forestry.

By achieving fair and effective representation, Council encourages local involvement in decision-making on issues affecting Southland at a local and national level. Elections are held for Council's mayor, councillors, community boards and community development area subcommittees (CDAs), and meetings provide a platform for Council's business to take place.

Council consults with residents and ratepayers on issues relevant to them and works with other agencies to represent residents' and ratepayers' interests. Council also supplies resources and support such as staff services and administration to assist with realising its goal of being an effective leader.

### Why Council provides these services

District leadership aligns with Council's community outcome of "being an effective Council". Council's support mechanisms and representation is an enabler for its communities.

### How well we did

#### Performance targets

This activity group has a total of 17 key performance indicator targets. Eleven targets were achieved, six were not achieved. Of the six targets not achieved, three related to the resident survey and work is planned to improve the results, one related to the Household labour force survey, one related to GDP which had decreased from the previous year and one related to an upgrade in the document management system.

#### Projects

There were 4 projects in this activity. Of these 2 were in progress, 1 was not started and 1 was deferred. More detail about the projects is available from the Council on request.

### Key highlights

#### Representation and advocacy

A major highlight for the year was the successful running of the triennial elections for the mayor, Council and community boards. The return rate was 46%, which Council is keen to see increased.

Elections were also held at a local level for the CDAs. More than 160 meetings were held throughout the District, including Council, committees and subcommittees, community boards and CDAs.

Council made changes to its committee structure and to the information provided to community boards and CDAs to better reflect changing needs of the District and achieve the Council's work programme.

Work started on two linked projects – a community governance project that will inform the Representation Review. The Representation Review is a statutory requirement that Council must undertake at least once every six years where it reflects on the structure – eg the number of councillors, number of wards, whether it continues to have community boards.

Council has provided advocacy on behalf of the people of the District on a number of issues at both a regional and national level.

Council continued to participate in the development and implementation of the Southland Regional Development Strategy, a local government and private sector initiative led by the Mayoral Forum.

#### Community development

Council's three new community partnership leaders (CPLs) have been in their positions for a full year. They have enhanced lines of communication between Council, its communities and central government, and developed partnerships between multiple agencies which will help to achieve long-term benefits for the District. Part of their brief is to advise Council and to develop affordable and sustainable projects that align with local and national priorities.

**Venture Southland**

Venture Southland is the service delivery agent for Council’s community development activities.

Venture has, again, been recognised as having the highest client satisfaction levels in the country for the delivery of the New Zealand Trade and Enterprise and Callaghan Innovation business support programme, the Regional Business Partner Programme.

The Digital Survey was completed, with 214 responses received. The testing of internet speed was completed and a submission made to the Rural Broadband Initiative/Ultra-Fast Broadband/ Mobile Black Spot Fund Crown Fibre process. A review of mobile coverage on state highways and other key routes was carried out. The results are available online. An independent expert review of long-term options for telecommunications in Southland was carried out. Support was being provided for telecommunications providers’ submissions to Crown Fibre Holdings. The Digital Strategy action plan is being implemented.

The Southland region continued to have good growth from visitors with total spend up 9% to \$625 million for the year. International guest nights were up 15.8% to 637,346 for the year ended April 2017.

Guest nights within the Southland District are up 10.4% to 753,098 for the year. The total visitor spend was up 15.1% to \$327 million for the year.

*All visitor figures are annual year end to the latest month available. This allows comparison of market trends against the previous year however it means that not all the data is for the current month. Data is provided for Southland Region, Territorial Local Authorities (TLAs) and Regional Tourism Organisations (RTOs).*

**District support**

The amalgamation of the Stewart Island area office and library was completed. This project was first identified in 2004 and as a result the library has increased hours of operation and customers are able to source Council information and library service from the one site. Feedback since the integration has been positive.

The Customer Support Strategy has been completed with a vision to provide customers of Southland District Council with a positive, consistent experience where they only have to ask once. The strategy will be implemented over the next five years. A customer-centric process design has been a key strategic initiative, with changes to our most commonly used processes a priority. For example, changing your mailing address can now be completed online.

In 2016/2017, of the 7,268 requests for the year, the top five requests for service (RFS) related to:

- 1. Change of address
- 2. Fire permits (this service will now be completed by Fire and Emergency New Zealand)
- 3. Roothing (gravel, potholes or corrugations)
- 4. Roothing/community engineer enquiries
- 5. Wandering dogs

From our customer satisfaction surveys, 98% of people who called the 0800 number found the staff at the first point of contact helpful.

Customers logged requests for service in the following ways:

Face to face	163
Email	622
Letter	83
Phone	5236
Web	804

**Corporate Support**

**People and capability**

Health and safety continued to be a focus this year. A health and safety GAP analysis was completed in March 2017. Following this, a Health and Safety plan was drafted, along with an improvement plan. Council’s health and safety commitment is:

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 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.

Leadership development continued including two cohorts of Council leaders undertaking an accelerated leadership programme. This programme is designed to increase leadership capability.

Strategy and Communication

The communications team focus was the development of the Southland District Story, Council's new brand. As part of that work, Community Conversations were held in eight areas around the District with about 200 people attending. Community Conversations will continue as part of Council's engagement strategy, with the next series planned for October-November.

The Southland District Story will be launched in October 2017.

Within the group, significant community engagement activities took place in 2016/2017, including:

- Community Leadership Plans, phase 1: community boards and community development area subcommittees met to discuss what their towns would look like in three, 10 and 30 years, and identify future opportunities.
- Milford Opportunities Project: A strategic business case was submitted to the Ministry for Business, Innovation and Employment. Significant work was done by Council, the Department of Conservation and Milford Sound Tourism into the long-term development of Milford and what it might mean for the infrastructure and services.
- Community Organisation and Volunteer Sector Needs Assessment: A big piece of research conducted on Council's behalf by Venture Southland of the 1800 community organisations and volunteer groups in the District, to identify challenges and possible opportunities to connect groups.
- Stewart Island Facilities: A review of infrastructure on Stewart Island found that facilities were in good condition and well maintained by strong community support. No major issues were identified.

Council's presence on social media continues to grow, with Council's Facebook page increasing in popularity because we are using more video and graphics. Council is also using Flickr and YouTube.

Finance

The Financial Services Team is responsible for the day to day financial transactions of the organisation, setting and collecting rates, statutory reporting (including the annual report and annual budget), compliance reporting (IRD and Statistics NZ) and internal reporting to management, Elected Members and our communities. Finance are also responsible for providing a significant level of information and reporting to the newly formed Finance and Audit Committee.

A focus on making payment of rates easier, has resulted in the implementation of more flexible direct debit options as well as incentives for ratepayers to move to direct debit. Council also undertook a rating sale of a property in the District, the first for a number of years as well as the sale of a number of properties deemed abandoned land.

A new internal initiative referred to as business partnering has been implemented this year, with Finance staff partnering up with activity managers across the organisation. The purpose of this approach is to build stronger relationships, shared knowledge, stronger financial guidance and better information to enable

Information Management

The Information Management team provide business solutions, knowledge management and ICT service delivery across the organisation. A significant areas of focus for the team during 2016/2017 was the Property Digitisation Back Capture Project. This involves transferring the current paper-based property filing system to digital files that will be used in Council's records management system. This will future-proof Council from physical storage issues and reduce risks associated with property files being damaged, misplaced or misfiled.

Seventeen tonnes of paper was removed from the Invercargill office to an offsite storage place. The project is expected to be fully completed by April 2018.

Forestry

The activity is managed by IFS Growth on behalf of Council.

In 2016/2017 there was a big harvest and the return on investment was significantly better than budgeted due to very good log prices and the production tonnage being higher than predicted.

Health and safety is a key focus. There were no lost time or medical treatment injuries in the year. Harvesting crews used the latest technology, minimising the risks to personnel.

The full-year performance for the forestry business has exceeded budgets. This year, 50,010 tonnes were harvested, 7,840 tonnes higher than targeted (up 19% on budget). This includes roadline harvesting in Waikaia Forest, harvesting in Dipton and a week's production in Ohai.

With log sales at \$5.7 million and stable expenditure to budget (\$2.5 million), a \$3.1 million net position resulted.

Tree crop valuation improved during the year. The estate's timber valuation is now \$13.719 million, which is up 6% on 2015/2016. The business unit and forest estate is in a very sound position going forward.

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## Performance measures

Community outcome: Being an effective council

What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Representation and Advocacy	<b>Access</b> Maintain a structure that allows for local decision-making	Percentage of resident satisfaction with the performance of Community Boards and local committees (local decision-making and planning)	Triennial residents' satisfaction survey	85%	<b>86%</b>	<b>Achieved</b> The latest survey was in 2016/2017 and the result was 86%. Survey undertaken three-yearly. In 2013/2014 the result was 76%.
	<b>Leadership</b> Council to provide leadership and advocacy on major issues affecting residents	Percentage of resident satisfaction with Council decision-making, planning and leadership	Triennial residents' satisfaction survey	85%	<b>80%</b>	<b>Not Achieved</b> The latest survey was in 2016/2017 and the result was 80%. Survey undertaken three-yearly. In 2013/2014 the result was 82%.
Community Development	<b>Business Growth</b> Proactively identify and promote opportunities for employment and business growth in Southland	Increase in the number of new businesses in the region	Business demography statistics	Increase from previous year	<b>1.8%</b>	<b>Achieved</b> The result was 1.8%. In 2016/2017 the total number of businesses was 14,022 which is an increase of 1.8% or 246 new businesses from the previous year (2015/2016: 13,776). In 2015/2016 Council reported a 1.24% increase in new businesses.
		Regional unemployment rate below the national average	Household Labour Force Survey	Below national average	<b>5%</b>	<b>Not Achieved</b> The result was 5% which was the same as the national average based on the Stats NZ figures for the March 2017 quarter. In 2015/2016 the national average was 5.7% and Southland was 4.6%, which was 1.1% below the national average.
	<b>Economic activity</b> Enhance economic growth	Increase in GDP from the Southland region	Regional Gross Domestic Product Report	Increase from previous year	<b>-1%</b>	<b>Not Achieved</b> The result was a 1% decrease (which equates to \$52 million). Southland's regional GDP was \$5.129 billion in March 2016, down



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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
						from \$5.181 billion in March 2015 as reported in the Statistics NZ Regional GDP figures published in March 2017. Please note that the GDP figure reported in the Council's 2015/2016 Annual Report was provisional (\$4.9 billion) and has since been updated to \$5.181 billion.
	<b>Promotion</b> Promote Southland District	Increase in Southland's population	Statistics New Zealand Sub-national population estimates	Increase from previous year	<b>0.72%</b>	<b>Achieved</b> The result was 0.72%. Southland's estimated population in 2016 was 98,000 which is an increase 700 people (0.72%) over 2015 (97,300). In 2015/2016 the result was 0.7%. The population figure is sourced from Stats NZ subnational population estimates for year ended 30 June 2016).
		Increase in number of visitor nights in the region	MBIE Regional Tourism Estimates and Commercial Accommodation Monitor	5%	<b>10.4%</b>	<b>Achieved</b> The result was 10.4%. 753,098 guest nights for the year, which equates to a 10.4% increase from the previous year for Southland District. In 2015/2016 the result was a 14.6% increase (based on 682,317 guest nights for the year ended April 2016).
		Increase in tourist accommodation occupancy rates	MBIE Regional Tourism Estimates and Commercial Accommodation Monitor	2%	<b>11.4%</b>	<b>Achieved</b> The result was 11.4%. In 2016/2017 the occupancy rate was 40.2% for the year ended June 2016, compared to 36.1% for year ended June 2016.
<b>District support</b>	<b>Access</b> Access to services during normal business hours	Percentage of residents satisfied with the hours of operation	Triennial residents' satisfaction survey	90%	<b>97%</b>	<b>Achieved</b> The latest survey was in 2016/2017 and the result was 97%. Survey undertaken three-yearly. In 2013/2014 the result was 96%.

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
	<b>Responsiveness</b> All requests, issues, queries and faults dealt with in a timely fashion	Percentage of customers satisfied with staff helpfulness <sup>1</sup>	Annual customer service survey	90%	<b>92%</b>	<b>Achieved</b> The result was 92%. In 2015/2016 the result was 92%.
		Percentage of customers satisfied with response times <sup>1</sup>	Annual customer service survey	80%	<b>98%</b>	<b>Achieved</b> The result was 98%. In 2015/2016 the result was 98%.
		Percentage of customers satisfied with the outcome of enquiries <sup>1</sup>	Annual customer service survey	80%	<b>84%</b>	<b>Achieved</b> The result was 86%. In 2015/2016 the result was 86%.
	<b>Responsiveness</b> All requests, issues, queries or faults dealt with in a timely fashion	Percentage of response times kept within defined limits <sup>2</sup>	Customer service system (Pathway)	85%	<b>88%</b>	<b>Achieved</b> The result was 88%. In 2015/2016 the result was 88%.
	<b>Responsiveness</b> All requests, issues, queries or faults dealt with in a timely fashion	Percentage of correspondence responded to within defined limits <sup>2</sup>	Document Management system (TRIM) report	85%	<b>73%</b>	<b>Not Achieved</b> The result was 73%. Of the 6,247 actions, 4,557 were completed within timeframe. In September 2016 we upgraded to Records Manager 8.3. Staff now receive a reminder e-mail 2 days before the action becomes overdue. In 2015/2016 the result was 72%.
<b>Corporate support</b>	<b>Quantity</b> The community is regularly kept informed of Council issues and matters of interest	Percentage of residents who have read at least one issue of the Council's newsletter First Edition	Triennial residents' satisfaction survey	85%	<b>75%</b>	<b>Not Achieved</b> The latest survey was in 2016/2017 and the result was 75%. This is expected to increase by the next survey with an increase in the number of engagement methods utilised to increase readership. Survey undertaken three yearly. In 2013/2014 the result was 86%.
	<b>Quantity</b> The community is regularly kept informed of Council issues and matters of interest	Number of positive/neutral stories versus the total number of stories published in The Southland Times and Otago Daily Times	Newspaper records	40 stories	<b>46 stories</b>	<b>Achieved</b> 46 stories for the year. In 2015/2016 the result was 41.

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
	<b>Quality</b> Council encourages input into its planning	Percentage of residents satisfied with the level of consultation with the community, undertaken by Council, over important issues	Triennial residents' satisfaction survey	80%	<b>69%</b>	<b>Not Achieved</b> The latest survey was in 2016/2017 and the result was 69%. Survey undertaken three yearly. In 2013/2014 the result was 69%.
<div><div><sup>1</sup> Monthly targeted survey conducted by Customer Services Officer.</div><div><sup>2</sup> The defined limit for correspondence is 20 working days if a LGOMIA (1987) request, 10 working days if an action required (but not a LGOMIA (1987) request) and five working days if just for the person's information.</div></div>						

Funding Impact Statement – Budget Variations

Other receipts were higher than budgeted due to changes to the way forestry income is disclosed, strong log prices and increased harvesting. Payments to staff and suppliers are higher than budget due to changes to the way forestry expenditure is disclosed and costs associated with additional forestry harvesting. Capital expenditure to improve level of service was lower than budget due to the core system review being deferred, although this is partially offset by additional expenditure required for the digitisation project.

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## Funding Impact Statement - District Leadership

2015/2016 Budget (LTP) (\$000)		2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (AP) (\$000)
	<b>Sources of operating funding</b>			
9,209	General rates, uniform annual general charges, rates penalties	9,220	9,837	9,881
693	Targeted rates	692	665	666
84	Subsidies and grants for operating purposes	84	107	1591
-	Fees and charges	39	35	31
12,376	Internal charges and overheads recovered	11,849	13,889	13,972
2,903	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	4,746	6,542	3,090
<b>25,265</b>	<b>Total operating funding</b>	<b>26,630</b>	<b>31,075</b>	<b>29,231</b>
	<b>Applications of operating funding</b>			
12,098	Payments to staff and suppliers	13,346	14,754	15,763
-	Finance costs	-	-	-
9,154	Internal charges and overheads applied	9,027	10,650	10,569
2,609	Other operating funding applications	2,353	2,187	2,224
<b>23,862</b>	<b>Total applications of operating funding</b>	<b>24,726</b>	<b>27,591</b>	<b>28,556</b>
<b>1,403</b>	<b>Surplus (deficit) of operating funding</b>	<b>1,904</b>	<b>3,484</b>	<b>675</b>
	<b>Sources of capital funding</b>			
-	Subsidies and grants for capital expenditure	-	-	-
22	Development and financial contributions	10	10	-
(421)	Increase (decrease) in debt	(2,321)	942	2,562
5	Gross proceeds from sale of assets	11	38	67
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>(393)</b>	<b>Total sources of capital funding</b>	<b>(2,300)</b>	<b>990</b>	<b>2,629</b>
	<b>Applications of capital funding</b>			
-	Capital expenditure			
-	▪ to meet additional demand	-	-	-
2,126	▪ to improve the level of service	331	1,327	3,146
146	▪ to replace existing assets	43	212	334
(1,185)	Increase (decrease) in reserves	(1,070)	2,597	(392)
(76)	Increase (decrease) in investments	300	338	217
<b>1,010</b>	<b>Total applications of capital funding</b>	<b>(396)</b>	<b>4,474</b>	<b>3,305</b>
<b>(1,403)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(1,904)</b>	<b>(3,484)</b>	<b>(675)</b>
-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating finding from sources not identified above.



# Emergency management

## What we do

Council’s emergency management activity aims to enhance Southland’s ability to reduce risk, respond to and quickly recover from an emergency event.

## Why Council provides these services

The emergency management activity aligns with Council’s community outcome of “supporting our communities”.

If emergency services are called upon, Council’s communities will be offered the help and support they need in the aftermath of a natural disaster or other emergency. This contributes to Southland’s communities being desirable and safe places to live and work.

## How well we did

### Performance targets

This activity has two targets. One of the targets was achieved and one was not measured.

## Key highlights

### Emergency Management Southland

Emergency Management Southland (EMS) is a shared service between Southland District Council, Environment Southland, Gore District Council and Invercargill City Council. It focuses on ensuring communities are prepared for emergencies and that they are able to respond to and recover from these when they do happen. Specific actions include public education and ensuring a pool of trained personnel.

Council staff continue to support Emergency Management Southland, including performance of roles such as controller and public information managers when required.

While thankfully the 2016/2017 year was relatively quiet for local emergencies, staff assisted the velvet leaf response in late 2016 and participated in several valuable training exercises, including the national tsunami response Exercise Tangaroa.

Some changes to the Civil Defence and Emergency Management Act strengthened the importance of the welfare and recovery roles of Emergency Management Southland. A national civil defence review was under way, and EMS also prepared and finalised its regional civil defence plan for 2017-2022.

Emergency Management Southland is leading Project AF8, a national initiative to develop a plan to manage the effects of a magnitude 8 earthquake on the Alpine Fault.

EMS welcomed the appointment of a further advisor, adding capability to the team.

### Rural Fire

Central government decided to merge rural and urban fire services from 1 July 2017. Since its creation, Southland District Council has had two members on the Southern Rural Fire Authority (SRFA) board.

From 1 July 2017 the SRFA will become part of the new national entity Fire and Emergency New Zealand (FENZ). Staff assisted FENZ team members to ensure the transition to the new entity goes as smoothly as possible. Transition of the rural and urban sectors into FENZ is planned over a three to five-year period.

FENZ will have a wider mandate than currently exists and will continue to be funded through a levy on insurance. One of the key focuses of FENZ is the provision of increased support to volunteer firefighters and a more flexible way of working.

## Item 7.1 Attachment B

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## Performance measures

**Community outcome:** Supporting our communities

What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
<b>Emergency Management Southland</b>	<b>Reduction, Readiness, Response and Recovery</b> Ensure the region is resilient and able (through the four R's of reduction, readiness, response and recovery) to cope with any Civil Defence emergencies	Overall score from the Ministry of Civil Defence Emergency Management assessment of the Civil Defence Emergency Management Group's capability	Ministry of CDEM assessment (five yearly assessment)	75-80% in 2016 assessment	<b>74.2%</b>	<b>Not Measured</b> In 2015/2016 the result was 74.2. The MCDEM assessment is carried out usually every 3 years. However, it was delayed until 2015 due to the Christchurch earthquakes. Slightly different methodology was used to the previous assessment. The comparison score with 2011 was 76.3%, which would have met the target.
	<b>Reduction, Readiness, Response and Recovery</b> Ensure the region is resilient and able (through the four R's reduction, readiness, response and recovery) to cope with any Civil Defence emergencies	Percentage of annually surveyed households prepared for an emergency including self-sufficiency for three days	Annual Emergency Management Survey	Minimum of 50%	<b>57%</b>	<b>Achieved</b> The result is 57% for residents and farmers 52%. In 2015/2016 the result was 51% (being the lowest score from 2 questions in the July 2016 survey; 'Do you have a family or household emergency plan? (51%)', 'Would you be self-sufficient for 3 days? (81%)').

## Funding Impact Statement – Budget Variations

There were no significant variances between the budget and the actual results.

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## Funding Impact Statement – Emergency Management

2015/2016 Budget (LTP) (\$000)		2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (AP) (\$000)
	<b>Sources of operating funding</b>			
666	General rates, uniform annual general charges, rates penalties	660	661	666
-	- Targeted rates	-	-	-
-	- Subsidies and grants for operating purposes	-	-	-
-	- Fees and charges	-	-	-
1	Internal charges and overheads recovered	6	5	1
59	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	59	51	51
<b>725</b>	<b>Total operating funding</b>	<b>725</b>	<b>717</b>	<b>718</b>
	<b>Applications of operating funding</b>			
-	- Payments to staff and suppliers	2	-	-
-	- Finance costs	-	-	-
162	Internal charges and overheads applied	154	162	165
546	Other operating funding applications	546	553	553
<b>709</b>	<b>Total applications of operating funding</b>	<b>702</b>	<b>716</b>	<b>718</b>
<b>17</b>	<b>Surplus (deficit) of operating funding</b>	<b>23</b>	<b>2</b>	<b>-</b>
	<b>Sources of capital funding</b>			
-	- Subsidies and grants for capital expenditure	-	-	-
-	- Development and financial contributions	-	-	-
(316)	Increase (decrease) in debt	(316)	-	-
-	- Gross proceeds from sale of assets	-	-	-
-	- Lump sum contributions	-	-	-
-	- Other dedicated capital funding	-	-	-
<b>(316)</b>	<b>Total sources of capital funding</b>	<b>(316)</b>	<b>-</b>	<b>-</b>
	<b>Applications of capital funding</b>			
-	Capital expenditure	-	-	-
-	▪ to meet additional demand	-	-	-
-	▪ to improve the level of service	-	-	-
-	▪ to replace existing assets	-	-	-
(299)	Increase (decrease) in reserves	(293)	2	-
-	- Increase (decrease) in investments	-	-	-
<b>(299)</b>	<b>Total applications of capital funding</b>	<b>(293)</b>	<b>2</b>	<b>-</b>
<b>(17)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(23)</b>	<b>(2)</b>	<b>-</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> includes all other operating finding from sources not identified above.

## Regulatory services

### What we do

Council performs regulatory functions to control a range of activities taking place in the District. The rules are based on legislation that provides Council with a framework to work in. Council's services range from processing consent applications to certifying food premises and registering dogs.

Enforcing these rules enables Council to manage the District's resources efficiently, which is vital for the future of Southland. It also provides a safe and secure environment for residents and for visitors to the District.

Alongside compliance, Council aims to educate people throughout the District about the services it provides. From landlords and business developers to visitors and pet owners, the rules that Council imposes impact on a wide range of activities undertaken by people in the District, both directly and indirectly.

### Why Council provides these services

Council's regulatory services align with the community outcome of "supporting our communities". Council supports its communities through the provision of regulatory services as they control and set standards for a range of activities taking place in the District.

Enforcing rules around buildings, resources and businesses supports residents by making communities safe places to live and work in.

It contributes to Southland's communities being desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

### How well we did

#### Performance targets

This activity group has 18 key performance indicator targets. Eight were achieved and 10 were not achieved with the key reasons for non-achievement explained in the table below.

### Key highlights

#### Building control

Council's Building Consent Authority (BCA) Accreditation was renewed by International Accreditation New Zealand in March 2017.

The audit identified one corrective action required, which was being addressed, enabling Council to continue to issue building consents for a further two years.

The Building (Earthquake Prone Amendments) Act 2016 was enacted towards the end of 2016. This creates a strengthened regime for the control of buildings deemed earthquake prone, based on risk zones (high, medium or low, which generally follow proximity to the Alpine Fault in Southland). Southland District is one of the few councils with all three risk zones in its area.

The bulk of the provisions of this act take effect from 1 July 2017 and, along with other councils, Southland District Council will have an expanded role in earthquake-prone building management in the future.

The department has been successful in reducing the overall number of outstanding building consents. The practice of following up on pre-2004 building consents will continue in the coming year.

The Fencing of Swimming Pools Act 2016 puts extra requirements on Council to inspect swimming pools every three years and maintain a register of pools in its area.

### Resource management

#### Edendale Bypass

A Notice of Requirement to realign State Highway 1 to the west of the Edendale Fonterra dairy factory (the Edendale Bypass) was received in February 2017. This application was publicly notified and received 20 submissions. An independent hearing commissioner heard the application on 17 August 2017 and on 4 September recommended that NZTA confirm the Notice of Requirement subject to conditions. NZTA has accepted the recommendation and Council has provided the recommendation to all submitters and land owners affected by the Notice of Requirement who now have a right of appeal to the Environment Court.

#### District Plan review

Mediation on the Proposed Southland District Plan was put on hold while the Proposed Regional Policy Statement was being resolved. Now that mediation has been settled mediation is scheduled for 7-11 August. If the appeals on the Proposed District Plan can't be resolved through mediation it is likely that any remaining issues will get resolved through an Environment Court hearing. It is likely that all the remaining appeals will be resolved before the end of the calendar year.



**RMA changes**

The Resource Legislation Amendment Act 2017, passed in April 2017, is the largest suite of amendments to the Resource Management Act since its enactment in 1991. This has significant implications for all councils, with some key changes being:

- Inclusion of natural hazards management as a matter of national importance
- New provisions to seek to streamline consenting processes, and a shorter time frame for processing simple consents
- New national planning standards introduced, aimed at creating greater consistency between planning documents and streamlining plan-making
- Changes to the tests around notification of applications, which is likely to lead to fewer applications being publicly notified in the future.

**Land and Water Plan**

Council's officers submitted on Environment Southland's Proposed Water and Land Plan in 2016. There are likely to be implications for the re-consenting of local authority infrastructure if the plan is adopted. The resource management team was involved in preparing evidence for joint submissions with Invercargill City Council and Gore District Council in September.

**Animal Control**

Significant educational and systems work was completed in preparation for the new dog control registration discounts. These discounts are a significant change and are intended to encourage responsible dog ownership, and reduce wandering and aggression incidents.

A consequence of the new discounts is the significance of written warning as part of the escalation process. A dog owner that receives a written warning will not be eligible for the responsible owner discount for two years. This provides dog control officers with another compliance option that is of lesser significance than an infringement.

Further, more dogs are being microchipped as a direct result of the discounts, with microchipping being one of the criteria for receiving the responsible owner discount.

Multiple dogs licensing was successfully implemented during this period. This was a new licensing system introduced by the Dog Control Bylaw 2015, in order to provide a more effective level of control for dog owners with more than two dogs particularly in urban areas.

The team completed an analysis of attacks in the District over a three-year period. Council's Regulatory and Consents Committee endorsed the recommendations arising, including the provision of free gate signs, identification/smart monitoring of higher risk properties, identification of unregistered dogs, and possibly an amnesty (subject to a further report to the Committee).

Council's Animal Control section entered into a contract with Invercargill City Council to enable warranted Invercargill City Council staff to provide animal control services in Southland District. This provides better responsiveness and business continuity for times when Southland District Council's two animal control officers are unavailable due to other callouts or annual leave.

**Environmental Health**

A key focus has been the implementation of the Food Act 2014. All food businesses are required to transition to a new model of regulation within three years, by 2019. The first group of businesses required to transfer by June 2016 were those that hold an alcohol on-licence.

All food businesses that were required to transfer to the new Food Act 2014 regime by 30 June 2017 have done so.

The new legislation has a strong quality control focus. The food control plan that higher risk food businesses are required to use are in effect quality manuals. Similarly, Councils are being required to transition to operate under a quality manual as well. Council is expected to have its quality system fully implemented in 2019.

Council initiated a system of working together with the other alcohol regulatory agencies in Southland. Some outcomes of this are expected to be improved consistency and application processes. Council also has a combined Local Alcohol Policy with the Gore and Invercargill councils, with a key policy being uniform operating hours in the region.

The successful freedom camping patrol shared service with DOC continued in the Te Anau Basin. This has largely eliminated freedom camping in Te Anau. Changes to the freedom camping rules in Waikawa have reduced the problems that were occurring there previously. Lumsden continued with trialling the expanded freedom camping area, to allow better management and control of freedom camping in the town.

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Performance measures

Community outcome: Supporting our communities

What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed																		
Building Control	<b>Responsiveness</b> Process applications lodged under the Building Act within the timeframes specified within the Act	Percentage of Building Consents, Project Information Memoranda (PIMs), Land Information Memoranda (LIMs) and Certificate of Acceptance (COA) applications processed within target timeframes <sup>1</sup>	Customer service system (Pathway)	98%	<b>93%</b>	<b>Not Achieved</b> The result was 93%. The actual timeframes are shorter than the timeframes in the Act of which we achieved our 98% targets. The current system is paper based and linear. The target should be achieved when we move to an electronic system.																		
						<table><tr><th>Type</th><th>Applications received</th><th>Issued in timeframes</th></tr><tr><td>Building consent</td><td>1,006</td><td>918</td></tr><tr><td>PIMs</td><td>9</td><td>8</td></tr><tr><td>LIMs</td><td>554</td><td>554</td></tr><tr><td>COA</td><td>13</td><td>13</td></tr><tr><td>Total</td><td>1,582</td><td>1,493</td></tr></table>	Type	Applications received	Issued in timeframes	Building consent	1,006	918	PIMs	9	8	LIMs	554	554	COA	13	13	Total	1,582	1,493
						Type	Applications received	Issued in timeframes																
						Building consent	1,006	918																
						PIMs	9	8																
LIMs	554	554																						
COA	13	13																						
Total	1,582	1,493																						
						In 2015/2016 the result was 99%.																		
	<b>Responsiveness</b> Undertake inspections in a timely manner	Percentage of final inspections completed/alternate inspection agreements within 20 working days of Form 6 entered	Customer service system (Pathway)	98%	<b>99%</b>	<b>Achieved</b> The result was 99%. Of the 841 inspections, 829 inspections were carried within timeframe. In 2015/2016 the result was 97.34%.																		
	<b>Responsiveness</b> Appropriate and timely guidance is provided regarding building control matters as requested by customers	Percentage of applicants satisfied with the service provided	Biennial user survey	80%	<b>76%</b>	<b>Not Achieved</b> The result was 76%. This was not achieved but in the survey there were a lot of positive comments. While Council achieved 98% of the statutory timeframes this does not meet our customers' expectations so we need to improve our systems to meet their needs by moving to an electronic system. In 2014/2015 the result was 78%.																		
	<b>Quality</b>	Number of proven liability claims against Council	Report to Council	0	<b>0</b>	<b>Achieved</b> The result was 0. In 2015/2016 the result was 0.																		

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
	Ensure building work complies with the Building Code to ensure communities are safe					
	<b>Quality</b> Workplaces and public buildings having life safety compliance schedule features maintained in a safe working condition	Undertake an annual audit of 10% of buildings which have a compliance schedule	Form 228 CS Audit Register	10%	<b>13%</b>	<b>Achieved</b> The result was 13%. 90 audits undertaken of 683 compliance schedule items for the financial year. In 2015/2016 the result was 10.4%.
<b>Animal Control</b>	<b>Quality</b> Actively control the actual and potential nuisance from dogs and animals	Percentage of residents satisfied with the service provided (dog)	Triennial residents' satisfaction survey	75% (dog)	<b>78%</b>	<b>Achieved</b> The latest survey was in 2016/2017 and the result was 78%. Survey undertaken three-yearly. In 2013/2014 the result was 71%.
		Percentage of residents satisfied with the service provided (stock)	Triennial residents' satisfaction survey	85% (stock)	<b>91%</b>	<b>Achieved</b> The latest survey was in 2016/2017 and the result was 91%. Survey undertaken three-yearly. In 2013/2014 the result was 84%.
	<b>Responsiveness</b> All complaints are addressed in a timely manner	Percentage of complaints investigated within set timeframes <sup>2</sup>	Customer service system (Pathway)	85%	<b>98%</b>	<b>Achieved</b> The result was 98%. Of the 964 requests, 949 were within timeframes. In 2015/2016 the result was 90%.
	<b>Responsiveness</b> Facilitate and provide appropriate guidance and advice on dog and animal control matters	Number of public education initiatives carried out per year <sup>3</sup>	Department records and Council newsletters	72	<b>49</b>	<b>Not Achieved</b> The result was 49. The reason for the reduction is the number of microchipping sessions has reduced. Council now focuses sessions at the area offices (other than Nightcaps), to reflect low attendances at the satellite areas. Despite the drop in sessions there is not expected to be a drop in people being educated through this process. In 2015/2016 the result was 48.



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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
<b>Resource Management</b>	<b>Quality</b> Provide assistance and information to help applicants understand the District Plan rules and consent process	Percentage of users satisfied with the service provided (staff assistance and the information provided) <sup>4</sup>	Biennial user survey	80%	<b>67%</b>	<b>Not Achieved</b> The result was 67%. The result is similar to the previous survey and we are putting measures in place such as electronic lodgement and better guidance for applicants lodging consents. It is also worth noting that there is a high proportion of applicants seeking consent that do not have any previous experience and therefore their knowledge and expertise may affect their satisfaction. This was not measured in 2015/2016. The result in 2014/2015 is 66.7%.
	<b>Efficiency</b> Ensure consents are processed efficiently	Percentage of applications processed within required timeframes <sup>5</sup>	Customer service system (Pathway)	95%	<b>88%</b>	<b>Not Achieved</b> The result was 88%. A number of applications have exceeded the timeframes due to Council providing the applicant with an opportunity to comment on the conditions before the consent is issued. While this technically means the timeframe has been exceeded it is more efficient to clear up any potential issues before the consent is issued rather than afterwards. In 2015/2016 the result was 89%.
	<b>Sustainability</b> Provide and maintain an operative District Plan that appropriately addresses the environmental issues of the District	District Plan reviewed for efficiency and effectiveness of policy and rules not less than every five years <sup>6</sup>	Report to Council	Target to be set	<b>Report produced</b>	<b>Achieved</b> The result was a report was produced. The requirement under the RMA to report on the effectiveness of the Proposed District Plan after five years is based on the date the plan is made operative. While the Proposed District Plan is not fully operative, a report was prepared and presented to the Regulatory and Consents committee in May 2017.
	<b>Responsiveness</b>	Percentage of complaints where investigation commenced within five working days	Customer service system (Pathway)	100%	<b>89%</b>	<b>Not Achieved</b>

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
	All public complaints about effects on the environment are investigated and reported on, in a timely and professional manner					The result was 89%. Of the nine complaints received for the year, eight were investigated on time, there was a delay with the other one due to officers not being available to respond. In 2015/2016 the result was 73%.
	<b>Quality</b> Monitor resource consents to ensure that they comply with conditions	Percentage of consents requiring monitoring that are monitored	Customer service system (Pathway)	100%	3%	<b>Not Achieved</b> The result was 3%. One of the 29 were monitored. Council delayed some monitoring over the reporting timeframe due to other priorities. In 2015/2016 the result was 100%.
<b>Environmental Health</b>	<b>Quality</b> Implement actions and measures that provide for the health, safety and well-being of the community	Percentage of customers satisfied with how their nuisance complaints have been dealt with	Annual customer survey	85%	99% 79% 88%	<b>Achieved</b> Staff helpfulness Outcome Time taken In 2015/2016 the result was: Staff helpfulness 97% Outcome 88% Time taken 90%
	<b>Quality</b> Ensure that all premises operating under the requirements of the Health Act and Food Act and associated regulations operate in accordance with the requirements of the legislation	Percentage of registered premises and Food Control Plan premises inspected annually	Licensing module (Pathway)	100%	99.6%	<b>Not Achieved</b> The result was 99.6%. 245 premises inspected from 246 registered premises. The reason is because this food business has transferred to a new risk based measure that Council is not yet approved by the MPI to verify, and subsequently postponed. In 2015/2016 the result was 99.6%.
	<b>Responsiveness</b> Process all applications lodged under the Sale and Supply of Alcohol Act in a timely manner	Percentage of applications for alcohol licensing and managers' certificates are processed within 35 working days (excluding renewal applications)	Licensing module (Pathway). Pathway data extracted via Access database	90%	71%	<b>Not Achieved</b> The result was 71%. Of the 507 applications, 361 were processed within 35 working days. Reasons are (1) the licence renewal backlog continues to be reflected in this result (2) some errors in the holds-data not being loaded (3) applications relating to managers and special licences did achieve 90%. In 2015/2016 the result was 74%.

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
	<b>Responsiveness</b> Complaints are investigated in a timely manner	Percentage of complaints responded to within two working days from the date of receipt <sup>7</sup>	Customer service system (Pathway)	95%	<b>93%</b>	<b>Not Achieved</b> The result was 93%. 220 of the 236 complaints were investigated within two days. The main reasons for this result are failure to reach after hours ranger and officers delay in responding. In 2015/2016 the result was 88%.
<p><sup>1</sup> Target timeframes for the various applications are as follows: PIMs (10 working days), Building Consents (18 working days) and Certificates of Acceptance (18 working days).</p> <p><sup>2</sup> The timeframe for investigation varies according to the type of requests, ie a dog attack will be investigated more urgently (two hours) than for example a lost dog (24 hours).</p> <p><sup>3</sup> The education target is based on 64 free microchipping clinics per year, two radio slots, four articles in First Edition and two school visits per year.</p> <p><sup>4</sup> In the LTP the target was incorrectly stated as 80% for 2015/2016. The 80% target should be for the 2016/2017 year.</p> <p><sup>5</sup> The timeframes for processing non-notified resource consent applications is 20 working days. "Receipt" means all the required information has been supplied.</p> <p><sup>6</sup> The five year timeframe is based on the date the District Plan is made operative. Until the plan is finished going through the RMA First Schedule process, the review date cannot be determined.</p> <p><sup>7</sup> "Responded to" means to enquire into the complaint and determine the appropriate response required, whether by phone or site visit.</p>						

## Funding Impact Statement – Budget Variations

Payments to staff and suppliers are less than budgeted mainly due to the District Plan being on hold as a result of an appeal. Other than this there were no significant variances between the budget and the actual results.

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## Funding Impact Statement – Regulatory Services

2015/2016 Budget (LTP) (\$000)		2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (AP) (\$000)
	<b>Sources of operating funding</b>			
1,778	General rates, uniform annual general charges, rates penalties	1,780	1,736	1,731
-	Targeted rates	-	-	-
4	Subsidies and grants for operating purposes	15	11	10
2,194	Fees and charges	1,937	1,950	2,016
313	Internal charges and overheads recovered	255	336	435
97	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	101	48	63
<b>4,386</b>	<b>Total operating funding</b>	<b>4,089</b>	<b>4,081</b>	<b>4,255</b>
	<b>Applications of operating funding</b>			
3,029	Payments to staff and suppliers	2,819	2,340	2,998
-	Finance costs	-	-	-
1,260	Internal charges and overheads applied	1,205	1,390	1,456
2	Other operating funding applications	(5)	51	2
<b>4,291</b>	<b>Total applications of operating funding</b>	<b>4,020</b>	<b>3,781</b>	<b>4,456</b>
<b>95</b>	<b>Surplus (deficit) of operating funding</b>	<b>69</b>	<b>299</b>	<b>(201)</b>
	<b>Sources of capital funding</b>			
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
(892)	Increase (decrease) in debt	(875)	(461)	(461)
25	Gross proceeds from sale of assets	7	34	9
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>(867)</b>	<b>Total sources of capital funding</b>	<b>(869)</b>	<b>(427)</b>	<b>(452)</b>
	<b>Applications of capital funding</b>			
-	Capital expenditure	-	-	-
-	▪ to meet additional demand	-	-	-
-	▪ to improve the level of service	58	17	-
107	▪ to replace existing assets	67	6	41
(879)	Increase (decrease) in reserves	(924)	(160)	(334)
-	Increase (decrease) in investments	-	9	(360)
<b>(771)</b>	<b>Total applications of capital funding</b>	<b>(800)</b>	<b>(128)</b>	<b>(653)</b>
<b>(95)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(69)</b>	<b>(299)</b>	<b>201</b>
-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating finding from sources not identified above.

# Roads and footpaths

## What we do

Council's roads and footpaths provide its communities with a safe and integrated corridor for goods and services to move throughout the District.

Council owns and manages a roading network of 4,970km, the second largest of any territorial authority in the country, second only to Auckland metro. Council also owns and manages 1088 bridges, 201km of footpaths, 236 stock underpasses and 2,309 streetlights.

The roading network is crucial infrastructure for the District. It contributes to Southland's economic development and allows people to access their homes, schools, social centres and recreational areas in their communities.

## Why Council provides these services

Roads and footpaths align with Council's community outcome of "supporting our communities". By providing a safe and integrated corridor, it enables goods and services to move throughout the District, supporting people's ability to live, work and travel safely throughout Southland. Council manages one of the largest export corridors for New Zealand and the dairy industry. The activity contributes to Southland's communities being desirable and safe places to live and work. Southland's commercial transport operators recognise Council provides one of the best condition, dependable network transport services, at one of the lowest costs, in the country.

## How well we did

### Performance targets

This activity has six targets. The activity achieved three of the targets that were measured for the year. One was not measured and two were not achieved. The target that was not achieved was due to a reporting timing faults. The actual customer service performance or network service delivery was not compromised or found lacking.

### Projects

There were 31 projects in this activity. Of these 11 were completed, 9 were in progress, 9 were not started and 2 were deleted. More detail about the projects is available from the Council on request.

## Key highlights

### Road Safety

Council installed seven new guardrails at various locations. These sites were assessed and prioritised using Council's safety barrier/embankment risk assessment tool.

Active flashing school signs were also installed at Otatau School after the location was evaluated as meeting the NZTA assessment criteria.

### Roading network

LED streetlights have been installed at Wallacetown with the complete network to be switched to LEDs in 2017/2018, pending funding approval from the NZ Transport Agency.

Council renewed the roading alliance maintenance contracts with Waimea and Central being awarded to Southroads and Foveaux awarded to Fulton Hogan. These contracts run for seven years starting on 1 July 2017.

In 2016/2017, Southland District Council:

- Resurfaced 161km of road, covering a total of 1,097,016 square metres of road surface. This was 113% of the area that was budgeted to be resurfaced.
- Carried out 6km of rehabilitations, or 120% of the area budgeted to be rehabilitated. The additional 1km was due to heavy vehicle activity which resulted in pavement stress causing the section of road to fail.
- Placed around 75,000 cubic metres of gravel, covering around 768km of road.

### Claycrete trials

A clay soil-binding chemical product called Claycrete is being trialled at three sites, to see if it is a viable, cheaper alternative to sealing and/or oiling roads for dust suppression. It is the first such trial of the product in New Zealand, and is being sponsored by Claycrete Aotearoa. The trials are being held at Chewings Road, Lintley Road and the railway station at Lumsden, and are providing useful information about Southland conditions which will help to dictate whether Claycrete is a viable roading solution for the District.

Key projects

Around the Mountains Cycle Trail

Stage one from Kingston to Mossburn has now been open for three years and the section from Mossburn to Centre Hill is also complete.

Council considered options to finish the Around the Mountains Cycle Trail. One option is to temporarily complete the trail from Centre Hill to Walter Peak as a "Heartland Ride," using the existing Centre Hill and Mavora Lakes roads. This would mean Council could market the trail as a complete ride while considering how to develop it to "Great Ride" standard, which Council is contractually obliged to do.

Sealing the last section of the Catlins Road

Council approved the seal extension of the Alternative Coastal Route.

The total project cost was approved at \$9.5 million, including construction, land purchases, safety review and monitoring costs. Work began in May 2017, with \$900,000 spent in the 2016/2017 year. The project is expected to be completed in 2018.



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## Performance measures

Community outcome: supporting our communities

What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Roading	<b>Road safety</b> Roads and bridges to provide a safe roading network for all users. <i>Mandatory measure 1</i>	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	Crash Analysis System	Reduce by 1	<b>No change</b>	<b>Not Achieved</b> In 2015/2016 the total was 16 and in 2016/2017 the total was 16.  In 2015/2016 the result was 16 but was reported at 14 because the information was updated after the report was published due to a lag in the Crash Analysis system.
	<b>Accessibility and road condition</b> Roads to provide a smooth and comfortable ride quality. <i>Mandatory measure 2</i>	The average quality of ride on a sealed local road network, measured by smooth travel exposure	HSD surveys <sup>1</sup>	97%	<b>100%</b>	<b>Achieved</b> The result was 100%. The survey is undertaken biennially due to cost effectiveness for a small Council with a large roading network. In 2015/2016 (the last time the survey was carried out) the result was 100%.
	<b>Road maintenance</b> <i>Mandatory measure 3</i>	The percentage of the sealed local road network that is resurfaced (as per the target set by the Asset Management Plan)	RAMM eg 970,000 m <sup>2</sup>	98%	<b>112%</b>	<b>Achieved</b> The result was 112% (sealed area 1,097,016m <sup>2</sup> ). In 2015/2016 the result was 103%.
	<b>Footpath conditions</b> <i>Mandatory measure 4</i>	The percentage of footpaths within Southland District that fall within the level of service or service standard for the condition of footpaths that is set out in the Council's relevant document (such as its Annual plan, Activity management plan, Asset management plan, Annual works programme or Long term plan)	Asset Management Plan	80%	-	<b>Not measured</b> Results not available as the condition survey was not completed due to other priorities. A process is being refined for the future with consistent timing of the survey to be done in conjunction with the RoadRoid survey. In 2015/2016 the result was 90%.



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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
	<b>Response to service requests</b> <i>Mandatory measure 5</i>	The percentage of customer service requests relating to roads and footpaths to which the Council responds within the timeframe <sup>2</sup>	Customer service system (Pathway)	95%	<b>80%</b>	<b>Not Achieved</b> The result was 80%. Part of reason for not achieving the KPI is the time lag between sign off on the RFS compared to when the field staff return completed job forms for at the end of the day. This particularly impacts request with very short turnaround times i.e. less than 24hrs. 924 of the 1149 were within timeframes. In 2015/2016 the result was 80%.
	<b>Accessibility</b> Roads to provide a smooth and comfortable ride quality	Percentage of gravel road tests where the roughness of the road meets acceptable standards	RoadRoid <sup>3</sup>	90%	<b>90.47%</b>	<b>Achieved</b> The result was 90.47% (interim result). In 2015/2016 the result was 90.70%.
<sup>1</sup> "Smooth and comfortable" for sealed roads means roads that meet the NAASRA counts are lower than 220 for urban roads and 120 for rural roads. <sup>2</sup> The timeframes vary depending on the request for service from 24 hours to up 60 days. This can be found in the Road index and RFS book. <sup>3</sup> This source is a new technology which is used to evaluate the smoothness of unsealed roads. This target is based on initial testing and may be subject to change.						

## Funding Impact Statement – Budget Variations

Payments to staff and suppliers are significantly above budget as a result of costs associated with stage 8 and 9 of the Around the Mountains Cycle Trail (AMCT) being expensed, rather than capitalised (\$1.9m). Subsidies and grants for capital purposes and application of capital funding are lower than budget due to the process of tendering the Alternative Coastal Route project, delays in several bridge replacement projects and the deferral of AMCT project.

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## Funding Impact Statement - Roads and Footpaths

2015/2016 Budget (LTP) (\$000)		2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (AP) (\$000)
	<b>Sources of operating funding</b>			
-	General rates, uniform annual general charges, rates penalties	-	-	-
13,790	Targeted rates	13,862	13,958	13,943
6,223	Subsidies and grants for operating purposes	6,163	6,323	6,187
13	Fees and charges	12	10	17
545	Internal charges and overheads recovered	600	211	355
530	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	659	873	532
<b>21,101</b>	<b>Total operating funding</b>	<b>21,296</b>	<b>21,375</b>	<b>21,034</b>
	<b>Applications of operating funding</b>			
11,699	Payments to staff and suppliers	11,193	14,655	11,882
-	Finance costs	-	-	-
1,534	Internal charges and overheads applied	1,413	1,229	1,352
20	Other operating funding applications	-	20	-
<b>13,253</b>	<b>Total applications of operating funding</b>	<b>12,606</b>	<b>15,904</b>	<b>13,234</b>
<b>7,848</b>	<b>Surplus (deficit) of operating funding</b>	<b>8,689</b>	<b>5,471</b>	<b>7,800</b>
	<b>Sources of capital funding</b>			
10,737	Subsidies and grants for capital expenditure	4,904	6,941	9,597
-	Development and financial contributions	8	(2)	65
685	Increase (decrease) in debt	(1,535)	(178)	4,781
-	Gross proceeds from sale of assets	-	-	8
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>11,421</b>	<b>Total sources of capital funding</b>	<b>3,377</b>	<b>6,761</b>	<b>14,451</b>
	<b>Applications of capital funding</b>			
	Capital expenditure			
-	▪ to meet additional demand	-	8	-
8,621	▪ to improve the level of service	2,704	(174)	12,345
10,771	▪ to replace existing assets	8,661	11,830	11,613
(123)	Increase (decrease) in reserves	702	566	(1,707)
-	Increase (decrease) in investments	-	2	-
<b>19,269</b>	<b>Total applications of capital funding</b>	<b>12,067</b>	<b>12,232</b>	<b>22,251</b>
<b>(7,848)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(8,689)</b>	<b>(5,471)</b>	<b>(7,800)</b>
-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating finding from sources not identified above.

# Solid waste

## What we do

The solid waste activity aims to maintain public health and reduce environmental harm to the District through rubbish collection and recycling.

Rubbish and recycling options are available for households, business and industry. Council provides a kerbside collection service for rubbish and recyclables to all townships, as well as running seven transfer stations, 11 recycling depots and two greenwaste sites around the District. The kerbside collection for rubbish and recycling is weekly in many areas.

Stewart Island has weekly kerbside rubbish pickup, recycling and food scrap collection.

The rubbish and recycling services include ongoing educational initiatives administered by WasteNet Southland, a joint committee of Southland District Council, Invercargill City Council and Gore District Council.

## Why Council provides this service

Council’s solid waste service aligns with its community outcome of “making the most of our resources”.

The management of waste in the District’s communities helps to reduce the impact waste disposal has on the environment by decreasing the volume of waste that goes to landfill.

Recycling and reusing material that would otherwise be disposed of enables people to become good custodians of the environment. People living here now and in the future can grow and prosper without compromising the District’s natural resources.

## How well we did

### Performance targets

This activity has seven targets. The activity achieved five of the targets that were measured for the year.

Of the two targets not achieved, one was an opinion survey which was close to target, the other was waste diverted from landfill by weight which depends on the amount that people recycle. Council (via WasteNet) will be carrying out more educational initiatives to encourage people to recycle more.

### Projects

There was one project in this activity which was completed during the year. . More detail about the projects is available from the Council on request.

## Key highlights

In 2015, WasteNet implemented a ‘three strikes’ policy to address contamination in kerbside recycling. Under the new policy, WasteNet officers and collection contractors check the contents of yellow recycling bins before they are emptied. If non-recyclable items are found in the bin, a notice is left on the handle of the bin and, if the contents of the bin are deemed bad enough, the bin will not be emptied.

If three instances of contamination are identified at a specific address, the kerbside recycling service will be suspended. Over the year Council issued a number of first and second strikes and the service was also withdrawn from a small number of properties. The service will be restored after a three-month period and when residents have been back in contact with WasteNet staff.

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## Performance measures

**Community outcome:** Making the most of our resources

What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
<b>Solid waste</b>	<b>Access and Reliability</b> Provide convenient solid waste management facilities and solutions throughout the District	Percentage of resident satisfaction with the services provided (refuse and recycling) - Wheelie bins	Triennial residents' satisfaction survey	90%	<b>94%</b>	<b>Achieved</b> The latest survey result was in 2016/2017 and the result was 94%. Survey undertaken three yearly. In 2013/2014 the result was 93% for wheelie bins.
	<b>Access and Reliability</b> Provide convenient solid waste management facilities and solutions throughout the District	Percentage of resident satisfaction with the services provided (refuse and recycling) - Transfer Station location	Triennial residents' satisfaction survey	80%	<b>83%</b>	<b>Achieved</b> The latest survey result was in 2016/217 and the result was 83%. Survey undertaken three yearly. In 2013/2014 the result was 78% for transfer stations location.
	<b>Access and Reliability</b> Provide convenient solid waste management facilities and solutions throughout the District	Percentage of resident satisfaction with the services provided (refuse and recycling) - Transfer Station hours	Triennial residents' satisfaction survey	80%	<b>75%</b>	<b>Not Achieved</b> The latest survey was in 2016/2017 and the result was 75%. These are largely consistent with previous years and may provide an indication that a number of residents would like to see longer opening hours. Survey undertaken three yearly. In 2013/2014 the result was 66% for transfer station opening hours.
	<b>Access and Reliability</b> Provide convenient solid waste management facilities and solutions throughout the District	Percentage of resident satisfaction with the services provided (refuse and recycling) - Recycle location	Triennial residents' satisfaction survey	80%	<b>82%</b>	<b>Achieved</b> The latest survey was in 2016/2017 and the result was 82%. Survey undertaken three yearly. In 2013/2014 the result was 79% for recycling drop-off centres location.

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
	<b>Sustainability</b> Provide for the sustainable minimisation and management of solid waste quantity being generated within the District	Percentage of waste (by weight) diverted from landfill <sup>1</sup>	Operational records from contract and landfill reports (WasteNet)	40%	<b>36%</b>	<b>Not Achieved.</b> The result was 36%. The target for this KPI has been agreed by all Wastenet councils. Further education is ongoing as to what products are suitable for diversion from landfill. The result for 2015/2016 was 51%.
	<b>Sustainability</b> Provide for the sustainable minimisation and management of solid waste quantity being generated in the District	Percentage of waste collected at kerbside that is diverted from landfill	Operational records from contract and landfill reports (WasteNet)	40%	<b>40%</b>	<b>Achieved.</b> The result was 40%. Of the 3454.76 tonnes of waste, 2029.47 was diverted from landfill. The result for 2015/2016 was 56%.
	<b>Advice and support</b> Provide guidance to the public about quality solid waste management practices	Number of public education initiatives completed <sup>2</sup>	Wastenet quarterly report	10	<b>29</b>	<b>Achieved.</b> The result was 29. The result for 2015/2016 was 20.
<sup>1</sup> Weight calculations are estimated based on the number of collection containers processed multiplied by an average weight for different material types.						
<sup>2</sup> Public education initiatives include at least one information brochure every two years and at least 10 school visits per year.						

## Funding Impact Statement – Budget Variations

Subsidies and grants for operating purposes are higher than budget due to additional Waste Minimisation Levy received from the Ministry for the Environment. Actual refuse fees are higher than budgeted resulting in higher Fees and Charges. Capital expenditure in this activity relates to replacement/additional wheelie bins acquired during the year.

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## Funding Impact Statement – Solid Waste

2015/2016 Budget (LTP) (\$000)		2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (AP) (\$000)
	<b>Sources of operating funding</b>			
-	General rates, uniform annual general charges, rates penalties	-	-	-
4,061	Targeted rates	4,060	4,128	4,139
88	Subsidies and grants for operating purposes	117	120	88
182	Fees and charges	200	238	187
199	Internal charges and overheads recovered	204	247	239
21	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	59	59	20
<b>4,551</b>	<b>Total operating funding</b>	<b>4,640</b>	<b>4,791</b>	<b>4,673</b>
	<b>Applications of operating funding</b>			
3,175	Payments to staff and suppliers	3,191	3,144	3,154
-	Finance costs	-	-	-
1,088	Internal charges and overheads applied	1,046	1,166	1,199
-	Other operating funding applications	1	-	-
<b>4,262</b>	<b>Total applications of operating funding</b>	<b>4,238</b>	<b>4,310</b>	<b>4,353</b>
<b>289</b>	<b>Surplus (deficit) of operating funding</b>	<b>402</b>	<b>482</b>	<b>321</b>
	<b>Sources of capital funding</b>			
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
(275)	Increase (decrease) in debt	(275)	(301)	(301)
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>(275)</b>	<b>Total sources of capital funding</b>	<b>(275)</b>	<b>(301)</b>	<b>(301)</b>
	<b>Applications of capital funding</b>			
-	Capital expenditure	-	-	-
-	▪ to meet additional demand	-	-	-
-	▪ to improve the level of service	33	40	-
14	▪ to replace existing assets	-	-	-
-	Increase (decrease) in reserves	94	141	20
-	Increase (decrease) in investments	-	-	-
<b>14</b>	<b>Total applications of capital funding</b>	<b>127</b>	<b>181</b>	<b>20</b>
<b>(289)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(402)</b>	<b>(482)</b>	<b>(321)</b>
	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> includes all other operating finding from sources not identified above.



# Stormwater

## What we do

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

The stormwater infrastructure spans 25 towns in the District. The bigger towns have large reticulated catchments while smaller townships have open ditches, drains and soakholes.

By preventing flooding in built-up areas, Council's stormwater network protects Southland's businesses, industrial areas and people's homes.

The system maintains public safety and access, as well as protecting public health.

## Why Council provides this service

Stormwater links to Council's community outcome of "making the most of our resources".

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

Council minimises the effects on the environment through compliance with resource consents.

## How well we did

### Performance targets

This activity has ten targets. The activity achieved five of the targets. One target was not achieved because there was 113 complaints about the stormwater system and four targets were not measured.

The target that wasn't achieved related to complaints due to a large number of requests caused by bad weather events.

The targets that weren't measured were because resource consents had not been issued by Environment Southland at that stage.

### Projects

There were 7 projects in this activity. Of these 4 were completed, 21 was in progress and 2 were deferred. More detail about the projects is available from the Council on request.

## Key highlights

Council is continuing its upgrade work on stormwater assets to comply with national standards, with further work carried out in a number of communities including Riverton and Winton.

Council is focused on ensuring the continued protection of the environment and has applied for resource consents for stormwater discharges in 17 townships. These were being processed by Environment Southland with draft conditions expected in 2017/2018.

Environment Southland has consulted on its proposed Water and Land Plan. The Plan requires Council to more actively manage and monitor its stormwater discharges to minimise contamination of waterways from urban areas.

Council submitted on a number of the Plan's objectives and rules that are likely to have an impact on how the stormwater activity will be managed. We are due to speak in support of our submission in September 2017. Once decisions are made and the provisions of the Plan fully adopted Council will have a clearer picture on what is required to develop a method for monitoring the stormwater assets and their performance.

Staff carried out extensive investigative work in a number of townships to help improve quality of data for the stormwater activity.



## Item 7.1 Attachment B

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## Performance measures

**Community outcome:** Making the most of our resources

What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
<b>Stormwater</b>	<b>Responsiveness</b> Prompt response to any instance of flooding	Percentage of request for services that meet response timeframes <sup>1</sup>	Customer service system (Pathway)	80%	<b>85%</b>	<b>Achieved</b> The result was 85%. 96 of the 113 were completed within timeframes. In 2015/2016 the result was 85%.
	<b>Quantity</b> Provide a drainage system with adequate capacity to protect public and property from major storms <i>Mandatory measure 1</i>	(a) The number of flooding events that occur in a territorial authority district. (internal flooding only)	Customer service system (Pathway)	Less than 5	<b>0</b>	<b>Achieved</b> The result was 0. There were no internal flooding events that affected habitable floors. In 2015/2016 the result was 0.
		(b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system)	Customer service system (Pathway)	Less than 1	<b>0</b>	<b>Achieved</b> The result was 0. There were no internal flooding events that affected habitable floors. In 2015/2016 the result was 0.
	<b>Management of environmental impacts</b> Compliance with the Council's resource consents for discharge from its stormwater system <i>Mandatory measure 2</i>	Compliance with the Council's resource consents for discharge from its stormwater system, measured by the number of: (a) Abatement notices	Formal correspondence from Environment Southland	0	-	<b>Not Measured</b> As Environment Southland has not yet put in place resource consent limits for these systems, the compliance measures are unable to be reported on. In 2015/2016 the result was not measured.
		(b) Infringement notices	Formal correspondence from Environment Southland	0	-	<b>Not Measured</b> As above (a).
		(c) Enforcement orders	Formal correspondence from Environment Southland	0	-	<b>Not Measured</b> As above (a).
		(d) Convictions Received by the territorial authority in relation those resource consents.	Formal correspondence from Environment Southland	0	-	<b>Not Measured</b> As above (a).

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
	<b>Responsiveness</b> Prompt response to any instance of flooding <i>Mandatory measure 3</i>	The median response time to attend a flood event, measured from the time that the Council receives notification to the time that service personnel reach site. The target is two hours)	Customer service system (Pathway)	90%	-	<b>Achieved.</b> The mandatory measure methodology defines flooding events as those that affect "habitable floors". There have been no flooding of habitable floors for the year and as such the result is reported as achieved. In 2015/2016 the result was not measured.
	<b>Customer satisfaction</b> Reliability: Provide a reliable stormwater system <i>Mandatory measure 4</i>	The number of complaints received by the Council about the performance its stormwater system, expressed per thousand properties connected to the Council's stormwater system	Customer service system (Pathway)	15	10	<b>Achieved</b> The result was 10. In 2015/2016 the result was 14. Note that all requests for service are considered a complaint.
	<b>Customer satisfaction</b> Reliability: Provide a reliable stormwater system	Overall number of complaints received about performance of stormwater system	Customer service system (Pathway)	Less than 60	113	<b>Not Achieved</b> The result was 113. There was large number of requests due to bad weather events. In 2015/2016 there were 88 complaints.
<sup>1</sup> The action taken timeframe is within 24 hours. Response means someone will contact customer either by phone or visit the property.						

## Funding Impact Statement – Budget Variations

There are no significant variations from budget.

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## Item 7.1 Attachment B

## Funding Impact Statement - Stormwater

2015/2016 Budget (LTP) (\$000)		2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (AP) (\$000)
	<b>Sources of operating funding</b>			
	- General rates, uniform annual general charges, rates penalties	-	-	-
251	- Targeted rates	250	283	284
	- Subsidies and grants for operating purposes	-	-	-
	- Fees and charges	1	2	-
57	- Internal charges and overheads recovered	56	56	58
	- Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	40	-	-
<b>308</b>	<b>Total operating funding</b>	<b>348</b>	<b>340</b>	<b>342</b>
	<b>Applications of operating funding</b>			
131	- Payments to staff and suppliers	64	105	141
	- Finance costs	-	-	-
103	- Internal charges and overheads applied	99	112	117
	- Other operating funding applications	-	-	-
<b>234</b>	<b>Total applications of operating funding</b>	<b>164</b>	<b>217</b>	<b>258</b>
<b>74</b>	<b>Surplus (deficit) of operating funding</b>	<b>184</b>	<b>123</b>	<b>84</b>
	<b>Sources of capital funding</b>			
	- Subsidies and grants for capital expenditure	-	-	-
	- Development and financial contributions	-	-	-
(6)	- Increase (decrease) in debt	173	(15)	8
	- Gross proceeds from sale of assets	-	-	-
	- Lump sum contributions	-	-	-
	- Other dedicated capital funding	-	-	-
<b>(6)</b>	<b>Total sources of capital funding</b>	<b>173</b>	<b>(15)</b>	<b>8</b>
	<b>Applications of capital funding</b>			
	Capital expenditure			
	- to meet additional demand	-	-	-
180	- to improve the level of service	12	30	50
75	- to replace existing assets	280	65	41
(187)	- Increase (decrease) in reserves	65	4	(1)
	- Increase (decrease) in investments	-	9	2
<b>68</b>	<b>Total applications of capital funding</b>	<b>357</b>	<b>109</b>	<b>92</b>
<b>(74)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(184)</b>	<b>(123)</b>	<b>(84)</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> includes all other operating finding from sources not identified above.

# Wastewater

## What we do

Council provides wastewater schemes for communities throughout the District which collect, treat and dispose of wastewater from residential properties, businesses and public facilities.

This service also includes the collection, treatment and disposal of industrial liquid wastes (commonly known as trade wastes) from industrial premises across the District.

Council owns 18 wastewater schemes and related infrastructure throughout the District. They are operated and maintained by Downer and supported by Council staff.

## Why Council provides this service

The wastewater infrastructure Council provides in the District aligns with the community outcome of “supporting our communities”.

The activity supports good public health by preventing the spread of disease and helps protect the environment. It also supports the needs of businesses and industry that operate in the District.

Wastewater contributes to Southland’s communities being desirable places to live, work and play in.

## How well we did

### Performance targets

This activity has eight targets. The activity achieved all eight targets that were measured for the year.

### Projects

There were 19 projects in this activity. Of these 6 were completed, 10 were in progress, 2 were not started and 1 was deferred. More detail about the projects is available from the Council on request.

## Key highlights

Council is focused on continuing to maintain wastewater assets to a level that is fit for purpose.

Council worked with contractors and governance bodies to identify maintenance work and continue its ongoing compliance with resource consent conditions in order to minimise the overall environmental impact.

Resource consents were finalised for Riversdale and Nightcaps.

There are some delays in contractor availability for desludging and disposal due to high demand for the specialised contractors and suitable weather.

Environment Southland has consulted on its proposed Water and Land Plan. The plan requires Council to more actively manage and monitor its wastewater discharges to minimise contamination of waterways from urban areas.

Council submitted on a number of the plan’s objectives and rules that are likely to have an impact on how the wastewater activity will be managed and are due to speak in support of our submission in September 2017. Once decisions are made and the provisions of the plan fully adopted Council will have a clearer picture on what is required to develop a method for monitoring the wastewater assets and their performance, as well as planning for future upgrades.

## Key projects

### Te Anau wastewater upgrade

The peer review of the proposed Te Anau wastewater upgrade is now largely complete with the report finding no fundamental flaws with the proposal. On the basis of the review and the potential lack of suitable alternative land for disposal Council is proceeding with the development of the business case in support of the consented Kepler block scheme but may consider any potential suitable alternative sites should they become available.

### Oban wastewater scheme

Work is under way to extend the disposal area for the Oban wastewater scheme. This involves laying out additional pipework within the designated disposal area and connecting it to existing infrastructure through a series of valves and adjoining pipework.

## Item 7.1 Attachment B

## Performance measures

Community outcome: Supporting our communities

What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Wastewater	<b>System and adequacy</b> Sewage is managed to reduce the risk to public health. Discharge Compliance: Minimise effects on the environment. <i>Mandatory measure 1</i>	The number of dry weather wastewater overflows from the Council's wastewater system, expressed per 1000 wastewater connections <sup>1</sup> to that wastewater system	HANSEN – Asset Management system report	<1	0	<b>Achieved</b> A target of less than 1 per 1000 connections equates to 9 events and we had 5 so this is achieved. The result is 0 when expressed as a whole number per 1000 connections. The number of overflows is 5. The number of connected rated properties is 8939. In 2015/2016 the result was 0.
	<b>Discharge compliance</b> Minimise effects on the environment. <i>Mandatory measure 2</i>	Compliance with the resource consents for discharge from its wastewater system measured by the number of: a) Abatement notices	Formal correspondence from Environment Southland	0	0	<b>Achieved</b> The result was 0. The report from Environment Southland was not available at the time the Annual Report was prepared. However Council records indicate there are no breaches. In 2015/2016 the result was 1 for abatement notice and 0 for all others.
		b) Infringement notices	Formal correspondence from Environment Southland	0	0	<b>Achieved</b> As above (a).
		c) Enforcement orders	Formal correspondence from Environment Southland	0	0	<b>Achieved</b> As above (a).
		d) Convictions Received by the Council in relation to those resource consents	Formal correspondence from Environment Southland	0	0	<b>Achieved</b> As above (a).
	<b>Fault response time</b> <i>Mandatory measure 3</i>	Where the Council attends to wastewater overflows resulting from a blockage or other fault in the Council's wastewater system, the following median response times measured:				
		(a) Attendance time - from the time that the Council receives notification to the time that service personnel reach the site (the target is one hour) <sup>2</sup> , and	HANSEN – Asset Management system report	95%	100%	<b>Achieved</b> The result was 100% (17 minutes). In 2015/2016 the result was 100% (26 minutes).

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed																																
		(b) Resolution time – from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault (the target is six hours) <sup>2</sup>	HANSEN – Asset Management system report	95%	100%	<b>Achieved</b> The result was 100% (28 minutes). In 2015/2016 the result was 50% (6 hours and 58 minutes).																																
	<b>Customer satisfaction</b> Relates to non-urgent situations. Customers are satisfied with the quality of the wastewater service. <i>Mandatory measure 4</i>	The total number of complaints received by the Council about any of the following: a) Wastewater odour b) Wastewater system faults c) Wastewater system blockages d) The Council's response to issues with its wastewater system (expressed per 1000 connections to the TA's sewerage system)	HANSEN – Asset Management system report	5.5 in total made up of <table><tr><td>a) odour</td><td>&lt;1</td></tr><tr><td>b) faults</td><td>1.5</td></tr><tr><td>c) blockages</td><td>2</td></tr><tr><td>d) response</td><td>&lt;1</td></tr></table>	a) odour	<1	b) faults	1.5	c) blockages	2	d) response	<1	<b>4</b>	<b>Achieved</b> The result was 4 (when expressed as a whole number per 1000 connection (as detailed in the table below): <table><tr><td></td><td>No</td><td>Target</td><td>Per 1000</td></tr><tr><td>a) odour</td><td>12</td><td>&lt;1</td><td>1 (15/16: 0)</td></tr><tr><td>b) faults</td><td>2</td><td>1.5</td><td>0 (15/16: 0)</td></tr><tr><td>c) blockages</td><td>20</td><td>2</td><td>2 (15/16: 1)</td></tr><tr><td>d) response</td><td>0</td><td>&lt;1</td><td>0 (15/16: 0)</td></tr><tr><td><b>Total</b></td><td><b>34</b></td><td><b>&lt;25</b></td><td><b>4 (15/16: 1)</b></td></tr></table> The number of connected rated properties is 8939.		No	Target	Per 1000	a) odour	12	<1	1 (15/16: 0)	b) faults	2	1.5	0 (15/16: 0)	c) blockages	20	2	2 (15/16: 1)	d) response	0	<1	0 (15/16: 0)	<b>Total</b>	<b>34</b>	<b>&lt;25</b>	<b>4 (15/16: 1)</b>
a) odour	<1																																					
b) faults	1.5																																					
c) blockages	2																																					
d) response	<1																																					
	No	Target	Per 1000																																			
a) odour	12	<1	1 (15/16: 0)																																			
b) faults	2	1.5	0 (15/16: 0)																																			
c) blockages	20	2	2 (15/16: 1)																																			
d) response	0	<1	0 (15/16: 0)																																			
<b>Total</b>	<b>34</b>	<b>&lt;25</b>	<b>4 (15/16: 1)</b>																																			

<sup>1</sup> "Dry Weather" is defined as a period of 72 hours prior to an event of no catchment rainfall. This will be measured on a District-wide basis.

<sup>2</sup> In accordance with operations and maintenance contract timeframes (excludes making good to surface finishes).

Funding Impact Statement – Budget Variations

Targeted rates are higher than budgeted as a number of ratepayer have chosen to repay their Sewerage Loan Targeted Rate in full during the year. Payments to staff and suppliers are higher than budgeted due to additional costs in relation to the peer review of the Te Anau wastewater option and additional maintenance costs. Internal charges and overheads applied are lower than budget as the actual internal loans at the start of financial year were lower than budgeted. Capital expenditure is under budget for the year with projects relating to Te Anau and Riversdale deferred to future years.



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## Item 7.1 Attachment B

## Funding Impact Statement - Wastewater

2015/2016 Budget (LTP) (\$000)		2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (AP) (\$000)
	<b>Sources of operating funding</b>			
-	General rates, uniform annual general charges, rates penalties	-	-	-
3,576	Targeted rates	3,647	3,855	3,781
-	Subsidies and grants for operating purposes	-	-	-
-	Fees and charges	9	13	-
2,277	Internal charges and overheads recovered	1,371	103	94
58	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	60	69	60
<b>5,911</b>	<b>Total operating funding</b>	<b>5,087</b>	<b>4,039</b>	<b>3,935</b>
	<b>Applications of operating funding</b>			
1,645	Payments to staff and suppliers	1,954	1,848	1,734
-	Finance costs	-	-	-
2,742	Internal charges and overheads applied	1,840	559	681
-	Other operating funding applications	-	4	-
<b>4,387</b>	<b>Total applications of operating funding</b>	<b>3,795</b>	<b>2,410</b>	<b>2,415</b>
<b>1,525</b>	<b>Surplus (deficit) of operating funding</b>	<b>1,292</b>	<b>1,629</b>	<b>1,520</b>
	<b>Sources of capital funding</b>			
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
984	Increase (decrease) in debt	122	(561)	658
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>984</b>	<b>Total sources of capital funding</b>	<b>122</b>	<b>(561)</b>	<b>658</b>
	<b>Applications of capital funding</b>			
-	Capital expenditure			
-	▪ to meet additional demand	-	68	31
923	▪ to improve the level of service	654	385	1,233
1,424	▪ to replace existing assets	627	317	480
161	Increase (decrease) in reserves	134	298	432
-	Increase (decrease) in investments	-	-	-
<b>2,508</b>	<b>Total applications of capital funding</b>	<b>1,415</b>	<b>1,068</b>	<b>2,178</b>
<b>(1,525)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(1,292)</b>	<b>(1,629)</b>	<b>(1,520)</b>
-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating finding from sources not identified above.



## Water supply

### What we do

Water is a valuable resource in Southland and Council strives to provide a reliable and adequate supply. By doing this, communities have a consistent water supply that is clean and safe to drink, which supports the public health and wellbeing of residents.

Council's supply of water is essential for both personal and operational use across the District. It meets firefighting requirements which, in turn, leads to increased safety of residents throughout the District.

The District's water supply consists of 12 drinking-water supplies, as well as nine untreated water supplies for rural use.

### Why Council provides this service

The provision of a water supply aligns with Council's community outcome of "supporting our communities". By supplying safe and clean water to residents, communities can lead healthy lives. Safe and clean water is also important for many businesses and industries within the District.

A water supply contributes to Southland's communities being desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

### How well we did

#### Performance targets

This activity has 10 targets. The activity achieved seven targets and three targets were not achieved. Of those not achieved reasons included gaps in data for very short periods of time resulting in non-compliances being recorded, one was an area with high water losses, one was the methodology used for drinking water per person calculations and one was that there was a new process in place to ensure completion of hydrant testing for all urban areas.

#### Projects

There were 29 projects in this activity. Of these 10 were completed, 13 were in progress and 6 were deferred. More detail about the projects is available from the Council on request.

