



Notice is hereby given that a meeting of the Finance and Assurance Committee will be held on:

Date: 27 August 2025
Time: 10am
Meeting room: Council Chamber
Venue: Level 2
20 Don Street
Invercargill

Finance and Assurance Committee Agenda OPEN

MEMBERSHIP

Chairperson	Bruce Robertson
Deputy chair	Mayor Rob Scott
Councillors	Jaspreet Boparai
	Don Byars
	Derek Chamberlain
	Paul Duffy
	Darren Frazer
	Sarah Greaney
	Julie Keast
	Christine Menzies
	Tom O'Brien
	Margie Ruddenklau
	Jon Spraggon
	Matt Wilson

IN ATTENDANCE

Group manager finance and assurance	Anne Robson
Committee advisor	Rachael Poole

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Full agendas **are available on Council's** website
www.southlanddc.govt.nz

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.

Terms of Reference – Finance and Assurance Committee

TYPE OF COMMITTEE	Council standing committee
RESPONSIBLE TO	Council
SUBCOMMITTEES	None
LEGISLATIVE BASIS	Committee constituted by Council as per schedule 7, clause 30 (1)(a), LGA 2002. Committee delegated powers by Council as per schedule 7, clause 32, LGA 2002.
MEMBERSHIP	The mayor, all councillors and one external appointee.
FREQUENCY OF MEETINGS	Quarterly or as required
QUORUM	Seven members
SCOPE OF ACTIVITIES	<p>The Finance and Assurance committee is responsible for:</p> <ul style="list-style-type: none"> ensuring that Council has appropriate financial, risk management and internal control systems in place that provide: <ul style="list-style-type: none"> an overview of the financial and non-financial performance of the organisation effective management of potential opportunities and adverse effects reasonable assurance as to the integrity and reliability of Council's financial and non-financial reporting. exercising active oversight of information technology systems exercising active oversight of Council's health and safety policies, processes, compliance, results and frameworks relationships with external, internal auditors, banking institutions and insurance brokers. <p>The Finance and Assurance committee will monitor and assess the following:</p> <ul style="list-style-type: none"> the financial and non-financial performance of Council against budgeted and forecasted outcomes consideration of forecasted changes to financial outcomes Council's compliance with legislative requirements Council's risk management framework Council's control framework Council's compliance with its treasury responsibilities Council's compliance with its Fraud Policy.
DELEGATIONS	<p>The Finance and Assurance committee shall have the following delegated powers and be accountable to Council for the exercising of these powers.</p> <p>In exercising the delegated powers, the Finance and Assurance committee will operate within:</p> <ul style="list-style-type: none"> policies, plans, standards or guidelines that have been established and approved by Council

- the overall priorities of Council
- the needs of the local communities
- the approved budgets for the activity.

The Finance and Assurance committee will have responsibility and delegated authority in the following areas:

Financial and performance monitoring

- a) monitoring financial performance to budgets
- b) monitoring service level performance to key performance indicators.

Internal control framework

- a) reviewing whether Council's approach to maintaining an effective internal control framework is sound and effective
- b) reviewing whether Council has taken steps to embed a culture that is committed to probity and ethical behaviour
- c) reviewing whether there are appropriate systems, processes and controls in place to prevent, detect and effectively investigate fraud.

Internal reporting

- a) to consider the processes for ensuring the completeness and quality of financial and operational information being provided to Council
- b) to seek advice periodically from internal and external auditors regarding the completeness and quality of financial and operational information that is provided to the Council.

External reporting and accountability

- a) agreeing the appropriateness of Council's existing accounting policies and principles and any proposed change
- b) enquiring of internal and external auditors for any information that affects the quality and clarity of Council's financial statements and statements of service performance, and assess whether appropriate action has been taken by management in response to the above
- c) satisfying itself that the financial statements and statements of service performance are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control (ie letters of representation), and recommend signing of the financial statements by the chief executive/mayor and adoption of the Annual Report, Annual Plans, Long Term Plans

Risk management

- a) reviewing whether Council has in place a current, comprehensive and effective risk management framework and associated procedures for effective identification and management of the Council's significant risks
- b) considering whether appropriate action is being taken to mitigate Council's significant risks.

Health and safety

	<ul style="list-style-type: none"> a) review, monitor and make recommendations to Council on the organisations health and safety risk management framework and policies to ensure that the organisation has clearly set out its commitments to manage health and safety matters effectively. b) review and make recommendations for Council approval on strategies for achieving health and safety objectives c) review and recommend for Council approval targets for health and safety performance and assess performance against those targets d) monitor the organisation's compliance with health and safety policies and relevant applicable law e) ensure that the systems used to identify and manage health and safety risks are fit for purpose, being effectively implemented, regularly reviewed and continuously improved. This includes ensuring that Council is properly and regularly informed and updated on matters relating to health and safety risks f) seek assurance that the organisation is effectively structured to manage health and safety risks, including having competent workers, adequate communication procedures and proper documentation g) review health and safety related incidents and consider appropriate actions to minimise the risk of recurrence h) make recommendations to Council regarding the appropriateness of resources available for operating the health and safety management systems and programmes i) any other duties and responsibilities which have been assigned to it from time to time by Council. <p>Internal audit</p> <ul style="list-style-type: none"> a) approve appointment of the internal auditor, internal audit engagement letter and letter of understanding b) reviewing and approving the internal audit coverage and annual work plans, ensuring these plans are based on Council's risk profile c) reviewing the adequacy of management's implementation of internal audit recommendations d) reviewing the internal audit charter to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place. <p>External audit</p> <ul style="list-style-type: none"> a) confirming the terms of the engagement, including the nature and scope of the audit, timetable and fees, with the external auditor at the start of each audit
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	<p>b) receiving the external audit report(s) and review action(s) to be taken by management on significant issues and audit recommendations raised within</p> <p>c) enquiring of management and the independent auditor about significant business, political, financial and control risks or exposure to such risks.</p> <p>Compliance with legislation, standards and best practice guidelines</p> <p>a) reviewing the effectiveness of the system for monitoring Council's compliance with laws (including governance legislation, regulations and associated government policies), with Council's own standards, and best practice guidelines as applicable</p> <p>b) conducting and monitoring special investigations, in accordance with Council policy, and reporting the findings to Council</p> <p>c) monitoring the performance of Council organisations, in accordance with the Local Government Act.</p> <p>Business case review</p> <p>a) review of the business case of work, services, supplies, where the value of these or the project exceeds \$2 million (GST exclusive) or the value over the term of the contract exceeds \$2 million (GST exclusive).</p> <p>Insurance</p> <p>a) consider Council's insurance requirements, considering its risk profile</p> <p>b) approving the annual insurance renewal requirements</p> <p>Treasury</p> <p>a) oversee the treasury function of Council ensuring compliance with the relevant Council policies and plans</p> <p>b) ensuring compliance with the requirements of Council's trust deeds are met</p> <p>c) recommend to Council treasury policies at least every three years.</p> <p>d) approve debt, interest rate and external investment management strategy.</p> <p>Fraud Policy</p> <p>a) receive and consider reports relating to the investigation of suspected fraud</p> <p>b) monitor the implementation of the Fraud Policy.</p> <p>Power to recommend</p> <p>The Finance and Assurance committee is responsible for considering and making recommendations to Council regarding:</p> <p>a) policies relating to risk management, rating, loans, funding and purchasing</p>
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	<p>b) accounting treatments, changes in generally accepted accounting practice, and new accounting and reporting requirements</p> <p>c) the approval of financial and non-financial performance statements including adoption of the Annual Report, Annual Plans and Long Term Plans.</p> <p>The Finance and Assurance committee is responsible for considering and making recommendations to Council on business cases completed under the 'Power to act' section above.</p>
FINANCIAL DELEGATIONS	<p>Council authorises the following delegated authority of financial powers to Council committees in regard to matters within each committee's jurisdiction.</p> <p>Contract acceptance:</p> <ul style="list-style-type: none"> accept or decline any contract for the purchase of goods, services, capital works or other assets where the total value of the lump sum contract does not exceed the sum allocated in the Long Term Plan/Annual Plan and the contract relates to an activity that is within the scope of activities relating to the work of the Finance and Assurance committee accept or decline any contract for the disposal of goods, plant or other assets other than property or land that is provided for in the Long Term Plan <p>Budget reallocation.</p> <p>The committee is authorised to reallocate funds from one existing budget item to another. Reallocation of this kind must not impact on current or future levels of service and must be:</p> <ul style="list-style-type: none"> funded by way of savings on existing budget items within the jurisdiction of the committee consistent with the Revenue and Financing Policy.
LIMITS TO DELEGATIONS	<p>Matters that must be processed by way of recommendation to Council include:</p> <ul style="list-style-type: none"> amendment to fees and charges relating to all activities powers that cannot be delegated to committees as per the Local Government Act 2002 and sections 2.4 and 2.5 of this manual. <p>Delegated authority is within the financial limits in section 9 of this manual.</p>
RELATIONSHIPS WITH OTHER PARTIES	<p>The committee shall maintain relationships with each of the nine community boards.</p> <p>Professional advisors to the committee shall be invited to attend all meetings of the committee including:</p> <ul style="list-style-type: none"> external auditor internal auditor/risk advisor (if appointed) chief financial officer. <p>At each meeting, the chairperson will provide the external auditor and the internal auditor/risk advisor (if appointed) with an opportunity to discuss any matters with the committee without management being present. The chairperson shall request the chief</p>

	<p>executive and staff in attendance to leave the meeting for the duration of the discussion. The chairperson will provide minutes for that part of the meeting.</p> <p>The chief executive and the chief financial officer shall be responsible for drawing to the committee's immediate attention any material matter that relates to the financial condition of Council, material breakdown in internal controls and any material event of fraud.</p> <p>The committee shall provide guidance and feedback to Council on financial performance, risk and compliance issues.</p> <p>The committee will report to Council as it deems appropriate but no less than twice a year.</p>
CONTACT WITH MEDIA	<p>The committee chairperson is the authorised spokesperson for the committee in all matters where the committee has authority or a particular interest.</p> <p>Committee members, including the chairperson, do not have delegated authority to speak to the media and/or outside agencies on behalf of Council on matters outside of the committee's delegations.</p> <p>The chief financial officer will manage the formal communications between the committee and its constituents and for the committee in the exercise of its business. Correspondence with central government, other local government agencies or other official agencies will only take place through Council staff and will be undertaken under the name of Southland District Council.</p>

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1 Apologies

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

2 Leave of absence

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

3 Conflict of interest

Committee members are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a member 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 committee 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 minutes

5.1 Meeting minutes of Finance and Assurance Committee, 25 June 2025

5.2 Meeting minutes of Extraordinary Finance and Assurance Committee, 18 July 2025

6 Public participation

Notification to speak is required by 12noon at least one clear day before the meeting. Further information is available at www.southlanddc.govt.nz or by phoning 0800 732 732.



