



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

**Date:** Wednesday, 17 April 2024  
**Time:** 9.30am  
**Meeting room:** Waikaia Rugby Club Rooms  
**Venue:** 33 Wylam Street  
Waikaia

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## Council Agenda OPEN

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### MEMBERSHIP

<b>Mayor</b>	Rob Scott
<b>Deputy mayor</b>	Christine Menzies
<b>Councillors</b>	Jaspreet Boparai
	Don Byars
	Derek Chamberlain
	Paul Duffy
	Darren Frazer
	Sarah Greaney
	Julie Keast
	Tom O'Brien
	Margie Ruddenklau
	Jon Spraggon
	Matt Wilson

### IN ATTENDANCE

<b>Chief executive</b>	Cameron McIntosh
<b>Committee advisor</b>	Fiona Dunlop

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Online: [Southland District Council YouTube](#)

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

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**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

## Health and safety – emergency procedures

**Toilets** – The toilets are located outside of the chamber, directly down the hall on the right.

**Evacuation** – Should there be an evacuation for any reason please exit down the stairwell to the assembly point, which is the entrance to the carpark on Spey Street. Please do not use the lift.

**Earthquake** – Drop, cover and hold applies in this situation and, if necessary, once the shaking has stopped we will evacuate down the stairwell without using the lift, meeting again in the carpark on Spey Street.

**Phones** – Please turn your mobile devices to silent mode.

**Recording** - These proceedings are being recorded for the purpose of live video, both live streaming and downloading. By remaining in this meeting, you are consenting to being filmed for viewing by the public.

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## TABLE OF CONTENTS

ITEM		PAGE
<b>PROCEDURAL</b>		
	<b>Karakia Timatanga</b>	
	Mā te whakarongo	Through listening
	Mā te kōrero	Through talking
	Mā te ngakau	From the heart
	Mā te wairua	From the spirit
	Mā te manaaki mai	Through giving
	Mā te manaaki atu	And receiving respect
	Ka puawai te maramatanga	Understanding will bloom
	Tihei mauri ora	This is the essence of life
<b>1</b>	<b>Apologies</b>	<b>5</b>
<b>2</b>	<b>Leave of absence</b>	<b>5</b>
<b>3</b>	<b>Conflict of Interest</b>	<b>5</b>
<b>4</b>	<b>Extraordinary/Urgent Items</b>	<b>5</b>
<b>5</b>	<b>Confirmation of Council Minutes</b>	<b>5</b>
<b>6</b>	<b>Public Participation</b>	<b>5</b>
<b>REPORTS</b>		
<b>7.1</b>	<b>Mayor's report</b>	<b>7</b>
<b>7.2</b>	<b>Financial Report for the period ended 29 February 2024</b>	<b>35</b>
	<b>Karakia Whakamutunga</b>	
	Kia hora te marino	May peace be widespread
	Kia whakapapa pounamu te moana	May the sea be like greenstone
	Hei huarahi mā tātou i te rangi nei	A pathway for us all this day
	Aroha atu, aroha mai	Let us show respect for each other
	Tātou i a tātou katoa	For one another
	Hui e! Tāiki e!	Bind us all together!



**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 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."

**5 Confirmation of Council Minutes**

There are no minutes to confirm as the meeting of 10 April 2024 adjourned to reconvene at 9.30am on 17 April 2024.

**6 Public Participation**

Notification to speak is required by 12noon at least one clear day before the meeting. Further information is available on [www.southlanddc.govt.nz](http://www.southlanddc.govt.nz) or phoning 0800 732 732



## Mayor's report

**Record no:** R/24/3/10342  
**Author:** Fiona Dunlop, Committee advisor  
**Approved by:** Michael Aitken, GM strategy & partnerships (interim)

Decision  Recommendation  Information

### Purpose of report

- 1 The purpose of the report is for Mayor Scott to report on meetings/events that he has attended during March 2024 and for councillors to also provide updates.

### Mayor's update

#### Events or meetings with other organisations/stakeholders

- 2 Mayor Scott has attended the following events/meetings during March 2024.
- 11 March Mayors Taskforce for Jobs – Fiordland College
  - 14 March Reimagining Mataura with Hokonui Runanga
  - 14 March Southland Regional Leadership Group
  - 15 March Longwood Care Home visit with residents
  - 16 March Southland Multicultural Trust Food Festival
  - 18 March Queenstown Lakes Community Housing Trust and Southland Housing Hui
  - 21 – 22 March LGNZ Zone 5 & 6 meeting
  - 22 March Recycle South's 2024 Awards evening.
  - 23 March Community Service Award – Waihopai Toetoe Community Board
  - 26 March Ardlussa on-site visit
  - 27 March Bluecliffs beach community meeting

#### Joint committee/committee/subcommittee meetings

- 3 Mayor Scott has also attended the following formal governance meetings:
- 1 March Southland Mayoral Forum
  - 28 March Te Anau Airport Manapouri Governance Group
  - 28 March Great South Joint Shareholders Committee

### Councillor updates

#### Joint committee/committee/subcommittee meetings

- 4 Councillors may have attended the following formal governance meetings and may wish to provide an update:
- Connected Murihiku Joint Committee (Councillors Sarah Greaney and Darren Frazer)
  - Southland Regional Heritage Joint Committee (Deputy Mayor Christine Menzies and Councillor Paul Duffy)
  - Southland Regional Land Transport Joint Committee (Deputy Mayor Christine Menzies)

**Council organisations**

- 5 Councillors may have attended the following meetings with Council organisations and may wish to provide an update:
- Around the Mountains Cycle Trail Trust (Deputy Mayor Christine Menzies)
  - Citizens Advice Bureau (Councillor Julie Keast)
  - Creative Communities (Councillor Margie Ruddenklau)
  - Gore and Districts Community Counselling Centre Inc. (Councillor Julie Keast)
  - Pioneer Women’s Memorial Trust (Gore) (Councillor Julie Keast)
  - Southland Indoor Leisure Centre Charitable Trust (Councillor Darren Frazer)
  - Southland Medical Foundation (Mayor Scott)
  - Southland Regional Heritage Building and Preservation Trust (Councillor Paul Duffy and Councillor Margie Ruddenklau as alternate)
  - Te Roopu Taiao (Mayor Scott, and both Deputy Mayor Christine Menzies and Councillor Paul Duffy as alternates)
  - Tuatapere Amenities Trust (Councillor Jaspreet Boparai)
  - Waiau Working Party (Councillor Derek Chamberlain)
  - Whakamana te Waituna Trust (Councillor Julie Keast)

**Community Boards**

- 6 The following community board chairs will be attending the meeting and will provide an update. Councillors appointed to the board may wish to provide an update:
- Northern
  - Oraka Aparima
  - Oreti
  - Ardlussa

**LGNZ four monthly report for member councils and regional climate change working group**

- 7 A copy of the LGNZ four monthly report for member councils is attached (attachment A) which Mayor Scott will speak to.
- 8 A summary of the Regional climate change working group report is attached (attachment B). Councillor Wilson will speak to this.

**Recommendation**

**That the Council:**

- a) receives the report titled “Mayor's report”.**

**Attachments**

- A LGNZ four monthly report for member councils
- B Regional climate change working group





# LGNZ FOUR-MONTHLY REPORT FOR MEMBER COUNCILS

// NOVEMBER 2023-FEBRUARY 2024



# Ko Tātou LGNZ.

This report summarises LGNZ's work on behalf of member councils and is produced three times a year. It complements our regular communication channels, including Keeping it Local (our fortnightly e-newsletter), providing a more in-depth look at what we do.

## Contents

Introduction .....	4
Progress on strategic goals .....	5
Priority/01 Resetting the relationship with Central Government .....	5
Political engagement and government relations.....	5
Briefing to the Incoming Government .....	5
Priority/02 Establishing stronger Te Tiriti-based partnerships with Iwi Māori .....	6
Waitangi commemorations .....	6
Te Maruata update .....	6
Priority/03 Campaigning for greater local decision-making and localism .....	7
Choose Localism and Future by Local Government.....	7
Priority/04 Ramping up our work on climate change.....	9
Inquiry into community-led retreat and climate adaptation funding .....	9
Other climate change work.....	9
Support for Cyclone-affected councils.....	9
Priority/05 Delivering and building on our core work .....	10
Water services reform .....	10
Resource management reform.....	10
Transport.....	10
City and regional deals.....	11
Local government funding and financing .....	11
Remits .....	12
Other policy and advocacy work.....	13
Media .....	14
Conference and Excellence Awards update.....	15

LGNZ four-monthly report for members – February 2024 // 2



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Engagement with members, including sector and zone meetings .....	15
Mayors’ Taskforce for Jobs .....	16
Te Uru Kahika and the LGNZ Regional Sector .....	16
Young Elected Members .....	17
Community Boards Executive Committee .....	17
Council capability .....	18
Appendix 1: complete list of Ākōna learning and development assets.....	21



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## Introduction

This report is designed to be put on your council agenda for discussion and feedback. We would welcome the chance to speak to it at your council meeting, whether in person or via zoom – please get in touch with us to arrange that.

Highlights of this period from November to February have included building relationships with key Cabinet Ministers in the new Government and locking in regular meetings for the year. We have resumed meetings with the Prime Minister and enjoyed good levels of attendance of Ministers and MPs at sector meetings. This follows our [Briefing to the Incoming Government](#), which was well received both by members and central government. In 2024, for the first time, LGNZ was officially represented at Waitangi, marking a step change in our approach to strengthening partnerships with Māori – as well as providing valuable opportunities for both formal and informal political engagement. Significant policy/advocacy work on behalf of councils, along with media and social media activity, is reported on in detail below.

December's Special General Meeting wrapped up an intensive five-month process on the Future by Local Government that included new ways to engage members. The next step is taking this long-term platform and determining what to advocate on in the shorter and longer term – and tailoring this for the right audience. We'll be engaging more with members on that soon.

LGNZ advocated for more time and flexibility around LTPs given the changes to water reform. This was achieved, with the repeal legislation giving councils an additional three months to adopt their LTPs, an ability to forgo the audit of the consultation document, and to reduce consultation requirements on subsequent amendments. There's a lot more detail about all areas of our policy and advocacy work in this report.

Another highlight of this period was agreeing an interim collaboration agreement with Auckland Council CE Phil Wilson. The arrangement allows access to professional development opportunities for Local Board members, particularly Te Maruata and Young Elected Members.

In the area of professional development support, you will see the increasing range of Ākona modules in response to your requests.