### Key highlights

Council's focus remains on maintaining its community water supply schemes and meeting requirements of the New Zealand Drinking Water Standards. Council's drinking water compliance area has fully met the bacteriological limits as laid down in the standards. This includes the newly upgraded treatment plant at Orawia.

Environment Southland has consulted on its proposed Water and Land Plan. It requires Council to more actively manage and monitor its water supplies to ensure water is managed to main suitable targets in relation to quality and quantity.

Council submitted on a number of the plan's objectives and rules that are likely to have an impact on how the water supply activity will be managed. We are due to speak in support of our submission in September 2017. Once decisions are made and the provisions of the plan fully adopted Council will have a clearer picture on what is required to develop a method for monitoring the water supply and their performance.

#### Havelock North Inquiry update

The Government has established an inquiry into issues relating to the contamination of the Havelock North water supply last year.

Water and waste staff were working through understanding the implications of the findings in relation to the 13 community water supplies for which we have responsibility.

### Key projects

Stage two of the renewal of the water mains in Winton was completed in 2016/2017. This cost \$1 million and is part of a three-year upgrade programme. Old asbestos pipes were replaced with new high-density polythene pipes. The final stage involves replacing articulated piping around the northern parts of Winton. Council has budgeted \$1.1 million in the 2017/2018 year to do this.

The Council continued with its District-wide water metering project which involves tracking water production and use across nine urban schemes. The Council is in its second year of this seven year project and completed District metering at Tuatapere and Otautau during 2016/2017.

Performance measures

Community outcome: Supporting our communities

What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed																												
Water supply	Quality Provide urban water supplies that are safe and promote public health. Safety of drinking-water <i>Mandatory measure 1</i>	The extent to which the Council's drinking water supply complies with:																																
		(a) Part 4 of the drinking-water standards (bacterial compliance criteria), and	Water Outlook and WINZ monthly report	100%	100%	<b>Achieved</b> 13 of 13 were compliant. See the table below for details (please note these are interim results to be confirmed by the Drinking Water Assessor report). In 2015/2016 the result was 11 of 13 were complaint (restated from the interim result reported in the Annual Report where 13 of 13 were compliant). <table><tr><th><i>Scheme</i></th><th><i>Met</i></th></tr><tr><td>Edendale</td><td>Y</td></tr><tr><td>Wyndham</td><td>Y</td></tr><tr><td>Lumsden/Balfour Rural</td><td>Y</td></tr><tr><td>Lumsden</td><td>Y</td></tr><tr><td>Manapouri</td><td>Y</td></tr><tr><td>Mossburn</td><td>Y</td></tr><tr><td>Nightcaps</td><td>Y</td></tr><tr><td>Ohai</td><td>Y</td></tr><tr><td>Otautau</td><td>Y</td></tr><tr><td>Riverton</td><td>Y</td></tr><tr><td>Te Anau</td><td>Y</td></tr><tr><td>Tuatapere</td><td>Y</td></tr><tr><td>Winton</td><td>Y</td></tr></table>	<i>Scheme</i>	<i>Met</i>	Edendale	Y	Wyndham	Y	Lumsden/Balfour Rural	Y	Lumsden	Y	Manapouri	Y	Mossburn	Y	Nightcaps	Y	Ohai	Y	Otautau	Y	Riverton	Y	Te Anau	Y	Tuatapere	Y	Winton	Y
<i>Scheme</i>		<i>Met</i>																																
Edendale	Y																																	
Wyndham	Y																																	
Lumsden/Balfour Rural	Y																																	
Lumsden	Y																																	
Manapouri	Y																																	
Mossburn	Y																																	
Nightcaps	Y																																	
Ohai	Y																																	
Otautau	Y																																	
Riverton	Y																																	
Te Anau	Y																																	
Tuatapere	Y																																	
Winton	Y																																	
	(b) Part 5 of the drinking-water standards (protozoal compliance criteria)	Water Outlook and WINZ monthly report	100%	23%	<b>Not Achieved</b> 3 of the 13 schemes were compliant. Compliance with protozoal standards is reliant on continuous monitoring of critical processes in the water treatment plant.																													

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed																																										
						<p>Non-compliance can result from a single 2-3 minute gap in recording data, however this does not mean that the water is not safe. Council is currently upgrading its SCADA base station to improve the reliability of reporting which is expected to resolve reporting issues when data is interrupted. See the table below for more detailed explanations (please note these are interim results to be confirmed by the Drinking Water Assessor report). In 2015/2016 the result was 9 of 13 compliant.</p> <table><tr><th>Scheme</th><th>Met</th><th>Reason</th></tr><tr><td>Edendale</td><td>N</td><td>Data Gap and three instances of a UV lamp falling below dosing criteria for a short period of time (rectified within one hour).</td></tr><tr><td>Wyndham</td><td>N</td><td>Data Gap</td></tr><tr><td>Lumsden/ Balfour Rural</td><td>N</td><td>Data Gap</td></tr><tr><td>Lumsden</td><td>N</td><td>Data Gap</td></tr><tr><td>Manapouri</td><td>N</td><td>Data Gap</td></tr><tr><td>Mossburn</td><td>N</td><td>Data Gap and one instance of a filter fault causing spike in turbidity (rectified within one hour).</td></tr><tr><td>Nightcaps</td><td>Y</td><td></td></tr><tr><td>Ohai</td><td>Y</td><td></td></tr><tr><td>Otautau</td><td>N</td><td>Data Gap</td></tr><tr><td>Riverton</td><td>N</td><td>Data Gap</td></tr><tr><td>Te Anau</td><td>Y</td><td></td></tr><tr><td>Tuatapere</td><td>N</td><td>Data Gap</td></tr><tr><td>Winton</td><td>N</td><td>Data Gap</td></tr></table>	Scheme	Met	Reason	Edendale	N	Data Gap and three instances of a UV lamp falling below dosing criteria for a short period of time (rectified within one hour).	Wyndham	N	Data Gap	Lumsden/ Balfour Rural	N	Data Gap	Lumsden	N	Data Gap	Manapouri	N	Data Gap	Mossburn	N	Data Gap and one instance of a filter fault causing spike in turbidity (rectified within one hour).	Nightcaps	Y		Ohai	Y		Otautau	N	Data Gap	Riverton	N	Data Gap	Te Anau	Y		Tuatapere	N	Data Gap	Winton	N	Data Gap
Scheme	Met	Reason																																														
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Otautau	N	Data Gap																																														
Riverton	N	Data Gap																																														
Te Anau	Y																																															
Tuatapere	N	Data Gap																																														
Winton	N	Data Gap																																														
	<b>Quality</b> Provide urban water supplies that are safe and promote public health. Maintenance of the reticulation network <i>Mandatory measure 2</i>	The percentage of real water loss from the Council's networked reticulated system (including a description of the methodology used to calculate this) <sup>1</sup>	Water Loss Strategy (October 2014)	35%	<b>36%</b>	<b>Not Achieved</b> The result was 36%. The major water loss area was identified as Te Anau so for the future a focus will be on correcting this and installing a District metered area. In 2015/2016 the result was 36%.																																										

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
	<b>Responsiveness</b> Provide effective and timely response to reactive maintenance issues <i>Mandatory measure 3</i>	Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:				
		(a) attendance for urgent call-outs: from the time that the Council receives notification to the time that service personnel reach the site (hours) <sup>2</sup> , and	HANSEN – Asset Management system report (one hour)	100%	100%	<b>Achieved</b> The result was 27 minutes. In 2015/2016 the result was 100% (20 minutes).
		(b) resolution of urgent call-outs: from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption (hours) <sup>3</sup>	HANSEN – Asset Management system report (six hours)	100%	100%	<b>Achieved</b> The result was 2 hours 57 minutes. In 2015/2016 the result was 100% (1 hour 38 minutes).
		(c) attendance for non-urgent call-outs: from the time that the Council receives notification to the time that service personnel reach the site (4 hours) <sup>2</sup> , and	HANSEN – Asset Management system report (four hours)	90%	100%	<b>Achieved</b> The result was 100% (1 hour 50 minutes). In 2015/2016 the result was 100% (1 hour 39 minutes).
		(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (24 hours) <sup>3</sup>	HANSEN – Asset Management system report (24 hours)	90%	100%	<b>Achieved</b> The result was 100% (22 hours and 6 minutes). In 2015/2016 the result was 100% (19 hours 9 minutes).
	<b>Customer satisfaction</b> Provide water that is pleasant to all of the senses <i>Mandatory measure 4</i>	The total number of complaints received by the Council about any of the following: a) Drinking-water clarity b) Drinking-water taste c) Drinking-water odour d) Drinking water pressure or flow	HANSEN – Asset Management system report	<25 in total made up of: a) clarity <1 b) taste <1 c) odour <1 d) pressure / flow 20	5	<b>Achieved</b> The total of 25 combines clarity, taste, odour, pressure or flow, continuity of supply and response complaints. The result is 5 when expressed as a whole number per 1000 connection (as detailed in the table below):

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What we do	Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed																																
		e) Continuity of supply f) The local authority's response to any of these issues (expressed per 1,000 connections to the local authority's networked reticulated system.		e) continuity 1 f) response 1		<table><tr><td></td><td>No</td><td>Target</td><td>Per 1000</td></tr><tr><td>a) clarity</td><td>9</td><td>&lt;1</td><td>1 (15/16: 0)</td></tr><tr><td>b) taste</td><td>0</td><td>&lt;1</td><td>0 (15/16: 1)</td></tr><tr><td>c) odour</td><td>0</td><td>&lt;1</td><td>0 (15/16: 0)</td></tr><tr><td>d) pressure / flow</td><td>8</td><td>20</td><td>1 (15/16: 1)</td></tr><tr><td>e) continuity</td><td>18</td><td>1</td><td>2 (15/16: 1)</td></tr><tr><td>f) response</td><td>0</td><td>1</td><td>0 (15/16: 0)</td></tr><tr><td><b>Total</b></td><td><b>35</b></td><td><b>&lt;25</b></td><td><b>5 (15/16: 3)</b></td></tr></table> <p>The number of rated properties is 7415.</p>		No	Target	Per 1000	a) clarity	9	<1	1 (15/16: 0)	b) taste	0	<1	0 (15/16: 1)	c) odour	0	<1	0 (15/16: 0)	d) pressure / flow	8	20	1 (15/16: 1)	e) continuity	18	1	2 (15/16: 1)	f) response	0	1	0 (15/16: 0)	<b>Total</b>	<b>35</b>	<b>&lt;25</b>	<b>5 (15/16: 3)</b>
	No	Target	Per 1000																																			
a) clarity	9	<1	1 (15/16: 0)																																			
b) taste	0	<1	0 (15/16: 1)																																			
c) odour	0	<1	0 (15/16: 0)																																			
d) pressure / flow	8	20	1 (15/16: 1)																																			
e) continuity	18	1	2 (15/16: 1)																																			
f) response	0	1	0 (15/16: 0)																																			
<b>Total</b>	<b>35</b>	<b>&lt;25</b>	<b>5 (15/16: 3)</b>																																			
	<b>Quality</b> Provide urban water supplies that are safe and promote public health <i>Mandatory measure 5</i>	The average consumption of drinking-water per day per resident within the Council district.	Water Balance Survey	845 litres (restated from LTP target 416 litres)	<b>790 litres</b>	<b>Achieved</b> The 2015-2025 LTP stated the target at 416 litres (which was the target for total amount of water used). Council has restated this in the Annual Report target column (845 litres) which is based on the total amount of water produced to ensure that this matches the guidance around mandatory measure reporting. The difference between the total amount of water produced versus used relates to water lost between the source and house connections. In 2015/2016 the result was reported as 418 litres (which equates to 790 litres per person per day using the updated methodology).																																
	<b>Quantity</b> Provide a water supply adequate for firefighting in urban areas	All hydrants annually checked for operational availability and comply with functionality tests	HANSEN – Asset Management system report	<b>100%</b>	<b>75%</b>	<b>Not Achieved</b> The result was 75%. There is a new process in place to ensure completion of testing for all urban areas. In 2015/2016 the result was 100%.																																

<sup>1</sup> The water loss calculation is the weighted averaged percentage loss reduction, per scheme. Urban water schemes are located in Te Anau, Winton, Riverton, Ohai/Nightcaps/Wairio, Edendale/Wyndham, Manapouri, Mossburn, Otautau, Tuatapere and Lumsden.

<sup>2</sup> Response time is one hour for all problems. Response means someone will contact customer either by phone or visit the property. In accordance with operations and maintenance contract timeframes.

<sup>3</sup> Resolution time is six hours for all problems which does not include the one hour response time. In accordance with operations and maintenance contract timeframes.

Clarification:  
"Urgent" is considered complete loss of drinking-water to township. Note: The actual figures for the 2014/2015 financial year were not available at the time of publication.

## Funding Impact Statement – Budget Variations

Payments to staff and suppliers are lower than budgeted due to reduced electricity and maintenance costs. Internal charges and overheads applied are lower than budget as the actual internal loans at the start of financial year were lower than budgeted. Capital expenditure is under budget due to projects being deferred to 2017/2018 or future years.

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## Funding Impact Statement - Water supply

2015/2016 Budget (LTP) (\$000)		2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (AP) (\$000)
	<b>Sources of operating funding</b>			
-	General rates, uniform annual general charges, rates penalties	-	-	-
3,342	Targeted rates	3,329	3,680	3,657
-	Subsidies and grants for operating purposes	-	-	-
-	Fees and charges	12	12	-
1,378	Internal charges and overheads recovered	1,949	44	34
1	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	-	-	1
<b>4,722</b>	<b>Total operating funding</b>	<b>5,290</b>	<b>3,735</b>	<b>3,692</b>
	<b>Applications of operating funding</b>			
1,911	Payments to staff and suppliers	1,892	2,033	2,152
-	Finance costs	-	-	-
1,892	Internal charges and overheads applied	2,462	608	673
-	Other operating funding applications	(1)	2	-
<b>3,803</b>	<b>Total applications of operating funding</b>	<b>4,353</b>	<b>2,643</b>	<b>2,825</b>
<b>919</b>	<b>Surplus (deficit) of operating funding</b>	<b>937</b>	<b>1,092</b>	<b>867</b>
	<b>Sources of capital funding</b>			
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
949	Increase (decrease) in debt	1,287	552	2,911
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>949</b>	<b>Total sources of capital funding</b>	<b>1,287</b>	<b>552</b>	<b>2,911</b>
	<b>Applications of capital funding</b>			
-	Capital expenditure	-	-	-
-	▪ to meet additional demand	-	-	-
374	▪ to improve the level of service	1,199	515	1,379
1,255	▪ to replace existing assets	738	1,107	2,504
239	Increase (decrease) in reserves	287	21	(105)
-	Increase (decrease) in investments	-	-	-
<b>1,868</b>	<b>Total applications of capital funding</b>	<b>2,224</b>	<b>1,644</b>	<b>3,778</b>
<b>(919)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(937)</b>	<b>(1,092)</b>	<b>(867)</b>
-	<b>Funding balance</b>	-	-	-

<sup>1</sup> includes all other operating finding from sources not identified above.

# Council-Controlled Organisations

This section provides an overview of CCOs and their activities.



# Milford Community Trust

## Background

Southland District Council and the Department of Conservation with the assistance of Environment Southland jointly established the Milford Community Trust in 2007 to provide leadership and governance to the Milford community. Significant documents used by Southland District Council in relation to the Milford Community Trust are the trust deed and the Milford Community Trust Statement of Intent 2016-2019. The trust allows local people to determine their priorities and provides appropriate consultation and open public meetings, similar to one of SDC's community boards.

## Ownership and control of the organisation

The trust was formed as a Council-Controlled Organisation (CCO). It contributes to the Southland District Council community outcome of "supporting our communities". It allows the Milford community to determine its priorities and provides an avenue for local consultation and engagement, as well as public meetings. The Milford Community Trust is an incorporated charitable trust. This structure was chosen because it creates an obligation for trustees towards the trust beneficiaries, who in this case are the Milford community. In addition, an incorporated charitable trust can continue in perpetuity for the benefit of the future Milford community.

## Significant policies

The trust developed a comprehensive communications policy in relation to its activities. It is expected that a full set of relevant policies will be developed within the period covered by its current Statement of Intent (SOI), 2016-2019. Council itself does not have any significant policies in relation to the ownership and control of the organisation except for the trust deed, which sets out the way the business of the trust is to be conducted. Southland District Council has not developed policies specific to the operation and governance of the Milford Community Trust.

## Nature and scope of activities

This extract is from the statement of intent and is subject to change after consultation with stakeholders. Milford Community Trust's vision is "the long-term sustainability of Milford Sound/Piopiotahi. Outputs from the Milford Community Trust activity primarily contribute to the achievement of supporting our communities. We want Southland's communities to be desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.

### Strategic goals

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

Further details about the trust's activities and budgets can be found in its Statement of Intent 2016-2019.

## Planned activities

### Planning

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

Communication

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

Advocacy:

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

The planned activities of the trust in 2016/2017\* were:

- Advocate and assist with other organisations for improvements in the public facilities at Deepwater Basin through the Concept Plan for this area.
- Working with other organisations to advocate for public toilets and shelter at the airport and completion of the walking track to the Lodge.
- Assist Milford Community Association in the development of Cleddau Village Recreation area which is to accommodate village green/community centre.
- Provide funding for medical support, services and facilities for Milford ERT station.
- Continuation of funding of Team Leader Emergency Services.
- Assist with the redevelopment of the Bowen Falls walkway if this project is to proceed.
- Implement changes to any charging mechanism with all stakeholders in regard to the way fees are apportioned this includes undertaking a review of the trust with stakeholders including concessionaires.
- Engage with NZTA for the development of the walking track from the airport to Deepwater Basin Road, car parking at the rock climbing area etc.
- Advocate the continuation of maintaining beautification and roading within the village.

*\*Please note that there was an error in Southland District Council's Annual Plan 2016/2017 in relation to the planned activities. The final SOI for 2016/2017 had an updated list of activities. The SOI information was not updated in Council's Annual Plan before adoption. However, the planned activities have been used in this Annual Report from the adopted 2016/2017 Statement of Intent.*

Key performance measures and targets

Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Maintain a structure that facilitates local decision-making.	Hold public forums in Milford Sound/Piopiotahi each year.	Agenda/minute records on file.	1	1	<b>Achieved.</b> The result was one held on 7 December 2016. In 2013/2014 the result was one.
Keep the Milford Sound/Piopiotahi community informed about Trust plans and outcomes.	Community newsletters (February, June, October, December each year), inserted in local paper <i>Fiordland Advocate</i> .	Agenda/minute records on file.	4	1	<b>Not Achieved.</b> The result was one. No meaningful projects were completed that required reporting. The Milford community are receiving updates from the Milford community association's representative via a local Milford Facebook page. In 2015/2016 the result was zero.

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Level of Service	Key Performance Indicator	Measurement Source	Target	Result	How Council Performed
Provide leadership and advocacy on major issues.	Number of Milford Community Trust meetings held annually.	Agenda/minute records on file.	4	<b>4</b>	<b>Achieved.</b> The result was four. Meetings held on 19 August, 7 December, 20 February and 19 May. In 2015/2016 the result was four.
Response to issues raised by the community.	Percentage of issues raised at Milford Community Association meetings responded to before next meeting.	Meeting action sheets.	85%	<b>100%</b>	<b>Achieved.</b> In 2015/2016 the result was 100%.

**Sources of Funding** *Southland District Council*

Council will provide administration and technical advice to support the trust and contribute to the costs of the independent chairperson. This administrative portion of the operations will be funded by Council the same as in any other community in the District, with community boards and community development area subcommittees.

**Table 1 - Budgeted Operational and Project Costs (excl GST)**

Activity Description	Actual 2015/2016 \$	Actual 2016/2017 \$	Budget 2016/2017 \$
<b>Operational Costs:</b>			
Management/Administration <sup>1</sup>	16,306	17,195	32,058
Operations and maintenance	-	-	2,500
<b>Projects:</b>			
Project Development (Planning)	-	-	5,000
Cleddau Village Recreation Reserve		53,758	20,000
Cleddau Village Recreation Building	476	-	110,000
Bowen Falls	-	-	-
Emergency Service Provider	43,312	43,634	44,880
<b>Total (funded from Milford Community)</b>	<b>60,094</b>	<b>114,587</b>	<b>214,438</b>

**Table 2: Milford Community Trust Representatives**

Designation	Name	Term Expires
Independent Chair	Michael Schuck	30 June 2017
Councillor	Ebel Kremer	8 October 2016
Milford Community Association Elected Representative	Brad Johnstone	30 June 2017
Milford community appointee	Tim Holland	30 June 2018
Milford community appointee	Jason Steele	30 June 2018
Milford community appointee	Mike McConachie	30 June 2018
Milford community appointee	Roscoe Gaudin	30 June 2019

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

The operational and project costs detailed in the above table are those which the Milford Community Trust considers will provide benefit for the concessionaires at Milford Sound and should be recovered from the Milford Sound concessionaires through the implied concessionaire fee, apportioned as per DOC's apportionment of cost schedule. The annual concession charged was increased by 10% plus GST. This increase covers all cost excluding some of the projects. The initial costs of investigation of reopening the Bowen Falls will be funded by reserves as well as half of the cost of the Cleddau Village Recreation Reserve. This will be reviewed annually. For 2016/2017, the total amount sought from concessionaires was \$130,105 including GST.

# Southland Museum and Art Gallery Trust

## Background

The Southland Museum and Art Gallery Trust’s mission is to preserve and tell the story of Southland. The Southland Museum and Art Gallery is the anchor that links and celebrates the stories of our people, land and culture. The purpose of the trust board is to maintain, manage and operate a museum and art gallery. Southland District Council has two members of a potential eight-member trust board as permitted by the constitution. Representation is by Council appointment. The Southland Museum and Art Gallery Trust contributes towards the achievement of the community outcome of “supporting our communities”.

The Southland Museum and Art Gallery is in Queens Park. The original museum on the site was built in 1942. Various single-storey extensions were added between 1960 and 1980. The pyramid was constructed in 1990 over all existing buildings to give an approximate floor area of 4,500 square metres, including the observatory. The Southland Museum and Art Gallery Trust Board receives annual grants from the Southland Regional Heritage Committee (Southland District Council and Invercargill City Council). The purpose of the regional heritage committee is to establish and preserve the regional heritage of Murihiku/Southland.

Income is also generated from the Southland Museum and Art Gallery’s shop (Momento), café (Pyramid on Gala), donations and entry fees for special touring exhibitions. The Southland Museum and Art Gallery Trust owns the museum and art gallery building and collections. There are more than 74,800 items held in the collections, some of which are important in terms of regional, national and international significance.

## Ownership and control of the organisation

The Southland Museum and Art Gallery Trust Board is a Council-Controlled Organisation with ten members and two ex officio members who represent the contributing authorities. The board also has the authority to appoint additional members whose skills and experiences benefit the trust and its functions. The Southland Museum and Art Gallery Trust Board has a management contract with the Invercargill City Council for the operation of the museum facility. The Invercargill City Council employs a museum manager and staff.

### Trust board members (as per the Statement of Intent 2017).

Invercargill City Council	Cr D J Ludlow
Invercargill City Council	Cr I L Esler (Chair)
Invercargill City Council	Cr T M Biddle
Southland District Council	Cr G Macpherson
Southland District Council	Cr N Paterson
Gore District Council	Vacant
Friends of the Museum	Jim Watson
Tangata whenua	Jane Davis
Appointments	Gwen Neave
Appointments	Wallace Jack
Ex officio	Paul Horner, Manager
Ex officio	Dean Johnston, Secretary/Treasurer

## Significant policies

Council itself does not have any significant policies in relation to the ownership and control of the organisation except for the Trust Deed which sets out the way the business of the trust is to be conducted.



## Nature and scope of activities

The Southland Museum and Art Gallery is in Queens Park. The original museum on the site was built in 1942. Various single-storey extensions were added between 1960 and 1980. The pyramid was constructed in 1990 over all existing buildings to give an approximate floor area of 4,500 square metres, including the observatory. There are more than 74,800 items held in the collections, some of which are important in terms of regional, national and international significance. The scope and nature of the activities that the Southland Museum and Art Gallery Trust intended to provide was to focus the museum as a regional facility in the community and to provide a variety of experiences to the people of Southland that they would not otherwise have access to.

## Key highlights

The museum operation enjoyed a busy and interesting year. The refresh of the World War I exhibition was a highlight, as was the showing of art exhibitions which have been based on local collections. These included *Full Noise* and the Southland Art Foundation exhibition *In Residence*. From museum collections came *Something Borrowed Something Blue* and photographic exhibitions *Invercargill, Our Children* and *Southern Performers*. The museum's approach to exhibitions changed in 2016/2017. The museum is utilising its own collections more and developing exhibitions in-house rather than sourcing travelling exhibitions. This is in line with community expectations. With the assistance of funding from the Regional Heritage Committee the museum and art gallery employed an extra trained museum cataloguer to assist with a project to re-catalogue and package its collection. This project is a necessary pre-requisite to any future shifting of the collection to make way for a redevelopment of the museum building.

## Key performance measures and targets

Objective	Goal	Baseline	Target Levels of Performance 2016/2017	2016/2017 Output
To recognise the Southland Museum and Art Gallery as a place where our culture and heritage is valued and promoted.	Promotion of the Southland Museum and Art Gallery as a quality venue to visit for residents and visitors.	231,700	<ul style="list-style-type: none"> <li>Annual visitor numbers exceed 200,000 per annum.</li> </ul>	<b>Achieved</b> 232,580 visitors. Visitor numbers are down compared with last year but still above the baseline.  <i>(2015/2016: Achieved: 248,463)</i>
To provide an inspiring, informed and rich programme of exhibitions, events and learning opportunities.	Development and implementation of an annual visitor experience programme.	15 exhibitions. 9 community access.	<ul style="list-style-type: none"> <li>*A minimum of 6 short-term, out-of-house exhibitions, including 4 in the community access gallery, are presented annually.</li> <li>In-house exhibitions shall fill the remaining gallery time.</li> </ul>	<b>Achieved</b> 11 short term exhibitions including 7 in the Community Access Gallery.  <i>(2015/2016: Achieved: 13 including 8 in the community gallery)</i>
Caring for Collections. Collections are managed and preserved in accordance with established standards and cultural requirements.	Collections are maintained in optimal conditions for their long term preservation.	Temp in range (19°C ± 1°C) 100% of time  Humidity in range (50% ± 5%) 100% of time	<ul style="list-style-type: none"> <li>Prepare for building refurbishment and extension to enable internal environmental conditions to meet national/international guidelines.</li> </ul>	<b>Not achieved</b> The result is 95%. Some temperature and humidity excursions due to faulty equipment. Temp in range (19°C ± 1°C), 95% of time. Humidity in range (50% ± 5%), 95% of time. (2015/2016: Achieved: 100% of time)

*\*Please note that there was an error in the targets stated in Southland District Council's Annual Plan 2016/2017 in relation to short-term exhibitions. The target included in the Annual Plan was 12. The final Statement of Intent 2016/2017 had a target of 6. The SOI information was not updated in Council's Annual Plan before adoption. However, the key performance indicator target of 6 has been used in this Annual Report and is from the adopted Statement of Intent 2016/2017*

# Financial Information

This section presents the financial statements for the 2016/2017 year, comparing actuals to budget. These include statements of comprehensive income, changes in equity, financial position and cashflows. Following the statements are notes explaining these in more detail. The section also includes the Accounting Policies used to prepare the financial information.

## Accounting Policies

### Reporting entity

The Southland District Council (referred to as "SDC" or "Council") is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operated in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002. The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial profit. Accordingly, SDC has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements represent the results of Council's nine significant activities (detailed on pages 27 to 83), including the Stewart Island Electrical Supply Authority (SIESA) and Venture Southland. SIESA is a business unit of Council, which generates and reticulates electricity to most of Stewart Island residents and industry.

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

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

The financial statements of SDC are for the year ended 30 June 2017. The financial statements were authorised for issue by Council on 27 September 2017.

### Basis of preparation

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

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LGFRP): Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE standards.

### Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of heritage assets, certain infrastructural assets, and biological assets.

### Functional and presentation currency

The financial statements are presented in New Zealand dollars (the functional currency of SDC) and all values are rounded to the nearest thousand dollars (\$000). As a result of rounding there may be slight discrepancies in subtotals.

### Basis of consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

### Associates

SDC accounts for investments in associates in the consolidated financial statements using the equity method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. SDC's share of the surplus or deficit of the associate is recognised in SDC's Statement of comprehensive revenue and expense. Distributions received from an associate reduce the carrying amount of the investment.

If SDC's share of deficits of an associate equals or exceeds its interest in the associate, SDC discontinues recognising its share of further deficits. After SDC's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that SDC has incurred legal or constructive obligations or made payments on behalf of the associate.

If the associate subsequently reports surpluses, SDC will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.



SDC's share in the associate's surplus or deficits resulting from unrealised gains on transactions between the SDC and its associates is eliminated.

SDC's investments in associates are carried at cost in the "parent entity" financial statements and assessed annually for impairment in arriving at the carrying value.

Joint ventures

A joint venture is a binding arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations SDC recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

Council has a 42 percent interest in Venture Southland. The audited financial statements of Venture Southland, as of 30 June 2017, have been accounted for in Council's financial statements using the proportionate method of consolidation.

Specific accounting policies

(a) Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are:

The following policies for rates have been applied:

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

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

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

Interest is recognised using the effective interest method.

Subsidies from NZTA and grants from other government agencies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

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

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

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

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

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

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

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

Development and financial contributions are recognised at the later of the point when Council is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

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

**(b) Borrowing costs**

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

**(c) Grant expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of SDC's decision.

**(d) Foreign currency transactions**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

**(e) Leases**

- Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

**(f) Equity**

Equity is the community's interest in SDC as measured by total assets less total liabilities. Equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that Council makes of its accumulated surpluses. The components of equity are:

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

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

Council created reserves may be altered without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of Council.

Special reserves are subject to specific conditions accepted as binding by Council, which may not be revised by Council without reference to the courts or third party. Transfers from these reserves may be made only for specified purposes or when certain conditions are met.

**(g) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(h) Trade and other receivables**

Trade and other receivables are recorded at their face value, less any provision for impairment.

**(i) Financial assets**

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

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

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

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

The four categories of financial assets are:

- Financial assets at fair value through surplus or deficit

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

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

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

- Loans and receivables

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

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

- Held to maturity investments

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

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

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

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

This category encompasses:

- Investments that SDC intends to hold long term but which may be realised before maturity; and
- Shareholdings that SDC holds for strategic purposes.

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

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

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

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**(j) Impairment of financial assets**

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

**(k) Goods and Services Tax (GST)**

The financial statements have been prepared exclusive of GST with the exception of receivables and payables, which are stated inclusive of GST. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cashflow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

**(l) Property, plant and equipment**

Property, plant and equipment consist of:

- *Infrastructure Assets*

Infrastructure assets are the fixed utility systems owned by SDC. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

- *Operational Assets*

These include land, buildings, improvements, library books, plant and equipment, and motor vehicles.

- *Restricted Assets*

Restricted assets are parks and reserves owned by SDC, which cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

*Additions*

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to SDC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired through a non-exchange transaction it is recognised at fair value as at the date of acquisition.

*Disposals*

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

*Subsequent costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to SDC and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

*Depreciation*

Depreciation is provided on a straight line basis on all property, plant and equipment except land and heritage assets, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:



Estimated Economic Life		Depreciation	
Asset Category	(years)	Percent	Method
Operational Assets			
Improvements	10 - 12	8.33% - 10.00%	SL
Buildings	40	2.50%	SL
Light Vehicles	5 - 11	9.00% - 20.00%	SL
Other Plant	3 - 11	6.67% - 33.33%	SL
Furniture and Fittings	7 - 8	13.50% - 8.00%	SL
Office Equipment	7 - 10	10.00% - 13.50%	SL
Computer Equipment	2 - 6	18.00% - 40.00%	SL
SCADA Equipment	6	18.00%	SL
Other Equipment	6 - 8	13.50% - 18.00%	SL
Library Books	10	10.00%	SL

Estimated Economic Life		Depreciation	
Asset Category	(years)	Percent	Method
Infrastructure Assets			
Electrical Generation Plant	10 - 100	1.00% - 10.00%	SL or DV
Sealed Roads	40 - 99	1.00% - 2.00%	SL
Unsealed Roads	4 - 8	12.50% - 25.00%	SL
Bridges	45 - 120	0.83% - 2.00%	SL
Footpaths	12 - 60	1.67% - 8.33%	SL
Street Lighting	20 - 40	2.50% - 5.00%	SL
Sewerage Schemes	5 - 100	2.06% - 7.02%	SL
Stormwater Schemes	20 - 100	5.00% - 20.00%	SL
Water Supply Schemes	5 - 100	1.00% - 20.00%	SL
Marine Assets	5 - 50	2.00% - 20.00%	SL
Transfer Stations	10	10.00%	SL
Landfill Sites	10 - 40	2.50% - 10.00%	SL

SIESA assets have the following useful lives and associated depreciation rates of major classes of assets for accounting purposes.

Estimated Economic Life		Depreciation	
Asset Category	(years)	Percent	Method
Plant	1 - 25	4.00% - 60.00%	SL or DV
Vehicles	5 - 8	12.00% - 21.60%	DV
Buildings	25 - 76	1.00% - 4.00%	SL or DV

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

#### Revaluations

Roads, water reticulation, sewerage reticulation and stormwater systems are revalued on an annual basis. Heritage assets are valued on a triennial valuation cycle. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed each balance date to ensure that those values are not materially different to fair value. The valuation basis for the different asset categories are described in more detail below.

#### Land and Buildings

The deemed cost of land and buildings were established by registered valuers from Quotable Value in accordance with the requirements of the Institute of Chartered Accountants of New Zealand Standards, as at 30 June 1993. Purchases made since 30 June 1993 are recorded at cost.

Endowment lands are vested in Council for specific purposes for the benefit of various communities. These vestings have been made under various pieces of legislation which restrict both the use of any revenue and any possible dispositions.

#### Infrastructural Assets

Appropriately qualified personnel from MWH New Zealand Limited have completed a revaluation of District roading, footpaths and bridge asset networks as at 30 June 2017. This revaluation established a depreciated replacement cost to component level for those infrastructural assets as at 30 June 2017.

Appropriately qualified personnel from Waugh Infrastructure Management Limited have completed a revaluation as at 30 June 2017 of the water supply, sewerage scheme and stormwater assets. This revaluation established a depreciated replacement cost to component level for those infrastructural assets as at 30 June 2017.

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

All other infrastructural assets (electrical generation plant, street lighting and marine assets) are valued at their deemed cost, based on a revaluation of assets undertaken by appropriately qualified personnel from Royds Garden Limited in 1993.

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*Plant and Vehicles (including Electrical Generation Plant)*

Items are shown at historical cost less provision for depreciation.

*Library Books*

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

*Other Assets*

Other assets are shown at historic cost or depreciated replacement cost, less a provision for depreciation. Additions and deletions to other assets since 30 June 1993 are recorded at cost.

*Accounting for Revaluations*

SDC accounts for revaluations of property, plant and equipment on a class of asset basis.

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

**(m) Work in progress**

Assets under construction are not depreciated. Work in progress is recognised at cost less impairment. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

**(n) Intangible assets**

*Software Acquisition and Development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs directly associated with the development of software for internal use by Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

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

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

*Amortisation*

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

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

Estimated Economic Life		Depreciation	
Asset Category	(years)	Percent	Method
Computer software	2 - 10	10.00% - 50.00%	SL

*Emissions Trading Scheme*

Council has approximately 1,384 hectares of pre-1990 forest land. This land is subject to the provisions of the New Zealand Emissions Trading Scheme ("ETS"). The implication of this for the financial accounts is twofold:

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

Given the deforestation restriction, compensation units are being provided from the government.

The deforestation contingency is not recognised as a liability on the statement of financial position as there is no current intention of changing the land use subject to the ETS. However, the estimated liability that would arise should deforestation occur has been estimated in the notes to the accounts.



Compensation units received are recognised based on the market value at balance date (30 June). They are recognised as income in the financial statements. They are not amortised, but are tested for impairment annually.

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

**(o) Forestry assets**

Forestry assets are revalued independently annually at fair value less estimated point of sale costs. Appropriately qualified personnel from Woodlands Pacific Consulting Limited completed a revaluation as at 30 June 2017. Fair value is determined based on the present value of expected net cashflows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the surplus or deficit.

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

**(p) Impairment of property, plant and equipment and intangible assets**

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

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

*Value in use for non-cash generating assets*

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

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

*Value in use for cash generating assets*

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

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

**(q) Creditors and other payables**

Short-term creditors and other payables are recorded at their face value.

**(r) Employee benefits**

*Short-term benefits*

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

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*Long-term benefits*

- Long service leave and retirement leave

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

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

- Superannuation schemes

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

*Presentation of employee entitlements*

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

**(s) Provisions**

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

*Financial Guarantee Contracts*

A financial guarantee contract is a contract that requires SDC to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however, if SDC assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

*Landfill Post-Closure Costs*

SDC, as an operator, has a legal obligation under its resource consent to provide ongoing maintenance and monitoring services at their landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cashflows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

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

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

**(t) Internal Borrowings**

Information about internal borrowings are provided on page 122. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

**(u) Budget figures**

The budget figures are those approved by SDC in its 2015-2025 10 Year Plan. The budget figures have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and are consistent with the accounting policies adopted by SDC for the preparation of financial statements.

**(v) Cost allocation**

SDC has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff number and floor area.

**(w) Critical accounting estimates and assumptions**

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

*Infrastructural assets*

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

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

- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then SDC could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of comprehensive revenue and expense.

To minimise this risk SDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience.

Asset inspections, deterioration and condition modelling are also carried out regularly as part of SDC's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructural asset revaluations.

**(x) Critical judgements in applying SDC's accounting policies**

Management has exercised the following critical judgements in applying SDC's accounting policies for the period ended 30 June 2017:

*Classification of property*

SDC owns a number of properties that are maintained primarily to provide housing to pensioners. The receipt of rental income from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of SDC's social housing policy and are accounted for as property, plant and equipment rather than as investment property.

**(y) Statement of cashflows**

Operating activities include cash and cash equivalents (as defined in (g) above) received from all SDC's income sources and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of SDC.

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## Financial Statements

## Statement of Comprehensive Revenue and Expense for the year ended 30 June 2017

	Note	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (LTP) (\$000)
<b>Income</b>				
Rates revenue	1	41,907	43,160	43,539
Other revenue	2	10,935	13,346	7,353
Interest and dividends		483	552	81
NZ transport agency funding		11,129	13,382	15,326
Grants and subsidies		975	632	1,864
Other gains/(losses)	3	1,715	935	94
Development and financial contributions		49	121	115
	4	<b>67,193</b>	<b>72,129</b>	<b>68,372</b>
<b>Expenditure</b>				
Employee benefit expenses	5	10,548	11,085	11,400
Depreciation and amortisation	9	20,229	21,832	22,083
Finance costs		20	22	20
Other council expenditure	6	34,980	39,063	35,798
		<b>65,777</b>	<b>72,002</b>	<b>69,301</b>
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>		<b>1,416</b>	<b>127</b>	<b>(929)</b>
Income tax benefit	8	-	-	-
<b>SURPLUS/(DEFICIT) AFTER TAX</b>		<b>1,416</b>	<b>127</b>	<b>(929)</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>				
Financial assets at fair value through other revenue and expense	10	1,272	(67)	-
Gain/(Loss) on property, plant and equipment revaluations	10	415	95,408	21,718
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>3,103</b>	<b>95,469</b>	<b>20,789</b>

Explanations of major variances against budget can be found in Note: 33.  
The accompanying notes form part of these financial statements

Statement of Changes in Equity for the year ended 30 June 2017

	Note	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (LTP) (\$000)
Balance at 1 July		1,386,039	1,389,142	1,401,785
Total comprehensive revenue and expense for the year		3,103	95,469	20,789
Balance at 30 June		1,389,142	1,484,611	1,422,574

Explanations of major variances against budget can be found in Note: 33.  
The accompanying notes form part of these financial statements



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## Statement of Financial Position as at 30 June 2017

	Note	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (LTP) (\$000)
<b>Equity</b>				
Retained earnings	10	727,869	724,745	724,923
Asset revaluation reserves	10	628,115	723,523	670,509
Fair value reserves	10	1,983	1,916	712
Other reserves	11	31,174	34,427	26,430
		<b>1,389,142</b>	<b>1,484,611</b>	<b>1,422,574</b>
<b>Current assets</b>				
Cash and cash equivalents	12	5,715	9,773	(2,780)
Trade and other receivables	13	5,854	7,714	7,448
Inventories	14	99	107	84
Other financial assets	15	12,512	10,271	302
		<b>24,180</b>	<b>27,866</b>	<b>5,054</b>
<b>Non-current assets</b>				
Property, plant and equipment	16	1,358,060	1,450,334	1,413,302
Intangible assets	17	2,178	2,181	5,454
Forestry assets	18	12,951	13,724	11,707
Work in progress	16	2,779	1,735	-
Other financial assets	15	4	4	1,004
		<b>1,375,972</b>	<b>1,467,978</b>	<b>1,431,467</b>
<b>TOTAL ASSETS</b>		<b>1,400,152</b>	<b>1,495,844</b>	<b>1,436,521</b>
<b>Current liabilities</b>				
Trade and other payables	19	6,697	7,152	8,076
Contract retentions and deposits		448	387	1,230
Employee benefit liabilities	20	1,341	1,426	1,295
Development & financial contributions	21	2,287	2,169	2,244
Provision for decommissioning	23	65	14	7
Borrowings	22	-	-	-
		<b>10,838</b>	<b>11,149</b>	<b>12,852</b>
<b>Non-current liabilities</b>				
Employee benefit liabilities	20	147	64	135
Provision for decommissioning	23	25	20	23
Borrowings	22	-	-	937
		<b>172</b>	<b>84</b>	<b>1,095</b>
<b>TOTAL LIABILITIES</b>		<b>11,010</b>	<b>11,232</b>	<b>13,947</b>
<b>NET ASSETS</b>		<b>1,389,142</b>	<b>1,484,611</b>	<b>1,422,574</b>

Explanations of major variances against budget can be found in Note: 33.  
The accompanying notes form part of these financial statements



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## Statement of Cashflows for the year ended June 2017

	Note	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (LTP) (\$000)
Cash flows from operating activities				
Receipts from rates revenue		42,185	43,382	43,539
Receipts from NZ transport agency funding		11,129	13,758	15,326
Interest and dividends		483	547	81
Contribution from developers		(16)	5	-
Receipts from other revenue		14,986	11,532	9,646
Payment to suppliers & employees		(46,112)	(48,006)	(46,340)
Interest paid		(20)	(22)	(20)
GST (net)		571	(25)	-
<b>Net cash inflow (outflow) from operating activities</b>		<b>23,206</b>	<b>21,172</b>	<b>22,232</b>
<b>Cash flows from investing activities</b>				
Receipts from sale of property, plant and equipment		246	211	94
Receipts from sale of investments		-	2,174	-
Purchase of property, plant and equipment		(17,189)	(19,671)	(32,620)
Acquisition of investments		(10,275)	-	-
Purchase of intangible assets		75	207	(3,141)
<b>Net cash inflow (outflow) from investing activities</b>		<b>(27,144)</b>	<b>(17,078)</b>	<b>(35,667)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings		-	-	937
Payments of development contributions		(6)	(37)	(23)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(6)</b>	<b>(37)</b>	<b>913</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3,943)</b>	<b>4,056</b>	<b>(12,521)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>9,658</b>	<b>5,715</b>	<b>9741</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>12</b>	<b>5,715</b>	<b>9,771</b>	<b>(2,780)</b>

The accompanying notes form part of these financial statements

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## Item 7.1 Attachment B

## Funding Impact Statement for all activities for the year ended 30 June 2017

2015/2016 Budget (AP) (\$000)		2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (AP) (\$000)
<b>Sources of operating funding</b>				
14,282	General rates, uniform annual general charges, rates penalties	13,780	14,233	14,282
29,258	Targeted rates	28,491	29,354	29,258
7,201	Subsidies and grants for operating purposes	6,514	6,649	7,201
3,501	Fees and charges	3,498	3,533	3,501
81	Interest and dividends from investments	465	532	81
4,336	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	6,393	8,512	4,336
<b>58,659</b>	<b>Total operating funding</b>	<b>59,141</b>	<b>62,813</b>	<b>58,659</b>
<b>Applications of operating funding</b>				
43,309	Payments to staff and suppliers	40,185	44,858	43,309
20	Finance costs	20	22	20
4,036	Other operating funding applications	4,377	4,020	4,036
<b>47,365</b>	<b>Total applications of operating funding</b>	<b>44,582</b>	<b>48,900</b>	<b>47,365</b>
<b>11,294</b>	<b>Surplus (deficit) of operating funding</b>	<b>14,559</b>	<b>13,913</b>	<b>11,294</b>
<b>Sources of capital funding</b>				
9,644	Subsidies and grants for capital purposes	5,217	7,014	9,644
115	Development and financial contributions	49	121	115
937	Increase (decrease) in debt	(6)	-	937
94	Gross proceeds from sale of assets	126	216	94
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
<b>10,790</b>	<b>Total sources of capital funding</b>	<b>5,386</b>	<b>7,352</b>	<b>10,790</b>
<b>Applications of capital funding</b>				
Capital expenditure				
81	▪ to meet additional demand	243	138	81
19,809	▪ to improve the level of service	5,951	3,981	19,809
15,871	▪ to replace existing assets	10,756	13,669	15,871
(3,744)	Increase (decrease) in reserves	(1,259)	3,253	(3,744)
(9,933)	Increase (decrease) in investments	4,254	224	(9,933)
<b>22,084</b>	<b>Total applications of capital funding</b>	<b>19,945</b>	<b>21,264</b>	<b>22,085</b>
<b>(11,294)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(14,559)</b>	<b>(13,913)</b>	<b>(11,294)</b>
<b>Funding balance</b>				
		-	-	-

<sup>1</sup> includes all other operating finding from sources not identified above.

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

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)	2016/2017 Budget (AP) (\$000)
Surplus/(deficit) of operating funding from funding impact statement	14,559	13,913	11,294
Depreciation	(20,229)	(21,832)	(22,083)
Subsidies and grants for capital purposes	5,217	7,014	9,644
Development and financial contributions	-	-	115
Gain on Sale	85	157	94
Forestry revaluation	1,620	773	-
Emission Trading Units	47	-	-
Finance Lease Amortisation	6	-	-
Landfill Contingency	5	5	7
Internal Capital Costs	67	122	-
Add 42% of Venture	39	(25)	-
Net Surplus (deficit) before tax in Statement of Revenue and Expense	1,416	127	(929)

Notes to the Financial Statements (for the year ended 30 June 2017)

1. Rates revenue

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
General rates	32,561	33,317
<b>Targeted rates attributable to activities</b>		
Water	3,039	3,354
Wastewater	3,571	3,752
Refuse	2,296	2,347
Septic tank cleaning	2	2
Rates penalties	439	388
<b>Total revenue from rates</b>	<b>41,907</b>	<b>43,160</b>

Rates revenue is shown net of rates remissions. SDC’s rates remission policy, as set out in the 10 Year Plan, allows Council to consider the remission of rates in a number of circumstances. These include land voluntarily protected for Natural, Historical or Cultural Conservation purposes, properties that can be, but are not connected to, water and wastewater schemes, Sports Associations who have liquor licences, and licensed halls owned by General Clubs, Societies or Associations. Remissions will also be considered where extreme financial hardship can be shown or natural calamities occur. Rates remissions during the year totalled \$369,517 (2016: \$381,472), rates on non-rateable land are included in these figures.

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

Rating base information

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

	1 July 2015 Actual (\$000)	1 July 2016 Actual (\$000)
Number of rating units within the Southland District	20,749	20,471
Total rateable capital value within the Southland District	18,104,828	21,632,872
Total rateable land value within the Southland District	12,592,569	15,556,618

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## 2. Other revenue

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Regulatory income	1,482	1,524
Other income (including Council's 42% share in Venture Southland)	2,273	2,924
Provision of services	366	406
Rental and hire income	644	660
User charges	1,857	1,805
Sales revenue	3,969	5,658
Fines and infringements	67	54
Targeted water rates	277	314
<b>Total other revenue</b>	<b>10,935</b>	<b>13,346</b>

## 3. Other gains/(losses)

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Gain/(loss) on changes in fair value of forestry assets (Note 18)	1,620	773
Gain/(loss) on disposal of property, plant and equipment	85	162
<b>Total gains/(losses)</b>	<b>1,715</b>	<b>935</b>

## 4. Exchange/non-exchange revenue

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Exchange revenue	7,918	10,157
Non-exchange revenue	59,274	61,972
<b>Total revenue</b>	<b>67,193</b>	<b>72,129</b>

## 5. Employee benefit expense

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Salaries and wages	10,224	10,769
Defined contribution plan employer contributions	317	401
Increase/(decrease) in employee entitlements	7	(86)
<b>Total employee benefit expense</b>	<b>10,548</b>	<b>11,085</b>

Employer contributions to defined contribution plans include contributions to KiwiSaver.

## 6. Other council expenditure

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Audit fee - Southland District Council Annual Report	113	115
Audit fee - Venture Southland Group Annual Report	17	17
Other assurance services from Audit NZ	-	33
Grants	4,038	3,537
Contractors	19,195	21,142
Insurance	344	309
Consultants and legal fees	1,835	1,365
Operating lease costs	325	286
Donations	37	95
Inventories	2	-
Impairment of receivables	7	57
Loss on fair value of emission trading units	-	-
Other	9,066	12,106
<b>Total other expenses</b>	<b>34,980</b>	<b>39,063</b>



7. Remuneration – Mayor, Councillors and Chief Executive

Chief Executive

The SDC Chief Executive appointed under Section 42 of the Local Government Act 2002 received a salary of \$312,761 (2016: \$304,009), plus a discretionary performance bonus of \$13,617 (2016: Nil).

For the year ended 30 June 2017, the total annual cost, including fringe benefit tax, to SDC of the remuneration package being received by the Chief Executive is calculated at \$329,322(2016: \$305,091).

Elected representatives	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Mayor: Tong, Gary (including FBT and private use of motor vehicle)^	119	122
Bailey, Lyall (resigned October 2016)	31	10
Baird, Stuart	25	26
Dillon, Brian*	25	29
Dobson, Rodney (resigned October 2016)	31	9
Douglas, John*	27	26
Duffy, Paul* (incl FBT)	35	36
Ford, Bruce	25	26
Frazer, Darren* (appointed October 2016)	-	18
Harpur, George^	25	26
Keast, Julie*	25	30
Kremer, Ebel	25	29
Macpherson, Gavin^^	30	32
Paterson, Neil*	25	26
Perham, Nicholas (appointed October 2016)	-	18
Annual cost	448	463

Remuneration for Councillors who are members of Council’s Resource Management Committee\* may be shown as higher than for other Councillors. This additional remuneration is related to the number of hours these Councillors spend in hearings and meetings for resource consent applications. These additional costs are recovered from resource consent applicants via a separate Resource Consent Hearing Charge. The per hour fee is set by the Remuneration Authority at \$100 per hour for chairpersons (2016: \$100) and \$80 per hour for members (2016: \$80).

Remuneration for Councillors who are members of the District Licensing Committee<sup>A</sup> may be shown as higher than for other Councillors. This additional remuneration is related to the number of hours these Councillors spend in hearings and meetings for licensing applications. These additional costs are recovered from licensing applications. The per hour fee is set in accordance with section 195 of the Sale and Supply of Alcohol Act 2012 at \$78 per hour for chairpersons (2016: \$78) and \$51 per hour for members (2016: \$51).

Travel and other reimbursements are excluded from the above totals.

Total annual remuneration band for employees as at 30 June:	2015/2016	2016/2017
	Actual (\$000)	Actual (\$000)
< \$60,000	72	72
\$60,000 - \$79,999	39	32
\$80,000 - \$99,999	24	33
\$100,000 - \$119,999	6	8
\$120,000 - \$139,999	6	5
\$140,000 - \$340,000	8	10
<b>Total employees</b>	<b>155</b>	<b>160</b>

Total remuneration includes non-financial benefits provided to employees.

At balance date Council employed 115 (2016: 106) full-time employees, with the balance of staff representing 26 (2016: 24) full-time equivalent employees. As at 30 June 2017 there were nine vacant positions (2016: six). A full-time employee is determined on the basis of a 40-hour working week.

8. Taxation

SDC and its associated entities are exempt from income tax.

9. Depreciation and amortisation expense by group of activity

	2015/2016	2016/2017
	Actual (\$000)	Actual (\$000)
Community services	1,479	1,464
District leadership	488	448
Emergency Management	-	-
Regulatory Services	59	68
Roads and Footpaths	14,332	15,994
Solid Waste Management	119	113

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	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Stormwater	402	411
Wastewater	1,845	1,873
Water Supply	1,489	1,441
<b>Total directly attributable depreciation and amortisation by group of activity</b>	<b>20,213</b>	<b>21,811</b>
Depreciation and amortisation not directly related to group activities	16	20
<b>Total depreciation and amortisation expense</b>	<b>20,229</b>	<b>21,832</b>

## 10. Changes in equity and reserves

Retained earnings	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
As at 1 July	725,199	727,869
Transfer from other reserves (note 11)	1,254	(3,253)
Transfer from reserves	-	-
Transfer to fair value through statement of comprehensive revenue and expense reserve	-	-
Operating surplus for the year	1,416	127
<b>As at 30 June</b>	<b>727,869</b>	<b>724,743</b>

Asset Revaluation Reserves	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
As at 1 July	627,700	628,115
Revaluation surplus/(deficit)	415	95,408
<b>As at 30 June</b>	<b>628,115</b>	<b>723,523</b>
Asset revaluation reserves consist of:	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Infrastructural assets		
Wastewater system	42,152	43,151

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Asset Revaluation Reserves	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Water system	26,935	27,790
Stormwater system	14,051	14,250
Roading network	544,971	638,327
Artwork	6	6
<b>Total</b>	<b>628,115</b>	<b>723,523</b>

Fair value through statement of comprehensive revenue and expense reserve	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
As at 1 July	711	1,983
Net revaluation gains/(losses)	1,272	(67)
Transfer to retained earnings	-	-
Reclassification to surplus/(deficit) on disposal	-	-
<b>As at 30 June</b>	<b>1,983</b>	<b>1,916</b>

Fair value through statement of comprehensive revenue and expense reserve consist of:	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Share revaluation reserve	296	305
Emission Trading Unit revaluation reserve	1,687	1,611
<b>Total</b>	<b>1,983</b>	<b>1,916</b>

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## 11. Other reserves

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
As at 1 July	32,429	31,174
Transfers from/(to) retained earnings	(1,255)	3,253
<b>As at 30 June</b>	<b>31,174</b>	<b>34,427</b>

Reserves consist of:	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
General reserves	27,948	31,096
Allocation committees	3,226	3,330
<b>Total</b>	<b>31,174</b>	<b>34,427</b>

See note 34 for detailed schedule of Council's reserves.

## 12. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Cash at bank and in hand	693	959
Short term deposits and other investments maturing within three months	5,021	8,814
<b>Total cash and cash equivalents</b>	<b>5,715</b>	<b>9,773</b>

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

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

Council holds unspent funds, included in cash at bank and investments, of \$3.8 million (2016 \$3.7 million) that are subject to restrictions. These unspent funds relate to trusts and bequests received, waste minimisation reserve and other funds received with restrictions where the spending of the funds is separately monitored. The restrictions generally specify how the funds are required to be spent.

### 13. Trade and other receivables

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Rates receivables	2,229	1,907
General receivables	687	1,054
Other receivables	2,586	4,433
Prepayments	405	390
	<b>5,907</b>	<b>7,785</b>
<i>Less provision for doubtful debts</i>	(54)	(70)
<b>Net trade and other receivables</b>	<b>5,854</b>	<b>7,715</b>
<b>Total receivables comprise:</b>		
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	3,322	2,923
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	2,532	4,791

#### Fair value

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

#### Impairment

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



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

<b>Aged trade and other receivables</b>	<b>2016 Gross (\$000)</b>	<b>2016 Impairment (\$000)</b>	<b>2016 Net (\$000)</b>	<b>2017 Gross (\$000)</b>	<b>2017 Impairment (\$000)</b>	<b>2017 Net (\$000)</b>
Not past due for 2017	4,159	-	4,159	6,310	-	6,310
Past due 1-60 days	129	-	129	98	-	98
Past due 60-120 days	7	-	7	105	-	105
Past due > 120 days	1,612	(53)	1,559	1,271	(70)	1,201
<b>Total</b>	<b>5,907</b>	<b>(53)</b>	<b>5,854</b>	<b>7,784</b>	<b>(70)</b>	<b>7,715</b>

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

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

	<b>2015/2016 Actual (\$000)</b>	<b>2016/2017 Actual (\$000)</b>
Individual impairment	53	70
Collective impairment	-	-
<b>Total Provision for impairment</b>	<b>53</b>	<b>70</b>

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

	<b>2015/2016 Actual (\$000)</b>	<b>2016/2017 Actual (\$000)</b>
Past due 1-60 days	-	-
Past due 60-120 days	-	-
Past due > 120 days	53	70
<b>Total individual impairment</b>	<b>53</b>	<b>70</b>

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

## 14. Inventories

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Roadings	77	85
Other	22	22
	<b>99</b>	<b>107</b>

The carrying amount of inventories held for consumption that are measured at current replacement cost as at 30 June 2017 amounted to \$106,735 (2016: \$98,991). The write-down of inventory during the year was \$207(2016 \$1,569). There have been no reversals of write-downs (2016: \$Nil). The carrying amount of inventories pledged as security for liabilities is \$Nil (2016: \$Nil).

## 15. Other financial assets

Current portion	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Short term deposits with maturities 1 - 3 months from 30 June	5,630	3,525
Short term deposits with maturities 4 - 12 months from 30 June	5,870	6,320
Short term loans	700	92
Unlisted shares in Civic Assurance*	17	21
Unlisted shares in Milford Sound Development Authority*	295	313
<b>Total current portion</b>	<b>12,512</b>	<b>10,271</b>

### Fair value

#### Term deposits

The carrying amount of term deposits approximates their fair value.

#### Short-term loans

The carrying amount of short-term loans approximates their fair value.

#### Unlisted shares

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

### Impairment

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

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Non-current portion	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
External loans with maturities greater than one year	4	4
Investments with maturities greater than one year	-	-
<b>Total non-current portion</b>	<b>4</b>	<b>4</b>
<b>Total other financial assets</b>	<b>12,516</b>	<b>10,275</b>

### Maturity analysis and effective interest rates

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

	2016 Short term deposits (\$000)	2016 Other Term deposits (\$000)	2016 Stocks & Bonds (\$000)	2016 Total (\$000)	2017 Short term deposits (\$000)	2017 Other Term deposits (\$000)	2017 Stocks & Bonds (\$000)	2017 Total (\$000)
Short term deposits with maturities three months or less from 30 June* weighted average effective interest rate	11,171 2.44%	-	-	11,171	10,220 3.40%	-	-	10,220
Short term deposits with maturities of four - 12 months from 30 June* weighted average effective interest rate	5,350 3.30%	-	-	5,350	6,625 3.59%	-	-	6,625
	<b>16,521</b>	<b>-</b>	<b>-</b>	<b>16,521</b>	<b>16,845</b>	<b>-</b>	<b>-</b>	<b>16,845</b>

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

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**16. Property, plant and equipment – Southland District Council**

2016/2017 Actual	Cost Revaluation 1 Jul 2016 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2017 (\$000)	Accumulated Depreciation And Impairment Charges 1 Jul 2016 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation Reserve (\$000)	Accumulated Depreciation And Impairment Charges 30 Jun 2017 (\$000)	Carrying Amount 30 Jun 2017 (\$000)	Carrying Amount 1 Jul 2016 (\$000)
<b>Operational assets</b>													
Art	69	-	-	-	-	69	-	-	-	-	-	69	69
Buildings	14,022	1,158	-	(24)	-	15,156	(6,270)	(361)	8	-	(6,622)	8,535	7,752
EDP hardware	1,035	79	-	-	-	1,114	(793)	(160)	-	-	(953)	161	242
Furniture and fittings	565	129	-	-	-	693	(402)	(51)	-	-	(453)	240	163
Improvements	5,767	228	-	-	-	5,995	(4,246)	(357)	-	-	(4,603)	1,392	1,521
Land	10,860	14	-	(4)	-	10,870	-	-	-	-	-	10,870	10,860
Library	1,872	214	-	(133)	-	1,954	(924)	(174)	133	-	(965)	989	948
Motor vehicles	1,791	50	-	(284)	-	1,558	(809)	(241)	228	-	(821)	737	983
Office equipment	183	-	-	-	-	183	(173)	(2)	-	-	(175)	8	10
Other equipment	265	9	-	(5)	-	270	(235)	(12)	2	-	(245)	24	30
Other plant	1,338	40	-	(44)	-	1,334	(563)	(83)	44	-	(602)	732	775
Landfill sites	115	-	-	-	-	115	(115)	-	-	-	(115)	-	-
Transfer stations	457	-	-	-	-	457	(452)	(4)	-	-	(455)	2	5
	<b>38,341</b>	<b>1,922</b>	<b>-</b>	<b>(494)</b>	<b>-</b>	<b>39,769</b>	<b>(14,983)</b>	<b>(1,443)</b>	<b>415</b>	<b>-</b>	<b>(16,010)</b>	<b>23,760</b>	<b>23,358</b>
<b>Infrastructural assets as valuation</b>													
Bridges	100,494	351	-	-	19,497	120,342	-	(2,215)	-	-	(2,215)	118,126	100,494
Footpaths	17,748	63	-	-	418	18,229	-	(567)	-	-	(567)	17,662	17,748
Wastewater other	63,096	1,139	-	-	610	64,845	-	(1,068)	-	-	(1,068)	63,777	63,096
Wastewater plant	14,325	615	-	-	389	15,329	-	(805)	-	-	(805)	14,524	14,325
Water other assets	40,319	1,344	-	-	250	41,912	-	(894)	-	-	(894)	41,018	40,319
Water plant	12,453	278	-	-	605	13,337	-	(547)	-	-	(547)	12,790	12,453
Stormwater system	17,623	95	-	-	198	17,916	-	(411)	-	-	(411)	17,506	17,623
Unsealed roads	396,240	2,727	-	-	15,951	414,917	-	(3,286)	-	-	(3,286)	411,631	396,240
Cycle trail	7,527	28	-	-	201	7,756	-	(143)	-	-	(143)	7,613	7,527
Sealed roads	659,805	10,056	-	-	57,080	726,942	-	(9,530)	-	-	(9,530)	717,412	659,805
Street lighting	2,090	6	-	-	180	2,276	-	(119)	-	-	(119)	2,157	2,090
	<b>1,331,719</b>	<b>16,703</b>	<b>-</b>	<b>-</b>	<b>95,379</b>	<b>1,443,800</b>	<b>-</b>	<b>(19,584)</b>	<b>-</b>	<b>-</b>	<b>(19,584)</b>	<b>1,424,217</b>	<b>1,331,719</b>

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2016/2017 Actual	Cost Revaluation 1 Jul 2016 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2017 (\$000)	Accumulated Depreciation And Impairment Charges 1 Jul 2016 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation Reserve (\$000)	Accumulated Depreciation And Impairment Charges 30 Jun 2017 (\$000)	Carrying Amount 30 Jun 2017 (\$000)	Carrying Amount 1 Jul 2016 (\$000)
Marine	870	-	-	(2)	-	869	(382)	(34)	-	-	(416)	453	489
Runways	5,059	-	-	-	-	5,059	(4,084)	(488)	-	-	(4,572)	487	975
	<b>5,930</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>5,928</b>	<b>(4,466)</b>	<b>(522)</b>	<b>-</b>	<b>-</b>	<b>(4,988)</b>	<b>940</b>	<b>1,464</b>
<b>Total SDC</b>	<b>1,375,990</b>	<b>18,625</b>	<b>-</b>	<b>(495)</b>	<b>95,379</b>	<b>1,489,498</b>	<b>(19,449)</b>	<b>(21,549)</b>	<b>415</b>	<b>-</b>	<b>(40,582)</b>	<b>1,448,916</b>	<b>1,356,541</b>

2016/2017 Actual	Cost Revaluation 1 Jul 2016 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2017 (\$000)	Accumulated Depreciation And Impairment Charges 1 Jul 2016 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation Reserve (\$000)	Accumulated Depreciation And Impairment Charges 30 Jun 2017 (\$000)	Carrying Amount 30 Jun 2017 (\$000)	Carrying Amount 1 Jul 2016 (\$000)
<b>SIESA</b>													
Land	61	-	-	-	-	61	-	-	-	-	-	61	61
Buildings	784	-	-	-	-	784	(244)	(14)	-	-	(258)	526	540
Improvements	29	-	-	-	-	29	(8)	(1)	-	-	(9)	20	21
Plant	3,440	24	-	-	-	3,464	(2,715)	(103)	-	-	(2,818)	646	725
Vehicles	132	-	-	-	-	132	(77)	(10)	-	-	(87)	45	55
Other Equipment	4	-	-	-	-	4	(2)	-	-	-	(2)	2	2
<b>SIESA Total</b>	<b>4,450</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,474</b>	<b>(3,045)</b>	<b>(128)</b>	<b>-</b>	<b>-</b>	<b>(3,173)</b>	<b>1,300</b>	<b>1,404</b>
<b>Venture Southland</b>													
Furniture and fittings	44	15	-	(10)	-	49	(27)	(4)	9	-	(21)	28	17
Office equipment	34	3	-	(5)	-	32	(16)	(7)	5	-	(19)	13	18
Other equipment	32	8	-	(2)	-	38	(16)	(5)	1	-	(19)	19	16
Set up cost	42	-	-	-	-	42	(42)	-	-	-	(42)	-	-
Venture Southland Trust vehicles	23	8	-	(9)	-	22	(4)	(1)	-	-	(5)	16	20
Building	51	-	-	-	-	51	(16)	(1)	-	-	(17)	34	35
Charitable trust	11	-	-	-	-	11	(2)	(1)	-	-	(4)	7	9
<b>Venture total</b>	<b>236</b>	<b>33</b>	<b>-</b>	<b>(25)</b>	<b>-</b>	<b>244</b>	<b>(122)</b>	<b>(20)</b>	<b>16</b>	<b>-</b>	<b>(127)</b>	<b>118</b>	<b>114</b>
<b>Total SIESA &amp; Venture</b>	<b>4,686</b>	<b>58</b>	<b>-</b>	<b>(25)</b>	<b>-</b>	<b>4,718</b>	<b>(3,167)</b>	<b>(148)</b>	<b>16</b>	<b>-</b>	<b>(3,300)</b>	<b>1,418</b>	<b>1,518</b>
<b>TOTAL GROUP</b>	<b>1,380,676</b>	<b>18,682</b>	<b>-</b>	<b>(520)</b>	<b>95,379</b>	<b>1,494,216</b>	<b>(22,616)</b>	<b>(21,697)</b>	<b>431</b>	<b>-</b>	<b>(43,882)</b>	<b>1,450,334</b>	<b>1,358,060</b>

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2015/2016 Actual	Cost Revaluation 1 Jul 2015 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2016 (\$000)	Accumulated Depreciation And Impairment Charges 1 Jul 2015 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation Reserve (\$000)	Accumulated Depreciation And Impairment Charges 30 Jun 2016 (\$000)	Carrying Amount 30 Jun 2016 (\$000)	Carrying Amount 1 Jul 2015 (\$000)
<b>Operational assets</b>													
Art	69	-	-	-	-	69	-	-	-	-	-	69	69
Buildings	13,895	127	-	-	-	14,022	(5,924)	(346)	-	-	(6,270)	7752	7,971
EDP hardware	1,066	18	-	(49)	-	1,035	(634)	(208)	49	-	(793)	242	432
Furniture and fittings	550	37	-	(23)	-	565	(383)	(42)	23	-	(402)	163	168
Improvements	5,626	141	-	-	-	5,767	(3,892)	(354)	-	-	(4,246)	1,521	1,733
Land	10,773	87	-	-	-	10,860	-	-	-	-	-	10,860	10,773
Library	1,887	183	-	(198)	-	1,872	(951)	(171)	198	-	(924)	948	936
Motor vehicles	1,631	188	-	(85)	-	1,734	(569)	(246)	64	-	(751)	983	1,062
Office equipment	216	-	-	(33)	-	183	(202)	(3)	32	-	(173)	10	14
Other equipment	263	2	-	-	-	265	(209)	(27)	-	-	(235)	30	54
Other plant	1,359	37	-	-	-	1,396	(539)	(81)	-	-	(620)	775	820
Landfill sites	115	-	-	-	-	115	(115)	-	-	-	(115)	-	-
Transfer stations	457	-	-	-	-	457	(446)	(5)	-	-	(452)	5	11
	<b>37,910</b>	<b>821</b>	<b>-</b>	<b>(388)</b>	<b>-</b>	<b>38,341</b>	<b>(13,865)</b>	<b>(1,484)</b>	<b>366</b>	<b>-</b>	<b>(14,983)</b>	<b>23,358</b>	<b>24,043</b>
<b>Infrastructural assets as valuation</b>													
Bridges	93,082	197	-	-	9,053	102,332	-	(1,838)	-	-	(1,838)	100,494	93,082
Footpaths	18,193	181	-	-	(72)	18,302	-	(554)	-	-	(554)	17,748	18,193
Wastewater other	62,235	1,056	-	-	850	64,141	-	(1,045)	-	-	(1,045)	63,096	62,235
Wastewater plant	15,241	221	-	-	(338)	15,125	-	(799)	-	-	(799)	14,325	15,241
Water other assets	39,999	954	-	-	255	41,207	-	(888)	-	-	(888)	40,319	39,999
Water plant	10,532	983	-	-	1,539	13,054	-	(601)	-	-	(601)	12,453	10,532
Stormwater system	17,691	292	-	-	42	18,025	-	(402)	-	-	(402)	17,623	17,691
Unsealed roads	396,019	2,291	-	-	922	399,232	-	(2,991)	-	-	(2,991)	396,240	396,019
Cycle trail	5,710	1,923	-	-	32	7,665	-	(139)	-	-	(139)	7,526	5,710
Sealed roads	674,127	6,868	-	-	(12,629)	668,365	-	(8,560)	-	-	(8,560)	659,805	674,127
Street lighting	1,443	-	-	-	762	2,205	-	(115)	-	-	(115)	2,090	1,443
	<b>1,334,272</b>	<b>14,965</b>	<b>-</b>	<b>-</b>	<b>317</b>	<b>1,349,554</b>	<b>-</b>	<b>(17,933)</b>	<b>-</b>	<b>-</b>	<b>(17,933)</b>	<b>1,331,719</b>	<b>1,334,272</b>



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2015/2016 Actual	Cost Revaluation 1 Jul 2015 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2016 (\$000)	Accumulated Depreciation And Impairment Charges 1 Jul 2015 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation Reserve (\$000)	Accumulated Depreciation And Impairment Charges 30 Jun 2016 (\$000)	Carrying Amount 30 Jun 2016 (\$000)	Carrying Amount 1 Jul 2015 (\$000)
Marine	870	-	-	-	-	870	(348)	(34)	-	-	(382)	489	523
Runways	5,059	-	-	-	-	5,059	(3,595)	(489)	-	-	(4,084)	975	1,464
	<b>5,930</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,930</b>	<b>(3,943)</b>	<b>(523)</b>	<b>-</b>	<b>-</b>	<b>(4,466)</b>	<b>1,464</b>	<b>1,987</b>
<b>Total SDC</b>	<b>1,378,109</b>	<b>15,786</b>	<b>-</b>	<b>(388)</b>	<b>415</b>	<b>1,393,923</b>	<b>(17,808)</b>	<b>(19,939)</b>	<b>366</b>	<b>-</b>	<b>(37,381)</b>	<b>1,356,541</b>	<b>1,360,302</b>

2015/2016 Actual	Cost Revaluation 1 Jul 2015 (\$000)	Current Year Additions (\$000)	Vested Assets (\$000)	Current Year Disposals (\$000)	Revaluation (\$000)	Cost/ Revaluation 30 Jun 2016 (\$000)	Accumulated Depreciation And Impairment Charges 1 Jul 2015 (\$000)	Current Year Depreciation (\$000)	Current Year Disposals (\$000)	Revaluation Reserve (\$000)	Accumulated Depreciation And Impairment Charges 30 Jun 2016 (\$000)	Carrying Amount 30 Jun 2016 (\$000)	Carrying Amount 1 Jul 2015 (\$000)
Land	61	-	-	-	-	61	-	-	-	-	-	61	61
Buildings	784	-	-	-	-	784	(231)	(14)	-	-	(245)	539	553
Improvements	29	-	-	-	-	29	(6)	(1)	-	-	(7)	22	23
Plant	3,269	171	-	(126)	-	3,314	(2,587)	(112)	110	-	(2,569)	725	682
Vehicles	92	40	-	(14)	-	118	(66)	(9)	12	-	(63)	55	26
Other Equipment	4	-	-	-	-	4	(1)	(1)	-	-	(2)	2	3
<b>SIESA Total</b>	<b>4,239</b>	<b>210</b>	<b>-</b>	<b>(140)</b>	<b>-</b>	<b>4,310</b>	<b>(2,891)</b>	<b>(137)</b>	<b>122</b>	<b>-</b>	<b>(2,905)</b>	<b>1,405</b>	<b>1,349</b>
<b>Venture Southland</b>													
Furniture and fittings	45	4	-	(5)	-	44	(29)	(3)	5	-	(27)	17	16
Office equipment	17	16	-	-	-	34	(9)	(7)	-	-	(16)	18	8
Other equipment	22	11	-	(1)	-	32	(13)	(3)	1	-	(16)	16	8
Set up cost	42	-	-	-	-	42	(42)	-	-	-	(42)	-	-
Venture Southland Trust vehicles	11	12	-	-	-	23	(3)	(1)	-	-	(4)	20	8
Building	51	-	-	-	-	51	(14)	(1)	-	-	(16)	35	37
Charitable trust	11	-	-	-	-	11	(1)	(1)	-	-	(2)	9	10
<b>Venture total</b>	<b>199</b>	<b>43</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>236</b>	<b>(112)</b>	<b>(16)</b>	<b>6</b>	<b>-</b>	<b>(122)</b>	<b>114</b>	<b>87</b>
<b>Total SIESA &amp; Venture</b>	<b>4,438</b>	<b>254</b>	<b>-</b>	<b>(146)</b>	<b>-</b>	<b>4,546</b>	<b>(3,002)</b>	<b>(153)</b>	<b>128</b>	<b>-</b>	<b>(3,028)</b>	<b>1,518</b>	<b>1,436</b>
<b>TOTAL GROUP</b>	<b>1,382,547</b>	<b>16,039</b>	<b>-</b>	<b>(534)</b>	<b>415</b>	<b>1,398,469</b>	<b>(20,810)</b>	<b>(20,092)</b>	<b>493</b>	<b>-</b>	<b>(40,409)</b>	<b>1,358,060</b>	<b>1,361,737</b>

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### Work in progress

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

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Buildings	559	30
Cycle Trails	1,721	89
Improvements	-	231
Information Systems	275	1,378
Marine	-	7
Wastewater	224	-
<b>Total</b>	<b>2,779</b>	<b>1,735</b>

### Urban portions of the state highway network

The ownership of urban portions of the State Highway network is unclear although there is legal opinion that the ownership rests with local authorities. NZTA maintains these highways in their entirety without any costs accruing to local authorities. As a consequence, even if ownership resides with local authorities, NZTA controls the economic resources. Pending clarification of ownership and further consideration of the accounting issues that may arise, SDC has not recognised the urban portion of the State Highway network as an asset in these financial statements.