Finance and Assurance Committee

OPEN MINUTES

(UNCONFIRMED)

Minutes of a meeting of Finance and Assurance Committee held in the Council Chamber, Level 2, 20 Don Street, Invercargill on Wednesday, 25 June 2025 at 10am. (10.01am – 4.17pm)

PRESENT

Chairperson	Bruce Robertson (1.02pm – 2.04pm)
Deputy chair	Mayor Rob Scott
Councillors	Jaspreet Boparai
	Don Byars (1.02pm – 3.34pm)
	Derek Chamberlain (10.01am – 3.58pm)
	Paul Duffy (10.08am – 4.17pm)
	Darren Frazer (1.02pm – 2.04pm)
	Sarah Greaney
	Julie Keast (10.01am – 3.51pm)
	Christine Menzies
	Tom O'Brien
	Margie Ruddenklau
	Jon Spraggon via audiovisual link
	Matt Wilson via audiovisual link

IN ATTENDANCE

Group manager finance and assurance	Anne Robson
Committee advisor	Rachael Poole

1 Apologies

An apology for lateness was received from Cr Byars who would be arriving at 1pm.
Cr Frazer made an apology as he would be leaving at 3pm.

Moved Chairperson Robertson, seconded Cr Ruddenklau and resolved:

That the Finance and Assurance Committee accept the apologies.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of interest

Chair Robertson stated that he has a relationship interest with item C8.4 Investment Opportunity, but that this would not impact his ability to chair this item.

4 Extraordinary/urgent items

Item C8.4 – Investment opportunity.

The reason that this was a late item was staff were waiting on additional information when the agenda was run and this report cannot wait until the next Finance and Assurance meeting as a decision for next steps is required prior to the next Finance and Assurance meeting to allow for allocation of staff resources, if required.

5 Confirmation of minutes

Resolution

Moved Chairperson Robertson, seconded Deputy chairperson Scott and resolved:

That the Finance and Assurance Committee confirms the minutes of the meeting held on 14 May 2025 as a true and correct record of that meeting.

6 Public participation

There was no public participation.

REPORTS

7.1 FINANCE AND ASSURANCE COMMITTEE WORK PLAN FOR THE YEAR ENDED 30 JUNE 2025

RECORD NO: R/25/6/29203

GM FINANCE AND ASSURANCE, ANNE ROBSON SPOKE TO THIS REPORT AND UPDATED THE COMMITTEE ON ANY CHANGES TO THE WORKPLAN.

RESOLUTION

MOVED CHAIRPERSON ROBERTSON, SECONDED CR FRAZER AND RESOLVED:

THAT THE FINANCE AND ASSURANCE COMMITTEE:

- A) **RECEIVES THE REPORT TITLED “FINANCE AND ASSURANCE COMMITTEE WORK PLAN FOR THE YEAR ENDED 30 JUNE 2025”**
- B) NOTES AMENDMENTS MADE TO THE WORKPLAN.

DURING THE ABOVE DISCUSSION, CR DUFFY ARRIVED AT 10.08AM.

7.2 B2B PROJECT UPDATE

RECORD NO: R/25/6/27735

PROJECT DIRECTOR, JENDI PATERSON AND CHIEF EXECUTIVE ADVISOR, JANE PARFITT SPOKE TO THIS REPORT AND UPDATED THE COMMITTEE ON PROGRESS WITH THE BACK TOGETHER BUILD (B2B) PROJECT, I

THE TOTAL BUDGET ALLOCATED FOR THIS PROJECT IS \$15 MILLION. AS OF THE END OF MAY THE TOTAL EXPENDITURE TO DATE STANDS AT \$3,391,288.

THE COMMITTEE HAVE REQUESTED TIME WITH THE ARCHITECT WHICH STAFF WILL COORDINATE.

RESOLUTION

MOVED CR GREANEY, SECONDED DEPUTY CHAIRPERSON SCOTT

THAT THE FINANCE AND ASSURANCE COMMITTEE:

- A) RECEIVES THE REPORT TITLED **“HENDERSON HOUSE REFURBISHMENT UPDATE”**.
- B) DETERMINES THAT THIS MATTER OR DECISION BE RECOGNISED AS NOT SIGNIFICANT IN TERMS OF SECTION 76 OF THE LOCAL GOVERNMENT ACT 2002.
- C) DETERMINES THAT IT HAS COMPLIED WITH THE DECISION-MAKING PROVISIONS OF THE LOCAL GOVERNMENT ACT 2002 TO THE EXTENT NECESSARY IN RELATION TO THIS DECISION; AND IN ACCORDANCE WITH SECTION 79 OF THE ACT DETERMINES THAT IT DOES NOT REQUIRE FURTHER

INFORMATION, FURTHER ASSESSMENT OF OPTIONS OR FURTHER ANALYSIS OF COSTS AND BENEFITS OR ADVANTAGES AND DISADVANTAGES PRIOR TO MAKING A DECISION ON THIS MATTER.

D) NOTES THIS REPORT IS FOR INFORMATION ONLY AS IT FORMS AN UPDATE.

7.3 HEALTH AND SAFETY UPDATE

RECORD NO: R/25/6/28982

ORGANISATIONAL HEALTH AND SAFETY MANAGER, DAVE MCCONE SPOKE TO THIS REPORT AND UPDATED THE COMMITTEE ON HEALTH AND SAFETY RELATED EVENTS AND ACTIVITY FROM THE LAST QUARTER.

RESOLUTION

MOVED CR KEAST, SECONDED DEPUTY CHAIRPERSON SCOTT AND RESOLVED:
THAT THE FINANCE AND ASSURANCE COMMITTEE:

A) **RECEIVES THE REPORT TITLED “HEALTH AND SAFETY UPDATE” DATED 16 JUNE 2025 AND ATTACHED APPENDICES.**

7.4 NEW ZEALAND TRANSPORT AGENCY INVESTMENT AUDIT REPORT FOR THE PERIOD 2021/2022 TO 2023/2024

RECORD NO: R/25/5/22012

STRATEGIC MANAGER TRANSPORT, HARTLEY HARE AND GM INFRASTRUCTURE AND CAPITAL DELIVERY, FRAN MIKULICIC SPOKE TO THIS REPORT AND UPDATED THE COMMITTEE ON THE AUDIT FINDINGS AND HOW STAFF HAVE AND WILL ADDRESS THE RECOMMENDATIONS (FOUR) FROM THE AUDIT.

RESOLUTION

MOVED CR BOPARAI, SECONDED CR KEAST AND RESOLVED:
THAT THE FINANCE AND ASSURANCE COMMITTEE:

A) **RECEIVES THE REPORT TITLED “NEW ZEALAND TRANSPORT AGENCY INVESTMENT AUDIT REPORT FOR THE PERIOD 2021/2022 TO 2023/2024”.**

7.5 NEW ROAD MAINTENANCE CONTRACTS

RECORD NO: R/25/6/29067

ROADING ENGINEER, BEN WHELAN AND STRATEGIC MANAGER TRANSPORT, HARTLEY HARE SOUGHT ENDORSEMENT FROM THE COMMITTEE TO PROCEED WITH A REPORT TO COUNCIL SUPPORTING THE DEVELOPMENT AND PROCUREMENT OF NEW ROADING NETWORK MANAGEMENT, OPERATION AND MAINTENANCE ALLIANCES IN LINE WITH THE OUTCOME FROM THE 17A REVIEW.

WHILE A FULL PROCUREMENT PLAN NEEDS TO BE WORKED THROUGH, IT IS PROPOSED THAT A TWO-STAGE INTERACTIVE PROCESS BE IN ACCORDANCE WITH COUNCIL AND NZTA PROCUREMENT DOCUMENTS. IT IS ALSO PROPOSED TO RETAIN THE PROVISION THAT NO SINGLE CONTRACTOR CAN BE AWARDED ALL THREE REGIONS.

RESOLUTION

MOVED DEPUTY CHAIRPERSON SCOTT, SECONDED CR BOPARAI AND RESOLVED:
THAT THE FINANCE AND ASSURANCE COMMITTEE:

- A) **RECEIVES THE REPORT TITLED “NEW ROAD MAINTENANCE CONTRACTS”.**
- B) DETERMINES THAT THIS MATTER OR DECISION BE RECOGNISED AS NOT SIGNIFICANT IN TERMS OF SECTION 76 OF THE LOCAL GOVERNMENT ACT 2002.
- C) DETERMINES THAT IT HAS COMPLIED WITH THE DECISION-MAKING PROVISIONS OF THE LOCAL GOVERNMENT ACT 2002 TO THE EXTENT NECESSARY IN RELATION TO THIS DECISION; AND IN ACCORDANCE WITH SECTION 79 OF THE ACT DETERMINES THAT IT DOES NOT REQUIRE FURTHER INFORMATION, FURTHER ASSESSMENT OF OPTIONS OR FURTHER ANALYSIS OF COSTS AND BENEFITS OR ADVANTAGES AND DISADVANTAGES PRIOR TO MAKING A DECISION ON THIS MATTER.
- D) RECOMMENDS TO COUNCIL TO APPROVE PROCUREMENT WORK PROCEED TO THE TENDER STAGE FOR THE NEW ROADING ALLIANCE MAINTENANCE CONTRACT AND THAT THE RESULTS OF THE TENDER EVALUATION PROCESS BE REPORTED BACK TO COUNCIL FOR CONSIDERATION OF AWARDING A CONTRACT.
- E) REQUEST A ROADING WORKPLAN IS CREATED AND REPORTED ON TO GIVE A BETTER UNDERSTANDING OF THE ROAD MAINTENANCE CONTRACTS.

CR RUDDENKLAU LEFT THE MEETING AT 11.09AM AND RETURNED AT 11.11AM.

7.6 RISK MANAGEMENT - JUNE 2025 QUARTERLY UPDATE

RECORD NO: R/24/12/74711

RISK ANALYST, JANE EDWARDS SPOKE TO THIS REPORT TO SUBMIT THE JUNE 2025 QUARTERLY RISK MANAGEMENT REPORT FOR CONSIDERATION BY THE FINANCE AND ASSURANCE COMMITTEE AND SEEK RECOMMENDATION TO COUNCIL FOR THE ADOPTION OF COUNCIL'S PROPOSED PRIORITY STRATEGIC RISKS, TO BECOME EFFECTIVE IN AUGUST 2025.