Ngā mihi  
Sam and Susan



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# Progress on strategic goals

## Priority/01

### Resetting the relationship with Central Government

#### Political engagement and government relations

Our reset political strategy initially focused on establishing credibility and building relationships with key Cabinet Ministers. As with any change of government, the first step is to get to know Ministers – how they operate and what they expect – and to slowly build their understanding of the intricacies of local government, the challenges we face and the opportunities we could unlock together. Regular meetings between LGNZ and Prime Minister Christopher Luxon, Local Government Minister Simeon Brown and Regional Development Minister Shane Jones are locked in the diary for the year. We're also working to schedule regular meetings with Resource Management Reform and Infrastructure Minister Chris Bishop. We'll have a raft of Ministers speaking at our March sector meetings to help set the agenda for the rest of the year.

As well as our regular formal meetings with the Prime Minister, Ministers and key officials, our broader approach has included:

- // Being part of political events such as Waitangi commemorations, where it's possible to speak to a broad range of Ministers in formal and informal settings (more on Waitangi below);
- // Hosting a localism briefing for new National Party MPs to bring them up to speed on what localism means, why taking a place-based approach works well and how councils can enable the delivery of government policy if the system is set up right.
- // Taking steps to set up a network of former members of local government who are now MPs – and who understand and can champion local government's interests inside the Beehive. This kicked off with an informal pizza and drinks night.

Sitting alongside this, we are undertaking policy work that positions LGNZ as a speed boat – rather than the slow-moving cruise liner the public service can be viewed as – more detail on this below.

Susan and key public sector CEs have 1:1s scheduled throughout the year to build trust and help build the public service's knowledge about local government's challenges, as well as explore where the opportunities may lie for quick wins.

#### Briefing to the Incoming Government

We finalised and shared our [Briefing to the Incoming Government](#) in late November. The briefing focussed on localism and where we would like to work together on the Government's priorities and

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LGNZ four-monthly report for members – February 2024 // 5



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was aimed at opening the door for future engagement. It included content regarding issues like investing in infrastructure, water services, resource management, and emergency management.

## **Priority/02**

### **Establishing stronger Te Tiriti-based partnerships with Iwi Māori**

#### **Waitangi commemorations**

For the first time, LGNZ was officially represented at Waitangi, marking a step change in our approach to strengthening partnerships with Māori as well as providing valuable opportunities for political engagement. Our contribution included hosting a panel discussion in the Forum Tent on local government's role in honouring Te Tiriti. About 100 people attended and contributed some thought-provoking pātai from the floor; feedback about the event was positive. We took a proactive approach to media coverage that outlined our position on Māori Wards, which is based on fairness and treating Māori Wards the same as other wards.

#### **Te Maruata update**

Te Maruata Rōpū Whakahaere met in Wellington in November to refine their priorities for the rest of the triennium, and will be holding a whānui hui online on 14 March. The hui is also an opportunity for the wider whānui to meet LGNZ's new Kaitohutohu Matua Māori (Principal Advisor Māori), Mereana Taungapeau, who started in February. Mereana is currently developing a Te Ao Māori workstream that seeks to support LGNZ with the design of tools/processes/approaches to create a stronger, more meaningful Te Ao Māori foundation. This foundation will support increased cultural capability of LGNZ staff that will then extend into positive outcomes for members. It will help Te Maruata to maximise their capacity and transform their work programme to focus on pro-active kaupapa of importance to Māori across Aotearoa. We've been able to extend the invitation to the online whānui hui to Māori Local Board members because of the cooperation agreement with Auckland Council Local Boards. At the hui, the whānui will elect three new members to sit on the Rōpū Whakahaere. The new Rōpū Whakahaere will meet in person in April, to discuss their forward work programme with Mereana and the wider LGNZ team.

A key issue for Te Maruata is strong advocacy on retaining current arrangements for the establishment of Māori wards and constituencies, and protecting those wards and constituencies that are already in place.



## Priority/03

# Campaigning for greater local decision-making and localism

### Choose Localism and Future by Local Government

#### FbLG process

December's Special General Meeting wrapped up an intensive five-month process that included new ways to engage members.

The second FbLG event on 2 November concentrated on four areas identified at the September event as potentially being possible to reach agreement on. The nearly 200 attendees split into four groups – Funding, System transformation, Te Tiriti, and Wellbeing & working with central government. Each group created a position and presented it back to the whole audience, then revising it in response to feedback and presenting again.

Between the first and second events, we also ran participative online engagement that allowed people to see how their opinions fitted with other people's and make comments. In total 164 people engaged with the online platform. People from 19 different councils took part.

Supporting all this engagement was a range of email communications, including designed emails to all elected members, promotion in Keeping it Local, personal emails from Sam, and personal emails from Susan. We shared all the of the data and outputs from the events back with members.

Some of the email campaigns (which were all to 1500 recipients) recorded extremely high open rates by industry standards. For context, the average open rate for non-profit member organisations is 39%<sup>1</sup>

- "Last chance to complete online engagement" on 30 October had a 67% open rate
- Make your voice heard – new FFLG online tool on 13 October had a 68% open rate
- "We're making progress towards FFLG consensus" (which included the pack for councils to hold conversations) on 4 October had a 57% open rate

We used all the feedback and data to create a consensus outcome paper, which was shared with members on 24 November ahead of a Special General Meeting on 11 December, which voted to include all five sections in the FbLG package. These were the final results:

// Section 1 – Build a new system of government that's fit for purpose – **93.6% in favour**, 6.4% against; 0% abstain.

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<sup>1</sup> [https://knowledgebase.constantcontact.com/email-digital-marketing/articles/KnowledgeBase/5409-average-industry-rates?lang=en\\_US](https://knowledgebase.constantcontact.com/email-digital-marketing/articles/KnowledgeBase/5409-average-industry-rates?lang=en_US)



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- // Section 2 – Rebalance the country’s tax take between central and local government – **98.0% in favour**, 2.0% against, 0% abstain.
  - // Section 3 – Create stronger, more authentic relationships between local government and iwi, hapū and Māori – **76.1% in favour**; 19.5% against; 4.4% abstain.
  - // Section 4 – Align central, regional and local government priorities – **93.6% in favour**, 6.4% against, 0% abstain.
  - // Section 5 – Strengthen local democracy and leadership – **89.4% in favour**; 10.6% against; 0% abstain.

#### **What now for FBLG?**

Not everything in the package of ideas that came out of the Future by Local Government process will be palatable to the new government and some ideas won’t be advanced in this political term. The package approved at the SGM is the start of a long-term platform for advocacy that goes beyond this current government (and the next too). The next step is to tailor our advocacy to the appropriate audience – right now for the National-led Coalition – and to actively involve members in that. This will be workshopped at our April sector meetings.

#### **Choose Localism**

We have developed a plan to activate Choose Localism this year that includes political, member and media engagement, with our annual SuperLocal Conference a key milestone where localism will be brought to life.

A key part of our work will be launching a Choose Localism toolkit, which our Policy Team is working on. This will be a practical resource for elected members and staff that shows how councils can adopt localism as part of their core work. We’ll be releasing the toolkit in stages, with the first part of the toolkit focused on applying localism to engagement and consultation processes. We plan to use the toolkit as a way to showcase good practice examples of work happening across councils.

As part of the Choose Localism campaign, we are looking at ways to tackle the issue of voter turnout (and therefore mandate) for local government. There have been several reviews and numerous calls for local government electoral reform over the years, with no progress being made. Only four out of ten eligible voters have their say in local elections, compared with eight out of ten for central government. Mayor Nick Smith, who has been part of a number of Justice Select Committees looking into this, will lead an LGNZ Technical Working Group to get traction on the issue. The working group will have a very clear purpose: to drive LGNZ’s advocacy work to strengthen the democratic mandate for local government to represent and meet the needs of its communities. Moving local government to a four-year term will be part of this work.





## Priority/04

### Ramping up our work on climate change

#### **Inquiry into community-led retreat and climate adaptation funding**

In late 2023, we submitted on the inquiry into community-led retreat and climate adaptation funding that was started by the previous government. Our submission stressed the importance of an enduring framework for climate adaptation and retreat that has cross-party support. We have encouraged the government and Environment Committee to continue with the inquiry and climate adaptation work in both our submission and our briefing to the incoming government. We understand that work is underway to re-ignite the inquiry. There is a real opportunity for LGNZ to play an active role in working with the Government to develop its climate change adaptation policy framework.

#### **Other climate change work**

In late 2023, we worked with Whakatāne District Council, Northland Regional Council, the Aotearoa Climate Adaptation Network (ACAN) and Beca to produce guidance that sets out climate change legislative requirements and reforms that councils should think about when preparing their LTPs. This guidance will be a living document and updated in the coming months to reflect the new Government's emerging policy and legislative reform programme.

We also supported ACAN's two-day hui for council staff working in the adaptation space in Christchurch, which was attended by over 100 people.

#### **Support for Cyclone-affected councils**

We've continued to engage with affected members on what they needed from additional orders in council or support from the new Government. Alongside helping councils to address their specific needs, we've continued our wider call for a more sustainable approach to emergency event recovery, which has been included in recent submissions as well as in the Briefing to the Incoming Government.

Our Policy Team met with the secretariat of the Cyclone Gabrielle Recovery Taskforce to support development of their insights framework, which seeks to capture the lessons learned from their work. We have also started engagement with the Department of Prime Minister and Cabinet on their next steps on their critical infrastructure framework and minimum standards.

The report on the Government Inquiry into the Response to the North Island Severe Weather Events is expected to be out shortly. We understand that consideration of the Emergency Management Bill (which we submitted on in October 2023) is on hold until the release of this report, so the Select Committee can consider it and any changes needed to the Bill. This may involve further submissions or engagement.



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## Priority/05

### Delivering and building on our core work

#### Water services reform

LGNZ advocated for more time and flexibility around LTPs given the changes to water reform. This was achieved, with the repeal of the previous government's water services legislation giving councils an additional three months to adopt their LTPs, ability to forgo the audit of the consultation document, and to reduce consultation requirements on subsequent amendments. Alternatively, councils can defer development of their LTP for 12 months if they produce an enhanced Annual Plan.

The replacement approach for water services will be rolled out in two parts. A first bill will be passed by the middle of the year and will require the development of service delivery plans (which will be the vehicle to self-determine future service delivery arrangements). This bill will also put in place transitional economic regulation and provide a streamlined process for establishing joint water services CCOs. A second bill will be introduced at the end of the year and will set out provisions relating to long-term requirements for financial sustainability, provide for a complete economic regulation regime, and introduce a new range of structural and financing tools, including a new type of financially independent council-controlled organisation.

Taumata Arowai is starting to develop regulations for storm water and wastewater, and attended LGNZ sector meetings in March.

#### Resource management reform

Having repealed the Natural and Built Environments and Spatial Planning Acts prior to Christmas, the Government has worked at pace to develop a new fast-track consenting regime, with legislation introduced to the House in early March. We are planning to make a joint submission on the Bill with Taituarā and Te Uru Kahika.