### Leased assets

The net of plant and equipment held under finance lease is \$Nil (2016: \$Nil).

### Insurance of assets

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

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Total value of all assets that are covered by insurance contracts	55,238	55,292
Maximum amount to which these assets are insured	151,881	153,449
Total value of all assets that are covered by financial risk sharing arrangements	-	-
Maximum amount available to Council under those arrangements	-	-
Total value of all assets that are self-insured	1,316	1,409
Value of any fund maintained by Council for that purpose <sup>1</sup>		

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

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

### Heritage assets

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

Artworks are revalued every three - five years.

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

## 17. Intangible assets

Computer software	2015/2016 Actual (\$000)		2016/2017 Actual (\$000)
Opening cost at 1 July	208		92
<b>Additions</b>	21		214
<b>Disposals</b>	(127)		-
Closing cost at 30 June	103		306
Accumulated amortisation and impairment	(11)		(135)
<b>Net Book Value at 30 June</b>	<b>92</b>		<b>172</b>

Emission Trading Units	2015/2016 Actual (\$000)	2016/2017 Units	2016/2017 Actual (\$000)
Opening balance at 1 July	777	116,805	2,085
Additions	1,308	-	-
Disposals	-	-	-
Change in market value 30 June	-	-	(76)
Closing balance at 30 June	2,085	116,805	2009
Accumulated amortisation and impairment	-		-
<b>Net Book Value at 30 June</b>	<b>2,085</b>		<b>2009</b>
<b>Total Intangible Assets</b>	<b>2,178</b>		<b>2,181</b>

Council is part of the Emissions Trading Scheme (ETS) for both its pre-1990 forests (mandatory participation) and its post-1989 forests (voluntary participation).

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Under the ETS Council is allocated New Zealand Units (NZUs). An initial free allocation of NZUs is provided in relation to pre-1990 forests. An annual allocation of NZUs is provided in relation to post 1989 forests as carbon is sequestered (from 1 January, 2008).

Council accounts for NZUs allocated at a market value of \$17.20 per unit (2016: \$17.85)

Emission Trading Units 2017	Pre-1990 Forest	Post-1989 Forest	Total
Productive area (hectares)	1,384	116.8	1,500.8
NZUs opening balance 1 July	82,914	33,891	116,805
NZUs allocated/transferred during the year	-	-	-
NZUs sold during the year	-	-	-
NZUs on hand at 30 June	82,914	33,891	116,805

Emission Trading Units 2016	Pre-1990 Forest	Post-1989 Forest	Total
Productive area (hectares)	1,384	116.8	1,500.8
NZUs opening balance 1 July	82,914	31,280	114,194
NZUs allocated/transferred during the year	-	2,611	2,611
NZUs sold during the year	-	-	-
NZUs on hand at 30 June	82,914	33,891	116,805

### Post-1990 Forests

No units (2015: 2,611 units) were received during the year on 117 hectares of post-1989 land. Future allocation of NZUs relating to post-1989 forests will depend on the amount of carbon sequestered by those forests. The units have been valued at the balance sheet date based on the estimated market value of \$17.20 per unit. Tax is payable on the receipt or sale of the post-1989 units. Liabilities for emissions relating to post-1990 forest land are capped at the amount of NZUs previously allocated. Accordingly, NZUs are gained as forests grow and are surrendered as forests are harvested or removed in any other way. At balance date no liability for surrender of post-1989 NZUs has been accrued, because the forests are intact.

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

### Impairment

#### Emission Trading Units

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

18. Forestry assets

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Balance at 1 July	11,331	12,951
Increase due to purchases	-	-
Gains/(losses) arising from changes attributed to physical changes	1,210	1,101
Gains/(losses) arising from changes attributed to price changes	2,220	1,994
Decreases due to harvest	(1,810)	(2,322)
<b>Balance at 30 June</b>	<b>12,951</b>	<b>13,724</b>

SDC owns 1,839 hectares of forest in five areas: Dipton, Gowan Hill, Ohai, Ohai 2 and Waikaia, which are managed as one forest. The tree crop covers 1,416 hectares (2016: 1,423 hectares). The predominant species grown in these four blocks is Radiata pine followed by Douglas fir. The age of the tree crop ranges from one year to 33 years. In the year ending 30 June 2017, Council sold 77.7 hectares of timber for \$5.52million (2016: 68.1 hectares of timber for \$3.97 million).

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

- Council instructed Woodlands Pacific Consulting Limited (Woodlands Pacific), to independently value its forestry assets. Woodlands Pacific is a firm of forestry consultants and valuation experts with extensive experience valuing forests nationally and internationally. The valuation was undertaken in a manner consistent with Public Benefit Entity International Public Sector Accounting Standard 27. The objective of the PBE IPSAS 27 Standard is estimating “fair value” for financial reporting purposes. The valuation date is 30 June 2017.

Valuation Conventions

- A pre-tax discount rate of 7.5% (2016: 8%) has been used in discounting the present value of expected future cash flows;
- Only the current tree crop is valued, in accordance with the valuation standard;
- Land use cost are recognised by applying notional land rental based on the prevailing market rentals of forestry land in the Otago/Southland region;
- Woodlands Pacific assumes inflation will affect costs and prices equally;
- Current log prices are used reverting to long-term prices.

Financial Risk Management Strategies

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

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

19. Trade and other payables

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
<i>Payables and deferred revenue under exchange transactions</i>		
Trade payables and accrued expenses	5,456	5,743
<b>Total</b>	<b>5,456</b>	<b>5,743</b>
<i>Payables and deferred revenue under non-exchange transactions</i>		
Income taxes payable	154	160
Other taxes payable (ie GST and FBT)	45	33
Grants payable	141	120
Other	901	1,096
<b>Total</b>	<b>1,241</b>	<b>1,409</b>
<b>Total trade and other payables</b>	<b>6,697</b>	<b>7,152</b>

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



20. Employee benefit liabilities

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
<b>Current</b>		
Holiday pay accrual	1,133	1,158
Long service leave	24	21
Wages accrual	184	248
	1,341	1,426
<b>Non-current</b>		
Retirement gratuity	128	53
Long service leave (potential)	19	11
	147	64
<b>Total employment entitlements</b>	<b>1,488</b>	<b>1,490</b>

Key assumptions in measuring retirement and long service leave obligations

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability. A discount rate of 7.0% (2016: 7.0%) and an inflation rate of 3.0% (2016: 3.0%) were used.

21. Development and financial contributions

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Roading contributions	399	399
Wastewater contributions	972	972
Water contributions	439	439
Reserves contributions	477	360
<b>Total development and financial contributions</b>	<b>2,287</b>	<b>2,169</b>

22. Borrowings

Internal loans

Internal loans total \$20.2 million (2016: \$19.99 million). These loans are not represented in the statement of financial position.

Council’s internal loans are designed to help local communities within the Southland District to develop or improve new or existing facilities and undertake other major projects. Loans are for a maximum period of 30 years depending on the nature of the project being funded. The interest rate applied to these loans was 5.72 percent (2016: 6.25 percent).

A summary of these internal loans by group activity follows:

Internal loans

	Balance 2016 (\$000)	New Advances (\$000)	Total Repayments (\$000)	Interest Paid (\$000)	Balance 2017 (\$000)
Community Services	4,668	699	781	234	4,586
District Leadership	252	1,287	30	14	1,509
Regulatory Services	461	-	461	-	-
Roads and Footpaths	178	-	178	3	-
Solid Waste	270	-	37	15	233
Stormwater	283	-	15	16	268
Wastewater	7,565	-	815	422	6,751
Water Supply	6,316	710	169	358	6,857
	19,991	2,696	2,485	1,061	20,204

23. Provisions

Provisions are represented by:	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Opening balance - Landfill aftercare provision	44	39
Unused amounts reversed during the year	(5)	(5)
Closing balance - Landfill aftercare provision	39	34
Other Provisions	51	-

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Provisions are represented by:	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
	90	34
Current	65	14
Non-Current	25	20
Closing balance	90	34

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

Closure responsibilities:

- Final cover application and vegetation
- Incremental drainage control features
- Completing facilities for leachate collection and monitoring
- Completing facilities for water quality monitoring.

Post closure responsibilities:

- Treatment and monitoring of leachate
- Ground water and surface monitoring
- Implementation of remedial measures such as cover and control systems
- Ongoing site drainage and final cover and vegetation.

The cash outflows for post-closure costs are not expected to occur until 2025. The long-term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. For instance, some sites may not be required to be continually monitored for the full 20 years, if the results are found to be within appropriate levels. The provision has been estimated taking this into account and is discounted using a discount rate of 5 percent.

24. Joint venture

Council has a 42 percent (2016: 42 percent) participating interest in Venture Southland, a joint committee of Council. The principal activity of Venture Southland is to promote a co-ordinated approach to economic development in Southland.

Council's interest in the joint venture is disclosed in the financial statements under the classifications shown below.

Council's interest in Venture Southland is represented by:	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Share of Income	2,139	2,167
Share of Expenses	(2,121)	(2,211)

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Council's interest in Venture Southland is represented by:		2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
<b>Share of surplus/(deficit)</b>		<b>18</b>	<b>(44)</b>
Share of:			
Current Assets		1,153	1,266
Non-Current Assets		117	122
Current Liabilities		(764)	(923)
<b>Equity</b>		<b>506</b>	<b>465</b>

Details of joint initiative commitments and contingencies are disclosed in their respective notes. The Venture Southland financial statements include Venture Southland Charitable Trust, which has been consolidated on a line-by-line basis.

The original Heads of Agreement under which Venture Southland was established was for a period of five (5) years from 1 July 2001. This agreement has been renewed at varying intervals since. In August 2017, Southland District, and Gore District Council gave notice under clause 4.1 of the Venture Southland Agreement, of their intention to withdraw from the Venture Southland Agreement 2014-2017.

On Monday 4 September, the four Southland Council's put out a consultation document regarding the future delivery of regional development. This document proposes the creation of a Southland Regional Development Agency as a Council Controlled Organisation, which would incorporate Venture Southland's operations. The new agency would initially comprise of the current Venture Southland operations and staff, however the Board and Chief Executive would determine the appropriate on-going staffing. The consultation period closes on 2 October 2017.

As at the date of authorising these financial statements, there are uncertainties as to Venture Southland's future.

#### Southland Regional Heritage Committee

Council has an interest in the Southland Regional Heritage Committee, a joint committee of Council. The principal activity of the Southland Regional Heritage Committee is to promote and enhance the heritage of Southland.

Council's interest in the joint venture is not significant and therefore is not consolidated in the financial statements. The Southland Regional Heritage Committee has net assets at 30 June 2017 of \$569,430 (2016: \$721,951).

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## 25. Reconciliation between the operating surplus (from the statement of revenue and expense) and net cash from operating activities (from the statement of cash flows)

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Operating Surplus	1,416	127
<b>Add/(Less) Non-Cash Items</b>		
Depreciation and Amortisation	20,229	21,832
Forestry Revaluation	(1,620)	(773)
Emission Trading Units received	(971)	-
<b>Add/(Less) Movements in Working Capital Items</b>		
Trade and Other Receivables	4,309	(1,785)
Interest Receivable	-	(5)
Inventories and Work in Progress	2	(8)
Trade and Other Payables	(710)	385
Provision	51	(51)
Net GST	571	(25)
Development & Financial Contributions	(65)	(116)
<b>Other</b>		
Movement in Employee Benefit Liabilities	78	2
(Gains)/Losses on Disposal of Investments	(79)	(227)
Movement in Provision for Decommissioning	(5)	(19)
Movement in Work in Progress (Non-Current)	-	1,835
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>23,206</b>	<b>21,172</b>

26. Financial instruments

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

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return from an investment. Council’s exposure to fair value rate risk is limited to its short-term bank deposits at floating interest rates and a bank advance facility.

The interest rates on Council’s investments are disclosed in Note 15. There are no interest rate options or interest rate swap agreements in place at 30 June 2017 (2016: Nil).

Sensitivity analysis

The table below illustrates the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Council’s financial exposures at the balance date.

Interest Rate Risk	2015/2016 Actual (\$000)		2016/2017 Actual (\$000)	
	+100bps	-100bps	+100bps	-100bps
Cash and Cash Equivalents	(\$150)	\$150	(\$88)	\$88
Borrowings	-	-	-	-

Explanation of Sensitivity Analysis

Cash and cash equivalents include short-term deposits at call totalling \$8.8 million (2016: \$15.0 million) which are at floating rates. A movement in interest rates of plus or minus 1.0 percent has an effect on interest income of \$88,142 (2016: \$150,210).

Council has a bank advance facility of \$5.0 million. This can be drawn down on when required. At 30 June 2017, the loan facility was not used. Therefore, there is no interest rate risk (2016: Nil). All other borrowings are finance leases with fixed interest rates.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council has minimal transaction in the overseas market so the exposure to this risk is very low.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to Council causing Council to incur a loss.

SDC has minimal credit risk in its holdings of various financial instruments. These financial instruments include bank balances and company bonds.

Council limits the amount of credit exposure to any one institution by using a risk weighting methodology based on Standard and Poors credit ratings.



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In the normal course of business Council incurs credit risk with both general and rates debtors. Council has approved a credit control policy to monitor and manage its exposure to this credit risk and has special legislative powers to collect rates.

Council's maximum exposure to each class of financial instruments is as follows:

	Note	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Cash and Cash Equivalents	12	13,710	8,739
Trade and Other Receivables	13	8,921	7,715
Other Financial Assets (excluding shares in companies)	15	2,512	10,271
<b>Total Credit Risk</b>		<b>24,513</b>	<b>27,759</b>

	Note	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
<b>Cash at Bank and Term Deposits</b>			
AA-	12	13,710	17,773
<b>Total Cash at Bank and Term Deposits</b>		<b>13,710</b>	<b>17,773</b>
<b>Other Financial Assets</b>			
AA-	15	1,500	1,845
<b>Total Financial Assets</b>		<b>1,500</b>	<b>1,845</b>

▪ **Liquidity Risk**

Liquidity risk is the risk that Council will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, and the ability to access investment funds whenever necessary.

**Contractual maturity analysis of financial assets and liabilities**

The table below analyses Council's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Note	Less than 1 Year	1 Year	2 - 5 Years	Total 2017
<b>Financial Assets</b>					

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	Note	Less than 1 Year	1 Year	2 - 5 Years	Total 2017
Cash and Cash Equivalents	12	9,773	-	-	9,773
Trade and Other Receivables	13	7,715	-	-	7,715
Other Financial Assets (excluding shares in companies)	15	17,157	-	-	9,845
<b>Financial Liabilities</b>					
Trade and Other Payables	19	7,152	-	-	7,152
Borrowings	22	-	-	-	-

	Note	Less than 1 Year	1 Year	2 - 5 Years	Total 2016
<b>Financial Assets</b>					
Cash and Cash Equivalents	12	5,715	-	-	5,715
Trade and Other Receivables	13	5,854	-	-	5,854
Other Financial Assets (excluding shares in companies)	15	12,200	-	-	12,200
<b>Financial Liabilities</b>					
Trade and Other Payables	19	7,129	-	-	7,129
Borrowings	22	-	-	-	-

## 27. Related parties

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect Council would have adopted in dealing with the party at arm's length in the same circumstances.

Council has a 42 percent interest in Venture Southland and carried out the following transactions with this related party:

Venture Southland	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Funding provided by SDC	1,789	1,807
Services provided by SDC	228	232
Accounts payable to SDC	368	382
Accounts receivable from SDC	4	3

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Key Management Personnel	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
Councillors	\$448	\$462
Remuneration	13	13
Full-time equivalent members		
<i>Executive Leadership Team, including the Chief Executive</i>		
Remuneration	\$1,367	\$1,528
Full-time equivalent members	7.3	8.0
<b>Total Key Management Personnel Compensation</b>	<b>\$1,815</b>	<b>\$1,990</b>
<b>Total Full-time equivalent personnel</b>	<b>20.3</b>	<b>21.0</b>

Key management personnel include the Mayor, Councillors, Chief Executive, Group Manager Environmental Services, Group Manager Services and Assets, Group Manager Community and Futures, Chief Financial Officer, Chief Information Officer, People and Capability Manager and Group Manager Customer Support.

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

28. Events after balance date

On 31 July 2017, Council were served with a notice of proceeding from the High Court of New Zealand under the Judicial Review Procedure Act 2016 in the matter of the setting of a targeted rate under the Local Government (Rating) Act 2002. The proceedings relate to 2016/2017 district wastewater rates totalling \$12,591 (GST inclusive). Council has filed a statement of defence and a case management conference occurred on 11 September, however at the date of this report, a trial date has not been set.

29. Statement of contingencies

A contingency represents future expenditure that either:

- May or may not be expended, in part or in full, at some future date; or
- Future expenditure that will be incurred at a future date, but which is unable to be quantified at this time.

Contingent liabilities

Contingent liabilities as at 30 June 2017 total \$1.5 million (2016: \$1.07 million). Specific details are as follows:

(a) Guarantees

There are no guarantees at 30 June 2017 (2016: Nil)

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**(b) Building Act claims**

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done. At the date of this report there were several matters under this Act indicating liabilities to Council of \$955,000 (2016: \$955,000). These potential claims have been brought to the SDC insurer's attention.

**(c) Weather-tight Homes claims**

The Weather-tight Homes Resolution Services (WHRS) receives claim applications and provides mediation services to resolve leaky home disputes as an alternative to the courts. Included in the Building Act potential liability noted in (b) above are potentially for Weather-tight Home claims. However, as of 30 June 2017 (2016: Nil), no claims have been lodged with the WHRS against the Council. If, in future, there are claims against Council, it is expected the successful claims will be substantially covered under the SDC's insurance policies.

**(d) Council Mutual Insurance Fund - Riskpool**

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

**(e) Emission Trading Scheme**

Council owns approximately 1,513 hectares of forest, of which 1,384 hectares are pre-1990 land under the Emissions Trading Scheme. As at 30 June 2017 44.5 (2016: 46.0) hectares of forest were harvested and unplanted. Should this land not be replanted, a de-forestation penalty would be incurred. At the balance date, this liability would amount to \$538,842 (2016: \$143,469). All 46.0 hectares of forest will be replanted by the end of September 2017.

**(f) Closed landfill sites**

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

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

**(g) Joint venture**

Venture Southland has no contingent liabilities as at 30 June 2017 (2016: Nil).

**Contingent assets**

There were no contingent assets as at 30 June 2017 (2016: Nil).

**(a) Joint venture**

Venture Southland does not have any contingent assets as at 30 June 2017 (2016: Nil).

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### 30. Capital commitments and operating leases

A commitment exists where Council has entered into contracts but the goods and/or services have not been provided by balance date.

	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
<b>Capital commitments</b>		
Commitments for capital expenditure contracted, but not provided for		
Property	938	-
Water System	-	144
Sewerage System	115	119
Roading	9,297	28,570
	<b>10,350</b>	<b>28,833</b>
<b>Operating commitments</b>		
Commitments for non-cancellable operating leases and other operating commitments		
Not later than one year	14,387	14,874
Later than one year and not later than two years	2,478	23,125
Later than two years and not later than five years	2,473	38,269
Later than five years	-	-
	<b>19,338</b>	<b>76,268</b>
<b>Other commitments</b>		
Iwi funding	39	41
Regional Heritage	458	544
	<b>497</b>	<b>585</b>

Council has agreed to fund other commitments in the 2017/2018 financial year of \$ 0.74 million (2016: \$2.44 million), subject to certain criteria being met.

(a) Joint venture

Venture Southland has a commitment in regards to costs not yet incurred against self-funding projects where the full income associated with the project has either been received or accrued in the accounts to June 2017. In particular, these relate to the self-funded projects financed from the Community Trust or funding for events. Where the funding had conditions attached to it, the funding is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. The funding is included in income received in advance until the specific conditions are met.

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Venture Southland	2015/2016 Actual (\$000)	2016/2017 Actual (\$000)
<b>Capital commitments</b>		
Commitments for capital expenditure contracted, but not provide for	-	-
	-	-
<b>Operating commitments</b>		
Commitments for non-cancellable operating leases and other operating commitments		
Not later than one year	174	164
Later than one year and not later than two years	192	90
Later than two years and not later than five years	24	17
	<b>390</b>	<b>271</b>

### 31. Severance payments

For the year ended 30 June 2017, the Council made no (2016: three) severance payments to employees totalling \$Nil (2016: \$131,534).

### 32. Capital management

Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's LTP.

Council has the following Council-created reserves:

- reserves for different areas of benefit;
- general reserves; and
- trust and bequest reserves.



Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

General reserves are built up typically from specific events (i.e. an asset sale) and are made available for specific unforeseen events or major projects. The release of these funds can generally only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable, and deductions are made where funds have been used for the purpose they were donated.

33. Explanation of major variances against budget

	Note	2016/2017 Actual (\$000)
Revenue (excluding asset development revenue)	(a)	(3,763)
Asset Development Revenue		
- Development and Financial Contributions	(b)	6
Expenditure	(c)	(2,701)
Net impact of variance on surplus(deficit)		1,056
Revaluation surplus	(d)	73691
Total variance in Statement of comprehensive revenue and expense		74,680

## Explanatory Notes

### Statement of comprehensive revenue and expense

#### (a) **Revenue**

Statement of Comprehensive Revenue and Expense

Overall revenue was \$3.8 million more than budgeted mainly due to:

\$ 6.0 million additional other revenue primarily due to increased forestry harvesting being undertaken, resulting in forestry sales which exceeded budget.

\$ 0.8 million additional other gains/(losses) due to the increase in the forestry valuation being higher than anticipated.

Offset by:

\$2.0 million less grants from NZTA overall, due to the process of tendering of the Alternative Coastal Route project and delay in several bridge replacement projects

\$1.2 million less grants and subsidies received than budgeted, \$ 0.5 million of this is associated with the Around the Mountains Cycle Trail.

#### (b) **Asset development revenue**

When compiling the Annual Plan, a number of assumptions were made in regards to when developments requiring resource consents would be started or completed and the value of contributions or infrastructure assets vested in Council would be received. This has affected vested assets and development and financial contributions as described below.

##### *Development and financial contributions*

Development and financial contributions are contributions paid to Council where a development (such as a subdivision) generates demand for infrastructure (such as water and wastewater or reserves). They aim to collect the costs of capital projects, which are planned, or have been undertaken, from those that are creating the demand. The budget estimated the amount of contributions revenue for the year based on the amount of planned demand capital projects. The number and cost of demand capital projects during the year were in line with the budget, with no material variance reflecting this.

#### (c) **Expense**

Overall operating expenditure was \$ 2.5 million more than budgeted primarily due to:

\$3.0 million more other council expenditure, predominantly due to costs associated with the increased forestry harvesting (\$1.9million) and costs associated with stage 8 and 9 of the Around the Mountain Cycle Trail being expensed (\$1.9million).

#### (d) **Revaluation surplus**

Overall revaluation surplus was \$74.6 million more than budgeted due to:

In developing the budget, assumptions were made on the programmed capital works and expected market conditions to establish the budgeted revaluation of property, plant and equipment. Current market conditions and cost changes have been built into the revaluation which has seen actual increases significantly more than those budgeted (\$ 21.7 million).

### Statement of changes in equity

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

### Statement of financial position

Property, plant and equipment is \$36.8 million more than budgeted, predominantly as a result of the higher-than-budgeted revaluation of infrastructural assets and less capital works completed than anticipated.

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## 34. Schedule of financial reserves

### Restricted reserves

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
<b>District Reserves</b>								
Holding		SDC - Officers Association	District Support	Held on behalf of SDC Officer's Association	1	0	0	1
Assets & Services		Waste Minimisation	Solid Waste Management	Waste Minimisation reserve	154	9	0	163
Environment & Community		Dog and Animal Control	Animal Control	Residual funds from Dog and Animal Control Activity	244	5	(156)	94
John Beange		John Beange	Community Assistance	Funding available in Edendale and Wyndham Area	36	0	(1)	36
Sthld Joint Mayoral Fund		Sthld Joint Mayoral Fund	Community Assistance	Residual Funds from Southland Flood Relief	168	2	0	170
Allocation Committee		Com Development Fund	Community Assistance	Development of Community Facilities, Recreational Opportunities and events	236	15	0	250
Allocation Committee		Contributions and Levies	Community Assistance	Raised through the District Plan be used to remedy, mitigate or offset adverse effects arising from, and in consequence of, or in association with any development	270	9	0	279
Allocation Committee		Creative NZ	Community Assistance	Support local communities to create diverse opportunities for accessing and participating in arts activities with their specific geographical area, as well as defined communities of interest	7	0	(5)	1
Allocation Committee		SPARC	Community Assistance	To subsidise travel costs for people 5-19 years of age participating in regular sporting competition	2	0	(2)	0
Allocation Committee		Meridian Contribution	Community Assistance	Support Northern Southland community initiatives by way of grants	325	10	(8)	327
Allocation Committee		Ohai Railway Board	Community Assistance	Support Ohai community initiatives by way of grants	1,828	0	(27)	1,801
Allocation Committee		Ohai/Nightcaps Doc	Community Assistance	Medical services within Ohai and Nightcaps, including local ambulance	36	1	0	37
Allocation Committee		District Heritage Grant	Community Assistance	Support the heritage in the district area.	34	1	(7)	28
Allocation Committee		Fonterra Res Contribution	Community Assistance	Support to the Te Tipua community initiatives by way of grants	284	116	0	400
Allocation Committee		Stewart Island Visitor Levy	Community Assistance	Stewart Island Visitor Levy funds	83	0	(62)	21
Specific		ECNZ - Projects	District Support	Funds available for future projects in accordance with ECNZ requirements	21	0	0	21
<b>Total Restricted District Reserves</b>					<b>3,730</b>	<b>168</b>	<b>(267)</b>	<b>3,631</b>

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Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
<b>Local Reserves</b>								
	Wallacetown	Cemetery Bequest	Cemetery	Wallacetown Cemetery	71	2	(4)	70
<b>Total Restricted Local Reserves Wallacetown</b>					<b>71</b>	<b>2</b>	<b>4</b>	<b>70</b>
	Winton	Birthing Centre	Community Facilities	Winton Birthing Centre	3	2	0	6
	Winton	Medical Centre Equip	Community Facilities	Winton Medical Centre	38	17	0	56
<b>Total Restricted Local Reserves Winton</b>					<b>41</b>	<b>19</b>	<b>0</b>	<b>62</b>
<b>Total Restricted Local Reserves</b>					<b>113</b>	<b>22</b>	<b>(4)</b>	<b>131</b>
<b>Total Restricted Reserves</b>					<b>3,843</b>	<b>190</b>	<b>(271)</b>	<b>3,762</b>

**Council created – General**

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
<b>District Reserves</b>								
	Council	Global	District Support	General Reserve	904	25	0	929
	Council	District Operations	District Support	General Reserve	992	1,293	(505)	1,780
	Council	Strategic Assets Reserve	District Support	Offset Rates	9,432	0	(924)	8,508
<b>Total Council Created General District Reserves</b>					<b>11,328</b>	<b>1,318</b>	<b>(1,429)</b>	<b>11,217</b>
<b>Total Council Created -General Reserves</b>					<b>11,328</b>	<b>1,318</b>	<b>(1,429)</b>	<b>11,217</b>

**Council created – Special**

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
<b>District Reserves</b>								
	Asset & Services	Community Housing	Community Housing	Operational reserve for community housing	138	73	(104)	108
	Asset & Services	Community Task Force	Community Assistance	Operational reserve for community task force	26	0	0	26
	Asset & Services	Forestry Council Reserve	Forestry	Residual funds from forestry activities	2,593	0	0	2,593
	Asset & Services	Forestry Reserve	Forestry	Residual funds from forestry activities	100	3259	(773)	2,586

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Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
	Asset & Services	Gravel Reserves	Roads and Footpath	Ensure Council has sufficient funds available for reinstatement of Council's pits	478	14	(73)	420
	Asset & Services	Depreciation Motor Vehicle	Various	Fund Motor Vehicle Fleet Replacements	513	309	(45)	778
	Asset & Services	Depreciation Buildings	Various	Fund Building Replacements	12	38	(0)	50
	Asset & Services	Depreciation IT	Various	Fund IT Replacements	20	92	(5)	106
	Asset & Services	Depreciation Matuku	Water Supply	Fund Matuku Water Scheme Replacements	1	1	0	2
	Asset & Services	Depreciation Public Conveniences	Various	Fund Public Conveniences Replacements	2	66	(65)	3
	Asset & Services	Depreciation Te Anau Rural Water	Water Supply	Fund Te Anau Rural Water Scheme Replacements	13	50	(10)	53
	Asset & Services	Depreciation Waste Management	Waste management	Fund Waste Management Replacements	3	20	(15)	8
	Asset & Services	Depreciation Wheelie Bin	Waste management	Fund Wheelie Bin Replacements	5	32	(21)	15
	Asset & Services	Depreciation Sewerage	Sewerage	Fund Sewerage Replacements	0	1,263	(1,038)	225
	Asset & Services	Depreciation Roding	Roding	Fund Roding Replacements	0	6,413	(6,144)	269
	Asset & Services	Public Toilets Capital Pro Reserve	Various		0	184	(182)	2
	Asset & Services	Property Development	Various	Balancing fund for sales and operational building expenditure	612	63	(97)	578
	Asset & Services	Proposed Wastewater	Wastewater	Operational account for proposed Wastewater	485	0	0	485
	Asset & Services	Proposed Water	Water Supply	Operational account for proposed water	540	0	0	540
	Asset & Services	Roding	Roads and Footpath	Rate smoothing reserve	50	1,085	(13)	1,121

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	Asset & Services	Road Safety Community	Roads and Footpath	Funding accrued from programmes not completed by year end	3	(5)	0	(1)
	Asset & Services	Waste Management	Solid Waste Management	General waste reserve	16	116	0	132
	Asset & Services	Water Schemes	Water Supply	Development for water schemes	576	18	(62)	532
	Asset & Services	District Wastewater	Wastewater	Development for Wastewater schemes	164	144	0	308
	Asset & Services	District Stormwater	Stormwater	Stormwater Investigations	7	0	(7)	0
	Asset & Services	District Water	Water	Development for Water schemes	181	6	(23)	163
	Asset & Services	Wastewater Contribution	Wastewater	Development for building Wastewater	6	0	0	6
<b>Total Council Created - Special Reserves Assets &amp; Services</b>					<b>6,542</b>	<b>13,243</b>	<b>(8,677)</b>	<b>11,108</b>
	Chief Exec	SDC/DOC Joint Project	District Support	Residual funds from past joint projects for future projects	61	0	0	61
	Chief Exec	Around the Mountains	Roading and Transport	Around the Mountains Cycle Trail	(3,861)	(235)	(505)	(4,601)
<b>Total Council Created - Special Reserves Chief Exec</b>					<b>(3,800)</b>	<b>(235)</b>	<b>(505)</b>	<b>(4,540)</b>
	Policy and Community	Waimumu Field Day	Corporate Support	Fund Council's Field Day every three years	0	16	0	16
	Policy and Community	Community Outcomes	Strategy and Communication	Contribute Southland Regional Development Strategy	83	3	(5)	81
	Policy and Community	Elections	Representation and Advocacy	Fund Council's election costs every three years	22	0	(22)	0
<b>Total Council Created - Special Reserves Policy and Community</b>					<b>105</b>	<b>18</b>	<b>(27)</b>	<b>97</b>
	Development and Financial	Parks Contribution	Parks and Reserves	Contribution to capital activity - Parks and Reserves	127	4	(1)	129
	Development and Financial	Roading Contribution	Roading and Transport	Contribution to capital activity - Roading and transport	285	9	(9)	285



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Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
	Development and Financial	Wastewater Contribution	Wastewater	Contribution to capital activity - Wastewater	382	11	(68)	325
	Development and Financial	Water Contribution	Water Supply	Contribution to capital activity - Water	99	3	0	102
<b>Total Council Created - Special Reserves Development and Financial Contributions</b>					<b>892</b>	<b>28</b>	<b>(78)</b>	<b>841</b>
	Environment & Community	Alcohol Licensing	Environmental Health	Residual funds from Alcohol Licensing	54	2	(14)	41
	Environment & Community	Health Licensing	Environmental Health	Residual funds from Health Licensing	(18)	(1)	(12)	(31)
	Environment & Community	Corporate Uniforms	District Support	Staff uniform subsidies	24	0	0	24
<b>Total Council Created - Special Reserves Environment &amp; Community</b>					<b>60</b>	<b>0</b>	<b>(26)</b>	<b>34</b>
	Holding	Milford Flood Protect	Corporate Support	Residual funds from Milford Flood Protection	45	0	0	45
	Holding	International Relationship	Community Assistance	Residual funds from International Relationship activities	32	11	0	43
	Holding	Stewart Island Heritage Building	Community Assistance	Set up for new Heritage Building	8	0	0	9
<b>Council Created - Special Reserves Holding</b>					<b>85</b>	<b>11</b>	<b>0</b>	<b>97</b>
	Specific	Biodiversity Initiative	Community Assistance	Funds set aside for future biodiversity initiatives	21	0	0	21
	Specific	Disaster Recovery	Community Assistance	Funds set aside in case of disaster in accordance with insurance requirements	1,409	0	0	1,409
	Specific	Tuatapere (Clifden Bridge)	Various	Residual funds from Tuatapere project in 2000, to be used for community projects at Council's discretion	19	0	0	19
<b>Council Created - Special Reserves Specific Reserves</b>					<b>1,448</b>	<b>0</b>	<b>0</b>	<b>1,448</b>

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Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
Total Council Created -Special District Reserves					5,334	13,066	(9,314)	9,085

Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
Local Reserves								
	Athol	General	Various	Athol General Purpose	37	4	(3)	39
	Athol	Community Centres	Community Centres	Athol Hall	3	3	0	6
Council Created - Special Reserves Athol					41	7	(3)	45
	Balfour	Community Centres	Community Centres	Balfour Hall	0	0	0	0
	Balfour	General	Various	Balfour General Purpose	96	2	(4)	95
Council Created - Special Reserves Balfour					96	2	(4)	95
	Browns	Community Centres	Community Facilities	Balfour Hall	0	1	0	2
	Browns	General	Various	Balfour General Purpose	42	3	(0)	45
Council Created - Special Reserves Browns					43	5	(0)	47
	Brydone	Community Centres	Community Facilities	Brydone Hall	(0)	(0)	(0)	(0)
Council Created - Special Reserves Brydone					(0)	(0)	(0)	(0)
	Clifden	Community Centres	Community Facilities	Clifden Hall	24	2	0	26
	Clifden	Rec Reserve Committee	Parks and Reserves	Clifden Reserves	37	7	0	44
Council Created - Special Reserves Clifden					61	9	0	70

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Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
	Colac Bay	Community Centres	Community Facilities	Colac Bay Hall	7	3	0	10
	Colac Bay	General	Various	Colac Bay General Purpose	29	29	6	(2)
					36	9	(2)	43
	Dipton	Cemetery	Cemetery	Dipton Cemetery	12	1	0	13
	Dipton	General	Various	Dipton General Purpose	52	2	(1)	53
	Dipton	Stormwater	Stormwater	Dipton Stormwater	20	1	0	22
	Dipton	Community Centres	Community Facilities	Dipton Hall	21	2	0	22
<b>Council Created - Special Reserves Dipton</b>					<b>105</b>	<b>6</b>	<b>(1)</b>	<b>110</b>
	Drummond	General	Various	Drummond General Purpose	8	1	0	9
	Drummond	Rec Reserve Committee	Parks and Reserves	Drummond Reserves	10	1	0	11
<b>Council Created - Special Reserves Drummond</b>					<b>18</b>	<b>2</b>	<b>0</b>	<b>20</b>
	Edendale	Cemetery	Various	Edendale Cemetery	14	0	(05)	10
	Edendale	Community Centre	Community Facilities	Edendale Hall	127	33	0	159
	Edendale	Grant Hall Upgrade	Community Facilities	Edendale Hall Upgrade	133	2	(133)	2
	Edendale	Pool	Various	Edendale Pool	(0)	1	0	1
	Edendale-Wyndham	Footpaths	Various	Footpaths	18	31	0	48
	Edendale-Wyndham	General	Various	General Purpose	103	24	(22)	106
	Edendale-Wyndham	Stormwater	Stormwater	Stormwater	361	12	0	373
	Wyndham	Community Centre	Community Facilities	Wyndham Community Centre	2	(0)	(12)	(10)
<b>Council Created - Special Reserves Edendale-Wyndham</b>					<b>758</b>	<b>103</b>	<b>(171)</b>	<b>690</b>

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Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
	Five Rivers	Community Centre	Community Facilities	Five Rivers Hall	12	2	0	14
<b>Council Created - Special Reserves Five Rivers</b>					<b>12</b>	<b>2</b>	<b>0</b>	<b>14</b>
	Fortrose	Community Centre	Community Facilities	Fortrose Hall	3	1	0	4
<b>Council Created - Special Reserves Fortrose</b>					<b>3</b>	<b>1</b>	<b>0</b>	<b>4</b>
	Garston	Special Projects	Various	Garston General Purpose	19	7	0	26
<b>Council Created - Special Reserves Garston</b>					<b>19</b>	<b>7</b>	<b>0</b>	<b>26</b>
	Gorge Road	Gorge Road Local	Various	Gorge Road General Purpose	0	0	0	0
	Gorge Road	Gorge Road General	Various	Gorge Road General Purpose	29	4	0	32
<b>Council Created - Special Reserves Gorge Road</b>					<b>29</b>	<b>4</b>	<b>0</b>	<b>32</b>
	Hokonui	Community Centre	Community Facilities	Hokonui Community Centre	6	1	0	7
<b>Council Created - Special Reserves Hokonui</b>					<b>6</b>	<b>1</b>	<b>0</b>	<b>7</b>
	Limehills	Hall Improvement	Community Facilities	Limehills Hall	9	2	0	10
	Limehills	General	Various	Limehills General Purpose	9	1	0	10
	Limehills	Stormwater	Stormwater	Limehills Stormwater	59	2	(18)	43
<b>Council Created - Special Reserves Limehills</b>					<b>77</b>	<b>5</b>	<b>(18)</b>	<b>64</b>
	Longbush	Community Centre	Community Facilities	Longbush Community Centre	4	0	0	4
<b>Council Created - Special Reserves Longbush</b>					<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>
	Lumsden	Footpaths	Roading and Footpaths	Lumsden Footpaths	40	13	0	53
	Lumsden	General	Various	Lumsden General Purpose	116	3	(78)	41
	Lumsden	Property Sales	Various	Lumsden General Purpose	5	0	0	6

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Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
	Lumsden	Stormwater	Stormwater	Lumsden Stormwater	93	9	0	103
	Lumsden	Community Centre	Community Facilities	Lumsden Community Centre	2	6	0	9
<b>Council Created - Special Reserves Lumsden</b>					<b>257</b>	<b>32</b>	<b>(78)</b>	<b>211</b>
	Manapouri	Fraser's Beach	Parks and Reserves	Fraser's Beach Reserve	81	2	(16)	67
	Manapouri	General	Various	Manapouri General Purpose	109	24	(53)	79
	Manapouri	Community Centre	Community Facilities	Manapouri Community Centre	18	1	0	19
	Manapouri	Swimming Pool Area	Parks and Reserves	Manapouri Pool	10	4	0	14
<b>Council Created - Special Reserves Manapouri</b>					<b>218</b>	<b>31</b>	<b>(70)</b>	<b>179</b>
	Mararoa/Waimea Ward	Mararoa/Waimea Ward	Various	Mararoa/Waimea Ward	345	12	(41)	316
<b>Council Created - Special Reserves Mararoa/Waimea Ward</b>					<b>345</b>	<b>12</b>	<b>(41)</b>	<b>316</b>
	Mataura Island	Community Centre	Community Facilities	Mataura Island Community Centre	4	0	(0)	5
<b>Council Created - Special Reserves Mataura Island</b>					<b>4</b>	<b>0</b>	<b>(0)</b>	<b>5</b>
	Matuku	Rural WS General	Water Supply	Matuku Water	6	0	(0)	7
<b>Council Created - Special Reserves Matuku</b>					<b>6</b>	<b>0</b>	<b>(0)</b>	<b>7</b>
	Menzies Ferry	Community Centre	Community Facilities	Menzies Ferry Community Centre	1	1	0	2
<b>Council Created - Special Reserves Menzies Ferry</b>					<b>1</b>	<b>1</b>	<b>0</b>	<b>2</b>
	Mokoreta/Redan	Community Centre	Community Facilities	Mokoreta/Redan Community Centre	7	4	0	11
<b>Council Created - Special Reserves Mokoreta/Redan</b>					<b>7</b>	<b>4</b>	<b>0</b>	<b>11</b>
	Mossburn	General	Various	Mossburn General Purpose	100	8	(5)	102
	Mossburn	Community Centre	Community Facilities	Mossburn Community Centre	0	0	0	0

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<b>Council Created - Special Reserves Mossburn</b>					<b>100</b>	<b>8</b>	<b>(5)</b>	<b>102</b>
	Nightcaps	McGregor Park	Parks and Reserves	Nightcaps McGregor Park	96	15	(3)	108
	Nightcaps	Community Centre	Community Facilities	Nightcaps Community Centre	3	2	0	5
	Nightcaps	General	Various	Nightcaps General Purpose	15	2	(3)	14
	Nightcaps	Stormwater - OPR	Various	Nightcaps General Purpose	0	8	0	8
<b>Council Created - Special Reserves Nightcaps</b>					<b>114</b>	<b>27</b>	<b>0</b>	<b>135</b>
	Ohai	Community Centre	Community Facilities	Ohai Community Centre	6	4	0	10
	Ohai	General	Various	Ohai General Purpose	123	4	(11)	115
	Ohai	Stormwater	Stormwater	Ohai Stormwater	142	5	(2)	144
<b>Council Created - Special Reserves Ohai</b>					<b>271</b>	<b>12</b>	<b>(13)</b>	<b>270</b>
	Orawia	Community Centre	Community Facilities	Orawia Community Centre	19	6	(19)	6
<b>Council Created - Special Reserves Orawia</b>					<b>19</b>	<b>6</b>	<b>(19)</b>	<b>6</b>
	Orepuki	General	Various	Orepuki General Purpose	28	3	(1)	30
	Orepuki	Community Centre	Community Facilities	Orepuki Community Centre	7	0	(2)	5
<b>Council Created - Special Reserves Orepuki</b>					<b>35</b>	<b>3</b>	<b>(2)</b>	<b>36</b>
	Oreti	Community Centre	Community Facilities	Oreti Community Centre	14	8	0	21
<b>Council Created - Special Reserves Oreti</b>					<b>14</b>	<b>8</b>	<b>0</b>	<b>21</b>
	Otapiri/Lora	Community Centre	Community Facilities	Otapiri/Lora Community Centre	24	7	0	31
<b>Council Created - Special Reserves Otapiri/Lora</b>					<b>24</b>	<b>7</b>	<b>0</b>	<b>31</b>
	Otautau	Baths	Community Facilities	Otautau Pool	54	10	0	63



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	Otautau	Brightwood Develop Co	Community Facilities	Otautau Financial Contribution	15	0	0	15
	Otautau	CB Conference	Community Facilities	Community board conference	6	0	0	6
	Otautau	Forestry	Forestry	Holt Park Forestry	165	5	(1)	170
	Otautau	General	Community Facilities	Otautau General Purpose	103	22	(9)	115
	Otautau	Bowling Club	Community Facilities	Bowling Club	1	0	0	1
	Otautau	Stormwater	Stormwater	Otautau Stormwater	197	27	0	224
	Otautau	Community Centre	Community Facilities	Otautau Community Centre	17	8	0	25
<b>Council Created - Special Reserves Otautau</b>					<b>557</b>	<b>73</b>	<b>(10)</b>	<b>620</b>
	Riversdale	Fire Bore	Various	Riversdale General Purpose	5	0	0	6
	Riversdale	General	Various	Riversdale General Purpose	86	(8)	(9)	69
<b>Council Created - Special Reserves Riversdale</b>					<b>91</b>	<b>(8)</b>	<b>(9)</b>	<b>75</b>
	Riverton	Cemetery Maintenance	Cemetery	Riverton Cemeteries	33	9	0	42
	Riverton	Doc Profits Lib Sale	Various	Riverton Projects	60	2	0	62
	Riverton	General	Various	Riverton General Purpose	309	116	(48)	377
	Riverton	Riverton Harbour General	Community Facilities	Riverton Harbour	91	3	(4)	90
	Riverton	Parks & Res Develop	Parks and Reserves	Riverton Parks and Reserves	22	7	0	29
	Riverton	Property Sales	Various	Riverton General Purpose	293	10	5	307
	Riverton	War Memorial	Parks and Reserves	Riverton War Memorial	8	2	0	10
	Riverton	Stormwater Headworks	Stormwater	Riverton Stormwater	0	1	0	1

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	Riverton	Taramea Bay/Rocks Development	Community Facilities	Taramea Cay Foreshore	39	1	(11)	29
	Riverton	Taramea Howells Point	Community Facilities	Taramea Howells Point	12	3	0	15
<b>Council Created - Special Reserves Riverton</b>					<b>868</b>	<b>153</b>	<b>(59)</b>	<b>962</b>
	Ryal Bush	Community Centre	Community Facilities	Ryal Bush Community Centre	(0)	6	0	5
<b>Council Created - Special Reserves Ryal Bush</b>					<b>(0)</b>	<b>6</b>	<b>0</b>	<b>5</b>
	SIESA	Operations	SIESA	SIESA Operations	494	0	0	494
<b>Council Created - Special Reserves SIESA</b>					<b>494</b>	<b>0</b>	<b>0</b>	<b>494</b>
	Stewart Island	General	Various	Stewart Island General Purpose	171	46	(10)	206
	Stewart Island	Waste Management	Various	Stewart Island General Purpose	19	4	0	23
	Stewart Island	Jetties	Various	Stewart Island Jetties	117	128	(42)	203
<b>Council Created - Special Reserves Stewart Island</b>					<b>307</b>	<b>178</b>	<b>(53)</b>	<b>433</b>
	Te Anau	Te Anau Carpark Res	Various	Te Anau General Purpose	23	1	0	23
	Te Anau	Cemetery Improvements	Cemeteries	Te Anau Cemetery	1	0	0	2
	Te Anau	General	Various	Te Anau General Purpose	454	172	(77)	549
	Te Anau	Luxmore	Various	Luxmore Subdivision	1,020	34	0	1,054
	Te Anau	Manapouri Airport	Te Anau Manapouri Airports	Te Anau Manapouri Airports	30	33	0	63
	Te Anau	Rural WS General	Water Supply	Te Anau Water	97	3	1	102
	Te Anau	Stormwater	Various	Te Anau General Purpose	442	19	0	461
	Te Anau	Sandy Brown Loan	Loan	Loan to Ratepayers	(14)	2	0	(12)

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Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
<b>Council Created - Special Reserves Te Anau</b>					<b>2,053</b>	<b>265</b>	<b>(76)</b>	<b>2,242</b>
	Thornbury	Community Centre	Community Facilities	Thornbury Community Centre	4	4	0	7
	Thornbury	General	Various	Thornbury General Purpose	22	2	(0)	23
<b>Council Created - Special Reserves Thornbury</b>					<b>25</b>	<b>6</b>	<b>(0)</b>	<b>30</b>
	Tokanui	General	Various	Tokanui General Purpose	46	8	(2)	52
	Tokanui	Community Centre	Community Facilities	Tokanui Community Centre	2	5	0	7
<b>Council Created - Special Reserves Tokanui</b>					<b>48</b>	<b>13</b>	<b>(2)</b>	<b>59</b>
	Tuatapere	Water Meridian Contract	Various	Tuatapere General Purpose	7	0	0	7
	Tuatapere	Community Centre	Community Facilities	Tuatapere Community Centre	17	4	0	21
	Tuatapere	General - OPR	Various	Tuatapere General Purpose	0	0	0	0
	Tuatapere	General	Various	Tuatapere General Purpose	208	63	(9)	261
	Tuatapere	Property	Various	Tuatapere General Purpose	3	0	0	3
	Tuatapere	Waiau River Collection	Various	Tuatapere Waiau River	1	(0)	0	1
<b>Council Created - Special Reserves Tuatapere</b>					<b>235</b>	<b>67</b>	<b>(9)</b>	<b>292</b>
	Tussock Creek	Community Centre	Community Facilities	Tussock Creek Community Centre	0	0	0	1
<b>Council Created - Special Reserves Tussock Creek</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	Waianiwa	Community Centre	Community Facilities	Waianiwa Community Centres	11	3	(0)	14
<b>Council Created - Special Reserves Waianiwa</b>					<b>11</b>	<b>3</b>	<b>(0)</b>	<b>14</b>
	Waiau/Aparima Ward	Arboretum Reserve	Various	Arboretum Reserve	13	0	(2)	12
	Waiau/Aparima Ward	Wairio Cemetery	Cemeteries	Wairio Cemetery	53	2	0	55

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Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
	Waiau/Aparima Ward	Wairio Town General	Various	Wairio General Purpose	5	0	(0)	5
	Waiau/Aparima Ward	Wairio Reserve	Various	Wairio Reserve	7	0	0	7
	Waiau/Aparima Ward	Takitimu Reserve	Various	Takitimu Reserve	29	1	(7)	23
	Waiau/Aparima Ward	Tuatapere Ward Pool	Various	Tuatapere Ward Pools	8	10	0	18
	Waiau/Aparima Ward	Cosy Nook	Various	Cosy Nook General Purpose	11	3	0	14
	Waiau/Aparima Ward	Hirstfield Reserve	Various	Hirstfield Reserve General Purpose	11	5	0	16
	Waiau/Aparima Ward	Waiau/Aparima Ward	Various	Waiau/Aparima Ward	276	12	(29)	259
	Waiau/Aparima Ward	Calcium Cemetery	Cemeteries	Calcium Cemetery	20	1	(5)	16
<b>Council Created - Special Reserves Waiau/Aparima Ward</b>					<b>432</b>	<b>35</b>	<b>(43)</b>	<b>425</b>
	Waihopai/Toetoes Ward	Waihopai/Toetoes Ward	Various	Waihopai/Toetoes Ward	246	15	(68)	193
<b>Council Created - Special Reserves Waihopai Toetoes Ward</b>					<b>246</b>	<b>15</b>	<b>(68)</b>	<b>193</b>
	Waikaia	Dickson Park	Parks and Reserves	Waikaia General Purpose	13	2	0	14
	Waikaia	General	Various	Waikaia General Purpose	95	13	(22)	85
	Waikaia	Museum Donations	Community Facilities	Waikaia Museum	2	0	0	2
	Waikaia	Refuse Removal	Solid Waste Management	Waikaia General Purpose	9	0	0	9
	Waikaia	Stormwater	Stormwater	Waikaia Stormwater	92	6	0	98
<b>Council Created - Special Reserves Waikaia</b>					<b>211</b>	<b>21</b>	<b>(22)</b>	<b>210</b>
	Waikawa/Niagara	Community Centre	Community Facilities	Waikawa/Niagara Community Centres	15	2	0	17
<b>Council Created - Special Reserves Waikawa/Niagara</b>					<b>15</b>	<b>2</b>	<b>0</b>	<b>17</b>
	Waitane Glencoe	Res Reserve Committee	Parks and Reserves	Waitane Glencoe Reserves	1	0	0	1

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Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
<b>Council Created - Special Reserves Waitane Glencoe</b>					<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
	Wallacetown	General	Various	Wallacetown General Purpose	200	12	(31)	181
	Wallacetown	Stormwater	Stormwater	Wallacetown General Purpose	40	3	0	43
<b>Council Created - Special Reserves Wallacetown Ward</b>					<b>240</b>	<b>15</b>	<b>(31)</b>	<b>224</b>
	Winton	Community Centre	Community Facilities	Winton Community Centres	139	9	(147)	0
	Winton	General	Various	Winton General Purpose	272	25	(13)	284
	Winton	Medical Centre General	Community Facilities	Winton Medical Centre	54	2	0	56
	Winton	Multi Sports	Parks and Reserves	Winton Sports Complex	5	1	0	6
	Winton	Property Sales	Various	Winton General Purpose	713	28	(388)	352
	Winton	Res Capital Development	Various	Winton General Purpose	192	5	(99)	97
	Winton	Stormwater	Stormwater	Winton Stormwater	133	4	(32)	104
<b>Council Created - Special Reserves Winton</b>					<b>1,507</b>	<b>72</b>	<b>(680)</b>	<b>900</b>
	Winton/Wallacetown Ward	Winton/Wallacetown Ward	Various	Winton/Wallacetown Ward	471	15	(25)	461
<b>Council Created - Special Reserves Winton/Wallacetown Ward</b>					<b>471</b>	<b>15</b>	<b>(25)</b>	<b>461</b>
	Woodlands	General	Various	Woodlands General Purpose	124	5	(33)	96
	Woodlands	Septic Tank Rates	Wastewater	Woodlands Septic Tank Cleaning	10	0	(0)	10

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Reserves	Community	Business Unit	Activity to which it relates	Purpose	Opening Balance 1/7/2016 (\$000)	Deposits In (\$000)	Withdraws Out (\$000)	Closing Balance 30/6/2017 (\$000)
Council Created - Special Reserves Woodlands					133	6	(33)	106
Total Council Created - Special Local Reserves					10,670	1,249	(1,555)	10,364
Total Council Created - Special Reserves					16,004	14,315	(19,449)	19,449
Total Restricted					3,843	190	(271)	3,762
TOTAL RESERVE FUNDS					31,174	15823	(12570)	34,427

# Other Information

## About the Council

### Role of Council

Council works towards its vision in its plans, strategies and policies and also through the activities outlined in its 10 Year Plan. The purpose of Council is:

- To enable democratic local decision-making and action by and on behalf of communities
- To meet current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions cost effectively for households and businesses.

To accomplish this, Council has overall responsibility and accountability in a variety of roles, including:

- Planning the District's strategic direction alongside local communities as part of developing the 10 Year Plan
- Facilitating solutions to local issues and needs
- Advocacy on behalf of the local community with central government, other local authorities and agencies
- Providing prudent stewardship and the efficient and effective use of resources within the District in a sustainable way
- Risk management
- Management of local infrastructure including network infrastructure (eg roads, wastewater disposal, water, stormwater) and community infrastructure (eg libraries, reserves and recreational facilities)
- Administering various legal and regulatory requirements
- Ensuring the integrity of management control systems
- Informing and reporting to communities, ratepayers and residents.

### Governance systems

#### Council

Council consists of a Mayor and 12 Councillors elected by Southland District residents/ratepayers every three years.

Council believes its democratic election ensures it is able to operate in the best interests of the District. Council is responsible for:

- Representing the interests of the District

- Developing and approving Council policy
- Determining the expenditure and funding requirements of Council through the planning process
- Monitoring the performance of Council against its stated objectives and policies
- Employing, overseeing and monitoring the Chief Executive's performance. Under the Local Government Act the local authority employs the Chief Executive, who in turn employs all other staff on its behalf.

#### Council Committees

Committees have been established by Council to assist with conducting the business of Council; these are listed on page 153.

#### Community Boards

Council has eight Community Boards which prepare local budgets, recommend local rates and make decisions on issues specifically delegated by Council. Council has a policy of decentralising responsibilities, where practical, to ensure local input into decision-making and the setting of priorities for issues of local concern.

#### Community Development Area Subcommittees

Throughout the District, 19 Community Development Area Subcommittees (CDAs) have been identified and established, which include local townships and surrounding areas. The purpose of CDAs is to further encourage local input in addressing the needs of local communities and assessing priorities. Subcommittees operate with powers mainly limited to recommendations to Council.

#### Water Supply Subcommittees

Council has constituted three Water Supply Subcommittees, which are each responsible for the overall governance of the respective water supply scheme and set priorities for the operations of the schemes in accordance with the policies of Council.

#### Youth Council

Southland District Youth Council is made up of up to 12 secondary school-aged representatives from the six secondary schools, who live across the District and meet every three months.

#### Hall Committees and Reserve Subcommittees
















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Council has a working relationship with all Community Centre, Hall Committees and Reserve Subcommittees. This relationship varies from operational to rates collection only.

## Council Committees

Community Boards and Committees	Council Mayor and 12 Councillors	Joint Committees
	Council Committees	
Edendale-Wyndham Otautau Stewart Island/Rakiura Riverton/Aparima Te Anau Tuatapere Wallacetown Winton	<b>Executive Committee</b> Chair: Mayor G Tong <b>Regulatory and Consents Committee</b> Chair: Cr MacPherson <b>Services and Assets Committee</b> Chair: Cr Dillon <b>Finance and Audit Committee</b> Chair: Cr Kremer <b>Community and Policy Committee</b> Chair: Cr Keast <b>Te Anau Wastewater Discharge Project Committee</b> Chair: Mayor G Tong	Venture Southland Advisory Subcommittee Venture Southland Joint Committee Southland Civil Defence Emergency Management Group WasteNet (WasteNet Management Advisory Group) Southland Regional Heritage Committee Southland Regional Land Transport Committee
Community Development Area Subcommittees	Council Membership on external organisations	Council Subcommittees
Athol Balfour Browns Centre Bush/Limehills Colac Bay Dipton Garston Gorge Road Lumsden Manapouri Mosburn Nightcaps Ohai Orepuki Riversdale Thornbury Tokanui Waikaia Woodlands	Age Concern Southland Destination Fiordland Discover Fiordland Heritage Trust Gore and Districts Community Counselling Centre Inc Milford Development Authority Limited Pioneer Women's Memorial Trust (Gore) Predator Free Rakiura Governance Group Rakiura Heritage Centre Trust Regional Community Road Safety Network Shared Services Forum Southland Community Wastebusters Trust Southland Indoor Leisure Centre Charitable Trust Southland Medical Foundation Southland Regional Heritage Building and Preservation Trust Te Roopu Taiao Waiau Working Party Waituna Partners Group	Ohai Railway Fund Riverton Harbour Stewart Island Jetties Around the Mountains Cycle Trail Project Stewart Island/Rakiura Visitor Levy Committee Northern Southland Development Fund Ohai and Nightcaps District Doctors House and Surgery
Water Supply Subcommittees	Council-Controlled Organisations	Youth Representation
Te Anau Basin Five Rivers Matuku	Southland Museum and Art Gallery Trust Milford Community Trust	Southland District Youth Council

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Council Mayor and 12 Councillors		
	 <p><b>Mayor Gary Tong</b> 352 Lorne Dacre Road, RD 6, Invercargill 9876 Telephone: (027) 465 5182 gary.tong@southlanddc.govt.nz</p>	
 <p><b>Waihopai Toetoes Ward:</b> Julie Keast 513 Niagara Tokanui Highway, RD 1, Tokanui 9884 Telephone: (03) 246 8410 julie.keast@southlanddc.govt.nz</p>	 <p><b>Waihopai Toetoes Ward:</b> Paul Duffy, Deputy Mayor 146 Seaward Road Edendale 9825 Telephone: (03) 206 6491 paul.duffy@southlanddc.govt.nz</p>	 <p><b>Waiau Aparima Ward:</b> Stuart Baird 28 Prince Street, Winton 9720 Telephone: (03) 236 8602 stuart.baird@southlanddc.govt.nz</p>
 <p><b>Waiau Aparima Ward:</b> George Harpur 81 Oravia Road, Tuatapere 9620 Telephone: (03) 226 6040 george.harpur@southlanddc.govt.nz</p>	 <p><b>Waiau Aparima Ward:</b> Nick Perham 17 Wairiro Road Nightcaps 9630 Telephone: 021 02906313 nick.perham@southlanddc.govt.nz</p>	 <p><b>Mararoa Waimea Ward:</b> John Douglas 3869 Wreys Bush Mossburn Road, RD 2, Lumsden 9792 Telephone: (03) 248 6110 john.douglas@southlanddc.govt.nz</p>
 <p><b>Stewart Island/Rakiura Ward:</b> Bruce Ford 5 Argyle Street, PO Box 91, Oban, Stewart Island 9846 Telephone: (03) 219 1282 bruce.ford@southlanddc.govt.nz</p>	 <p><b>Mararoa Waimea Ward:</b> Ebel Kremer 7 Wet Jacket Place, Te Anau 9600 Telephone: (027) 510 7785 ebel.kremer@southlanddc.govt.nz</p>	 <p><b>Winton Wallacetown Ward:</b> Gavin Macpherson 570 Argyle-Otahuti Road, RD 4, Invercargill 9874 Telephone: (03) 235 2789 gavin.macpherson@southlanddc.govt.nz</p>
 <p><b>Winton Wallacetown Ward:</b> Neil Paterson 444A O'Shannessy Road, RD 1, Winton 9781 Telephone: (03) 236 1343 neil.paterson@southlanddc.govt.nz</p>	 <p><b>Mararoa Waimea Ward:</b> Brian Dillon 20 York Road, RD 6, Gore 9776 Telephone: (03) 202 7766 brian.dillon@southlanddc.govt.nz</p>	 <p><b>Winton Wallacetown Ward:</b> Darren Frazer 8 Waterford Drive Winton 9741 Telephone: 021 415 840 darren.frazer@southlanddc.govt.nz</p>

## Council Operations

Council has appointed a Chief Executive to be in charge of its operations and has delegated certain powers of management to that position. The Chief Executive implements and manages Council’s policies and objectives within the budgetary constraints established by Council.

The Chief Executive is responsible for:

- Implementing the decisions of Council.
- Providing advice to Council and Community Boards.
- Ensuring that all responsibilities, duties and powers delegated to the Chief Executive or to any person employed by the Chief Executive, or imposed or conferred by any act, regulation or bylaw, are properly performed or exercised.
- Managing the activities of Council effectively and efficiently.
- Maintaining systems to enable effective planning and accurate reporting of the financial and service performance of Council.
- Providing leadership for Council staff.
- Employing staff (including negotiation of the terms of employment for the staff).

The management of Council is structured under seven groups. Each group is led by a Group Manager or Chief Officer and their areas of responsibility are shown in the table. The seven groups are:

- People and Capability.
- Environmental Services.
- Customer Support.
- Community and Futures.
- Services and Assets.
- Finance.
- Information Management.

The Executive Leadership Team (comprising the Chief Executive, four Group Managers and the Chief Financial Officer, the Chief Information Officer and the People and Capability Manager) reviews all general organisation issues, providing a link between Council and staff.

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Organisational Structure

Steve Ruru Chief Executive						
Janet Ellis People and Capability Manager	Bruce Halligan Group Manager Environmental Services	Trudie Hurst Group Manager Customer Support	Rex Capil Group Manager Community and Futures	Ian Marshall Group Manager Services and Assets	Anne Robson Chief Financial Officer	Damon Campbell Chief Information Officer
Health and Safety	Building Control	Customer Services	Communications	Cemeteries	Finance	Information Technology
People and Capability	Dog and Animal Control	District Support	Community Development	Community Facilities		Knowledge Management
	Environmental Health	Library Services	Governance	Community Housing		Digital Assets
	Emergency Management		Grants and Donations	Forestry		
	Iwi Liaison		Strategy and Policy	Parks and Reserves		
	Liquor Licensing			Public Conveniences		
	Resource Management			Roading and Transport		
				Sewerage		
				Stormwater		
				Solid Waste Management		
				Stewart Island Electrical Supply Authority (SIESA)		
				Te Anau Airport Manapouri		
				Water Supply		
				Work Schemes		

Glossary

Activity: Goods or services provided by or on behalf of Council.

Activity/Asset Management Plan: A long term planning document for managing Council's assets and activities to ensure capacity to provide a service is maintained and that costs over the life of the asset are kept to a minimum (eg water services).

Advocate: Council acts as an advocate when it represents the views of community groups, organisations and residents to a range of organisations such as regional council and central government.

Annual Plan: Produced in the intervening years between 10 Year Plans. Explains variations from the activities or budgets in the current 10 Year Plan and confirms arrangements for raising revenue for the financial year. It also includes the forecast financial statements and other relevant information for the year.

Annual Report: Reports on the performance of Council against the objectives, policies, activities, performance measures, indicative costs and sources of funds outlined in the Annual Plan and the 10 Year Plan.

Asset: A resource owned by the Council such as roads, drains, parks and buildings.

Asset Acquisition: Capital expenditure on assets. Usually because of extra demand or to improve the level of service provided.

Assumptions: A statement that is used as the basis for making particular predictions that may or may not occur.

Capital Costs: These include transactions that have an effect on the longer term (ie greater than 12 months) financial position of Council. Items include the repayment of loan principal, transfer of funds to reserve accounts and the purchase or construction of assets.

Capital Expenditure: Money spent to build or buy a new asset or to improve the standard of an existing asset.

Capital Financing: This includes transactions that have an effect on the longer term financial position of Council. Items include the raising of loan funds and transfers from reserve accounts.

Capital Value: The estimated value of land and improvements (that it may realise at sale) assessed for rating purposes.

Catchment: The area of land that collects rain which then flows into a waterway.

Community Board (CB) People elected to represent a specific community. CBs are elected every three years by postal vote,

Community Development Area Subcommittee (CDA): People elected to represent a specific community. CDAs are elected three yearly at public meetings

Contract Standards: The standards defined in specific contracts for service delivery by contractors.

Council Controlled Organisations (CCOs): Organisations in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

Current Assets: Assets which can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors and operational investments.

Current Liabilities: Creditors and other liabilities due for payment within the financial year. Public debt to be refinanced within the financial year is excluded.

Delineation: Visual road markings such as marker posts and reflective cat's eyes.

Depreciation: Depreciation is an accounting concept to recognise the consumption or loss of economic benefits embodied in items of property, plant and equipment. Depreciation spreads the cost of items such as property, plant and equipment over their useful lives as an operating expense.

Design Life: The period of time for which an asset is expected to perform its intended function.

Development Contributions: A contribution from developers to cover the cost of servicing growth.

Differential (Rating): A technique used to 'differentiate' or change the relative rates between different categories of rateable land in order to adjust the rating burden on one or more groups of ratepayers.

Distribution of Benefits: The degree or scope to which a Council activity generates benefits of individuals, parts of the community or the District as a whole.



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**District Plan:** A plan under the Resource Management Act 1991 that manages, through objectives, policies and rules, the adverse impact of land uses on the environment of the District. The Southland District Plan became operative on 27 June 2001.

**Drinking-water Standards:** Standards about drinking-water quality/treatment.

**Economic Life:** The period of time during which an asset will have economic value and be usable.

**Emissions Trading Scheme:** An administrative approach used to control pollution by providing economic incentives for achieving reductions in the emissions of pollutants. Creates permits for units of greenhouse pollution that can be traded.

**Equity:** A financial term, also known as net worth. The total value of assets less total liabilities.

**Estimated Remaining Life:** The estimated remaining life is an estimation of when buildings or assets would no longer be suitable to use. In the case of buildings, the remaining life of a building is when it is considered no longer suitable for the intended use, even though the building itself may still be structurally sound.

**Facilitator:** When Council works collaboratively or in partnership with others to organise, encourage or assist in projects or programmes which help to achieve the outcomes for the District, it acts as a facilitator.

**Fixed Assets:** These consist of land and buildings and infrastructural assets including sewer and water systems and the transport network. Sometimes referred to as capital assets.

**Funder:** Council's funding role includes funding of core business and providing financial assistance to a range of organisations for various projects and programmes through grants.

**Funding Impact Statement:** A document that includes information that discloses revenue and financing mechanisms and indicates the level or amount of funds to be produced by each mechanism.

**Impairment:** Where the book value of an asset exceeds its recoverable amount - can be caused by such things as a decline in market value.

**Improved Value:** The estimated value of improvements (that it may realise at sale) assessed for rating purposes. Does not include the value of any land.

**Infrastructural Assets:** Infrastructural assets are utility service networks ie water, sewerage, stormwater and roading. They also include associated assets such as pump stations, the treatment plant, streetlighting and bridges.

**Investment Policy:** A document that states Council's policies in respect to investments.

**Iwi:** People or tribe.

**Key Performance Indicators (KPIs):** The measures by which Council's performance is assessed. Council uses these measures when reporting on how it has performed in its various activities.

**Land Value:** The estimated value of land (that it may realise at sale) assessed for rating purposes. Does not include the value of any improvements.

**Levels of Service:** The defined quality for a particular activity or service area against which performance may be measured. 'Levels of service' usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

**Liability Management Policy:** A document that states Council's policies concerning the management of both borrowing and other liabilities.

**Lifelines:** Lifelines are the essential infrastructure and services that support the life of our community - utility services such as water, wastewater and stormwater, electricity, gas, telecommunications and transportation networks including road, rail, airports and ports.

**Local Authority:** A regional, district or city council.

**Local Government Act 2002 (LGA 2002):** The Local Government Act 2002 received royal assent on 24 December 2002. It is the primary legislation that governs Council's operations and actions.

**Monitor:** Council has a monitoring role under the LGA to monitor and report three yearly on the progress made towards achieving community outcomes.

**Non-Cash Expenditure:** Expenditure that is identified for accounting purposes, but for which no cash (such as rates) are collected to pay for it, eg depreciation. The Council pays for capital expenditure projects each year instead of accumulating depreciation funding for replacements in the future.

**Operating Expenditure:** Money spent to deliver a service, maintain an asset, or any other expenditure, which does not buy, or build on, a new asset.



**Operating Revenue:** Money earned through the activities in return for a service provided, or by way of a grant or subsidy to ensure particular services or goods are provided. For example, New Zealand Transport Agency subsidies, rental income, permits and fees.

**Operating Surplus/(Deficit):** The expressions “operating surplus” and “operating deficit” are accounting terms meaning the excess of income over expenditure and excess expenditure over income respectively. Income and expenditure in this context exclude “capital” items such as the receipt or repayment of loans, the cost of capital works and transfers to and from reserves. An operating surplus/deficit is inclusive of non-cash items such as income and expenditure owing but not paid and depreciation.

**Optimisation Strategies:** Looking at ways to get the most out of assets.

**Pavement:** Paved surface, usually either a footpath or description of seal on a roadway.

**Period of Benefits:** Time over which the benefit of engaging in a Council activity will occur. If required by statute, the activity's period of benefit may be ongoing as opposed to finite.

**Potable:** Suitable for drinking.

**Regulatory Role:** Council has a regulatory role as it operates under and enforces a range of legislation.

**Rehabilitation:** Rebuilding of a road and restoring it to the original slope and natural drainage patterns.

**Renewal:** Restore to a new condition.

**Resealing:** Putting a new layer of seal on a road. Involves spraying bitumen over existing sealed sections and then applying a surfacing layer to help maintain resistance to water and cracking.

**Reserves (financial):** Monies held for specific purposes on either for Council or on behalf of local communities.

**Residual Waste:** Remaining waste material once activities to reduce, re-use, recycle, recover and treat have been undertaken.

**Resources:** These are the assets, staff and funds needed to contribute to the activities of Council including goods, services and policy advice.

**Reticulated:** Piped networks.

**Revenue and Financing Policy:** A comprehensive policy stating how each activity of Council is to be funded - from rates, user charges, subsidies, other income or a combination of these. It also includes details of the various rating mechanisms used by Council.

**RMA:** Resource Management Act 1991.

**Rural Water Supply (RWS):** This is an untreated supply which is provided primarily for stock-water.

**Scheme Capital Recovery:** Payment towards capital project/expenditure (generally related to a water or wastewater scheme).

**Service Provider:** Council provides services as required by law, eg sewerage, or by community mandate, eg parks.

**Shared Services Forum:** This is a collaborative arm of the four councils within Southland (Southland District Council, Gore District Council, Invercargill City Council and Environment Southland). The forum is made up of representatives of each council who meet regularly to discuss common issues and opportunities for inter-council collaboration.

**Significance:** The degree of importance attached by Council to an issue, proposal, decision or other matter in terms of its likely impact on the wellbeing of the District.

**Significance Policy:** Sets out how Council determines how significant a project or decisions are and therefore the level of consultation and analysis required.

**Significant Decision:** A Council decision that has a high degree of importance in terms of economic, social, environmental, or cultural wellbeing.

**SOLGM:** Society of Local Government Managers.

**Special Consultative Procedure:** A process required by the Local Government Act 2002. This sets out a series of steps that a local authority must take when consulting on certain types of decisions.

**Statutory/Legislative Requirements:** Requirements identified and defined in law.

**Survey - Residents:** The residents’ survey is undertaken by an independent market research company. The survey is a key source of information on resident perceptions and satisfaction with Council services and is carried out three yearly.

**Survey - User (Key User):** A targeted survey of customers or people who use a service. These surveys may use a variety of methods and have various timings.

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Sustainable Development: Endeavouring to balance the social, cultural, economic and environmental objectives for both future and current generations in Council’s planning processes, decision-making and operations.

Territorial Authority: A city council or a district council.

The 10 Year Plan (Long Term Plan or LTP): The 10 Year Plan sets out Council’s response to community outcomes and how Council will manage its finances and the communities’ resources. The requirement for the 10 Year Plan was introduced by the LGA 2002. The first 10 Year Plan was adopted on June 2004 as required by the LGA 2002.

Vested Assets: Vested assets are the assets which are given to Council by developers at the completion of their development, such as roads, water, sewerage and stormwater reticulation.

**DRAFT UNAUDITED****2016/2017 ANNUAL REPORT SUMMARY****MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE**

Welcome to Southland District Council's 2016/2017 Summary Annual Report.

Council has ticked a lot of boxes and progressed a number of important projects in the past 12 months. While each piece of work we've carried out has presented its own unique challenges, we've asked ourselves the same question for every one of them.

The question is: is this the best way to prepare Southland District for the future?

Whether we are replacing asbestos pipes with new high-density polythene pipes in the Winton water mains, doing the groundwork to seal the Catlins Alternative Coastal Route road or getting up close and personal with residents in Community Conversations, our underlying objective is always to explore the best ways to prepare our District for what tomorrow might bring.

Here at Council we take our responsibility towards the many communities on our watch very seriously. Our primary concern is to get the best result representing the best value over the longest term possible to help ensure Southland District is in the right shape to meet the challenges we face now and the challenges yet to come.

These are coming in many forms: a declining, ageing population, a contracting rating base, increasingly automated work systems, wear and tear on infrastructure, resource management demands, legislative pressures ... the list goes on.

But there are endless opportunities right in front of us too, with tourism, smarter use of technology and a diversified economy right up there among them.

Southland District Council is fully on board with the Southland Regional Development Strategy Action Plan, which was launched with much fanfare in November 2016. This was Southland's moment to shine on the national stage, and together Southland demonstrated in emphatic style to the rest of the country the force of our collective will during a glittering event at Bill Richardson Transport World.

Government ministers Steven Joyce and Nathan Guy would have been in no doubt how determined Southland is as a region to defuse its demographic time bomb, its shrinking population.