RESOLUTION

MOVED DEPUTY CHAIRPERSON SCOTT, SECONDED CR O'BRIEN AND RESOLVED:
THAT THE FINANCE AND ASSURANCE COMMITTEE:

- A) **RECEIVES THE REPORT TITLED "RISK MANAGEMENT - JUNE 2025 QUARTERLY UPDATE".**
- B) DETERMINES THAT THIS MATTER OR DECISION BE RECOGNISED AS NOT SIGNIFICANT IN TERMS OF SECTION 76 OF THE LOCAL GOVERNMENT ACT 2002.
- C) DETERMINES THAT IT HAS COMPLIED WITH THE DECISION-MAKING PROVISIONS OF THE LOCAL GOVERNMENT ACT 2002 TO THE EXTENT NECESSARY IN RELATION TO THIS DECISION; AND IN ACCORDANCE WITH SECTION 79 OF THE ACT DETERMINES THAT IT DOES NOT REQUIRE FURTHER INFORMATION, FURTHER ASSESSMENT OF OPTIONS OR FURTHER ANALYSIS OF COSTS AND BENEFITS OR ADVANTAGES AND DISADVANTAGES PRIOR TO MAKING A DECISION ON THIS MATTER.
- D) NOTES THOSE RISKS CURRENTLY ASSESSED AS OF GREATER ISSUE FOR THE JUNE 2025 QUARTER.
- E) RECOMMENDS TO COUNCIL THE ADOPTION OF THE PROPOSED PRIORITY STRATEGIC RISK AREAS AS FOLLOWS, TO BECOME EFFECTIVE 1 AUGUST 2025:
 - I. ADVERSE EVENT – THE RISK THAT COUNCIL IS UNABLE TO APPROPRIATELY RESPOND TO THE CONSEQUENCES OF A NATURAL OR HUMAN-INDUCED EVENT IMPACTING THE DISTRICT LEADING TO A LOSS OF CRITICAL SERVICE CONTINUITY
 - II. CHANGE – THE RISK THAT COUNCIL HAS INADEQUATE ADAPTABILITY TO RESPOND TO A CONTINUOUSLY CHANGING ENVIRONMENT IMPACTING ITS ABILITY TO ACHIEVE THE BEST OUTCOMES FOR THE DISTRICT
 - III. CLIMATE RESPONSE – THE RISK THAT COUNCIL FAILS TO APPROPRIATELY ADAPT TO, OR MITIGATE THE EFFECTS OF, A CHANGING CLIMATE LEADING TO SIGNIFICANT FINANCIAL, ECONOMIC, AND SOCIAL IMPACTS

- IV. CYBER SECURITY – **THE RISK THAT COUNCIL'S SYSTEMS DO NOT HAVE** THE RESILIENCE TO PROTECT INFORMATION ASSETS FROM CYBER-ATTACK AND/OR ERROR
- V. DECISION MAKING – THE RISK THAT SUBOPTIMAL DECISION MAKING BY COUNCIL RESULTS IN MISALIGNMENT WITH COMMUNITY NEEDS AND/OR EXPECTATIONS, OR WITH STATUTORY OBLIGATIONS
- VI. FINANCE – THE RISK THAT COUNCIL FAILS TO MANAGE ITS FINANCIAL SUSTAINABILITY IMPACTING ITS ABILITY TO FUND ESSENTIAL SERVICES AND PROJECTS NOW AND IN THE FUTURE
- VII. HEALTH, SAFETY, AND WELLBEING – THE RISK THAT COUNCIL IS UNABLE TO MANAGE THE HEALTH, SAFETY, AND WELLBEING OF STAFF, CONTRACTORS, AND THE COMMUNITY WHERE REASONABLY PRACTICABLE TO DO SO
- VIII. SOCIAL LICENCE – THE RISK THAT COUNCIL FAILS TO MAINTAIN ACCEPTABLE LEVELS OF SATISFACTION AND SOCIAL LICENCE WITHIN THE COMMUNITY LEADING TO A LOSS OF MANDATE TO ACT ON ITS BEHALF
- IX. STRATEGIC RELATIONSHIPS – THE RISK THAT COUNCIL FAILS TO APPROPRIATELY MAINTAIN ITS LOCAL, REGIONAL, AND NATIONAL RELATIONSHIPS IMPACTING ITS ABILITY TO ACHIEVE ITS OBJECTIVES

7.7 ANNUAL PLAN 2025/2026 RECOMMENDED ADOPTION

RECORD NO: R/25/5/24739

FINANCE DEVELOPMENT CO-ORDINATOR, NICOLE TAYLOR AND TEAM LEADER COMMUNICATIONS, CHRIS CHILTON SPOKE TO THIS REPORT AND REQUESTED THE FINANCE AND ASSURANCE COMMITTEE TO REVIEW THE FINAL DRAFT OF THE ANNUAL PLAN 2025/2026 AND RECOMMEND ITS ADOPTION TO COUNCIL.

THE REPORT ALSO REQUESTS THAT THE COMMITTEE ENDORSE AND RECOMMEND THAT COUNCIL APPROVE UNBUDGETED EXPENDITURE IN 2025/2026 FOR NEW LEVIES TO FUND THE WATER SERVICES REGULATION ACTIVITIES BY THE WATER SERVICES AUTHORITY – TAUMATA AROWAI.

RESOLUTION

MOVED CR KEAST, SECONDED DEPUTY CHAIRPERSON SCOTT AND RESOLVED:
THAT THE FINANCE AND ASSURANCE COMMITTEE:

- A) **RECEIVES THE REPORT TITLED “ANNUAL PLAN 2025/2026 RECOMMENDED ADOPTION”.**
- B) DETERMINES THAT THIS MATTER OR DECISION BE RECOGNISED AS NOT SIGNIFICANT IN TERMS OF SECTION 76 OF THE LOCAL GOVERNMENT ACT 2002.
- C) DETERMINES THAT IT HAS COMPLIED WITH THE DECISION-MAKING PROVISIONS OF THE LOCAL GOVERNMENT ACT 2002 TO THE EXTENT NECESSARY IN RELATION TO THIS DECISION; AND IN ACCORDANCE WITH SECTION 79 OF THE ACT DETERMINES THAT IT DOES NOT REQUIRE FURTHER INFORMATION,

FURTHER ASSESSMENT OF OPTIONS OR FURTHER ANALYSIS OF COSTS AND BENEFITS OR ADVANTAGES AND DISADVANTAGES PRIOR TO MAKING A DECISION ON THIS MATTER.

- D) NOTES THAT COUNCIL CONFIRMED THE FEES AND CHARGES FOR INCLUSION IN THE ANNUAL PLAN 2025/2026 AT ITS MEETING ON 28 MAY 2025.
- E) NOTES THAT COUNCIL RECEIVED THE FINANCIAL INFORMATION FOR THE ANNUAL PLAN 2025/2026 AT ITS 5 MARCH 2025 MEETING, AND RESOLVED NOT TO CONSULT, AS THE PLAN DOES NOT CONTAIN SIGNIFICANT OR MATERIAL CHANGES FROM YEAR TWO OF THE LONG TERM PLAN 2024–2034.
- F) NOTES THAT THE ANNUAL PLAN 2025/2026 (ATTACHMENT A) REMAINS MATERIALLY UNCHANGED FROM THE VERSION CONSIDERED ON 5 MARCH 2025.
- G) NOTES AFTER CONSIDERING THE MATTERS OUTLINED IN SECTION 100 OF THE LOCAL GOVERNMENT ACT 2002, THAT THE ANNUAL PLAN 2025/2026 PROJECTS OPERATING REVENUES THAT ARE INSUFFICIENT TO FULLY MEET OPERATING EXPENSES TO ACHIEVE A BALANCED OPERATING BUDGET AND **ACKNOWLEDGES THAT THIS IS IN LINE WITH COUNCIL'S LONG TERM PLAN 2024–2034** AND PREVIOUS POLICY DECISIONS REGARDING THE PARTIAL FUNDING OF DEPRECIATION RECOGNISING THAT COUNCIL REMAINS COMMITTED TO RETURNING TO A BALANCED BUDGET BY 2031/2032.
- H) RECOMMENDS TO COUNCIL THE ADOPTION OF THE ANNUAL PLAN 2025/2026 (ATTACHMENT A).
- I) ENDORSES AND RECOMMENDS THAT COUNCIL APPROVE UNBUDGETED EXPENDITURE FOR THE WATER SERVICES AUTHORITY – TAUMATA AROWAI, LEVIES OF \$131,699 (EXCL GST) TO BE FUNDED BY THE INTEREST EARNED ON THE WATER AND WASTEWATER DEVELOPMENT CONTRIBUTIONS.

CR RUDDENKLAU AND CR CHAMBERLAIN REQUESTED THEIR DISSENTING VOTES BE RECORDED.

DURING THE ABOVE DISCUSSION CR DUFFY LEFT THE MEETING AT 11.25AM AND RETURNED AT 11.27AM.

7.8 FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2025
RECORD NO: R/25/6/28487

FINANCIAL ACCOUNTANT, JO HOOPER SPOKE TO THIS REPORT AND GAVE THE FINANCE AND ASSURANCE COMMITTEE AN OVERVIEW OF THE FINANCIAL RESULTS FOR THE TEN MONTHS TO 30 APRIL 2025.

RESOLUTION

MOVED DEPUTY CHAIRPERSON SCOTT, SECONDED CR KEAST AND RESOLVED:

THAT THE FINANCE AND ASSURANCE COMMITTEE:

- A) **RECEIVES THE REPORT TITLED “FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2025”**
- B) DETERMINES THAT THIS MATTER OR DECISION BE RECOGNISED AS NOT SIGNIFICANT IN TERMS OF SECTION 76 OF THE LOCAL GOVERNMENT ACT 2002
- C) ACKNOWLEDGES AN INCONSISTENT DECISION, IN THAT COUNCIL IS NOT CURRENTLY MEETING ITS INTEREST RATE EXPOSURE THRESHOLDS FOR YEAR FOUR TO YEAR FIVE DUE TO THE MATURITY DATES OF SOME LOANS. FUTURE DEBT FUNDING WILL BE ALIGNED WITH THE THRESHOLDS REQUIRED. NOTING THAT COUNCIL HAS PREVIOUSLY AGREED TO CONSIDER THIS ISSUE AND ANY CHANGES NECESSARY AS PART OF THE INVESTMENT AND LIABILITY POLICY REVIEW.

DURING THE ABOVE DISCUSSION CR WILSON LEFT THE MEETING AT 11.51AM AND RETURNED AT 11.57AM.

ITEM 7.10 WAS MOVED FORWARD IN THE AGENDA TO BE THE NEXT ITEM.