We're also thinking about how we can influence the new Government's thinking around what a replacement resource management system could look like – which is something it has signalled it's interested in. Our sense is that there is alignment across the membership on some aspects of resource management, including strong support for retaining regional spatial planning, shifting to integrated national direction and developing a climate adaptation framework. There is also a strong desire to see local and regional planning decisions made at place.

We also understand that the new Government is working at pace to make a number of changes to the NPS-Freshwater Management. We're monitoring these changes closely along with Te Uru Kahika.

#### Transport

Late last year we stood up the LGNZ Transport Forum, which includes a mix of National Council spokespeople and other representatives. The group has recently met to discuss its work programme, following both National Council's adoption of the [Position Statement on Transport](#) and the swearing-



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in of the new government, which gave us a steer on the broad direction for transport policy over the next three years and beyond. Mayor Neil Holdom has been elected Chair of the forum.

The Forum will support the development of LGNZ's submission on the [draft Government Policy Statement on Land Transport](#), which is due on 2 April 2024.

Our position statement includes the following key policy objectives:

- // A strategic, long-term approach to planning that joins up central and local government decision-making to address maintenance and climate adaptation needs.
- // Sufficient, long-term transport investment that prioritises resilience building, safety and better asset management across both new developments as well as maintenance and renewals.
- // Integrated transport and freight networks that support placemaking by connecting our rural communities, towns and cities and making them great places to live and work.
- // A transport network that can adapt to the future climate and prioritise decarbonisation.

### City and regional deals

The Government has strongly signalled interest in long-term city and regional deals as a way to partner with local government to create pipelines of regional projects.

In late 2023, we commissioned Linda Meade, Director at Kalimena Advisory, to provide insight into the international experience around city and regional deals, and how this might be applied in the New Zealand context. [The paper](#), which was presented at the November Metro Sector meeting and has since been shared with members more widely, set out background on the key elements of city and regional deals, different options that have been used in the United Kingdom and Australia, and considerations and key takeaways that could be applied when designing a city and regional deals framework for New Zealand.

We're continuing to think about how city and regional deals can be structured to maximise the benefits for local government. The Policy Team is pulling together a think piece that will highlight how city and regional deals could support better alignment between central and local government. This will be shared with members and support conversations we're having with Ministers and officials on the framework for these deals.

### Local government funding and financing

We have commissioned NZIER to estimate the financial impacts of various reforms on councils – which is all about quantifying the unfunded mandate. This work will support our ongoing conversations with the Government on how they consider and mitigate the implementation and operational costs on local government of their reforms. The specific areas we are costing (National Policy Statement for Freshwater Management, National Policy Statement on Urban Development and Medium Density Residential Standards, Local Alcohol Policies, improving recycling and food scrap collections) have been chosen to be representative of reforms with a range of impacts on councils. This work is expected to be completed in May.



We’ve also recently commissioned Brad Olsen and the team at Infometrics to develop a report that looks at the various factors that have driven up local government’s costs. We’ll be sharing this with members shortly, and discussing it in detail at our April Combined Sector Meeting.

Both of these pieces of work are part of the broader advocacy we’re doing around rates rises and building community understanding of the reasons for them.

**Ratepayer Assistance Scheme**

The RFS is a special purpose tool that would provide support to ratepayers to finance any local authority charge. With balance sheet separation, and proximity to both local and central government, it would have a very high credit rating and therefore be able to provide the cheapest possible financing terms to ratepayers.

The Ratepayer Financing Scheme’s flexibility would enable it to support:

- // Development contributions to enable housing development.
- // Home improvement policy to meet healthy homes, earthquake strengthening, home insulation and solar panel installation, water separation and storage etc.
- // Rates postponement to provide relief to ratepayer experiencing affordability pressures.

A detailed business case supporting the RFS’s viability has been completed with the support of Auckland, Hamilton, Tauranga, Wellington, Christchurch councils alongside the LGFA and LGNZ. So far Auckland and Tauranga have confirmed financial support to establish the RAS.

**Remits**

We’re continuing to make progress on remits where we can – though as is always the case following a General Election, progress has slowed somewhat as we wait for the new government to bed in and understand how our remits relate to its priorities. We are thinking carefully about ways that we can build remits into our existing policy and advocacy work programmes to maximise limited resources across a wide number of issues.

Remit	Progress update
<b>Allocation of risk and liability in the building sector</b>	We raised the issues that this remit addresses through our involvement in a working group that was reviewing the building consent system in 2023. Our Metro Sector met with the Minister for Building and Construction in March 2024. More substantive work is needed to progress this remit.
<b>Rates rebates</b>	We wrote to the Minister of Local Government on 21 January 2024 asking the Government to amend the Rates Rebate Scheme and benchmark further increases to changes in the local government cost index.
<b>Roading/transport maintenance funding</b>	This remit will be picked up through the work that our Transport Forum leads.
<b>Local election accessibility</b>	For us to achieve the intent of the remit, there will need to be an amendment to the Electoral Act 1993. We will begin work soon to



	develop a case for change before engaging with the Minister of Justice.
<b>Ability for co-chairs at formal meetings</b>	Guidance on how to introduce co-chairs, which has been informed by legal advice, has been incorporated into our revised Guide to the LGNZ Standing Orders Template, which was published in early February 2024.
<b>Parking infringement penalties</b>	We're yet to start substantive work to progress this remit.
<b>Rural and regional public transport</b>	This remit will also be picked up through the work that our Transport Forum leads.
<b>Establishing resolution service</b>	National Council agreed that work to progress this remit will form part of our 2023 – 2025 strategy.
<b>Earthquake prone buildings</b>	We met with the Deputy Mayor of Manawātū District Council to begin development of a proposed plan for next steps on this remit, which will be delivered this year. We have also reached out to Engineering New Zealand to understand their perspectives on the viable options.
<b>KiwiSaver contributions for elected members</b>	We've received legal advice from Simpson Grierson on the changes that would need to be made to the Local Government Act 2002 and the KiwiSaver Act 2006 to enable elected members to be eligible for KiwiSaver contributions and have begun drafting advice for Ministers and officials.
<b>Scope of audits and audit fees</b>	Part of the approach to reduce audit fees is to ensure that the legislative requirements and scope (and resulting repetition and complexity) of Long-Term Plans and Annual plans and reports are reduced to be better aligned with needs and cost less to audit. To support this, we are in the process of undertaking a desktop review of a number of reports that made recommendations on how to achieve this. We've also made recommendations around the need revisit councils' planning and accountability obligations in our Future by Local Government Consensus Outcome Paper.

### Other policy and advocacy work

#### Freedom camping

The Policy Team have released updated guidance and a model bylaw that reflect recent amendments to legislation and case law, to support councils to develop, review, and administer bylaws relating to the Freedom Camping Act 2011 (FCA). Amendments to the FCA came into force on 7 June 2023, but there is a transitional period before the new certification for self-contained motor vehicles and related provisions come into force.

The Ministry of Business, Innovation and Employment and the New Zealand Motor Caravan Association part funded this work, and we worked with them and Taituarā to develop it.



The guidance is available [here](#). Two versions of the new model bylaw are available, [one](#) highlighting the changes to the 2018 model bylaw, and [one](#) without the highlighted changes.

### Drought planning

We were engaged by the Ministry for Primary Industries to participate in an all-of-government group that undertook work to prepare for expected impacts of drought over Summer 2023-2024. Our involvement in this work was principally to ensure that local government remains front and centre in the government's planning and thinking, and to help provide appropriate communications channels back to councils.

### Media

Media was a strong advocacy tool used to its full advantage during the pre-election period when politicians were in the middle of campaigning. The post-election period, including when special votes came out and coalition talks were underway, was also a good opportunity to thrust local government issues into the political spotlight. This served dual purposes: to inform political journalists of the challenges that government needs to address to ensure local government thrives; and to firmly demonstrate to the incoming government that the challenges facing local government needs the Government's attention or they risk not being able to deliver on their priorities.

Here are some examples of LGNZ's proactive work in that period:

- [Funding anxiety across the country as local government considers its future | The Post](#)
- [Councils plead for more certainty over National's Three Waters plans | RNZ News](#)
- [Local councils facing cost pressures across the country | RNZ](#)
- [Councils plead for clarity on water infrastructure reform | RNZ](#)
- [Christopher Luxon claims victory: 'Our children can grow up to live the lives they dream of' | Newsroom.co.nz](#)

Towards the end of last year, our media campaign centred on proposed rate rises and what's driving them ramped up. LGNZ led the narrative by using champions like Cameron Bagrie and Āpopo to visibly back our message. Sam also fronted a proactive media conference and numerous interviews over December and January. As at the end of February, we generated 48 unique pieces of media coverage capturing Sam's message for the need for more funding and financing tools for local government.

Another major piece of advocacy through media is four-year-terms for local government. Sam has used every opportunity to talk about the efficiencies we'd gain by implementing longer electoral terms. This has led to stories in local papers as well as in-depth coverage by RNZ's political reporter, Russell Palmer.

Our social media channels have had a 16.4% increase in engagement for the last quarter compared to this time last year, along with a 458% increase in followers. In March, we're launching a social media campaign to further amplify a national perspective on rates rises. This campaign aims to explain why rate rises occur, especially in the face of rising living costs, and to highlight that this is a widespread systemic issue. Through this series, we'll explore how councils are financed, the services they offer, and the benefits residents receive from their investment in rates. This is part of a wider



campaign to support councils in the rates rise conversation that will include other resources for members.

### Conference and Excellence Awards update

Planning continues for both SuperLocal 2024 and the Community Board conference in August in Wellington. There will be additional events for Te Maruata, Young Elected Members, LGNZ's Annual General Meeting, Mayors for Taskforce breakfast and numerous networking events spread across the three days. Work on various streams such as programme and speakers, awards, engagement and marketing is underway. The theme this year is Bringing localism to life, and once again, we're stepping up the programme to reflect the feedback we got last year and ensure we have the right mix of informative, practical and inspirational content.

### Engagement with members, including sector and zone meetings

Our new website went live in December. It provides much more flexibility to showcase local government and all it has to offer our communities, as well as a home for resources, news and insights – and a working search function.

We met with zone administrators and chairs in early February to talk about any challenges and opportunities, and for LGNZ to share what's happening more broadly to help develop agendas. This was the first in a series of three meetings.

On 13 April, we held a zoom for women in local government. We've been repeatedly asked to provide a forum to help support women elected members, so we created this zoom as a starting point. About 20 women attended and there was really strong engagement during the zoom, which was led by Christchurch City Councillor Sara Templeton. We are planning to hold a lunch immediately before SuperLocal as the next step in this conversation.