Getting all four Southland councils to this moment was a triumph, but we should be under no illusions about the difficulties we face trying to progress to the next phase of the SoRDS Action Plan.

Philosophical differences are proving major sticking points as the four authorities try to negotiate an agreement on how we move forward with the strategy to have 10,000 more people living in Southland by 2025.

Despite these differences, we as a Council remain committed to the partnership-and-collaboration approach that we see as being critical to the future of not just our own District, but also the region as a whole.

We must be the authors of our own destinies. If we sit back and wait for central government to prop up our region our voices will be lost in the noise coming from further north and as a region we will decline.

Together, we must be smarter, presenting a unified front, working together, combining resources, collaborating to find greater efficiencies, sharing a vision and a sense of purpose – these are our District's greatest strengths going forward, and Council is determined to lead the way.

We've focused a lot on health and safety within the organisation this year. Making sure our people get home to their loved ones safely each night is our primary concern. The Finance and Audit Committee approved a new Health and Safety Governance Framework and a Health and Safety Plan for 2017/2018 at their meeting in June.

Not the least of the work we've been doing in the past 12 months is writing the Southland Story, the narrative for Council's strategic framework for the future.

This work – carried out in-house by Council staff – forms the basis of our first rebrand since local government amalgamation in 1989. It will refocus our organisation on the crucial work ahead, as we partner closely with our communities to ensure they are fit to meet future challenges.

We're excited about the message it will send, and the opportunities ahead.

**Gary Tong**

**Steve Ruru**

## KEY HIGHLIGHTS

### Sealing the Catlins Alternative Coastal Route

This is a major two-year project which has two stages. About \$900,000 was spent in the 2016/2017 year, with the remaining budget scheduled to be spent within the 2017/2018 year.

Favourable winter weather enabled our contractors to make good progress on stage one of the project on Slope Point Road. Earthworks are near completion at the end of 2016/2017, with drainage and construction crews preparing the road for sealing in the 2017/2018 financial year.

Stage two of the project involves preparing 13.3km of the Otara-Curio Bay road and then the 4.2km Waipapa Point lighthouse road for sealing. There is a high level of enthusiasm and support from the local community for the \$9.5 million project.

### The Southland District Story

Southland District Council staff worked on a rebranding project in 2016/2017. It includes a new logo, new vision and the development of a set of brand values, which have been incorporated into the Southland District Story.

This is a big step for Council, which has earned its existing brand since being formed in 1989. The new brand reflects Council's evolving community leadership role and its focus on preparing Southland District for the future.

All brand development work was carried out by Council staff at no extra cost to ratepayers.

### Around the Mountains Cycle Trail

Stage one from Kingston to Mossburn has been open for three years and the section from Mossburn to Centre Hill is also complete.

Council considered options to finish the Around the Mountains Cycle Trail. One option is to temporarily complete the trail from Centre Hill to Walter Peak as a 'Heartland Ride', using the existing Centre Hill and Mavora Lakes roads. This would mean Council could market the trail as a complete ride while considering how to develop it to 'Great Ride' standard, which Council is contractually obliged to do.

### Te Anau wastewater discharge project

Councillors asked staff to prepare a business case to build a treated wastewater discharge system on the Kepler block, about 18km from Te Anau. We need to have an alternative treated wastewater discharge system for the town fully up and running by December 2020, unless we can get new consents to extend use of the existing Upukerora River discharge.

The door has not been shut on other potential waste disposal sites, however. Staff are working on a process which could be used to identify other potentially suitable sites.

This follows a period of negotiation to do further investigations on an alternative block of land near Te Anau early in 2017 which proved unsuccessful.



## Digitisation of property files

Council's massive digitisation project was largely completed in 2016/2017.

All Council's paper property files, dating back to 1942, were boxed and sent to Auckland to be scanned and returned as PDF files. These are being imported into Council's electronic document and records management system, which makes them more accessible for the public and Council staff.

## Southland Regional Development Strategy

The Southland Regional Development Strategy (SoRDS) Action Plan was launched in November 2016. The strategy, initiated by the Mayoral Forum and launched in October 2015, has a clear and simple goal: to attract 10,000 more people to Southland by 2025.

Nine teams, involving more than 95 leaders from the public and private sectors, outlined action plans to the Governance Group, chaired by Tom Campbell. These were then presented to the Mayoral Forum and the four Southland councils for endorsement. At the time of writing, the four authorities were consulting on a proposal to form a council-controlled organisation to lead the next phase of work.

## Roading contracts renewal

Council renewed its roading alliance maintenance contracts for up to seven years starting on 1 July 2017. The Waimea and Central contracts were awarded to SouthRoads and the Foveaux Alliance contract went to Fulton Hogan.

## Curio Bay project

Council built and commissioned a new wastewater treatment plant at Curio Bay/Tumu Toka, which is running smoothly and meeting consent requirements. The Department of Conservation's car park and the South Catlins Charitable Trust's camping amenities building are complete, and the trust has started construction of the new heritage centre. Council, DOC and the trust have started a planting programme on the reserve to increase the habitat for yellow-eyed penguins (hoiho).

## SUMMARY ACTIVITY REPORT

158 projects and 99 service performance targets were planned for the 2016/2017 financial year.

93 of the 103 performance targets were measured. The main reason the other targets were not measured was the difference in timing between when the information was measured and the report was prepared.

Of the measured performance targets, 61 were achieved and 32 were not achieved.

The table provides a snapshot of the achievements of targets at 30 June 2017. Council's 26 activities are broken down into nine activity groups. Of the 158 projects scheduled for the 2016/2017 financial year, 59 were completed by the end of the year, 58 projects were still in progress, 20 projects were not started, 18 projects will be carried forward to be done in future years and three projects were deleted. For the performance results for Council's activities please see the individual activity sections in the full Annual Report.

ACTIVITY GROUP	PERFORMANCE TARGETS			PROJECTS				
	Achieved	Not Achieved	Not Measured	Completed	In Progress	Not Started	Deferred	Deleted
Community Services	13	8	4	27	23	8	8	1
District Leadership	11	6	0		3	1	1	
Emergency Management	1	0	1					
Regulatory Services	8	10	0					
Roads and Footpaths	3	2	1	11	8	9		2
Solid Waste	5	2	0	1				
Stormwater	5	1	4	4	1		2	
Wastewater	8	0	0	6	10	2	1	
Water Supply	7	3	0	10	13		6	
<b>Total</b>	<b>61</b>	<b>32</b>	<b>10</b>	<b>59</b>	<b>58</b>	<b>20</b>	<b>18</b>	<b>3</b>



## FINANCIAL HIGHLIGHTS

These year-end financial results for Southland District Council are summarised from the full financial statements. The financial results include information about Council, Stewart Island Electricity Supply Authority and Council's share in Venture Southland. The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide a complete understanding as provided in the full financial statements. The table shows the financial year-end results as at 30 June 2017 and includes comparisons from the previous financial year and the budget as outlined in the 2016/2017 Annual Plan. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand. The information included in this summary has been prepared in accordance with PBE FRS 43: Summary Financial Statements. The full financial statements have been prepared in accordance with Tier 1 Public Benefit Entity accounting standards.

Financial Summary		
Actual 2015/2016 (\$000)		Actual 2016/2017 (\$000)
Budget AP 2016/2017 (\$000)		
<b>COMPREHENSIVE REVENUE AND EXPENSE</b>		
67,193	Revenue Earned (incl Asset Development)	72,129
(65,757)	Less Total Expenditure	(71,980)
(20)	Less Finance Costs	(22)
<b>1,416</b>	Net Surplus/(Deficit) after Tax	<b>127</b>
1,272	Movement in Fair Value Reserve	(67)
415	Movement in Asset Revaluation Reserve	95,408
<b>3,103</b>	<b>Comprehensive Revenue and Expense</b>	<b>95,469</b>
<b>CHANGES IN EQUITY</b>		
1,386,039	Equity at Start of Year	1,389,142
3,103	Total Comprehensive Income	95,469
<b>1,389,142</b>	<b>Equity at the End of the Year</b>	<b>1,484,611</b>
<b>FINANCIAL POSITION</b>		
<b>1,389,142</b>	<b>Total Equity</b>	<b>1,484,611</b>
24,180	Current Assets	27,866
1,375,972	Non-Current Assets	1,467,978
<b>1,400,152</b>	<b>Total Assets</b>	<b>1,495,844</b>
10,838	Current Liabilities	11,149
172	Non-Current Liabilities	84
<b>11,010</b>	<b>Total Liabilities</b>	<b>11,232</b>
<b>1,389,142</b>	<b>Net Assets (Assets less Liabilities)</b>	<b>1,484,611</b>
<b>CASH FLOWS</b>		
23,205	Operating Cashflow	21,172
(27,144)	Investing Cashflow	(17,078)
(6)	Financing Cashflow	(37)
<b>(3,943)</b>	<b>Net Cashflow Increase/(Decrease)</b>	<b>4,056</b>
9,658	Opening Cash Balance	5,715
<b>5,715</b>	<b>Closing Cash Balance</b>	<b>9,771</b>

## Revenue

\$72.1 million of revenue was collected during the financial year, including \$43.2 million from rates. Overall, revenue was \$3.8 million higher than budget, mostly due to increased forestry harvesting revenue.

Sources of Revenue	Actual (\$000)	% of Total Revenue
Rates Revenue	43,160	60%
NZ Transport Agency	13,382	19%
Other Revenue	13,346	18%
Other Gains/(Losses)	935	1%
Grants and Subsidies	632	1%
Interest and Dividends	552	1%
Development and Financial Contributions	121	0%
<b>Total</b>	<b>72,129</b>	<b>100%</b>

## Rates Expenditure - per property (rateable)

The \$43.2 million of rates collected was spent providing a range of services, with just under half spent on essential infrastructure such as roads, wastewater, water and stormwater.

Rates Expenditure	Actual (\$000)	% of Total Rates Expenditure
Roading and Transport	13,958	32%
Stormwater, Wastewater and Water	7,438	17%
Other District Services	5,344	12%
Governance, Strategy and Communication	5,037	12%
Other Local Services	4,578	11%
Solid Waste Management	4,128	10%
Regulatory Services	1,736	4%
Grants and Donations	940	2%
<b>Total</b>	<b>43,160</b>	<b>100%</b>

## Operational Expenditure

\$72.0 million was spent on operating expenditure, with nearly half of this going to roading and transport services (45%). Overall operating expenditure was over budget by \$2.7 million. This was mainly due to changes in the way forestry expenditure is disclosed, costs associated with additional forestry harvesting and costs in relation to stage 8 and 9 of the Around the Mountain Cycle Trail.

## Net assets and equity

Overall, Council's total net assets have increased by \$95 million from last year. This is mainly due to an increase in the valuation of Council's infrastructure (Council has total assets of about \$1.4 billion).

## Cash flow

Council's net operating cash flows were lower than budgeted. Payments to suppliers and employees were \$1.7 million above budget, mainly due to costs associated with increased forestry harvesting. Net cash outflows from investing activities were \$18.6 million lower than budgeted due to the deferral or delay of several significant capital projects being carried forward into future financial years. These included the Alternative Coastal Route project, Te Anau wastewater discharge project and Around the Mountains Cycle Trail. Overall, Council has ended the year with a cash balance of \$9.8 million, which is \$12.6 million more than budget.

## Capital expenditure

Council spent \$17.7 million on capital projects in 2016/2017. Of this total, \$11.7 million (66%) was spent on roading and transport projects throughout the District and \$2.5 million (14%) was spent on stormwater, wastewater and water projects in townships. The capital project spending was lower than the \$35.8 million budgeted for 2016/2017 in the Annual Plan. This is because a number of roading, stormwater, wastewater and water capital projects were still in progress or not yet started at 30 June 2017; deferrals of projects to future years; and the Environment Court appeal process delaying work on the Around The Mountains Cycle Trail.

Activity Capital Expenditure (Including Vested Assets)	Actual (\$000)	% of Total Capital Expenditure
Roading and Transport	11,664	66%
Stormwater, Wastewater and Water	2,487	14%
Other Local Services	1,805	10%
Other District Services	1,702	10%
Solid Waste Management	40	0%
Regulatory Services	23	0%
<b>Total</b>	<b>17,721</b>	<b>100%</b>

## Contingent Liabilities

A contingent liability represents future expenditure, which is dependent on an uncertain future event. Council had \$1.5 million of contingent liabilities at 30 June 2017 in relation to the following matters:

- Building Act claims
- Weathertight Home claims
- Council Mutual Insurance Fund (Riskpool)
- Emission Trading Scheme
- Closed landfill sites

A copy of the full Annual Report can be obtained from any Southland District Council office or library, or on our website [www.southland.govt.nz](http://www.southland.govt.nz).

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

## Fraud Policy 2017

**Record No:** R/17/9/21842  
**Author:** Rebecca McElrea, Policy and Planning Consultant  
**Approved by:** Anne Robson, Chief Financial Officer

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 The purpose of this report is to present the Southland District Council Fraud Policy 2017 to Council for adoption.

### Executive Summary

- 2 The current Fraud Policy was reviewed in 2005 and is therefore overdue for a review. In undertaking this review, Council have incorporated a number of recommendations from the Shared Service Business Process review undertaken by Deloitte in 2016.
- 3 The draft policy was presented to the Finance and Audit Committee on 6 September 2017. The Committee endorsed the policy and recommended that Council adopt it.
- 4 In addition, a fraud response plan is also being developed to compliment this policy.
- 5 In the next 6 months Council will be undertaking a fraud risk assessment process. As part of this and the resulting gap analysis undertaken, further changes to this policy may occur within the coming 12 months.

### Recommendation

**That the Council:**

- a) **Receives the report titled “Fraud Policy 2017” dated 17 September 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) **Adopts the Southland District Council Fraud Policy 2017.**

## Content

### Background

- 6 In 2016, Deloitte undertook a Shared Service Business Process review of which 11 South Island local authorities took part including Southland District Council (SDC). The purpose of the review was to provide an affordable and efficient programme where councils are able to learn from each other. In undertaking this work, Deloitte reviewed policies and processes in respect of Fraud, Conflicts of Interest and Sensitive Expenditure.
- 7 Deloitte provided recommendations to Southland District Council (SDC) in relation to Southland District Council's Fraud Policy (2005) as part of their Shared Service Business Process review.
- 8 In reviewing the current Fraud Policy, these recommendations have been incorporated into the Fraud Policy (2017). A Fraud Response Plan is also being developed. This is an internal document outlining Council's process and guidelines for dealing with suspected fraud and will compliment this policy.

#### Deloitte strongly recommended the following changes to the Fraud Policy

- *Fraud Control Officer*  
Deloitte strongly recommended that SDC appoint a Fraud Control Officer. This is to be a member of staff who will be fully trained in fraud awareness and understand the requirements of initial response.
- *Fraud Response Plan (2017)*  
Deloitte strongly recommended that SDC modify its procedures for dealing with Fraud to fully explain the initial response responsibilities and to ensure a coordinated and effective response.

Council staff are currently developing a Fraud Response Plan that will ensure Council has a documented process for explaining the steps to be taken in the event fraud is suspected, and who is responsible for taking those actions. The Fraud Response Plan will be separate from the Policy, however available to all staff and elected members.

- *Communication of Policy*  
Deloitte strongly recommended that the Fraud Policy is fully communicated to all staff and elected members. SDC should also request staff to undertake an annual declaration of their understanding of the policy and the policy also needs to be added to the intranet.

#### Deloitte recommended the following changes to the Fraud Policy

- *Fraudulent activities by the CEO*  
Deloitte recommended that there be a back-up person for fraud reporting in case of suspected fraudulent activities by the CEO. The Mayor was suggested for this role.
- *Whistle Blower Section*  
Deloitte recommended the addition of a whistle blower section to the policy to strengthen the protection provided to the whistle blower. This is to ensure staff feel safe about coming forward with a suspected fraud case. Reference to the Protected Disclosure Act gives employees legal reference for procedures and protection in place when coming forward with a suspected fraud.

- *Fraud awareness training for staff*  
Deloitte recommended that SDC should consider fraud awareness training for all staff as all staff have a role to play in the prevention and detection of fraudulent activities.

Deloitte suggested the following changes to the Fraud Policy

- *Definition of fraudulent activities*  
Deloitte suggested that SDC include further definitions within the Fraud Policy to ensure there are no grey areas with regards to what is and what is not acceptable.
  - *Councillors role*  
Deloitte suggested that the policy include the addition of explaining Councillor's role in the detection and prevention of fraud.
  - *Zero Tolerance*  
Deloitte suggested that SDC make a more firm and direct statement that it is their intent to prosecute and have a zero tolerance stance. This demonstrates that Council will progress matters as far as possible and deter any fraudulent activities.
- 9 The draft policy was circulated to staff for feedback/comment on 21 August. Five responses were received and these were reviewed by ELT and a couple of minor amendments were made to the policy as a result.
- 10 The draft policy was also presented to the Finance and Audit Committee on 6 September 2017. The committee endorsed the policy and recommended that Council adopt the policy.
- 11 Council staff are also currently seeking proposals from a number of independent experts to undertake a fraud risk assessment exercise. As part of this process they will undertake a gap assessment to understand what systems and processes Council currently has in place to prevent and detect fraud and identify the areas where further improvement is required. As part of this process they will review Council's fraud policy and associated processes (fraud response plan), and as a result these documents may end up being re-reviewed again in the next 12 months if further amendments are recommended.

## **Factors to Consider**

### **Legal and Statutory Requirements**

- 12 This policy supports Council's Strategic Framework, which has a vision of having thriving, healthy, Southland communities. A desired outcome in the strategic framework is being an effective Council by being prudent and innovative. This policy is prudent as it focuses on the definition of fraud, outlines prevention mechanisms and sets out responsibilities for the detection of fraud. The Fraud Response Plan will set out the process and responsibilities if fraud is suspected.
- 13 This policy also aligns with the following associated documents:
- Local Authorities (Members' Interests) Act 1968.
  - The Secret Commissions Act 1910.
  - Sections 99, 105, 105A of the Crimes Act 1961.
  - Protected Disclosures Act 2000.
  - Delegation Manual.

- Personnel Manual.
- Policy on electronic communications (including the internet).
- Credit Card Policy
- Code of Conduct
- Sensitive Expenditure Policy
- Employment Relations Act 2000
- Privacy Act 1993
- Vehicle Policy

It is the intention that the Fraud Policy 2017 will be supported by the Fraud Response Plan, which is currently being developed.

### Costs and Funding

- 14 There will be cost associated with Fraud Training for the Fraud Control Officer, as well as Fraud Awareness Training for all staff, however it is not expected to be significant.

## Analysis

### Options Considered

- 15 The two options for Council are to:
- Adopt the Fraud Policy 2017 (with any amendments made at this meeting)
  - That the current Fraud Policy (2005) remains as it is currently.

### Analysis of Options

#### Option 1 – Adopt the Fraud Policy 2017 (with any amendments made at this meeting)

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• Create a more robust policy and system for the detection and reporting of suspected fraudulent activities.</li> <li>• Addresses recommendations from the Deloitte shared service business process review.</li> </ul>	<ul style="list-style-type: none"> <li>• No obvious disadvantages</li> </ul>

#### Option 2 – That the current Fraud Policy 2005 remains as it is currently

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• No advantages</li> </ul>	<ul style="list-style-type: none"> <li>• This option would mean that the Fraud Policy and response plan for Southland District Council is not as strong as it needs to be should any fraudulent activities occur.</li> </ul>



### **Assessment of Significance**

- 16 This decision is not deemed as significant in terms of Council's Significance and Engagement policy.

### **Recommended Option**

- 17 It is recommended that Council adopt the Fraud Policy 2017.

### **Next Steps**

- 18 Once Council have adopted the final Fraud Policy, it will be circulated to all staff and elected members.
- 19 Staff will finalise the Fraud Response Plan, and present this to ELT for approval.
- 20 The Executive Leadership Team need to appoint a Fraud Control Officer.
- 21 The policy will be uploaded to Council's intranet.
- 22 Training for the Fraud Control Officer will need to be set up. A separate email address ([fraudcontrolofficer@southlanddc.govt.nz](mailto:fraudcontrolofficer@southlanddc.govt.nz)) will also need to be established.

### **Attachments**

- A Southland District Council Fraud Policy September 2017 [↓](#)

## SOUTHLAND DISTRICT COUNCIL FRAUD POLICY

### DOCUMENT CONTROL

<b>Policy owner:</b> Financial Services	<b>TRIM reference number:</b> r/17/8/18483	<b>Effective date:</b>
<b>Approved by:</b> Council	<b>Date approved:</b>	<b>Next review date:</b> September 2020

### 1. INTRODUCTION

#### 1.1 Policy Objectives

The purpose of this policy is to define fraud, outline prevention mechanisms, set out responsibilities for the detection of fraud, provide clarity about what to do if you suspect fraud and set out the action that will be taken if a fraud is discovered.

#### 1.2 Guiding Principles

- The Southland District Council (SDC) regards fraud as totally unacceptable, and will apply a 'Zero Tolerance' approach to fraudulent behaviour with intent to prosecute.
- All employees are required to act honestly and with integrity and to safeguard the public resources for which the SDC is responsible at all times. Employees who suspect fraud must report fraud in accordance with Council's documented process for responding to suspected fraud (Fraud Response Plan).
- All suspected fraud will be investigated and a summary of findings will be reported to Finance and Audit Committee. Dependent on the outcome of the investigation, employees may be subject to the SDC disciplinary procedures.
- Fraud is a criminal offence and will generally constitute serious misconduct.
- Incidences of significant suspected fraud will be reported by the Fraud Control Officer or such other alternate as is appropriate, to the NZ Police, the Chair of the Finance and Audit Committee and the Mayor as set out in Council's documented process (Fraud Response Plan).
- Fraud is a dishonest act that involves deception to obtain an advantage. A significant fraud will usually involve the theft or misuse of Council assets or be of a nature that has the potential to impact on the reputation of the SDC.

#### 1.3 Scope

This policy applies to Elected Members, appointed Committee Members, employees and contractors of the SDC.

#### 1.4 Strategic Alignment

This policy supports Council's Strategic Framework, which has a vision of having thriving, healthy, Southland communities. A desired outcome in the strategic

framework is being an effective Council by being prudent and innovative. This policy is prudent as it focuses on the definition of fraud, outlines prevention mechanisms, sets out responsibilities for the detection of fraud, provides clarity about what to do if you suspect fraud and sets out the actions that will be taken if a fraud is discovered.

This policy also aligns with the following associated documents:

- Local Authorities (Members' Interests) Act 1968.
- The Secret Commissions Act 1910.
- Sections 99, 105, 105A of the Crimes Act 1961.
- Protected Disclosures Act 2000.
- Delegation Manual.
- Staff Handbook.
- Policy on electronic communications (including the internet).
- Credit Card Policy
- Code of Conduct
- Sensitive Expenditure Policy
- Employment Relations Act 2000
- Privacy Act 1993
- Vehicle Policy

The Fraud Policy is supported by Council's documented process for responding to suspected fraud (Fraud Response Plan).

## 2. DEFINITIONS

For the purposes of this policy, "fraud" shall include all acts of deception, misrepresentation or omission committed with the intention of gaining an unjust or illegal financial advantage or to cause an unjust or illegal loss or disadvantage. Such behaviour includes, but is not limited to:

- Forgery or alteration of documents or accounts belonging to SDC.
- Unauthorised possession of Council property.
- Failing to record leave taken, or any other employee theft of time.
- Disclosing confidential or proprietary information to third parties.
- Any misappropriation of funds, securities, supplies or any other assets.
- Any irregularities of funds, securities, supplies or any other asset.
- Any irregularity in handling or reporting of money transactions.
- Misappropriation of furniture, fixtures and equipment.
- Accepting or seeking anything of material value from contractors or persons, including before, during and after, any procurement processes.
- Bribery, corruption or abuse of office.
- Unauthorised or inappropriate use of SDC property, vehicles, equipment, materials, furniture, fixtures, and equipment or records.

- Any computer-related activity involving the alteration, destruction, forgery, or manipulation of data for fraudulent purposes - or the misappropriation of SDC-owned software.
- Manipulating reporting to obscure impropriety.
- Obtaining funds or any other benefit through misleading claims, representations or by false pretences.
- Causing a loss, or avoiding or creating a liability by deception.
- Any claim for reimbursement of expenses that are not made for the exclusive benefit of the SDC.
- Profiteering for personal or another person or entities gain as a result of insider knowledge of SDC's activities.
- Unapproved destruction or removal of records.
- Use of the Southland District Council's credit card for personal gain.
- Inappropriate payments to third parties.
- Presenting false credentials or qualifications.
- Supporting others in, or in any way being party to, fraud or not reporting fraud.
- Any of the above for personal gratification and/or edification, whether or not there is pecuniary gain.

### 3. **BACKGROUND**

The SDC is committed to protecting its revenue, property, information, and other assets from any attempt (by members of the public, contractors, subcontractors, agents, intermediaries, or its own employees) to gain financial or other benefits from it by deceit.

This policy sets out specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

In addition to this policy some Council employees belong to professional bodies, such as the Institute of Professional Engineers and also the Institute of Chartered Accountants of Australia and New Zealand, both of which bind their members to their professions individual code of ethics concerning professional behaviour.

#### 4. POLICY STATEMENTS

##### 4.1 Prevention

SDC will not tolerate any fraudulent behaviour and will investigate all instances of suspected fraud.

SDC will proactively take all reasonable steps to prevent fraud by developing and maintaining a policy framework that sets out clearly procedures, processes and expectations of behaviour and promotes robust internal controls for all aspects of the protection of assets, procurement, purchasing, payroll, treasury and cash management. This will include but is not limited to:

- A clear, visible code of conduct that sets out the expectations for employee behaviour.
- Pre-employment screening that includes checking for criminal convictions for appropriate staff (for example ELT, Finance Team and any other staff member who has financial delegation).
- Assuring that staff appointed to positions of responsibility are appropriately qualified, experienced and aware of their obligations in regard to fraud and the protection of assets of the Council.
- Induction processes for new staff that include fraud awareness and code of conduct training.
- Regular fraud awareness training for all staff.
- Segregation of duties in accordance with best practice.
- Appropriately robust monthly financial reporting that provides information about results against budget, benchmarks and expected key performance indicators.
- Robust confirmation of new suppliers.
- Centralised Contract Register.
- An Internal Audit Policy, Plan and Programme of work carried out by external parties.
- Regular Fraud Risk Assessments by external parties.
- Regular suspicious transaction analysis; and
- A safe, documented and widely available process for employees to report suspected fraud.

##### 4.2 Reporting

SDC has a documented process for responding to suspected fraud (Fraud Response Plan).

SDC also has a Fraud Control Officer. The Fraud Control Officer is the [add position title]. Staff can report fraud in person, by phone, or by email. The contact details for reporting suspected fraud to the Fraud Control Officer are:

Email: [fraudofficer@southlanddc.govt.nz](mailto:fraudofficer@southlanddc.govt.nz), phone: (03)

Staff are required to report all instances of suspected fraud to their Manager, or, if this is not appropriate, to:

- The Fraud Control Officer.
- The Chief Financial Officer.
- The Chief Executive.
- The People and Capability Manager.
- The Chair of the Finance and Audit Committee.
- The independent member of the Finance and Audit committee; or
- The Mayor.

Staff reporting suspected fraud are covered the Whistle Blower Protection section of this policy.

#### 4.3 **Whistle Blower Protection Responsibilities**

SDC is committed to protecting individuals who report suspected serious wrong doing. The responsibility for ensuring confidentiality and overall protection of the individual(s) making disclosures rests with the Chief Executive. Protection is provided under the Protected Disclosures Act 2000.

In their absence, Council Personnel may contact the Fraud Control Officer, the Chief Financial Officer, or Mayor where appropriate or they may prefer to make a disclosure to their Manager.

The Protected Disclosures Act 2000 offers Whistle Blower protection. Section 19 covers the Confidentiality of a Protected Disclosure. Section 7 of the Act specifies that employees shall follow internal procedures for disclosing serious wrongdoing. Sections 8, 9 and 10 of that Act outline the specific circumstances in which a disclosure of serious wrongdoing may be made to designated officials.

### 5. **IMPLEMENTATION**

The policy was reviewed by ELT prior to being circulated to staff for consultation. Staff feedback has been considered and incorporated into the policy where appropriate prior to endorsement by the Finance and Audit Committee and final approval by Council. The approved policy will be circulated to all staff and elected members.

### 6. **TRANSITIONAL ARRANGEMENTS**

This policy will become effective immediately upon approval by the Finance and Audit Committee. Staff and elected members will be required to acknowledge they have read and accepted the terms of the policy within four weeks of the policy adoption.

### 7. **MONITORING, EVALUATION AND POLICY REVIEW**

Informal feedback can be provided at any time to the Fraud Control Officer on the effectiveness and appropriateness of this policy.

A formal review of this policy will be undertaken within three years of it being implemented / reviewed.

## 8. RESPONSIBILITIES

Role	Responsibilities
Management Responsibility	<p>The day to day responsibility for the prevention and detection of fraud, misappropriation and other inappropriate conduct rests with Managers.</p> <p>Managers are responsible for:</p> <ul style="list-style-type: none"> <li>• Demonstrating the highest standards of ethical behaviour.</li> <li>• Identifying the risks to which systems, operations and procedures are exposed.</li> <li>• Developing and maintaining effective internal controls to ensure effective stewardship of funds and to prevent and detect fraud.</li> <li>• Ensuring these internal controls are being complied with.</li> <li>• Strictly adhering to delegations of authority.</li> <li>• Ensuring compliance with all corporate and network policies, procedures and guidelines; and</li> <li>• An awareness and sense of responsibility for the types of impropriety that may occur within their respective areas and being alert for any indication of irregularity.</li> </ul>
Employees Responsibility	<p>All employees, including Managers, are responsible for:</p> <ul style="list-style-type: none"> <li>• Being scrupulously fair and honest in their dealings with contractors, suppliers or customers;</li> <li>• Taking reasonable steps to safeguard SDC funds and assets against fraud, theft, unauthorised use and misappropriation;</li> <li>• Strictly adhering to all system security measures, segregation of duties and delegations;</li> <li>• Reporting immediately to the Fraud Control Officer, Chief Financial Officer or Chief Executive if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud may have been committed.</li> <li>• Reporting immediately to the Mayor, Chair of the Finance and Audit Committee or the independent member of the Finance and Audit committee if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud may have been committed by the Chief Executive.</li> </ul>
Elected Members Responsibility	<p>Each elected member is responsible for:</p> <ul style="list-style-type: none"> <li>• Being scrupulously fair and honest in their dealings</li> </ul>



Role	Responsibilities
	<p>with contractors, suppliers or customers;</p> <ul style="list-style-type: none"> <li>Reporting immediately to the Fraud Control Officer, Chief Financial Officer or Chief Executive if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud may have been committed.</li> <li>Reporting immediately to the Mayor, Chair of the Finance and Audit Committee or the independent member of the Finance and Audit committee if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud may have been committed by the Chief Executive.</li> <li>Strictly adhering to all system security measures, segregation of duties and delegations</li> <li>Maintaining a climate of risk awareness by providing firm and visible support for fraud and corruption control management.</li> </ul>
Chief Financial Officer	<ul style="list-style-type: none"> <li>Development, maintenance and implementation of the Fraud Policy.</li> <li>Developing and maintaining the governance and strategy aspects of this policy.</li> </ul>
Chief Executive/ELT	<ul style="list-style-type: none"> <li>Responsible and accountable for the overall ownership and administration of this policy.</li> </ul>

## 9. REVISION RECORD

Date	Version	Revision Description
10 August 2017	V1	First draft for ELT
28 August 2017	V2	Amended version with ELT and staff amendments
6 September 2017		Amended version endorsed by Finance & Audit Committee
26 September 2017		Final version approved by Council

## Proposed Amendment to Dog Control Rules in Otautau

**Record No:** R/17/9/21116  
**Author:** Robyn Rout, Policy Analyst  
**Approved by:** Bruce Halligan, Group Manager Environmental Services

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 The purpose of this report is to inform Council about the results of a consultation process on a proposed amendment to the Dog Control Policy 2015 (the Policy) and Dog Control Bylaw 2015 (the Bylaw) for Otautau, and to present options on how to proceed.

### Executive Summary

- 2 In February the Otautau Community Board (the Board) requested that a change be made to the dog control rules in Otautau, making the west part of the Alex McKenzie Memorial Arboretum an off-leash area instead of on-leash area. In July this year, the Regulatory and Consents Committee considered and endorsed the Board's proposal (see the Statement of Proposal included as Attachment A), and put it out for consultation.
- 3 Twenty five submissions were received on the proposed amendment, and over two thirds of the submissions received were in support.
- 4 However, in light of the feedback that was received from the Alex McKenzie Memorial Arboretum Charitable Trust (the Trust), officers are recommending that the Committee withdraw the Statement of Proposal, and report back to the Board. Council would then liaise with the Board regarding whether they want to investigate other areas to designate as off-leash.

## Recommendation

That the Council:

- a) **Receives the report titled “Proposed Amendment to Dog Control Rules in Otautau” dated 21 September 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) **Determines that the Statement of Proposal should be withdrawn.**
- e) **Requests that staff report back to the Otautau Community Board on the outcome of the proposed amendment.**

## Content

### Background

- 5 The current dog control rules for Otautau were established in 2015 with the adoption of the Policy and the Bylaw. The Otautau Community Board (the Board) provided input into the Policy and Bylaw when they were being established. The Policy and Bylaw currently outline that in the Alex McKenzie Memorial Arboretum, dogs are required to be on-leash. The current dog control rules for Otautau (as depicted in the Bylaw and Policy), are outlined in Attachment B.
- 6 At a meeting in February this year, the Board reconsidered the dog control rules in Otautau and requested a change. In particular, the Board requested that the west area across the bridge at the Arboretum be designated as a dog exercise area. The land on the east side of the Arboretum was proposed to remain designated as on-leash. The division between the two areas was proposed to be the creek that flows through the Arboretum.

### Issues

#### ***Alex McKenzie Memorial Arboretum Charitable Trust***

- 7 During the consultation period, Council staff received correspondence from the Board of the Alex McKenzie Memorial Arboretum Charitable Trust (the Trust). The Trust holds a 20 year lease of the Arboretum, which commenced in 2007. Council staff involved in progressing the amendment were not aware of the lease. Staff have communicated with the Trust and have apologised for not engaging with them when the amendment was being developed.
- 8 The Trust state that what is outlined in the Statement of Proposal would infringe on their rights under the lease to quietly enjoy the property, and the Statement of Proposal would jeopardise their standing as a charity (as the Trust’s status states that it is an Arboretum for children, the elderly and for the general public to enjoy). The Trust is also concerned that having an off-leash area in the Arboretum would damage the work it has done developing the property, affect the tranquillity, and that off-leash dogs may not be well managed or cleaned

up after. The Trust have also asked Council to give them confirmation that the Statement of Proposal will be withdrawn.

- 9 Legal advice sought by the Council indicates that Council would need the Trust's consent to proceed with the Statement of Proposal. The Trust have indicated that they are not willing to give consent. Staff have also approached the Trust and asked if it would give consent if Council committed to a number of factors, such as providing clear signage, patrols, bag dispensers, or improved fencing at the Arboretum. The Trust was still not willing to give consent.

### ***Submissions Received***

- 10 During the consultation period, Council staff received 25 submissions on the proposed amendment (see Attachment C). Seventeen of the submissions supported the proposal and eight were opposed.
- 11 The people who supported the submission gave a number of reasons for their support, including:
- There is no other appropriate place to let a dog safely run free in Otautau, and that the Arboretum would be a nice safe place
  - That the proposal would allow for people to exercise their dogs, while still leaving space in the eastern side of the Arboretum for other people to use, without being subject to free-roaming dogs
  - That there are plenty of other places around Otautau where people can avoid dogs
  - That older people find it difficult to properly exercise their dog when it is on a leash, so a suitable off-leash area would be appreciated.
- 12 There were also a number of reasons raised as to why people did not support the proposed amendment, including:
- That the Arboretum should remain a quiet and peaceful place to be enjoyed by all
  - That not all people like to be around dogs
  - That it would be more appropriate to have an off-leash area closer to the actual town
  - Concerns about dogs toileting in the Arboretum, and it not being cleaned up
  - That making part of the Arboretum an off-leash area may mean there is more of a threat to stock, through dog attacks or the spread of disease
  - That making part of the Arboretum off-leash area is not appropriate as it is a memorial
  - That it would be safer for the users of the Arboretum if dogs are on-leash
  - That a change to the dog control rules may negate all the positive work that has been done by the Trust
  - That other areas could be used instead.

## **Factors to Consider**

### **Legal and Statutory Requirements**

- 13 If Council was to proceed with the Statement of Proposal, there would be legal ramifications under Council's lease agreement with the Trust, and potentially also under statutory provisions.

- 14 An objective of the Dog Control Act 1996 is to impose on the owners of dogs, obligations designed to ensure that dogs do not cause a nuisance to any person and do not injure, endanger, or cause distress to any person. It is also an objective to ensure dogs do not injure, endanger, or cause distress to any stock, poultry, domestic animal, or protected wildlife.
- 15 When adopting a dog control policy Council must have regard to:
- the need to minimise danger, distress, and nuisance to the community generally; and
  - the need to avoid the inherent danger in allowing dogs to have uncontrolled access to public places that are frequented by children, whether or not the children are accompanied by adults; and
  - the importance of enabling, to the extent that is practicable, the public (including families) to use streets and public amenities without fear of attack or intimidation by dogs; and
  - the exercise and recreational needs of dogs and their owners.

### **Community Views**

- 16 The consultation process has been helpful in identifying community views on this matter. Council had previously received correspondence that there were not enough dog exercise areas in the town, and this has been re-iterated through the consultation process. The consultation process has also clearly identified that there is support for establishing a safe, dog off-leash area in Otautau, particularly in the actual township. A number of submitters for and against the proposal have stressed that it is important off-leash dogs are kept under control, that dogs are cleaned up after, and that dangerous dogs are managed appropriately.

### **Costs and Funding**

- 17 If Council does end up proposing another amendment to the Bylaw and Policy, suggesting that a different area be designated as off-leash in Otautau, there may be some additional costs. This would include costs associated with staff time, consultation and signage.

### **Policy Implications**

- 18 If Council proceeds with either of the proposed options, in the meantime, the current dog control Policy and Bylaw would be operational in Otautau. It is possible these rules are not fulfilling the exercise and recreational needs of dogs and their owners.

## **Analysis**

### **Options Considered**

- 19 A number of options were considered regarding how to proceed to ensure Council operates according to its existing agreements and obligations. These included:
- **Option 1** - That Council resolves to withdrawal the Statement of Proposal and staff report back to the Board on the outcome of the proposed amendment (Council could then liaise with the Board regarding whether it wants to investigate other areas to designate as off-leash).
  - **Option 2** - That Council resolves to withdrawal the Statement of Proposal, and continue with the existing dog control rules in Otautau.

## Analysis of Options

### Option 1 – That Council resolves to withdrawal the Statement of Proposal and staff report back to the Board on the outcome of the proposed amendment

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• There might be a potential off-leash site within the township, or closer to the township, making it easier for people to access</li> <li>• It would ensure the environment in the Arboretum would not change</li> <li>• People visiting the Arboretum would not encounter off-leash dogs, which may be safer</li> <li>• There would be less threat to stock around the Arboretum, through dog attacks or the spread of disease</li> <li>• It may show more respect as the Arboretum is a memorial site</li> <li>• Complies with Council's obligations to the Trust.</li> </ul>	<ul style="list-style-type: none"> <li>• Having an off-leash area in the Arboretum was supported by a number of submitters, so some submitters may be disappointed if the Statement of Proposal is not proceeded with</li> <li>• It is not clear at this stage, if there is another appropriate site where dogs could be allowed off-leash</li> <li>• There may be an adverse public reaction to withdrawing the Statement of Proposal</li> <li>• Dog control rules are a polarising issue, and revisiting this topic again may upset some people</li> <li>• Revisiting this issue again may cause 'over-consulting' in Otautau, resulting in people being reluctant to engage.</li> </ul>

### Option 2 – That Council resolves to withdrawal the Statement of Proposal, and continue with the existing dog control rules in Otautau

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• It would ensure the environment in the Arboretum would not change</li> <li>• People visiting the Arboretum may not encounter off-leash dogs, which may be safer</li> <li>• There may be less threat to stock around the Arboretum, through dog attacks or the spread of disease</li> <li>• It may show more respect as the Arboretum is a memorial site</li> <li>• Complies with Council's obligations to the Trust</li> <li>• Council will not incur any more cost on this issue</li> <li>• Dog control rules are a polarising issue, and so opting back to the current rules may prevent some people from becoming upset.</li> </ul>	<ul style="list-style-type: none"> <li>• Having an off-leash area in the Arboretum was supported by over two thirds of the submitters, so some submitters may be disappointed if the Statement of Proposal is not proceeded with</li> <li>• Dog owners have said there is not a safe place where they can have their dog off-leash in Otautau, so this option would not take steps to resolve this issue</li> <li>• There may be an adverse public reaction to withdrawing the Statement of Proposal.</li> </ul>

### Assessment of Significance

- 20 This matter has been assessed as having a lower level of significance in accordance with Council Significance and Engagement Policy, and the Local Government Act 2002.

### Recommended Option

- 21 It is recommended that Council proceeds with Option 1, and resolves to withdrawal the Statement of Proposal and staff report back to the Board on the outcome of the proposed amendment.

### Next Steps

- 22 If Council proceeds with Option 1, staff would take steps with withdrawal the Statement of Proposal, and write a report to the Board, advising them of the outcome of the proposed amendment.

### Attachments

- A Statement of Proposal [↓](#)
- B Current Dog Control Rules in Otautau [↓](#)
- C Submissions Recieved on the Proposed Amendment to the Dog Control Rules [↓](#)



## STATEMENT OF PROPOSAL – Amending the Dog Control Bylaw and Dog Control Policy in relation to the Alex McKenzie Arboretum in Otautau

### Proposed Amendments

Council is proposing an amendment to both the Dog Control Policy 2015 and the Dog Control Bylaw 2015. The proposed amendment is that the west area across the bridge at the Alex McKenzie Memorial Arboretum be designated as a dog exercise area (instead of an on-leash area as it is currently). The east part of the Arboretum, beside the Highway, will remain designated as on-leash. The delineation line between the two areas would follow the creek. The current and proposed dog control rules in Otautau are outlined in Appendix A and B.

Council is considering making this amendment as the Otautau Community Board has requested that Council make the change. Feedback has been received that there are not enough suitable areas to exercise dogs in Otautau.

### Making a Submission

Submissions are invited on the draft Dog Control Bylaw and Dog Control Policy from 8 July 2017, and submissions must be received by 8.00 pm on 8 August 2017. Submissions can be made:

- through the Council's website (<https://consult.southlanddc.govt.nz>)
- via post (Southland District Council, Submissions, PO Box 903, Invercargill 9840)
- in writing at your local Southland District Council office.

Written submissions must state that the submission relates to Otautau's dog control rules, and give the submitter's name and contact details.

Submitters who make a written submission can also elect to make an oral submission to the Regulatory and Consents Committee. This can be indicated through the online submission process, or by the submitter raising that they would like to make an oral submission, in their written submission. Oral submissions are likely to be heard on the morning of the 28<sup>th</sup> of September. Council staff will be in touch to confirm a time.

All submissions received by Southland District Council will be made available to the public.

### Options

For this decision, Council has identified all reasonably practicable options to try and achieve the objective of dogs not causing a nuisance, injuring, endangering, or cause distress in Otautau, while still trying to meeting the needs of dog owners and their dogs. The options and analysis are presented below.

**Option 1 – Not amending the Bylaw or Policy** (the documents could be reviewed when they are legally required to be reviewed in 2025 or when another more substantial change is required).

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• The members of the public who prefer not to be around dogs or who fear dog attacks, would prefer this option.</li> <li>• The people who own property and have livestock adjacent to the Arboretum, would support not making the amendment.</li> </ul>	<ul style="list-style-type: none"> <li>• The Otautau Community Board have expressed a desire for the dog access rules to be changed in the Arboretum and this option would not be in accordance with their wishes.</li> </ul>

<ul style="list-style-type: none"> <li>• There is less risk of dogs being a nuisance or injuring, endangering, or causing distress to people (including in relation to people who are in the east side of the Arboretum or in the freedom camping area) if the amendment is not made.</li> <li>• There is less risk of dogs injuring, endangering, or causing distress to livestock and other animals if the amendment is not made.</li> <li>• It is likely there would not be a review or consultation process before they are legally required. This would prevent Council incurring the costs associated with reviewing and consulting on the dog control rules at this time.</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback has been received that dog owners in Otautau are not happy with the current dog control rules and this option would not address their concerns.</li> </ul>
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### Option 2 – Endorsing the draft Bylaw and Policy and undertaking a consultation process on the proposed amendment

<b>Advantages</b>	<b>Disadvantages</b>
<p><u>Adopting amendment without consultation</u></p> <ul style="list-style-type: none"> <li>• This would be a cheaper option as it would take up less staff time and there would not be as much advertising expense.</li> </ul> <p><u>Consulting</u></p> <ul style="list-style-type: none"> <li>• People in Otautau are likely to be happier with the process if Council consults.</li> <li>• Council are likely to learn more about community views on this matter if it consults.</li> </ul> <p><u>General</u></p> <ul style="list-style-type: none"> <li>• This would help address the concerns of the dog owners in Otautau, by providing another area where people can exercise their dogs.</li> <li>• There seems to be a lack of safe and suitable dog exercise areas in Otautau, so the amendment would help fulfil the needs of dog owners and their dogs.</li> <li>• Changing the west part of the Arboretum to a dog exercise area (and not the east side), reduces the risk of dogs being a nuisance or injuring, endangering, or causing distress to any person (as this area of the Arboretum is not close to the main road or the freedom camping area).</li> <li>• Changing the west part of the Arboretum to a dog exercise area may bring more people into the park, promoting vibrant communities.</li> <li>• There are other areas in Otautau where people can avoid dogs.</li> </ul>	<p><u>Adopting amendment without consultation</u></p> <ul style="list-style-type: none"> <li>• It is likely that people in Otautau would prefer a consultation process, and there may be negative feedback if the change is made without consultation.</li> <li>• By not consulting on the proposed amendment, Council may not have sufficient information to fully understand community views.</li> </ul> <p><u>Consulting</u></p> <ul style="list-style-type: none"> <li>• Undertaking a consultation process takes up staff time and has costs associated with it.</li> <li>• If feedback is sought on this amendment to the dog control rules, submissions may relate to other parts of the rules.</li> </ul> <p><u>General</u></p> <ul style="list-style-type: none"> <li>• The members of the public who would prefer not to be around dogs or who fear dog attacks, would not support the amendment.</li> <li>• The people who own property and have livestock adjacent to the Arboretum, would not support the amendment.</li> <li>• There is an increased risk of dogs being a nuisance or injuring endangering, or causing distress to people (including in relation to people who are in the east side of the Arboretum or in the freedom camping area) if the amendment is made.</li> <li>• There is an increased risk of dogs injuring endangering, or causing distress to livestock and other animals if the amendment is made.</li> <li>• Creating a dog off-leash area may deter some people from visiting the Arboretum.</li> </ul>

**Option 3 – Making a different change to the Bylaw** (a different change could be made to the dog access rules in Otautau, designating an alternative area where dog owners can exercise their dogs).

<i><b>Advantages</b></i>	<i><b>Disadvantages</b></i>
<ul style="list-style-type: none"> <li>• This would help address the concerns of the dog owners in Otautau, by providing another area where people can exercise their dogs.</li> <li>• There seems to be a lack of safe and suitable dog exercise areas in Otautau, so an amendment would help fulfil the needs of dog owners.</li> </ul>	<ul style="list-style-type: none"> <li>• Undertaking a consultation process takes up staff time and has costs associated with it.</li> <li>• If feedback is only sought on one part of the dog control rules, submissions may relate to other parts of the rules.</li> <li>• The Otautau Community Board have expressed a desire for the dog access rules to be changed in the Arboretum and this option would not be in accordance with their wishes.</li> <li>• Members of the public who prefer not to be around dogs or who fear dog attacks, may not support any proposed dog exercise area.</li> <li>• Members of the public who may have property with livestock near a proposed dog exercise area, are unlikely to support the proposed dog exercise area.</li> <li>• There is likely to be an increased risk of dogs injuring, endangering, or causing distress to livestock and other animals if a new dog exercise area is designated.</li> <li>• There is likely to be an increased risk of dogs being a nuisance or injuring, endangering, or causing distress to people if a new dog exercise area is designated.</li> </ul>

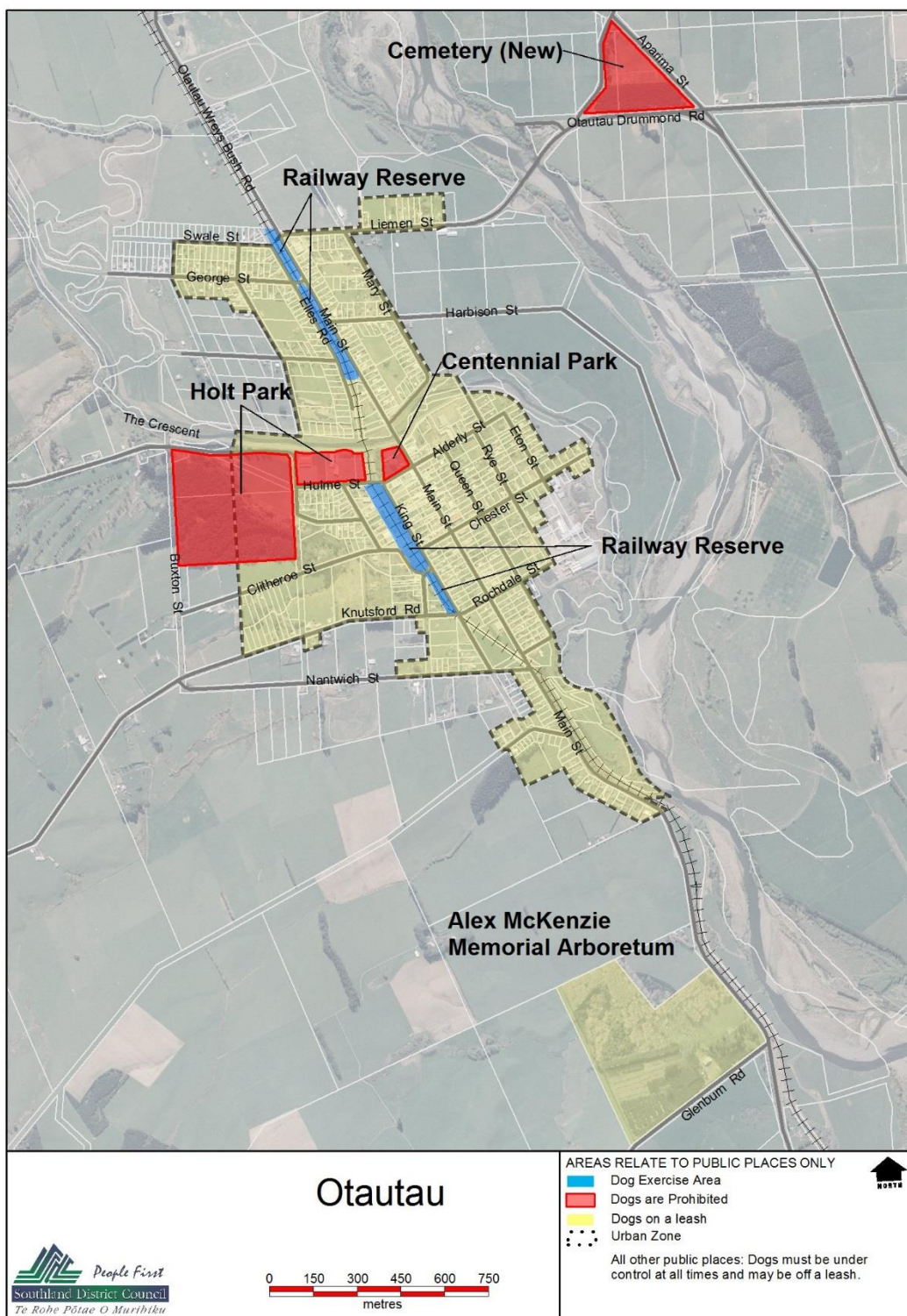
### Relevant Determinations

Under Section 155 of the Local Government Act, Council has determined that the proposed Bylaw is the most appropriate way to address the perceived problem and the most appropriate form of Bylaw. Bylaws have been a traditional method of addressing issues associated with Dog Control to protect and enhance the safety of the public, while providing dogs and their owners with the ability to satisfy their recreational needs. The Dog Control Act 1996 states that any territorial authority may, in accordance with the Local Government Act 2002, make bylaws for an extensive list of dog issues.

In relation to amending the Bylaw, Council has also considered any implications under the New Zealand Bill of Rights Act 1990. The New Zealand Bill of Rights Act 1990 confers certain civil and political rights to people in New Zealand. Council needs to be satisfied that the proposed Bylaw will not be inconsistent with the Act, that is, it imposes reasonable limits that can be reasonably justified in a free and democratic society. Case law suggests that permanent prohibition of certain activities that the community may wish to undertake may impose unreasonable limits, for example prohibiting dogs from all open spaces in the District. Being able to regulate allows Council to make rules which have the intention of preventing or reducing the harm to both animals and members of the public.

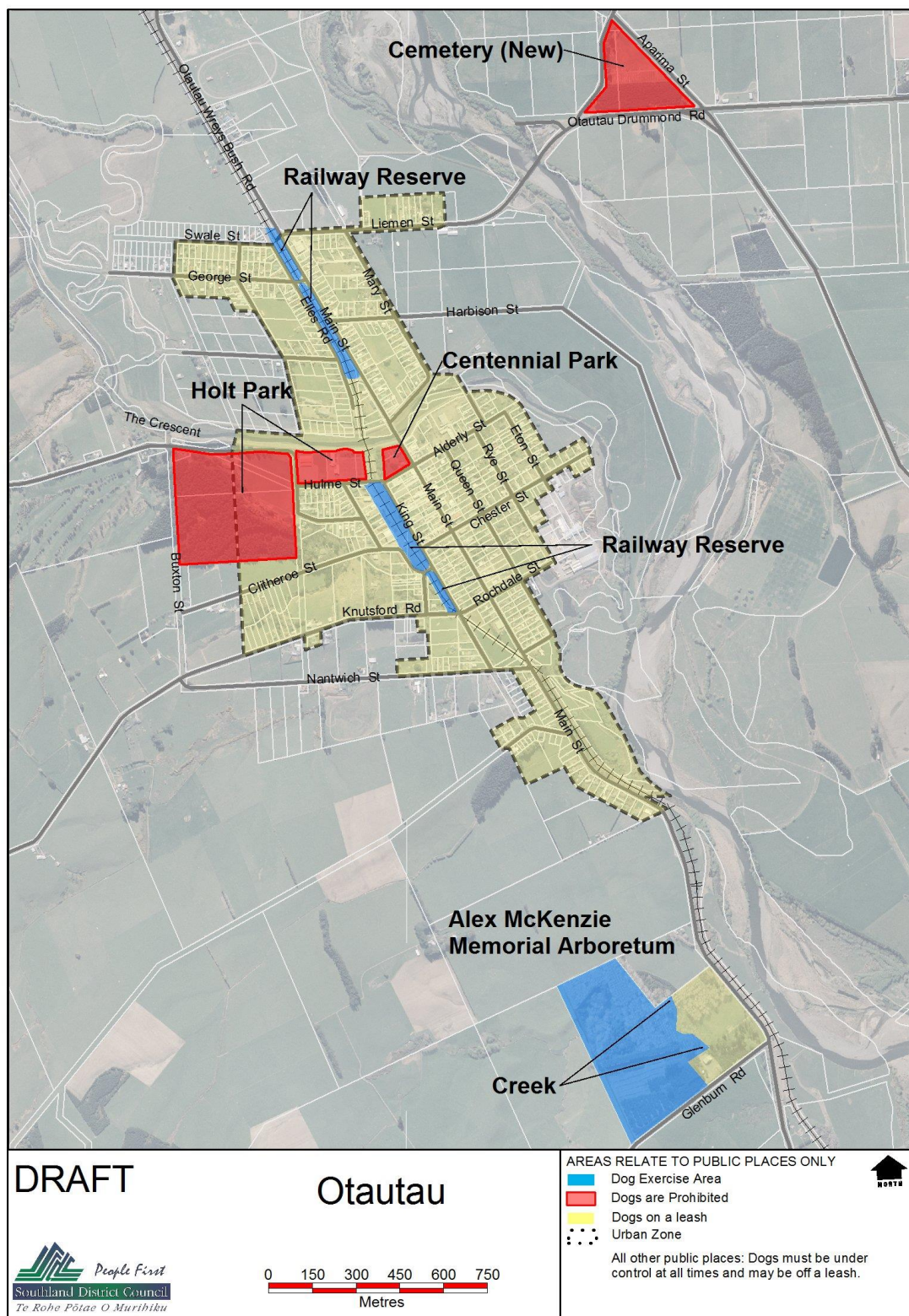
## Appendices

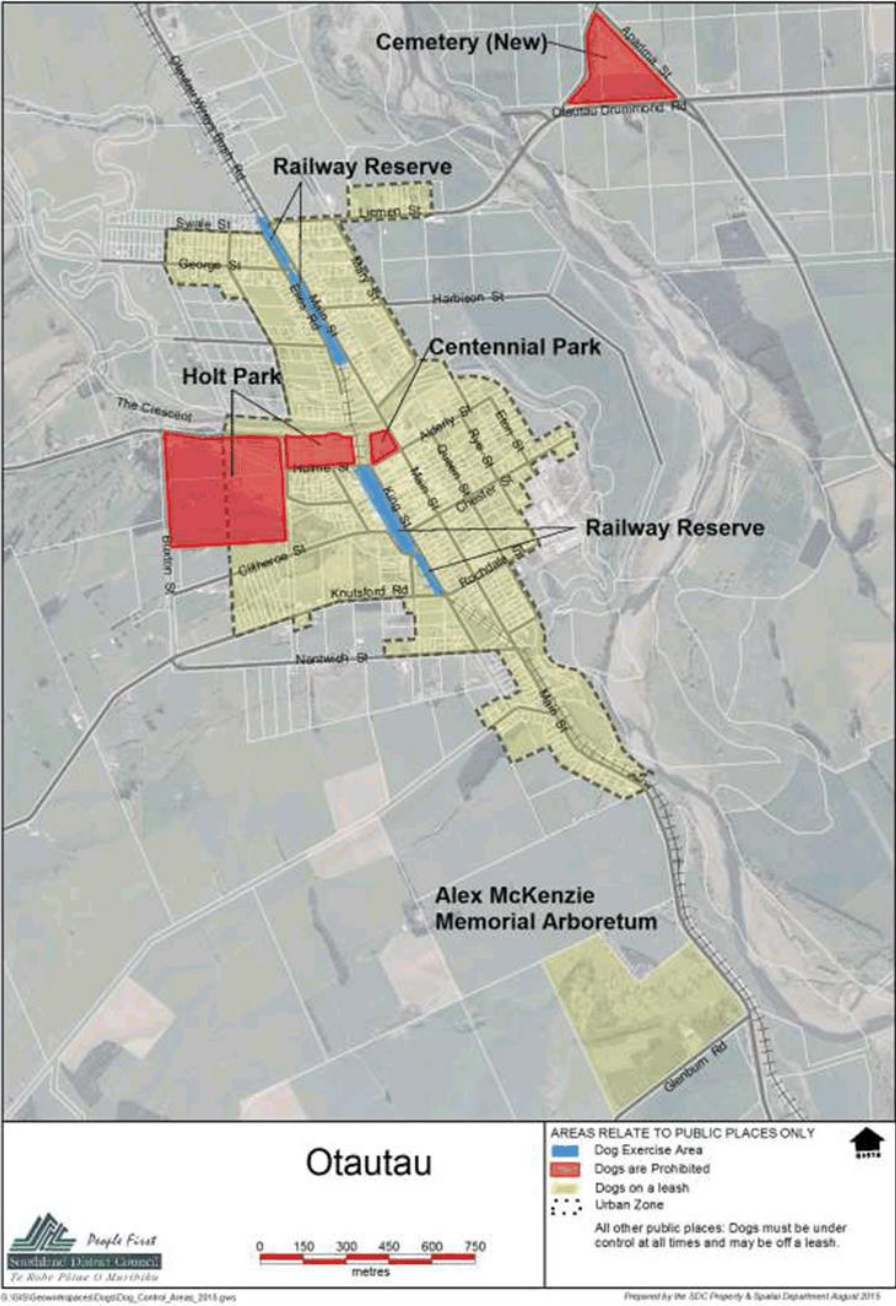
### Appendix A – Current Dog Control Rules in Otautau





## Appendix B – Proposed Amendment to the Dog Access Rules in Otautau







**Submitter Details**

First Name: **Kath**  
 Last Name: **Pinkerton**  
 On behalf of: **Kathryn & Terry Pinkerton**  
 Street: [REDACTED]  
 Suburb:  
 City: **Otautau**  
 Country: **New Zealand**  
 PostCode: **9610**

Which Community Board Area is your property in?

- |                                      |   |  |  |
|--------------------------------------|---|--|--|
| <input type="radio"/> Athol          | <input type="radio"/> Balfour               | <input type="radio"/> Browns                 | <input type="radio"/> Colac Bay          |
| <input type="radio"/> Curio Bay      | <input type="radio"/> Dipton                | <input type="radio"/> Edendale               | <input type="radio"/> Fortrose           |
| <input type="radio"/> Garston        | <input type="radio"/> Limehills Centre Bush | <input type="radio"/> Lumsden                | <input type="radio"/> Manapouri          |
| <input type="radio"/> Mararoa Waimea | <input type="radio"/> Milford Sound         | <input type="radio"/> Mossburn               | <input type="radio"/> Nightcaps          |
| <input type="radio"/> Ohai           | <input type="radio"/> Orepuki               | <input type="radio"/> Otautau                | <input type="radio"/> Other              |
| <input type="radio"/> Riversdale     | <input type="radio"/> Riverton              | <input type="radio"/> Stewart Island Rakiura | <input type="radio"/> Te Anau            |
| <input type="radio"/> Thornbury      | <input type="radio"/> Tuatapere             | <input type="radio"/> Waiau Aparima          | <input type="radio"/> Waihopai Toetoes   |
| <input type="radio"/> Waikaia        | <input type="radio"/> Wallacetown           | <input type="radio"/> Winton                 | <input type="radio"/> Winton Wallacetown |

Wishes to be heard:

- ☐ Yes  
☒ I do NOT wish to speak in support of my submission and ask that the following submission be fully considered.

Correspondence to:

- ☒ Submitter  
☐ Agent  
☐ Both

**Submission**

Do you support or oppose changing the west area across the creek at the Alex McKenzie Memorial Arboretum to a dog exercise area (it is currently an on-leash area)?

- ☒ I support the draft amendment  
☐ I oppose the draft amendment  
☐ I neither support nor oppose the draft amendment

If you support or oppose the draft amendment, please state why

**Comments**

This is an excellent area for dogs to be able to run free. As long as all faeces are removed and common decencies taken into account ie keeping dog on leash when other people are around, what a fantastic large area. Thank you

If you have any other comments on the draft amendment please provide these in the space provided below



Comments

Attached Documents

File
Amendment to the Dog Control Rules in Otautau

**Submitter Details**

First Name: **DAWN**  
 Last Name: **BARRY**  
 Street: [REDACTED]  
 Suburb:  
 City: **Riverton**  
 Country:  
 PostCode: **9822**

Which Community Board Area is your property in?

- |                                      |   |  |  |
|--------------------------------------|---|--|--|
| <input type="radio"/> Athol          | <input type="radio"/> Balfour               | <input type="radio"/> Browns                 | <input type="radio"/> Colac Bay          |
| <input type="radio"/> Curio Bay      | <input type="radio"/> Dipton                | <input type="radio"/> Edendale               | <input type="radio"/> Fortrose           |
| <input type="radio"/> Garston        | <input type="radio"/> Limehills Centre Bush | <input type="radio"/> Lumsden                | <input type="radio"/> Manapouri          |
| <input type="radio"/> Mararoa Waimea | <input type="radio"/> Milford Sound         | <input type="radio"/> Mossburn               | <input type="radio"/> Nightcaps          |
| <input type="radio"/> Ohai           | <input type="radio"/> Orepuki               | <input type="radio"/> Otautau                | <input type="radio"/> Other              |
| <input type="radio"/> Riversdale     | <input type="radio"/> Riverton              | <input type="radio"/> Stewart Island Rakiura | <input type="radio"/> Te Anau            |
| <input type="radio"/> Thornbury      | <input type="radio"/> Tuatapere             | <input type="radio"/> Waiau Aparima          | <input type="radio"/> Waihopai Toetoes   |
| <input type="radio"/> Waikaia        | <input type="radio"/> Wallacetown           | <input type="radio"/> Winton                 | <input type="radio"/> Winton Wallacetown |

Wishes to be heard:

- ☐ Yes  
☒ I do NOT wish to speak in support of my submission and ask that the following submission be fully considered.

Correspondence to:

- ☒ Submitter  
☐ Agent  
☐ Both

**Submission**

Do you support or oppose changing the west area across the creek at the Alex McKenzie Memorial Arboretum to a dog exercise area (it is currently an on-leash area)?

- ☒ I support the draft amendment  
☐ I oppose the draft amendment  
☐ I neither support nor oppose the draft amendment

If you support or oppose the draft amendment, please state why

Comments

I support this amendment. The arboretum is a sensible & safe place to exercise dogs off lead & Otautau is very short on these areas.

If you have any other comments on the draft amendment please provide these in the space provided below

Comments

Attached Documents

File
Amendment to the Dog Control Rules in Otautau

**Submitter Details**

First Name: **Ian**  
 Last Name: **Bonos**  
 Street: [REDACTED]  
 Suburb: **Otautau**  
 City: **Otautau**  
 Country:  
 PostCode: **9610**

Which Community Board Area is your property in?

- |                                      |   |  |  |
|--------------------------------------|---|--|--|
| <input type="radio"/> Athol          | <input type="radio"/> Balfour               | <input type="radio"/> Browns                 | <input type="radio"/> Colac Bay          |
| <input type="radio"/> Curio Bay      | <input type="radio"/> Dipton                | <input type="radio"/> Edendale               | <input type="radio"/> Fortrose           |
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Wishes to be heard:

- ☐ Yes  
☒ I do NOT wish to speak in support of my submission and ask that the following submission be fully considered.

Correspondence to:

- ☒ Submitter  
☐ Agent  
☐ Both

**Submission**

Do you support or oppose changing the west area across the creek at the Alex McKenzie Memorial Arboretum to a dog exercise area (it is currently an on-leash area)?

- ☒ I support the draft amendment  
☐ I oppose the draft amendment  
☐ I neither support nor oppose the draft amendment

If you support or oppose the draft amendment, please state why

**Comments**

The only off leash area currently in Otautau is the railway reserve which is within the urban area who's boundary's are roads with a railway running though the center. This is hardly an ideal area to let family's and their children exercise their animals. Although the evidence is anecdotal, In the 3 years I lived opposite the reserve I did not see one person exercise their dog off a leash. Regardless of the current bylaws the public has exercised their dogs in the arboretum off leash as they can not see the need for this existing bylaw as it is a large open space with no traffic and in general they feel they are in a majority who use this area. Having bylaws or any legal restriction that is aimed at people who consider those bylaws unnecessary, pointless or prohibitive is not only unlikely to be obeyed but makes an other wise law abiding citizen into a law breaker the only remedy if this bylaw remains the same would be if the council is prepared to enforce it on a daily

basis at prohibitive costs, this would also seem some what draconian. The only reason that this bylaw should not be changed would be if there was a danger to the public or to stock in adjacent fields. I am unaware of any incidents that have occurred in regards to the public or stock that have been reported in the previous 5 years. The vast majority who exercise their dogs are law abiding members of the community who care for their animals and want a safe area where their dogs can be given the freedom to run or chase sticks with or without their children and be exercised in safety.

If you have any other comments on the draft amendment please provide these in the space provided below

Comments

Attached Documents

File
Amendment to the Dog Control Rules in Otautau

**Submitter Details**

First Name: **Anne**  
 Last Name: **Bonos**  
 Street: [REDACTED]  
 Suburb:  
 City: **Otautau**  
 Country:  
 PostCode: **9610**

Which Community Board Area is your property in?

- |                                      |   |  |  |
|--------------------------------------|---|--|--|
| <input type="radio"/> Athol          | <input type="radio"/> Balfour               | <input type="radio"/> Browns                 | <input type="radio"/> Colac Bay          |
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| <input type="radio"/> Waikaia        | <input type="radio"/> Wallacetown           | <input type="radio"/> Winton                 | <input type="radio"/> Winton Wallacetown |

Wishes to be heard:

- ☐ Yes  
☒ I do NOT wish to speak in support of my submission and ask that the following submission be fully considered.

Correspondence to:

- ☒ Submitter  
☐ Agent  
☐ Both

**Submission**

Do you support or oppose changing the west area across the creek at the Alex McKenzie Memorial Arboretum to a dog exercise area (it is currently an on-leash area)?

- ☒ I support the draft amendment  
☐ I oppose the draft amendment  
☐ I neither support nor oppose the draft amendment

If you support or oppose the draft amendment, please state why

**Comments**

The Arboretum is a asset for the whole community but in my experience the vast majority of the users have dogs with them and while I enjoy walking my dog on a leash I would be far happier if there was a safe area to exercise her. I am in my sixty's and it is obvious to me that my dog needs far more exercise than I do, at the moment that exercise is limited to my ability to walk a given distance it would be preferable if the dog got more exercise than I do in a safe environment. Having visited the dog exercise area in South Invercargill and having spoken to many owners, they consider it a great success. While replicating that environment would be extremely expensive the need it serves could be meet in this area by supporting this amendment.

If you have any other comments on the draft amendment please provide these in the space provided below

Comments

Attached Documents

File
Amendment to the Dog Control Rules in Otautau



**Submitter Details**

First Name: **Tanla**  
 Last Name: **McLardy**  
 Street: [REDACTED]  
 Suburb:  
 City: **Otautau**  
 Country:  
 PostCode: **9610**

Which Community Board Area is your property in?

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| <input checked="" type="radio"/> Athol | <input type="radio"/> Balfour               | <input type="radio"/> Browns                 | <input type="radio"/> Colac Bay          |
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Wishes to be heard:

- ☐ Yes  
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Correspondence to:

- ☒ Submitter  
☐ Agent  
☐ Both

**Submission**

Do you support or oppose changing the west area across the creek at the Alex McKenzie Memorial Arboretum to a dog exercise area (it is currently an on-leash area)?

- ☒ I support the draft amendment  
☐ I oppose the draft amendment  
☐ I neither support nor oppose the draft amendment

If you support or oppose the draft amendment, please state why

**Comments**

We have 8 dogs whom when off leash are well behaved and non threatening to others. There is no safe place in Otautau to exercise our dogs otherwise and they are contained in (as per our multiple dog license) our back yard. Off leash is the best and healthiest way for us to exercise them. While also being able to socialise with other people and dogs.

If you have any other comments on the draft amendment please provide these in the space provided below

Comments

This would be a very good change for dog owners who are paying higher registration fees!  
Especially those of us who are doing the right thing. Another point also is reminding people to pick up after their dogs, if this proposal goes ahead, which we sincerely hope it does.

Attached Documents

File
Amendment to the Dog Control Rules in Otautau

**Submitter Details**

First Name: **Sandra**  
 Last Name: **McKenzie**  
 On behalf of: **Glenburn Family Trust**  
 Street: [REDACTED]  
 Suburb:  
 City: **Otautau**  
 Country:  
 PostCode: **9683**

Which Community Board Area is your property in?

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|--------------------------------------|---|--|--|
| <input type="radio"/> Athol          | <input type="radio"/> Balfour               | <input type="radio"/> Browns                 | <input type="radio"/> Colac Bay          |
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Wishes to be heard:

- ☐ Yes  
☒ I do NOT wish to speak in support of my submission and ask that the following submission be fully considered.

Correspondence to:

- ☐ Submitter  
☐ Agent  
☐ Both

**Submission**

Do you support or oppose changing the west area across the creek at the Alex McKenzie Memorial Arboretum to a dog exercise area (it is currently an on-leash area)?

- ☐ I support the draft amendment  
☒ I oppose the draft amendment  
☐ I neither support nor oppose the draft amendment

If you support or oppose the draft amendment, please state why

**Comments**

We farm the boundary, on three sides of the Arboretum, dogs getting lost and/or running away from their owners while in the Arboretum, have in the past caused stock losses, necessitating us to now have our own dog traps. It is sickening to go into the paddock and find the back end of lambs chewed off by roaming dogs, these lambs have then had to be destroyed. C-Ovis is a major concern, spread by untreated dogs having raw meat and passing it on in the dog poo, this is then spread by wind, infects pasture and in turn causes downgrading of our stock. Town dogs are not on the same worm programmes as working dogs. which are treated four weekly. Free running dogs will poo anywhere, although signs state remove your dogs deposit, you can see for yourself this does not happen now, and the dogs are supposed to be on-leash. At any given time we have up to

9500 stock units at risk on the farm, how are you able to police free running of dogs, if it is made available in the Arboretum. Owners of dogs that visit the Arboretum now should be ashamed of themselves, not cleaning up after their dogs is unacceptable, and letting them off leash is against the Dog Control Policy, and you cannot police this now. We have even seen people leave the park, leaving their dogs running free because they can't catch them. When asked why? they said they thought they might come if they saw the car leaving, really this is not good enough. Don't change the Dog control Policy, there are enough issues as it is now. There is a large area of river flat at Yellow Bluff bridge, use that as a free run area, if one is really necessary.

If you have any other comments on the draft amendment please provide these in the space provided below

Comments

Attached Documents

File
Amendment to the Dog Control Rules in Otautau

**Submitter Details**First Name: **Sandra**Last Name: **McKenzie**Organisation: **Alex McKenzie Memorial Arboretum Charitable Trust**On behalf of: **Trustees: Jan Lowrey, George Stearne, Anna & Bruce Yates, Bill Marshall, Wayne Trainer, Gwen Roff & Volunteer Catherine Onellion**

Street: [REDACTED]

Suburb:

City: **Otautau**

Country:

PostCode: **9683**

Which Community Board Area is your property in?

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| <input type="radio"/> Athol          | <input type="radio"/> Balfour               | <input type="radio"/> Browns                 | <input type="radio"/> Colac Bay          |
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| <input type="radio"/> Waikaia        | <input type="radio"/> Wallacetown           | <input type="radio"/> Winton                 | <input type="radio"/> Winton Wallacetown |

Wishes to be heard:

- ☐ Yes
- ☒ I do NOT wish to speak in support of my submission and ask that the following submission be fully considered.

Correspondence to:

- ☒ Submitter
- ☐ Agent
- ☐ Both

**Submission**

Do you support or oppose changing the west area across the creek at the Alex McKenzie Memorial Arboretum to a dog exercise area (it is currently an on-leash area)?