7.10 INVESTMENT AND LIABILITY MANAGEMENT POLICY REVIEW

RECORD NO: R/25/6/28790

FINANCIAL ACCOUNTANT JO HOOPER AND BRETT JOHANSEN FROM PWC PRESENTED THE DRAFT INVESTMENT AND LIABILITY MANAGEMENT POLICY TO FINANCE AND ASSURANCE FOR ITS CONSIDERATION AND ENDORSEMENT TO COUNCIL FOR ADOPTION.

OVERALL, THE KEY CHANGES TO THE POLICY INCLUDE:

- CLARIFYING THE POLICY REQUIREMENTS, INCLUDING BETTER GUIDANCE AROUND INVESTMENT OF RESERVES, AND THE BORROWING CONTROLS AND LIMITS, TO MINIMISE NON-COMPLIANCE AREAS.
- INCREASING THE MAXIMUM AMOUNT ALLOWED IN ANY ONE BANK INCLUDING THE OPTION OF INVESTING IN SBS
- UPDATE DEFINITIONS TO BE CONSISTENT WITH REGULATIONS.
- UPDATING THE REPORTING REQUIREMENTS, ROLES AND RESPONSIBILITIES

RESOLUTION

MOVED CR RUDDENKLAU, SECONDED CR GREANEY AND RESOLVED:

THAT THE FINANCE AND ASSURANCE COMMITTEE:

- RECEIVES THE REPORT TITLED “INVESTMENT AND LIABILITY MANAGEMENT POLICY REVIEW”.**
- DETERMINES THAT THIS MATTER OR DECISION BE RECOGNISED AS NOT SIGNIFICANT IN TERMS OF SECTION 76 OF THE LOCAL GOVERNMENT ACT 2002.
- DETERMINES THAT IT HAS COMPLIED WITH THE DECISION-MAKING PROVISIONS OF THE LOCAL GOVERNMENT ACT 2002 TO THE EXTENT NECESSARY IN RELATION TO THIS DECISION; AND IN ACCORDANCE WITH SECTION 79 OF THE ACT DETERMINES THAT IT DOES NOT REQUIRE FURTHER INFORMATION, FURTHER ASSESSMENT OF OPTIONS OR FURTHER ANALYSIS OF COSTS AND BENEFITS OR ADVANTAGES AND DISADVANTAGES PRIOR TO MAKING A DECISION ON THIS MATTER.
- ENDORSES AND RECOMMENDS TO COUNCIL THE DRAFT INVESTMENT AND LIABILITY MANAGEMENT POLICY AS INCLUDED IN ATTACHMENT A

Public excluded

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

Resolution

Moved Cr Keast, seconded Cr Ruddenklau and resolved:

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

C8.1 Annual insurance renewal (for the year 1 July 2025 to 30 June 2026)

C8.2 Cyber security update - March 2025 to June 2025

C8.3 Water services facilities and hygiene audits

C8.4 Investment Opportunity

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Annual insurance renewal (for the year 1 July 2025 to 30 June 2026)	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Cyber security update - March 2025 to June 2025	s7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public. s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Water services facilities and hygiene audits	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. s7(2)(g) - maintain legal professional privilege. s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
Investment Opportunity	s7(2)(b)(ii) - the withholding of the information is necessary to protect	That the public conduct of the whole or the relevant part of the

	information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.
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The public were excluded at 12.32pm.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The Finance and Assurance Committee meeting was adjourned at 12.32pm and reconvened in public excluded at 1.02pm.

The Finance and Assurance meeting returned to public at 4.17pm

Moved Deputy chairperson Scott, seconded Cr Boparai and resolved that item 7.9 - Draft Insurance Policy is moved to a later meeting due to the late time of day.

The meeting concluded at 4.17pm.

Confirmed as a true and correct record of a meeting of the Finance and Assurance Committee held on Wednesday 25 June 2025.

DATE:

CHAIRPERSON:



Extraordinary Finance and Assurance Committee

OPEN MINUTES

(UNCONFIRMED)

Minutes of a meeting of Extraordinary Finance and Assurance Committee held in the Council Chamber, Level 2, 20 Don Street, Invercargill on 18 July 2025 at 1pm (1pm – 2.50pm).

PRESENT

Chairperson	Bruce Robertson
Deputy chairperson	Mayor Rob Scott
Councillors	Jaspreet Boparai via audiovisual link
	Don Byars
	Derek Chamberlain via audiovisual link
	Paul Duffy
	Darren Frazer via audiovisual link
	Julie Keast
	Christine Menzies
	Tom O'Brien via audiovisual link
	Margie Ruddenklau via audiovisual link
	Jon Spraggon via audiovisual link
	Matt Wilson via audiovisual link

APOLOGIES

Sarah Greaney

IN ATTENDANCE

Group manager finance and assurance	Anne Robson
Committee advisor	Rachael Poole

1 Apologies

An apology for non attendance was received from Sarah Greaney.

Moved Chairperson Robertson, seconded Cr Keast and resolved:

That the Finance and Assurance Committee accepts the apology.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of interest

There were no conflicts of interest declared.

4 Extraordinary/urgent items

There were no extraordinary/urgent items.

5 Public participation

There was no public participation.

Public excluded

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

Resolution

Moved Chairperson Robertson, seconded Deputy Mayor Menzies and resolved:

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

C6.1 Rakiura/Stewart Island renewable energy project

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Rakiura/Stewart Island renewable energy project	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of

	<p>who supplied or who is the subject of the information.</p> <p>s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>information for which good reason for withholding exists.</p>
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The public were excluded at 1.02pm.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting returned to public at 2.50pm.

The meeting concluded at 2.50pm.

Confirmed as a true and correct record of a meeting of the Finance and Assurance Committee held on 18 July 2025.

DATE:

CHAIRPERSON:

Finance and Assurance Committee work plan for the year ended 30 June 2026

Record No: R/25/6/29203

Author: Rachael Poole, Committee advisor

Approved by: Anne Robson, Group manager finance and assurance

☐ Decision

☐ Recommendation

☒ Information

Purpose

1. To update the Committee on the status of the work programme discussed and agreed at the 19 March 2025 meeting for the financial year ending 30 June 2026.
2. As noted at the meeting the adoption of the work plan does not preclude the Committee or staff from including additional reports as and when required.
3. As the year proceeds, the work plan will be updated to incorporate the actual dates reports are being presented where that differs to the work plan adopted. For the committee's information the "X" in red shows the date the report was presented, where this differs from what was approved in the work plan or if it is a new report that will be presented on an annual basis. If there is a black "X" on the same line as a red "X", the black "X" indicates the date agreed by the committee. The "X" in green reflects changes identified to the ongoing work plan since it was adopted. The "X" in blue reflects a report that has been removed permanently.
4. Added to the workplan for this meeting are the following reports
 - Capital delivery programme update – June 2025
 - Community facilities contract renewal update
 - Manapouri wastewater treatment plant and pipeline business case and unbudgeted expenditure request.
5. The insurance policy carried forward from the last meeting due to time constraints will be moved to the 29 September quarterly meeting.
6. The Interim Performance report included in the 29 September meeting, has now been incorporated into the draft Annual Report on the agenda today so will be deleted from this date.
7. The workplan adopted for this year had planned for an October Committee meeting. With the inclusion of a meeting in August this October meeting is no longer required and has been removed, with the reports for that date, moved to the September meeting.
8. The update on the 17A review has been added to the September meeting.

Recommendation

That the Finance and Assurance Committee:

- a) **receives the report titled “Finance and Assurance Committee work plan for the year ended 30 June 2026”**
- b) notes amendments made to the workplan.

Attachments

A Finance and Assurance Workplan to 30 June 2026 [↓](#) 

Finance and Assurance Committee workplan to 30 June 2026

Content	27 Aug 2025	29 Sep 2025	Dec 2025	Feb 2026	Mar 2026	Jun 2026
2026/27 Annual Plan – Timetable		X				
2026/27 Annual Plan – accounting policies		X				
2026/27 Annual Plan – significant forecasting assumptions		X				
2026/27 Annual Plan – workshop (if required)						
2026/27 Annual Plan – Recommend draft annual plan to Council				X		
2026/27 Annual Plan – Recommendation adoption to Council						X
Quarterly Risk Report		X	X		X	X
Health & Safety Update including H&S events dashboard		X	X		X	X
Financial Monthly Report			X		X	X
Follow up on audit action points		X	X		X	X
Cyber security update		X	X		X	X
Interim Performance Report		X	X		X	
Budget carry forward requests 2024/25 into 2025/26		X				
2024/25 Annual Report – agree report ready for audit	X	X				
2024/25 Annual Report – management representation letter		X				
2024/25 Annual Report – recommend adoption by Council		X				
2024/25 Annual Report – final audit management report		X				
2025/26 Annual Report – Audit Timetable					X	
2025/26 Annual Report – accounting policies					X	
2025/26 Annual Report – Deloitte engagement and fee proposal letter					X	
2025/26 Debenture Trust Engagement Letter					X	
Analysis of actual results to forecast for year end 30 June 25		X				
Forecast Financial Position					X	
Financial Transactional Team Update Report to 30 June 2026		X				
Determine Finance & Assurance meeting Content 26/27					X	
Insurance - renewal approval		X				X

Content	27 Aug 2025	29 Sept 2025	Oct 2025	Dec 2025	Feb 2026	Mar 2026	June 2026
Internal Audit Terms of Reference				X			X
Internal Audit Final Report				X			X
Commercial infrastructure – forestry harvest plan 2026/2027							X
Road management and maintenance of current contracts renewals for Waimea, Central and Foveaux alliance.							X
Delivery of the project work programme 2025 - 26				X			
People and Culture update		X		X		X	X
B2B project update		X		X		X	X
Community facilities – mowing, gardening and cleaning contracts				X			
Update on 17a review		X					
Capital delivery programme update – June 2025	X						
Communities facilities contract renewal update	X						
Manapouri wastewater treatment plant and pipeline business case and unbudgeted expenditure request	X						

Community facilities contract renewal update

Record no: R/25/8/40873

Author: Mark Day, Community facilities manager

Approved by: Sam Marshall, Group manager customer and community wellbeing

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 To update Council on the planned procurement process for the renewal of community facilities maintenance contracts across the district and to seek direction on a potential direct procurement approach in a small number of instances.