We have achieved outstanding open rates for *Keeping it Local* this year so far. If you're not receiving *Keeping it Local*, which is our key communications channel and goes out fortnightly on Thursdays, please get in touch.

Date	Open rate	Subject line
19-Jan	67%	We've developed new freedom camping guidance and a model bylaw
1-Feb	68%	We've updated our Guide to Standing Orders Templates
15-Feb	60.20%	Talking all things localism with National Party MPs

We're also planning the launch of a monthly zoom for all elected members. To make sure this is successful and responds to member needs, we've carrying out a series of phone conversations with some randomly selected elected members as part of that planning. The first zoom will be held in late March/early April and will focus on online safety/harassment.



### Mayors' Taskforce for Jobs

Mayors' Taskforce for Jobs (MTFJ) is refreshing its five-year strategic plan. The plan reconfirms the focus of the MTFJ kaupapa firmly on rangatahi, particularly those youth who are NEET (Not in Employment, Education or Training).

To support this strategic planning, we've completed two pieces of research on the value of MTFJ and where opportunities might lie for both sustainable funding and future growth. TRA (The Research Agency) completed a qualitative research piece on the MTFJ Community Employment Programme, which is funded through our current partnership with MSD. The research explored its value proposition, potential scope and growth parameters. Critical findings included the complexity of NEETs, the innovative success of the programme, and the unique impact that the authority bias of the Mayor has in this initiative. The Impact Lab Social Return on Investment review resulted in the very credible finding of \$5.60 return for every \$1.00 spent, alongside strong commentary on other positive key social accountability metrics.

The evidence from these two pieces of research, alongside our own data and analysis, underpin our engagement with the Government and targeted Ministries as we work to strengthen existing funding arrangements and explore new opportunities. We continue to position MTFJ as a tangible exemplar of localism in action.

The 35 current-CEP-contract councils are reviewing their six-month performance milestone in the two-year contracts, with the MTFJ team's support. We are in good shape to fully deliver contracted outcomes.

We have also welcomed two new councils into the MSD-funded contract – Central Otago DC and Kāpiti Coast DC. They are being supported to pilot initiatives.

In late February we hosted a very successful national gathering of 80+ MTFJ coordinators, key council staff and MSD colleagues in Wellington.

### Te Uru Kahika and the LGNZ Regional Sector

The LGNZ Regional Sector met virtually in January to consider how the change of government will impact on its priorities. Our Regional Sector and Te Uru Kahika share three priorities: climate resilience, resource management system, Te Ao Māori. It was agreed that the new government's reform agenda in freshwater, water services regulation and transport are also priorities for engagement.

These priorities informed the agenda for the first Regional Sector meeting of the year on 7-8 March. The Sector had dinner with Minister McClay (Agriculture, Forestry, and Trade) and Minister Simmonds (Environment) and met with Minister Bishop (RM Reform and Infrastructure), which was a good opportunity to form relationships and understand their priorities for their respective portfolios. They also had good meeting with Minister Bishop where he outlined his priorities and the Government's forward programme on resource management reform. The sector shared their desire for close collaboration on implementation and what they want to see from resource management changes.





Our team is meeting regularly with Te Uru Kahika to ensure we are joined up in our support for the Regional Sector. We continue to work together closely on submissions and engagement on central government reforms; for example, on submissions on the inquiry into community-led retreat and the proposed National Policy Statement for Natural Hazard Decision-making. We're also engaging closely with Te Uru Kahika on resource management reform.

### Young Elected Members

The annual YEM hui was held in late 2023 in Waitangi. The YEM Committee, LGNZ and Far North District Council delivered a very successful three-day hui for around 45 YEM that included a range of panel discussions, workshops, keynote speakers, a tour of the Waitangi Treaty Grounds and visits to other culturally significant sites in the Far North.

The programme content included leveraging opportunities through partnerships to deliver good outcomes for communities, developing the YEM Strategy and Kaupapa, effective leadership and looking after your health and wellbeing as a leader, how to effectively engage with the media and building cultural confidence and understanding. Creative New Zealand sponsored the event, which helped to keep costs down and enabled a panel session that focused on how councils can invest in arts and culture in their long-term plans to support wider economic, social and cultural wellbeing outcomes for their communities.

Attendees gave their overall hui experience an average rating of 9.4 (1 being poor, 10 being outstanding). Because of LGNZ's cooperation agreement with Auckland Local Boards, two Auckland Local Board members were able to attend.

The YEM Committee meet online in March. As well as discussing the next Hui and their pre-SuperLocal gathering, the Committee will be refining the YEM Strategy and Kaupapa based on feedback was received from the network at the end of last year.

### Community Boards Executive Committee

Over the last few months CBEC has been actively involved in a number of initiatives:

- // **Satisfaction survey of community boards and mayors:** CBEC commissioned FrankAdvice to undertake a survey of community boards and mayors to better understand the mood of community boards, and relationships between councils and community boards, as well as identify areas for improvement, with particular emphasis on roles, remuneration and relationships with councils. The final report, with recommendations, is expected to be released in late February. The findings will be used for ongoing advocacy by CBEC and to inform updates to the Governance Guide for Community Boards.
- // **Community Boards Conference:** CBEC is well underway with planning for the 2024 Community Boards Conference, which is being held as part of SuperLocal. CBEC members have been working hard with the LGNZ team to pull together a programme, and seek speakers and sponsorship.
- // **Declarations:** the Committee has discovered that some councils do not require appointed board members to make a community board declaration – creating a potential risk to councils should a board decision be challenged on the basis that some members were ineligible to vote. CBEC sought legal advice, which confirmed that all appointed members should make a community

LGNZ four-monthly report for members – February 2024 // 17



board declaration as well as their council declaration. That advice has been sent to all councils with community boards.

- // **Remuneration:** CBEC is working with the Remuneration Authority to improve the basis on which community board remuneration is set. CBEC is working on a “time and motion” survey to provide more accurate information to the Authority on the nature of community board members’ responsibilities and the time board members spend on official duties. The Authority has not been able to resolve how to remunerate boards with additional responsibilities (member pay is based on population without any consideration of the level of responsibility). CBEC plans to provide feedback to the Authority when it is next reviewing its remuneration approach, within the next year or so.

The Committee met in person in Wellington in late February and is looking forward to having Te Maruata and YEM representatives join them in the coming weeks.

### Council capability

#### CouncilMARK

Our continuous improvement programme has undergone significant enhancements over the past year in response to feedback from the sector. These changes aim to increase programme participation and deliver greater value to participating councils. The programme has extended its focus beyond independent assessments to support councils throughout their continuous improvement journey, both before and after assessment.

It now emphasises wraparound support for councils, the establishment of development benchmarks and aligning council performance with priorities. The introduction of additional development pathways facilitates the translation of assessment findings into actionable plans, enabling councils to optimise their performance.

#### Ākōna

In late 2023, we developed and launched six new courses, including Health & safety, Chaining meetings, Writing and delivering great speeches, Working with media, Engaging with Māori, and LGOIMA. Many of these have been in response to requests from councils and designed in conjunction with council experts. We worked closely with Tararua District Council on the Health & Safety module – a first for elected members – and with Queenstown Lakes District Council on the LGOIMA module. Chaining meetings, giving great speeches and working with the media have all been popular with our subscribed councils.

New courses being developed ready for release over the next few weeks include:

- // Climate Change
- // Decision Making
- // The CE Relationship
- // Te Reo
- // Unconscious Bias



Refer to **Appendix 1** for a complete list of learning and development assets.

A targeted workshop focused on Chairing Meetings/Standing Orders has also been developed, along with a Critical Thinking workshop. A survey was distributed in February to identify preferred Ako Hour topics – this will lead to a 2024 schedule being built and promoted by the end of March

We're working closely with Taituarā and the Local Government Commission. Discussions have begun with Taituarā to develop an induction pack that will include pre-elected learning resources, (as per the framework). A pre-candidacy package of learning will also soon be developed to support the promotion of local governance participation in our communities.

#### **Guidance and advisory for members**

The Policy Team has been working on several pieces of research and good practice guidance over the past four months. These include:

- // **The 2022 -25 elected member census:** This summary report shows that there has been a significant increase in the number of members who identify as Māori and that overall, members are getting younger.
- // **Local government voters 2022:** This report summarises the survey of voters and non-voters undertaken shortly after the 2022 elections. It shows the number of voters aged between 18 – 25 has grown significantly since 2001, and a big increase in the number of voters who placed their completed voting papers in a ballot or voting box from 12% in 2016 to 28% in 2022.
- // **An elected members' guide to representation reviews:** This is to strengthen elected members' and citizens' understanding of the representation review process.
- // **Ombudsman's report on workshops – update to standing orders guidance:** In October 2023 the Ombudsman published a report "Open for Business" in which he was critical of the number of public excluded workshops held by councils. The report, while finding that there was no evidence that workshops were being used for making decisions, made several recommendations for improvements. We have commissioned Simpson Grierson to review the recommendations and incorporate those that are relevant into LGNZ's Guide to Standing Orders. We expect to republish that Guide later this year.
- // We've recently updated our **Guide to the LGNZ Standing Orders Template**. The updates provide councils with guidance on how to amend their standing orders to incorporate changes to the definition of a quorum (for those joining by audio visual means). They also provide guidance on the Ombudsman's recent report on public access to workshops.
- // We're working with the Taituarā Democracy and Participation Working Group to fine tune our **Standing Orders Template**, with a focus on readability. The updated version will be available to councils in early 2025, giving plenty of time to be prepared ahead of the 2025 local body elections. The new template will also reflect legislative changes made since mid-2022 when the current template was drafted.



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### Moata Carbon Portal

The Moata carbon portal is a tool that allows embedded (capital) carbon to be measured and monitored across any capital works programme. It enables councils to account for and reduce carbon emissions generated from water, transport and infrastructure (vertical and horizontal) projects. We have also been in planning mode for Mott MacDonald to attend the first Zone meeting of the year to provide an overview of the carbon portal as well as some findings from the carbon baseline completed on Queenstown Lakes LTP in 2023.

The findings from this baseline were that water projects accounted for 55% of QLDC's total capital carbon, with transport accounting for 24% and built environment 21%. Over the course of their LTP, their highest carbon peaks were predicted for 2023 and 2030, with recommendations provided on integrating carbon assessments into their approval and delivery processes.

Our subscribers now include Auckland Water Care, Tauranga, Napier, Wellington Water and Queenstown Lakes. We are also having conversations with New Plymouth and Nelson councils.

We also held New Zealand's first Carbon Crunch event this year with then-Minister James Shaw the keynote speaker. The event included presentations from Auckland Council, Transpower and Wellington Water on how they are tracking on their decarbonisation journey. [A white paper](#) from this event has been developed.