- ☐ I support the draft amendment
- ☒ I oppose the draft amendment
- ☐ I neither support nor oppose the draft amendment

If you support or oppose the draft amendment, please state why

**Comments**

As Chairman of the Trust that holds a twenty year lease on the Arboretum signed in 2007 with the then mayor Frana Cardino, we are somewhat taken back, at the fact we were not given the courtesy of a face to face consultation over this latest proposed amendment to the Dog Control Policy for the Arboretum. For the last ten years we have battled away, a small band of like minded people, who could see the advantages that were available, in recreating and improving an Arboretum to be proud of. A place for Otautau to be proud of. We have created a Heritage Apple Orchard, a Memorial Grove, a garden of remembrance to the Linen Flax Mill that once stood in that

area, an extension to the Native Area, stumped and mowed a now replanted a exotic tree area, and with assistance from Rural Women planted a Maple tree walk. We have also planted hundreds of daffodil bulbs along the roadside entrance. Many smaller plantings have been done, bridges built and upgraded, picnic tables and bench seats have been added. A re-sowing of a sports field and a chain fence to protect it has been erected. None of this was done with any suggestion from Council that on completion of our work, it would then be turned into a Dog Park. What happened to our Lease Agreement? The Arboretum is a place of reflection, of peace, quiet, and beauty, where people have planted trees to remember their loved ones, and this is where you plan to free run dogs. The Arboretum is also a Freedom Camping area, we love having these people, they are interesting, and also interested in what we have done. We have no problems with them at all, they respect the area, and leave only their footprints. Unlike the dogs and their owners. We have Schools, Rest Homes, Tour groups from all sorts of organisations all visiting to enjoy the Arboretum, you cannot have dogs free running, with young and old alike being there. Dog owners forget not everyone likes their pet. People feel intimidated by them, threatened, and it is your duty to keep this park safe for the Public to enjoy. The Charities Commission standing would also be effected as our status states that we are a Arboretum for children elderly and general public to enjoy. You will take all of this away if you allow free running dogs. Retain the Status Quo, I will battle to keep dogs on leads at all times, and hand out doggy bags to try and keep this beautiful area clean, and educate the owners. Sandra McKenzie Chairman Alex McKenzie Memorial Arboretum Charitable Trust

If you have any other comments on the draft amendment please provide these in the space provided below

#### Comments

There is a large area just behind the Transfer Station of river flats at Yellow Bluffs Bridge, encourage owners to use it, at least it will wash clean from time to time.

#### Attached Documents

File
Amendment to the Dog Control Rules in Otautau

**Submitter Details**

First Name: **Nikki**  
 Last Name: **Stigley**  
 Street: [REDACTED]  
 Suburb:  
 City: **Otautau**  
 Country: **NZ**  
 PostCode: **9610**

Which Community Board Area is your property in?

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| <input type="radio"/> Athol          | <input type="radio"/> Balfour               | <input type="radio"/> Browns                 | <input type="radio"/> Colac Bay          |
| <input type="radio"/> Curio Bay      | <input type="radio"/> Dipton                | <input type="radio"/> Edendale               | <input type="radio"/> Fortrose           |
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Wishes to be heard:

- ☐ Yes  
☒ I do NOT wish to speak in support of my submission and ask that the following submission be fully considered.

Correspondence to:

- ☒ Submitter  
☐ Agent  
☐ Both

**Submission**

Do you support or oppose changing the west area across the creek at the Alex McKenzie Memorial Arboretum to a dog exercise area (it is currently an on-leash area)?

- ☒ I support the draft amendment  
☐ I oppose the draft amendment  
☐ I neither support nor oppose the draft amendment

If you support or oppose the draft amendment, please state why

**Comments**

I support the draft amendment to provide a dog exercise area in the west part of the Arboretum. I assume that my understanding of a dog exercise area is that it will be fully fenced. We have nowhere in the immediate Otautau area that we can let a dog run free. We have a small 9month old puppy who is taken for walks around the town but loves the freedom to run around like dogs do without us having the worry of him being run over by a vehicle. He loves going to the exercise park in Invercargill but it would be great to having something much closer. Even better would be the possibility of having something in the Otautau township which would mean it would be available to those who don't drive like myself (I have a disability so I use a mobility scooter). An exercised dog is a happy dog who is less likely to bark and annoy neighbours or dig holes, because he is bored.



If you have any other comments on the draft amendment please provide these in the space provided below

Comments

Attached Documents

File
Amendment to the Dog Control Rules in Otautau

This submission relates to the Otautau dog control rules

Full name:

Physical address: [REDACTED]

Postal address (if different to above):

Daytime phone number: [REDACTED]

Mobile phone number: [REDACTED]

E-mail address: [REDACTED]

Signature:

*Andrew Davis*

Date:

17-7

I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s):

Please list

*NO I DONT AGREE. LEAVE THE  
ARBORET ALONE.  
THERE PLENTY OF OTHER PLACES TO LET DOGS  
RUN. HOW ABOUT NORTH SIDE OF FLOOD BANK*

.....Continue overleaf if required

I wish/I do not wish to speak to my submission (please circle your preference)

This submission relates to the Otautau dog control rules

Full name:

Physical address:

1111 [redacted]  
Otautau 9010 L10

Postal address (if different to above):

Daytime phone number:

Mobile phone number:

E-mail address:

Signature:

ASH McPawell

Date:

16th July 2017

SDC proposes changing west area of Arboretum from on-leash to dogs off-leash. Will you consider supporting this please. Submissions to Council office by 8 August

MUST REMEMBER TO CHECK OUT

PGG Wrightson Agonline.co.nz

The easy way to buy and sell livestock nationwide

I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area. **NO**

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s): **NO**

Please list

1. works very well as it is.
2. Some dogs are not friendly and if they are big dogs they are a threat to the smaller breeds.

Hill McPawell

.....Continue overleaf if required

I wish I do not wish to speak to my submission (please circle your preference)

This submission relates to the Otautau dog control rules

Full name: Carole Baker

Physical address: [REDACTED]

Postal address (if different to above) [REDACTED]

Daytime phone number [REDACTED] Mobile phone number:

E-mail address: [REDACTED]

Signature:

Carole Baker

Date:

12/7/2017

I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s):

Please list I think this is an excellent proposal as there is nowhere in Otautau where dogs can be properly exercised, the Railway Reserves being totally unsuitable as it puts both dogs and drivers of cars and trains at risk.

I would hope that dog owners would still be encouraged to pick up faeces, as this is something that seems currently to be largely ignored. Provision of disposed bags and a bin in the carpark would also be helpful, as would litter bins.

Perhaps more attention could be paid to containing dangerous dogs here. I have lived in Otautau for two years and in that time my Labrador has been attacked twice by dogs loose on the street. There is a strong anti-dog opinion here and as

it's needs have been catered for already, the time has now come to give support to all the many responsible dog owners in this area.

This submission relates to the Otautau dog control rules

Full name: CLIFFORD ROBERT BAKER

Physical address: [REDACTED]

Postal address (if different to above): [REDACTED]

Daytime phone number: [REDACTED]

Mobile phone number: [REDACTED]

E-mail address: [REDACTED]

Signature: CBaker

Date: 12<sup>th</sup> July 2017

☒ I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

☒ I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s):

Please list As a resident of Otautau, a regular visitor to the arboretum, and a responsible dog owner, I feel that the opportunities for fully exercising dogs in Otautau are limited. I think the proposed changes will provide for good dog exercise, but still leave a useful area for campers, picnickers, and others to make good use of the eastern area of the arboretum without being subjected to contact with free running dogs. With appropriate signage all parties can choose the area they wish to use.

I think the current rule requiring dog owners to collect their dogs' faeces should remain. I also think it would be useful to have one or two bins provided for the disposal of dog faeces, as is the case in council parks and leisure facilities in other areas.

.....Continue overleaf if required

I wish ☒ do not wish to speak to my submission (please circle your preference)

CB



This submission relates to the Otautau dog control rules

Full name: Elsbeth Patricia Cameron

Physical address: [REDACTED]

Postal address (if different to above):

Daytime phone number: [REDACTED]

Mobile phone number: [REDACTED]

E-mail address: [REDACTED]

Signature: E. Cameron

Date: 4/8/17

I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s):

Please list

I can take my dog up there and she can get a better run without being stuck on a lead so it's better exercise for her.

Bigger dogs need great open spaces to run and for extra exercise.

It's out of the township so there's no worry about dogs running out into traffic. Safer for dogs to run free out there.

.....Continue overleaf if required

I wish I do not wish to speak to my submission (please circle your preference)

This submission relates to the Otautau dog control rules

I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reasons

1. While the existing area dogs off-leash area along the railway reserve in Otautau may have been historically adequate, I consider it is now totally unsuitable, being bordered by a rail track with an irregular timetable and a busy road; Council engineer Greg Erskine has informed me it is one of the busiest non-state highways in Southland. This area is potentially unsafe both for off-leash dogs and motorists if dogs enter the roadway. The existing exercise area along the railway corridor also comes very close to the school and the primary school.
2. There are 264 dogs in Otautau (Tracy van Veldhuisen, SDC), and while some people do not exercise their dogs I do my best to give my dog the exercise I consider she needs but I feel legislated out of the area where I live, as there is nowhere in the township where my dog can legally run free and safely. Most of us living in the township are land poor; we have insufficient land of our own on which to adequately exercise our dog(s). Many breeds of dogs require kilometres of exercise a day – it is often difficult to give them this amount of exercise on-leash. 264 dogs are a lot of dogs, and all dogs need exercise and opportunities to socialise with other dogs, interact with people as well as to be able to express their natural behaviours and they need a safe place to be able to do this.
3. Those people who do not like dogs already have plenty of dog free areas to walk and exercise – Holt park, Otautau golf course, two cemeteries and the Otautau School grounds. Additionally, the township streets and the flood bank walkways are dogs on-leash areas.
4. Many people want to exercise themselves as well as their dogs. The Arboretum provides a really nice place to walk - I go there most days



with my dog and enjoy the trees as well as the easy to-walk-on mown surface and gravelled inclines. It is a great place for dogs to run free as it provides open space, tracks, rough areas and a creek. The arboretum is already used by a number of regular dog walkers without any problems. I do concede that some people do not clean up after their dog. I often do not see anyone else at the arboretum, particularly during the week, so cannot see many difficulties with dogs running free in the west area. I come and go at irregular times and only encounter others walking on the west side occasionally.

5. The alternatives available, in the vicinity of Otautau, to exercise a dog off-leash are the bush and the river banks. Both these areas are more isolated and many people, especially the elderly feel vulnerable going off main roads. Hunting takes place in the bush as well as there are vehicles travelling about – it's not a place I use to exercise my dog. I do use the riverbanks sometimes in the summer. You do need to have a certain kind of vehicle to access these places especially in wet weather or during the winter. The riverbanks are a multi-use area and there are often vehicles driving about and there are a lot of children around the river in the summer. There is gravel extraction happening on and off. Algae in the summer can be a problem for dogs entering the water and in winter the area is much reduced due to seasonal flooding. At times, there is rubbish from fly tipping and spoil from hunting and fishing – not ideal for dogs. Not everyone is able to walk on the rough surface of the river bank. When duck shooting starts the river banks outside the township area become a potentially unsafe area and the places one can exercise a dog become even more restricted. On top of all of this, and perhaps most important, the river banks are an important habitat for a number of birds, especially ground nesting waders and black backed gulls and for this reason alone the river banks should not be the default exercise place for Otautau dogs.
6. Other regions with considerably higher population densities of both people and dogs have successful shared areas with free running dogs. I have just returned from spending two months in Nelson with my dog

and really enjoyed the variety of places my dog could go free alongside cyclists and walkers.

Alongside any change that may take place I would like to see a campaign emphasising the four C's –

**Control your dog** – only have it off-leash where it's allowed to be;

**Consideration for other users** – carry a leash and put your dog on-leash if there are numbers of people or children present;

**Clean up after your dog** – carry plastic bags at all times

**Care and respect the environment** – no littering and park only on the gravel; respect the environment the trustees work hard to create.

Euphemia McGlen

faimie@xtra.co.nz

Otautau

*Euphemia McGlen*  
16/07/2017

I do not wish to speak to my submission - I don't think I can add anything else.

If the change does not take place, then I would like to propose that the Chester Street to Durham Street section of the flood bank walk way (that goes behind the mill) be considered as a dogs off-leash area.



This submission relates to the Otautau dog control rules

Full name: *Gladys Frances Kelly*

Physical address: [REDACTED]

Postal address (if different to above):

Daytime phone number: [REDACTED] Mobile phone number:

E-mail address:

Signature: *G Kelly*

Date: *28/7/17*

I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s):

Please list

*No other places that are safe off leashes.*

.....Continue overleaf if required

I wish/I do not wish to speak to my submission (please circle your preference)

This submission relates to the Otautau dog control rules

Full name: Graham William Hollis

Physical address: [REDACTED]

Otautau 9610

Postal address (if different to above):

Daytime phone number: [REDACTED]

Mobile phone number: [REDACTED]

E-mail address:

Signature: 

Date: 11-7-17



I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s):

Please list

1. Nowhere within easy walking distance to exercise dogs
2. Plenty of walking areas & tracks for pedestrians & walking dogs on leashes.
3. Difficult for older people to allow their dogs to exercise without restraint.
4. The existing exercise area is adjacent to the Railway line & the Main Highway which is totally impractical & does not show much forethought.

.....Continue overleaf if required

I wish/I do not wish to speak to my submission (please circle your preference)



This submission relates to the Otautau dog control rules

Full name: Gwenyth Kay Walden

Physical address: [REDACTED]

Postal address (if different to above):

Daytime phone number: [REDACTED] Mobile phone number:

E-mail address: [REDACTED]

Signature: Gwenyth Walden Date:

I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s):

Please list

But please reinforce poop  
picking up & removal by all  
dog owners!  
Thank you.

.....Continue overleaf if required

☒ I wish / ☐ I do not wish to speak to my submission (please circle your preference)



The Southland District Council  
 Submissions

PO Box 903 Invercargill 9840

26 JUL 2017

Dear Sir

Submission on By Law  
 Changes to the Dog Control  
 Rules in Otatau at the  
 Alex Memorial Arboretum

The Arboretum is a rural  
 setting, with walking tracks  
 through trees, shrubs, and  
 over creeks, in a peaceful  
 Enviroment, to be enjoyed  
 by all the public including  
 children. Not for dogs to  
 be running wild. Fencing  
 the track is not an option  
 because of the Creek.  
 I am not in favour of a  
 change to this By Law

Yours faithfully  
 R G Davidson



Date 24-7-2017



This submission relates to the Otautau dog control rules

Full name: **KAMAHU RICHARD WATSON**

Physical address: [REDACTED]

Postal address (if different to above):

Daytime phone number:

Mobile phone number: [REDACTED]

E-mail address: [REDACTED]

Signature: **[Signature]**

Date: **14/7/17**

I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s):

Please list

**A change of policy of "dogs on-leash" will enable a more enjoyable arboretum for families young and old alike.**

.....Continue overleaf if required

**I wish/I do not wish to speak to my submission** (please circle your preference)





This submission relates to the Otautau dog control rules

Full name: Linda May Bates

Physical address:

Otautau.  
Southland. 9610

Postal address (if different to above):

Daytime phone number:

Mobile phone number:

E-mail address:

Signature:

Lm Bates

Date: 18.07.17

I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s):

Please list

We need somewhere to walk our dogs of  
leash that isn't by the main Road. or the  
railway line.  
Free but under control.

.....Continue overleaf if required

I wish/I do not wish to speak to my submission (please circle your preference)

This submission relates to the Otautau dog control rules

Full name: MJ Broomhall. Michael John Broomhall

Physical address: [REDACTED] Otautau 9610

Postal address (if different to above): [REDACTED]

Daytime phone number: [REDACTED]

Mobile phone number: [REDACTED]

E-mail address: [REDACTED]

Signature: [Signature]

Date: 2-8-2017

I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s):

Please list

① There is no place for dogs to get exercise in Otautau. running free. Lack of exercise causes a lot of dogs to be frustrated and wander. with lack of available area for exercise owners do not take dogs for much needed freedom.

.....Continue overleaf if required

I wish I do not wish to speak to my submission (please circle your preference)

This submission relates to the Otautau dog control rules



Full name: Miriam Claire Lawson

Physical address: [REDACTED]  
Otautau.

Postal address (if different to above):

Daytime phone number [REDACTED] Mobile phone number: [REDACTED]

E-mail address:

Signature: [Signature]

Date: 17-7-17

I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s):

Please list

1. There is no safe place to let dogs off. The area beside the railway line and main Rd is not safe.
2. The river is ok if you have a car and it's not shooting season.
3. There are plenty of places where people who don't like dogs can walk and run.
4. Some of Otautau's dog owners are older and not able to walk to far.

.....Continue overleaf if required

I wish/I do not wish to speak to my submission (please circle your preference)

To S.D.C. Bylaws and policy change



During my last term on the Otautau B.C. we were asked to consider and approve direction on dog control bylaws as they affected dog owners with regard to the Alec MacKenzie arboretum at Otautau. With the benefit of hindsight I now firmly believe the arboretum should have become a dog free area totally. In the first instance the rule made at that time of dogs to be leashed on the western side of the Glenburn creek is nonsense. Whilst working at the arboretum I have observed the free roaming of dogs many times with complete disregard to signage and attempts to control. Occasionally when I have reminded folk of the ruling the reply is something like "he won't bite," or "his only a little dog," dog owners generally believe that everyone loves their dog.

Have council actually been approached by dog people to have this area designated for free roaming of dogs? What are we attempting to fix? What are we trying to improve?

People in general highly value the arboretum, a place of solitude, peace and quiet, and spiritually uplifting to many. I don't believe it's a place for dogs.

There are many places away from existing public dog areas readily available to dog lovers. Why should they dictate their passions over someone who loves to walk freely amongst one of the finest country arboretums in New Zealand. Would we take a dog to church?

Finally, to council may I say that if we go to the trouble of creating a law whatever it may be then let's enforce it. Let us keep this special area of trees for those that love trees.


P. F. Gutsell

Peter Gutsell

\* my occasional volunteer work involves the building of stone cairns complete with stainless steel information panels attached.

Otautau





*People First*

**Southland District Council**

*Te Rohe Pōtae O Murihiku*

**BYLAW AND POLICY CHANGES**

The Southland District Council is keen to hear residents' views on proposed changes to the Dog Control Rules in Otautau, and to the Freedom Camping Site in Lumsden.

Council are considering amending the Dog Control Bylaw and Policy for Otautau, changing the west area across the bridge at the Alex McKenzie Memorial Arboretum from an on-leash area to a dog exercise area.

Council are also considering amending the Freedom Camping Bylaw for Lumsden, establishing a new area for tents and expanding the site so it can legally accommodate more freedom camping vehicles.

**For more information visit**  
<https://consult.southlanddc.govt.nz>

Submissions close at 8.00 pm on 1 August 2017. Submissions can be made:

- through the Council's website;
- via post (SDC, Submissions, PO Box 903, Invercargill 9840); or
- in writing at your local Southland District Council office.

A written submission must be appropriately labelled, and give the submitter's name and contact details. Submissions received will be made available to the public.

**For further information contact**  
**Robyn Rout, 0800 732 732.**

**Steve Ruru**  
**CHIEF EXECUTIVE**

This submission relates to the Otautau dog control rules

Full name: Sandra Margaret McAlister

Physical address: [REDACTED]

Postal address (if different to above):

Daytime phone number: [REDACTED]

Mobile phone number: [REDACTED]

E-mail address: [REDACTED]

Signature:

Date: 3-8-2017

Sandra McAlister

I support the changing of the west area of the Alex McKenzie Memorial Arboretum to a dog exercise area.

I support the draft amendment to change the existing dogs on-leash policy to dogs running free (but under control) for the west area of the arboretum for the following reason(s):

Please list

This would be wonderful for the dogs to be able to run freely, for exercise. Especially as there is no where within the township for open running. Apart from along the railway line verge and this is so close to the road it is not safe for the dogs. As long as owners commit to use poobags and pick up after their dogs, this would be an ideal place even though it is not within walking distance for some owners to exercise and having to use their car to get there.  
Go For The Dogs!!

.....Continue overleaf if required

I wish I do not wish to speak to my submission (please circle your preference)





7<sup>th</sup> August 2017  
 Submission to:- Southland ①  
 District Council  
 Regarding :- Otatau's Dog  
 Control Rules @  
 Alex McKenzie Memorial  
 Arboretum.  
 From :- Wendy Joy Baker.

Address:-



Nightcaps

Phone:-



I am making a submission to oppose changing the west area across the creek at the Alex McKenzie Memorial Arboretum to a dog exercise area.

It is important to note that this area is a Memorial area, it is a place of peace and respect. There are 9 trees planted in memory of people in the west area with a total of 14 trees with plaques. ...

There is a very important plaque which says:-  
 'Cercidiphyllum japonicum 2014 planted to commemorate the commencement of WWI by the Alex McKenzie Arboretum Trust'.

To have this area as a dog exercise area would I feel, be disrespectful regarding this memorial area.

I have made notes on map (see attached).

Also the mature trees at the back of the Arboretum are a peaceful place to walk or run in. The many tree names on plaques under these trees, as old as 1952,

PTO



add to this special place—which should be enjoyed by all and not just dog owners. People need to remember to consider others in public places with regard to controlling their dogs. Below is an example of an excellent sign ②



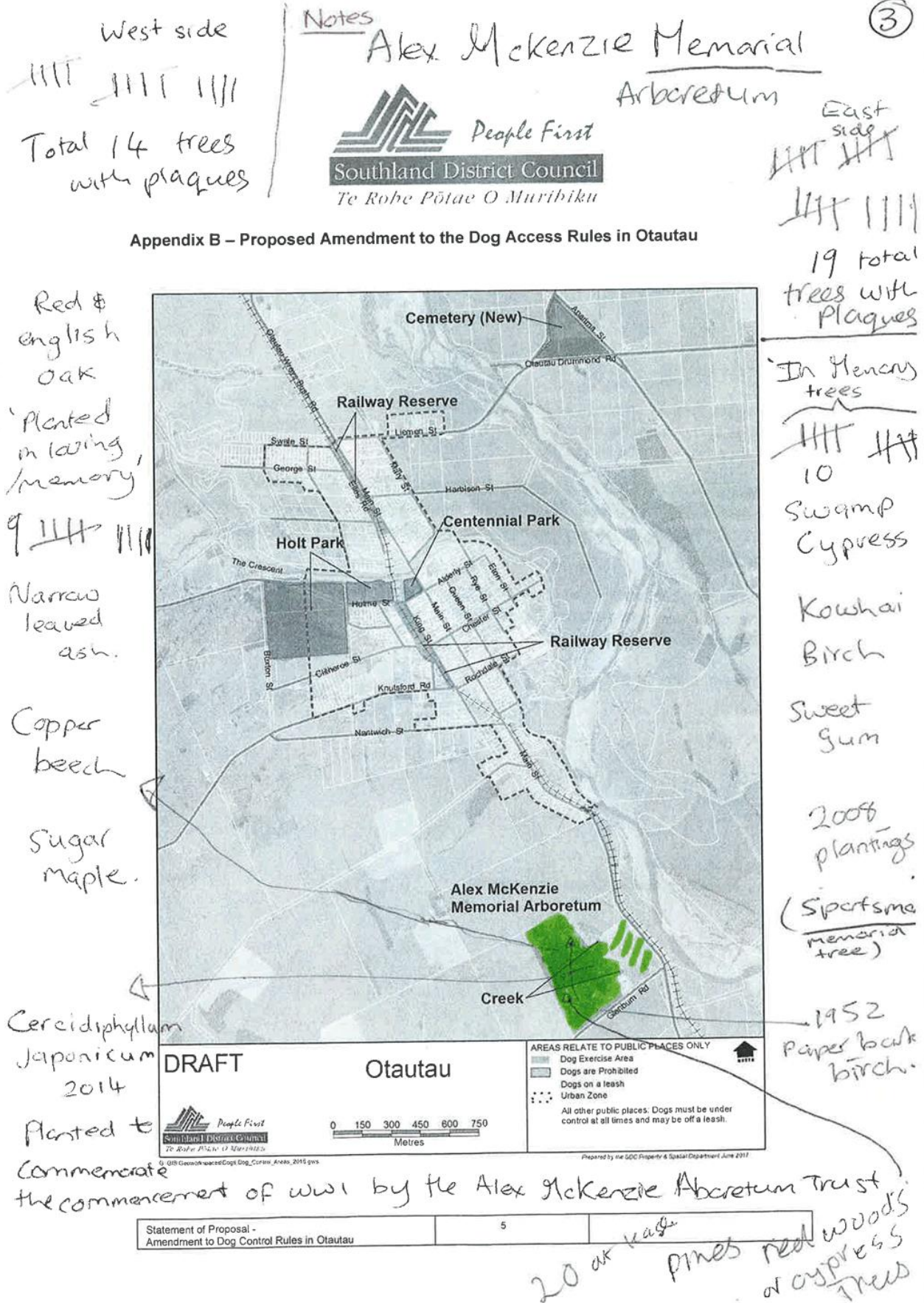
I have met overseas tourists walking along the tracks where the mature trees are and also looking at the memorial plaques. An Arboretum is a special place—tranquil & with all the birdlife adding interest it is one of Southlands unique treasures.

I agree that there needs to be more dog exercise areas in Otautau but this Arboretum is designated as a Memorial area and I do not think it is an appropriate place for a dog exercise area. What also must be taken into account is the safety of other people who will use the reserve.

Please can this special Arboretum area remain a dogs on lead designated place. Thank You.

(I wish to present) Regards Wendy Jay Baker

Attached to my submission are letters detailing my concerns about dog control from Ministers; and also my respect for war history (which relates to the plaque that commemorates WWI). It is shown in letters from RSA & also Articles (newspapers). (Also included is ACC statistics for dog bite injuries) etc





④

**Office of Hon Jacqui Dean**

Minister of Commerce and Consumer Affairs  
Minister for Small Business

Associate Minister for ACC  
Associate Minister of Local Government

21 JUN 2017

Wendy Baker  
[REDACTED]

Dear Wendy

Thank you for your emails of 23 and 25 May 2017 about dog control, dog control signage at council parks, and correspondence you have received from others concerned about these issues.

It is great to see you actively spreading the message about safety around dogs. One of the main ways to reduce dog attacks and increase public safety is increased public education. This includes signage at public parks to remind dog owners of their responsibilities.

As you know, I am working on changes to our dog control laws to reduce the incidence of severe dog attacks. I appreciate the time you have put into gathering information to assist with that work.

Thank you again for writing.

Kind regards

Hon Jacqui Dean  
Associate Minister of Local Government

Item 7.3 Attachment C

5



## Office of Hon Louise Upston

Minister for Land Information  
Minister for Women

Associate Minister of Local Government  
Associate Minister for Tertiary Education,  
Skills and Employment

21 OCT 2016

Wendy Baker

Dear Wendy Baker

Thank you for your email of 19 September 2016 regarding dog control in your local community and around New Zealand.

I appreciate your thoughts on the future of dog control. My survey on dog control issues received over 3,000 responses from New Zealanders, sharing their concerns and providing their suggestions for improvement.

I share your concern about the number of dog attacks in New Zealand. By now you will have heard that I recently announced a range of measures aimed at reducing the risk of dog attacks and increasing the responsibilities of the owner of any dog classified as dangerous or menacing.

I note your concerns about adequate fencing for properties of dog owners. One of the measures in my national strategy to reduce the risk and harm of dog attacks will be requiring owners to display signs at the front of their property alerting people that a dangerous or menacing dog lives there. The owner will be required to keep the dog in a fenced-in area at home that allows visitors dog-free access to at least one house entrance. The dog will also have to wear a special collar at all times identifying its classification as dangerous or menacing.

I am considering further measures to reduce the risk and harm of dog attacks, including stricter controls on the owners of dangerous and menacing dogs and improving the quality of data about dog attacks. I am also developing an educational campaign to drive a much-needed cultural shift towards more responsible dog ownership; a better understanding of dog behaviour; and greater public knowledge of how to keep safe around dogs.

As you have noted, councils have a major role to play in enforcing dog control laws. The Government will be working with local government to review and improve guidance for councils on best practice in dog control. I expect the improved guidance will include up-to-date information for councils and animal control officers about the use of enforcement tools councils have available to them. If you have any specific concerns about dogs in your neighbourhood, I would encourage you to contact your council's animal control unit to discuss them.

Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand. Telephone 64 4 817 6823 Facsimile 64 4 817 6523

(6)

I assure you that the Government and I are committed to ensuring that New Zealand's laws, alongside effective enforcement and responsible dog ownership, make people feel safe in our communities.

Thank you again for writing.

Sincerely



**Hon Louise Upston**  
Associate Minister of Local Government

Item 7.3 Attachment C

Page 2 of 2

7



## Office of Hon Louise Upston

Minister for Land Information  
Minister for Women

Associate Minister of Local Government  
Associate Minister for Tertiary Education,  
Skills and Employment

10 AUG 2016

Wendy Baker  
[REDACTED]

Dear Wendy Baker

Thank you for your email of 4 July 2016 and attached photos about your volunteer work in the areas of dog safety and dog control.

I appreciate your initiative in increasing public knowledge of dog safety and improving signage for dog control in reserves. Prevention is often one of the best ways to prevent injuries and your work in dog safety education will be helping many to understand the importance of dog safety.

Like you, I am very concerned about the risk of serious dog attacks and the number of dog attacks occurring in New Zealand. I am currently seeking feedback from New Zealanders about their thoughts on dog control. The feedback received will be considered as part of the Government's review of dog control laws. Feedback is sought online at [www.govt.nz/reducing-dog-attacks](http://www.govt.nz/reducing-dog-attacks) and will be open from 1-12 August 2016. It is clear that dog control is an issue you are passionate about and have been thinking about for a long time. I would greatly value your input, and the input of others you may know, to inform the review of dog control laws.

I have been meeting with members of the public, animal control officers, government agencies and my Ministerial colleagues to hear their ideas on how to reduce the risk and harm of dog attacks in New Zealand. I have also asked officials from the Department of Internal Affairs to collate data on dog attacks and injury rates, and to consider suggestions about changes to our dog control laws that could reduce the incidence of severe dog attacks.

Sincerely

Hon Louise Upston  
Associate Minister of Local Government

Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand. Telephone 64 4 817 6823 Facsimile 64 4 817 6523



8

**Office of Hon Jacqui Dean**Minister of Commerce and Consumer Affairs  
Minister for Small BusinessAssociate Minister for ACC  
Associate Minister of Local Government

20 MAR 2017

Wendy Joy Baker  
[REDACTED]

Dear Wendy

Thank you for your email to Hon Louise Upston of 22 February 2017. I am responding as the issues you raise relate to my portfolio responsibilities as the recently appointed Associate Minister for Local Government.

You wrote about your experiences with dog control and the Southland District Council. I was interested to read about your efforts to improve dog safety in your region. It is clear you care a lot about your community and its safety.

I am continuing work on the national action plan to reduce the risk and harm of dog attacks, which was announced in late 2016. As you may know, public education on dog safety is a key part of this plan. The Government will be working with local government and non-government organisations to develop a campaign that educates dog owners about being socially responsible and teaches all New Zealanders how to keep ourselves and our children safe around dogs.

The Government will also be working with local government to review and improve guidance for councils on best practice in dog control. I expect the improved guidance will include up-to-date information for councils and animal control officers about the use of the enforcement tools councils have available to them. I am encouraging councils to share information and insights, about dog control with each other, for the benefit of their communities.

I encourage you and anyone else who sees owners and dogs not complying with local dog bylaws to contact the Council with your concerns.

Thank you again for writing. I hope this information is helpful.

Kind regards

Hon Jacqui Dean  
Associate Minister of Local Government

Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand. Telephone +64 4 817 6843 Facsimile +64 4 817 6543

Item 7.3 Attachment C

(9)

ACC recorded :-  
Dog bite injury claims statistics  
for last 10 years in New Zealand

Scene	Claim Count										Claim Count Total
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Commercial / Service Location	382	414	384	385	414	417	467	506	511	538	4,418
Farm	280	272	271	267	241	226	228	218	212	197	2,412
Home	6,148	6,080	6,451	6,785	7,017	7,363	7,981	7,933	8,266	8,637	72,661
Industrial Place	111	111	111	91	90	94	102	86	94	114	1,004
None	530	424	348	316	305	216					2,139
Not Obtainable	25	21	41	56	56	57	33	41	36	37	403
Other	1,365	1,423	1,552	1,682	1,627	1,650	1,778	1,671	1,834	1,885	16,467
Place of Medical Treatment	15	14	14	29	15	12	19	14	21	19	172
Place of Recreation or Sports	533	587	561	667	672	782	856	831	939	949	7,377
Road or Street	1,226	1,175	1,152	1,293	1,307	1,403	1,424	1,453	1,416	1,523	13,372
School	32	31	41	40	54	36	38	41	48	35	396
<b>Grand Total</b>	<b>10,647</b>	<b>10,552</b>	<b>10,926</b>	<b>11,611</b>	<b>11,798</b>	<b>12,256</b>	<b>12,926</b>	<b>12,794</b>	<b>13,377</b>	<b>13,934</b>	<b>120,821</b>

info received  
(June 2017.)

Important to note :-  
Injuries in public places

10



12 December 2016

To Whom It May Concern

**Letter of reference for Wendy Baker**

I have had the pleasure of knowing Wendy Baker for some years and it is with great pleasure that I write this reference for her.

Wendy has a very friendly, bubbly personality and is very involved in community work. She has been involved in many areas of support for the RSA including attending and reading her poetry at ANZAC Day services, advocating to local councils to refurbish local war memorials and is always willing to lend a hand to anyone in need.

Wendy's involvement in community work has been wide spread, she has been active in athletics, Surf Life Saving and advocating for dog control measures to name a few.

People like Wendy are rare and the great pity is that society would be so much better off if we had more like her.

I can sincerely recommend Wendy to any employer or community group who are looking for someone who will be a great employee.

Please do not hesitate to contact me should you require any further information.

Yours sincerely



BJ Clark  
National President

ROYAL NEW ZEALAND RETURNED AND SERVICES ASSOCIATION  
National Office: Anzac House, 1st Floor, 101 Willis Street • PO Box 27 748, Market Square • Wellington 6141, New Zealand  
Phone +64 4 384 2994 • Fax +64 4 385 5535 • www.rnzrsa.org.nz

(1)



MOUNT MAUNGANUI RETURNED & SERVICES ASSOCIATION  
(INCORPORATED)

The President  
544 Maunganui Road  
P O Box 4011  
Mount Maunganui South  
Email [reception@mtrsa.co.nz](mailto:reception@mtrsa.co.nz)

Web [www.mtrsa.co.nz](http://www.mtrsa.co.nz)  
Phone / Fax 07 575 4177  
Mobile 0274 722 197

24 May 2017

To whom it may concern

Ms. Wendy Baker

The Mount Maunganui RSA had the pleasure, and honour at this year's ANZAC Day Civic Commemoration, of having well known Poet, Wendy Baker recite her ANZAC poem which she wrote especially for the occasion.

Wendy's poignant recitation of her moving work, gave an added dimension to the event and was appreciated by the Veterans', Dignitaries, School/ Youth Groups, Defense Force personnel, general public and members and executive of the Mt RSA. Wendy and I also took turns inviting the many organisation's attending, to lay their wreaths on the Cenotaph.

In the true spirit of our national day, Wendy travelled at her own cost from Southland to participate in our Service and commemorate her late Father. Wendy also willingly volunteered to be part of the Mt RSA Poppy collection this year, and worked tirelessly throughout the day collecting at a local shopping centre.

With pleasure  
Derek W Williams

President  
For Mt RSA

(12)

stuff.co.nz



Runner Wendy Baker with her great uncle's war medals.

TERESA RAMSEY/  
FAIRFAX NZ

## World Masters bronze honours great uncle

TERESA RAMSEY

Winning a bronze medal at the World Masters Games in Auckland has an extra special meaning for Wendy Baker.

The former Waihi woman ran the 6km cross country race in memory of her great uncle, Private William Torode Baker, who was killed in action in the battle of Passchendaele campaign in World War I.

Baker, 50, said there was quite a big field in the 50-54 age group women's cross country event.

She was "very proud" to have won a medal in honour of

her great uncle

His name is on the wall of memories in the Auckland War Memorial Museum on the domain where the cross country was held.

"It was more heartfelt this year because I was running in honour of my war vet ancestor who sacrificed his life so that we could have a better country," she said.

"I just think it's important. I congratulate the TCDC for having the Passchendaele forest to honour them."

Last week, Baker received a memorial certificate from Thames Coromandel District

Council recognising her donation of a Kowhai tree in recognition of her late uncle. The tree has been planted in the Passchendaele memorial forest in Whitianga.

Baker, who now lives in Nightcaps, Southland, has been running for the past 30 years.

She was actively involved in running groups in Waihi Beach and competed in many events throughout the district.

"I enjoy the environment, the comradeship, the freedom and feeling fit and healthy."

She had been looking forward to the World Masters Games event for the past year.

13

The Weekend Sun

23

## Running – and winning – for a memory

Anzac Day may have been and gone, but that didn't stop Tauranga woman Wendy Baker honouring her fallen ancestors.

The Tauranga poet and athlete recently competed in the World Masters Games, which was a challenge for her – not necessarily physically, but emotionally.

Wendy competed in the women's 6km cross country running for the 50-54 year age group, which ran around the Auckland Domain.

It was a special track for Wendy, because her uncle's name is in the World War One Hall of Memories in the Auckland War Memorial Museum.

"I'm running in honour of my great uncle – he fought in Passchendaele in World War I and unfortunately he lost his life, so I thought this would be a good tribute to



*Wendy Baker, with her bronze medal in the World Masters beside a war memorial with Passchendaele on it that she ran past.*

him since I'm running around the Auckland Domain where the cross country is, and his name is in the hall.

"In his memory, I was running for him."

Wendy, who ran in the World Masters Games in 2009 in Sydney, came home with a well-earned and emotional bronze medal hanging around her neck.

But despite the win, Wendy says the race was memorable for other reasons.

"Firstly, I was running because of my blood relative; my great uncle William Torode Baker was only 20 years old when he died bravely serving his country, therefore the medal I won will always be very special.

"Secondly, I have run for 35 years so being successful at the World Masters Games shows that my dedication to, and love of, running is deeply within my soul."

**Cayla-Fay Saunders**



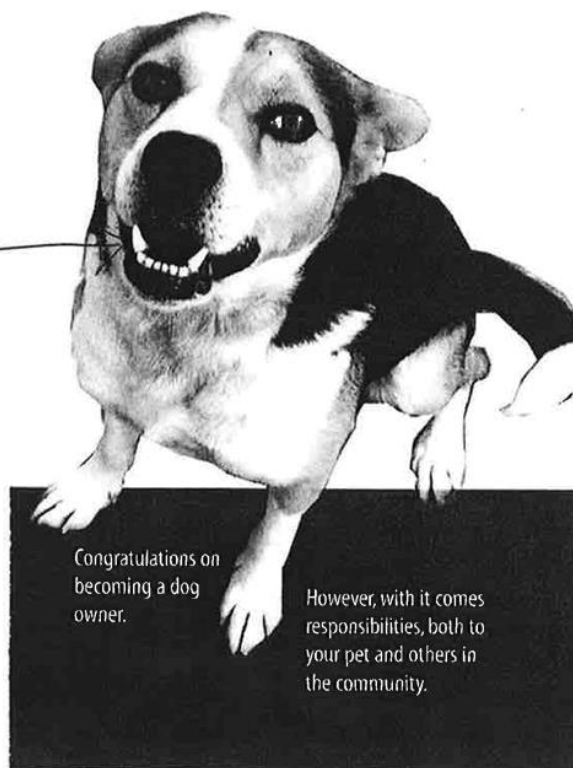
(14)



## INFORMATION FOR DOG OWNERS IN THE SOUTHLAND DISTRICT

Dog fangs  
can cause  
injury

Dog  
owners/  
caretakers  
need  
to control  
their  
dogs &  
be more  
responsible  
around other  
people



**PART A DATA**

DAY MONTH YEAR 1 5 24	JOB No. 661	CASE CODE 565	VEHICLE No. 348	AREA 211	<table border="1"> <thead> <tr> <th colspan="5">PATIENT STATUS</th> </tr> <tr> <th>0</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> </tr> </thead> <tbody> <tr> <td>SCEN</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>EO</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	PATIENT STATUS					0	1	2	3	4	SCEN					EO				
PATIENT STATUS																									
0	1	2	3	4																					
SCEN																									
EO																									
DESPATCH 1524	LOCATED 1528	DEPART SCENE 16	DESTINATION 4635	NHI No. (IF KNOWN)																					

Is injury > 24 hours old? YES / NO

St John Supporters Scheme? YES / NO

## PART B PERSONAL DETAILS

Mr Mrs Ms Miss Child

START KM FINISH KM  
MIDLAND AND SOUTHERN REGIONS ONLY - OTHER REGIONS USE ATL

B. B. B. Family Name Ward First Names F M/F DOB  Age

Address  Phone No.  Pts GP

Incident Location  Account to

Destination  Ethnicity Maori ☐ Pacific Island ☐ Other ☐ Not Stated ☐

**PART C PATIENT INFORMATION**

**NON-TRANSPORT OF PATIENT** Non-transport code \_\_\_\_\_ or other \_\_\_\_\_  
If Patient declines transport (Read statement on card insert)  
Patient Signature \_\_\_\_\_

Chief Complaint dog bite Date and time of onset \_\_\_\_\_

History Pt out running & Dog ran out from address and bit Pt on leg causing puncture wound to lower leg Pt walking out to meet ambulance.  
O/A Obvious puncture wound - tooth size, & bleeding & obvious deformity. Good movement of foot good ~~radial~~ pedal pulse. Pt obviously shaken. Initially unsure if her tetanus was up to date. Confirmed with her GP Tetanus is current having been done in 2009.

**MEDICATIONS** \_\_\_\_\_

**ALLERGIES** \_\_\_\_\_

## PART D TREATMENT AND OBSERVATION DETAILS

[illegible]

Signature of main treating Officer(s)

Jenkins	35	17	19	40	Martland	36	14	76	FA										
Crew surname	Number		Qual		Crew surname	Number		Qual		PRIME Crew surname		Number		Qual					

HOSPITAL / PATIENT COPY

(16)

**PATIENT DECLARATION****ACC45 No. PERSONAL DETAILS PROVIDER DETAILS**

MS WENDY JOY BAKER

WR66250

Dob: NHI: BUV5382 ACC # AA6659 NZMC: 20030

**INJURY, DIAGNOSIS AND ASSISTANCE**

Date of accident:

Time of accident: 03:10 PM

Running along road and bitten by dog

TES0 (Dog bite)

Left

(TE60.00) Confirmed

**PATIENT DECLARATION**

I declare: That the information I have given about this claim is true and correct and that I have not withheld any information likely to affect my application. I will inform ACC of any change in circumstances which may affect my entitlements.

I authorise: The treatment provider to lodge this claim for me. The collection and release of any information about me to the extent that this is needed to prevent future injuries, determine cover and/or assess my entitlement to compensation, rehabilitation assistance, medical treatment and/or the appropriate level of care and personal attention that I should receive.

ACC to contact anyone who holds relevant information, including any external agencies or service providers (such as medical practitioners, specialists, New Zealand Police, and Treatment Providers, IRD, WINZ, Assessment Agencies, employers and witnesses to the accident).

Patient's Signature: *WJBaker*

Date:

This form is NOT a complete ACC45 and is not suitable for sending to ACC. It is intended for the Patient to Sign and authorize lodgement to ACC and for the Practice to File

**WORK & REFERRAL****ACC45 No. PERSONAL DETAILS PROVIDER DETAILS**

MS WENDY JOY BAKER

WR66250

Dob: NHI: BUV5382 ACC # AA6659 NZMC: 20030

**INJURY, DIAGNOSIS AND ASSISTANCE**

Date of accident:

Time of accident: 03:10 PM

Running along road and bitten by dog

TES0 (Dog bite)

Left

(TE60.00) Confirmed

Treatment Provider Signature: *WJBaker*

Date:

This form is NOT a complete ACC45 and is not suitable for sending to ACC. It is intended for referral Health Providers and Employers.



26823

Date Generated: 23/05/2017

ACC

# Schedule of Claimant Injuries

Claimant Name: Wendy Baker

Claimant Number: A2062088

Claimant Address: 3 Lyne St  
Nightcaps  
9630  
New Zealand

Claim Number	Cover Status	Accident Date	Injury Description
A2062088495	Accept		
A2062088258	Accept		
10017111413	Accept		Dog bite

17

## Remission and Postponement of Rates Policy

**Record No:** R/17/9/21874  
**Author:** Robyn Rout, Policy Analyst  
**Approved by:** Anne Robson, Chief Financial Officer

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 The purpose of this report is to present the Remission and Postponement of Rates Policy to Council for adoption.

### Executive Summary

The Remission and Postponement of Rates Policy specifies the circumstances where the Council will consider remitting or postponing rates. The Policy aims to:• provide financial assistance and support to ratepayers where it is reasonable;

- address possible rating anomalies; and
  - provide Council with the ability to act reasonably in administering its rating powers and policies.
- 3 In March this year the Finance & Audit Committee endorsed the draft Policy and it was put out for consultation. No submissions were received.
  - 4 Some minor changes were made to the Policy before it went out for consultation. The remission of rates for natural disasters and emergencies has been included, and the remission of rates in exceptional circumstances now has a clause including individual rating units which have been subject to fire. There has been clarification of the supporting documentation required and the applicable remission periods for each of the remission and postponement categories. The responsibilities and financial limits in the roles and responsibilities schedule have also been clarified.
  - 5 The draft Policy was presented to the Finance and Audit Committee on 6 September 2017. The Committee endorsed the draft Policy and recommended that Council adopt the Policy.
  - 6 This report recommends that Council adopt the policy (including any amendments agreed at this meeting). This report also recommends that Council adopt the minor changes to delegations that are outlined in Part 6 of the draft Policy (see Attachment A).

## Recommendation

That the Council:

- a) **Receives the report titled “Remission and Postponement of Rates Policy” dated 17 September 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) **Adopts the draft Remission and Postponement of Rates Policy (including any amendments agreed at this meeting).**
- e) **Adopts the changes to delegations that are outlined in the draft Remission and Postponement of Rates Policy.**

## Content

### Background

- 7 The Remission and Postponement of Rates Policy is in the process of being reviewed in preparation for the Long Term Plan 2018-28. The Policy outlines several categories where Council may grant remission or postponement of rates, and it gives detail on the conditions and criteria under which applications will be considered.
- 8 The draft Policy was presented to the Finance and Audit Committee in March this year. At that time the Committee endorsed the draft Policy and recommended that it be released for public consultation. The endorsed draft Policy included a number of minor amendments to the previous policy, including:
  - Introducing an additional category allowing the remission of rates for natural disasters and emergencies
  - Amending the Remission of Rates in exceptional circumstances to include a specific clause in relation to individual rating units which are subject to a fire (when it limits the rating unit’s ability to be occupied or used for an extended period)
  - Minor changes to clarify the content of the Policy
  - Aligning the Policy with the current roles and processes within Council
  - Changes to application process, including clarify the supporting documentation required as well as specifying the period of remission or postponement
  - Updating the delegations part of the draft Policy. This includes updating the roles and responsibilities, and adding financial limits for Council staff to remit rates and penalties. The Finance Manager has been given delegated authority to set remission guidelines for finance officers to apply.



- 9 The draft Policy was presented to the Finance and Audit Committee on 6 September 2017. The Committee endorsed the draft Policy and recommended that Council adopt the Policy.

### Issues

- 10 No submissions were received on the draft Policy, so officers are not aware of any concerns or further changes that need to be made.
- 11 If adopted, the draft Policy would make minor changes to the delegations to remit or postpone rates. As is stated above, financial limits for Council staff to remit rates and penalties have been included in Part 6 of the draft Policy. The Finance Manager has also been given delegated authority to set remission guidelines for finance officers to apply. This report recommends that Council adopt the delegations outlined in the Policy.

### Factors to Consider

#### Legal and Statutory Requirements

- 12 If Council wishes to provide remissions or postponements to ratepayers, a policy of this nature is required under the Local Government (Rating) Act 2002 and the Local Government Act (2002).
- 13 The Local Government (Rating) Act 2002 (Section 85) states:
- (1) A local authority may **remit** all or part of the rates on a rating unit (including penalties for unpaid rates) if—
    - (a) the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
    - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- 14 The Local Government Rating Act 2002 (Section 87) states:
- (1) A local authority must **postpone** the requirement to pay all or part of the rates on a rating unit (including penalties for unpaid rates) if—
    - (a) the local authority has adopted a rates postponement policy under section 110 of the Local Government Act 2002; and
    - (b) the ratepayer has applied in writing for a postponement; and
    - (c) the local authority is satisfied that the conditions and criteria in the policy are met.
- 15 For this reason, it is essential that Council's Remission and Postponement of Rates Policy contains conditions and criteria for each remission and postponement category.
- 16 This Policy is being reviewed as a result of a requirement in the Local Government Act 2002 (section 109 and 110) which states that the Policy must be reviewed at least once every six years using a consultation process.
- 17 Council has discretion to grant a remission or postponement of all or part of a ratepayer's rates under the Local Government (Rating) Act 2002 provided it is allowed for in its Policy. The draft Policy complies with the requirements of the Act.

#### Community Views

- 18 People in the District have had an opportunity to present their views through the consultation process that was run through March and April this year. No submissions were received.

- 19 When the current Remission and Postponement of Rates Policy was put out for consultation in 2015, two submissions supported having a clear Policy and one submission thought Council should not allow rates to be remitted or postponed. The submissions received through the last consultation round were not very detailed as they were received online in conjunction with other comments on the Long Term Plan 2015-2025.
- 20 This Policy does not need to be included in the Long Term Plan 2018-2028, and will not be included in the consultation document for the Long Term Plan.

### **Costs and Funding**

- 21 There are no direct costs associated with implementing the draft Policy.
- 22 For the 2017/2018 financial year, the value of remitted rates is \$400,627 across 521 assessments. This represents 0.77% of the total rates struck for the year (\$51,982,369 incl GST) on 2.7% of the total number of assessments (19,090). No postponement of rates have been requested for a number of years.
- 23 If the draft Policy is adopted, the financial impact of the changes of the revised policy are not likely to be significant.

### **Policy Implications**

- 24 If adopted, the draft Policy will not bring about any significant changes to the rates remission and postponement process. Council will now be able to remit rates if there is a natural disaster or emergency, and if rating unit cannot be used/occupied because of fire.

## **Analysis**

### **Options Considered**

- 25 The following options have been identified. Council could:
- 26 **Option 1:** Endorse the draft Policy (with any desired changes); or
- 27 **Option 2:** Continue with the existing Policy.

### **Analysis of Options**

#### **Option 1 – Endorse the draft Policy (with any other desired changes)**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• Achieves legislative compliance;</li> <li>• Informs ratepayers of when applications may be granted;</li> <li>• Provides a decision making framework for staff;</li> <li>• Ensures consistency in Council's approach to applying remissions and postponements;</li> <li>• Increases the alignment of Southland District Council's practices with those of other local authorities throughout New Zealand; and</li> <li>• Limits opportunities for complaints or appeals by limiting staff discretion in granting or declining applications.</li> </ul>	<ul style="list-style-type: none"> <li>• There are no disadvantages to this option as there is no cost involved and no categories of postponement or remission have been removed.</li> </ul>

**Option 2 – Continue with the existing Policy**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Achieves legislative compliance;</li><li>• Informs ratepayers of when applications may be granted;</li><li>• Provides a decision making framework for staff.</li><li>• The Policy seems to have been operating effectively and is likely to continue operating well.</li></ul>	<ul style="list-style-type: none"><li>• Does not include allowance for remission of rates for natural disasters or emergencies.</li><li>• The delegations are out of date.</li><li>• The roles and processes are out of date.</li><li>• The existing Policy may give rise to opportunities for complaints or appeals as some conditions and criteria and remission periods are not stipulated.</li><li>• The existing Policy may be less user friendly, as it gives less guidance on the required supporting documentation and the application process.</li></ul>

**Assessment of Significance**

- 28 This issue has not been assessed as significant in terms of Councils Significance and Engagement Policy.

**Recommended Option**

- 29 It is recommended that the Council proceed with Option 1, and endorse the draft Policy (with any other desired changes).

**Next Steps**

- 30 Once Council have adopted the Policy it will be circulated to staff and elected members and also made available to the public on Council's website.

**Attachments**

- A Draft Remission and Postponement of Rates Policy [↓](#)



## SOUTHLAND DISTRICT COUNCIL REMISSION AND POSTPONEMENT OF RATES POLICY

This policy applies to: All Southland District ratepayers.

### DOCUMENT CONTROL

Policy owner: Chief Financial Officer	TRIM reference number: r/16/10/17769	Effective date: 1 July 2017
Approved by: Council	Date approved: To be confirmed	Next review date: 2020

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## REMISSION AND POSTPONEMENT OF RATES POLICY

### 1. PURPOSE

Where it is considered fair and reasonable to do so, Southland District Council can grant a remission or postponement of certain rates. This policy specifies the circumstances under which rates will be considered for remission or postponement. The objectives of the policy are to:

- Provide financial assistance and support to ratepayers where it is reasonable to do so.
- Address rating anomalies.
- Provide Council with the ability to act reasonably in administering its rating powers and policies.
- Address other objectives as detailed in this policy.

Southland District Council's Remission and Postponement of Rates Policy has been developed in accordance with Sections 85 and 87 of the Local Government (Rating) Act (2002), and Sections 102(2), 109 and 110 of the Local Government Act (2002).

### 2. DEFINITIONS AND ABBREVIATIONS

Term	Meaning
Service Rates	Rubbish and Recycling Bins. Water and wastewater rates and loan charges.
Sports Associations	Sports associations include societies, clubs or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.

### 3. BACKGROUND

This policy is being updated for release in conjunction with the 10 Year Plan 2018-2028. The current policy provides additional clarity regarding the conditions and criteria under which rates will be remitted or postponed.

### 4. POLICY DETAILS

#### 4.1 Rating of small community and sports associations with liquor licences

Council recognises the contribution that community, sports and other community associations make to their community and acknowledges that small associations may have limited financial resources.

Providing rates remission to small community and sports associations facilitates the ongoing provision of non-commercial recreational opportunities and makes participation accessible to our communities.

#### 4.1.2 Conditions and criteria

Community and sports associations that hold a liquor licence may apply for partial remission of rates (other than services rates) as follows:

- Community and sports associations with a membership of up to 75 full time member equivalents shall be entitled to a 25% remission.
- Community and sports associations with a membership of not less than 75 and no greater than 100 full time member equivalents shall be entitled to a 12.5% remission.
- This policy applies to land owned by Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes other than galloping races, harness races and greyhound races.
- This policy does not apply to organisations operated for private pecuniary profit.
- The sporting club or organisation must hold the liquor licence as an incidental activity to the primary purpose of occupancy.
- Any restaurant, bar and gaming machines areas for Chartered Clubs are excluded from this remission and will be rated at the full commercial rating.
- The sporting club or organisation will be required to complete a yearly statutory declaration on or before 31 March, confirming that it meets the conditions and criteria under the policy.

In all cases, land that is used for the private pecuniary profit of any members of the society or association shall not be eligible for a rates remission.

#### 4.2 Community facilities owned by persons, general clubs, societies or associations

Council owned public halls are not liable for rates under Schedule 1 of the Local Government (Rating) Act (2002). However, in addition to Council owned halls, there are a variety of organisations who own public halls, libraries, museums, art galleries or other similar institutions which provide a benefit to the community as a whole. This policy provides for 100% rates remission (with the exception of service rates) for these organisations.

Part 2, of Schedule 1 of the Rating Act also provides for 50% rates remission (with the exception of services rates) in respect of land owned or used by:

- A society incorporated under the Agricultural Pastoral Societies Act (1908), or
- A society or association (whether incorporated or not) for games or sports, except galloping races, harness races or greyhound races, or
- A society or association (whether incorporated or not) for the purpose of the arts.



#### 4.2.1 Conditions and criteria

Rating unit(s) owned by a ratepayer other than Council and used for a public hall, library, museum, art gallery, or other similar institution may apply for a 100% remission on all rates other than service rates on that rating unit. Applications for remission will be considered if:

- Community facilities do not operate for private pecuniary profit.
- Community facilities do not receive any funding from government agencies or have any contracts for fee for service with government agencies. Community facilities which are rated for by Council are not considered to receive government funding under this policy.
- Community facilities operate on a voluntary basis and have no full-time or part-time paid employees or contractors operating in this capacity.

Applications for a 50% rates remission will be considered if the land is owned or used by:

- A society or association of persons (whether incorporated or not) for the purpose of any branch of the arts;
- A society incorporated under the Agricultural and Pastoral Societies Act (1908) as a showground or place of meeting; or
- A society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.

The 50% remission is on all rates other than service rates on that rating unit. Under the Local Government (Rating) Act (2002) Schedule 1, Part 2, land used for the private pecuniary profit of any members of the society or association is excluded from this form of remission. If the land is subject to a licence under the Sale and Supply of Alcohol Act 2012 it is not eligible for this form of remission.

#### 4.3 Remission of penalties

Penalties applied to outstanding rates instalments and the amount outstanding at the end of each financial year may be applied in accordance with Sections 57 and 58 of the Local Government (Rating) Act (2002). Southland District Council recognises that applying penalties may exacerbate financial hardship and that in some instances there may be a fair and reasonable explanation for delays in payment.

Penalties may be remitted in accordance with Section 109 of the Local Government Act (2002) and Section 85 of the Local Government (Rating) Act (2002). This policy provides for a discretionary right to remit total penalties on rates, or a portion thereof in circumstances which the Council considers it reasonable to do so.

##### 4.3.1 Conditions and criteria

The practice of a penalty for non-payment of rates by due date is an accepted standard practice for local authorities and delay in mail delivery does not constitute justification for remission. Remission of penalties will be considered under the following conditions and criteria.

Late payments

A payment has been received after the date fixed for imposition of a late penalty charge, provided that none of the previous four instalments were similarly received late.

Council has discretion to remit one instalment penalty in any one rating year for lateness where payment is made within five working days of the due date. In such cases, consideration will be given to the history of payments by the ratepayer.

Payment arrangement made for arrears

Remission will be considered if a ratepayer makes satisfactory arrangements for regular and substantial reduction of arrears. Remission will only occur if arrangements are fully met. If arrangements are not met, penalties may be re-applied.

Significant family disruption

Remission will be considered if a ratepayer provides sufficient information which, if considered genuine and if substantiated with reasonable excuse for late payment, would justify remission for late payment penalty charges. Remission will be considered in the case of death, illness or accident of a family member.

Missing payments

Remission of one instalment penalty in any one rating year may be granted where it is considered that a cheque or credit card deduction slip may have gone missing through no fault of the ratepayer. Applications to remit penalties under this section will only be considered providing the missed instalment is paid within seven days of the application.

Payment misallocation

Remission of instalment penalties may be granted where instalment payments have been received by Council and applied to an incorrect internal account.

Where payments are repeatedly receipted to incorrect internal accounts due to ratepayer action (such as internet banking errors), Council will advise the ratepayer of the correction necessary for future payments and may refuse to remit any further penalties for this reason.

Penalties on Small Overdue Balances

When a small balance which is uneconomical to collect is overdue, Council may write off the balance and penalties as it considers appropriate.

**4.4 Extreme financial hardship - remission of rates**

Southland District Council understands that some ratepayers face extreme financial hardship. Section 109 of the Local Government Act (2002) and Section 85 of the Local Government (Rating) Act (2002) provides for the Council to remit part of the rates owing on the rating unit in cases of extreme hardship. This policy allows for the remission of rates in cases of extreme financial hardship, due to any range of factors including, but not limited to illness and natural calamity.

#### 4.4.1 Conditions and criteria

Each application for remission due to extreme financial hardship will be considered on its own merits. However, the following conditions and criteria must be met before any remission is granted:

- The applicant must be the owner of the property;
- The applicant must reside at the property and the property must be classified as residential. Companies, trusts and other similar ownership structures of these properties do not qualify for this remission;
- The ratepayer has no assets except a low value property upon which rates are owed and where the ratepayer relies on supplementary benefits;
- The applicant must declare total household income and their total financial position;
- Council must be satisfied that the ratepayer will not have sufficient funds remaining after the payment of rates, health care and normal living expenses. In considering the ratepayers position the Council may seek independent verification from a budget advisor or other agency working with the ratepayer.
- Applications for remission of rates due to extreme financial hardship will be assessed independently from the Government Rates Rebate Scheme. The Council shall consider whether postponement of rates is a more suitable option.

#### 4.5 Rates remission for school sewerage charges

This form of remission intends to provide relief and assistance to educational establishments that are subject to multiple pan charges for wastewater services as defined in the since repealed Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act (2001).

##### 4.5.1 Conditions and criteria

This part of the policy will apply only to educational establishments as defined in the repealed Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act (2001). The Policy does not apply to any school house, or any part of a school used for residential purposes.

The calculated number of pans of any educational establishment in any one year subject to the relevant wastewater targeted rate will be the lesser of:

- The **actual** number of toilet pans in the establishment; or
- The **notional** number of toilet pans in the establishment. The notional number is calculated as one pan per 20 pupils/staff. A part thereof a notional pan will attract no charge.

Once the number of pans has been established as per the above methodology, the charging regime to apply to these educational establishments will be the same as for commercial ratepayers with multiple pans. That is a fixed amount per Separately Used or Inhabited Part of the education establishment will apply for the first two pans, with the third or more pans attracting a charge for each pan at 50 percent of the corresponding fixed amount.

#### **4.6 Grants in lieu of remissions of rates**

Where the application for remission does not meet other criteria listed above for remissions, but there is a community benefit gained from providing a remission, the Council or the respective Community Board/Community Development Area Subcommittee or Committee of Council, may pay the rates on behalf of the ratepayer.

##### **4.6.1 Conditions and criteria**

Where such an application is made to Council or the respective Community Board or Committee of Council the appropriate body of elected representatives may resolve to pay the rates on behalf of the applicant or pay a grant to the applicant for the amount of the rates.

Such applications will be considered on a case by case basis. Applicants must demonstrate that rates cannot fairly and reasonably be expected to be funded from other sources and that providing a grant to fund rates will result in public benefit.

Any payments made as grants in lieu of remissions of rates shall be recorded as an expense against Council or the respective Community Board or Committee of Council.

#### **4.7 Remission of rates in exceptional circumstances**

Southland District Council recognises that there may be other instances where the collection of rates is not reasonable. This policy allows for the remission of rates or penalties in exceptional circumstances on a case by case basis.

##### **4.7.1 Conditions and criteria**

Some criteria for consideration for remission of rates in exceptional circumstances include, but are not limited to instances where:

- Adjustments are required to rates assessments that cannot then be collected under the Local Government (Rating) Act (2002).
- Penalties are related to rates that have been remitted.
- Collection of rates is uneconomic.

There are special circumstances in relation to the rating unit, or the incidence of the rates (or a particular rate) assessed for the rating unit, which mean that the units rates are disproportionate to those assessed for comparable rating units.

Where a rating unit has been completely destroyed by fire, Council may remit all or part of any rate or charge where it considers it fair to do so. Application of the remission will apply from the first of the month following the fire.

Council may of its own volition investigate and grant remission of rates or penalties on any land in the District. Discretion to decide whether to grant a rates remission under this policy is delegated to the parties noted in Section 6 of this policy.

Remissions approved under this policy do not set a precedent and will be applied for each specific event and only to properties directly affected by the event.

**4.8 Remission of roading rates on other utilities with no primary address**

Some rating units classified as 'Other Utilities' do not have a primary address. These rating units include infrastructure assets such as district water, wastewater and stormwater supply as well as utility and railway networks. Because of the nature of these rating units, many have high capital value and no recorded land value.

Council will remit roading rates for these rating units because their capital values may not correlate with the demands they place on the roading network. Further, these rating units supply services and infrastructure which benefit the community and district as a whole. Council has taken the view that applying additional charges to these rating units is likely to result in costs being passed on to consumers.

**4.8.1 Conditions and criteria**

To be considered for remission of the roading rate, rating units must:

- be classified by Quotable Value as 'Other Utilities'; and
- have no primary address.

**4.9 Remission of rates for cancellation or reduction of wheelie bin service**

Where a ratepayer has been charged a rate for wheelie bin services and decides to cancel or reduces this service, to no less than the minimum of one rubbish bin and one recycling bin per rating unit, they may be eligible for a remission. This form of remission reflects the part of the year where the service is cancelled or reduced. A reduction in service refers to instances in which a ratepayer has elected to reduce the number of bins being collected during the year (eg moving from three to two).

**4.9.1 Conditions and criteria**

To be eligible for this form of remission a ratepayer must inform Council of the cancellation or reduction in wheelie bin service. This must be confirmed by Council's contractor.

A remission will apply from the first day of the month after the wheelie bin has been returned to Council's contractor. Remissions will be automatically offset against the ratepayers account.

**4.10 Remission of rates for natural disasters and emergencies**

In order to provide relief to ratepayers where a natural disaster or other type of emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit all or part of any rate or charge where it considers it fair to do so.

**4.10.1 Conditions and criteria**

Individual events causing a disaster or emergency to a community or communities within our district are to be identified by Council resolution. Council will determine the criteria for the remission at that time and those criteria may change depending on the nature and severity of the event and available funding at the time.

Remissions approved under this policy do not set a precedent and will be applied for each specific event and only to properties directly affected by the event.

#### 4.11 Extreme financial hardship - postponement of rates

Southland District Council recognises that the postponement (in total or part) of rates and/or penalties in cases of hardship may be the most appropriate course of action. This policy allows for the postponement of rates in cases of financial hardship where this is the most appropriate option.

##### 4.11.1 Conditions and criteria

A ratepayer may apply for postponement of rates and/or penalties in cases of financial hardship, due to any range of factors including, but not limited to illness and natural calamity. Each application for postponement due to financial hardship will be considered on its own merits. When rates are no longer eligible to be postponed on the property, all postponed rates will be payable immediately.

Postponement of rates due to financial hardship may be considered if:

- The ratepayer is the property owner.
- The property is used by the ratepayer as his or her permanent place of residence.
- The property is used solely for residential purposes.
- The ratepayer has not less than 25% equity in the property.
- The ratepayer provides a statutory declaration:
  - confirming that they do not own any other property or have a significant interest in a business or shares;
  - detailing the value of the ratepayers property insurance and the value of encumbrances against the property including mortgages and loans.

A postponement fee shall be added to all postponed rates to cover, but not exceed the administrative and financial costs of postponement to Council. Postponement fees must be treated as part of the rates on a rating unit. Postponement fees will be set annually as part of the rates resolution.

All postponed rates shall be registered as a charge on the land under the Statutory Land Charge Registration Act (1928). No dealing with the land may be registered by the ratepayer while the charge is registered, except with the consent of Council.

##### 4.11.2 Process and period of postponement

Rates may be postponed:

- Until the death of the ratepayer.
- Until the ratepayer ceases to own the rating unit.
- For a specified period so defined by Council.
- Until the postponed rates equate to 80% of the available equity in the property.
- Until a date when the applicant/occupier ceases to use the property as his/her permanent place of residence; or to use the property solely for residential purposes.



Rates postponement agreements shall not exceed six years, but the ratepayer may apply for a continuation of the postponement at the termination of the agreement.

When an application for postponement is approved, the following provisions will apply:

- Postponement will first apply in the year a completed application is received. The amount of rates postponed will not incur additional charges.
- Instead of the Council requiring payment of the full annual rates bill in the year in which it falls due, the ratepayer will be required to pay to the Council an appropriate minimum amount determined by the Finance Manager.
- Any rates postponed shall be registered as a charge on the land.

Not less than once annually every ratepayer whose rates have been postponed under this policy, will be provided with a statement showing the total annual rates currently due. This will be itemised to show year by year the total amount of the postponed rates and postponement fees.

Following the end of the financial year, a schedule of rates postponed will also be provided to the Council (annually), listing all the properties for which rates postponements have been granted and which remain outstanding.

#### 4.11.3 Any part of postponed rates can be paid at any time

The applicant may elect to postpone the payment of a lesser sum than that which they would otherwise be entitled to have postponed under this policy. Any part of the postponed rates and/or any additional charges may be paid at any time.

### 5. MAKING AN APPLICATION

Written applications for remissions or grants in lieu of rates must be made prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated. Applications for postponement of rates due to financial hardship can be made at any time.

All decisions made under this policy by Council, Southland District Council staff and committees of Council are final.

The following table outlines supporting documents which should accompany applications for remissions, postponement or grants in lieu of remission. Additional information may also be requested.

Application type	Supporting documentation required and period of remission
Small community and sports associations with liquor licences	<ul style="list-style-type: none"> <li>• A statement of objectives.</li> <li>• Financial accounts.</li> <li>• Information on activities and programmes.</li> <li>• Details of membership or clients.</li> </ul> <p>Remission ceases where a property is sold or ownership transferred or there is a change in operations. Applicants are responsible for notifying</p>

Application type	Supporting documentation required and period of remission
	Council if their circumstances and eligibility for remission change.
Community facilities owned by persons, general clubs, societies or associations	<ul style="list-style-type: none"> <li>• Statement of objectives.</li> <li>• Constitution or Trust Deed.</li> <li>• Full financial accounts.</li> <li>• Information showing extreme financial hardship and operating position.</li> <li>• Information on activities and programmes.</li> <li>• Information on funding sources.</li> </ul> <p>Remission ceases where a property is sold or ownership transferred or there is a change in operations. Applicants are responsible for notifying Council if their circumstances and eligibility for remission change.</p>
Remission of penalties	<p>As requested by delegated parties.</p> <p>Council staff determine the term of the remission based on the circumstances.</p>
Extreme financial hardship - Remission of rates	<p>Remission of rates, or a portion thereof, may only be made after the Finance Manager is satisfied of the ratepayer's true financial position. A review of the ratepayer's financial records and commitments and a declaration from the ratepayer of their financial position should accompany any request made for this form of remission. Applications must be re-submitted on an annual basis.</p>
Remission of rates for school sewerage charges	<p>A written confirmation from the educational establishment of the number of pans or notional number of pans in the establishment. A confirmation for the relevant calendar year must be received on or before 30 April each year. Applications must be re-submitted on an annual basis.</p>
Grants in lieu of remissions of rates	<p>Applications must state the reasons a grant is required and provide any supporting documentation appropriate. Applications should include a review of the ratepayer's financial records and commitments. Applications must also detail the public benefit which would be gained from providing a grant in lieu of remitting rates. Applications must be re-submitted on an annual basis.</p>
Remission of rates in exceptional circumstances	<p>Applications must be in writing and include evidence from the ratepayer of the exceptional circumstances, to a level that is considered satisfactory by the delegated party. Applications must be re-submitted on an annual basis.</p>

Application type	Supporting documentation required and period of remission
Remission of roading rates on other utilities with no primary address	Confirmation from the rating information database that the property is classified "other utilities".  Remission ceases when a property's classification ceases to be "other utilities".
Remission of rates for cancellation or reduction of wheelie bin service	Applications must be made verbally or in writing to an appropriate member of Council staff. Confirmation of the bin being returned to the contractor or no longer available is required from the contractor before the remission will be applied. Remissions apply from the first day of the month following the confirmation of the return to the contractor and apply until 30 June of the following year.
Remission of rates for natural disasters and emergencies	As requested by delegated parties.  Applications must be re-submitted on an annual basis.
Financial hardship - Postponement of rates	Postponement of rates, or a portion thereof, may only be made after the Finance Manager is satisfied of the ratepayer's true financial position. Written applications should include a review of the ratepayer's financial records and commitments and a declaration from the ratepayer of their financial position.

**6. ROLES AND RESPONSIBILITIES**

Party/Parties	Roles and Responsibilities
Southland District Council Water and Waste Department	Staff from Southland District Council's Water and Waste Department are responsible for providing information to Finance Officers regarding remissions for rating units that have the capacity to be connected to water and sewerage systems, but do not have a physical connection. These staff will also advise when remissions for rubbish and recycling bins are required.
Finance Officer	The Finance Officers will have delegated authority to make decisions regarding the remission of rates and penalties up to \$100 per request. The Finance Officers also have delegated authority to apply remission terms as stated in the appropriate finance guidelines.
Finance Manager	The Finance Manager has delegated authority to make decisions regarding the remission of rates and penalties up to \$5,000 per request. The Finance Manager also has delegated authority to establish the appropriate remission guidelines. The Finance Manager also has authority to request any further information and documentation required to make a decision regarding the remission or postponement of rates or penalties.
Chief Financial Officer	The Chief Financial Officer has delegated authority to make decisions regarding the remission or postponement of rates and the application of postponement fees. Recommendations to Council regarding the calculation of postponement fees should be made by the Chief Financial Officer.
Council, appropriate committee of Council, Community Board or Community Development Area Sub-committee	Southland District Council, the appropriate committee of Council, Community Board or Community Development Area Subcommittee may consider applications relating to grants in lieu of rates remission.

**7. ASSOCIATED DOCUMENTS**

- Remission and Postponement of Rates on Māori Freehold Land Policy.
- Local Government (Rating) Act (2002).
- Local Government Act (2002).

## 8. REVISION RECORD

Date	Version	Revision Description
To be confirmed	2018-2028 10 Year Plan	r/16/10/17769
20 May 2015	2015-2025 10 Year Plan	r/15/6/10846
	2012-2022 LTP Version	r/13/8/11128





## Investment and Liability Management Policy

**Record No:** R/17/9/21875  
**Author:** Robyn Rout, Policy Analyst  
**Approved by:** Anne Robson, Chief Financial Officer

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 The purpose of this report is to present the Investment and Liability Management Policy to Council for its consideration and adoption.

### Executive Summary

- 2 The Investment and Liability Management Policy outlines how Council will manage its investments, including what Council will invest in, and how investment risk will be assessed and managed. The Policy also outlines how Council will manage borrowings.
- 3 The Finance and Audit Committee endorsed a draft Policy in March this year and recommended that it be released for public consultation. The draft Policy incorporated some minor changes to the current policy, including clarity around the intent of Council in the setting of interest on internal loans, and changes to roles and responsibilities.
- 4 Although no feedback was received, Council staff have subsequently noted that the current Investment and Liability policy was out of alignment with the 2015-2025 Long Term Plan (LTP). The LTP allowed for Council to borrow up to 100% of total revenue, the current Investment and Liability policy allowed for 150% of total revenue. Given Council's discussion at the time of approving the LTP, the attached draft Investment and Liability Policy has been changed from 150% to 100% of total revenue. In addition the investment criteria table was amended to include the correct short-term Standard and Poor's rating classification.
- 5 The draft Policy was presented to the Finance and Audit Committee on 6 September 2017. The Committee endorsed the Policy and recommended that Council adopt the policy.
- 6 This report recommends that Council adopt the Policy (including any amendments agreed at this meeting). This report also recommends that Council adopt the delegations outline in the Policy.

## Recommendation

That the Council:

- a) Receives the report titled “Investment and Liability Management Policy” dated 17 September 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) Adopts the draft Investment and Liability Management Policy (including any amendments agreed at this meeting).
- e) Adopts the delegations that are outlined in the draft Investment and Liability Management Policy.