Executive summary

- 2 This report provides Council with an update on the procurement strategy for renewing community facilities maintenance contracts across Southland District. These contracts cover mowing, gardening, litter collection services, toilet and office cleaning in more than 30 townships. The renewal process provides an opportunity to improve contract structure, strengthen performance monitoring and increase support for local participation, while maintaining service consistency across the district.
- 3 The proposed procurement model includes a revised contract packaging structure based on both activity type and geographic area, allowing flexibility for both local and regional providers. A detailed review of current levels of service has been completed with all nine community boards, with feedback used to inform contract scopes and expectations.
- 4 Improvements to contract management systems, including new performance dashboards and quarterly reviews, will support better oversight and accountability. A contractor support programme has also been developed to reduce barriers for smaller or first time suppliers through tailored guidance and pre-tender sessions.
- 5 **Staff also seek Council's direction on whether direct procurement may be appropriate in limited, low value cases where local capacity is constrained and community board support is evident.**
- 6 Work is continuing to ensure responsibilities between roading, stormwater and community facilities are clarified where necessary through cross departmental coordination and clearer accountability within contract scopes.
- 7 The proposed procurement approach is designed to reflect community priorities, support local capability, and position Council for consistent, high quality service delivery across the district.

Recommendation

That Finance and Assurance Committee:

- a) **receives the report titled “Community facilities contract renewal update”.**
- b) determines that this matter or decision be recognised not significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) provides feedback and recommendations as appropriate to Council on the proposed procurement approach outlined in this report for the renewal of community facilities maintenance contracts.
- e) provides feedback and recommendations as appropriate to Council on the potential for direct procurement to be considered in specific instances where contract values are under \$50,000, subject to market testing and community board support.

Background

- 8 Southland District Council (SDC) currently contracts out a range of community facility services including mowing, gardening, toilet cleaning, office cleaning, and litter collection across more than 30 townships. A detailed breakdown of the current service delivery by community board area is appended as Attachment A.
- 9 These services are primarily delivered by larger regional contractors, alongside a small number of local businesses and community groups. While there is a strong desire to increase opportunities for local participation, staff acknowledge the continued importance of experienced providers in delivering reliable, district wide services. The renewed procurement approach aims to maintain high standards while adapting the process to make participation more accessible to smaller contractors where appropriate.
- 10 This report also outlines the implementation of the internal "Community Facilities Contract Plan" (June 2025), a strategic planning document that sets out:
 - consultation with community boards
 - review of levels of service and current contract performance
 - proposed contract packaging and structure (mowing, cleaning, arboriculture)
 - key timelines and performance expectations
 - risk and audit considerations
- 11 Engagement with the nine community boards has included a review of current service levels, identification of areas for improvement, and a commitment to ensure community feedback

informs final contract scopes. The plan supports a phased and structured approach to market engagement, allowing for both open competition and tailored support for local suppliers.

- 12 As part of this renewal process, staff undertook a structured review of Levels of Service in consultation with all nine community boards. Feedback has been broadly consistent across the district and reflects the following themes:
 - Mowing and gardening: expectations have generally remained the same, although there is increased interest in improved frequency or quality in high profile areas (e.g. town entrances, war memorials)
 - Public toilets and cleaning: most communities have expressed satisfaction with current standards but are seeking greater responsiveness during peak visitor periods
 - Litter collection: some towns are requesting minor frequency increases, especially near community hubs or during events
 - Flexibility: a common theme has been the desire for Council to retain the ability to respond quickly to seasonal demand or local priorities.
- 13 These insights are shaping the contract scopes and performance expectations, ensuring future delivery aligns more closely with evolving community needs.
- 14 The procurement process must balance service quality, value for money, and fairness in access to opportunities. In response, staff have designed a procurement model that promotes participation and builds capability.

Existing contracts

- 15 SDC currently holds multiple contracts for the delivery of mowing, gardening, cleaning, and litter collection services across its network of parks, cemeteries, town centres, and public facilities. These contracts are predominantly delivered by established regional providers, as well as a small number of local operators and community based organisations.
- 16 The current contract structure has remained largely consistent for several years, with most agreements set to expire 30 June 2026. While performance across many areas has been strong, particularly in terms of reliability and consistency, feedback from community boards and internal reviews has identified areas for improvement, particularly around responsiveness to local needs, clarity of responsibilities, and opportunities for smaller contractors to participate.
- 17 This contract renewal process presents an opportunity to address those issues by reshaping the structure and packaging of services. It aims to retain the strengths of the current model while introducing greater flexibility, clearer accountability, and a stronger alignment with community expectations and local capacity.

Consideration of direct procurement for low value contracts

- 18 The new contract model will group services into logical activity streams (e.g. mowing, gardening, cleaning, litter collection) while allowing separable portions by geographic area to support both regional providers and local suppliers.
- 19 The contract structure will include:
 - activity based packages: mowing and gardening will be separated from cleaning and litter collection to reflect differing scopes and contractor capabilities

- geographic clusters: contracts will be bundled by township or community board area. Contractors may bid for individual areas or multiple groupings, depending on their capacity
- hybrid opportunities: in some locations, combined contracts (e.g. mowing and gardening) will be offered to reflect practical delivery efficiencies or local provider strengths.

Consideration of direct procurement for low value contracts

- 20 While the majority of community facilities maintenance contracts will proceed through a competitive open market process, staff acknowledge there may be limited circumstances where direct procurement offers a more efficient and locally appropriate outcome. In particular, community boards have identified that in some small townships or specialist areas, existing providers may be best placed to continue service delivery, especially where the contract value is relatively low and local capacity or competition is limited.
- 21 To support this, staff seek Council's guidance on whether direct procurement could be considered in cases where:
- the total annual contract value is below \$50,000
 - the community board supports the direct engagement of a known local provider via recommendation
 - market testing or pricing validation confirms the proposal represents good value for money
 - the contractor has demonstrated satisfactory past performance, and the scope is well defined.
- 22 Allowing this flexibility within clear parameters could streamline delivery in a small number of unique cases without compromising transparency or performance expectations. Council's position on this matter will help inform how staff engage with community boards in the coming months. Note this does align with SDC Procurement Policy and Buyers Guide.

Proposed procurement approach

- 23 To ensure the contract renewal process is responsive, transparent, and delivers value for money, staff have developed a procurement approach that is both structured and adaptable. The model is informed by feedback from community boards, internal lessons learned, and a review of how services have been delivered to date. It focuses on supporting both continuity of quality service and increasing accessibility for local contractors.

1. Enabling local participation

To support a broader range of supplier participation, contracts will be designed with separable portions that align with individual townships or community board areas. This structure enables local contractors who may lack the capacity to service the entire district to submit proposals for specific locations they are familiar with and are confident in their ability to deliver. It also reflects community feedback about the importance of local knowledge, responsiveness, and accountability. While larger regional contractors will still have the ability to bid for larger groupings or multiple areas, this flexible packaging increases the opportunity for local economic development.

2. Removing barriers

Recognising that government procurement processes can be challenging particularly for small or first time bidders, staff will run a series of pre tender drop in sessions across each community board area. These sessions are intended to demystify the process and provide prospective contractors with practical, hands on support. Attendees will receive assistance with navigating the Government Electronic Tender Service (GETS) platform, understanding the scope documents, and

preparing pricing schedules. Council's Health and Safety Advisor will be available to explain the approved contractor process and assist with prequalification requirements. To further support participation, staff will prepare simplified guidance documents, templated responses, and offer printed materials on request to reduce digital barriers.

3. Clear expectations and performance monitoring

All contracts will include a consistent, clearly defined performance framework built on a set of standardised Key Performance Indicators (KPIs). The KPI model will cover three key areas:

- contract administration – focusing on timely and accurate reporting, financial compliance, and health and safety systems
- service delivery – measuring the timeliness, quality and completeness of scheduled tasks such as mowing or cleaning
- customer experience – monitoring request for service (RFS) responsiveness, complaint handling and community satisfaction.

- 24 Contractor performance will be reviewed monthly with formal quarterly assessments. This ensures early identification of risks, provides a basis for continuous improvement, and supports accountability across all contracts. High performing contractors who consistently meet or exceed their KPI thresholds will be eligible for performance based contract extensions or renewals, rewarding excellence and continuity of service.

Contractor support and communications plan

- 25 To support a wide and equitable pool of contractors, to participate in the upcoming procurement process, staff have developed a dedicated contractor support and communications programme. This initiative is designed to reduce barriers to entry, particularly for smaller or first time suppliers, and to ensure all potential bidders have access to the resources and information they need to participate effectively.

Key components of the programme include

- drop in information sessions to be hosted in each community board area in the weeks prior to the tender release. These sessions will offer an informal, approachable space for contractors to ask questions, receive early guidance, and meet Council staff
- health and safety advisor participation at each session to walk contractors through the approved contractor registration process and address health and safety requirements early
- one on one support appointments available with the procurement officer for contractors needing extra help in understanding GETS or completing the tender documentation
- hard copy information packs available on request, including draft scope summaries and pricing examples, to assist contractors with limited digital access or procurement experience
- simplified supporting resources such as FAQs, step by step tipsheets, and a contact directory to guide contractors through the procurement process.

- 26 This support will be well communicated and promoted to maximise awareness and attendance and will be tailored to reflect local feedback received during community board consultation. While all contractors must meet Council's standard criteria and performance expectations, the intent is to reduce unnecessary complexity and empower a broader range of suppliers to engage with confidence.

Lessons learned and risk management

- 27 Reflecting on the delivery and performance of current and previous community facilities contracts, staff have identified a number of key lessons to inform this renewal process. These insights have been drawn from both internal review and contractor feedback and are shaping how the new contracts are designed and procured.

Notable improvements include

- clearer scope definitions and role boundaries, helping ensure alignment between Council expectations, contractor responsibilities, and actual deliverables. This aims to eliminate ambiguity and reduce misunderstandings over task ownership
 - stronger performance monitoring and audit frameworks, enabling issues to be identified and addressed more proactively. Quarterly reviews and structured reporting will support ongoing improvement and compliance
 - inclusion of minor works and renewal elements within contract scopes, to allow greater responsiveness to small scale upgrades or maintenance needs throughout the contract term
 - formalised onboarding and induction processes for new contractors, providing clearer expectations, procedural guidance, and relationship building at the outset
 - procurement and contract design that supports local participation, including smaller contract packages, plain language documentation, and community specific engagement.
- 28 To manage risks associated with contractor performance, service continuity, and market responsiveness, Council will take a proactive role in oversight and communication. Structured transition planning will be undertaken ahead of contract start dates to minimise disruption. The combination of clear expectations, consistent engagement, and performance incentives will help ensure reliable service delivery across the district.