### Libraries partnership

Our Libraries Advisor will be with LGNZ until the end of June 2024, when the project funding comes to an end (this was a Covid-19 recovery initiative). The work programme agreed to with DIA and the New Zealand Libraries Partnership Programme has included sharing findings from research to identify the value of public libraries as vehicles for service delivery. At the end of 2023, the Advisor met with council leaders and library staff in the Far North and Whangārei, and in early 2024 is visiting councils in Horowhenua, Palmerston North, Rangitikei, Taupō, Waipā and South Waikato. The conclusion of this project will include a report that will outline all the key trends identified and findings made across the three years.



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# Appendix 1: complete list of Ākona learning and development assets

## Courses

There are now 17 courses available on Ākona.

- // Designing and Delivering Great Speeches
- // Chairing Meetings
- // Health & Safety and Good Governance
- // Engaging with Media
- // Engaging with Māori
- // LGOIMA
- // Funding & Finance
- // Asset Management
- // Engaging with your Community
- // Governance
- // What is Local Government?
- // Remuneration and Tax for elected members
- // LTP
- // Council Membership
- // Financial Governance
- // Navigating Local Government Meetings
- // Conflicts of Interest

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LGNZ four-monthly report for members – February 2024 // 21



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### All courses feature

#### Emodules

Interactive, immersive learning activities that break down complex topics for easy understanding and immediate application.

#### Resources

Templates, case studies, videos, websites and/or extra reading that support sustained learning practise.

#### Ako Hours

Live discussion groups, led by experts, focused on expansion and contextualisation of new knowledge.

#### Kōrero Corner

Social learning with peers and experts.

## Added value

### Partnership

Subscribed councils are welcome to request learning topics; most of our courses came about this way. Many courses were also built with council input – either the sharing of process, content, stories and/or case studies. This keeps our courses as fit for purpose as they can be. Note also that every course is reviewed by sector experts.

### Elected member capability framework

For the first time, a framework that sets out capabilities needed to successfully fulfil the role of elected member has been developed. Mapped across 6 capability groups and 4 levels of capability (including pre-elected), the framework provides a clear view of what high performance looks like and the pathway to getting there.

An online self-assessment tool is currently being designed ready to be built into Ākōna. Soon Elected Members will be able to plot their strengths and opportunities across 6 capability areas that are unique to their role.

### Advisory Services

The Ākōna tīma have a vast amount of experience working in complex learning environments, creating learning cultures and supporting others to do the same.

Whether you need support to identify training needs, develop learning specifically to your council needs or engaging your folk in learning, the tīma are here for you.



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### Digital platform – creating your own learning pathways and induction experiences

The new Ākona platform offers councils the opportunity to create their own learning pathway, create a place only accessible by their elected members to use for specific learning needs, induction etc.

All trackable, reportable and accessible at anytime from anywhere.



## Regional Climate Change Working Group report

**To:** Environment Southland  
Te Ao Mārama Board  
Gore District Council  
Invercargill City Council  
Southland District Council

**Meeting Date:** Wednesday 17 April 2024

**From:** Staff-level Regional Climate Change Working group

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### Purpose

This report provides all Councils and the Te Ao Mārama Board with an update on the governance-level Regional Climate Change Working Group workshop, held on 28 March 2024.

### Recommendation

That councils and the Te Ao Mārama Board receive the report "Regional Climate Change Working Group report".

### Background

Following a Regional Climate Change Hui in July 2022, Environment Southland and Te Ao Mārama brought together a staff-level regional climate change working group, which has met regularly since October 2022. A governance-level regional climate change working group (RCCWG) was established in February 2023.

The RCCWG met seven times throughout 2023 to develop a proposed regional climate change strategy. Phase 2 of this work has now commenced with an initial RCCWG workshop 1 February 2024, to begin developing a regional framework for action.

The governance-level group is not a formal joint committee and does not have formal delegations. It is supported by the staff-level working group.

### Phase 1: Proposed Regional Climate Change Strategy

The proposed Regional Climate Change strategy was endorsed by all Councils for consultation, late January / early February 2024. Environment Southland is co-ordinating public feedback on the proposed strategy on behalf of all of the agencies involved, via the Environment Southland LTP consultation document 2024 – 2034.

The strategy and associated engagement portal has been live on the Environment Southland website since 29 February and consultation will close 8 May 2024. A special hearing process will be held (placeholder dates 16 and 20 May) to enable





the consideration of feedback before finalisation and adoption of the proposed Regional Climate Change Strategy in approximately mid-2024.

### **Phase 2: RCCWG workshop – 28 March 2024**

The focus of the most recent RCCWG workshop was the development of pathways to achieve the communications and engagement aspirations (11, 12 and 13) of the proposed Regional Climate Change Strategy.

The previous workshop (1 February) was the starting point for these discussions; as well as the regional community climate change perceptions survey report and a stocktake of existing and proposed projects in relation to these aspirations.

The RCCWG workshop 28 March, was an opportunity to delve further into potential options and considering which of these could be explored further. As part of workshopping potential synergies across the communications and engagement aspirations were also identified. It is expected that the direction from this workshop will become the platform for the next RCCWG workshop schedule 23 May, which will be focusing on the adaptation aspirations (8, 9 and 10).

### **Next steps**

1. The proposed Regional Climate Change Strategy consultation process will close 8 May 2024; with a special hearing and deliberations to take place during May;
2. The revised Regional Climate Change Strategy will be put forward to each agency for individual consideration and final approval by mid-2024;
3. The next RCCWG phase 2 workshop will be held 23 May 2024 focusing on the adaptation aspirations and how the application of the DAPP model could assist us with long-term adaptation planning;

### **Key messages**

- The RCCWG welcomes the opportunity and the value from having Great South staff join us for our phase two work;
- It was positive and motivational to explore the range of potential pathways forward for the communication and engagement aspirations;
- Our communication and engagement aspirations are foundational in supporting our mitigation and adaptation aspirations;
- RCCWG participants were surprised by how many good ideas emerged within a short time;
- It is important that we continue to demonstrate regional leadership by example, walking the talk with respect to climate change actions;



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## Financial Report for the period ended 29 February 2024

**Record No:** R/24/3/23513  
**Author:** Joanie Nel, Senior accountant  
**Approved by:** Anne Robson, Group manager finance and assurance

Decision  Recommendation  Information

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### Purpose

- 1 To provide Council with an overview of the financial results for the eight months to 29 February 2024 by Council's seven activity groups, as well as the financial position and the statement of cashflows as at 29 February 2024.
- 2 Substantive changes from the previous financial report are shown in text with underline.

### Recommendation

#### That Council:

- a) **Receives the report titled "Financial Report for the period ended 29 February 2024" dated 12 April 2024.**

### Attachments

- A Financial report February 2024



# Financial report

*February 2024*

Southland District Council  
Te Rohe Pōtae o Murihiku

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**Table of contents**

Introduction .....3  
Council summary .....5  
Council summary by Activity Group ..... 10  
Statement of comprehensive income..... 12  
Statement of financial position ..... 13  
Statement of cash flows ..... 14

## Introduction

This report summarises Council's financial results for the eight month period to 29 February 2024.

The report summary consolidates the business units within each of Council's groups of activities and includes:

- year to date (YTD) actuals, which are the actual costs incurred
- year to date (YTD) projection, which is based on the full year projection (Annual Plan) with adjustments for phasing of budgets, carry forwards and approved unbudgeted expenditure reports
- year to date (YTD) budget, which is based on the full year Annual Plan budget with adjustments for phasing of budgets
- full year (FY) budget, which is the Annual Plan budget figures
- full year (FY) projection, which is the Annual Plan budget figures plus carry forwards and approved unbudgeted expenditure reports.

The activities reported include the seven activities in the LTP, along with corporate services. Corporate services (previously part of District Leadership) includes all the customer and corporate support (like people and capability, communications, strategy and policy, finance, information management) and forestry. These costs are spread across all the activities but they have also been separated out for the purposes of this report.

Carry forwards were approved by Council in September 2023 and have been included in the projection column.

Phasing of budgets is undertaken to reduce the number of variance explanations due to timing. Phasing occurred in October and when one-off actual costs were incurred.

Where phasing of budgets has not occurred, one twelfth of the annual budgeted cost is used to calculate the monthly budget.

Southland District Council summary reports use a materiality threshold to measure, monitor and report on the financial performance and position of Council. In determining materiality, variances more or less than 10% of the original budget and greater than \$10,000 are considered material and explained in the report.

Report contents:

- A. Council summary (income, expenditure, capital expenditure and associated commentary)
- B. Council summary by Activity Group
- C. Statement of comprehensive income
- D. Statement of financial position and movement commentary
- E. Statement of cash flows.

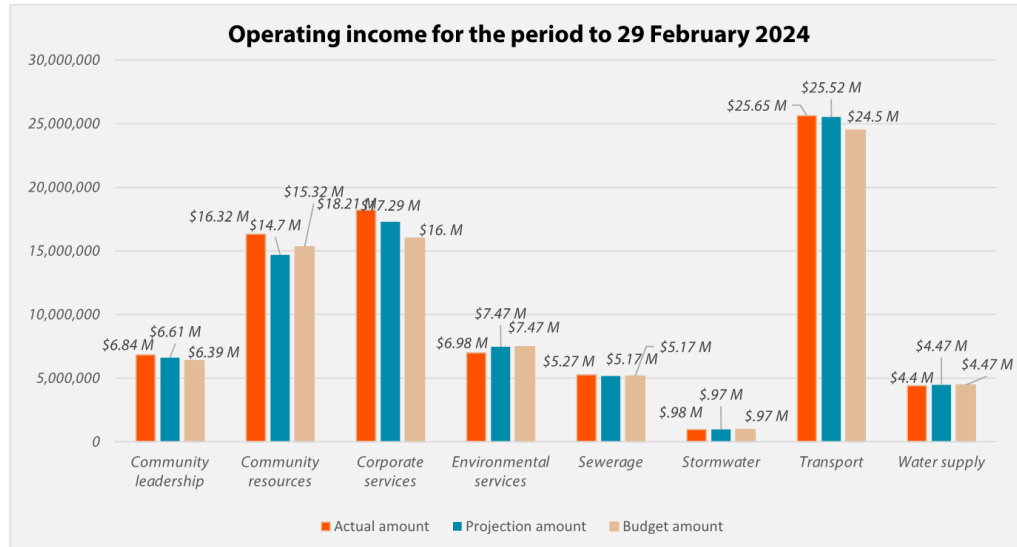
## Abbreviation explanation

Abbreviation	Description
AP	Annual Plan
CAPEX	Capital expenditure
FYB	Full year budget
GDC	Gore District Council
GIS	Geographic information system
GMSE	GeoMedia smart client
GST	Goods and Services tax
ICC	Invercargill City Council
LED	Light emitting diode
LGFA	Local Government Funding Agency
LT	Leadership team
LTP	Long Term Plan
ME	Month end
NZTA	Waka Kotahi NZ Transport Agency
NZDWS	New Zealand Drinking Water Standards
SDC	Southland District Council
SIESA	Stewart Island Electrical Supply Authority
TIF	Tourism Infrastructure Fund
YE	Year end
YTD	Year to date
YTD Variance	Comparison of actual results compared to YTD budget
\$M	Millions of dollars
WWTP	Waste water treatment plant

**Council summary**

**Income**

Operating income for the eight month period to 29 February 2024 is \$2.5 million (3%) above projection (\$84.6 million actual vs \$82.1 million projection). The key reasons for the variances are detailed below.