## Content

### Background

- 7 Under Section 102 of the Local Government Act 2002 (LGA 2002), Council is required to have both an Investment Policy and a Liability Management Policy. These policies have been merged into one document (the Policy) due to their similar nature.

### *Changes to the draft policy*

- 8 This Policy was last revised and consulted on as part of the 2013/14 Annual Plan. At that time, Bancorp was engaged to review sections of the Policy. In particular, Bancorp:
- reviewed sections relating to financial market investments,
  - made recommendations to enable the treasury activities of SDC to be carried out under a set of market best practice standards, and
  - reviewed sections relating to the Local Government Funding Agency.

- 9 As a thorough review of this Policy was undertaken in 2013, the draft Policy that was put out for consultation in March, did not include any substantial changes. The changes that were made clarified aspects of the policy and were updates to the roles and responsibilities of staff.

### *What is in the draft Policy*

- 10 The investment part of the policy is designed to ensure that the financial resources of the Council are managed in an efficient and effective way. It sets out why Council holds investments, its strategy towards risk, the mix of investments it has and how it will distribute any return on investments.
- 11 The key aspects of the Investment Policy are:
- Outlining Council's risk profile, which is that Council is a risk adverse entity and does not wish to incur additional risk from its treasury operations. As such, the types of

treasury investments that Council allows investment in is limited to a Standard and Poors rating of A- or above. This currently excludes investment in SBS who has a rating of BBB. Currently, Council only invests in New Zealand Registered Banks where investment is limited to \$10M if the bank has a rating of A1 or better.

- Council's ability to invest internally through Internal Loans - Council has \$20M of internal loans at 30 June 2016. These loans are to facilitate the development of Council projects and the funding of these to date has been from funds held (generally reserve funds held by Council or committees of Council) rather than borrowings.
- The ability for Council to invest in the Local Government Funding Agency Limited (LGFA) - The LGFA was established to enable Local Government to borrow at lower margins than would be available otherwise. All borrowers are required to contribute 1.6% of the total amount borrowed as capital. The Policy allows for Council to invest in the LGFA if circumstances are beneficial to Council.

12 The liability management part of the Policy is designed to provide a framework for prudent debt management. It sets out how Council may wish to use debt as a funding mechanism, along with limits to borrowing and how Council will handle risk.

13 The key aspects of the proposed Liability Management Policy are:

- That borrowing limits of Council remain unaltered. Council has set the limit at 100% of total revenue, based on the 2015/16 Annual Report this would be around \$67M.
- How Council will handle risk - This includes hedging, to manage the impact that movements in interest rates can have. Table 4 in the policy outlines the policy around this.
- That security for borrowing will usually be way of a charge over rates. However an option exists to offer security over other assets of Council where Council considers doing so would help further its community goals or objectives.
- That Council can borrow from the Local Government Funding Authority.
- That Council can advance Internal Loans for the purpose of capital or one-off activities. Council investments may be used as a source of the funding of these loans. Currently \$20M of loans exist.

14 The policy also outlines the structure of responsibilities and reporting lines within Council. These ensure appropriate management and accountability of liability and investment activities.

15 Please note the borrowing limit has reduced from 150% of total revenue as per the draft policy to 100% in the final draft policy. This has occurred as a result of aligning it with the 2015-2025 Long Term Plan, which was inconsistent with the previous Investment and Liability Management Policy. The direction from Council as part of finalising the 2015-2025 Long Term Plan was to reduce the limit from 150% to 100% as they considered it artificially high. The intent for the 2018-2028 LTP is that it will remain at 100% of total revenue.

16 The draft policy was presented to the Finance and Audit Committee on 6 September 2017. The Committee endorsed the policy and recommended that Council adopt the policy.

### **Issues**

17 No submissions were made on the draft Policy, so officers are not aware of any concerns or further changes that need to be made.

- 18 If adopted, the draft Policy would make minor changes to delegations relating to investments (see paragraph 3.75). Pursuant to Clause 32(2), Schedule 7, of the Local Government Act 2002, the Council may make delegations to officers of the Council to allow for the efficient conduct of Council business. Clause 32(3), Schedule 7 of the Act also allows officers to delegate those powers to other offices.
- 19 The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan remains the sole responsibility of the Council (Clause 32(1)(c), Schedule 7). This responsibility cannot be delegated.
- 20 This report recommends that Council adopt the delegations outlined in the Policy.

### **Factors to Consider**

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

- 21 As has been stated above, under the Act, Council is required to have both an Investment Policy and a Liability Management Policy. Council must state its policies in respect of investments, including:
- The mix of investments;
  - Acquire new investments;
  - An outline of the procedures by which investments are managed and reported on to the local authority; and
  - An outline of how risks associated with investments are assessed and managed.
- 22 The Act also requires Council to state its policy in respect to both borrowing and other liabilities, including:
- Interest rate exposure;
  - Liquidity;
  - Credit exposure;
  - Debt repayment.
- 23 Under Section 102 of the Act, amendments to the Policy can be made by a resolution of Council. There is no legal requirement to consult. By seeking community views on this draft Policy, Council has complied with its Significance and Engagement Policy. Council is also required to consider the views and preferences of persons likely to be affected by, or interested in, the matter (in accordance with Section 78).

#### **Community Views**

- 24 People in the Southland district had an opportunity to give their views on this Policy, however no submissions were received. No public feedback was received either, when this policy was consulted on as part of the 2013/14 Annual Plan.
- 25 In relation to investments, it is likely that the public would support prudent and effective management, a balanced investment/risk profile, and to maintain appropriate procedures, controls and reporting. In relation to liability management it is likely the public would support there being set limits on borrowing, compliance with any financing/borrowing covenants and ratios, and maintaining adequate internal controls to mitigate operational risks.
- 26 This Policy does not need to be included in the Long Term Plan 2018-2028, and will not be included in the consultation document for the Long Term Plan.

### Costs and Funding

- 27 There are no costs associated with implementing a new Policy, aside from the minor costs associated with staff time.

### Policy Implications

- 28 Changes to the Policy will not substantially alter how Council currently operates its investments and potential borrowings. It hopefully will clarify and confirm Council's policy on these matters.

## Analysis

### Options Considered

- 29 Council is required to adopt an Investment and Liability Management Policy. On this basis, Council has the option of adopting the draft Policy, or making further changes to the Policy.

### Analysis of Options

- 30 **Option 1 – Adopt the draft Policy** (including any amendments agreed at this meeting)

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Gives a clear outline of how Council will manage its investments and liabilities.</li><li>• Complies with legislation.</li><li>• Meets best practice guidelines.</li><li>• Documents current practice and the rationale for future reference.</li><li>• Ensures appropriate management and accountability of liability and investment activities.</li></ul>	<ul style="list-style-type: none"><li>• There are no known disadvantages.</li></ul>

- 31 **Option 2 – Making further changes to the draft Policy**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Further clarifies Council's thinking on investments and borrowings.</li></ul>	<ul style="list-style-type: none"><li>• This option may mean the policy is adopted later, however, there is still the capacity to meet legislative requirements.</li></ul>

### Assessment of Significance

- 32 This Policy has been assessed as not being significant in relation to the Council's Significance and Engagement Policy.

### Recommended Option

- 33 It is recommended that Council adopt the draft Investment and Liability Management Policy (Option 1).

## Next Steps

- 34 Once Council have adopted the Policy it will be circulated to relevant staff and delegations in relation to investment reviewed and amended as necessary.

## Attachments

- A Draft Investment and Liability Management Policy [↓](#)



## SOUTHLAND DISTRICT COUNCIL INVESTMENT POLICY AND LIABILITY MANAGEMENT POLICY

This policy applies to: The Southland District Council

### DOCUMENT CONTROL

Policy owner: Chief Financial Officer	TRIM reference number: r/17/3/4252	Effective date:
Approved by:	Date approved:	Next review date: 2020
	<input type="checkbox"/> Operational policy	<input checked="" type="checkbox"/> Council policy

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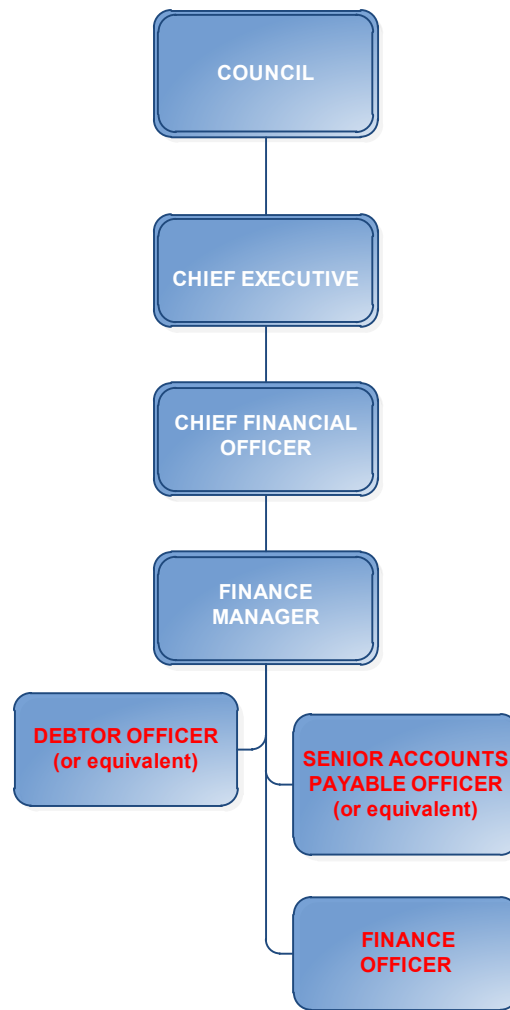
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**INVESTMENT POLICY AND LIABILITY MANAGEMENT POLICY****Item 7.5 Attachment A****1 OVERVIEW**

- 1.1 The Local Government Act 2002 requires local authorities to adopt an Investment Policy and a Liability Management Policy.
- 1.2 The Investment Policy is designed to ensure that the financial resources of the Council are managed in an efficient and effective way. It sets out how Council can utilise funds from the sale of assets, what should be done with the investment income and so on.
- 1.3 The Liability Management Policy is designed to provide a framework for prudent debt management and sets out how Council may wish to use debt as a funding mechanism.
- 1.4 Council has a structure of responsibilities and reporting lines to ensure the appropriate management and accountability of the liability and investing activities.

**2. STRUCTURE****Organisational Structure**

- 2.1 The organisation chart for the finance activity is as follows:



## Responsibilities

2.2 The key responsibilities of the above positions are as follows:

### Council

- Approve and adopt the Policies.
- Review at least on a three yearly basis the Policies and approve any revisions or amendments as required.
- Approve by resolution all external Council borrowing.
- Responsible for the appointment of any fund managers.

### CEO

- Ultimately responsible for ensuring the Policies adopted by Council are implemented by officers of Council and administered in accordance with their terms.

### Chief Financial Officer (CFO)

- Responsible for recommending investment, borrowing and risk management strategy in conjunction with the Senior Financial Accountant and the Policy and Planning Manager.
- Ensure compliance with the Risk Management Strategy.
- Responsible for determining the level of cash available for investment and that held for working capital purposes.
- Approve amounts to be placed with a fund manager for investment purposes.
- Recommend to Council amendments to the Policies as required.
- Recommend to Council the most appropriate source and terms for borrowing as and when required.
- Review internal audit reports and approve as appropriate any recommendations made.
- Approve new investments ensuring the proposed investment complies with these policy documents.

### Finance Manager

- Responsible for confirming adherence to the Policies, through internal reviews, to be performed on a regular basis.
- Negotiate investment and borrowing transactions.
- Reports findings to the CFO.
- Assist in identifying amendments to the investment, borrowing and risk management strategy, which may require amendment of the Policies.
- Responsible for all activities relating to the daily implementation and maintenance of the Policies.
- Assist in determining the most appropriate sources and terms for borrowing and investing.
- Negotiate investment and borrowing transactions.
- Responsible for keeping the CFO informed of significant activity and market trends.
- Responsible for reviewing/approving the weekly cashflow and cash management transaction requirements completed by the Senior Accounts Payable Officer (or equivalent).

### Finance Officer/Senior Accounts Payable Officer/Debtor Officer (or equivalent)

- Prepare and manage Council's cashflow and cash requirements.

- Report to the Finance Manager on the weekly cashflow position and resulting cash management transactions required.

### 3. INVESTMENT

#### Introduction

3.1 This Investment Policy has been prepared pursuant to Section 102(1) of the Local Government Act 2002 (the “Act”), which requires the Council to adopt an Investment Policy and a Liability Management Policy. Section 105 of the Act sets out what must be included in an Investment Policy.

3.2 Council generally holds investments for strategic reasons where there is some community, social, physical or economic benefit accruing from the investment activity.

Council’s rationale for retaining investments is:

- Strategic assets are to be held by the Council, for public good.
- To earn from strategic investments a cash flow for investment in community wellbeing.
- To prudently manage cash flows within annual budget parameters.

3.3 Council is a risk adverse entity and does not wish to incur additional risk from its treasury activities. Accordingly, Council’s primary objective when investing is the protection of its initial investment and generating a commercial return on strategic investments is considered a secondary objective.

#### Objectives

3.4 The key investment policy objectives are to:

- Provide a framework for the prudent and effective management of investments.
- Ensure that investments are managed in accordance with current governing legislation and Council's strategic and commercial objectives.
- Manage investments in a sustainable and equitable way, having regard to current and future generations.
- Recognise the community ownership of these assets and the need for a balanced investment/risk profile.
- Ensure Council assets are managed prudently and adequately safeguarded.
- Safeguard Council’s financial market investments by establishing and regularly reviewing investment parameters and ensuring all investment activities are carried out within these parameters.
- Maximise interest income, within a prudent level of investment risk. Council recognises that as a responsible public authority any investments that it does hold should be of relatively low risk. It also recognises that lower risk generally means lower returns.
- Ensure funds are available to meet Council’s needs.
- Maintain professional relationships with the Council's bankers, financial market participants and other stakeholders.
- Regularly review the performance and credit-worthiness of all investments.
- Maintain procedures and controls and provide timely and accurate financial and management information.

3.5 These objectives will be achieved by having regard to:

- The mix of investments that Council will utilise.
- The process for the acquisition of new investments.

- The management and assessment of risk.
- The need for appropriate management and reporting procedures.

### **Investment Mix**

3.6 Council has a portfolio of investments, at any time these could comprise:

- Treasury, including investments in banks, local government and government stock.
- Stocks, bonds, debentures and notes.
- Equity investments.
- Property.
- Other property investments – Community Housing.
- Forestry.
- Loans, advances for community development purposes.
- Internal Loans
- Shares (if market conditions are favourable).

3.7 The decision on which mix of investments Council will hold at any time will be based on the purpose for which the funds were acquired and the market conditions at the time.

### **Acquisition of New Investments**

3.8 With the exception of treasury investments, new investments are acquired if an opportunity arises and approved by Council resolution, based on advice and recommendations from Management. Before approving any new investments, Council gives due consideration to the contribution the investment will make in fulfilling Council's strategic objectives and the financial risks of owning the investment.

3.9 The authority to acquire treasury investments is delegated to the Chief Financial Officer.

### **Application of Returns from Investments**

3.10 Some returns are earmarked for specific purposes, but generally returns on Council investments are applied to give equal benefit to the District ratepayers by application in a pro-rata basis to offset the costs of District services.

### **Equity Investments**

#### **Nature of Investment**

3.11 Equity investments are held for strategic purposes only and include interests in:

- **Civic Assurance Corporation** (13,715 shares).  
Civic Assurance is a specialist Local Government insurance company.
- **Milford Sound Tourism Limited** (2,000 shares). The role of Council is to facilitate and co-ordinate development and operations at Milford Sound/*Piopiota* and Council's intention is to retain its shareholding in the company.

#### **Rationale for Holding Investment**

3.12 The Council may hold equity for non-investment purposes, provided that the holding is in furtherance of its purpose under the Local Government Act 2002.

3.13 To have the ability to utilise equity investments where necessary to:

- Achieve the desired level of returns; and/or
- To provide a diversified investment portfolio.

#### **Disposition of Revenue**



- 3.14 These investments are held for strategic reasons only and not for investment purposes. As such these investments do not derive revenue. If they do, revenue will be used to offset general rates.

Risk Management

- 3.15 Investments in the Civic Assurance Corporation and the Milford Sound Tourism Limited are held for strategic purposes. For any other equity investments, Council reviews the performance of the trading enterprises at least annually to ensure that strategic and financial objectives are being achieved.

- 3.16 Dispositions and acquisitions require Council approval.

Property

Nature of Investment

- 3.17 The Council's first objective is to only own property that is strategically necessary for the economic, physical and social development of the Southland District and secondly, to achieve an acceptable rate of return. Investment property holdings are being leased out based on market rents or lease conditions. Property investments do not include properties for operational purposes.

Rationale for Holding Investment

- 3.18 Council holds investment properties in order to generate income to offset general rates.
- 3.19 The Council reviews the performance of its property investments on an annual basis and ensures that the benefits of continued ownership are consistent with its stated objectives. Any disposition of these investments requires the Council's approval.

Disposition of Revenue

- 3.20 Income generated is used to offset operational expenditure and reduce the overall rates levied.

Risk Management

- 3.21 The risk in respect of holding investment property is evaluated as low given the location of the properties and their current and long term use.
- 3.22 Rental income is considered low risk, due to the fixed and long term nature of the lease agreements. Lease rental is negotiated at the time the lease expires.

Other Property Investments - Community Housing

Nature of Investment

- 3.23 Council currently has 69 community house units available for rental, generally to elderly or disabled persons. These houses are located in various townships across the Southland District.

Rationale for Holding Investment

- 3.24 Council retains community housing to allow people to continue to live in its local community. These people are primarily the elderly or people with disabilities.
- 3.25 Council's philosophies include ensuring that rental charges cover cost (excluding depreciation) and to continue to maintain the housing at its current high standard. There is no required rate of return on this investment.

Disposition of Revenue

- 3.26 Revenue earned from the investment in community housing is retained in the community housing investment.

Risk Management

- 3.27 The risk in respect of holding investment property is evaluated as low given the location of the properties and their current and long term use.
- 3.28 Council's community housing activities are managed by staff in the Property Department. They regularly review Council's involvement in community housing, including assessment of the need for this asset within the community.

ForestryNature of Investment

- 3.29 The Council and its predecessor organisations have been involved in forestry for many years. Council's current forestry policy is that it will operate and maintain up to 3,000 planted hectares. The Council currently maintains 1,800 hectares of land.

Rationale for Holding Investment

- 3.30 The overall investment policy of the Council with regard to forestry is to maximise profit, with harvesting on a sustainable yield basis and without any demand on rates.

Disposition of Revenue

- 3.31 Any surplus revenue is used to offset rates. The revenue used to offset rates in any year may be the smoothed revenue calculated over a number of years. Approximately \$100,000 is retained for operating working capital at any time.

Risk Management

- 3.32 Forests are currently managed by a specialist external party. Forestry activities are reviewed by the Services and Assets Committee.

Significant risk management strategies include diversity of forest age classes, insurance against fire and access to a rural fire fighting force, a mix of species, geographic spread of forests and controlled access. Retention of the forest is reviewed periodically.

**Loans and Advances for community development purposes**Nature of Investment

- 3.33 The Council is not a lender and therefore is not generally involved in providing loans or advances.

Rationale for Holding Investment

- 3.34 Council provides loans for community development purposes. From time to time, Council has provided a loan or advance to a community organisation to facilitate the ongoing provision of community services or recreational opportunities. The loans/investments are not made for financial investment purposes.
- 3.35 Council sets the terms and conditions for any loans or advances as they are granted. Council will require security as deemed appropriate for each loan or advance. The security will be the assets or revenue of the organisation.

Disposition of Revenue

- 3.36 Generally these loans are to the benefit the local community and not for financial investment purposes. Interest will be charged at a rate that is consistent with Council's interest rate on internal loans. Any revenue would be applied to reserves, reduce external debt or offsetting general rates.

Risk Management

- 3.37 Council reviews the performance of its loan advances on a regular basis to ensure strategic and economic objectives are being achieved.
- 3.38 Council monitors the compliance of the borrower with the terms and conditions agreed upon.
- 3.39 All loans and advances documentation is subject to independent legal review prior to finalisation.

**Internal Loans**Nature of Investment

- 3.40 Council may utilise surplus funds for the purposes of internal borrowing. Internal borrowing forms a part of the overall mix of Council investments.

Rationale for Holding Investment

- 3.41 To facilitate the development of Council activities within Council and the community to minimise the costs associated with borrowing externally.

Disposition of Revenue

- 3.42 Income derived from internal loans is generally used to fund the interest liability on reserves. Any surplus income is used to reduce external debt or offset against general rates.

Risk Management

- 3.43 Internal loans shall be managed as a treasury investment. Interest rates will be set having regard for Council's opportunity cost forgone by not investing externally.
- 3.44 Council may not achieve the opportunity cost due to actual external interest rates being different to the interest rate set for any given year as part of the LTP/Annual Plan process. In this case the return to Council may be more or less and will impact on the return to reserves.

**Treasury Investments**Nature of Investment

- 3.45 To provide the ability to utilise a range of financial investments not already specified in this policy.

Rationale for Holding Investment

- 3.46 The Council maintains financial investments to:
- Invest surplus cash and working capital funds.
  - Achieve the desired level of returns within acceptable risk parameters.
  - Invest amounts allocated to trust funds and special funds.

Disposition of Revenue

- 3.47 Income derived from Council's treasury activities will be used to fund Council activities including interest on reserves and offsetting rates and external debt.

Risk Assessment and Management

- 3.48 Council's philosophy in the management of treasury investments is to optimise its capital protection and liquidity objectives while balancing risk and return considerations. Council recognises that as a responsible public authority any investments that it does hold should be low risk. It also recognises that lower risk generally means lower returns.
- 3.49 To provide the greatest benefit, Council utilises its surplus internal funds for internal borrowing to reduce external debt, thus effectively reducing net interest costs.
- 3.50 Council's primary objective when investing is the protection and liquidity of its investment. Accordingly, only credit-worthy counterparties are acceptable. Credit-worthy counterparties are selected on the basis of their current Standard and Poor's (S&P) or equivalent rating, which must be strong or better.
- 3.51 To avoid undue concentration of exposures, treasury investments/financial instruments should be used with as wide a range of counterparties as practicable. Transaction notional and principal sizes and maturities should be well spread where possible.
- 3.52 Within the above credit constraints, Council also seeks to:
- Ensure investments are liquid.
  - Maximise investment return.
  - Manage potential capital losses due to interest rate movements.
- 3.53 The above objectives are captured in the following investment framework *Interest Rate Risk Management*.

*Credit Risk Management*

- 3.54 Credit risk is minimised by placing maximum limits for each broad class of non-Government issuer and by limiting investments to registered banks, bonds issued by institutions with appropriate investment grade from a recognised rating agency, local authority bonds, and other financial institutions which are within prescribed limits.

*Liquidity Risk Management*

- 3.55 Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in a readily available secondary market.

*Interest Rate Risk Management*

- 3.56 Council aims to minimise the risk of default and variability of interest rates. It does this by:
- Ensuring that investments are made with entities that have at least a strong capacity (Long Term A- or Short Term A-1) rating from Standard and Poor's (S&P) or equivalent rating in Fitch or Moodys.
  - Limiting total exposure to prescribed amounts.
  - Monitoring compliance against set limits.
- 3.57 Based on Standard and Poor's rating, investments are to be spread as follows:

**TABLE 1 - How the Southland District Council will Spread its Investments**

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria - Standard and Poor's (S&P), or Moody's/Fitch equivalents	Limit for each issuer subject to overall portfolio limit for issuer class \$
New Zealand Government	100%	• Government Stock	Not Applicable	Unlimited
		• Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities	70%	• Commercial Paper	S&P short term rating of A-1 or better	3.0M
		• Bonds/Medium Term Notes (MTN)/Floating Rate Notes (FRN)	S&P long term rating of A- or better	2.0M
			S&P long term rating of A+ or better	3.0M
			S&P long term rating of AA or better	5.0M
Unrated Local Authorities	50%	• Commercial Paper	Not Applicable	2.0M
		• Bonds/MTNs/FRNs	Not Applicable	2.0M
New Zealand Registered Banks	100%	• Call/Term Deposits/Bank Bills/Commercial Paper	S&P short term rating of A-1 or better	10.0M
		• Bonds/MTNs/FRNs	S&P long term rating of A- or better S&P long term rating of A+ or better	3.0M 5.0M
State Owned Enterprises	50%	• Commercial Paper	S&P short term rating of A-1 or better	3.0M
		• Bonds/MTNs/FRNs	S&P long term rating of BBB+ or better S&P long term rating of A+ or better	1.0M 3.0M
Corporates	50%	• Commercial Paper	S&P short term rating of A-1 or better	2.0M
		• Bonds/MTNs/FRNs	S&P long term rating of A- or better	1.0M
			S&P long term rating of A+ or better	2.0M
			S&P long term rating of AA or better	3.0M
Financials <sup>1</sup>	30%	• Commercial Paper	S & P short term rating of A-1 or better	2.0M
		• Bonds/MTNs/FRNs	S&P long term rating of A- or better	1.0M
			S&P long term rating of A+ or better	2.0M
			S&P Long term rating of AA or better	3.0M
Building Societies	20%	• Call and Term Deposits	To be individually approved by Council	3.0M

<sup>1</sup> Entities that are neither NZ registered banks or corporates, that are involved in the provision of financial services (ie AMP, IAG etc)

- 3.58 Credit ratings are as determined by Standard and Poor's, or equivalent rating. If any counterparty's credit rating falls below the minimum specified in the above table, then all practical steps are taken to eliminate the credit exposure to that counterparty as soon as practicable.
- 3.59 Short term investments (less than six months at the time of inception) shall be benchmarked against the ANZ 90 day bank bill index and that the comparison should be done on a quarterly basis. Long term investments (more than six months at the time of inception) shall be benchmarked against the ANZ A Grade Corporate Bond Index and the comparison shall be done on a quarterly basis. Compliance with the benchmarking standard is not required if the nominal value of either short term investments is less than \$5M or long term investments is less than \$5M.

### **Foreign Exchange**

- 3.60 Council has foreign exchange exposure through the occasional foreign exchange transactions that Council may undertake such as plant and equipment.
- 3.61 Significant commitments for foreign exchange can be hedged using foreign exchange contracts, once expenditure is approved. Forward exchange contracts can be used by the Council. The majority of these transactions would be small and would carry no significant foreign exchange risk.
- 3.62 Council does not borrow or enter into incidental arrangements within or outside New Zealand in currency other than New Zealand currency.

### **Procedures for Management and Reporting**

#### **Cash Management**

- 3.63 The finance function is responsible for managing the Council's cash surpluses and/or deficits.
- 3.64 The Council maintains rolling daily, monthly and annual cash flow projections which form the basis of its cash management activity. The Council maintains one main bank account for its operating cash flows as well as other bank accounts for specialist activities such as investment and borrowing requirements. Individual business units within the Council do not maintain separate bank accounts.
- 3.65 The Council manages its working capital balances by matching expenditure closely to its revenue streams and managing cash flow timing differences to its favour. Daily bank balances are extracted by the Senior Accounts Payable Officer and the Debtors' Officer.
- 3.66 Generally cash flow surpluses from timing differences are available for periods less than 90 days.
- 3.67 Cash management activities must be undertaken within the following parameters:
- An optimal daily range of \$10,000 is targeted for in the Council's main bank account, with investments adjusted to balance the current account if required.
  - Cash flow surpluses are placed in call deposits, term deposits, registered certificates of deposits and promissory notes.
  - Amounts invested must be within limits specified in Table 1.
  - The Council has a committed bank overdraft facility with a limit of \$5,000,000 for working capital purposes which is used on an operational basis.
  - Council also has the option of raising finance by issuing debentures pursuant to a Debenture Trust Deed entered into by a corporate trustee, should this provide a more attractive financing option than bank funding.



- The use of interest rate risk management on cash management balances is not permitted.

### Internal Controls

- 3.68 The Council's systems of internal controls over cash management includes adequate segregation of duties among the core investment functions of deal execution, confirmation, settling and accounting/reporting.
- 3.69 Key internal cash management controls are as follows:
- Cheque/Electronic Banking Signatories - dual signatures are required for all cheques and electronic transfers.
  - Authorised Personnel - all counterparties are provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.
  - Reconciliations - general bank reconciliation is performed daily and monthly by the Debtors Officer (or equivalent) and reviewed by a senior finance staff member.
- 3.70 There are a small number of people involved in investment activity. Accordingly strict segregation of duties is not always achievable. The risk from this is minimised by the following processes:
- A documented discretionary approval process for investment activity.
  - Regular management reporting.
  - Operational risk control reviews will be undertaken periodically.
  - Appropriate organisational, systems, procedural and reconciliation controls exist to ensure:
    - (a) all investment activity is bona fide and properly authorised;
    - (b) checks are in place to ensure the Council's accounts and records are updated promptly, accurately and completely.

### Reports

- 3.71 The following reports are produced to monitor cash management and investment activity:

Table 2 - Reports Produced to Monitor Case Management and Investment Activity

Report	Frequency	Prepared By	Recipient
Cashflow	Daily	Senior Accounts Payable Officer or equivalent	Senior Finance staff member
Renewal Investment	Monthly	Senior Accounts Payable Officer or equivalent	Senior Finance staff member
Operating Investment	Monthly	Senior Accounts Payable Officer or equivalent	Senior Finance staff member

3.72 Additionally, a quarterly report to the Finance and Audit Committee containing the following key details of both short term and long term investments.

- Total nominal value of portfolio.
- Weighted average interest rate.
- Asset class profile (if there are multiple classes).
- Credit profile.
- Maturity profile.
- Duration measurement.
- A statement of policy compliance.
- Details of any exceptions.

### **Delegated Authorities**

3.73 Pursuant to Clause 32 (2), Schedule 7, of the Local Government Act 2002, the Council may make delegations to officers of the Council to allow for the efficient conduct of Council business. Clause 32 (3), Schedule 7 of this Act allows officers to delegate those powers to other officers.

3.74 Notwithstanding Clause 32 (1) (c), Schedule 7 the power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan remains the sole responsibility of the Council. This responsibility cannot be delegated.

3.75 The Investment Policy related delegations are below.

Table 3 - Investment Policy Related Delegations

<b>Activity</b>	<b>Delegated to</b>	<b>Limits</b>
Approve and amend policy document	Council	Unlimited
Open/close bank accounts	Chief Financial Officer with advice given to Chief Executive	Unlimited
Approve signatories to Council's Bank Accounts	Chief Executive and Chief Financial Officer	Unlimited
Approve electronic banking amendment	Chief Financial Officer and Finance Manager	
Investment management	Chief Executive, Chief Financial Officer and Finance Manager	Subject to policy
Interest rate management	Chief Executive and Chief Financial Officer	Subject to policy
Cash management	Chief Executive, Chief Financial Officer, Finance Manager	Subject to policy
Approving transactions outside policy	Council	Unlimited
Approving allowable risk management instruments	Finance and Audit Committee	Unlimited subject to legislative limitations
Maximum daily transaction amount (approved investment, cash management, interest rate risk management)	Council, Chief Executive, Chief Financial Officer	Unlimited
Ensuring compliance with policy	Chief Financial Officer	N/A

### **Local Government Funding Agency Limited (LGFA)**

- 3.76 Despite anything earlier in this Investment Policy, Council may invest in shares and other financial instruments of the New Zealand LGFA and may borrow to fund that investment. The Council's objective in making any such investment will be to:
- Obtain a return on the investment; and
  - Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.
- 3.77 Because of this dual objective, Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.
- 3.78 If required in connection with the investment, Council may also subscribe for uncalled capital in the LGFA.

## **4. LIABILITY MANAGEMENT**

### **Introduction**

- 4.1 This Liability Management Policy has been prepared pursuant to the Local Government Act 2002; section 102(1) which requires the Council to adopt a Liability Management Policy and section 104 which outlines the contents of the policy.
- 4.2 Generally Council borrows to provide funding for the following activities:
- Fund Council capital expenditure requirements.
  - Manage timing differences between cash inflows and outflows.
  - Cover special 'one-off' projects.
  - Fund assets with intergenerational qualities.
- 4.3 Total debt levels are determined through Council's Long Term Plan (LTP) and Annual Plans. Council approves this borrowing requirement for each financial year in the Annual Plan or LTP or by later resolution during the year.

### **Objectives**

- Ensure Council has appropriate working capital funds available to carry out its plans as outlined in its LTP and Annual Plan.
- Ensure that Council has an on-going ability to meet its debts in an orderly manner as and when they fall due in both the short and long term, through appropriate liquidity and funding risk management.
- Arrange appropriate funding facilities for Council, ensuring they are at market related margins utilising bank debt facilities and/or capital markets as appropriate.
- Maintain lender relationships and Council general borrowing profile in the local debt and, if applicable, capital markets, so that Council is able to fund its activities appropriately at all times.
- Control Council cost of borrowing through the effective management of its interest rate risks, within the interest rate risk management limits established by this policy.
- Ensure compliance with any financing/borrowing covenants and ratios.
- Maintain adequate internal controls to mitigate operational risks.
- Produce accurate and timely reports that can be relied on by senior management and Council for control and exposure monitoring purposes in relation to the debt raising activities of Council.

- 4.4 Council will manage its borrowing activities prudently to ensure the best interests of the District are maintained. To undertake this, the following will be considered in conjunction with every transaction undertaken:
- Cost minimisation
  - Cost stabilisation/risk management

#### **Specific Borrowing Limits**

- 4.5 Council's borrowing limits are:
- Net external debt not to exceed 100% of total revenue.

#### **Interest Rate Exposure**

- 4.6 Interest rate risk management refers to managing the impact that movements in interest rates can have on Council's cash flows. This can have both a positive and/or negative impact
- 4.7 The interest rate exposures of Council shall be managed according to the parameters detailed in the following table and shall apply to the projected core debt of Council. Core debt is defined as that contained in the LTP or Annual Plan or as otherwise determined by the Chief Financial Officer.

<b>Table 4 - Fixed Rate Hedging Percentages</b>		
Term	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 -2 years	50%	100%
2 - 5 years	25%	80%
5 - 10 years	0%	60%

- 4.8 'Fixed rate' is defined as any debt that has an interest rate reset beyond three months.

#### **Interest Rate Risk Management**

- 4.9 To manage the interest rate risk associated with its debt Council may use the following interest rate risk management instruments.
- Interest rate swaps.
  - Swap options.
  - Interest rate options.
  - Interest rate collar structures but only in a ratio of 1:1.
  - Forward rate agreements.
- 4.10 Any other financial instrument must be specifically approved by the Chief Executive and Chief Financial Officer on a case-by-case basis and only be applied to the one singular transaction being approved. Credit exposure on these financial instruments is restricted by specified counterparty credit limits.
- 4.11 Prudent selection of funding instruments and mix will help the Council achieve its low debt servicing costs and risk minimisation objectives.
- 4.12 Selling interest rate options for the primary purpose of generating premium income is not permitted because of its speculative nature.

#### **Liquidity and Funding Risk Management**

- 4.13 Liquidity management refers to the timely availability of funds to Council when needed, without incurring penalty costs. This takes into account the ability to

refinance or raise new debt at a future time at the same or more favourable pricing and terms of existing facilities.

- 4.14 The Council will strive to ensure the timely availability of funds to meet the Council's various expenditure needs, preferably without incurring penalties or holding unnecessary cash reserves.
- 4.15 To avoid a concentration of debt maturity dates Council will, where practicable, aim to have no more than 50% of debt subject to refinancing in any 12 month period.
- 4.16 The Council shall aim to maintain committed funding lines of not less than 105% of projected core debt.

#### **Credit Exposure**

- 4.17 The Council may only enter into interest rate risk management transactions with New Zealand Registered Banks.

#### **Debt Funding**

- 4.18 The Council may obtain funding utilising the following methods:
- Bank debt from New Zealand Registered Banks.
  - Capital markets issuance comprising Commercial Paper, Fixed Rate Bonds, Medium Term Notes and Floating Rate Notes.
  - From the Local Government Funding Agency.
- 4.19 The Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate, maintain a strong credit rating and manage its relationships with its investors and financial institutions. To this end it is the Council's intention to seek and maintain a strong balance sheet position.
- 4.20 The Council may use a mixture of short term facilities (which generally have lower credit margins) as well as longer term facilities to achieve an effective borrowing mix, balancing the requirements of liquidity and cost.

#### **Debt Repayment**

- 4.21 Total debt levels are indicated through Council's LTP or Annual Plans. Council's Annual Report will contain information to allow actual debt levels to be compared with those forecasted.
- 4.22 Loans raised for specific projects will generally be repaid through user charges or rates. Loans raised for local purposes will generally be repaid by the ratepayers in the relevant local area. Surplus Council funds and proceeds from the sale of investments and assets will be reviewed periodically by Council with a view to repaying debt, or for funding capital projects.
- 4.23 The Council may repay debt before maturity in special cases where the circumstances suggest that this would be in the best interests of the District.

#### **Security**

- 4.24 It is Council's general policy to offer security for its borrowing by way of negative pledge or a charge over its rates.
- 4.25 In the normal course, the Council's policy is not to offer a guarantee or security over any of the other assets of the Council. However the Council may decide to offer security over the asset:

- where borrowing is by way of finance lease, or some other form of trade credit under which it is normal practice to provide security over the asset concerned, or
- where the Council considers doing so would help further its community goals and objectives.

### **Benchmarking**

- 4.26 That for performance measurement purposes the actual borrowing performance of the Council shall be compared with the following external benchmark which is predicated off the midpoints of the risk control bands contained in Table 4.
- 25.0% Average 90 day bank bill rate for the reporting month.
  - 12.5% Average one year swap rate for the reporting month.
  - 12.5% Average one year swap rate for the reporting month, one year ago.
  - 12.5% Average three year swap rate for the reporting month.
  - 12.5% Average three year swap rate for the reporting month, three years ago.
  - 12.5% Average seven year swap rate for the reporting month.
  - 12.5% Average seven year swap rate for the reporting month, seven years ago.
- 4.27 Compliance with the benchmarking standard is not required if Council's nominal debt levels are less than \$10M.

### **Reporting**

- 4.28 A quarterly report to the Finance and Audit Committee is compiled which contains the following key details of Council's debt and hedging profile:
- Total debt facility utilisation, including bank sourced debt, capital markets issuance and LGFA funding.
  - Interest rate hedging profile against percentage hedging limits.
  - New interest rate hedging transactions completed.
  - Weighted average cost of funds.
  - Performance measurement.
  - A statement of policy compliance.
- 4.29 The details of any exceptions, including remedial action taken or intended to be taken.

### **LGFA**

- 4.30 Despite anything earlier in this Liability Management Policy, Council may borrow from LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:
- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA.
  - Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.
  - Commit to contributing additional equity (or subordinated debt) to the LGFA if required.
  - Subscribe for shares and uncalled capital in the LGFA.
  - Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

**Internal Loans**

- 4.31 All Council investments may be used as a source for internal loans in relation to expenditure of a capital (or one off) nature related to any activity that would otherwise be funded by external loan.
- 4.32 The term of any internal loan shall not be more than 30 years and will be set after taking into account the ability of ratepayers affected to pay, alternative uses of the funds and the life of the assets to be funded. The term set will be subject to review during the course of the loan.
- 4.33 The interest rate to be applied to internal loans for any given year will be developed as part of Council's Long Term Plan or Annual Plan. To remove any doubt, the interest rate calculated will be the interest rate used for that year for budgeting and end of year actual results.
- 4.34 The method of calculation and the resulting interest rate will be resolved by Council as part of this annual process. In developing the method of calculation, Council will consider its investment policy objective, which is to obtain the net opportunity cost of not having the funds invested externally. Council will also consider its present and future financial position as well as market conditions.
- 4.35 After taking into account fairness and equity, Council can resolve to apply a lesser interest rate than the interest rate calculated where it agrees the circumstances are such that it is warranted.





## Hearings on Proposed Amendment to the Freedom Camping Bylaw for Lumsden

Record No: R/17/9/21651  
Author: Robyn Rout, Policy Analyst  
Approved by: Bruce Halligan, Group Manager Environmental Services

☒ Decision ☐ Recommendation ☒ Information

### Purpose

- 1 This report gives Councillors information on the feedback that was received through submissions on the proposed amendment to the Freedom Camping Bylaw 2015 (the Bylaw) for Lumsden. This report also outlines the speakers that have requested to be heard.

### Executive Summary

- 2 In June this year, a draft amendment to the Bylaw for Lumsden was endorsed and put out for consultation. This report contains an overview of the current freedom camping rules for Lumsden, and also an overview of the proposed amendment.
- 3 Submissions have now closed and Council received 150 submissions on the proposed amendment. There is not a clear consensus on the proposal. Submitters are quite evenly divided on whether or not they support having a designated tent site, and whether or not to have more areas where self-contained and non-self-contained vehicles would be permitted to stay for up to 7 nights around the railway station. Generally, people who lived in Lumsden or in the surrounding towns, are less in favour of both the tent site, and having the additional areas for vehicles, than submitters from other regions. This report gives an overview of points that were raised by submitters.
- 4 This report also informs Council of the submitters who would like to be heard on this matter, and it outlines the schedule for the hearing.

## Recommendation

That the Council:

- a) Receives the report titled “Hearings on Proposed Amendment to the Freedom Camping Bylaw for Lumsden” dated 19 September 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) Endorses the proposed amendment to the Bylaw that was released for consultation (see the Statement of Proposal included as Attachment A).
- e) Endorses the decision to release the proposed amendment to the Bylaw for consultation.
- f) Accepts the submission that was received after the consultation period had ended.
- g) Hears and considers the oral submissions from those submitters who wish to speak to their submission.

## Content

### Background

#### *Current Rules*

- 5 In Lumsden, the current Bylaw allows self-contained camping anywhere within the town boundary (on Council controlled land), for a maximum of 3 days in any 30 day period. In the Bylaw, a vehicle is classified as being ‘self-contained’ if it has the capability of meeting the ablutionary and sanitary needs of its occupants. The current rules permit both self-contained and non-self-contained camping in two designated areas around the railway station for 7 nights in any 30 day period. There is currently no differentiation between vehicles and tents. The current Bylaw for Lumsden is included as Attachment B. Staff have been informed that the Bylaw does not reflect how the site is currently being used.

#### *Previous investigations/discussions*

- 6 The Lumsden Community Development Area Subcommittee (CDA) has undertaken steps to ascertain community views on Freedom Camping in Lumsden. In 2016, it completed a survey and received 46 responses. Thirty two of the responses supported freedom camping, 10 were against and 4 were undecided. In December 2016, the Lumsden CDA notified the public that the end of the freedom camping trial was approaching, and that Council wanted to ensure the Bylaw accurately reflects what the Lumsden community wants for the 2017/2018 summer season, onwards.

- 7 The CDA discussed the issues relating to freedom camping in April 2017 and indicated a desire to look at progressing an amendment to the Bylaw to reflect current practice. In May 2017, Council carried out a community conversation session at Lumsden. Freedom camping dominated the meeting with a small number of locals expressing concerns. In June, the CDA resolved to make a recommendation to Council that it amend the Bylaw in time for the next summer season.

***The proposed amendment***

- 8 On 29 June 2017, staff presented the amendment that was proposed by the CDA, to the Regulatory and Consents Committee (the Committee). The Committee endorsed the Statement of Proposal (see Appendix A), and agreed to release the proposed amendment to the Bylaw for consultation, using the special consultative procedure, to further ascertain community views on the matter.
- 9 The proposed amendment is outlined in the Statement of Proposal. The proposal would continue to permit self-contained camping anywhere that is shaded pink on the map (excluding the prohibited areas, and only on Council controlled land), for a maximum of 3 days in any 30 day period.
- 10 The proposal would create a new defined area for tents to the east of the railway station, and prohibit tents from other designated freedom camping areas.
- 11 The proposal would allow self-contained and non-self-contained freedom camping vehicles in the areas marked in green around the railway station. Three areas are being added, two behind the railway station, and one behind Buzz Café. The effect of these additional areas would be to legally enlarge the area where non-self-contained freedom campers could camp, and allowing self-contained freedom campers to stay in those areas longer (as the current Bylaw allows self-contained freedom campers in the railway station area for 3 days in a 30 day period). Camping in the green areas is proposed to be for a maximum of 7 nights.
- 12 It is proposed that the playground and particular car parks near the main street, are designated as camping 'prohibited'. Playgrounds are outlined as a prohibited area in the current Bylaw. It is proposed to have the car parks as prohibited areas so people visiting the town, can park their cars and access the shops and other town facilities.

***Other proposed rules and planned work***

- 13 The CDA plans to encourage self-contained freedom campers to park in designated areas outside of the immediate railway station area, by guiding campers there through on-site signage. This would allow more capacity around the immediate railway station area for non-self-contained campers (so they can use the toilet and wash facilities), and it may increase the number of non-self-contained freedom campers who can stay at the site (as self-contained campers may park elsewhere).
- 14 The Committee has suggested that the following rules are appropriate for non-contained freedom campers who visit the site:
- No washing hung on trains, playground, fences or trees
  - Tents only between hours of 5.00 pm and 10.00 am
  - Clean teeth in bathroom
  - Wash dishes at provided sink
  - Vehicles off grassed areas
  - Dogs must be on a leash.

- 15 Council's legal advisor recommends that these rules do not form part of the Bylaw, however they can still be informal rules displayed on signage.
- 16 Subject to funding, the CDA has resolved to complete works to mitigate any adverse effects from freedom camping. This work is:
- Installing bollards to prevent vehicles using the area proposed for tents
  - Installing visual screening at the area proposed for tents
  - Sealing of the vehicle parking area
  - Marking camp sites.

### **Issues**

#### **Legal Considerations**

- 17 Section 10 of the Freedom Camping Act 2011 states that freedom camping is permitted in any local authority area unless it is restricted or prohibited in accordance with a bylaw or under any other enactment.
- 18 Section 11(2)(a) provides that a local authority may only place restrictions on freedom camping by way of a bylaw if it is satisfied that the bylaw is needed:
- To protect the area
  - To protect the health and safety of people who may visit the area
  - To protect access to the area.
- 19 The Council also needs to be satisfied, section 11(2)(b), that the bylaw is the most appropriate way of addressing the perceived problems and that it is not inconsistent, section 11(2)(c), with the New Zealand Bill of Rights Act 1990. Placing a restriction on where people can enter and camp using the bylaw, could be seen as being in breach of the "freedom of movement" Right under the Bill of Rights Act 1990. Section 5 of the Bill of Rights Act allows for restrictions on Rights to be imposed, however, where there is a reasonable justification.
- 20 The Freedom Camping Act 2011 is a permissive piece of legislation and sets a tight framework within which any restrictions placed on where people can freedom camp must be managed. Council must be satisfied that any restrictions that it does want to impose can be reasonably justified in accordance with the provisions in the Act.
- 21 The current Freedom Camping Bylaw 2015 allows, and aims to control, freedom camping in Lumsden in accordance with the statutory provisions. The proposed amendment is to tighten up restrictions on freedom camping in Lumsden and to establish greater controls to enable the 'adverse effects' of the activity to be managed. The amendment before the Council is not about whether there is freedom camping in Lumsden at all.
- 22 Following the hearing of submissions, the Council will need to make a decision, and would have discretion as to which aspects of the proposed amendment it wishes to approve- for example the proposed tenting site as discussed in more detail below.

#### **Community Views / Submissions Received**

- 23 Overall 150 submissions were received on the proposed amendment. One hundred and fourteen of the submissions were made by local people (people who live in Lumsden, Balfour, Mossburn and Athol). Most of the responses were received through an online form (95 responses) and the remainder were received by email, through the post, or at a Council office. Eleven submissions were received from people who gave their home address as being overseas.

- 24 Officers did receive feedback that some people experienced problems submitting through Council's online process. When staff were aware someone was experiencing a problem, staff worked with the person to ensure they managed to submit successfully.
- 25 Twenty three people requested to speak to their submission at a hearing. Table 1 below outlines the submitters who will be presenting at the hearing, and the timetable for the session.

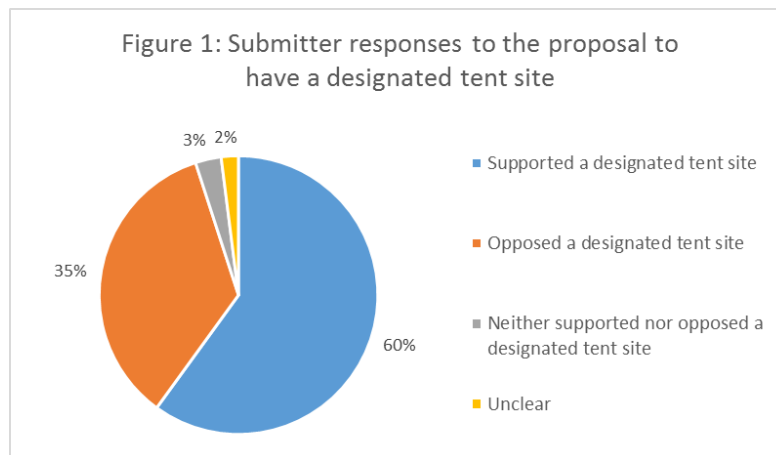
<b>Table 1: Submission hearing timetable (Thursday 28th September)</b>			
<b>Time</b>	<b>No</b>	<b>Submitter</b>	<b>Page No in Submission Booklet</b>
9.00 am	1	New Zealand Motor Caravan Association (Mr James Imlach) Via Web Meeting	511-512
9.15 am	2	Hospitality New Zealand (Mr Nigel Humphries)	444-446
9.30 am	3	Honorine Orchard	115-117
9.40 am	4	Russell G Smith	436-439
<b>9.50 - 10.30 am</b>		<b>Morning Tea</b>	
10.30 am	5	Kevin Skoropada	215-217
10.40 am	6	Tony Paterson	252-254
10.50 am	7	Trish and Mike Gill	270-273
11.00 am	8	Lyall Hopcroft Via teleconference	31-33
11.10 am	9	Chris Henderson	367-372
11.20 am	10	Ethel Barnes	415-419
11.30 am	11	Morris Williams – additional handout	560-563
11.40 am	12	Chris Palmer	373-378
11.50 am	13		
<b>11.50 - 12.50 pm</b>		<b>Lunch</b>	
12.50 pm	14	Jenny Campbell	463-465
1.00 pm	15	Brian Ross	359-362
1.10 pm	16	Tracy Ross	546-552
1.20 pm	17	Michael Neville Ellis	497-506
1.30 pm	18	Midge Tuffley	507-510
1.40 pm	19	Wallace Drummond	564-568
1.50 pm	20	Ali Timms	324-329
2.00 pm	21	Lynne Dickie	479-488
2.10 pm	22	Lumsden CDA (Mr Rob Scott)	316-323
2.25 pm	23	Graeme Wall	296-298

- 26 Most of the submissions were made by respondents completing a form. Council staff made a form that asked submitters a series of questions and that gave submitters the opportunity to provide further comments. All submissions have been loaded in full onto the 'hub' for councillors' consideration. They have also been made publically available on Council's

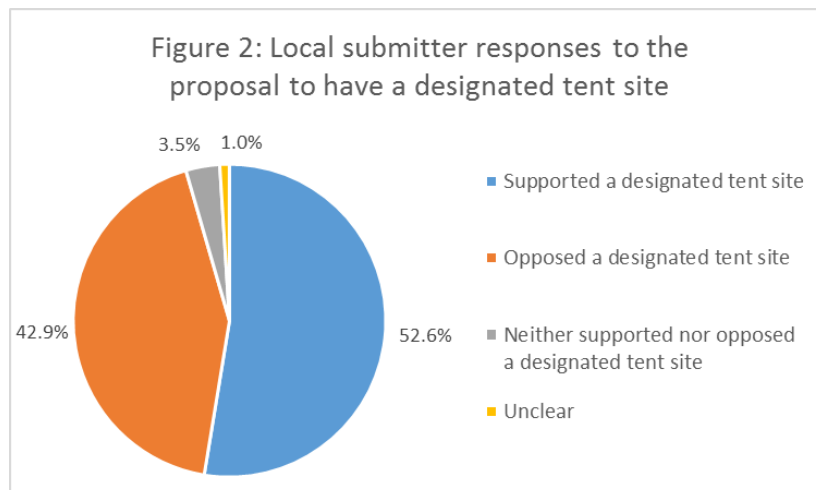
website at <http://www.southlanddc.govt.nz/my-council-/bylaws-and-policies-/under-review/amendment-to-the-freedom-camping-bylaw-lumsden/> .

### ***The Tent Site***

- 27 The first question on the form asked submitters their view on having a designated tent site. Sixty percent of submitters support there being a designated tent site, and 35% are opposed. Three percent of submitters neither support nor oppose the tent site, and for 2% of submitters, their view on the tent site is unclear from their submission. How submitters responded to the question on having a designated tent site, is shown in Figure 1 below.



- 28 When only the responses from local submitters are considered (this includes responses from submitters who live in Lumsden, Mossburn, Athol and Balfour), there is less support for having a designated tent site. Of the submitters who live locally, 52.6% support a designated tent site, and 42.9% are opposed. How local submitters responded to the question on having a designated tent site, is shown in Figure 2 below.



- 29 In the form, submitters were also asked their view on the location and size of proposed tent site. Fifty eight percent of submitters support the location of the tent site, and 55% support the size. Thirty seven percent of submitters oppose both the location and size of the tent site.



The remaining submitters did not state their view on these issues, or neither support nor oppose the location and size of the tent site.

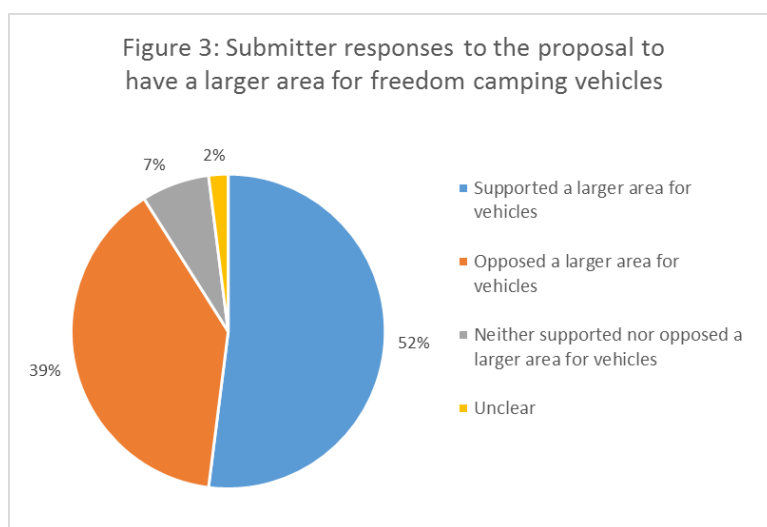
- 30 Submitters gave a number of reasons why they support or oppose the tent site. Key points raised by people who support the proposed tent site included;
- It is the most appropriate location
  - The proposed site would accommodate current numbers and be manageable
  - It would be good to have tents in one place
  - The site would be more accommodating, which would attract more visitors and have associated economic benefits
  - It would stop people tenting elsewhere
  - That the tents are not doing any harm (as they are put up in the evening and taken down early in the morning).
- 31 Key points raised by people who oppose the tent site included:
- That tents should be at the camping ground
  - That camping related activities (such as brushing teeth) are not appropriate in the centre of a small town
  - That the proposal is not respectful to other accommodation providers in Lumsden
  - That the space in the centre of town should be available for local people to use
  - That there needs to be better/more amenities
  - That the tent site should not be near a children's playground
  - That tents are unsightly
  - That the proposed tent site is too close to private residences and the Lumsden Motel
  - Concerns about monitoring and enforcement.
- 32 Table 2 below provides a more indepth overview of points raised in support and in opposition to the tent site (including having a tent site, and the proposed location and size of the tent site). The third column also outlines some of the other suggestions and comments that were made, regarding a tent site.

Table 2 – Points raised about tent site		
Support	Oppose	Suggestions/comments
<ul style="list-style-type: none"> <li>• The proposed site is in the most appropriate location as: <ul style="list-style-type: none"> <li>○ On grass</li> <li>○ Sheltered</li> <li>○ Away from vehicles and roads</li> <li>○ Close to amenities</li> <li>○ Close to local people</li> <li>○ Close to railway area, where it is nice to gather</li> <li>○ Close to shops</li> <li>○ Close to the i-site</li> <li>○ Nice central location</li> <li>○ Easy to find</li> <li>○ Close to wifi</li> <li>○ Away from people</li> <li>○ Far enough from main street/highway</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Tents should be at a camping ground</li> <li>• The tent site would be related to behaviour that is inappropriate for town centre (particularly around children/a children's' playground). The inappropriately behaviour outlined included: <ul style="list-style-type: none"> <li>○ nudity (washing, sunbathing, dressing)</li> <li>○ tooth brushing/spitting</li> <li>○ toileting on grass/trees/buildings etc</li> <li>○ cooking on fires</li> <li>○ hanging washing over trees and other objects</li> <li>○ drinking alcohol</li> <li>○ drugs</li> <li>○ sexual behaviour</li> </ul> </li> <li>• Not respectful to Lumsden Motel owners and other accommodation providers</li> <li>• The proposed site is too close to the private</li> </ul>	<ul style="list-style-type: none"> <li>• Keep the tent site restricted so it is manageable</li> <li>• Tent site is likely to be increasingly popular, you wouldn't want to make it any smaller</li> <li>• There should be screening/plantings, especially between playground and tent site</li> <li>• Campers should not be able to hang up washing</li> <li>• Tents should have to be put down promptly in the morning</li> <li>• If the tent site is too large, it will take up too much of the park</li> <li>• The tent site shouldn't block access for the camp host</li> <li>• Tents should be far enough away</li> </ul>

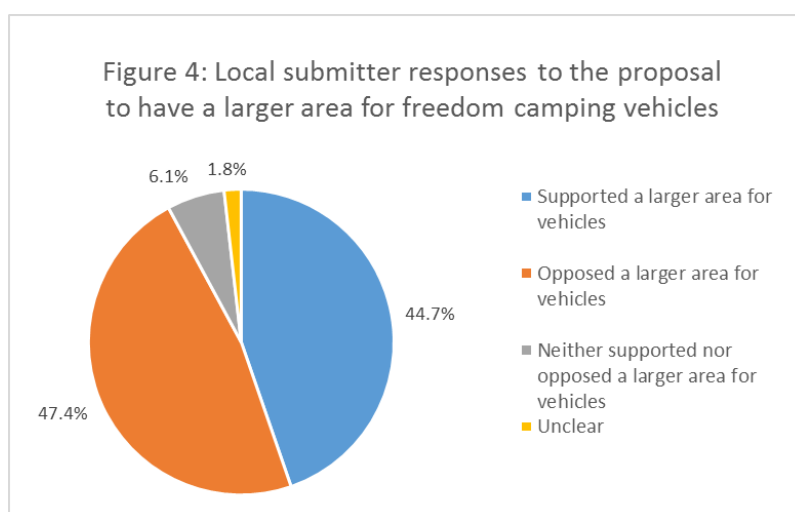
<ul style="list-style-type: none"> <li>• Appropriate size based on last years visitor numbers</li> <li>• good to have tents in one place, will keep site organised and clean and tidy</li> <li>• The proposed size is manageable</li> <li>• It has been shown that the grass does not suffer</li> <li>• The tent site will bring more visitors to the town, which will have associated economic benefits</li> <li>• Good advertising for town</li> <li>• Site is close to camp host which will make it easier for him to manage the site</li> <li>• The size seems reasonable</li> <li>• Being more accommodating improves the experience for tourists</li> <li>• Large enough space for people in tents to have privacy</li> <li>• Will stop people tenting elsewhere (rivers, sides of roads etc), so will help ensure rubbish ends up in bins</li> <li>• Good for guests to be near a playground</li> <li>• Space was previously unused</li> <li>• People in tents are not doing any harm</li> <li>• As tents go up in the evening and are taken down promptly in the morning, the tents do not impact the area during the day</li> <li>• The people in tents will feel safer if they are together</li> </ul>	<p>residences on Hero St and to the Lumsden Motel – it would be right by their windows, invading their privacy. Too noisy for nearby houses at night, rubbish blows into their properties</p> <ul style="list-style-type: none"> <li>• The tent site needs to be bigger</li> <li>• The space is for locals to use, picnic, play and enjoy.</li> <li>• Having a tent site here would ruin the green space</li> <li>• There needs to be better/more amenities (rubbish bins, toilets, washing facilities etc) - especially if there are larger numbers of freedom campers, as the toilet facility is already being overused/not looked after by users</li> <li>• Other potential sites are more appropriate as they are away from central town area, and will accommodate the increasing numbers of freedom campers who will come</li> <li>• The tents are unsightly (they lower the visual appeal of Lumsden, make it appear unwelcoming, make it look like a slum, the tents are an eye sore, unsightly for other visitors to the town).</li> <li>• The site is operating well as it is</li> <li>• Not appropriate to have near a children's playground, especially as playground is between the site and the toilets</li> <li>• No tents</li> <li>• Only self-contained</li> <li>• Length of permitted stay should be reduced</li> <li>• Not sheltered enough</li> <li>• Concerns about monitoring and enforcement – keeping it under control. Fines for not adhering</li> <li>• Health and safety hazards - associated with people not using the toilets (and suggestions they are too far away), tooth brushing and washing in inappropriate places, the dangers associated with tripping on guy ropes</li> </ul>	<p>from the roads/carparks so as to ensure camper safety</p> <ul style="list-style-type: none"> <li>• The tent site should be adjacent to a vehicle parking area</li> <li>• There may need to be an over-flow space, to use when the main site is full</li> <li>• It should be the whole grass area</li> <li>• It should be further south, behind the Bafe</li> <li>• When the site is full, people wanting to tent should be made to go elsewhere</li> </ul>
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### ***Having a Larger Area for Vehicles***

- 33 The submission form also asked submitters if they support or oppose there being an overall increase space for freedom camping vehicles in Lumsden. This question relates to the additional three green areas that have been proposed, where self-contained and non-self-contained vehicles would be permitted to stay for up to 7 nights around the railway station.
- 34 Out of all of the submissions received, 52% of submitters support an overall increase in space for freedom camping vehicles and 39% of submitters are in opposition. Seven percent of submitters neither support nor oppose the larger area for vehicles, and 2% of submitters did not give a clear view on this issue. How submitters responded to the question on having a larger area for vehicles around the railway station, is shown in Figure 3 below.



- 35 When only the responses from local submitters are considered (submissions from Lumsden, Mossburn, Balfour and Athol), the number of people who support having a larger area for vehicles, drops down to 44.7%. A larger proportion of submissions from local people oppose having a larger area for vehicles (47.4%). In the other submissions from local residents, 6.1% of submitters neither support nor oppose having a larger area for vehicles, and 1.8% of submitters did not give a clear view on the larger area for vehicles. How local submitters responded to the question on having a larger area for vehicles, is shown in Figure 3 below.



- 36 In the form, submitters were also asked their view on the proposed locations for freedom camping vehicles around the railway station (the areas marked in green on the proposed amendment). Fifty three percent of submitters support all of the proposed locations and 14% of submitters support some/at least one of the locations but do not support them all. Twenty seven percent of submitters oppose all of the proposed locations, and 3% neither support nor oppose the locations. Three percent of submitters did not clearly answer this question.

- 37 Submitters gave a number of reasons why they support or oppose the larger area for vehicles, and the location of the vehicle areas. Key points raised by people who support the proposed locations included:
- It will allow current numbers
  - It will allow for better management, organisation and control
  - There may be more visitors which would have associated economic benefit
  - The sites are the most appropriate as they are close to local businesses, local people and amenities
  - The sites will mean that there is parking for other visitors, and they will keep the main street clear
  - It shows that Lumsden is welcoming, and it will help expand Lumsden as a tourist stop-over
- 38 Key points raised by people who oppose the proposed locations included:
- The campers should be using the camping ground
  - The area is too congested so locals cannot use/access the town centre, and the proposal would make it worse
  - Concerns about the impact on other accommodation providers
  - That the area behind Buzz café should not be for campers, and that it should be for the public and for people using the playground
  - The number of vehicles should be restricted/limited
  - The need for better/more amenities
  - That there shouldn't be camping near the trains or playground.
- 39 Table below provides a more indepth overview of some points raised in support and in opposition to the proposed vehicle areas. The third column also outlines some of the other suggestions and comments that were made.

Table 3 – Points raised about proposed vehicle areas (marked in green on the map in the Statement of Proposal)

Support	Oppose	Suggestions/comments
<ul style="list-style-type: none"> <li>• This will allow current numbers, it is busy in summer, there is definitely a demand, it is necessary</li> <li>• Will allow for better management, organisation and control</li> <li>• Will lead to associated economic benefits</li> <li>• These freedom campers (in contrast to the people tenting) are more likely to spend money at the local businesses</li> <li>• More people should be able to access the site, the bigger the better</li> <li>• The larger size will help expand Lumsden as a tourist stopover</li> </ul>	<ul style="list-style-type: none"> <li>• These campers should be using the camping ground</li> <li>• The area is too congested, and this would make it more congested</li> <li>• Local people cannot get car parks, and are having to walk further to get to the shops</li> <li>• It is taking over the central area of town, locals cannot use it</li> <li>• Due to the impact on other accommodation providers</li> <li>• There is insufficient space for the Inter City bus, and elderly people cannot easily access this bus easily because there is no nearby parking</li> <li>• These areas are related to behaviour that is inappropriate for town centre (particularly around children/a children's' playground). The inappropriately behaviour outlined included: <ul style="list-style-type: none"> <li>◦ nudity (washing, sunbathing, dressing)</li> <li>◦ tooth brushing/spitting</li> <li>◦ toileting on grass/trees/buildings etc</li> <li>◦ cooking on fires</li> <li>◦ hanging washing over trees and other objects</li> <li>◦ drinking alcohol</li> <li>◦ drugs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The areas need to be properly marked</li> <li>• The areas need to be monitored and enforced</li> <li>• Vehicles that do not comply should be clamped</li> <li>• The number of vehicles should be capped per night – set what is capacity</li> <li>• Large camping vehicles should be going to the camping ground or the campervan site</li> <li>• Suggestions of alternative sites, such as near the Emergency rooms, at the old cricket field at the Rec ground, by the hall</li> </ul>

<ul style="list-style-type: none"> <li>• The proposed areas are the most suitable locations</li> <li>• Appropriate at Lumsden is a prime location</li> <li>• There is lots of space available, so plenty of space should be made available</li> <li>• Good sites, close to local people and shops etc</li> <li>• This shows that Lumsden are welcoming to visitors</li> <li>• Will free up the main street area</li> <li>• Will help stop people camping down by the river or on the side of roads</li> <li>• Having more space for vehicles will make it safer for the people in tents</li> <li>• Support as most vehicles will be behind the railway station</li> <li>• Parking still available for local</li> <li>• Great locations</li> </ul>	<ul style="list-style-type: none"> <li>○ sexual behaviour</li> <li>○ noise</li> <li>• There needs to be better/more amenities (rubbish bins, toilets, washing facilities etc) – pressure on infrastructure</li> <li>• Might not be large enough</li> <li>• The number of vehicles should be restricted/limited – a suggestion that limit to about 30 vehicles, needs to be less locations</li> <li>• The area behind Buzz café should not be for campers, should be for the public and for people using the playground</li> <li>• Should pay a fee</li> <li>• Too close to playground, and vehicles block parents' visual line to the playground. Should be a space for people to use the playground</li> <li>• More vehicles would detract from the look of the town, and it is already looking scruffy</li> <li>• Degrades the historical value of the railway station area</li> <li>• The vehicles are stopping/deterring people from stopping in Lumsden</li> <li>• The number legally allowed now is an appropriate number, it means locals can share the central area with the visitors at the site</li> <li>• Self-contained vehicles have no need to be near the railway station</li> <li>• Not appropriate having designated areas close to the trains, enthusiasts cannot access or photograph the trains</li> <li>• Would prefer the parks to be behind the railway station, out of sight</li> <li>• Would prefer to having vehicle areas near the tent site</li> <li>• People shouldn't park by back door to craft shop</li> </ul>	
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### ***Prohibited Areas***

- 40 Submitters were also asked if they had any views on the prohibited areas, which are places where freedom camping is prohibited. Generally submitters were supportive of the proposed prohibited areas, although some submitters wanted more prohibited areas, and some submitters were concerned about how the areas would be enforced. Table 4 below, further outlines some points raised in relation to prohibited areas.

Table 4 – Points raised about prohibited areas		
Support	Oppose	Comments
<ul style="list-style-type: none"> <li>• Good to keep parks free for other visitors and playground users</li> <li>• General statements of support</li> </ul>	<ul style="list-style-type: none"> <li>• All railway area should be prohibited</li> <li>• Should be more prohibited areas or they should be extended</li> <li>• There should be more prohibited areas around the playground</li> </ul>	<ul style="list-style-type: none"> <li>• Car parks opposite hotel should be prohibited too</li> <li>• That the prohibited areas will only make a difference if they are enforced</li> <li>• The areas need to be signposted clearly</li> <li>• The area around Buzz Café should be prohibited also</li> <li>• These areas should have been discussed more in the Statement of Proposal</li> <li>• Other than the area around the playground, it would be fine to use the prohibited areas late at night, if the campers needed more space</li> <li>• These areas will still be used by the campers</li> </ul>

### ***Other general comments that were made***

- 41 Submitters also raised a number of general comments about freedom camping. Table 5 below outlines some of the general comments that were made.

Table 5 – General Comments made about Freedom Camping in Lumsden

- The visitors at the site a good sort of people
- Would be good to have arrows on the road to ensure people drive on the correct side of the road
- People are respectful of the privilege to be at the site – they're clean, tidy and polite
- Comments of appreciation - thank you for making the visitors feel welcome
- This site entices travellers to town, and they wouldn't come to Lumsden if it wasn't for the freedom camping site, puts Lumsden on the map
- Comments about the economic benefits associated with freedom camping
- That freedom camping allows people to travel, especially young people
- If the site was out of town, people would probably not spend money at the local businesses
- People enjoy having the presence of other cultures
- It makes the town vibrant, and provides for a thriving future if the town
- People are reluctant to use (due to the crowding and congestion), and have trouble accessing, the library
- Freedom camping should not be allowed altogether
- Appropriate infrastructure should be set up to support the site (including trees, shielding, tracks etc)
- Lumsden needs its main street back
- This change won't restrict the campers, it will encourage more to come
- Council should be following the Camping Grounds Regulations Act 1985
- The costs should be borne by those who benefit
- The camping has not caused any major issues
- Should negotiate with camping ground to establish free camping there.
- The business that prosper through freedom camping are acknowledged, but the ones that are disadvantaged are not acknowledged
- Feelings that the freedom campers are intimidating, and that it is no longer a safe place for children to be, stranger danger etc
- Only a couple of people are benefitting, no benefit to most locals
- Good to cater to a wide range of tourists, not just the wealthy
- Playground area should be locked at night
- Have separate toilets just for the freedom campers
- Conflicts of interest regarding local business owners
- Increased safety by having more people in town
- Staying for 7 nights is too long, could make the time length longer in the area outside the railway station area (shown in pink)
- It is great that visitors feel safe in Lumsden
- Concerns about ratepayers funding the campers
- Problems with toilets, not being looked after, locals and other visitors can't access them or no longer want to
- People other than campers no longer want to stop in Lumsden when they pass through
- Cars/vans should be parking 3 meters apart
- Fears the site will continue to get bigger
- There should have been a transparent process developing the Bylaw from the outset, where locals can give their views and be heard
- Discussion of approach being taken by other Councils around New Zealand, regarding freedom camping
- Questioning why Council is deviating from the New Zealand Government's tourism strategy of attracting higher paying tourists
- Fears for safety of the volunteer who administers the site
- There should be a liquor ban
- The campers use all the picnic tables
- Town centre should be for self-contained freedom campers only
- Clear signage is required, including giving guidance on washing and showering
- Screened clothes lines should be supplied
- Shower and wash facilities could be built, utilise railway station, for gold coin donation
- There should be a donation tin
- There is a need for more lighting
- There should be clear recycling and landfill bins
- There should be more information on websites about the site

### ***Late Submission***

- 42 One submission on the proposed amendment came through after submissions have closed (please see Attachment C). This submitter experienced problems submitting online. Officers have included in the recommendation for this report, for Council to accept this late submission. This submission has not been included in the analysis of submissions. The submitter is a Lumsden resident who is generally in favour of the proposed amendment. It is considered that no party will be disadvantaged by the receipt of the late submission.

### **Assessment of Significance**

- 43 The recommendations being proposed in this report have been assessed as not being significant in relation to Council's Significance and Engagement Policy, and staff do not believe there will be significant impact on the public under Section 156 of the Act. Staff do not believe the decision is significant as freedom camping is already permitted in Lumsden, and the proposed amendments align the rules with how the site is currently being used.

### **Next Steps**

- 44 After Council has heard submitters, Council will meet again at a later date (which is yet to be finalised) to further deliberate on the proposed amendment.

### **Attachments**

- A Statement of Proposal - Amendment to Freedom Camping Bylaw for Lumsden [↓](#)
- B Current Freedom Camping Bylaw for Lumsden [↓](#)
- C Late Submission from Julian Adams [↓](#)



## STATEMENT OF PROPOSAL – Amending the Freedom Camping Bylaw for Lumsden

### The Current Freedom Camping Rules in Lumsden

The current Freedom Camping rules in Lumsden permit self-contained camping anywhere within the town boundary (on Council controlled land), for a maximum of three days in any 30 day period. The rules also permit both self-contained and non-self-contained camping in two designated areas around the Railway Station, and they do not differentiate between vehicles and tents.

### Proposed Amendments

The proposed amendment to the Bylaw will continue to legally allow self-contained camping anywhere within the town boundary (on Council controlled land), for a maximum of three days in any 30 day period. Self-contained and non-self-contained freedom camping will also be lawful in the areas around the Railway Station that are marked in green on the proposed amendment. It is proposed that this area will be larger to enable more vehicles to stay there. The Lumsden Community Development Area Subcommittee (CDA) plans to encourage self-contained freedom campers to park in designated areas further away from the Railway Station, by guiding campers there through the use of on-site signage. Self-contained campers are going to be encouraged to move to different areas to allow more capacity (around the immediate railway station area) for non-self-contained campers in the areas around the toilet and wash facilities.

The proposed amendment would also create a defined new area solely for tents, and prohibit tents from other designated freedom camping areas.

### Reasons for the Proposal

The Lumsden CDA has requested that Council make this amendment to the Bylaw. The amendment would mean the site could legally accommodate the number of campers who currently use the site, and it would restrict where they camp.

### Making a Submission

Submissions are invited on the draft amendment to the Freedom Camping Bylaw from 8 July 2017, and submissions must be received by 8.00 pm on 8 August 2017. Submissions can be made:

- through the Council's website (<https://consult.southlanddc.govt.nz>)
- via post (Southland District Council, Submissions, PO Box 903, Invercargill 9840)
- in writing at your local Southland District Council office.