Contract management and oversight improvements

- 29 A parallel workstream is underway to strengthen internal contract management systems and support improved supervision and oversight. Key initiatives include
- establishment of a standardised contract manager induction and handover framework for all new and renewed contracts
 - development of a new contract dashboard for performance tracking, integrating KPI monitoring, RFS responsiveness, and budget reporting
 - quarterly contract performance review meetings with each contractor, documented through a consistent evaluation template
 - centralisation of site inspection protocols and Health and Safety compliance assessments under a single internal audit calendar.
- 30 These improvements will ensure greater consistency, transparency, and accountability, and will equip contract managers with better tools to drive service excellence.

Resolving accountability gaps between departments

- 31 A long standing operational issue has been the lack of clarity around who is responsible for mowing, spraying, and weed control across some boundary areas especially where activities overlap between roading, stormwater, and community facilities teams. A specific case raised was in the Wyndham town centre, where confusion has led to inconsistent outcomes.

32 To address this, the following actions are being progressed:

- across departmental mapping exercise is underway to identify all “grey areas” and confirm accountability by activity and location
- service scopes in the new community facilities contracts will include a responsibility matrix that clarifies ownership and escalation pathways.

Factors to consider

Legal and statutory requirements

33 All procurement activities will be undertaken in accordance with the Southland District Council Procurement Policy and relevant statutory requirements under the Local Government Act 2002. Where direct procurement is proposed, appropriate due diligence, value for money validation, and transparency requirements will be followed to ensure compliance and auditability.

Community views

Engagement with community boards has played a central role in shaping the contract scope and structure. Local feedback has strongly supported the inclusion of smaller and community based contractors and requested greater responsiveness and accountability in service delivery. This report responds to those expectations while ensuring operational consistency across the district.

Costs and funding

34 The existing budgets to cover the cost of the current contracts have been approved through the 2024-2034 Long Term Plan. These will need to be reviewed once the new contracts have been evaluated and awarded, staff may have to go back to the community boards for additional funding. If this is above their financial delegation, they will need to make a recommendation to Council to approve additional funding.

Policy implications

35 **The procurement approach aligns with Council’s procurement policy, community facilities AMP, and strategic objectives around supporting local economic development and enhancing service delivery outcomes.**

Analysis

Options considered

Analysis of options

Option 1 – Proceed with the procurement and support programme as proposed

Advantages

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • builds in lessons learned from current contracts • supports local contractor participation and economic development • encourages transparency and fairness in procurement 	<ul style="list-style-type: none"> • requires additional upfront staff time and support resources • may result in more complex contract management due to greater contractor diversity • some smaller contracts may still fail to attract local interest despite support efforts

<ul style="list-style-type: none"> • improves accountability through a consistent KPI based framework • responds to community board feedback and local needs. 	
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Option 2 – Maintain current contract model without redesign or additional support

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • minimal change required, low additional staff effort • maintains continuity with current providers. 	<ul style="list-style-type: none"> • missed opportunity to address responsiveness and local capability concerns • limits opportunity for new or smaller contractors to participate • does not address current service delivery gaps or scope clarity issues • risks reputational impact if community feedback is not reflected.

Recommended option

- 36 That Council proceed with option one, adopting the revised procurement model and contractor support programme as outlined. This approach promotes community aligned service delivery, ensures transparency, and provides a practical pathway for both regional and local contractors to contribute effectively.

Next steps

- 37 Should Council approve the recommendation staff will work to complete the tender process in throughout the remainder of 2025 and into early 2026.

Attachments

- A Breakdown of current township contracts [↓](#) 

CB Area	Town	Mowing	Current Contractor	Gardening	Current Contractor	Toilet Cleaning	Current Contractor	Office Cleaning	Current Contractor	Street Litter Bin collection	Current Contractor
Ardlussa	Balfour	Yes	Balfour Progress League	Yes	Balfour Lions	Yes	Southroads	No		Yes	Balfour School
	Waikaia	Yes	Waikaia Progress League	No		Yes	Local Museum	No		Yes	Local shop looks after the bin.
	Riversdale	Yes	McDonoughs Contracting	Yes	Amenity Contracting	Yes	Community Center	No		Yes	Southroads
	Taylor Park	Yes	McDonoughs Contracting	No		No		No		No	

CB Area	Town	Mowing	Current Contractor	Gardening	Current Contractor	Toilet Cleaning	Current Contractor	Office Cleaning	Current Contractor	Street Litter Bin collection	Current Contractor
Northern	Athol	Yes	McDonoughs Contracting	Yes	CMT	Yes	South Roads	No		No	
	Garston	Yes	McDonoughs Contracting	No		Yes	South Roads	No		Yes	Southroads
	Mossburn	Yes	McDonoughs Contracting	Yes	CMT	Yes	South Roads	No		Yes	Southroads
	Lumsden	Yes	McDonoughs Contracting	Yes	CMT	Yes	South Roads	Yes	OCS	Yes	Southroads

CB Area	Town	Mowing	Current Contractor	Gardening	Current Contractor	Toilet Cleaning	Current Contractor	Office Cleaning	Current Contractor	Street Litter Bin collection	Current Contractor
Fiordland	Te Anau	Yes	Amenity Contracting	Yes	Amenity Contracting	Yes	OCS	Yes	OCS	Yes	Amenity Contracting
	Manapouri	Yes	Amenity Contracting	Yes	Amenity Contracting	Yes	OCS	No		Yes	Amenity Contracting
	Lynwood Cemetery	Yes	Amenity Contracting							Yes	Amenity Contracting

CB Area	Town	Mowing	Current Contractor	Gardening	Current Contractor	Toilet Cleaning	Current Contractor	Office Cleaning	Current Contractor	Street Litter Bin collection	Current Contractor
Tuatapere Te Waewae	Monkey Island	Yes	Delta	No		Yes	Southroads	No		Yes	Southroads
	Gem Stone Beach	No		No		No		No		Yes	Southroads

	Monowai	Yes	Amenity Contracting	No		Yes	Southroads	No		No	
	Orepuki	Yes	Delta	Yes	CMT	Yes	Southroads	No		Yes	Southroads
	Tuatapere	Yes	Delta	Yes	Elaine Charlton and CMT	Yes	Southroads	No		Yes	Southroads
	Clifden	Yes	Delta	No		Yes	Southroads	No		No	
	Cosy Nook					Yes	Southroads	No		Yes	Southroads
	Fishermans Toilet/Te Waewae					Yes	Southroads	No		No	

CB Area	Town	Mowing	Current Contractor	Gardening	Current Contractor	Toilet Cleaning	Current Contractor	Office Cleaning	Current Contractor	Street Litter Bin collection	Current Contractor
Stewart Island	Oban	Yes	Fulton Hogan	Yes	Melinda Barnsdale and CMT	Yes	Fulton Hogan	Yes	Staff ?	Yes	Fulton Hogan

CB Area	Town	Mowing	Current Contractor	Gardening	Current Contractor	Toilet Cleaning	Current Contractor	Office Cleaning	Current Contractor	Street Litter Bin collection	Current Contractor
Oraka Aprima	Colac Bay	Yes	Delta	No		Yes	Fulton Hogan	No		Yes	Southroads
	Garden Bay	No		No		No		No		Yes	Southroads
	Fairfax	Yes	Delta	No		No		No		No	
	Riverton	Yes	Delta	Yes	CMT	Yes	Fulton Hogan	Yes	OCS	Yes	Southroads
	Thornbury	Yes	Delta	No		Yes	Fulton Hogan	No		Yes	Southroads

CB Area	Town	Mowing	Current Contractor	Gardening	Current Contractor	Toilet Cleaning	Current Contractor	Office Cleaning	Current Contractor	Street Litter Bin collection	Current Contractor
Oreti	Browns	Yes	Delta	Yes	CMT	No		No			
	Dunsdale	Yes	Delta	No		Yes	Delta	No		No	
	Dipton	Yes	Delta	Yes	CMT	Yes	Southroads	No		Yes	Southroads
	Drummond	Yes	Delta	Yes	CMT	No		No		Yes	Southroads
	Limehills	Yes	Delta	No		No		No			
	Waianiwa	Yes	Delta	No		No		No			
	Wallacetown	Yes	Delta	Yes	Scarecrow & CMT	Yes	Local Garage	No		Yes	Southroads
	Winton	Yes	Delta	Yes	Neville McPherson	Yes	Southroads	Yes	OCS	Yes	Southroads

CB Area	Town	Mowing	Current Contractor	Gardening	Current Contractor	Toilet Cleaning	Current Contractor	Office Cleaning	Current Contractor	Street Litter Bin collection	Current Contractor
Wallace Takitimu	Nightcaps	Yes	Delta	Yes	Neville McPherson	Yes	Southroads	No		Yes	Southroads
	Ohai	Yes	Delta	No		Yes	Southroads	No		Yes	Southroads
	Otautau	Yes	Delta	Yes	Tom Dahlenburg	Yes	Southroads	Yes	OCS	Yes	Southroads
	Wairio	Yes	Delta	No		No		No		No	

CB Area	Town	Mowing	Current Contractor	Gardening	Current Contractor	Toilet Cleaning	Current Contractor	Office Cleaning	Current Contractor	Street Litter Bin collection	Current Contractor
Waihopi Toetoe	Edendale	Yes	Delta	Yes	CMT	Yes	Fulton Hogan	No		Yes	Fulton Hogan
	Fortrose	Yes	Delta	No		Yes	Fulton Hogan	No		No	
	Gorge Road	Yes	Delta	Yes	Group and CMT	Yes	Fulton Hogan	No		No	
	Mokoreta	Yes	CMT	No		No		No		No	
	Slope Point	No		No		Yes	Fulton Hogan	No		No	
	Tokanui	Yes	Delta	No		Yes	Fulton Hogan	No		Yes	Fulton Hogan
	Rimu Monument	Yes	CMT	No		No		No		No	
	Waikawa	Yes	Delta	No		Yes	Fulton Hogan	No		No	
	Weirs Beach	Yes	Delta	No		Yes	Fulton Hogan	No		No	
	Woodlands	Yes	Delta	Yes	CMT	No		No		Yes	Fulton Hogan
	Wyndham	Yes	Delta	Yes	CMT	Yes	Fulton Hogan	Yes	OCS	Yes	Fulton Hogan

Capital delivery programme update - June 2025

Record no: R/25/8/39241

Author: Dave Connell, Programme delivery manager

Approved by: Hartley Hare, Strategic Manager Transport/Acting GM Infrastructure and Capital Delivery

☐ Decision

☒ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to provide an update on the capital delivery programme to the end of the 2024/2025 year and:
 - outline on the quantum of programme completed
 - outline on the extent of programme carried forward
 - outline impacts with respect to the 2025/2026 programme.