- **community leadership** is income \$225K (3%) over projection due to the \$5 increase in the Stewart Island Visitor Levy (increased at 1 October 2023) and grant funding received for the Mayoral Taskforce as well as grant income received for creative communities
- **community resources** income is \$1.6M (11%) over projection. \$1.8M of this is related to the sale of Luxmore land in Te Anau. In addition, waste services income is \$312K over projection mainly due to the increase in waste levy funding received from the Ministry for the Environment as well as higher refuse fee income due to higher waste volumes at transfer stations (particularly Te Anau). Community housing income is under projection (\$47K) due to two vacant units that require extensive repairs that will not be available to rent for some time. SIESA electricity income is under projection (\$110K) due to the February meter readings being delayed to March due to an increase in rates. Streetscapes income is \$219K under projection due to grant funding not being received yet.
- **corporate services** income is \$928K (5%) more than projection. This is mainly due to increased internal interest on loans versus projection, this will be forecasted for in the next forecasting round
- **environmental services** income is \$492K (8%) less than projection. Building solutions income is less than projected due to a drop in new building consent applications over the prior year. In addition, the lower income has also resulted from more code of compliance certificates being signed off for historical building work. Because the fees for these certificates were prepaid at the time of the original consent and treated as income at the time, the financial statements do not show this income. This has been changed for new consents where code of compliance certificate costs are invoiced and recognised as income at the time the work is undertaken. Staff anticipate more building work and a lift in consent income for the remainder of the year with greater certainty around building following the change in government. Overall, building solutions is projecting a higher shortfall at year end than budgeted which will need to be funded by the district operations reserve. Resource consent income is

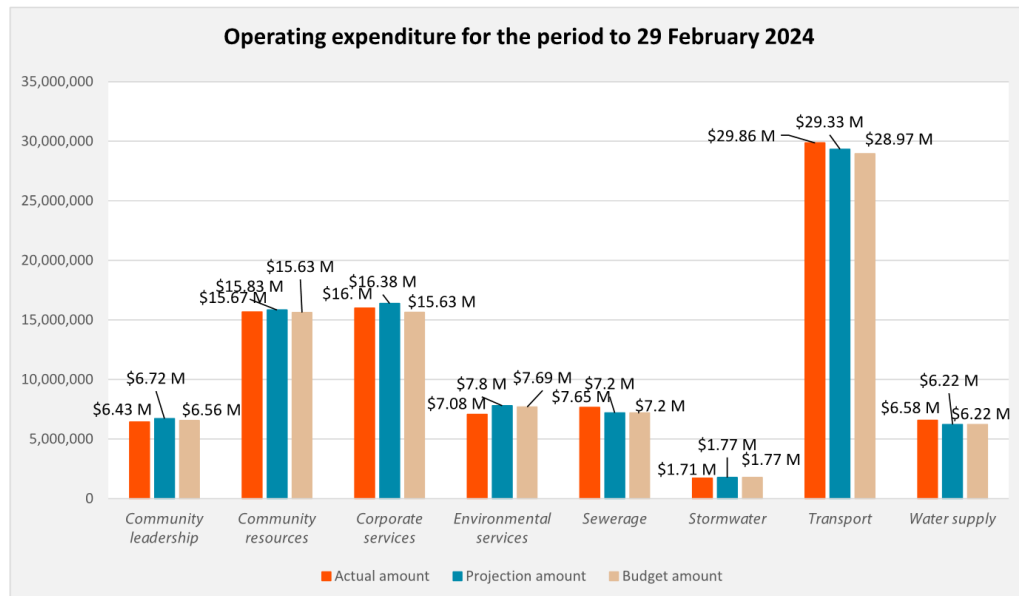


below projection due to fewer consent applications being processed compared to last year and work is being done to ensure invoicing is up to date.

- **transport** income is \$128K (1%) more than projection largely as a result of roading work being completed earlier than expected as well as additional income received from Waka Kotahi in relation to the September flooding event
- **water supply** income is \$68K (2%) less than projection due to lower water usage to date, principally in the Te-Anau rural water area as well as a rates adjustment following the divestment of the Matuku scheme. It is assumed the lower water consumption is due to a wetter summer.

## Expenditure

Operating expenditure for the eight month period to 29 February 2024 is \$256 thousand (1%) below projection for the period to date (\$91 million actual vs \$91.2 million projection). The key reasons for the variances are discussed below.

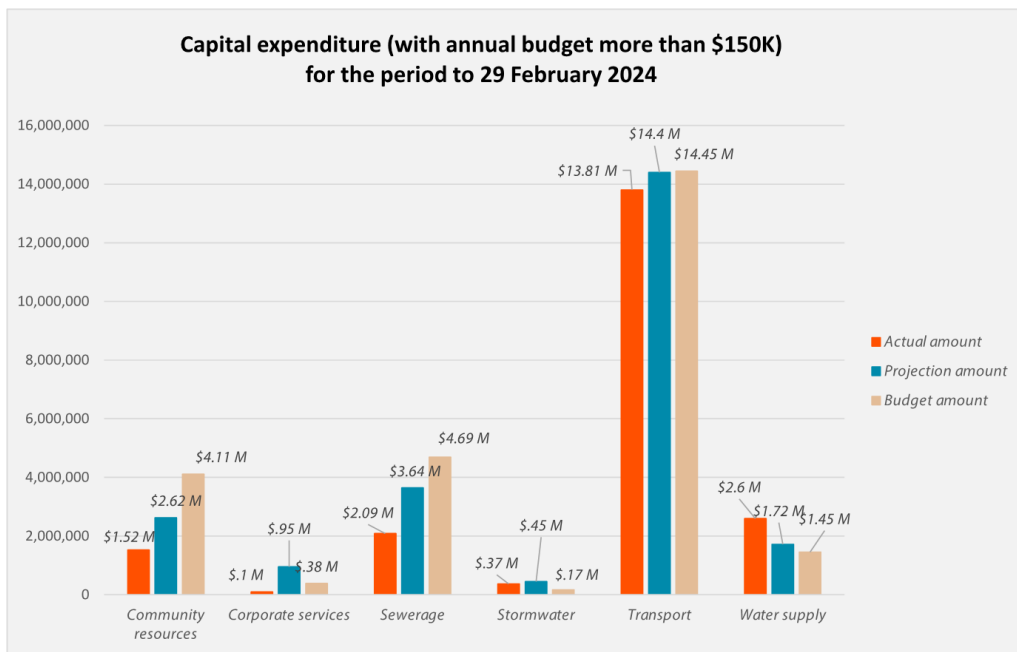
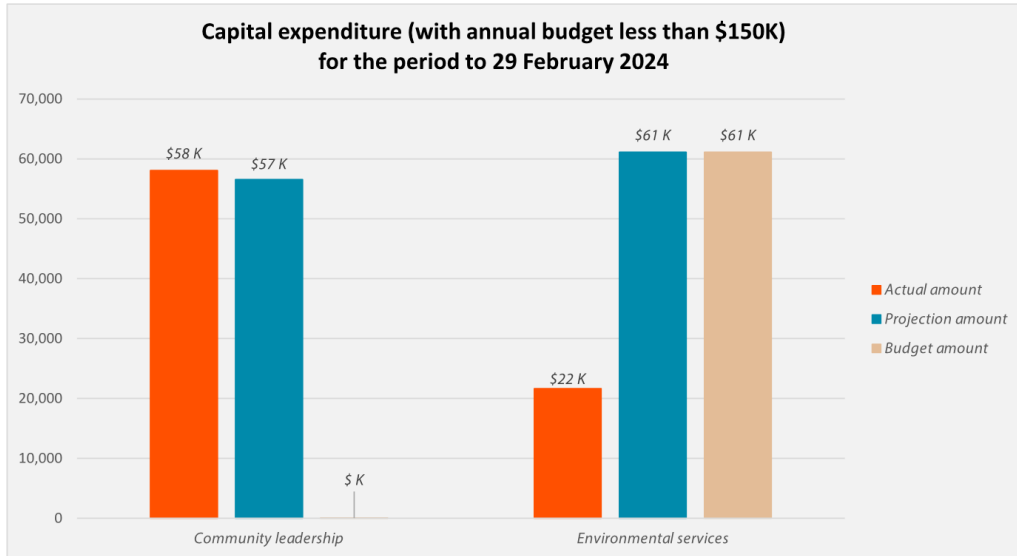


- **community leadership** operating expenditure is \$282K (4%) lower than projection. The underspend relates to lower staff costs, travel, training and general project costs incurred
- **community resources** operating expenditure is \$160K (1%) below projection. This is made up of a range of underspends across the various sub activities:
  - parks and reserves operating expenditure is under projection (\$187K) mainly due to the work only just starting on the Curio Bay master plan (\$50K) as well as an underspend in maintenance across the district. The community facilities team currently has no staff in the open spaces area and therefore our ability to keep on top of the scheduled work will be at risk until the current vacancies are replaced
  - lower fuel costs for SIESA than projected due mainly to the price per litre being less than budgeted.
  - streetscapes operating expenditure is \$95K under projection mainly due to lower maintenance costs in Te Anau (\$40K), lower gardening and maintenance project costs in Winton (\$5K) and a