Written submissions must state that the submission relates to the freedom camping rules in Lumsden, and give the submitter's name and contact details.

Submitters who make a written submission can also elect to make an oral submission to the Regulatory and Consents Committee. This can be indicated through the online submission process, or by the submitter raising that they would like to make an oral submission, in their written submission. Oral submissions are likely to be heard on the morning of the 28<sup>th</sup> of September. Council staff will be in touch to confirm a time.

All submissions received by Southland District Council will be made available to the public.

## Options

For this decision, Council has identified all reasonably practicable options regarding Freedom Camping in Lumsden. The options and analysis are presented below.

### Option 1 – Not endorsing the draft Bylaw and continuing with the current freedom camping rules in Lumsden.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>Avoids the minor costs associated with amending the Bylaw (staff time, advertising etc).</li> </ul>	<ul style="list-style-type: none"> <li>This would not be in accordance with the wishes of the Lumsden CDA.</li> <li>The current rules do not reflect current usage.</li> <li>This would not take into account that tourism and freedom camping is expected to increase.</li> <li>People may continue to freedom camp in areas where they are not legally permitted to do so.</li> <li>If there is an increasing number of freedom campers visiting the site, they may park vehicles or put tents in undesirable locations, rather than the suitable places proposed in the amendment.</li> </ul>

### Option 2 – Not endorsing the draft Bylaw, and instead endorsing a bylaw discontinuing or, or placing restrictions on, non-self-contained freedom camping in Lumsden.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>This would decrease or largely eliminate the challenges associated with freedom camping.</li> <li>Some support from locals.</li> </ul>	<ul style="list-style-type: none"> <li>This may decrease or largely eliminate the benefits associated with non-self-contained freedom campers.</li> <li>Some locals would oppose this option.</li> <li>Contrary to the direction decided upon by the Subcommittee during the making of the Freedom Camping Bylaw 2015, and lawfully made by Council with little opposition from locals at that time.</li> <li>May be hard to administer.</li> </ul>

### Option 3 – Endorsing the proposed amendment to the bylaw and releasing the draft bylaw for public consultation

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>Consistent with the wishes of the Lumsden CDA.</li> <li>This amount of freedom camping may result in an optimal level of benefit for Lumsden.</li> <li>Support from locals.</li> <li>Takes into account the projected growth of the tourism sector and freedom campers.</li> <li>This option is more in accordance with current usage.</li> </ul>	<ul style="list-style-type: none"> <li>Some locals would oppose this option.</li> <li>An increase in the number of campers may increase problems from freedom campers, unless effective mitigation measures are put in place.</li> </ul>

### Relevant Determinations

Council has determined that the amendment to the Bylaw is necessary to protect the area, and to protect the health and safety of the people who may visit the area, and to protect access to the area. For example, Council believes the amendment will protect the health and safety of people who may visit the area, as the location of the freedom camping sites will help ensure that proper toilets are used, and that rubbish is placed in nearby receptacles.

Under Section 155 of the Local Government Act, Council has determined that the proposed Bylaw is the most appropriate way to address the perceived problem and the most appropriate form of Bylaw. Bylaws have become the typical method of addressing issues associated with freedom camping, and the Freedom Camping Act allows bylaws of this nature.

In relation to amending the Bylaw, Council has also considered any implications under the New Zealand Bill of Rights Act 1990. The New Zealand Bill of Rights Act 1990 confers certain civil and political rights to people in New Zealand. Council is satisfied that the proposed Bylaw will not be inconsistent with the Act, that is, it imposes reasonable limits that can be reasonably justified in a free and democratic society. Case law supports that managing the adverse effects of freedom camping is considered a sufficiently important purpose to justify a limitation to peoples' rights.

## Appendices

### Appendix A – Current freedom camping Bylaw for Lumsden





## Appendix B – Proposed amendment to Freedom Camping Bylaw for Lumsden







I hope your acceptance of my  
late submission since  
i did submit online  
but have been told recentl  
t was not saved/receive  
s you had issues with  
online system. I was  
way overseas recently so  
ly now able to  
e-submit.

Thanks J.L.

Please email me to let me  
know if accepted or not.



## \*Submitter Details

First Name: \* Julian

Last Name: \* Adams

Organisation: Croftly Farm Ltd  
+ Northern Southland Community Trust Ltd

On behalf of:

Postal Address: 1 Chartlea Park Rd, 201 Balfour 9779

Suburb:

City: 8

Lumsden

Country:

PostCode:

9779

Daytime Phone:

Mobile:

021923267

eMail: julian.adams@gmail.com

Preferred method of contact \*

☒ ☐

Email Postal

Which Area is your property in? \*

- |                                      |   |  |  |
|--------------------------------------|---|--|--|
| <input type="radio"/> Athol          | <input checked="" type="radio"/> Balfour    | <input type="radio"/> Browns                 | <input type="radio"/> Colac Bay          |
| <input type="radio"/> Curio Bay      | <input type="radio"/> Dipton                | <input type="radio"/> Edendale               | <input type="radio"/> Fortrose           |
| <input type="radio"/> Garston        | <input type="radio"/> Limehills Centre Bush | <input checked="" type="radio"/> Lumsden     | <input type="radio"/> Manapouri          |
| <input type="radio"/> Mararoa Waimea | <input type="radio"/> Milford Sound         | <input type="radio"/> Mossburn               | <input type="radio"/> Nightcaps          |
| <input type="radio"/> Ohai           | <input type="radio"/> Orepuki               | <input type="radio"/> Otautau                | <input type="radio"/> Other              |
| <input type="radio"/> Riversdale     | <input type="radio"/> Riverton              | <input type="radio"/> Stewart Island Rakiura | <input type="radio"/> Te Anau            |
| <input type="radio"/> Thornbury      | <input type="radio"/> Tuatapere             | <input type="radio"/> Walau Aparima          | <input type="radio"/> Waihopa Toetoes    |
| <input type="radio"/> Waikaia        | <input type="radio"/> Wallacetown           | <input type="radio"/> Winton                 | <input type="radio"/> Winton Wallacetown |

Would you like to present your submission in person at a hearing? \*

☐ Yes

☒ I do NOT wish to speak in support of my submission and ask that the following submission be fully considered.

Correspondence to:

☒ Submitter

☐ Agent

☐ Both

1. Do you support or oppose having a designated tent site at the Lumsden freedom camping area? \*

☒ I support there being a designated tent site

☐ I oppose there being a designated tent site

☐ I neither support nor oppose there being a designated tent site

2. Please state the reason/s for your response to Question 1 (i.e. why do you support or oppose there being a designated tent site)

Great area suggested, demand for expansion, great for towns aliveness & businesses wellbeing.

3. Do you support or oppose the location of the proposed tent site? \*

☒ I support the location of the proposed tent site

☐ I oppose the location of the proposed tent site

☐ I neither support nor oppose the location of the proposed tent site

4. Please state the reason/s for your response to Question 3 (i.e. why do you support or oppose the location of the proposed tent site?)

see above @ answer.

5. Do you support or oppose the size of the proposed designated tent site?\*

- ☒ I support the size of the proposed tent site  
☐ I oppose the size of the proposed tent site  
☐ I neither support nor oppose the size of the proposed tent site

6. Please state the reason/s for your response to Question 5 (i.e. why do you support or oppose the size of the proposed tent site?)

refer answer ② above.

7. Do you have any other comments regarding the proposed tent site?

8. Do you support or oppose there being an overall increase space for freedom camping vehicles in Lumsden (the draft amendment proposes a larger total space for freedom camping vehicles, although if adopted, the changes will bring the Bylaw up to date with how the site is currently being used)?\*

- ☒ I support there being a larger area for vehicles  
☐ I oppose there being a larger area for vehicles  
☐ I neither support nor oppose there being a larger area for vehicles

9. Please state the reason/s for your response to Question 8 (i.e. why do you support or oppose there being a larger overall space designated for freedom camping vehicles)

due demand.

10. Do you support or oppose the proposed locations for freedom camping for vehicles (for this question we are after feedback on the camping locations marked in green in Figure 2, but not the proposed tent site)?\*



I support all of the proposed locations



I support some/at least one of the locations but I do not support them all



I oppose all of the proposed locations



I neither support nor oppose the proposed locations

11. Please state the reason/s for your response to Question 10 (ie, why do you support or oppose the proposed locations)

practical solution.

12. Do you have any comments on the areas where freedom camping is prohibited (the areas marked in red in Figure 2)?

—

13. Do you have any further comments on the proposed amendment to the Freedom Camping Bylaw for Lumsden?

I think that community support is likely 80% locals support freedom campers, I think it has been managed okay with these good plans for future growth. Great for town vibrancy & for nearly all local businesses (what is a town without people!). ~~the~~ especially including the local pub which due to freedom camper income is able to stay open summer as the locals wish for

## Delegation to Approve Lease of Council Land - 48 York Road, Riversdale

Record No: R/17/8/20281  
Author: Virginia Dillon, Property Officer  
Approved by: Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 The purpose of the report is to consider a recommendation to delegate authority to the Chief Executive to enter into a lease of part of the Council community housing land at 48 York Road, Riversdale.

### Executive Summary

- 2 A privately owned unit is sited on part of Council community housing land at 48 York Road, Riversdale. The dwelling is for sale as the owner has recently passed away.
- 3 In terms of the lease over the land the lessee's executors or administrators have six months to remove or dispose of the relocatable house and all other improvements effected by the lessee.
- 4 If it is to remain on-site any purchaser must be approved by Council, be in receipt of Government National Superannuation and be occupied by the purchaser themselves for residential purposes.
- 5 A lease will be required to be entered into by the purchaser to secure their occupation of the land.
- 6 No current delegation exists for issuing a new lease. It is recommended that the Chief Executive be delegated authority to approve the intended purchaser and to execute any lease agreement if required.

## Recommendation

That the Council:

- a) **Receives the report titled “Delegation to Approve Lease of Council Land - 48 York Road, Riversdale” dated 17 September 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) **Delegates to the Chief Executive the authority to approve and execute an agreement to lease the Council land located at 48C York Road, Riversdale and described as part of Section 1279, Block XXXII, Hokonui Survey District.**
- e) **Determines that the initial annual rental payable under the lease be set at \$700 plus GST for the five year term from commencement.**

## Content

### Background

- 7 Council owns land at 48 York Road, Riversdale which is described as Section 1279, Block XXXII, Hokonui Survey District and is comprised in Certificate of Title SL6B/7. The parcel contains 1,214 m<sup>2</sup> and is used as a site for community housing. Council owns two of the units sited on the land (A and B on the plan attached) and the third one is privately owned (shown as C).
- 8 A lease was issued to the current owner of the private unit in 2010 and contains a provision that should the owner vacate the unit, then within six months the unit must be sold (to a person approved by Council) or it must be removed. This lease will be surrendered upon sale or removal of the dwelling.
- 9 If the dwelling is to remain on-site it must be occupied as a place of residence by the Purchaser/Lessee. The Purchaser must be in receipt of Government National Superannuation.
- 10 The current annual rental is \$700 plus GST and it is proposed that the rental remain at this figure. It is also suggested that a lease be issued for a term of five years with a right of renewal for a term of five years.
- 11 There is no delegation to deal with the lease approval therefore it is proposed that the Chief Executive be delegated authority to execute the necessary documentation.

### Issues

- 12 There is a need to find a pragmatic way to allow for a new lease to be entered into should the property be sold.

## Factors to Consider

### Legal and Statutory Requirements

- 13 A lease of the land is required if the private dwelling is to remain on site.

### Community Views

- 14 Not considered a matter that requires community input.

### Costs and Funding

- 15 Costs to deal with the lease are met by current budgets.

### Policy Implications

- 16 No policy implications.

## Analysis

### Options Considered

- 17 There are two options to consider:
- Delegate authority to the Chief Executive to execute a lease of the land;
  - Decline to delegate authority to the Chief Executive to execute a lease of the land.

### Analysis of Options

#### Option 1 - Delegate authority to the Chief Executive to approve and execute the agreement to lease

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• No waiting for full Council meeting to approve lease.</li></ul>	<ul style="list-style-type: none"><li>• No disadvantages identified.</li></ul>

#### Option 2 - Decline to delegate authority to the Chief Executive to approve and execute the lease agreement

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• No advantages.</li></ul>	<ul style="list-style-type: none"><li>• Lease approval will have to be dealt with by the full Council which may delay the process and add additional administrative cost to the process.</li></ul>

### Assessment of Significance

- 18 In terms of Council's Significance and Engagement Policy this matter is not considered significant.

### Recommended Option

- 19 Delegate authority to the Chief Executive to approve and execute the agreement to lease.



## Next Steps

- 20 Solicitor for the Lessee will be advised when the Council will be in a position to execute the lease of land.

## Attachments

- A Image 48 York Road, Riversdale [↓](#)





## Southland Museum and Art Gallery Fourth Quarter Report for the 2016/2017 Financial Year

Record No: R/17/8/20551  
Author: Bruce Halligan, Group Manager Environmental Services  
Approved by: Steve Ruru, Chief Executive

☐ Decision ☐ Recommendation ☒ Information

### Purpose

- 1 The Invercargill City Council has supplied the attached report relating to the operations of the Southland Museum and Art Gallery Trust Board Incorporated (hereafter SMAG) for the fourth quarter of the 2016/2017 financial year, ending 30 June 2017.
- 2 The report outlines status of performance in relation to the projects and service levels outlined in the 2016/2017 SMAG Statement of Intent. It also provides additional information on levels of use of the museum itself, and exhibitions which have occurred or are occurring.
- 3 The Trust is incorporated under the Charitable Trusts Act 1957.
- 4 Council appoints two representatives to the Trust in terms of the Trust Deed, with these being Councillors Macpherson and Patterson.
- 5 It is also worth noting that Page 3 of the report highlights the importance of ongoing work on *“improved storage and cataloguing to protect and conserve the collection”*, and the associated financial support which has been provided to progress this work.
- 6 This Quarterly Report is hence presented for Council's information only.

### Recommendation

That the Council:

- a) **Receives the report titled “Southland Museum and Art Gallery Fourth Quarter Report for the 2016/2017 Financial Year” dated 18 September 2017.**

### Attachments

- A Quarterly Report - Southland Museum and Art Gallery - Fourth Quarter of the 2016/2017 financial year [↓](#)

**TO: SOUTHLAND REGIONAL HERITAGE COMMITTEE  
SOUTHLAND DISTRICT COUNCIL  
GORE DISTRICT COUNCIL**

**FROM: THE CHAIRMAN  
SOUTHLAND MUSEUM AND ART GALLERY TRUST  
BOARD**

**DATE: 18 AUGUST 2017**

### **QUARTERLY REPORT - SOUTHLAND MUSEUM AND ART GALLERY**

**Report Prepared by:** Paul Horner - Manager, Building Assets and Museum

#### **SUMMARY**

Report about the operation of the Southland Museum and Art Gallery for the Fourth Quarter of the 2016 - 2017 financial year.

#### **RECOMMENDATIONS**

**That the report be received.**

#### **FINANCIAL IMPLICATIONS**

- Expenditure variance is (\$9,495) at the end of the fourth quarter / 2016-17 Financial Year. Positive variance of +\$100,000 reported during the year proved to be a reporting error and capital expenditure to use the expected surplus had fortunately not been authorised before the error was recognised.
- An increase of operational funding for the 2017-18 financial year (but not beyond), has been approved by the Invercargill City Council and the Southland District Council.

#### **LEVEL OF PERFORMANCE**

Target Levels of Performance Required by the Statement of Intent are:

<b>Service Level</b>	<b>Achievement, Third Quarter</b>
Prepare for building refurbishment and extension to enable internal environmental conditions to meet national/international guidelines.	The Redevelopment plan completed and approved by the Trust Board will have to be reconsidered following release of the Southland Regional Development Strategy Report.
No irreparable loss or damage is caused to collections or objects on loan.	No loss detected
100% of objects acquired entered into Vernon database and verified	10% of new acquisitions entered.
100% records on Vernon database maintained	100% maintained

Service Level	Achievement, Third Quarter
Project planned to review, update and verify records on database	This project is dependent on achieving a \$600,000 p.a. increase of funding
Work has begun on this project, assisted by the Collections Technician who is funded by Regional Heritage rates provided by SDC and ICC:	<u>Stage 1:</u> Full documentation: <b>1,617 objects completed</b> <u>Stage 2:</u> Stage 1 +Packaging for storage: <b>941 objects completed</b> <u>Stage 3:</u> Stage 1 & 2 +Digital imaging <b>150 objects completed</b>
Three semi-permanent exhibitions are delivered.	3 semi-permanent exhibitions delivered.
A minimum of 12 short-term exhibitions, including 8 in the community access gallery, are presented annually.	13 short term exhibitions opened by fourth quarter including 8 in the Community Access gallery.
Over 25 education programmes delivered to 4000 school students, including curriculum-linked and exhibition-related programmes.	LEOTC programmes delivered to 3,913 pupils by fourth quarter
Iwi Liaison Komiti (representing the four Southland Runanga), meets four times a year.	Three by fourth quarter.
Annual visitor numbers exceed 210,000/annum	232,580 by fourth quarter.

## OPERATIONAL COMMENTS

Exhibitions which have been held in the Community Access gallery this year have been:

- *Hokonui Fashion Awards / Venom Hair Design*
- *Polyfest - 2016* (schools).
- *Together We Travel* - Day Activity Centre clients of SDHB
- *Inspired 2016* - LEOTC students
- *Tamatea* - (touring exhibition) installed in Galleries 1, 2 and 3.
- *Bodyscapes* - Corey Varcoe
- *Weavers* - local weavers, Te Rau Aroha Marae.
- *Helen Back* - sculptor

Art exhibitions which have been held in the main galleries this year have been:

- *In Residence* - SAF and SMAG collection, Jo Torr and Lorraine Webb.
- *Epiphany* - (local artist) installed in Dusky Gallery.
- *Tamatea* - (touring exhibition) installed in Galleries 1, 2 and 3
- *Painting the Painter* - Euan Macleod
- *Full Noise* - SMAG and SAF collection exhibition, salon hang style.

Exhibitions which have been held in the minor galleries this year have been:

- *Something Borrowed, Something Blue*, SMAG collection.
- *Our Children* - photographic exhibition from the Campbell's Collection, Dusky Gallery
- *Our Entertainers* - photographic exhibition from the Campbell's Collection, Dusky Gallery



The semi-permanent exhibitions at present are:

- Roaring 40's
- History Gallery
- Maori Gallery
- Natural History Gallery
- Victoriana Gallery
- World War 1 Exhibition (re-opened after mid-war progression to the Western Front)
- Burt Munro replica motorbike

#### **STAFF**

- A new Educator began work on 23 January 2017.
- A Collection Technician began work on 30 January 2017. This position is funded by the increased contribution from the Regional Heritage Rate by SDC for the current year. The position is a fixed term role until the end of the financial year (as the funding is only available until then) and will be dedicated to collection management work. See progress made on reviewing, updating and verifying records in the collection management system (CMS) in the Service Level Achievements table above.

#### **FUTURE ISSUES**

The Southland Museum and Art Gallery is important to Southland. It is the first museum to be developed in Southland and the only one to hold a significant collection of the natural and human history of the province. The collection includes about 14,000 geology, flora and fauna objects, over 900 archaeology objects and over 4,000 taonga Māori objects. The core exhibitions of SMAG are the geology, geography and natural history of Southland, southern Maori history (pre-European contact), Sub-Antarctic Islands, early coastal and nautical history and the history of Invercargill.

An increase of funding of \$170,000 for the current and next financial years has been fundamental to enabling the commencement of improved storage and cataloguing to protect and conserve the collection, see the table of Service Level Achievements above. The staff and manager are extremely grateful for this funding and look forward to its continuation so that the improvement of the catalogue information and improvement of storage of the collection can be sustained.

It is expected that this work can be progressed and managed in co-operation with the proposal to catalogue all Southland's material heritage which is being investigated at the request of the Southland Regional Heritage Committee.

\*\*\*\*\*



## Tokanui Rising Wastewater Main Renewal

**Record No:** R/17/9/21647  
**Author:** Matthew Keil, Operations/Project Engineer-Water and Waste Services  
**Approved by:** Ian Marshall, Group Manager Services and Assets

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 The purpose of this report is to outline current environmental risks and to seek approval to incur unbudgeted expenditure for the proposal to undertake a full pipeline renewal of the existing rising wastewater main between the wastewater pump station (WWPS) and oxidation pond site at Tokanui.

### Executive Summary

- 2 This report outlines the urgent requirement to undertake an unplanned wastewater pipeline renewal between the wastewater pump station and the Tokanui oxidation pond inlet.

### Recommendation

That the Council:

- a) Receives the report titled “Tokanui Rising Wastewater Main Renewal” dated 17 September 2017.
- b) Determines that this matter or decision be recognised 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) Notes the high risks of environmental damage and Resource Management Act 1991 infringement if no action is taken.
- e) Approves the unplanned expenditure to undertake ‘Tokanui Rising Wastewater Main Renewal’ for a total district funded amount of \$90,678.17 including contingency, to be funded by a loan through the District Sewerage Rate.

## Content

### Background

- 3 The wastewater pumping station at Tokanui pumps untreated wastewater 336 lineal/metres from the town reticulation, across the Tokanui River to the oxidation pond to the west of the Tokanui Township.
- 4 This current pipeline is 100 mm PVC and was installed in 1972 giving it an asset age of 45 years.
- 5 On 6 August 2017 Council Water and Waste Engineers received an after-hours phone-call outlining a significant pipeline failure of the existing PVC rising main at the pipe bridge where the pipeline crosses the Tokanui River. An emergency 'night works repair' was undertaken and the pipeline was recommissioned.
- 6 Council's Water and Waste staff met both the contractor and Environment Southland staff to inspect the pipeline repair where samples were undertaken and a permanent resolution was discussed.
- 7 The underlying cause of failure was clearly identified as riverbank erosion. In order to secure long term security of service it is clear an alternative means of conveying wastewater at this location is required. *Please refer to the attached report outlining a formal series of events relating to the reactive pipeline failure and the events undertaken.*
- 8 Water and waste staff have undertaken an engineering design to install a new DN110 HDPE pipeline under the Tokanui River. It is proposed this pipeline is installed via a horizontal directional drilling (HDD) methodology. This would put the pipeline under the river bed and so prevent the need for an aerial pipeline bridge.
- 9 Staff have also confirmed on-site that the existing PVC is not fit for purpose, this is due to a number of on-site factors that engineers have confirmed.
- 10 Exploratory test-holes have been undertaken by Downer under the direction of Council Engineers to establish ground conditions for an HDD methodology to occur. Engineers have confirmed this is a viable option at Tokanui where ground conditions were excellent to an invert depth of 4.0 m. This has been confirmed by local directional drilling specialists Wilson Contractors.
- 11 Although test-holes looked favourable regarding an HDD methodology no guarantee is given to ground conditions under the stream until it is drilled. Should difficulties arise during this methodology a 'back-up' plan will include installing a new pipe bridge, which at this stage is not anticipated to be required.
- 12 Council Engineers have applied for and been granted a Certificate of Compliance by Environment Southland to undertake such activity under the Tokanui River under the current Regional Land Plan.

### Issues

- 13 The current PVC pipeline crosses an 18 metre span approximately of the Tokanui River attached to a pipe bridge. The western embankment of the Tokanui River collapsed resulting in a completely broken pipeline, which resulted in a brief discharge to the Tokanui River.

- 14 Water and Waste staff see significant risk in the current pipeline failing again given the eroded and unstable embankments of this area of the Tokanui River. This elevates environmental and health and safety risk, given the current situation with the river embankments.
- 15 Staff would also like to highlight the infringement/reputation risks associated with doing nothing on this pipeline at Tokanui as the current PVC pipeline is not fit for purpose.

## Factors to Consider

### Legal and Statutory Requirements

- 16 Certificate of compliance has already been issued by Environment Southland to undertake a pipeline renewal under the Tokanui Stream. This is a permitted activity under current and proposed regional legislation.
- 17 The existing 100 mm PVC pipeline is positioned on private property under current legal easement dated October 1972.
- 18 Both private property owners have been consulted with by Council, regarding the proposed pipeline renewal within their respective properties. Both property owners are in approval with the proposed project. *Please refer to the attached formal easement of the current pipeline.*

### Community Views

- 19 The proposed pipeline renewal project at Tokanui is unplanned and has not been programmed to occur in either the current Long term Plan or Council Annual Plan.
- 20 Affected property owners have been spoken to by Water and Waste staff.

### Costs and Funding

- 21 It is proposed the Tokanui pipeline renewal project is funded by a loan repaid through the district sewerage rate.
- 22 Due to the urgent and reactive nature of this project - this report seeks the approval for the total unplanned expenditure amount of \$90,678.17 excluding GST to complete this project.

#### Tokanui Rising Sewer Main Renewal

<i>Item</i>	<i>Unit</i>	<i>Total</i>
Reactive costs incurred to date (including Environment Southland Fees and Humes costs)	LS	\$16,125.87
Pipeline Renewal Quote - Downers	LS	\$22,002.30
HDD Pipe install quote-under Tokanui Stream - Wilson Contractors	LS	\$17,550.00
Contingency	LS	\$20,000.00
Council's Water and Waste Fees		\$15,000.00
<b>Project Total (excluding GST)</b>		<b>\$90,678.17</b>

## Policy Implications

- 23 Due to the speed of critical failure on this pipeline, the proposed project has not been consulted with to the public.

## Analysis

### Options Considered

- 24 The following options have been considered and are as per Options 1-3.

### Analysis of Options

#### Option 1 – A full pipeline renewal as outlined (preferred option)

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• The significant reduction in risk of future pipeline failure.</li> <li>• Removal of health and safety risk with staff working around this area.</li> <li>• The elimination of potential infringement from Environment Southland- on future failure at this location.</li> <li>• A robust engineering design.</li> <li>• A renewed durable and robust HDPE pipeline.</li> <li>• Reduced maintenance/operating costs.</li> <li>• Reduced risk to the natural environment.</li> <li>• Responsible asset management of Council infrastructure.</li> <li>• The current availability of specialist contractors to undertake this project- given current busy market conditions.</li> </ul>	<ul style="list-style-type: none"> <li>• Will need to be funded as unbudgeted expenditure.</li> </ul>

#### Option 2 – Complete a partial pipeline renewal

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• Only addresses current need.</li> </ul>	<ul style="list-style-type: none"> <li>• The intermittent disruption to farmers during the construction phase of the project.</li> <li>• Poor engineering design.</li> <li>• A high level of risk regarding pipeline failure.</li> <li>• A high level of risk regarding potential action from regulator.</li> <li>• Increased operating and maintenance costs to maintain the pipeline.</li> <li>• Environmental risk due to a potential pipeline failure.</li> <li>• The additional requirements of further sampling to ensure further failures are not occurring.</li> </ul>

**Option 3 – Do nothing**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>• None.</li> </ul>	<ul style="list-style-type: none"> <li>• A high level of risk regarding potential environmental contamination.</li> <li>• A high level of risk regarding potential action from regulator.</li> <li>• Elevated level of health and safety risk as a PCBU under the revised health and safety act.</li> <li>• Increased operating and maintenance costs to maintain the pipeline-should a failure occur.</li> <li>• Elevated financial costs with sampling/testing, due to a potential pipeline failure.</li> <li>• Poor asset management.</li> </ul>

**Assessment of Significance**

- 25 The proposed Tokanui Rising Wastewater Main Renewal project is not of significance as per Council's Significance Policy.

**Recommended Option**

- 26 Council's Water and Waste department recommend a full pipeline renewal as outlined within Option 1 of paragraph 22.

**Next Steps**

- 27 Council to approve the unbudgeted expenditure and the commencement of the Tokanui Rising Wastewater Main Renewal project for the amount of \$90,678.17 ex GST (including contingency).

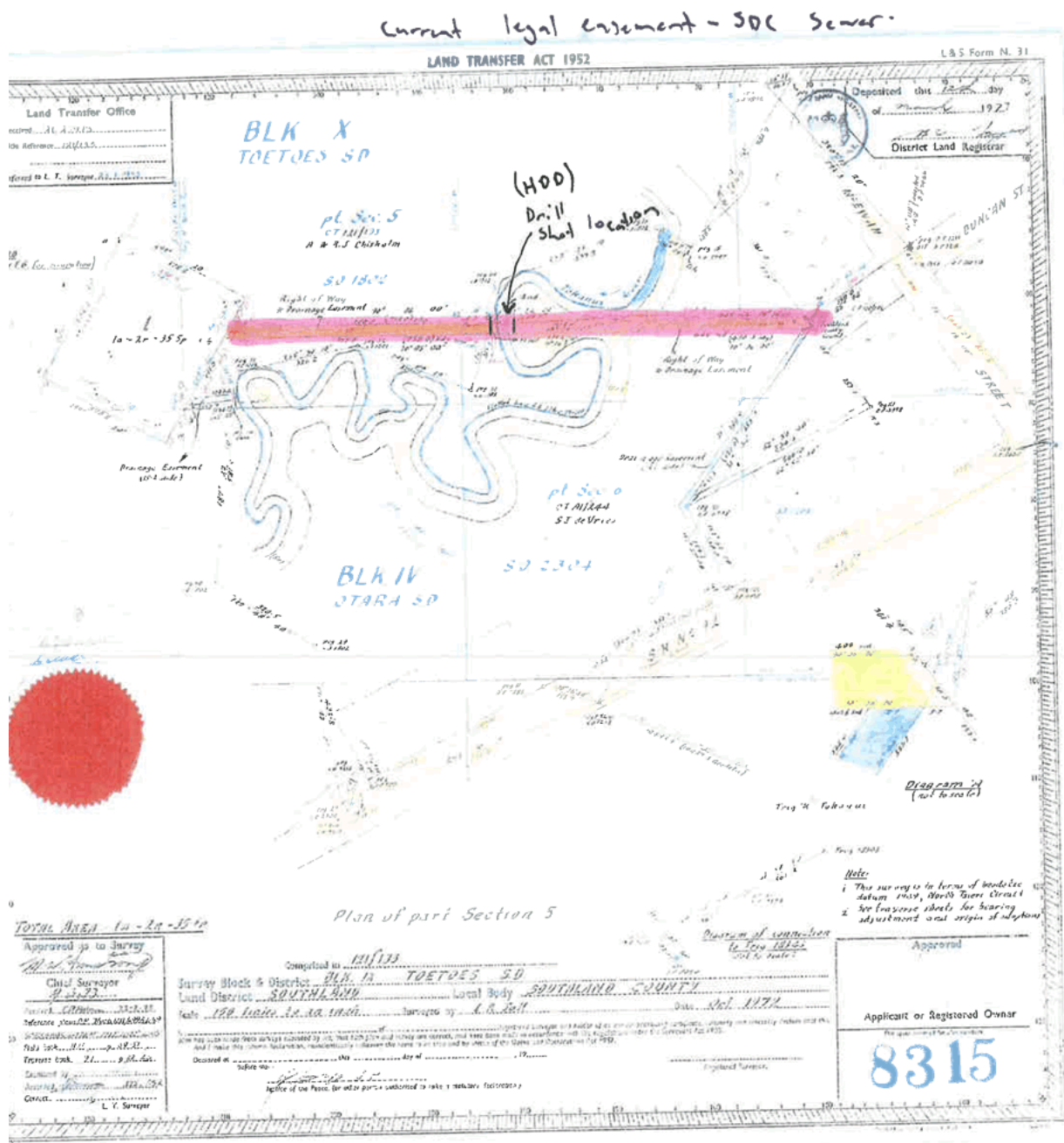
**Attachments**

- A Tokanui Rising Wastewater Main Renewal - Attachments [↓](#)













## **REPORT TO EXECUTIVE LEADERSHIP TEAM**

### **Meeting Date:**

**Group:** WATER AND WASTE SERVICES

**Subject:** TOKANUI SEWERAGE - PIPELINE FAILURE

**File No.:** 400/20/34/5

Report by Mr M Keil dated 8 September 2017.

### **SUMMARY:**

This report outlines the unplanned failure of a sewer pipeline between the wastewater pump station and the oxidation pond site at Tokanui and the events that occurred.

### **Sunday, 6 August 2017**

Council's after hours service received a call from a member of the public (Ricky Poole) at 4.35 pm advising of a 'burst pipeline' which is pumping sewerage into the Tokanui stream.

4.48 pm - Tokanui wastewater pumpstation is remotely isolated by Downer to eliminate pumping through the failed pipeline to the oxidation pond.

5.44 pm - On-call Downer operator confirms the western embankment has collapsed at the Tokanui stream directly where the 100 mm PVC rising sewer main crosses resulting in a broken 90 degree bend on the pipeline.

5.57 pm - Geoff Gray (Downer Contract Manager) contacts Bill Witham - to no avail.

5.58 pm - Geoff Gray contacts Matt Keil (SDC) outlining a suspected pipeline burst due to a collapsed embankment on the western side of the Tokanui stream.

Geoff confirms with Matt that the pumpstation has been remotely isolated and the leak has stopped, and Downer staff and subcontractor, Cleanways, were on-site undertaking a re-active repair. Matt requests Downer's to undertake a downstream walk of the Tokanui stream to inspect for any offensive solids or sign of contaminants within the river. Downer's confirmed this had occurred and no sign or smell was evident, Matt requests Downer to phone back if conditions on-site change and to also try and re-contact Bill Witham (SDC) by phone of the event.

*Matt leaves to attend an external meeting from 5.50 - 8.10 pm.*

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6.05 pm - Geoff Gray phones Cleanways and requests them to travel to site in Tokanui with a vacuum truck.

Geoff Gray also makes nine (9) internal calls within Downer (during this timeframe) to logistically organise the urgent repair of the pipeline and organise machinery on-site.

8.20 pm Matt phones Ian Evans (SDC) and leaves a voice message regarding what has occurred at Tokanui and where things are currently at on-site.

9.18 pm Matt phones Daryl Wells the on-site foreman from Downer's to confirm current conditions with the repair. Daryl confirms a secure temporary repair will be completed tonight and the repaired pipeline tested before leaving site. Matt speaks to Daryl about heading out to Tokanui to inspect the site, Daryl confirms the repair site is difficult to get to and reasonably dangerous in the dark and that a repair has just been completed but the pipeline was still to be tested from the pump-station.

Matt requests Daryl to phone back if there are issues during the recommissioning of the pipeline.

9.22 pm - Ian Evan's confirms he has received Matt's voice message and requests if Environment Southland have been informed? Matt confirms with Ian that the site is isolated and a repair has successfully be completed.

9.25 pm - Matt questions Geoff Gray weather Environment Southland have been informed? Geoff confirms that Environment Southland have not been informed as of yet due to Geoff logistically organising the pipeline repair. Matt immediately requests that Environment Southland are notified of the incident.

9.41 pm - Geoff Gray informs Environment Southland of the event. Environment Southland's on-duty officer states to Geoff she is happy with how the present situation in Tokanui is being handled and will inspect the site in the morning.

9.52 pm - Matt phones Bill Witham to inform him of the pipeline failure at Tokanui.

10.10 pm (onwards) - Arrangements are made between Ian, Matt and Bill to attend site tomorrow morning at 9.00am and to also meet with Environment Southland staff and Geoff Gray.

### **Monday, 7 August 2017**

9.00 am - SDC Water and Waste travel out to Tokanui with Geoff Gray to inspect the site and walk the downstream of the failure site to 2797 Tokanui Gorge Road Highway. Dale Elm (Downer's wastewater operator) confirms he had last checked the pipeline across the stream approximately one (1) month prior to the failure with no sign of any issue relating to either the pipeline or the integrity of the embankment.

Geoff confirms with Cleanways that two tanker loads of influent were delivered to the | Gorge Road wastewater pumpstation from the Tokanui pumpstation whilst pumps were remotely isolated.

At approximately 10.34 am (*Environment Southland to confirm*) an ES investigation officer meets with SDC/Downer staff on-site at the repair site to discuss what had happened, discussion was held around the repair method and future mitigation (by renewing the entire 332 lineal/metre pipeline) was discussed.

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Environment Southland staff member undertakes upstream and downstream bacterial samples.

Downer field staff complete finishing repairs to stabilise the existing concrete thrust block on the western embankment.

Matt begins looking at engineering options around a pipeline renewal and reviewing current legal easement/s on the existing pipeline and liaising with pipeline suppliers and the availability of resource for a pipeline renewal.

#### **Tuesday, 8 August 2017**

Matt also liaises with each property owner where the pipeline crosses through to speak about entry to site and a proposed renewal of the pipeline and answer questions about Sunday's pipeline failure.

Matt submits a formal compliance application to Emily Allan (Environment Southland) on behalf of SDC outlining the proposal of undertaking a trenchless pipeline renewal methodology of the existing PVC pipeline.

#### **Wednesday, 9 August 2017**

Matt attends the 'Services and Assets Committee meeting' and formally briefs SDC Councillors of the pipeline failure in Tokanui and verbally outlines the proposal of a full pipeline renewal.

Matt instructs Downer to undertake a test hole on the western side of the stream to assess ground conditions for a trenchless methodology.

#### **Thursday, 10 August 2017**

SDC's Water and Waste staff undertake independent upstream and downstream sampling of the stream from the repair site.

#### **Thursday 10 August- Present day**

Council water and waste staff have successfully applied for and been granted a 'Certificate of Compliance Certificate' by Environment Southland to directional drill a new pipeline under the Tokanui Stream, subject to Council approval.

Downer NZ have undertaken exploratory test-holes under the direction of Council water and waste staff to confirm ground conditions for the use of a trenchless methodology under the Tokanui stream.

Council water and waste staff have inspected the Tokanui pipeline crossing on three separate occasions since the 10 August 2017 to check the current status of this repaired pipeline (specifically across the stream).

Between the 10<sup>th</sup> and 25<sup>th</sup> August 2017 Operational staff from Downer were closely inspecting the Tokanui site on a daily basis, to confirm the structural integrity of the pipeline crossing and the physical level of the Tokanui stream.

From the 25<sup>th</sup> August until the present day the Tokanui site is being monitored on a twice weekly basis by Downer.

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## Te Anau Wastewater Business Case Development

Record No: R/17/9/22112  
Author: Ian Evans, Strategic Manager Water and Waste  
Approved by: Steve Ruru, Chief Executive

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 To seek Council approval of the Problem Statement, Investment Objectives and Constraints being used to progress development of the Te Anau Wastewater Business Case.

### Executive Summary

- 2 At its meeting on 17 May 2017 Council asked officers to proceed with development of a business case for the upgrading of the Te Anau Wastewater Scheme. It also asked that officers develop selection criteria and a process via which possible alternative disposal sites might be identified.
- 3 This report provides an upgrade on the progress being made with development of the business case and seeks formal endorsement of the proposed Problem Statement, Investment Objectives and Constraints to be used in developing the draft business case. It may be appropriate to review these depending on the outcome of the alternative site selection process but this is a decision that can be made by Council at a later date.
- 4 Council has also called for expressions of interest for possible alternative disposal sites based on a set of criteria that were approved by the Project Committee. These are due to be lodged with Council by 11 October.

## Recommendation

That the Council:

- a) Receives the report titled “Te Anau Wastewater Business Case Development” dated 19 September 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) Note the process that is being followed to develop a Business Case for the Te Anau Wastewater Project.
- e) Approves the Problem Statement, Investment Objectives and Constraints as identified in Attachment A and asks officers to use these in the continued development of the Business Case for the Te Anau Wastewater Project.
- f) Notes that it could be appropriate for it to further review the Problem Statement, Investment Objectives and Constraints as identified in Attachment A if a decision is subsequently made to investigate an alternative disposal site.

## Content

### Background

- 5 At its meeting on 17 May 2017 Council asked officers to proceed with development of a business case for upgrading of the Te Anau Wastewater Scheme using the consented Kepler option. It also asked that officers develop selection criteria and a process via which possible alternative disposal sites might be identified. This report provides an upgrade on the progress being made with development of the Kepler business case and seeks formal endorsement of the proposed Problem Statement, Investment Objectives and Constraints.
- 6 The Wastewater Project Committee have previously been advised of the following high level timetable for the development of the business case. The dates in this table represent targeted dates and there is likely to be movement in them as work is progressed and particularly as drafts of the business case are reviewed:

Task	Due By	Completed by
Provide TAWC a copy of the business case project problem definition, investment objectives, constraints.	31/8/17	Complete
Advertise alternative site criteria	1/9/17	Complete
Report to Council on business case project problem definition, investment objectives, constraints.	27/9/17	

<b>Task</b>	<b>Due By</b>	<b>Completed by</b>
Provide to Council the initial business case draft on the Kepler options - as these are the ones that are currently known.	30/9/17	
TAWC meeting to discuss the initial business case draft and get comments.	13/10/17	
Meeting with Finance and Audit Committee to discuss the initial business case draft and get comments.	13/10/17	
Close off date for expressing interest in providing an alternative site.	11/10/17	
Consideration of the alternative sites identified.	25/10/17	
Meeting with TAWC to discuss alternative sites and process from here.	3/11/17	
Report to Council on the outcome of the alternative site process.	15/11/17	
Business case report to Council	13/12/17	

- 7 The detailed business case is being developed following the models used by both Treasury and NZTA in support of development of significant infrastructure investment decisions, albeit somewhat modified to reflect the scale of investment and the relatively advanced nature of the project.
- 8 Typically the business case is a multi-stage process based on the following assessments:
  - Strategic assessment - what is the need?
  - Economic assessment - generally to demonstrate value for money against any viable alternatives.
  - Commercial assessment - can it be delivered and what are the options in terms of procurement/delivery models?
  - Financial assessment - is it affordable and what are the funding sources (loans, contributions etc) referenced through the LTP?
  - Management assessment - can it be successfully delivered including any further consenting requirements?
- 9 Any business case should clearly identify the problem or issue that is being addressed, the reasons why investment is necessary and the assumptions around what realistic options are available to address the issue/problem.
- 10 Three key components of the strategic/economic assessments of the process are the problem statement, investment objectives and constraints. The definition of these will affect selection and subsequent assessment of identified viable options.

## **Assessment Components**

### **Problem Statement**

- 11 This outlines the reason for undertaking the project, in essence 'the need'. Any potential solution should be able to be clearly tracked back to the issue/problem as documented.

- 12 In this instance the need for undertaking the work boils down to the requirement to have a viable and consented long term wastewater disposal system for Te Anau. The current consent for the Upukerora River discharge expires in December 2020 and in order to operate lawfully Council must have a new consented discharge in place and operational prior to December 2020.
- 13 In order to enable the investment to proceed Council must have a high degree of confidence that it can achieve a long term consent (25 years plus) and a high degree of confidence in gaining further consent. From discussions with stakeholders there is a high level of risk that this will not be achieved if Council retains a direct discharge to water.
- 14 The Problem Statement acts as the starting point for justification of the capital expenditure as outlined in Long Term Planning documents. The problem statement is included in Attachment A.

### **Investment Objectives**

- 15 These are essentially the reasons behind 'the need' and what the resolution of the problem statement will deliver. These objectives also start to set some of the 'ground rules' around how the investment will be undertaken and the reasons why it will proceed. In the case of Te Anau five key objectives have been identified.

#### Objective One

- 16 The overall solution must have the ability to achieve a long term consent of at least 25 years with a high likelihood that a further consent can be achieved at the end of the initial consent term.

#### Objective Two

- 17 The overall solution is flexible and can be adapted to meet higher quality discharge standards which may be required in the future.

#### Objective Three

- 18 The solution must be able to manage any increases in flow and load which may result from growth within the community.

#### Objective Four

- 19 The solution meets the social and cultural aspirations of tangata whenua, the Te Anau and wider Southland communities.

#### Objective Five

- 20 The solution is cost effective and in line with current budgeted costs in the Long Term Plan.
- 21 A copy of the investment objectives and business needs is contained within Attachment A.
- 22 Following the Business Case approach three different levels of investment are typically considered with only those options within this range assessed further.
- A minimum scope required to deliver the essential or core service requirements (the must haves). In the current instance the proposal as consented would meet this scope, but be capable of being upgraded to meet future standards as outlined by Investment Objective 2.



- An intermediate scope is required to deliver essential and desirable service requirements (essential plus nice to have but not essential for core service delivery).
- A maximum scope required to deliver essential, desirable and aspirational service requirements.

- 23 Desirable requirements might typically be considered if they represent good value for money while aspirational requirements are only considered further if affordable.
- 24 The revised requirement statements are included in Attachment A. It is important that they are read within the context of the Investment Objectives.

### **Constraints**

- 25 Developing the problem statement and investment objectives gives a clearer picture as to what options are available to address the needs of the project. Initially this should involve a high level review of all alternatives with a set of constraints developed to help narrow this long list down to a more manageable short list.
- 26 In order for it to be considered for scoring any option must first be assessed against a set of constraints that will determine if it reaches the threshold for scoring, with the constraints aligning themselves to one or more of the key investment objectives. This in effect is used to reduce a long list of alternatives to address the problem statement, down to a more realistic short list. The relative merits of each shortlisted alternative are then evaluated using an agreed scoring methodology. The constraints identified for this project are included in Attachment A.

### **Issues**

- 27 There is a need for Council to confirm the Problem Statement, Investment Objectives and Constraints being used to guide development of the Te Anau Wastewater Business Case.

## **Factors to Consider**

### **Legal and Statutory Requirements**

- 28 It is noted that all decisions of the Council are subject to the decision-making provisions detailed in Part 6 of the Local Government Act 2002. In broad terms, these provisions require that the Council assess the advantages and disadvantages of each reasonably practicable option. The extent of consideration given should have regard to the level of significance of the proposed decision.
- 29 Under section 14 of the Local Government Act 2002 Council is required to undertake commercial transactions in accordance with sound business practice. A decision on a significant capital investment, such as that involved with the upgrading of the Te Anau Wastewater scheme would fall within this definition.

### **Community Views**

- 30 There are a number of different groups or sections of the community whose views need to be considered as Council proceeds through the process of making a decision on which option to pursue. These include:
- The residents and communities of Te Anau and Manapouri. FSO is an organisation that purports to represent the views of a number within these communities.

- The district wastewater user community who will be collectively required to fund the final solution through a targeted rate.
- All district ratepayers who ultimately carry a level of responsibility and risk for all Council activities.
- Tangata whenua. Note that under section 77(1)(c) there is a requirement for the Council to take into account the relationship of Maori with their ancestral land and waters if the decision being made is considered to be significant. It is clear that a decision about how to dispose of wastewater for Te Anau would be such a decision given that the Lake is a natural state waterbody and statutory acknowledgement area.
- Stakeholder groups and organisations with an interest in the Te Anau Catchment. These include Fish and Game NZ, Guardians of the Lakes and Department of Conservation.

- 31 In making the decision to proceed with the development of a business case for the Kepler option Council has taken the views of these stakeholders into account. These include recognition of the fact that there are a number of people within the Te Anau and Manapouri communities who are concerned about the current Kepler consented option.
- 32 It is relevant that Council continue to consider the full range of views that exist as it considers the appropriateness of the criteria proposed through this report.

#### **Costs and Funding**

- 33 At this stage the assumption is being made that the project will need to be progressed in accordance with the existing Long Term Plan budget of approximately \$12 million. This is the rough order cost estimate that was included in the 2015 LTP for the Kepler option.
- 34 The appropriateness of this cost estimate, and the current LTP budget assumptions, will need to be considered further once the financial costs and risks associated with development of the Kepler option, and any others that Council may want to consider further, have been reviewed as part of the current business case process and decisions are made about whether Council has a desire to investigate an alternative disposal site. It is likely that investigation of any alternative would need to be undertaken concurrently with the development of the Kepler option if the December 2020 deadline is not able to be moved.
- 35 A decision to investigate an alternative site will have a number of significant budget implications that will need to be considered as part of the 2018 LTP.

#### **Policy Implication**

- 36 There is no existing policy relating to the development of business cases.

#### **Project Committee Feedback**

- 37 The draft Problem Statement, Investment Objectives and Constraints were distributed to the Te Anau Wastewater Project Committee members for comment prior to this report being drafted. The feedback provided by members is included in Attachment B. The criteria included in Attachment A have been revised to reflect the comments received from the Committee where considered appropriate.

- 38 Other comments made by the Committee, and officer comments on them are outlined in the table below. As noted below a number of these will be addressed through the relevant sections of the overall business case.

<b>Committee Feedback</b>	<b>Officer Comment</b>
Impact of Kepler option on operation of and future expansion of Te Anau Manapouri Airport should be considered.	Operational issues were addressed as part of resource consent process.  There is a need for a strategic review of the development potential of the Te Anau Airport to be completed. The timing and scope of such work is, however, outside of the scope of the Te Anau Wastewater Project.
Risks associated with return from baleage sales being used to reduce operational costs need to be assessed.	Agreed. This will be considered as part of risk assessment process in the business case.
Understand current consent limits relative to those proposed through Water and Land Plan.	Not directly relevant to current business case as Kepler consent granted for 25 years.  A 'full assessment' cannot be made without lodging a new consent application but officers will look to provide comment on notified pSWLP, changes sought via joint Southland TLAs submission and what they might mean for future consent applications.  Important to note that any consent will be assessed based on the planning provisions applying at the time consent lodged. At present the notified pSWLP rules would apply. The decisions version of pSWLP is not expected to be released until May 2018 with catchment limits to follow by 2021.
Disregard health and wellbeing of Manapouri and residents affected by Kepler scheme.	Issues were considered as part of resource consent process.
No guarantee that Kepler scheme will get a new consented at expiry of current 25 year consent.	Agreed. This risk will exist with all options. Comment will be provided on current expectations in regard to future planning document expectations.
Council should be investigating rapid infiltration option with higher quality treatment.	Would require new resource consent and potentially new site.

Council should focus on finding an alternative site so that investment in reticulation system can be invested in improving treatment.	Alternative site identification process underway.
Why is Manapouri consent expiry mentioned?	Council will need to find a suitable treatment and disposal option for Manapouri before expiry of its current resource consent.
Growth assumptions used in 2013 need to be revisited.	Revised flow and load assumptions are being used and will be documented in the business case.
How will PDP peer review be included in business case.	Information provided is relevant background. Estimates may also be able to be used depending on options eventually explored.  Further peer review of aspects of the draft business case may also be appropriate. This is a decision to be made at a later stage of process.
Business case needs to address why water discharge is not an option based on higher quality of treatment.	Project scope and constraints would need to be changed to allow for a formal evaluation of direct water discharge at a particular site to be included in this business case process.  Legal advice has been that any alternative would need to at least need to have better environmental outcomes than current consented Kepler option. This will require a higher quality of treatment than NI schemes visited and options considered in PDP peer review.
Projected capital cost of \$12.1 million included in current LTP budgets needs to be reviewed.	Agreed. Project capex and opex estimates will be updated and risk assessment provided for the costs along with estimate confidence intervals.  Projected budget requirements will then need to be assessed as part of broader LTP Financial Strategy and overall funding requirements.

### Alternative Site Options

- 39 Following the 17 May Council decision a set of criteria and process for identification of possible alternative disposal sites were developed and subsequently approved by the Project Committee.
- 40 Council has advertised for expressions of interest for alternative sites that people may wish to sell to Council. A number of criteria have been developed based on the type and area of land Council would require if it was to look at land availability for any new wastewater discharge. The criteria were initially advertised on 1 September 2017 with any expressions of interest required to be with Council by 11 October.
- 41 If potentially suitable site(s) are identified there will be a need for Council to make a decision on whether to proceed with a detailed investigation programme for that site. This work would likely need to proceed in parallel with work on the consented Kepler option.

## Analysis

### Options Considered

- 42 The options considered are to either endorse the Problem Definition, Investment Objectives and Constraints (Criteria) proposed with any amendments that Council may consider appropriate (Option 1) or Do Nothing (Option 2). Under the Do Nothing option officers would continue to draft business case using the criteria as proposed.

### Analysis of Options

#### Option 1 – Endorse Proposed Criteria

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Will allow progress to be made with development of the business case.</li><li>• The criteria are considered appropriate based on current knowledge of available options.</li></ul>	<ul style="list-style-type: none"><li>• Criteria may need to change once a decision is made on whether an alternative site is to be investigated.</li></ul>

#### Option 2 – Do Nothing

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• None identified.</li></ul>	<ul style="list-style-type: none"><li>• Criteria as drafted may not reflect Council wishes leading to business case needing to be changed at a later stage.</li></ul>

### Assessment of Significance

- 43 The decisions that Council is making on how to proceed with the development of a new long term solution for the disposal of Te Anau Wastewater is significant. It involves a significant capital investment in an important piece of Council infrastructure.
- 44 Through this report the Council is being asked to confirm the Problem Definition, Investment Objectives and Constraints that will be used to inform the selection of suitable options to be

short listed for assessment in the business case that is currently under development. These criterion largely reflect the steps that Council has taken to date in investigating the options available. There will, however, also be the opportunity for Council to review these when they receive the draft business case and when it becomes clear about whether there are any alternative sites that would warrant further investigation.

- 45 Given the current stage of development, and the potential for these criteria to be reviewed at a later stage of the business case process it seems reasonable for Council to conclude that the decision that it is being asked to make through this report is not significant.

### **Recommended Option**

- 46 It is recommended that Council Endorse the Criteria (Option 1) so that work can continue with drafting of the business case.

### **Next Steps**

- 47 Work will continue with drafting of business case using the approved criteria.

### **Attachments**

- A Problem Statement, Objectives and Investment Objectives [↓](#)  
B Feedback from Te Anau Wastewater Discharge Project Committee [↓](#)

### 1.1.1 Problem Statement

Taking an understanding of the context described above, the problem to be addressed can be identified as follows.

**Table 2.2:** Problem Statement

No	Problem	Benefit if addressed
1	SDC must have a sustainable long term solution for managing the treatment and disposal of wastewater for Te Anau. In developing a solution SDC must be able to operate within the appropriate regulatory framework.  This requires the Te Anau WW scheme to be consented.	SDC meets legal/statutory requirements  Te Anau has a sustainable long term wastewater treatment and disposal solution.
2	For SDC to invest with confidence in a solution they must be able to get a long-term consent for wastewater treatment and disposal, with a degree of certainty it can be re-consented at the end of that period.	A long-term consent will enable investment in an upgraded scheme.  This longer term certainty will enable continued growth in Te Anau.
3	The existing discharge to the Upukerora River is unacceptable to Iwi and contrary to the objectives, policies and outcomes specified in Te Tangi a Taurira and Ngai Tahu's Freshwater Policy Statement. It is also contrary to the current and proposed policies and objectives of Environment Southland's relevant regional plans.  A direct discharge to surface water will likely be difficult to obtain unless reasonable options for discharge to land are exhausted.	Removes existing discharge which is inconsistent with Ngai Tahu policy documents.  Consistent with section 77 LGA obligation.  Te Anau has a sustainable wastewater treatment and disposal scheme consented by ES.
4	Social and environmental values and objectives of the community and key stakeholders (DoC, Fish and Game, Guardians of the Lakes Manapouri, Monowai and Te Anau), are not met. They see that the current discharge reduces the scientific and recreation values of the receiving water and margins.  This means that even if the current scheme was capable of being re-consented then, at best, only short term consents might be possible. The challenges associated with obtaining short term consents for the existing discharge have increased with the latest amendments to the Freshwater NPS.	Social and environmental values of the community and key stakeholders, DOC, Southland Fish and Game Council and Guardians of the Lakes Manapouri, Monowai and Te Anau are met.
5	There is a lot of pressure from a number of stakeholders for the cumulative effect of nutrient loadings to surface water to be reduced.  Nitrogen and phosphorus loadings are not sufficiently reduced by the present discharge, even if they comply with ES water quality guidelines.	SDC meets the objectives and policies of ES Regional and Proposed Plans aimed at reducing nutrient loadings to surface water bodies across the region, including the Upukerora River and Lake Te Anau.  Water quality of Upukerora River improved.
6	Discharge is into a river that leads to a Natural State waterbody and Statutory Acknowledgement Area, Lake Te Anau, where no degradation of physical or chemical properties are accepted.	SDC meets appropriate environmental standards. SDC's reputation benefits from meeting the standard that the community aspires to.



## Investment Objectives, Existing Arrangements and Business Needs

.....

### *Investment Objectives*

The Better Business Case framework and terminology was not in use by SDC in the period 2005 – 2007 when the long term Te Anau wastewater strategy was developed, but the principles agreed at that time align with the investment objectives outlined below.

- **Investment objective one:** A solution with the ability to achieve a long term resource consent (35 year, 25yr as a minimum), for wastewater treatment and disposal for the Te Anau community, with a high likelihood that a further consent can be achieved at the end of the initial consent term.
- **Investment objective two:** A solution with treatment and disposal processes that are adaptable to being efficiently upgraded to achieve higher environmental standards in a cost effective way, should future discharge standards tighten. Refer s2.2.2 (and Table 2.4) for intermediate and maximum standards.
- **Investment objective three:** A solution that has treatment and disposal processes that are adaptable to being efficiently upgraded, as future discharge flows and loads increase. Refer to the 2013 MWH Te Anau Wastewater Flows Report for the envelope of possible flow quantities.
- **Investment objective four:** A solution that meets the cultural and social aspirations of tangata whenua, the Te Anau and wider Southland communities.
- **Investment objective five.** A cost effective solution that is in line with budgeted costs in the Long Term Plan.

### Existing Arrangements and Business Needs

**Table 2.3:** Summary of the existing arrangements and business needs (including SMART measures):

<b>Investment Objective One</b>	<b>Meet current environmental standards to obtain a long term consent</b>
<b>Existing Arrangements</b>	<p>It will be difficult to obtain even short term consents for the current discharge. The challenges associated with this have been increased with the recent 2017 amendments to the NPS-FM.</p> <p>The expiry date of the present consent to discharge to the Upukerora River is 30 November 2020 (Discharge Permit 20157778-01).</p>
<b>Business Needs</b>	<p>An upgraded or new scheme to meet environmental standards acceptable for a long term consent. This needs to be in place by the expiry date of the present consent to discharge to the Upukerora River.</p> <p>Note. It is important that a new scheme has a high likelihood of being readily re-consented in 25+ years' time.</p>
<b>Investment Objective Two</b>	<b>A solution that is adaptable to being efficiently upgraded in the future to achieve higher environmental standards</b>
<b>Existing Arrangements</b>	<p>Existing treatment facility is unlikely to be of sufficiently high quality to allow future long term discharge to water.</p> <p>The existing treatment facility has limited ability to be adapted to improve environmental performance but existing infrastructure has the potential to be reused as part of the overall solution if appropriate.</p>
<b>Business Needs</b>	An upgraded scheme that reduces nutrient contributions to the environment and can be further enhanced to meet possible higher standards in the future.
<b>Investment Objective Three</b>	<b>A solution that is adaptable to being efficiently upgraded in the future to accept higher flows and loads</b>
<b>Existing Arrangements</b>	<p>The existing scheme can cope with higher flows and loads without any major loss of performance, with only minor upgrades needed. However, such upgrades will not improve performance to a level that would allow a long term consent for discharge to water to be granted.</p> <p>Therefore, the existing facility has potential value as an element of a new treatment and disposal scheme.</p>
<b>Business Needs</b>	<p>Any existing or new processes, or process units, must have capacity to adapt, in a reasonably cost effective way, to higher flows and loads.</p> <p>Latest flow and load reports detail the range of predictions for flows up until 2048. As a minimum the worse-case projected flows must be able to be accommodated.</p>
<b>Investment Objective Four</b>	<b>A solution that meets the cultural and social aspiration of Iwi and the community</b>
<b>Existing Arrangements</b>	Iwi, Fish and Game, DoC, Guardians of the Lake and other stakeholders have formally expressed, through the 2004 re-consenting process, their objection to the discharge in its current form and expressed a preference for a direct discharge to water to cease in the future.
<b>Business Needs</b>	A scheme that sufficiently takes into account the requirements of the community as well as the key stakeholders. This includes recognising the two key themes of Iwi, being removing direct discharges to water, and continuous improvement.

	<p>Any new scheme should have upgrade options to further reduce nutrient contribution to the Waiau Catchment, beyond whatever limit is consented for the initial long-term consent.</p> <p>Recognition of the views on affordability of the scheme for the wider Southland District Community should be taken into account.</p>
<b>Investment Objective Five</b>	<b>A cost effective solution</b>
<b>Existing Arrangements</b>	The present wastewater scheme is commonly used around the world as a cost effective solution for wastewater treatment.
<b>Business Needs</b>	<p>A cost efficient solution that takes into account capital and operating expenditure, and the likely cost, if required, of upgrades signalled in Investment Objectives 2 and 3. Cost effectiveness will be measured by comparing the capex and NPV of the various options.</p> <p>The present LTP budget is \$12.1Million capex, and solutions are sought that are aligned to this.</p> <p>It should also be noted that the consent for the Manapouri wastewater discharge to Home Creek expires in 2023 and that the consented Kepler scheme may also be suitable as one of a number of potential solutions for upgrading the Manapouri discharge. Following changes to the National Policy Statement for Freshwater Management which come into effect from 6 September 2017 requiring consenting authorities to have regard to the health of people and communities affected by their contact with water it is apparent that the current arrangement for Manapouri would not likely be reconsented. It is therefore important that a number of viable alternatives preferably involving disposal to land are available for consideration.</p>

## Potential Business Scope and Key Service Requirements

The purpose of this section is to describe the degree or scale of change required for the project to be considered successful. Three different levels of investment are typically considered and only those options within this range are assessed further in the economic case:

- The minimum scope required to deliver the essential or core service requirements (the must haves)
- The intermediate scope required to deliver essential and desirable service requirements, and
- The maximum scope required to deliver the essential, desirable and aspirational service requirements.

Desirable requirements may typically be considered if they represent good marginal value for money. The aspirational requirements (or “nice to haves”) are generally only considered further if they are affordable.

The potential business scope and key service requirements, in the table below, were identified and assessed by Stantecs’s principal environmental scientist who was involved in developing and agreeing the consent limits for the Kepler Block land discharge consent. These values were then discussed and approved by SDC and their advisors in workshops held on 15 June 2017 and 21 August 2017.

While many parameters are able to be measured, the particular parameters were selected as being those that are of primary significance to both the consenting authority and the community.

Table 2.4: Potential business scope and key service requirements

*Service Requirements (in decreasing order of relevance compared to the investment objectives)	Scope Assessment			
	Minimum Scope	Intermediate Scope	Maximum Scope	Out of Scope
<b>**Total Nitrogen loss to ground or surface water (average values)</b>	7,730kgN/yr	3,865kgN/yr	1,930kgN/yr	<1,930kgN/yr
<b>Odour</b>	Valid confirmed complaints*** detectable very occasionally (eg less than 3 per year) for short durations (eg 6hrs max)	As per minimum but complaints only once a year.	No complaints except if plant malfunction.	Never detectable
<b><i>E.coli</i> (in ground water)</b>	not detectable at any existing water supply bore	not detectable at any existing water supply bore	not detectable at any existing water supply bore	No minimum
<b><i>E.coli</i> (at point of mixing with surface water)</b>	<1,000/100ml DD after zone of mixing (ES existing Water Plan standard for stock drinking water)	<100/100ml after zone of mixing (‘swimmable’)	<1/100ml after zone of mixing (‘drinking’)	No minimum
<b>Phosphorus (at point of mixing with surface water)</b>	8mgP/l	3mgP/l	0.5mgP/l	<0.5mgP/l

## Notes:

- a) \* Options for direct discharge to surface water are excluded, refer to s2.2.6: Key Constraints.
- b) \*\* The Intermediate scope for Total Nitrogen (TN) discharge loading is based around existing discharge consent 302625-01 for the Kepler Block. Condition 7(e) states ‘The modelled leaching of nitrogen from the North Block shall not exceed 32kgN/Ha/yr based on a 5-yearly rolling average’. The North Block has an area of 120.8Ha, as defined in the land use designation.  $32\text{kg/Ha/yr} \times 120.8\text{Ha} = 3,865\text{kg/yr}$ . Minimum and Maximum Scope are selected as half or double this value.
- c) The above TN loadings are based on predicted flows and loads in 2040, the expiry date of the Kepler consent,
- d) \*\*\* As defined in the existing Kepler consents.
- e) Phosphorus limits are based on: 8mg/l, existing level in discharge from ponds: 3mg/l, expected reduction using slow rate irrigation: 0.5mg/l, expected reduction using membrane bioreactor.
- f) Proposed discharge limits are a judgement, based on achieving long term consents (25yrs+)

- g) Current Total N in oxidation pond discharge is in the order of 28mg/l. Kepler land discharge consent has a limit of 32kg/ha/yr based on the whole northern block site (not just the irrigation area), with about 50% of N removed by the pasture cut and carry.

## 2.2.6 Key Constraints

The proposal is subject to the following constraints.

**Table 2.8:** Key constraints

Constraints	Notes
Available Net Present Value (NPV) funding	Present LTP capex funding is \$12.1M. Current budgeted opex estimate for Kepler scheme is \$300k per annum.  NPV's of all options will be assessed as part of the economic business case. Maximum acceptable NPV is \$23.9M* and is 150% of the present allowance.
Must comply with consent limits under all flow and load fluctuations.	A solution must stay within its consented parameters while facing reasonably predicted fluctuations in flow and load. These predictions are based on observations of flow fluctuation in the period 2010 – to date.  If consented parameters are not available, predicted parameters based on the Minimum Requirements in Table 2.4 shall be used.
Implement before 30 November 2020.	Discharge consent for present scheme expires in November 2020. There are risks associated with seeking an extension of the current consent. This includes the potential for increased standards to be imposed even for a short term extension or for it to be declined.
No direct discharge to water.	A discharge to water option is unlikely to be consentable if a discharge to land site is available.
Consentable term	The maximum consent term under law is 35 years. A 25 year term is considered an acceptable duration noting that investment in a new scheme requires confidence that these consents could be renewed to better reflect the expected life of the key infrastructure components of the upgrade.
For land disposal – require ability to purchase the land.	The wastewater scheme is a long term investment by SDC, and this requires certainty, both for the consented term, and for future development. Ownership of the land of a wastewater disposal site is considered crucial to ensure that SDC has control over its activities.
Life of new infrastructure	Any proposal must have confidence that the infrastructure and sites can be used for a minimum of 35 years even if that is not initially reflected in the consent term.

The present allowance for Net Present Value is \$15.9M. This is calculated on the presently budget capex of \$12.1M being spent in year one, and a uniform series of opex cost of \$300k each year for 25 years at a 6% discount rate. The period and rate were agreed at a meeting with SDC on 21 August 2017, being consistent with their internal liability policy.

**Feedback from Members of Te Anau Wastewater Discharge Project Committee  
on  
Te Anau Wastewater Single Stage Better Business Case**

*Alan Bickers:*

My comments are attached using a tracked change format. I hope that your software will allow you to read the comment balloons (marked in the text as [A1], [A2], etc) as well as the amendments.

Some of my comments are probably a bit pedantic but my excuse is that the business case must be clear and stand on its own merits without relying on the reader having prior knowledge of the issues.

There is considerable repetition which seems quite unnecessary to me and that may be because of the BBC template. I feel that the document could be substantially simplified and I have attempted to do that in places especially in the Key Constraints document.

I have not made comments on Table 2.4 Potential Business Scope, etc (which I think is an inappropriate term) for the following reasons:

1. The predicted flows and loads at the design period must be the starting point or inputs to a disposal scheme and these are not stated;
2. The Kepler Block consent appears to be a basis for some of the parameters and is that represented by the "minimum"?
3. Will these limits be applicable to another site?
4. I am a bit puzzled by the Phosphorous limits. If 8 mg/l is the existing level of phosphorous discharge from the ponds and reductions of 3 mg/l can be achieved by slow rate irrigation and 0.5 mg/l for membrane reactor treatment. These numbers are the same as the "Intermediate" and "Maximum" scope. Is that coincidence or should they reflect reductions from the input figure. I may be missing something here.

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#### 2.1.4 Problem Statement

Taking an understanding of the context described above, the problem to be addressed can be identified as follows.

Table 2.2: Problem Statement

No	Problem	Benefit if addressed
1	SDC must have a sustainable long term solution for managing the treatment and disposal of wastewater for Te Anau community. In developing a solution SDC must be able to operate within the appropriate regulatory framework.  This requires the Te Anau WW scheme to be consented by Environment Southland (ES).	SDC meets legal/statutory requirements  Te Anau has a sustainable long term wastewater treatment and disposal solution
2	For SDC to invest with confidence in a solution they must be able to get a long-term consent for wastewater treatment and disposal, with a further degree of certainty it can be re-consented at the end of that period.	A long-term consent will enable investment in an upgraded scheme.  This longer term certainly will enable continued population growth in Te Anau.
3	The existing discharge to the Upukerora River is unacceptable to Iwi and contrary to the objectives, policies and outcomes specified in Te Tangi a Taurua and Ngai Tahu's Freshwater Policy Statement. It is also contrary to the current and proposed policies and objectives of Environment Southland's relevant regional plans.  A direct discharge to surface water is highly unlikely to be consentable unless reasonable options for discharge to land are exhausted.	Maintains or improves the relationship with Iwi, which makes longer term consents possible.  Te Anau has a sustainable wastewater treatment and disposal scheme consented by ES.
4	Social and environmental values and objectives of the community and key stakeholders (DoC, Fish and Game, Guardians of the Lakes Manapouri, Monowai and Te Anau), are not met. They see that the current discharge reduces the scientific, intrinsic and recreation values of the receiving water and margins.  This means that even if the current scheme was capable of being re-consented then, at best, only short term consents might be possible.	Social and environmental values of the community and key stakeholders, DoC, Southland Fish and Game Council and Guardians of the Lakes Manapouri, Monowai and Te Anau are met
5	There is a lot of pressure from a number of stakeholders for the cumulative effect of nutrient loadings to surface water to be reduced.  Nitrogen and phosphorus loadings are not sufficiently reduced by the present discharge, even if they comply with ES water quality guidelines.	SDC meets the objectives and policies of ES Regional and Proposed Plans aimed at reducing nutrient loadings to surface water bodies across the region, including the Upukerora River and Lake Te Anau.  <u>Water quality improved</u>
6	Discharge is into a river that leads to a Natural State waterbody and Statutory Acknowledgement Area, Lake Te Anau, where no degradation of physical or chemical properties are accepted.	SDC meets appropriate environmental standards. SDC's reputation benefits from meeting the standard that the community aspires to.

Commented [A1]: What does this mean?

Commented [A2]: What water quality? Specify.

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## Strategic Assessment

### Investment Objectives, Existing Arrangements and Business Needs

#### Investment Objectives

The Better Business Case framework and terminology was not in use by SDC in the period 2005 – 2007 when the long term Te Anau wastewater strategy was developed, but the principles agreed at that time align with the investment objectives outlined below.

**Investment objective one:** A solution with the ability to meet current environmental standards to give a high probability of obtaining long term resource consents (35 year, 25yr as a minimum), for wastewater treatment and disposal for the Te Anau community, with a high degree of certainty of re consenting at the end of this first term.

**Investment objective two:** A solution with treatment and disposal processes that are adaptable to being efficiently upgraded to achieve higher environmental standards in a cost effective way, should future discharge standards tighten. Refer s2.2.2 for intermediate and maximum standards.

**Investment objective three:** A solution that has treatment and disposal processes that are adaptable to being efficiently upgraded, as future discharge flows and loads increase. Refer to the 2013 MWH Te Anau Wastewater Flows Report for the envelope of possible flow quantities.

**Investment objective four:** A solution that meets the cultural and social aspirations of Iwi and the community.

**Investment objective five:** A cost effective solution. The present LTP budget is \$12.1Million capex, and solutions are sought that are aligned to this.

**Commented [A3]:** These two objectives have must in common and could be combined with some skillful redrafting.

**Commented [A4]:** What does this actually mean? It would appear that this is saying that the cost of the scheme must be within the \$12.1 million stated in the LTP. It seems premature to me to make such a statement when a solution has not been agreed. Sure this is desirable but I think that the statement needs clarification.

#### Existing Arrangements and Business Needs

Table 2.3: Summary of the existing arrangements and business needs (including SMART measures):

Investment Objective One	Meet current environmental standards to obtain a long term consent
Existing Arrangements	In its present state the wastewater scheme cannot now obtain long term consents, and is unlikely to meet future environmental standards from ES, meaning it is likely in the future that even short term consents will not be obtainable.  The expiry date of the present consent to discharge to the Upukerora River is 30 November 2020 (Discharge Permit 20157778-01)
Business Needs	An upgraded or new scheme to meet environmental standards acceptable for a long term consent. This needs to be in place by the expiry date of the present consent to discharge to the Upukerora River.  Note. It is important that a new scheme has a high likelihood of being readily re consented in 25+ years' time.
Investment Objective	A solution that is adaptable to being efficiently upgraded in the future to achieve

**Commented [A5]:** This slightly contradicts the statement No 4 in Table 2.2.

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Two	higher environmental standards	
Existing Arrangements	Existing facility performs <u>consistently</u> but is unlikely to be of sufficiently high quality to allow future long term discharge to water...	Commented [A6]: This is an adverb - do you mean "consistently well" or "consistently poorly"?
	The existing facility has limited ability to be adapted to improve environmental performance but existing infrastructure has the potential to be reused as part of the overall solution if appropriate	
Business Needs	An upgraded scheme that reduces nutrient contributions to the environment and can be further enhanced to meet possible higher standards in the future.	
Investment Objective Three	A solution that is adaptable to being efficiently upgraded in the future to accept higher flows and loads	
Existing Arrangements	The existing scheme can cope with higher flows and loads without any major loss of performance, with only minor upgrades needed (provision of more aeration). However, such upgrades will not improve performance to a level that would allow a long term consent for discharge to water to be granted.	Commented [A7]: I would delete this example. The statement is fine as is.
	Therefore, the existing facility has potential value as an element of a new treatment and disposal scheme.	
Business Needs	Any existing or new processes, or process units, must have capacity to adapt, in a reasonably cost effective way, to higher flows and loads.	
	Latest flow and load reports detail the range of predictions for flows up until 2048. As a minimum the worse-case projected flows must be able to be accommodated.	
	Any new scheme shall be able to accommodate <u>loads that rise in proportion to flows</u>	Commented [A8]: Loads and flows may not be in proportion such as if there is any non-domestic loading or change in residential pattern. Nevertheless, the statement is indicating a need to cope with increased loading.
Investment Objective Four	A solution that meets the cultural and social aspiration of Iwi and the community	
Existing Arrangements	The present wastewater scheme (oxidation ponds with screening and aeration) is considered to be <u>efficient and cost effective</u> . However, Iwi, Fish and Game, DoC, Guardians of the Lake and other stakeholders have formally expressed, through the 2004 re-consenting process, their objection to the scheme in its current form and expressed a preference for a direct discharge to water to cease in the future.	Commented [A9]: On what basis can you substantiate these statements?
Business Needs	A scheme that sufficiently takes into account the requirements of the community as well as the <u>statutory consultees</u> . This includes recognising the two key themes of Iwi, being removing direct discharges to water, and continuous improvement.	Commented [A10]: This is not a term I have seen used before. What does it mean? Why not say "stakeholders"?
	Any new scheme should have upgrade options to further reduce nutrient contribution to <u>water</u> , beyond whatever limit is consented for the initial long-term consent.	Commented [A11]: What water bodies?
	Recognition of the views on affordability of the scheme for the wider Southland District Community should be taken into account.	
Investment Objective Five	A cost effective solution	
Existing Arrangements	The present wastewater scheme (oxidation ponds with aeration) is <u>efficient and cost effective</u> . The performance of such a scheme is well understood, and is commonly used around the world.	Commented [A12]: See earlier comment.
Business Needs	A <u>cost effective</u> solution that takes into account capital and operating expenditure, and the likely cost, if required, of upgrades signalled in Investment Objectives 2 and 3. Cost effectiveness will be measured by comparing the capex and NPV of the various options.	Commented [A13]: Cost efficient?
	The present LTP budget is \$12.1million capex, and solutions are sought that are aligned to this.	
	It should also be noted that the consent for the Manapouri wastewater discharge to Home Creek expires in 2023 and that the current preferred alternative may be available as one of a number of potential solutions for upgrading the Manapouri discharge.	Commented [A14]: This raises some interesting possibilities that will warrant some detailed consideration.