Executive summary

- 2 Council set an ambitious capital delivery plan for the 2024/2025 year of \$70,365,044, this coupled with \$11,445, 583 of carry forwards from 2023/2024 and \$234,478 of approved unbudgeted expenditure meant a revised total capital delivery plan of \$82,045,105 across 207 projects to deliver, an increase of 57% from the 2023/2024 year.
- 3 The late approval of the Long Term Plan (LTP) along with uncertainty around legislative changes and bulk funding reductions by NZTA increased the risk to the overall delivery of the 2024/2025 programme, as a result the capital delivery programme update report October 2024 recommended \$11,996,000 of approved projects be pushed out and these changes would be included in the March 2025 reforecast, reducing the capital delivery plan to \$70,049,105.
- 4 The October 2024 report excluded adjusting any community facilities projects as these were subject to further definition as part of the annual plan consultations in December 2024. This coupled with some minor adjustments in the transport and three waters activities resulted in a further \$5,431,501 of adjustments in the March 2025 reforecast, reducing the capital delivery plan further to \$64,617,604.
- 5 At the conclusion of the 2024/2025 delivery year the total carry forward value for various reasons outlined in the report stands at \$18,741,117. This coupled with the current LTP approved budget for 2025/2026 of \$70,540,818 will push the capital delivery budget to \$89,281,935 significantly greater than the value planned for 2024/2025 which was not achieved.
- 6 Our initial assessment of the carry forward impact on an already large programme is likely to result in projects not fully delivered either through stretches on internal resourcing and or the external supply chain availability leading to further carry forwards in the future.
- 7 On this basis it is recommend that the size of the programme be reconsidered by staff and reported back.

Recommendation

That the Finance and Assurance Committee:

- a) **receives the report titled “Capital delivery programme update - June 2025”.**
- b) determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Acknowledges staff, as part of the Capital Delivery Governance Group (CPDGG) will review the 2025/2026 project programme, in terms of what can be delivered given the level of proposed carry forward work, and bring back a report in December 2025

Background

- 8 Council set an ambitious capital delivery plan for the 2024/2025 year summarised as follows:
 - \$70,365,044 LTP budget across 153 projects.
 - \$11,445, 583 carry forwards from 2023/2024 across 55 projects (including multi-year).
 - \$234,478 approved unbudgeted expenditure.
- 9 In summary Council had a total capital delivery plan of \$82,045,105 across 207 projects to deliver, an increase of 57% from the 2023/2024 year
- 10 The late approval of the Long-Term Plan (LTP) along with uncertainty around legislative changes and bulk funding reductions by NZTA increased the risk to the overall delivery of the 2024/2025 programme, as a result the capital delivery programme update report October 2024 (R/24/11/72975) recommended the following adjustments to the transport and three waters programmes:
 - \$866,000 for footpath renewals pushed out due to bulk funding received from NZTA.
 - \$4,000,000 for bridge renewals pushed out due to bulk funding received from NZTA.
 - \$3,380,000 for various activities pushed out to match bulk funding received from NZTA.
 - \$3,000,000 for sewerage pushed out due to uncertainty in upcoming legislative changes.
 - \$750,000 for stormwater pushed out due to longer than anticipated design processes.
- 11 In summary \$11,996,000 approved to be pushed out to the 2025/2026 programme, these changes would be included in the March 2025 reforecast, reducing the capital delivery plan to \$70,049,105.
- 12 The October 2024 report excluded adjusting any community facilities projects as these were subject to further definition, scoping and or consultation before delivery decisions and timing could be made which would be worked through as part of the annual plan consultations with community boards in December 2024 before finalising.

- 13 The March 2025 reforecasting completed in consultation with the activity managers included the approved changes from the October 2024 report, minor programme adjustments and any changes identified during annual plan consultations with community boards. The overall March 2025 reforecast was:

- \$11,996,000 approved adjustments as per October 2024 report, summarised above.
- \$231,643 additional minor adjustments to transport budgets across various activities.
- \$944,316 additional three waters adjustment with delivery timing expected to be later than originally anticipated.
- \$739,691 adjustment for wharf repairs including Ulva Island requiring further investigation, consultation and reporting before proceeding.
- \$3,515,851 adjustment to community facilities as a result of the annual plan consultations.

- 14 In summary the March 2025 reforecast totalled \$17,427,501 with the additional items added post the October 2024 report and reduced the capital delivery plan to a final total of \$64,617,604.

Final position by activity:

	Actual 2024/2025	Forecast 2024/2025
Community Resources	\$6,533,976	\$10,935,914
Corporate	\$532,838	\$1,436,994
Three Waters	\$20,117,739	\$26,985,835
Transport – Other	\$315,454	\$1,129,510
Transport	\$17,664,149	\$24,129,351
	\$45,164,156	\$64,617,604

- 15 At the conclusion of the 2024/2025 delivery year the total carry forward value stands at \$18,741,117 (29%) short of the revised forecasting completed. Looking at the carry forward value in depth this can be further clarified as follows:

- 16 Carry forwards by status of work:

Status	Value	Comment
Carry Forward	\$8,422,858	Haven't progressed and or started
Complete	\$4,473,192	Planned work is complete, residual carry forward
On Track	\$4,965,430	Underway, timing spans years, includes multiyear jobs
Off Track	\$489,636	Underway progressing slowly
Pushed to Future	\$420,686	Pushed out previously, funds had not been moved

Carry forwards by activity:

Activity	Value	Comment
Community Resources	\$5,301,453	36% of value comprises work where the program was completed with residual budget or works is in progress planned for later completion.
Corporate	\$906,884	80% of value is a singular job Core Systems Review
Three Waters	\$5,544,455	60% of the value comprises multi-year projects with works in progress or commencement later than planned or anticipated.
Transport – Other	\$1,472,139	Comprises wharves and Te Anau airport resurfacing where work was delayed on purpose to allow scope and design refinement along with suitable construction timing.
Transport	\$5,516,185	90% of the value comprises work where the program was completed with residual budget or works is in progress planned for later completion.

2025/2026 programme impacts

- 17 The current Annual Plan approved budget for 2025/2026 year is \$70,540,818 however with the addition of the carry forwards of \$18,741,117 this will push the capital delivery budget to \$89,281,935 greater than the value planned for 2024/2025 which was not achieved.

	Annual Plan 2025/2026	Proposed carry forward	Total Programme for 2025/2026
Community Resources	\$12,314,664	\$5,101,453	\$17,416,117
Corporate	\$754,800	\$906,884	\$1,661,684
Three Waters	\$23,574,947	\$5,544,455	\$29,119,402
Transport – Other	\$1,738,691	\$1,672,139	\$3,410,830
Transport	\$32,157,716	\$5,516,185	\$37,673,901
	\$70,540,818	\$18,741,117	\$89,281,935

Transport projects

- 18 For transport specifically, the likely impacts/risk of the carry forward movement is expected be minimal as 82% of the value is residual budget where the program of works was completed as planned, for example:

Project	Carry Forward	Comment
Bridge replacements	\$157,425	Programme reduced due to NZTA funding however 2 bridges under contract completed as planned.
Resurfacing	(\$109,890)	Planned programme completed, part of 3yr contract.
Pavement rehabilitations	\$2,711,352	Planned programme completed, pricing was less than anticipated and contingencies were not expended.

Structure component renewal	\$533,181	Contract is underway and in physical delivery, contract commenced later than anticipated.
Resilience programme	\$921,818	These funds are to address specific issue such as slips and need approval from NZTA before they can proceed.
Te Anau Manapouri runway resurface	\$818,845	Contract is underway and in physical delivery with pre-surface repairs complete and the resurface scheduled for completion around December 2025.

- 19 The majority of these high value projects are part of a rolling funding cycle where the 2025/2026 programme is already progressing as planned, for example:

- bridge replacements for 23 replacements and 4 removals are already out to tender across four packages to be completed over the next 18 months.
- pavement rehabilitations totalling 8.5km across 5 sites are already in design with a view to go to tender during September 2025.
- the structure component renewals and Te Anau Manapouri airport resurfacing are underway in contract delivery and will progress as planned.

Three Waters projects

- 20 For three waters the carry forward is a combination of slower than anticipated delivery of investigation and design needs by external parties pushing jobs back and the strategic decision to delay some works pending the outcome of upcoming legislative changes that may alter the requirements.

- 21 It is worth noting a substantial amount of the current carry forward movement (55%) are projects that are well advanced and are either in delivery or final stages of contract procurement, for example:

Project	Carry Forward	Comment
Wyndham stormwater renewal	\$1,018,314	Contract is awarded; physical work is scheduled to commence November 2025 post winter.
SI Oxidation Pond desludging	\$352,102	Contract commenced, currently paused due to winter ground conditions, will recommence post winter.

Project	Carry Forward	Comment
AC Watermain renewals (multi-year)	\$804,903	Te Anau (Worsley, Sutherland & Gunn) physical construction 50% complete. Te Anau (Fergus Square) ready for procurement.
Manapouri wastewater upgrade (multi-year)	\$858,447	Both pipeline and the treatment plant in final stages of procurement, pending approvals.
Wastewater retic renewals (multi-year)	\$590,057	Rolling yearly program, Winton Gerrard Road rising main is currently in design and carrying forward for an August/September tender.

- 22 The impact/risk of the carry forward movement to the 2025/2026 programme may result in a need for strategic reprioritising of the work programme, particularly across the multi-year asset renewals to ensure the programme remains balanced and achievable.

Community resources projects

- 23 The need of budget carry forwards to 2025/2026 for community resources were mainly due to following areas:
- extensive community and stakeholder engagement/consultation and further scope definition on some significant projects resulted in delays to subsequent design resolution and implementation phases.
 - the timing of LTP approval, budget adjustments, documentation and procurement processes, contractor availability, and consenting meant projects were prepared for delivery late in the 2024/2025 financial year and are now scheduled for physical delivery in early 2025/2026 financial year.

- 24 For Community Facilities, the approved programme value for 2025/2026 is \$12,314,664 however, with the addition of \$5,101,453 in carry-forwards, the total capital delivery budget increases to \$17,416,117. This is significantly higher than what has been delivered in any of the past three years. It should be noted that this value includes \$7,098,327 set aside for the Southland District Council office build and therefore the total programme excluding this project is \$10,317,790.

- 25 The impact/risk of the carry forward movement to the 2025/2026 programme may require a review of the overall delivery programme to ensure the programme remains balanced and achievable.

Corporate services projects

- 26 For corporate services specifically, the likely impacts/risk of the carry forward movement will be minimal as 80% of the value is **for delivery of a singular project "District Wide Core Systems Replacement" which has been delayed pending assessing suitability of design.**

Analysis

Options considered

- 27 Review the 2025/2026 programme, including carry forwards to assess the overall confidence of capital delivery programme for the financial year ahead.
- 28 Continue the 2025/2026 programme without strategic review or adjustment.