- \$21K underspend on the Surfie statue in Colac Bay with a decision yet to be made on its repair/replacement
- lower toilet maintenance costs (\$45K)
  - library services operating expenditure is \$75K under projection mainly due to lower overall staff costs
  - other property operating expenditure is \$141K over projection due to increased commission and consultant costs relating to the Luxmore disposal as well as costs associated with other property sales which are yet to be recovered
  - community housing operating expenditure is \$74K over projection due to additional maintenance costs to refurbish units at Otautau, Riverton, Tuatapere and Wyndham. There may be more costs associated with unit refurbishments as tenants have indicated that they will be leaving. Any overspend at year end is expected to be funded from reserves
  - waste services is \$135K over projection due to increased kerbside collection costs and higher waste disposal costs.
  - **corporate services** operating expenditure is \$385K (2%) under projection which mainly relates to lower overall staff costs
  - **environmental services** operating expenditure is \$720K (9%) below projection due to lower staff costs resulting from staff vacancies in environmental health, resource planning and building solutions
  - **sewerage** operating expenditure is \$458K (6%) above projection due to higher maintenance costs as well as additional operating costs at Edendale/Wyndham resulting from damage to the site which will be recovered via an insurance claim. Reactive maintenance across all schemes is higher than budgeted
  - **stormwater** operating expenditure is \$61K (3%) under projection mainly due to condition assessment costs not yet being incurred. The underspend in the condition assessment budget has been spent on maintenance costs to remedy any issues identified in these condition assessments. It is expected that the full conditioning expenditure budget will be spent before the end of the financial year.
  - **transport** operating expenditure is \$537K (2%) over projection. Sealed and unsealed pavement and drainage maintenance are over projection due to the timing of the work being ahead of programme. Emergency re-instatement costs are above projection due to the September floods with additional funding being applied for with Waka Kotahi
  - **water supply** operating expenditure is \$357K (6%) over projection with increased costs to repair a pipe on Riverton bridge (\$148K) to be recovered by insurance. Rural water costs are higher than projection due to increased routine and unplanned maintenance required. Under the old operations and maintenance contract 10/01 there was an historic percentage of the total fixed portion of the contract cost allocated to rural waters, with the change to the new contract each job that is undertaken by Downer is assigned to a work order attached to a scheme and we are now seeing the actual true cost of maintaining these schemes

### Capital expenditure (CAPEX)

Capital expenditure for the eight month period to 29 February 2024 is \$3.3 million (14%) under projection (\$20.6 million actual vs \$23.9 million projection). The key reasons for the variances in each activity area are discussed below.



- community resources** capital costs are \$1 million (42%) below projection. \$315K of this is due to differences in the timing of playground projects in Lumsden, Ohai, Winton and Riverton which are behind projection. A further \$216K relates to the timing of construction of the Horseshoe Bay track project which is currently in progress. SIESA transmission and generation renewal programmes are \$228K below projection with this work expected to be completed by year end.
- corporate services** capital costs are \$853K (90%) below projection mainly due to the timing of the implementation of the new financial management information system with limited costs incurred to date. These are displayed under operating expenditure, as under current accounting rules, software related costs are recognised as operational rather than capital expenditure.

- **sewerage** capital costs are \$1.5 million (43%) below projection. The main variances relate to the Riversdale upgrade of which commissioning occurred on the 1<sup>st</sup> of March which final costs expected over the next month. The remaining variance relates to the timing of the projects for Winton and Balfour treatment plant with the wastewater infiltration upgrade package currently out to tender
- **stormwater** capital costs are \$79K (18%) under projection. The main variance is relation to Riverton and it is expected that the variance will flatten over the remaining months as projects continue
- **transport** capital costs are \$594K (4%) under projection with a range of unders and overs in footpaths, roading and the airport contributing to the variance as follows:
  - footpaths are under projection (\$619K) due to the timing of a number of projects which were expected to begin construction in February
  - roading bridge renewals are over projection by \$226K and we are still expecting to complete the programme at year end
  - roading pavement renewals are over projection (\$585K) due to prior year carry over work being undertaken and construction works commencing earlier than forecast
  - roading drainage renewals are under projection (\$944K) mainly because the budgets are expected to be needed to keep within the overall NZTA three year programme and therefore are planned to be used to offset higher maintenance costs (caused by inflationary pressures)
  - roading resurfacing are slightly behind (\$152K) however still on target to have all worked completed by 31 March
  - traffic services is \$41K under budget due to a slower start with road marking
  - airport costs are over projection (\$53K) due to crack sealing work being carried out to hold the runway over until it is sealed
- **water supply** capital costs are \$881K (51%) above projection. This is a timing difference with delivery of AC (asbestos cement) pipe renewals for Te Anau and Sinclair Ave Nightcaps stage 2 being completed ahead of planned.

**Council summary by Activity Group**

Southland District Council financial summary  
for the period to 29 February 2024

Operating income									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	6,836,699	6,611,188	6,394,849	225,511	3%	10,998,117	10,760,650	(237,467)	(2%)
Community resources	16,320,056	14,696,517	15,323,254	1,623,539	11%	22,434,786	23,509,254	1,074,468	5%
Corporate services	18,215,000	17,286,574	16,003,573	928,425	5%	24,903,703	23,610,640	(1,293,063)	(5%)
Environmental services	6,980,521	7,472,872	7,472,872	(492,351)	(7%)	11,561,684	11,522,744	(38,940)	(0%)
Sewerage	5,268,756	5,168,205	5,168,205	100,551	2%	7,777,307	7,777,307	0	0%
Stormwater	975,286	969,505	969,505	5,780	1%	1,484,258	1,484,258	(0)	(0%)
Transport	25,651,503	25,523,211	24,501,831	128,292	1%	42,166,772	40,174,826	(1,991,945)	(5%)
Water supply	4,397,264	4,465,477	4,465,477	(68,213)	(2%)	6,828,215	6,828,215	(0)	(0%)
<b>Total</b>	<b>\$84,645,085</b>	<b>\$82,193,549</b>	<b>\$80,299,565</b>	<b>2,451,536</b>	<b>3%</b>	<b>\$128,154,842</b>	<b>\$125,667,895</b>	<b>(2,486,947)</b>	<b>(2%)</b>
Operating expenditure									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	6,434,880	6,717,665	6,500,508	(282,785)	4%	11,172,351	10,804,039	(368,313)	(3%)
Community resources	15,674,329	15,834,432	15,630,380	(160,103)	1%	23,933,758	23,759,894	(173,863)	(1%)
Corporate services	15,998,450	16,384,118	15,632,567	(385,668)	2%	23,149,407	22,158,519	(990,888)	(4%)
Environmental services	7,076,694	7,797,081	7,694,127	(720,387)	9%	12,132,945	11,799,555	(333,390)	(3%)
Sewerage	7,654,478	7,195,849	7,195,849	458,629	(6%)	10,663,021	10,663,021	0	0%
Stormwater	1,707,907	1,768,604	1,768,604	(60,697)	3%	2,699,108	2,699,108	0	0%
Transport	29,863,599	29,326,577	28,970,208	337,021	(2%)	44,282,122	43,786,068	(496,054)	(1%)
Water supply	6,581,222	6,223,776	6,223,776	357,446	(6%)	9,232,397	9,232,397	(0)	(0%)
<b>Total</b>	<b>\$90,991,559</b>	<b>\$91,248,103</b>	<b>\$89,676,019</b>	<b>(256,544)</b>	<b>0%</b>	<b>\$137,265,108</b>	<b>\$134,902,600</b>	<b>(2,362,508)</b>	<b>(2%)</b>
<b>Net surplus/deficit</b>	<b>(\$6,346,474)</b>	<b>(\$9,054,553)</b>	<b>(\$9,376,455)</b>	<b>2,708,079</b>	<b>3%</b>	<b>(\$9,110,266)</b>	<b>(\$9,234,705)</b>	<b>(124,439)</b>	<b>(0%)</b>
Capital expenditure									
Activity	YTD					FYB			
	Actual amount	Projection amount	Budget amount	Variance	Var %	Projection amount	Budget amount	Variance	Var %
Community leadership	58,063	56,564	1	1,499	3%	106,564	50,001	(56,563)	(53%)
Community resources	1,524,950	2,624,486	4,114,020	(1,099,536)	(42%)	11,029,368	13,126,265	2,096,897	19%
Corporate services	97,260	950,530	379,741	(853,270)	(90%)	1,701,545	845,361	(856,184)	(50%)
Environmental services	21,662	61,117	61,117	(39,455)	(65%)	291,675	291,675	(0)	(0%)
Sewerage	2,087,563	3,641,467	4,689,249	(1,553,904)	(43%)	6,471,729	8,304,139	1,832,410	28%
Stormwater	370,672	450,036	167,228	(79,363)	(18%)	2,166,970	805,221	(1,361,749)	(63%)
Transport	13,805,931	14,400,254	14,445,172	(594,323)	(4%)	28,609,647	25,918,946	(2,690,701)	(9%)
Water supply	2,596,748	1,715,026	1,450,732	881,722	51%	5,267,342	4,735,904	(531,438)	(10%)
<b>Total</b>	<b>\$20,562,848</b>	<b>\$23,899,479</b>	<b>\$25,307,259</b>	<b>(3,336,631)</b>	<b>(14%)</b>	<b>\$55,644,840</b>	<b>\$54,077,512</b>	<b>(1,567,328)</b>	<b>(3%)</b>

<b>ACTIVITY GROUPS AND ACTIVITIES</b>						
This table details what is included in the various LTP activities used for this report						
<b>Activity</b>	<b>Community leadership</b>	<b>Community resources</b>	<b>Environmental services</b>	<b>Transport</b>	<b>Waste water (sewerage)</b>	<b>Water supply</b>
<b>Activity</b>	<p><b>Community assistance</b> (includes Community Partnership Fund which supports local initiatives and projects, along with grants and donations)</p> <p><b>Community futures</b> (includes district development services which includes community leadership, regional development funding and Stewart Island Visitor Levy)</p> <p><b>Representation and advocacy</b> (includes governance, elected members, elections and chief executive)</p>	<p><b>Community facilities</b> (includes public toilets, community centres/halls, office/library/amenity buildings and dump stations)</p> <p><b>Community services</b> (includes cemeteries, community housing and library services)</p> <p><b>Open spaces</b> (including parks, reserves, playgrounds and streetscapes)</p> <p><b>Waste services</b></p> <p><b>Stewart Island Electrical Supply Authority (SIESA)</b></p>	<p><b>Animal control</b></p> <p><b>Building solutions</b></p> <p><b>Emergency management</b></p> <p><b>Environmental health</b></p>	<p><b>Airport</b></p> <p><b>Cycle trails</b></p> <p><b>Footpaths</b></p> <p><b>Roading</b></p> <p><b>Water facilities</b> (includes boat ramps, Riverton Harbour and Stewart Island Jetties)</p>		
<p><b>Corporate services</b> (shared across all activities) Includes customer and corporate support (such as people and capability, communications, strategy and policy, finance, information management) and forestry.</p>						

## Statement of comprehensive income

Statement of comprehensive revenue and expenses for the period to 29 February 2024					
	YTD			FYB	
	Actual amount	Projection amount	Budget amount	Projection amount	Budget amount
<b>Revenue</b>					
Rates revenue	42,133,501	42,427,225	42,427,225	63,693,337	63,693,336
Other revenue	11,894,987	10,897,220	9,411,784	13,866,478	12,381,042
Interest and dividends	416,994	20,000	20,000	1,911,430	1,911,430
NZ Transport Agency funding	12,204,234	11,792,379	10,765,066	21,195,050	19,181,500
Grants and subsidies	1,512,284	1,567,248	2,114,192	3,845,371	4,791,822
Other gains/losses	451,113	231,500	177,740	937,627	818,047
Vested assets	0	0	0	0	0
Development and financial contributions	513	0	23,087	3,200	34,630
	<b>68,613,626</b>	<b>66,935,571</b>	<b>64,939,093</b>	<b>105,452,494</b>	<b>102,811,807</b>
<b>Expenditure</b>					
Employee benefit expense	13,081,445	14,086,080	14,086,080	20,102,126	20,102,126
Depreciation and amortisation	25,260,206	25,237,432	25,237,432	37,856,149	37,856,149
Finance costs	586,952	2,323,841	2,323,841	3,309,350	3,309,349
Other Council expenditure	36,031,497	34,342,771	32,668,194	53,295,135	50,778,888
	<b>74,960,100</b>	<b>75,990,125</b>	<b>74,315,548</b>	<b>114,562,760</b>	<b>112,046,512</b>
<b>Total comprehensive income</b>	<b>(6,346,474)</b>	<b>(9,054,553)</b>	<b>(9,376,455)</b>	<b>(9,110,266)</b>	<b>(9,234,705)</b>

### Note:

The revenue and expenditure in the comprehensive income statement does not reconcile to the total income and total expenditure reported in the Council summary by Activity Group on page 10 due to the elimination of the internal transactions. However, the net surplus/deficit (as per the Council summary by Activity Group) matches the total comprehensive income (as per the statement of comprehensive income).