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Following changes to the National Policy Statement for Freshwater Management which come into effect from 6 September 2017 requiring consenting authorities to have regard to the health of people and communities affected by their contact with water it is apparent that the current arrangement for Manapouri would not likely be reconsented. It is therefore important that a number of viable alternatives preferably involving disposal to land are available for consideration.

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### 2.2.6 Key Constraints

The proposal is subject to the following constraints.

**Table 2.8: Key constraints**

Constraints	Notes
Available Net Present Value (NPV) funding	Present LTP capex funding is \$12.1M. Current budgeted opex estimate for Kepler scheme is <del>\$300K</del> .  NPV's of all options will be assessed as part of the economic business case. <del>Maximum acceptable NPV is 150% of present allowance.</del>
Must comply with consent limits under all flow and load fluctuations.	Consent will be sought for a solution capable of meeting the reasonably predicted growth and fluctuations of flow and load over at least 35 years. The new scheme must be capable of complying with its consented parameters. The predictions of flow and growth will be based on the observations of the period 2010 – to date.  If consented parameters are not available, predicted parameters based on the Minimum Requirements of <del>§2.2.2</del> shall be used.
Implement before 30 November 2020.	Discharge consent for present scheme expires in November 2020. Obtaining ES approval to extend the term may result in additional and/or more onerous conditions of consent being imposed even for a short term consent to continue to discharge treated wastewater directly to the Upukerora River.
No direct discharge to water.	It is clear that any discharge to water option is highly unlikely to be consentable if a discharge to land site is available.
Consentable term	The maximum permitted term of consent under the RMA is 35 years. It is considered that any shorter term be at least 25 years to reflect the likely economic life of the infrastructure assets of the new scheme.
For land disposal – require ability to purchase the land.	The wastewater scheme is a long term investment by SDC, requiring certainty both for the consented term and the ability of the new scheme to cope with future development over at least the consented term. Consequently it is highly desirable that SDC have full control of activities on the disposal site preferably through land ownership.
Life of new infrastructure	The design life of the infrastructure assets must be at least 35 years irrespective of the term of consent.

**Commented [A15]:** Per annum?

**Commented [A16]:** I am unclear what this means?

**Commented [A17]:** We do not have this as yet.

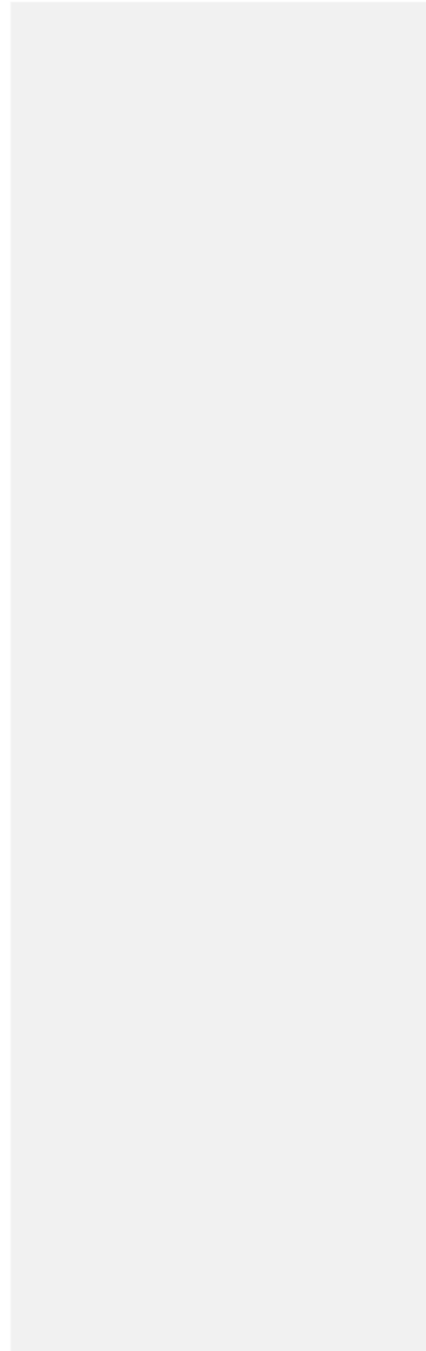
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Rachel Cockburn:

I would like to ask if the following considerations could be added?

1. That the potential impact on our airport operations and options for expansion there be taken in to account during this Business Case process. I am aware this is not strictly related to the Kepler Consent, but we have clear feedback that the current consented activity is likely to have a significant impact on the potential of this airport to operate sustainably and that growth in the future could be severely limited. As the Chair of the Te Anau Community Board, I am very concerned that this will have a significant financial burden on our community going forward, and will be a direct opportunity cost of this waste water scheme. If this cannot be included in this business case, I would ask that you consider an assessment be run parallel to this by an independent party.
2. I support an in-depth assessment of the farming operations that are identified to assist offset OPEX costs. I am happy to provide contact details of local people who may be able to offer local feedback which would be prudent to collect. As outlined during our past deliberations, I had presented to the committee a very different picture of the potential farm earnings for this property. If correct, this would have a significant impact on the OPEX costs for our community. We need to ensure this information is as carefully assessed as possible please to make sure we are dealing with reasonably factual information. It also helps us assess the true cost of this option compared to any other option we might look at.
3. I would also like to understand as part of this assessment how the current consented limits we have been granted for this consent compare with the kind of limits we will face in the very near future under Environment Southlands new Water & Land Plan. There have been comments made several times by staff during meetings that a reason to continue with the current consent is that any new consent will be harder due to increasingly difficult limits.

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Shirley Mouat:

## 2.2 Strategic Assessment

Investment objective one: Yes we need a solution that meets current but also future environmental standards to give a high probability of obtaining a long term resource consent for wastewater treatment and disposal for the Te Anau community.

Investment objective two: Yes we need to consider cost effectiveness.

Investment objective four: It is time you listened to the community.

Investment objective five: Not sure how you got to the figure of \$12.1million capex, this figure seems very low. Obviously the purchase of the Kepler block is not included in this figure.

Investment objective five: A cost effective solution: Business Needs:-  
Why was the Manapouri wastewater discharge to Home Creek consent even mentioned when we are trying to find a solution for Te Anau Wastewater Discharge?

Table 2.4: Service Requirements: Odour:

This year the stench from the Te Anau ponds was unbearable to residents in a 5km radius for a very long period owing to human error not mechanical error and the poo got the flu. Residents gave up complaining as it appeared the Council weren't interested in doing anything to clean this up.

Notes g) Who is going to buy the cut and carry?

A shorter pipeline means more money can be spent on further treatment of the wastewater, which should be the focus of Southland District Council.

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Allan Youldon:

I thank you for the extract from a report on Te Anau Wastewater Single Stage Better Business Case, requesting me for comment. I do so below.

Table 2.2.

There seems to be a lack of consideration given to the concerns of the health and wellbeing of people (ratepayers) who stand to be affected by any adverse effects of the Kepler Scheme. There is a greater concern to what are classed as "Key Stakeholders." I quote from 2.2: No 3. "Maintains or improves the relationship with iwi, which makes longer term consents possible."

Reference is made to 2.2.2. Which I do not have, so cannot comment on it..

2.2: 4. Disregards the health and wellbeing of iwi and the community.

2.2: 5. Has no regard to the water quality of Manapouri.

Investment four. Once again disregards the health and wellbeing of iwi and the community.

Any discharge of pollutants to the atmosphere cannot be beneficial to the health and wellbeing of the people inhaling them, especially those living in close proximity. It is not known how far these nasties can travel.

Reference is made to a 2013 MWH Te Anau Wastewater Flow Report which I have not seen.

Table 2.4.

E coli at point of mixing with surface water.

The standard set too low. (the detectable levels too high) and should be lowered considerably.

Table 2.2.5

Present LTP Capex funding. How realistic is it that the Kepler Scheme can be built for \$12.1? The Opex of \$300k, is that a realistic figure?

Life of new infrastructure. There is no guarantee that the 25 years of the Present Consented Kepler Scheme, if proceeded with, will get a further consent. It may be hoped for but may not be achievable. It could very much depend on how well it was to operate. As would any scheme.

The part of the Report I have seen appears to be a feel good way of saying very little.

I had hoped for a more in depth breakdown of the components and construction costs of the Kepler Scheme. Instead I got an extract from a report on Te Anau Wastewater Single Stage Better Business Case.

I feel there is very little information provided, on which to base any comparison with any alternative scheme.

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I feel an improved treatment system along with RI to be the way SDC should be looking to the future treatment and disposal of wastewater, and not a discharge to the atmosphere.

I feel this to be very little advancement in three months.

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Cr Ebel Kremer:

#### **Problem Statement**

Reference to further degree of certainty for consenting the scheme at the end of the consented period (post 25 or 30 years) Reference to enabling continued growth in Te Anau.

With the recent land and water management announcements and future waste water treatment and discharge stringent regulations to be complied with, it may be useful to have a section within the business case relating to this and its potential implications from a compliance, environmental and financial implications to SDC. Though we have a discharge consent to Kepler, it would concern me if SDC were to implement a wastewater discharge scheme at a significant capital investment at Kepler and then for that scheme unable to be consented due to the implementation of the new land and water management requirements which we have some knowledge of today.

We need to future proof to our best ability based on accurate information and calculated assumptions which we have knowledge off.

I think it important that the Business case (BC) does include potential growth for Te Anau. However, by memory, the initial plan passed by Council identified a increase in population to approximately 40,000 for Te Anau. The treatment and discharge requirements are based on this future predictions. This assumption in population growth needs to be revisited in the BC and the treatment plant and waste water discharge requirements to reflect a more realistic assumption of future growth. Naturally, any new treatment and discharge infrastructure will need to have future growth capabilities, such future expansion on infrastructure needs to be carefully considered on environmental, social, financial basis.

Reference is made to maintaining or improving the relationship with Iwi, acknowledged.

There is no mention of maintain or improving relationship with communities -especially Te Anau and Manapouri as these two communities are significantly effected.

It should be noted within the BC the continued discharge of waste water to the Upuk in its present treated condition is also unacceptable to the Te Anau Community

The discharge to surface water is highly unlikely to be consentable - This may be so, but the BC should also provide direction if the Treatment was at a far greater level, what potential discharge of treated waste water options may become available. The treatment plants and discharge of waste water systems that I have visited in the SI and in the NI, seem to have the ability to discharge close to waterways, land areas within populated towns and so on. Any BC would need to clearly identify why SDC have discarded any alternative discharge options and such decisions to be evidence based.

A higher level of treatment will address the ES regional and proposed plans aimed at reducing nutrient loading to surface water bodies across our region.

**The investment objectives** : as you have rightfully pointed out, the better BC framework and terminology was not in use by SDC during 2005 - 2007.

**Objective two**: makes reference to "treatment and disposal processes that are adaptable to being efficiently upgraded to achieve higher environmental standards in a cost effective way, should future discharge standards tighten. Refer s2.2.2 for intermediate and maximum standards" We now know the standards are going to be significantly tighten in the near future. It would be useful to include in the BC future proofing the Te Anau treatment and wastewater disposal options that will show compliance for the future. Once again, it would be e-logical to have to incur a significant amount capital expenditure now and then again in 25

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years, if in fact we can show within the BC it is better to achieve a higher standard of treatment and discharge now which will place us in a far stronger position in 25 years to achieve re consenting.

I would like to see some wording changes for objective two to reflect my comments above.

**Objective three:** I have not sighted 2013 MWH Te Anau Wastewater Flows Report s this document to my knowledge has not been provided to the waste water committee. However, if this report refers to flow capacity to accommodate a population of 40,000, then I would expect the BC to reflect changes to the projected population numbers, flow capacity, treatment plant size and discharge requirements.

**Objective five:** To my knowledge the \$12.1 Million capex, was a figure produced many years ago. The BC would need to show a review of the proposed capex reflecting inflation and other external factors which influences the capital required. In addition, I would expect to see the BC identify, a comprehensive evidence based financial section which identifies the options considered and reasoning why some options have been discarded. I am presuming the BC will show the PDP report assumptions on costs will have been revisited and the assumptions be reflected within the BC as fact.

During the previous meetings and numerous discussions, plus the PDP report: never any mentioning of the Manapouri Waste Water requirements. I recall Committee members seeking clarification on this item on more than one occasion and were continually informed the Te Anau waste water project was a stand alone project and did not include Manapouri at all. I now note that the Manapouri waste water scheme has been introduced in this BC.

We are now at a stage with the Te Anau waste water , that there is a need to revisit the LTP and make some financial adjustment to the \$12 Million, even if we take inflation and potential construction costs escalation since 2005. ??

I'm unsure as to how you are going to include PDPs report and its findings into the BC. ?

#### **Key Constraints**

I have already made comment re \$12.1 Million  
The \$300K opex for the Kepler scheme is flawed which has been tabled on numerous occasions.

Load and flow functions - I have also commented on before

Implement before 30 Nov 2020 - During previous discussions it has been identified even if we were to start the Kepler scheme today, we would not be able to meet the current deadline of 30 Nov 2020. Therefore, the current consented Kepler scheme would also breach this date. Therefore, any alternative viable and environmentally option would in all probabilities breach the 30 November 2020 as well. The BC would need to reflect this situation in a much broader analysis.

Discharge to water - Unlikely to achieve consent, that's acknowledged.

Consentable term: This will be challenging considering the new land and water management plan

For land disposal - land purchase; The BC needs to provide alternative options, as discussed within the waste water committee, especial what financial implications this may have?

t/17/9/21949

Life of new infrastructure , 35 years: BC will show this but also needs to identify the impact of Land and water management standards going into the future. This will have a impact on the type of infrastructure that needs to be constructed to day to meet the demands of tomorrow.

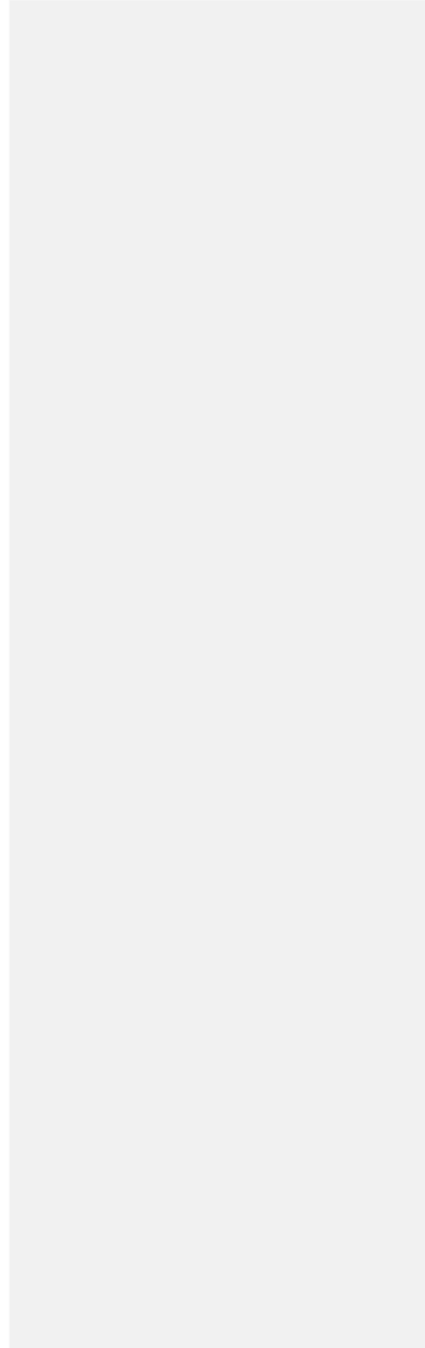
**Additional information for the BC:**

It is my understanding when the independent commissioner presented the report on the Kepler Scheme, there are a significant number of additional requirements put forward which the Kepler Scheme needs to comply with should it be fully implemented. I would like to see the BC identify these additional requirements and how these will be managed, implements, the effect on the proposed Kepler scheme, and the financial implications.

Plus, the BC will need to show all factors relating to the waste water pipe which will transfer the Te Anau waste water to the Kepler site.

The BC also needs to identify the implications of the Kepler scheme will have on the future Te Anau / Manapouri airport development and impact on the airport for future Tourist development. In addition, what financial implications will there be on SDC in the event of the current air port hanger developer were to experience the occupiers leaving there place of business due to an environment change, discharge of treated waste water to land in close proximity to the developers hangers.

r/17/9/21949



## Priority Improvement Projects- Around the Mountains Cycle Trail

Record No: R/17/9/22143

Author: Ian Marshall, Group Manager Services and Assets

Approved by: Ian Marshall, Group Manager Services and Assets

☒ Decision

☐ Recommendation

☐ Information

Item 8.5

### Purpose

- 1 The purpose of this report is to seek approval from the Council to undertake certain works on the cycle trail that are considered high priority to manage risks to users of the trail.

### Executive Summary

- 2 A number of concerns have been identified by the Ministry of Business and Innovation and Employment (MBIE) in relation to risk to users of the Around the Mountains Cycle Trail. These risks are that there is a lack of protection from the elements in the section from Walter Peak Station to Mavora Lakes.
- 3 MBIE require Council to construct a number of shelters in this section of the trail in order to provide protection to unsuspecting or unprepared users who might get caught in inclement weather and suffer serious consequences such as hypothermia.
- 4 MBIE have proposed that this work be funded 100% by MBIE on the basis of the priority of the work and the need to have safe Great Rides. However Council would incur a long term liability to credit back to MBIE 50% of the funding via future funding agreements.
- 5 Additionally Councillors have identified the need to improve the facilities at the current end point of the constructed trail at Centre Hill, near the gravel quarry.
- 6 Also some work has had to be completed along the section of the trail adjacent to Starvation Creek because the farmer there has been required by Environment Southland to modify two illegal creek crossings. This has forced a realignment of a section of the trail at these locations. The work has been funded from the current maintenance budget but this will leave the budget short to cover the cost of vegetation spraying and bridge maintenance.
- 7 The total value of works is \$147,519. Funding from MBIE through the Priority Projects process if approved will be \$107,519.

## Recommendation

That the Council:

- a) **Receives the report titled “Priority Improvement Projects- Around the Mountains Cycle Trail” dated 20 September 2017.**
- b) **Determines that this matter or decision be recognised 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) **Notes the concern MBIE has for the Health and Safety of cycle trail users due to the lack of shelters on the trail on the Walter Peak to Mavora Lakes section.**
- e) **Notes that the funding from MBIE under their Priority Works category whilst initially at 100% creates an obligation to Council to credit back 50% through future funding agreements for cycle trail works.**
- f) **Approves priority improvement projects to the cycle trail within a total project cost of \$107,519 subject to the projects being accepted by MBIE as priority projects and that MBIE agreement to fund the projects 100% under this programme.**
- g) **Approves the construction of improvement works at the Centre Hill end of the constructed cycle trail with a project cost of \$30,000.**
- h) **Approves the addition of \$10,800 to the Maintenance budget for the cycle trail for 2017/18.**

## Content

### Background

- 8 The Around the Mountains Cycle Trail has been in use for nearly three years now in one form or another. Even though the full trail has never been completed as originally planned users have been riding various sections of the trail including from the Walter Peak end.
- 9 The section of the trail from Walter Peak to Mavora Lakes has raised concern amongst MBIE staff who take an overview of all the Great Ride trails and who work to maintain safety and consistency of the trails. Their concern is that this remote area can subject to sudden inclement weather and this could easily catch unsuspecting and ill prepared riders out and have potentially fatal consequences.
- 10 MBIE believe the Council should install protection shelters at about 10km intervals along this section of the trail. MBIE have a funding stream that they make available for such high priority works that they believe are necessary for ongoing safety of users. This funding is for 100% of the value of the works but MBIE require Council to credit back 50% of the funding when future funding is made available from MBIE for other works.



- 11 Other work identified has come from Councillors noting that the current end point of the constructed trail at Centre Hill near the gravel quarry needs to be improved. It is considered important to construct a shelter at this point and install a toilet. The access to the trail also needs to be improved and better signage directing people to this point is needed.
- 12 A third issue has arisen because of work a farmer has had to do adjacent to the trail. This work was required by ES. The farmer has been required to correct some non-complying work in the Starvation Creek. These are two illegal creek crossings he had installed (culverts). As a consequence of him having to correct the stream crossings the trail alignment in this area has had to be realigned. Some improvements in the security of electric fences protecting the trail were also needed.

### **Issues**

- 13 The issues that have arisen are threefold.
- 14 One is the concern raised by MBIE about the health and safety of cycle trail users caused by a combination of the remote location, poor or non-existent cell phone coverage, little or infrequent presence of general public who could help and changeable weather. The concern is shelters need to be provided at about 10km intervals. The need for these shelters was always included in the original trail design and scope. However because all work stopped as the result of the failure to gain consent for the Upper Oreti section these facilities have not been constructed.
- 15 Two is the desire by Councillors to improve the facilities at the Centre Hill end point of the constructed trail. It is thought that a shelter is needed here too as well as a toilet. Better signage is also needed to help riders and motorists supporting riders find this end point. Overall, these features are needed to provide the quality of product that matches the remainder of the constructed trail.
- 16 Three is the need to cover the cost of a one off additional maintenance item on the trail in the location of Starvation Creek. This cost was the consequence of the landowner being required to modify two creek crossings. The consequential effect was the trail alignment had to be modified at these two points. The opportunity was also taken to improve the stock improve nature of the fences along the trail here so that cows did not get on the trail in winter. This has been a problem in the past because the electric fences were not reliable, mainly because of being shorted out. This work has been carried out funded from the maintenance budget however there is a high risk this will leave the maintenance budget short for covering the cost of essential vegetation control and any unplanned small maintenance items.

### **Scope and Costs**

- 17 The scope of work for the priority projects is as per the attached report from Opus. The cost of the works as per the Opus report including contingency is \$97,519. However, this does not cover the cost of consents and engineering which is estimated to be \$10,000. Adding this in would give a total estimated cost of \$107,519.
- 18 The scope and costs of the work at Centre Hill are not yet available to be included in this report. However the work on developing this is being completed as this report is being drafted. The detail will be provided to Councillors prior to the Council meeting. It will be in the form of another report from Opus and will become another attachment to this report. As a minimum it is expected a shelter, a toilet and signage upgrades will be recommended. Using data from the priority projects report the cost of these will be in the order of \$30,000.

- 19 The scope of work at Starvation Creek included vertical and horizontal realignment of the trail to allow it to blend in with the farm track crossings that were modified. Improvements to the fencing were also made to improve the stock proof quality of the fences. Whilst the contractor was on site part of the trail was raised to lift it above flood level and so reduce ongoing maintenance. The work was carried out by SouthRoads and Fencetec. The cost of their work was \$10,854.49.

### **Factors to Consider**

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

- 20 MBIE have raised concerns about the risk in terms of Health and Safety to trail users as the result of no shelters being provided. The NZCT Cycle Trail Design Guide does recommend shelters at no more than 10km intervals for a grade 1 or 2 trail.

#### **Community Views**

- 21 No specific Community views have been sought on this issue.

#### **Costs and Funding**

- 22 There are three elements of work, each has its own cost estimate. It is proposed one element be funded by MBIE through a programme whereby they fund the work 100% but there will be an ongoing liability to credit back to MBIE 50% of the value of the work through any future funding agreement on cycle trail works.
- 23 The other work will need to be funded from Council reserves.

#### **Policy Implications**

- 24 Work approved to be carried out will be procured from preferred suppliers via quoted prices for supply and installation.

### **Analysis**

#### **Options Considered**

- 25 The options considered include doing all of the works identified or doing some of the works or doing nothing.
- 26 The work at Starvation Creek had to be carried out and is complete. The option is to add additional maintenance budget to cover the work or not.
- 27 The priority improvement projects identified by MBIE are considered by MBIE to be very important hence their priority rating for them. It is difficult not to accept the risk factors MBIE have raised. The option is to carry out these works on the basis MBIE will fund them.

## Analysis of Options

**Option 1 – Carry out the work identified as priority projects by MBIE providing MBIE agree to 100% funding and carry out the works at Centre Hill and approve additional maintenance funding.**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>Facilities will be provided that reduce the risks of weather and fatigue related impacts to users such as hypothermia.</li> <li>The quality of the Around the Mountains Cycle Trail will be more consistent from end to end.</li> <li>A more complete tourism product will be produced which will be more sellable to the market.</li> <li>The reputation of the Around the Mountains Cycle Trail is enhanced.</li> <li>More of the trail is completed as originally scoped.</li> <li>All known maintenance for 2017/18 will be able to be carried out within budget.</li> </ul>	<ul style="list-style-type: none"> <li>An ongoing obligation to MBIE will be created to credit back 50% of the value of the priority works.</li> <li>Council financial reserves will be needed to fund the other works.</li> </ul>

## Option 2 – Do nothing

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>No funding is required</li> </ul>	<ul style="list-style-type: none"> <li>The health and safety risks flagged by MBIE are not addressed.</li> <li>Council is at risk of not doing everything practicable to manage the health and safety risk.</li> <li>The current end point at Centre Hill is informal and not up to the quality of the remainder of the constructed trail.</li> <li>Users have difficulty finding the trail end point.</li> <li>Maintenance budget could be inadequate to handle the remaining routine maintenance for the 2017/18 year.</li> </ul>

**Option 3 – A combination of some of the works proposed in Option 1.**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Depending on the combination less funding will be needed.</li></ul>	<ul style="list-style-type: none"><li>• Not all the Advantages shown in Option 1 will be achieved.</li><li>• Risk will remain unmanaged if shelters are not provided.</li></ul>

**Assessment of Significance**

- 28 In terms of the Councils significance policy the issue is not significant.

**Recommended Option**

- 29 Option 1 is the recommended option.

**Next Steps**

- 30 If all three items are approved the next steps will be;
- 31 Prepare an application to MBIE for the Priority Projects and if approved by MBIE implement consent processes. Simultaneously procurement processes will be started to minimise the completion time.
- 32 Similarly the consenting and procurement processes for the Centre Hill works will be implemented.
- 33 Manage the maintenance activities within the 2017/18 budget.

**Attachments**

- A Priority Projects. Report from Opus. [↓](#)



# Southland District Council Shelters and Toilets

Around the Mountains Cycle Trail

Item 8.5 Attachment A





### Contact Details

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## EXECUTIVE SUMMARY

The purpose of this report is as follows:

- Propose potential Emergency Shelter and Toilet locations on the Von Road and Mt Nicholas Station Road as per the Ministry of Business, Innovation and Employment, (MBIE) requirements.
- Provide high level construction estimates for both Emergency Shelters and Toilets.
- Provide consent information in relation to both the Emergency Shelters and Toilets.

As requested by MBIE, five shelter locations have been proposed and two toilet locations. The locations of the toilets correlate with the locations previously presented in easements documentation presented to the Butson family, however the ratio of toilets to shelters does change.

The total construction costs of the five shelters is estimated to be \$48,155 +GST. The Construction cost for the two toilets is estimated to be \$26,860 +GST. A combined total of \$75,015 +GST.

Recent experience in numerous tenders in the Central Otago region has seen considerable rises in construction labour costs, often exceeding previous estimates and contingencies. It is recommended that a contingency of 30% is added to these estimates. Including contingency, the construction estimate is \$97,519 +GST.



Image 1 – Overall Site Plan

Southland District Council (SDC) has advised that both shelters and toilets, if located in the road reserve, will not require consent. It is likely the toilets will require a building consent.

Queenstown Lakes District Council have advised that both shelters and toilets in the road reserve would require resource consents. As per SDC the toilets would also likely require a building consent.



Professional services fees related to the resource consents range between \$3,500.00 and \$5,000.00 +GST depending on the option chosen by council.

## BACKGROUND

### 1. Purpose

Cabinet approved an appropriation of \$47.5M for the establishment of the National Cycleway Fund to implement cycleway projects throughout New Zealand in 2009. This is administered by the Ministry of Business, Innovation and Employment, (MBIE).

In June 2010, the Minister of Tourism confirmed that the Ministry would award Southland District Council (SDC) \$4,000,000 plus GST towards the construction of the Around the Mountain Cycle Trail with the remainder of the funding being provided by Southland District Council. The \$4,000,000 would provide funding for stage 1 of the project with stage 2 being funded directly by SDC.

Stage 1 of the trail starts in Kingston and ends in Mossburn. The trail was constructed via five competitively tendered construction contracts in 2013/14.

Stage 2 is made up of Sections six, seven, eight and nine. Sections six and seven have been constructed, ending at Centre Hill. Sections eight which effectively is the completion of the trail from the current end point at Centre Hill to Mount Nicholas Road is yet to be completed.

Section nine is the section of the trail that continues to Walter Peak utilising the Mount Nicholas and Von Roads reaching a maximum altitude of approximately 700m above sea level.

MBIE have requested the SDC investigate locations for additional toilets and emergency shelters along the Von and Mt Nicholas Roads in areas where cyclists could be susceptible to significant weather exposure.

This report details potential locations, costing and consenting requirements identified for shelters and toilets along this route.

### 2. Locations

#### 2.1. Shelter and Toilets

MBIE have advised that their preference is for emergency shelters to be located approximately 10km apart on the segment of trail between Mavora Lakes and Walter Peak Station.

The proposed toilets are provided as an added service, and focused more on improving the experience for users on the trail (and conserving the surrounding environment) than being a significant safety concern. Though the biohazard presented by not providing toilets may be present, it is not considered a significant risk to users. For these reasons the spacing of toilets is greater than that of the emergency shelters. There is also an existing bathroom at Walter Peak Station available for trail users.

At the approximately 10km intervals, shelters locations are based on having good protection from winds, and providing opportunities for scenic views where possible, as it is anticipated that the shelters will be used most of the time as a spot for trail users to rest.

The images below depict the proposed locations for shelters and toilets.

#### 2.2. Landowner Approval

Previously the representatives for Mt Nicholas have been consulted regarding the installation of shelters and toilets along Von Rd. The scope of the project has been altered somewhat, with less toilets and far simpler/smaller shelters now proposed for installation.

As the physical road through Mt Nicholas Station does not lie on the designated road reserve, it is a requirement to acquire the stations permission for the propose structures. To ensure approval from the landowners, the proposed facilities should be placed in the locations previously agreed upon.

There are 5 locations for shelters/toilets described in this report as below:

- Location 1 – Shelter only
- Location 2 – Shelter only
- Location 3 – Shelter + Toilet
- Location 4 – Shelter only
- Location 5 – Shelter + Toilet

The previous consultation detailed shelters/toilets which line up with those proposed as below:

- Location 1 – Toilet only
- Location 2 – Toilet only
- Location 3 – Shelter + Toilet
- Location 4 – Toilet only
- Location 5 – No structures proposed



Image 2 - Location 1: 9.6km from Walter Peak Station (shelter only)



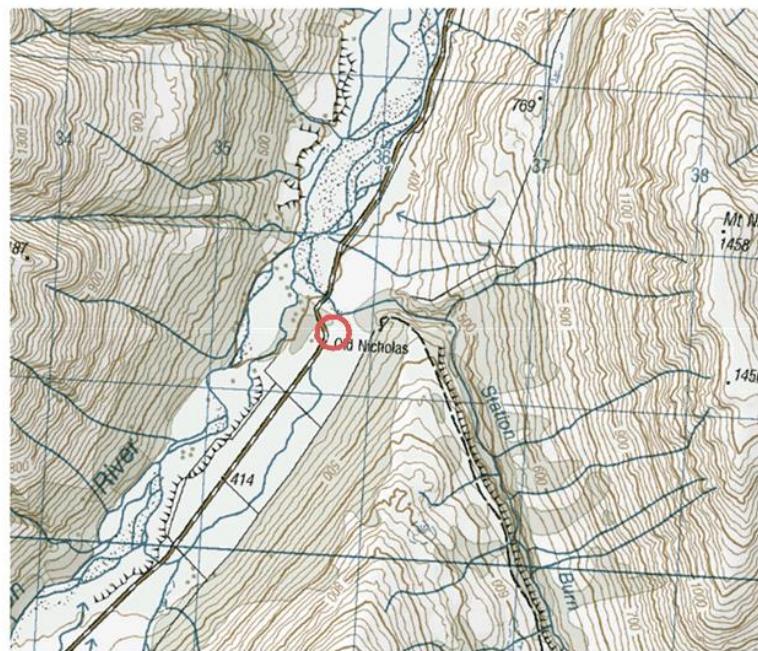


Image 3 - Location 2: 20km from Walter Peak Station (shelter only)

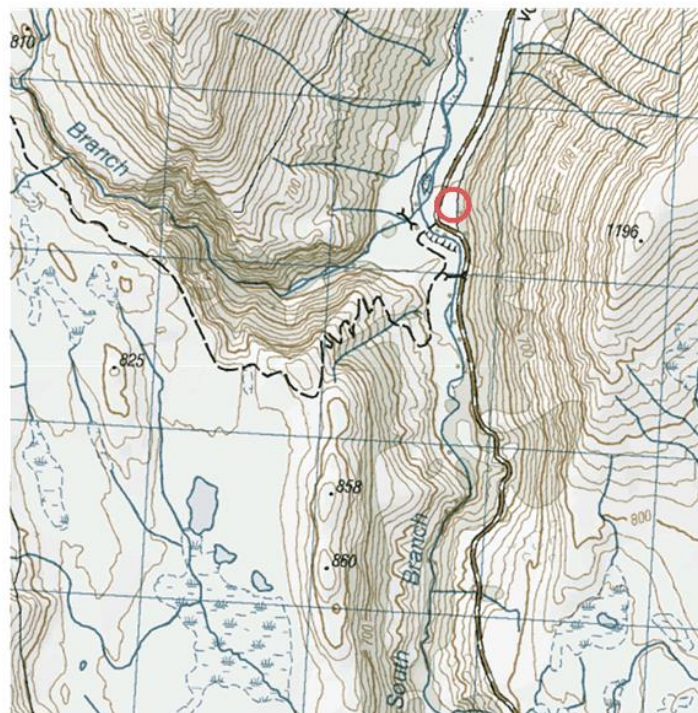


Image 4 - Location 3: 27.5km from Walter Peak Station (shelter + toilet)

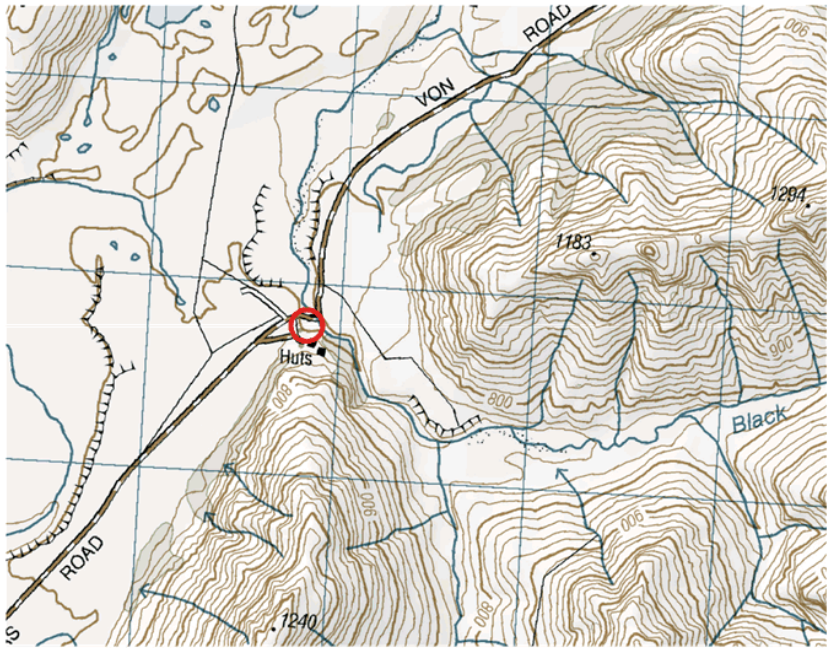


Image 5 - Location 4: 37km from Walter Peak Station (shelter only)



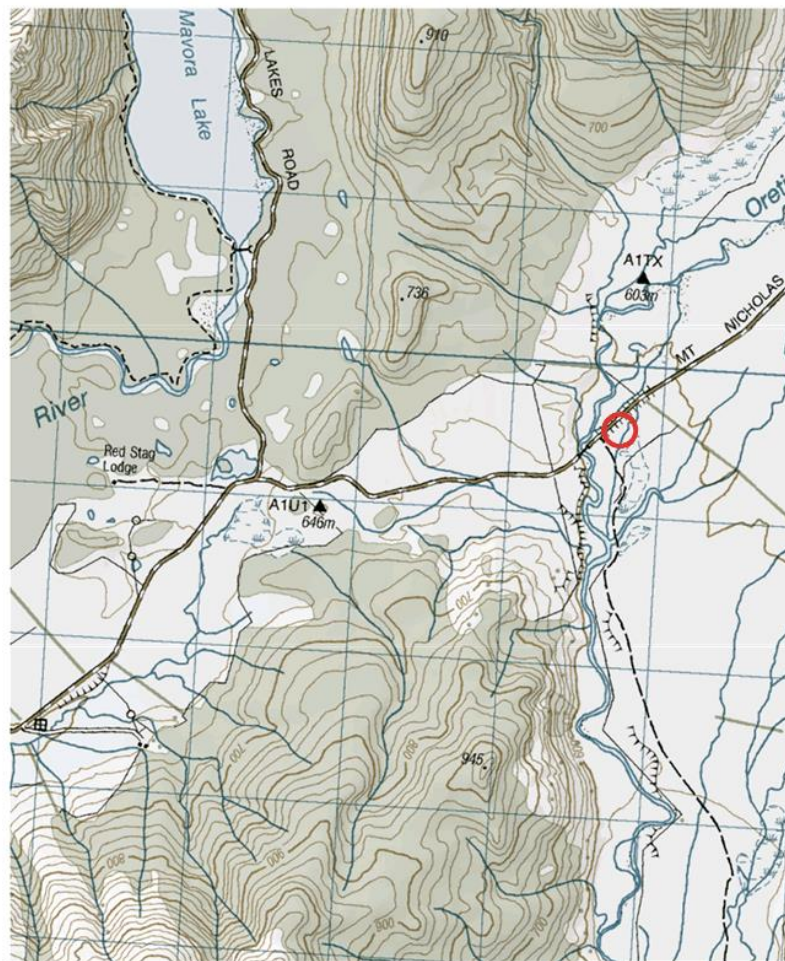


Image 6 - Location 5: 48km from Walter Peak Station (shelter + toilet)

### 3. Design and Costs

#### 3.1. Shelter

##### 3.1.1. Shelter Design

Shelter design is focused heavily on providing emergency shelter, and to be cost-conscious, was not designed to have additional features for general trail users. Additionally, a design requirement is that the shelters can be relocated if required.

Various building suppliers and users, e.g. Department of Conservation, were contacted to gauge product applicability and experiences. The most cost effective shelter found that would act appropriately as an emergency shelter is a kit set shelter produced by Outpost Buildings Ltd, currently used by DOC in some locations. Upon discussion with the company an existing design could be modified to be a more appropriate shelter.

The shelter has a ground area of 6.8m<sup>2</sup> (3.6m by 1.9m).

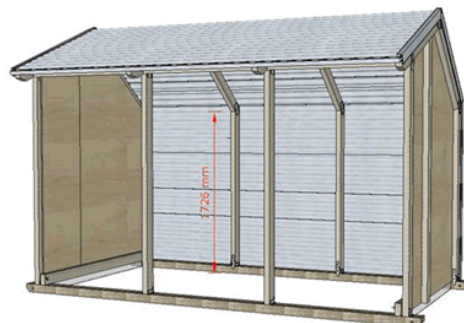


Image 7 and 8 – Outpost Buildings Ltd - Shelters

##### 3.1.2. Shelter Footing Design

To minimize costs and ensure that the shelter can be relocated if required, the shelter floor is to be a gravel pad. To prevent horizontal and vertical uplift an anchoring system is required.

Ground anchors with tension straps are supplied with the kit set however these are undesirable due to the gravelly soils and the potential for displacement before the tie downs engage.

The proposed design involves two concrete strip footings along the front and back edges of the shelter, with the timber skids DynaBolted into the footings. This is preferred to augured individual circular footings due to ease of construction.



<b>Outpost Buildings Homestead Shelter</b>	
Design uplift on building (kN)	12.312
<b>DuckBill Anchors</b>	
Uplift capacity of DuckBill 68 anchor (kN)	4.70745
Anchors req'd	3
<b>Cylindrical concrete footings</b>	
Conc req'd per building (m3)	0.57
Number of footings per building	6
conc req'd per footing (m3)	0.095
augered hole diameter (mm)	450
depth of hole req'd (m)	0.6
<b>Concrete Strip footing</b>	
Conc req'd per building (m3)	0.57
0.3*0.3*3.6m Strip footing vol (m3)	0.324
8mm DynaBolt uplift capacity (kN)	4.2

Table 1 – Uplift requirements

### 3.1.3. Construction Costs

An estimate of construction costs is provided below excluding professional fees.

The estimate does, however, allow for the addition of bench seating to the standard shelters, as the price is reasonable for a vast improvement in user experience on the trail.

Item	Unit	Quantity	Rate	Cost
Preliminary and General	LS	1	\$ 3,000.00	\$ 3,000.00
Outpost Buildings Modified Homestead Shelters	ea	5	\$ 1,900.00	\$ 9,500.00
Delivery of shelter flatpacks to site	LS	1	\$ 1,015.00	\$ 1,015.00
Clear topsoil & Excavate layer for gravel pad (50mm depth)	ea	5	\$ 400.00	\$ 2,000.00
Excavate and Create formwork for strip footing	ea	10	\$ 520.00	\$ 5,200.00
Supply and pour concrete strip footing incl steel reinforcing	m3	3.5	\$ 700.00	\$ 2,450.00
Form gravel pad for base of building (50mm Depth)	m2	40	\$ 30.00	\$ 1,200.00
Labour to Assemble 5 Shelters from Flatpack	hr	36	\$ 140.00	\$ 5,040.00
Locate and Dynabolt shelter to footing	ea	5	\$ 150.00	\$ 750.00
Surface Level finishing	ea	5	\$ 200.00	\$ 1,000.00
Fencing to separate from livestock (4 sides, 1m offset from structure)	m	115	\$ 100.00	\$ 11,500.00
Materials Supply for bench seating	ea	5	\$ 120.00	\$ 600.00
Labour for installation of bench seating	hr	35	\$ 140.00	\$ 4,900.00
				<b>\$ 48,155.00</b>

Table 2 – Construction Costs - Shelter

## 3.2. Toilets

### 3.2.1. Toilet Design

The proposed toilets are a standard fibre-glass design (often referred to as “Norski’s”) used extensively on New Zealand trails.

As the proposed locations are close to waterways, and not suitable for dispersion fields or similar, the toilets are to be constructed with a holding tank underneath which contains all waste. The downside of this is that the holding tanks will need emptying occasionally. It is difficult to estimate the use of the proposed toilets; however, it is expected that emptying would need to occur once or twice each year. A quote was obtained indicating this would cost \$550 total for pumping both toilets.

### 3.2.2. Toilet Footing Design

The toilet footing must be designed to prevent horizontal or vertical movement of the toilet its self. Due to the small size of the building, the uniform uplift expected is not significant, however the uplift expected due to wind creating an overturning moment must be resisted.



Additionally, due to the buried holding tank, suitable footing must be provided to prevent uplift of the tank due to buoyancy in groundwater. A concrete pad is recommended to provide adequate support for both circumstances.

### 3.2.3. Construction Costs

The estimate of construction costs below includes supply and install of 2 single toilets with a 2000L holding tank. Note that wheelchair accessible toilets are available and increase the cost by approximately \$13,000 per toilet.

Item	Unit	Quantity	Rate	Cost
Preliminary and General	LS	1	\$ 3,000.00	\$ 3,000.00
Supply single toilets incl 2000L tank (non WC accessible)	ea	2	\$ 5,115.00	\$ 10,230.00
Delivery of toilets to Mossburn	ea	2	\$ 790.00	\$ 1,580.00
Clear topsoil & Excavate for toilet installation (to waste)	m3	15	\$ 200.00	\$ 3,000.00
transport toilets to site	ea	2	\$ 400.00	\$ 800.00
Place 2000L holding tank	ea	2	\$ 500.00	\$ 1,000.00
Backfill surrounding holding tank	ea	2	\$ 600.00	\$ 1,200.00
Create formwork for strip footing & toilet pad	ea	2	\$ 1,200.00	\$ 2,400.00
Supply and pour concrete incl. steel reinforcing	m3	2.5	\$ 700.00	\$ 1,750.00
Surface level finishing	ea	2	\$ 200.00	\$ 400.00
Locate and Dynabolt toilet to footing	ea	2	\$ 150.00	\$ 300.00
Fencing to separate from livestock (additional to shelter fencing)	m	12	\$ 100.00	\$ 1,200.00
				<b>\$ 26,860.00</b>

Table 32 – Toilet Construction Costs

### 3.3. Site Constraints

The remote nature of the site may pose some challenges and extra cost for works.

The shelter sites are approximately 50km from the nearest sealed road, however the metalled access road is in good condition. The road traverses several unbridged stream fords, however these are unlikely to present any significant issue for work vehicles provided the work is not conducted during or immediately after significant rainfall events.

The distance from major centres will result in additional transport costs, although due to the low volumes of material required, should not present any technical issues. Transport requirements are also expected to result in more people based costs.

## 4. Consenting Requirements

### 4.1. Shelter

Southland District Council's Planning Department has indicated that if the shelters are located within the road reserve they will be permitted activities and no resource consent will be required.

Queenstown Lakes District Council's Planning Department has indicated that the shelters would require resource consent under the Rural Zone Rules as a non-complying activity.

### 4.2. Toilets

Southland District Council's Planning Department has indicated that if the toilets are located within the road reserve they will be permitted activities and no resource consent will be required.

Queenstown Lakes District Council's Planning Department has indicated that the toilets would require resource consent under the Rural Zone Rules as a non-complying activity.

### 4.3. Previous Consents

An existing resource consent application relating to the Cycle Trail is currently on hold at Queenstown Lakes District Council (RM110412). The existing consent application covers infrastructure items that were going to be installed on the section of ATM through the QLDC area including day shelters, a bridge and toilets and related earthworks. One option available



is to amend and use the existing resource consent application and update the specifications and details for all infrastructure to reflect what is now proposed (Option 1).

The second option is to lodge a new resource consent application covering only the day shelters and toilets currently proposed (Option 2).

Our estimate of the costs associated with the resource consenting are \$3,500.00 (excl GST) for Option 1 on a time write basis.

The cost estimate for Option 2 is \$5,000.00 (excl GST) up to lodgement of the application with post lodgement work progressed on a time write basis.

We would recommend that the existing resource consent be amended and used if the intention is to still get resource consent in place for the bridge.

If the bridge and other infrastructure in application RM110412 is no longer proposed it may be a better option to lodge a new resource consent application covering only the shelters and toilets.

## 5. Recommendation

Based on the finding of this report and if SDC agree to proceed the following recommendations are made:

- That the proposed locations are confirmed on site with SDC staff for toilets and shelters
- That the existing QLDC consent is amended and utilised to include the new relocatable shelters
- Shelter and Toilet designs are prepared as necessary for Building Consent
- That the Easement documentation with the Butson is amended to show the new design of shelters
- SDC's preferred procurement methodology for physical works is confirmed and the process is initiated for construction prior to next winter



## Resource Management Act 1991 - Amendments to Instrument of Delegation

**Record No:** R/17/8/17575  
**Author:** Courtney Ellison, Senior Resource Management Planner - Policy  
**Approved by:** Bruce Halligan, Group Manager Environmental Services

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 To seek Council approval for proposed changes to staff delegations under the Resource Management Act 1991.

### Executive Summary

- 2 The recent Resource Legislation Amendment Act 2017 has introduced some new provisions and made changes to existing provisions which necessitate a review of the staff delegations to ensure they are current and accurate. All of the proposed changes to the delegations have been set out in Attachment A to this report.

### Recommendation

**That the Council:**

- a) **Receives the report titled “Resource Management Act 1991 - Amendments to Instrument of Delegation” dated 17 September 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 updated schedule of Resource Management Act 1991 delegations as attached to this report (Attachment A), effective from 18 October 2017.**
- e) **Requests a review of the Regulatory and Consents Committee delegations, with recommendations from this review to be reported back to Council for consideration.**

### Content

#### Background

- 3 The Council currently has an approved schedule of delegations to staff to perform various functions and duties under the Resource Management Act. The recent Resource Legislation Amendment Act 2017 has introduced some new provisions and made changes to existing

provisions which necessitate a review of the staff delegations to ensure they are current and accurate. Many of the relevant legislative changes come into effect on 18 October 2017, six months after Royal Assent.

- 4 In particular, the amendments to the RMA provide for new 'fast track' / 10 day consents, and certain activities that are minor or temporary in nature to be permitted activities. The intent of these changes is to streamline the consenting process for straightforward activities. Therefore it is important to ensure delegations are in place to ensure these activities can be considered and have decisions issued in a timely manner. Failure to have the appropriate relevant delegated authority to exercise a duty under the RMA can mean that an officer decision can be deemed unlawful if challenged.
- 5 Other proposed changes to the delegations include some minor changes to update section references so as to ensure the correct sections of the legislation are referred to. All of the proposed changes to the delegations have been set out in Attachment A of this report.
- 6 In reviewing the changes to staff delegations, it has also become apparent that a review of the delegations to the Regulatory and Consents Committee could also be beneficial. Examples of what could be delegated to the Regulatory and Consents Committee include, approving draft documents for consultation and approving minor / administrative changes to the District Plan that do not require a public consultation process. Therefore this report also recommends a review of the Regulatory and Consents Committee delegations be initiated.

## **Factors to Consider**

### **Legal and Statutory Requirements**

- 7 Section 34 of the Resource Management Act 1991 is quite specific with regards to the delegation of functions to staff and hence it is important that the Council's approved schedule of Resource Management Act delegations is clear and current. As referred to above, failure to do so can leave the Council open to legal challenge in relation to the validity of decisions particularly if, for example, a matter was approved by someone without the clear delegated authority to do so.

### **Community Views**

- 8 Community views have not been sought in relation to the changes in delegations. It is considered this is an internal operational matter on which community views are not specifically required. These changes should assist the community by providing for prompt decision making processes.

### **Costs and Funding**

- 9 Costs involved in amending the delegations are limited to staff time and legal review costs that have been involved in preparing this report and the amended delegations attached to this report. These costs and time have been absorbed within existing Resource Management budgets.

### **Policy Implications**

- 10 There are no known policy implications of amending the delegations as set out in the attached delegations register.

## Analysis

### Options Considered

- 11 While changes will need to be made to the delegations to address the new or changed provisions, the Council can choose whether to accept the changes to the delegations as outlined in the attachment to this report, or it can choose to change who delegation is granted to for the various provisions.

### Analysis of Options

#### Option 1 – Approve proposed delegations as outlined in Attachment A

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>Resource management matters can be progressed in an efficient, cost effective and timely manner.</li></ul>	<ul style="list-style-type: none"><li>No known disadvantages</li></ul>

#### Option 2 – Amend who functions or powers are delegated to in Attachment A

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>This would depend on whether more or less functions or powers are delegated.</li></ul>	<ul style="list-style-type: none"><li>This would depend on whether more or less functions or powers are delegated. If less powers are delegated then this may result in more costly and time consuming processes for progressing resource management functions.</li><li>Inconsistent or unclear delegations requiring reports to the Regulatory and Consents Committee or Council for minor matters.</li></ul>

### Assessment of Significance

- 12 The amendments to the delegations are not considered significant as they will not incur any significant financial impact, and will not have major or long term bearing on resource management issues of the District.

### Recommended Option

- 13 Option 1, to approve the proposed amendments to the Resource Management delegations as outlined in Attachment A is recommended.

### Next Steps

- 14 If option 1 is endorsed, the instrument of delegation will be signed by the Chief Executive and the delegations will take effect from 18 October 2017.

### Attachments

- A Resource Management Act Revised Delegations - September 2017 [↓](#)



**DELEGATION: RESOURCE MANAGEMENT ACT 1991 AND  
SUBSEQUENT AMENDMENTS, AND RELATED  
LEGISLATION  
INSTRUMENT OF DELEGATION**

**DELEGATED TO:** Group Manager Environmental Services  
Manager/Team Leader - Resource Management  
Senior Planner  
Resource Management Planners

Specific delegations to each officer as outlined below.

**GROUP RESPONSIBLE:** Environmental Services

**DATE APPROVED:** 27 September 2017

**FILE NO:** 10/4/4/3, 360/15/5/1, 240/10/1/4

Pursuant to Section 34A(3) of the Resource Management Act 1991, Sections 34-39 of the Building Act 2004, and related legislation, the Southland District Council hereby delegates to the officers of Council specified below those functions, powers and dates as specified below.

This instrument of delegation was formally approved by a meeting of the full Southland District Council on 27 September 2017.

This instrument of delegation hereby rescinds and replaces all and any previous instruments of delegation under the Resource Management Act 1991.

Dated this XXth day of September 2017. Signed:  
Steve Ruru, Chief Executive

For the purposes of this instrument, the following abbreviations apply:

CE = Chief Executive  
GMES = Group Manager Environmental Services  
M/TLRM = Manager/Team Leader, Resource Management  
SP = Senior Planner  
RMPs = Resource Management Planners

**Authority:**

<u>Section of Act</u>	<u>Delegated to:</u>	<u>Details</u>
10, 10A, 10B	GMES, M/TLRM, SP	Determination of whether existing rights in terms of Section 10 of the RMA apply.
27	GMES, M/TLRM, SP	To provide information to the Minister for the Environment.

36(5)	GMES, M/TLRM, SP, RMPs	Power to require the payment of additional charges to cover processing costs in accordance with Council's approved Schedule of Fees and Charges under the Resource Management Act 1991.
36(6)	GMES, M/TLRM, SP, RMPs	Power to provide on request an estimate of additional charges over and above processing deposits.
36AAB (1)	GMES, M/TLRM	Power to remit the whole or any part of any charge under s36 that would otherwise be payable
37, 37A	GMES, M/TLRM, SP	Power to waive and/or extend time limits for functions under Act.
38	GMES, M/TLRM	Authorisation of Enforcement Officers.
41B	GMES, M/TLRM, SP	Direction to provide evidence with time limits.
42	GMES, M/TLRM	Protection of sensitive information.
42A	GMES, M/TLRM	Require the preparation of a report on information provided.
42A(5)	GMES, M/TLRM, SP	Waiving compliance regarding timeframes for distributing reports, where no material prejudice.
87BA	GMES, M/TLRM, SP, RMPs	To issue a notice confirming a boundary activity is permitted
87BB	GMES, M/TLRM	To issue a notice confirming a marginal or temporary activity is permitted
87E	GMES, M/TLRM	Decision on request for application to go directly to Environment Court.
87F	GMES, M/TLRM, SP	Preparation of report on application referred directly to Environment Court.
88(3)	GMES, M/TLRM, SP	Determining an application incomplete and returning to the applicant.
91	GMES, M/TLRM, SP	Determining not to proceed with notification or hearing of application pending lodging of further consents under the Act.
92	GMES, M/TLRM, SP, RMPs	Request further information or agreement to commissioning of a report on resource consent application.
92A(2)	GMES, M/TLRMSP, RMPs	Set timeframe for provision of further information or commissioning of a report.
95A, 95B	GMES, M/TLRM, , SP	Determination of public notification or limited notification.
95D	GMES, M/TLRM, SP	Determination of adverse effects likely to be

			more than minor.
95E	GMES, M/TLRM, SP, RMPs		Determination if person is affected person.
95F	GMES, M/TLRM		Determination if group is affected customary rights group.
95G	GMES, M/TLRM		Determination if group is affected customary marine title group
99	GMES, M/TLRM, SP, RMPs		Organise and convene prehearing meetings and prepare reports on these under Section 99(5).
100	GMES, M/TLRM		Determine whether a formal hearing is necessary.
101	GMES, M/TLRM, SP		Fix time and date for hearings.
102	GMES, M/TLRM		To determine whether applications are required to be heard by Joint Hearings Committee.
103	GMES, M/TLRM		To determine whether two or more applications to different authorities are sufficiently unrelated that a joint hearing is not appropriate.
104, 104B, 104D, 108 and 113	104A, 104C, GMES, M/TLRM, SP		Make and issue decisions and impose conditions for non-notified resource consent applications, and limited notified resource consent applications where there are no submissions received or where all submissions received are in support and no party wishes to be heard; in accordance with the provisions of the Southland District Plan and the RMA.
106	GMES, M/TLRM, SP		Ability to refuse subdivision consent in certain circumstances.
108A	GMES, M/TLRM, SP		Determination of requirement for a bond.
114	GMES, M/TLRM, SP, RMPs		Notify decisions to applicant and other appropriate authorities.
123(b)	GMES, M/TLRM, SP		Duration of consent.
125(1A)(b)	GMES, M/TLRM, SP		Fix longer period for lapsing of resource consents than is the norm under Section 125(1).
126	GMES, M/TLRM		Cancel consent if not exercised.
127	GMES, M/TLRM, SP		Determining whether application to change or cancel consent requires notification, or limited notification and changing or cancelling any condition on a resource consent.
128	GMES, M/TLRM, SP		Service of notice of intention to review conditions of a resource consent.
129, 130	GMES, M/TLRM, SP		Formulation and public notification of notice to

		review conditions.
133A	GMES, M/TLRM, SP	Minor corrections of resource consents.
134(4)	GMES, M/TLRM, SP	Approval of transfer of resource consents - written notice.
138	GMES, M/TLRM	Surrender of consent.
139	GMES, M/TLRM, SP	Consider request for and issue Certificates of Compliance for any activity which is a permitted activity under the District Plan.
139A	GMES, M/TLRM, SP	Consider request for and issue Existing Use Certificate.
169	GMES, M/TLRM, SP	Request further information and process notice of requirement.
170	GMES, M/TLRM	Discretion to include notice of requirement in proposed Plan.
171	GMES, M/TLRM, SP	Consider notice of requirement and submissions thereto, and make recommendation to the requiring authority.
174	GMES, M/TLRM	Lodge appeal against decision of a requiring authority.
176A(2)(c)	GMES, M/TLRM, SP	Outline plan waivers.
181(3)	GMES, M/TLRM	Alteration of designation in plan at request of requiring authority, to a minor extent.
182	GMES, M/TLRM	Removal of designation at request of requiring authority.
184(2)	GMES, M/TLRM	Waiver of lapsing of designation
220	GMES, M/TLRM, SP	Issue certificates relating to requirements to comply on ongoing basis with consent conditions and endorsements on titles.
221	GMES, M/TLRM, SP	Imposing and issuing Consent Notices on subdivision consents.
222	GMES, M/TLRM, SP	Dealing with Completion Certificates on subdivision consents.
223	GMES, M/TLRM, SP	Approval of Survey Plan - check compliance prior to sealing.
224	GMES, M/TLRM, SP	Issue certificates indicating all or any of conditions on subdivision consent have been complied with.
226	GMES, M/TLRM, SP	Certification of plans of subdivision that allotments on the plan meet the requirements of the District Plan.

229-237H	GMES, M/TLRM, SP	Creation of esplanade reserves and strips and associated conditions.
240 and 241	GMES, M/TLRM, SP	Imposition and cancellation of amalgamation conditions and restrictive covenants.
243 (e)	GMES, M/TLRM, SP	Revoking a condition specifying easements.
310 and 311	GMES, M/TLRM	Application to Environment Court for a declaration.
314 and 316	GMES, M/TLRM	Seek and/or respond to an Enforcement Order.
320	GMES, M/TLRM	Seek and/or respond to an interim enforcement order.
322, 324, 325A	GMES, M/TLRM, SP	Signature or cancellation of abatement notice.
Schedule 1, Clause 5A	GMES, M/TLRM (or committee level?)	To identify all affected parties for limited notification of a plan change or variation

#### **Other Delegations under Related Legislation**

37 Building Act 2004	GMES, M/TLRM, SP	To permit issue of building consent with certificate attached that resource consent required and no work to commence until this has been obtained.
72-74 Building Act 2004	GMES, M/TLRM, SP	To permit the issue of a building consent in circumstances where the site may be subject to natural hazards but the situation is not made worse by the construction of the building.
75 Building Act 2004	GMES, M/TLRM, SP	Building on two or more allotments - issue and authenticate certificate for entry of titles.
100(f) Sale and Supply of Alcohol Act 2012	GMES, M/TLRM, SP	Certificates that proposed use of premises meets requirements of Resource Management Act 1991 and Building Code.
348 Local Government Act 1974	GMES, M/TLRM, SP	Creation and cancellation of right of ways.
Overseas Investments Act 2005	GMES, M/TLRM, SP	Issue certificates relating to land

**Authority:**

**‘Authorised Officer’** signing authority as required by:

Early Childhood Certs (Education Act)	GMES, M/TLRM, SP	
Project Information Memorandum	GMES, M/TLRM, SP, RMPs	Building Act 2004 (Planning Information)
Land Information Memorandum	GMES, M/TLRM, SP, RMPs	Local Government Official Information and Meetings Act 1987 (Planning Information)





## Southland Land Drainage Act 1935 Delegation

Record No: R/17/9/21872  
Author: Bruce Halligan, Group Manager Environmental Services  
Approved by: Steve Ruru, Chief Executive

☒ Decision ☐ Recommendation ☐ Information

- 1 Council staff have recently received a request for Council to initiate powers under the Southland Land Drainage Act 1935 and associated Southland Land Drainage Amendment Act 1938. This relates to a drainage dispute between two adjacent landowners.
- 2 While this is an aged statute, it has never been repealed, and the Council hence retains a statutory decision-making role as specified in the Act and its associated Amendment Act.
- 3 The Council receives very few such formal requests, and this has highlighted that there is no specific authority for any Council Committee to hear such matters.
- 4 The Regulatory and Consents Committee is the logical committee to hear this matter. Council's legal advice is that the hearing procedure followed should be similar to a resource consent process, for which Council has a well-established hearing protocol.
- 5 Accordingly, approval of an appropriate delegation from Council to the Regulatory and Consents Committee is now sought. This proposes a general delegation rather than a delegation specific to this situation, so it is clear for any future similar requests.

### Recommendation

**That the Council:**

- a) **Receives the report titled "Southland Land Drainage Act 1935 Delegation" dated 18 September 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) **Delegates authority to the Regulatory and Consents Committee to hear and decide matters under the Southland Land Drainage Act 1935 and Southland Land Drainage Amendment Act 1938.**

### Attachments

There are no attachments for this report.



## Milford Opportunities Project - Unbudgeted Expenditure

**Record No:** R/17/9/22106  
**Author:** Simon Moran, Community Partnership Leader  
**Approved by:** Rex Capil, Group Manager Community and Futures

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 To seek approval from the Council for the unbudgeted expenditure of \$250,000 to undertake the initial implementation of the Milford Opportunities Project.

### Executive Summary

- 2 Council will receive funding from the Ministry of Business, Innovation and Employment (MBIE) to fund the initial phase of the Milford Opportunities Project. As the expenditure is unbudgeted in the LTP or Annual Plan it is necessary for the Council to approve it.

### Recommendation

**That the Council:**

- a) **Receives the report titled “Milford Opportunities Project - Unbudgeted Expenditure” dated 17 September 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 unbudgeted expenditure of the \$250,000 of funding received from MBIE for the Milford Opportunities Project.**

### Content

#### Background

- 3 At the Southland Regional Development Strategy (SoRDS) launch on the 30 November 2016 Minister Stephen Joyce announced that the government would contribute \$250,000 towards the Milford Opportunities Project.
- 4 As has previously been reported staff have prepared a draft Terms of Reference, Business Case, and list of potential Governance Group members that have been accepted by MBIE. After recently receiving ‘sign-off’ from the Minister MBIE officials have been preparing the funding agreement.

## Factors to Consider

### Legal and Statutory Requirements

- 5 A resolution approving unbudgeted expenditure of \$250,000 for this project is necessary as the spending of that money is not identified in an Annual Plan or Long Term Plan.

### Community Views

- 6 As this expenditure is not being funded by rates but is direct government funding no community views have been sought. The Milford Opportunities Project itself has been widely publicised as part of SoRDS and in the media.

### Costs and Funding

- 7 Council will receive the \$250,000 of funding through a funding agreement between it and MBIE. It will then use those funds to pay for the administration of the project's Governance Group and the Project Manager role. The Project Manager is expected to do a substantial amount of work preparing the baseline information for more specific pieces of work to be undertaken by a range of contributing organisations.

### Policy Implications

- 8 There are no policy implications.

## Analysis - Options Considered

### Option 1 – Do not approve the unbudgeted expenditure

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• None</li></ul>	<ul style="list-style-type: none"><li>• The Milford Opportunities project would miss out on a substantial funding stream.</li></ul>

### Option 2 – Approve the unbudgeted expenditure

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• The initial phase of the Milford Opportunities project will be able to proceed.</li><li>• The general ratepayer will not have to fund this initial phase.</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>

## Assessment of Significance

- 9 The unbudgeted expenditure does not trigger any of the Council's significance criteria.

## Recommended Option

- 10 It is recommended to proceed with Option 2 and approve the unbudgeted expenditure.

## Next Steps

- 11 To hold a Governance Group meeting and advertise for / appoint a project manager for the Milford Opportunities Project.

## Attachments

There are no attachments for this report.



## Minutes of the Finance and Audit Committee Meeting dated 7 June 2017

Record No: R/17/9/20872  
Author: Fiona Dunlop, Committee Advisor  
Approved by: Fiona Dunlop, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

### Recommendation

That Council receives the minutes of the Finance and Audit Committee meeting held 7 June 2017 as information.

### Attachments

- A Minutes of Finance and Audit Committee Meeting dated 7 June 2017 (separately enclosed)





## Minutes of the Services and Assets Committee Meeting dated 5 April 2017

Record No: R/17/9/20859  
Author: Fiona Dunlop, Committee Advisor  
Approved by: Fiona Dunlop, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

### Recommendation

That Council receives the minutes of the Services and Assets Committee meeting held 5 April 2017 as information.

### Attachments

- A Minutes of Services and Assets Committee Meeting dated 5 April 2017 (separately enclosed)



## Minutes of the Services and Assets Committee Meeting dated 21 June 2017

Record No: R/17/9/20862  
Author: Fiona Dunlop, Committee Advisor  
Approved by: Fiona Dunlop, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

### Recommendation

That Council receives the minutes of the Services and Assets Committee meeting held 21 June 2017 as information.

### Attachments

- A Minutes of Services and Assets Committee Meeting dated 21 June 2017 (separately enclosed)



## Minutes of the Finance and Audit Committee Meeting dated 19 July 2017

Record No: R/17/9/20885  
Author: Fiona Dunlop, Committee Advisor  
Approved by: Fiona Dunlop, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

### Recommendation

That Council receives the minutes of the Finance and Audit Committee meeting held 19 July 2017 as information.

### Attachments

- A Minutes of Finance and Audit Committee Meeting dated 19 July 2017 (separately enclosed)





## Minutes of the Ohai Railway Fund Subcommittee Meeting dated 2 December 2016

Record No: R/17/8/20611  
Author: Alyson Hamilton, Committee Advisor  
Approved by: Alyson Hamilton, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

### Recommendation

That Council receives the minutes of the Ohai Railway Fund Subcommittee meeting held 2 December 2016 as information.

### Attachments

- A Minutes of Ohai Railway Fund Subcommittee Meeting dated 2 December 2016 (separately enclosed)



## Minutes of the Ohai Railway Fund Subcommittee Meeting dated 12 August 2016

Record No: R/17/8/20612  
Author: Alyson Hamilton, Committee Advisor  
Approved by: Alyson Hamilton, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

### Recommendation

That Council receives the minutes of the Ohai Railway Fund Subcommittee meeting held 12 August 2016 as information.

### Attachments

- A Minutes of Ohai Railway Fund Subcommittee Meeting dated 12 August 2016 (separately enclosed)



## Minutes of the Ohai Railway Fund Subcommittee Meeting dated 5 April 2017

Record No: R/17/8/20610  
Author: Alyson Hamilton, Committee Advisor  
Approved by: Alyson Hamilton, Committee Advisor

☐ Decision ☐ Recommendation ☒ Information

### Recommendation

That Council receives the minutes of the Ohai Railway Fund Subcommittee meeting held 5 April 2017 as information.

### Attachments

- A Minutes of Ohai Railway Fund Subcommittee Meeting dated 5 April 2017 (separately enclosed)



## Minutes Northern Southland Development Fund working Group 13 December 2016

Record No: R/17/8/20293

Author: Rose Knowles, Committee Advisor/Customer Support Partner

Approved by: Rose Knowles, Committee Advisor/Customer Support Partner

☐ Decision

☐ Recommendation

☒ Information

### Recommendation

That the Council:

- a) Receives the report titled “Minutes Northern Southland Development Fund working Group 13 December 2016 as information.

### Attachments

- A Minutes Northern Southland Development Fund Working Group 13 December 2016 [↓](#)





**MINUTES OF THE NORTHERN SOUTHLAND DEVELOPMENT FUND****WORKING GROUP MEETING****TUESDAY, 13 DECEMBER 2016**

Minutes of the Local working group meeting to consider the Northern Southland Development Fund allocations held at the Lumsden Southland District Council Office, Lumsden on Tuesday, 13 December 2016, at 7.30pm

**PRESENT:** Cr Julie Keast (Chair,) Jim Guyton, Ged Newlands, (Mossburn CDA), Mike Smith, Kathleen English, (Dipton CDA), Bobbi Brown, (Venture Southland).

**1.0 WELCOME:**

Cr Keast introduced herself and advised the new Community and Policy Committee, which Cr Keast Chairs, replaces the previous Allocations Committee.

**2.0 APOLOGIES:**

Cr John Douglas, (Mararoa Waimea Ward, Rob Scott, Karen Blakemore (Lumsden CDA), Sue Melvin (Dipton CDA).

**3.0 MINUTES:**

Minutes of the Northern Southland Development Fund Working Group Meeting held on 4 May 2016.

Moved Ged Newlands, seconded Mike Smith

and RESOLVED THAT THE MINUTES OF THE MEETING HELD ON 4 MAY 2016, BE CONFIRMED AS A TRUE AND CORRECT RECORD OF THE PROCEEDINGS.

**4.0 FINANCIAL REPORT:**

Moved Kathleen English, seconded Mike Smith

and RESOLVED THAT THE FINANCIAL REPORT AS AT 31 OCTOBER 2016 BE RECEIVED.

**5.0 APPLICATIONS:**

Moved Jim Guyton, seconded Ged Newlands

and RESOLVED THAT THE SIX APPLICATIONS FOR FUNDING FROM THE NORTHERN SOUTHLAND DEVELOPMENT FUND BE RECEIVED.

The Committee considered the six applications, assessing their merit in accessing a grant from the Fund. Members of the Committee and (Venture Southland), contributed background information regarding specific applications from groups in their geographic area.

**1 Dipton School**

Towards replacing the shade sail on the School grounds.

Mike Smith declared an interest. Recommendation **\$450.00**

**2 Lumsden Heritage Trust**

Towards the restoration of an A Class 1896 Passenger Carriage for the Lumsden Railway Precinct.

Recommendation **\$1,000.00**

**3 Lumsden Playcentre**

Towards the purchase of a lawnmower, spray knapsack and a water urn.

Recommendation **\$400.00**

**4 Northern Southland Community Resource Centre Charitable Trust**

Towards the continuation and development of the "Northern Southland Cycle and Celebrate" event which was held on 12 November 2016.

Recommendation **\$1,000.00**

**5 Parent to Parent**

Towards costs associated with funding a Regional Coordinator role.  
Not a priority for funding from this Fund.

Recommendation **Decline**

**6 St John Northern Southland**

Towards subsidising the rent on a residential unit in Lumsden to allow out of town staff and volunteers to be rostered more regularly as primary crew for ambulance call outs and to increase the quality and depth of emergency coverage.

Recommendation **\$5,000.00**

Moved Jim Guyton, seconded Ged Newlands

and RESOLVED THAT THE ALLOCATION OF \$7,850.00 FROM THE NORTHERN SOUTHLAND DEVELOPMENT FUND BE RECOMMENDED TO THE SOUTHLAND DISTRICT COUNCIL COMMUNITY AND POLICY COMMITTEE FOR APPROVAL AND DISTRIBUTION, AS PER THE SUMMARY OF APPLICATIONS AND RECOMMENDATIONS.

**6.0 GENERAL**

Mike Smith requested that at meetings, information about previous grants (related to applicants) be on hand to assist the Committee with consideration of applications.

Jim Guyton noted that the Lumsden Pool had not yet uplifted a \$1,000 allocation from a previous round. There was discussion regarding whether this allocation expires. Bobbi Brown informed the Committee that because staff work closely with groups, it is known if there is an issue with a project changing and the grant no longer being required. Venture Southland will check the status of the Lumsden Pool allocation and report back to the Committee.

The meeting concluded at 9.00 pm.

Chairman

Dated



## Minutes of the Manapouri Community Development Area Subcommittee Meeting dated 23 May 2017

Record No: R/17/9/21126

Author: Jenny Labruyere, Committee Advisor/Customer Support Partner

Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision

☒ Recommendation

☐ Information

### Recommendation

That Council receives the minutes of the Manapouri Community Development Area Subcommittee meeting held 23 May 2017 as information.

### Attachments

- A Minutes of Manapouri Community Development Area Subcommittee Meeting dated 23 May 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 Chief Executive Report**

#### **C10.2 South Catlins Charitable Trust Contract Works**

#### **C10.3 Public Excluded Minutes of the Finance and Audit Committee Meeting dated 7 June 2017**

#### **C10.4 Public Excluded Minutes of the Finance and Audit Committee Meeting dated 19 July 2017**

#### **C10.5 Public Excluded Minutes of the Services and Assets Committee Meeting dated 21 June 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
Chief Executive Report	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.  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.
South Catlins Charitable Trust Contract Works	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.  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 Finance and Audit Committee Meeting dated 7 June 2017	s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the	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.



	<p>same source and it is in the public interest that such information should continue to be supplied.</p> <p>s7(2)(e) - The withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</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>	
Public Excluded Minutes of the Finance and Audit Committee Meeting dated 19 July 2017	<p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</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.
Public Excluded Minutes of the Services and Assets Committee Meeting dated 21 June 2017	<p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</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.