The presentation of the statement of comprehensive income aligns with Council's Annual Report. The Annual Report is based on approved accounting standards. These standards require us to eliminate internal transactions. Council is also required to report by activities. A number of Council functions relate to a number of activities, eg finance. To share these costs, an internal transaction is generated between the finance business unit and the activity business units. Within the Annual Report, Council also prepares activity funding impact statements. These statements are prepared under the Financial Reporting and Prudence Regulations 2014. This regulation requires that internal charges and overheads recovered be disclosed separately. The Council summary by Activity Group is a summary of what these activity funding impact statements will disclose for income and expenditure at year end.

## Statement of financial position

Council's draft financial position as at 29 February 2024 is detailed below which covers Southland District Council and SIESA financial results. As such this differs from the comparative period (30 June 2023) Annual Report, which includes Council's share of Wastenet operations.

<b>Southland District Council</b>		
<b>Statement of financial position</b>		
<b>as at 29 February 2024</b>		
	<b>Actual</b>	<b>Actual</b>
	<b>29-Feb-24</b>	<b>30-Jun-23</b>
<b>Equity</b>		
Retained earnings	706,108,255	712,454,687
Asset revaluation reserves	1,390,862,558	1,390,862,558
Other reserves	42,744,916	42,744,916
Share revaluation	4,525,778	4,525,778
	<u><b>2,144,241,509</b></u>	<u><b>2,150,587,939</b></u>
<b>Represented by:</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,680,874	11,510,999
Trade and other receivables	2,568,944	8,062,475
Inventories	128,858	128,858
Other financial assets	11,104,188	1,954,188
Property, plant and equipment	-	-
	<u><b>17,482,865</b></u>	<u><b>21,656,520</b></u>
<b>Non-current assets</b>		
Property, plant and equipment	2,150,484,616	2,154,268,115
Intangible assets	4,569,527	4,597,266
Forestry assets	13,420,000	13,420,000
Internal loans	60,281,106	60,281,106
Work in progress	315,092	1,264,934
Investment in associates	2,083,367	2,083,367
Other financial assets	545,000	545,000
	<u><b>2,231,698,709</b></u>	<u><b>2,236,459,788</b></u>
<b>Total assets</b>	<u><b>2,249,181,573</b></u>	<u><b>2,258,116,309</b></u>
<b>Current liabilities</b>		
Trade and other payables	7,011,443	10,696,372
Deferred revenue	3,133,843	2,223,719
Contract retentions and deposits	659,120	514,957
Employee benefit liabilities	2,609,960	2,609,960
Development and financial contributions	1,065,337	1,023,000
Borrowings	-	0
Provisions	3,333	3,333
	<u><b>14,483,036</b></u>	<u><b>17,071,341</b></u>
<b>Non-current liabilities</b>		
Employment benefit liabilities	10,502	10,502
Provisions	8,365,422	8,365,422
Internal loans - liability	60,281,106	60,281,106
Borrowings	21,800,000	21,800,000
	<u><b>90,457,029</b></u>	<u><b>90,457,029</b></u>
<b>Total liabilities</b>	<u><b>104,940,064</b></u>	<u><b>107,528,370</b></u>
<b>Net assets</b>	<u><b>2,144,241,509</b></u>	<u><b>2,150,587,939</b></u>



## Statement of cash flows

Statement of cashflows for the period to 29 February 2024		
	2023/24	2023/24
	YTD Actual	FY AP Budget
<b>Cash flows from operating activities</b>		
Receipts from rates revenue	47,372,900	63,693,337
Receipts from other revenue (including NZTA)	25,441,756	35,830,994
Cash receipts from interest and dividends	416,994	1,911,430
Payments to suppliers and employees	(51,478,178)	(70,486,381)
Interest paid	(586,952)	(3,309,350)
GST general ledger (net)	201,369	-
<b>Net cash inflow (outflow) from operating activities</b>	<b>21,367,889</b>	<b>27,640,031</b>
<b>Cash flows from investing activities</b>		
Receipts from sale of PPE	451,113	348,047
(Increase)/decrease other financial assets	(9,150,000)	-
Purchase of property, plant and equipment	(20,526,865)	(54,077,512)
Purchase of forestry assets	-	-
Acquisition of investments	-	85,159
Purchase of intangible assets	27,739	-
<b>Net cash inflow (outflow) from investing activities</b>	<b>(29,198,013)</b>	<b>(53,644,306)</b>
<b>Cash Flows from financing activities</b>		
Increase in term loans	-	27,344,237
Repayment of term loans	-	-
Increase/(decrease) finance leases	-	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>-</b>	<b>27,344,237</b>
Net increase/(decrease) in cash and cash equivalents	<b>(7,830,124)</b>	<b>1,339,963</b>
Cash and cash equivalents at the beginning of the year	11,510,999	236,232
Cash and cash equivalents at the end of February	3,680,875	1,576,195

**Cash and cash equivalents**

- At 29 February 2024, Council had \$1,190 cash on hand.
- Funds on call at 29 February 2024:

Funds on call				
	Amount	Bank	Account	Interest rate
SDC	\$ 2,937,862	BNZ	Funds on call	1.25%
	\$ 10,000	BNZ	Operating bank acc	0.05%
	\$ 629,587	BNZ	Restricted funds acc	0.05%
SIESA	\$ 102,235	BNZ	Funds on call	0.05%
<b>Total</b>	<b>\$ 3,679,684</b>			

Reconciliation to statement of financial position	Amount
<b>Cash and cash equivalents</b>	
<i>Current assets</i>	
SDC Cash on hand (Note 1)	\$ 1,190
Funds on call (Note 2)	\$ 3,679,684
<b>Total cash and cash equivalents per the statement of financial</b>	<b>\$ 3,680,874</b>

**Other financial assets**

- At 29 February 2024, Council had three term deposits.

SDC Investments - Term Deposit				
Bank	Amount	Interest Rate	Date Invested	Maturity Date
ANZ	\$ 2,000,000.00	5.65%	27-Feb-24	19-Mar-24
ANZ	\$ 3,000,000.00	5.85%	27-Feb-24	18-Apr-24
Westpac	\$ 4,500,000.00	4.85%	28-Feb-24	19-Mar-24
<b>Total</b>	<b>\$ 9,500,000</b>			

- At 29 February 2024, SIESA had \$1.1 million invested in four term deposits as follows:

SIESA investments - term deposits				
Bank	Amount	Interest rate	Date invested	Maturity date
BNZ	\$ 250,000	6.10%	5-Sep-23	5-Apr-24
BNZ	\$ 370,000	6.35%	1-Jun-23	4-Jun-24
BNZ	\$ 300,000	6.02%	12-Jan-24	12-Jul-24
BNZ	\$ 250,000	5.90%	2-Feb-24	2-Aug-24
<b>Total</b>	<b>\$ 1,170,000</b>			

- At 29 February 2024, Council had \$545,000 of LGFA borrowers notes as follows:

Financial report – February 2024

LGFA Bonds				
	Amount	Interest Rate	Establishment date	Maturity Date
LGFA	\$ 210,000	3.14%	15-Dec-21	15-Apr-36
LGFA	\$ 210,000	3.10%	15-Dec-21	15-May-35
LGFA	\$ 87,500	5.48%	12-Apr-23	8-Jul-24
LGFA	\$ 37,500	5.97%	17-Apr-23	8-Jul-24
<b>Total</b>	<b>\$ 545,000</b>			

Reconciliation to statement of financial position	Amount
<b>Other financial assets</b>	
<i>Current assets</i>	
SDC Investments (Note 3)	\$ 9,500,000
SIESA Investments (Note 4)	\$ 1,170,000
Loans - community	\$ -
Civic Assurance shares	\$ 12,191
Milford Sound Tourism shares	\$ 421,997
<b>Total current financial assets per the statement of financial position</b>	<b>\$ 11,104,188</b>
<i>Non - Current assets</i>	
LGFA bonds (Note 5)	\$ 545,000
Loan advances - Development contributions	-\$ 0
<b>Total non-current financial assets per the statement of financial position</b>	<b>\$ 545,000</b>

## External Borrowings

SDC Borrowings				
Lender	Amount	Interest Rate	Date Drawdown	Maturity Date
LGFA	\$ 3,500,000	5.48%	12-Apr-23	8-Jul-24
LGFA	\$ 1,500,000	5.97%	17-Apr-23	8-Jul-24
LGFA	\$ 8,400,000	3.49%	15-Dec-21	15-Apr-36
LGFA	\$ 8,400,000	3.45%	15-Dec-21	15-May-35
<b>Total</b>	<b>\$ 21,800,000</b>			

Reconciliation to statement of financial position	Amount
<b>Borrowings</b>	
<i>Current liabilities</i>	
Borrowings	\$ -
<i>Non-current liabilities</i>	
Borrowings	\$ 21,800,000
<b>Total borrowings per the statement of financial position</b>	<b>\$ 21,800,000</b>

Page | 16

**Compliance with Council policies**

Council's Investment and Liability Management Policy states that Council can invest no more than \$10 million with one bank. Investments and funds on call at 29 February 2024, comply with the SDC Investment and Liability Management Policy (\$4,849,684 invested in BNZ).