Analysis of options

Option 1 – Review 2025/2026 programmes.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • staff and elected members have early awareness of programme and budget implications. • financial planning decisions and adjustments can be made early in line with the identified delivery impacts. 	<ul style="list-style-type: none"> • potential for community frustration with projects not proceeding as indicated.

<ul style="list-style-type: none">• developing a more realistic programme and financial picture for 2025/2026.	
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Option 2 – Continue the 2025/2026 programme without adjustment.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• nil	<ul style="list-style-type: none">• known changes or concerns with 2025/2026 delivery are not implemented and planned for.• longer term financial implications are not considered.• unrealistic delivery expectations.• Failure to deliver the programme resulting in large carry forwards continuing into 2026/2027 delivery.

Recommended option

- 29 Option 1 – Review the size of the 2025/2026 programme and report back on the outcome and any recommendations.

Next steps

- 30 Respective activity teams in consultation with management and the Capital Project Delivery Governance Group (CPDGG) consider the current position of the 2025/2026 programme and if required provide proposed adjustments for consideration by December 2025.

Attachments

There are no attachments for this report.

Draft unaudited Annual Report 2024/2025

Record no: R/25/7/31973

Author: Jo Hooper, Financial Accountant

Approved by: Anne Robson, Group manager finance and assurance

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is for the Finance and Assurance committee (the committee) to provide feedback and endorse the release of the draft annual report (annual report) for the year ended 30 June 2025 for audit.

Executive summary

- 2 Council is required to develop and adopt an annual report within four months of the end of a financial year (31 October). The document compares and comments on the performance of Council against the budget and operating targets for 2024/2025, being the first year of the Long Term Plan 2024-2034.
- 3 The final audited annual report is scheduled to be adopted on the 8 October 2025 to enable the **current Council to complete this before the local body elections. To achieve this, Council's auditors** are undertaking their work from the 25 August to the 19 September 2025, with their final opinion due around the 19 September 2025. The Committee will recommend the final annual report for adoption by Council at its 27 September meeting.
- 4 The draft annual report for the 2024/2025 financial year is included as Attachment A-D.
- 5 To achieve this tight timetable, staff have worked extremely hard to pull together the draft document. In doing so, please recognise that final checks and reviews still need to be made and will be undertaken alongside the audit. The financial information is generally complete however the forestry revaluation and related entities financial information still needs to be incorporated. Staff have only just received the forestry revaluation, so although information is provided on this within this report, it is not incorporated into the financial information at this stage. Additionally, a number of Councils related entities are still preparing their financial information so the group results included in this report will need to be updated to reflect these over the next couple of weeks. No other major changes are expected; however a number of notes are also still being compiled.
- 6 Any content which is yet to be finalised is shown in **yellow highlighting**. Any significant changes which occur subsequent to this report will be outlined to the committee when it is presented at the 27 August 2025 meeting.
- 7 The committee is asked to consider and endorse the draft unaudited annual report subject to any changes discussed and agreed during the meeting and endorse its release to Deloitte for audit.
- 8 Overall, the draft annual report shows an operating deficit of \$6.2 million compared to the budgeted operating deficit of \$6.4 million for the year ended 30 June 2025 before revaluations. Detailed information is provided in the financial results section.
- 9 In terms of the 64 key performance indicator (KPI) targets, 40 (63%) were achieved, 8 (13%) were mostly achieved (missed by less than 5%), 10 (16%) were not achieved, 3 (5%) were not measured and 3 (5%) established a baseline target for future years.

- 10 In this reporting period, staff have continued to improve on the percentage of building and resource consents completed within the 20 days. It only takes one application in the year for Council not to meet this standard however, processing times have improved to 95% for building (70.1% in 23/24) and 93% for resource consents (29.28% in 23/24).

Recommendation

That the Finance and Assurance Committee:

- a) **receives the report titled "Draft unaudited Annual Report 2024/2025".**
- b) determines that this matter or decision be recognised as significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Endorses the draft unaudited annual report for the year ended 30 June 2025, including any amendments agreed at this meeting.
- e) Approves the release of the draft unaudited annual report for the year ended 30 June 2025 for audit.

Background

- 11 Section 98(3) of the Local Government Act 2002 requires the annual report for the financial year be adopted within four months of the end of the financial year to which it relates. The **annual report is intended to outline Council's actual performance in comparison with its** intended performance as outlined in its annual/long term plan and includes the financial statements for Council for the year ended 30 June.
- 12 The annual report details the operating activities of Council and includes financial statements for Council for the year ended 30 June 2025. This is the first Annual report related to the 2024-2034 Long Term Plan.
- 13 A copy of the draft unaudited 2024/2025 annual report is included in attachment A-D. The document is in four sections - Overview, Our Activities, Our Finances and Other Information.
- 14 The committee are asked to review the draft and consider any risks/issues or changes that may be required to be incorporated into the document before it is released for audit.
- 15 The draft unaudited annual report is scheduled to be audited by Deloitte on behalf of the Auditor-General from 25 August – 19 September 2025. Deloitte will be undertaking its testing and fieldwork off and on-site during this time. Assuming there are no material

issues arising at during this time, the draft audit report on their findings is expected around the 19 September.

- 16 Any changes, either resulting from the audit process or staff review, will be tracked and significant changes will be provided to the Committee for confirmation at their meeting on the 29 September 2025 prior to being adopted by Council on the 8 October 2025.
- 17 A summary of the annual report will also be prepared and is to be audited but is not required to be adopted by Council.
- 18 The final annual report and summary document will be available online on the 20 October 2025.

Status of the report

- 19 At the date of this report the draft unaudited annual report is substantially complete. Matters outstanding include:
 - the draft Mayor and Chief Executive statement at the beginning of the report is still to be final reviewed
 - the forestry revaluation has only just been received, so although it is discussed in this report it still needs to be reviewed and incorporated into the annual report
 - final accounts are also yet to be received for a number of Councils related entities including Wastenet, Emergency Southland, Southland Regional Heritage and Great South. These will not significantly change what is presented. It is possible that some of the will not of been audited by the time Council adopts. As with previous years the draft numbers provided will be included, with any changes incorporated into next year.
 - The cashflow and associated note are also not included but staff are working on tabling at the meeting.
 - completion of a minor number of notes/components of notes to the financial accounts
 - design of the full annual report document
 - compilation and design of the summary document
 - final review of the whole document.

- 20 Any content in the draft annual report which is yet to be finalised, is shown in yellow highlighting.

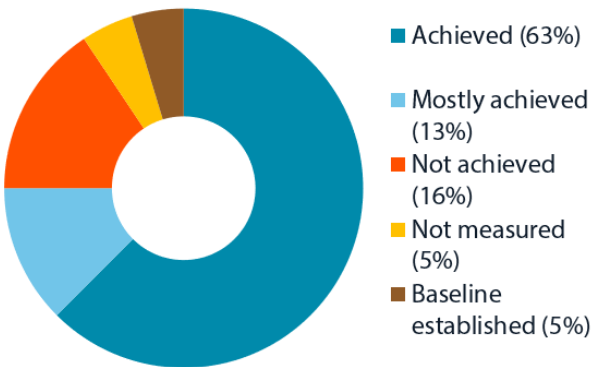
Organisational performance results

- 21 **Council's final year-**end performance against its key performance indicators (KPIs), along with the contextual analysis of those outcomes, is detailed in section two of the annual report. These results report on the performance targets set in the Long Term Plan (LTP) 2024-2034 and include the mandatory measures Council is required to report on.
- 22 In August 2024, new rules came into force as part of the Department of Internal Affairs Non Financial Measure Rules (2024) that Council must report on as part of its annual report. These rules specifically set out the reporting Council must do for its water supplies, sewerage and stormwater drainage networks. Changes have been made to the reporting of water supplies in terms of what is included in the reporting (protozoal and bacteria) with reporting now covering treatment and distribution of water for small, medium and large entities. There are 10 categories of measurement and 6 are applicable to Council. At this

stage staff have incorporated all 6 categories into the relevant protozoal and bacteria measures, however these may still be split out to match reporting to Taumata Arowai.

- 23 Managers have reviewed the activities for which they are responsible and have provided commentary on the actual performance against targets, particularly in those instances where the performance targets have not been met.
- 24 Of the 64 KPIs, 40 (63%) were achieved, 8 (13%) were mostly achieved (missed by less than 5%), 10 (16%) were not achieved, 3 (5%) were not measured and 3 (5%) established a baseline target for future years.
- 25 A new category, *mostly achieved (missed by less than 5%)*, was introduced this year to highlight improvements where targets are set high (such as at 100%) and minor shortfalls still reflect strong performance.
- 26 Of the ten targets not met, contributing factors included budget and resource limitations, **environmental conditions beyond Council's control**, and various technical and process-related challenges.

Performance results 2024/2025



Activity	Achieved	Mostly achieved (missed by 5% or less)	Not achieved	Not measured	Baseline established	Total
Community Leadership	3	2	-	1	-	6
Community Resources	5	2	1	1	3	12
Environmental Services	6	2	2	-	-	10
Transport	6	-	2	1	-	9
Stormwater	8	1	-	-	-	9
Sewerage	8	-	1	-	-	9
Water Supply	4	1	4	-	-	9
Total	40	8	10	3	3	64

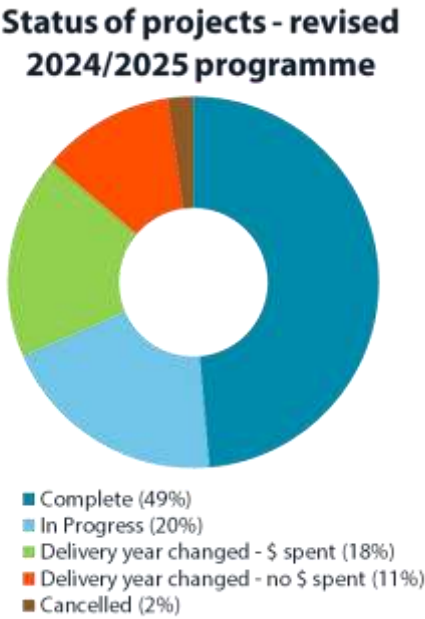
- 27 In this reporting period, staff have continued to improve on the percentage of building and resource consents completed within the 20 days. It only takes one application in the year for Council not to meet this standard however, processing times have improved to 95% for building (70.1% in 23/24) and 93% for resource consents (29.28% in 23/24).
- 28 The KPIs not measured or establishing a baseline included:
- KPI 6.1: Percentage of SDC playgrounds that meet NZ standards over the next 3 years. The report notes that this level 3 assessment will be carried out in 2025/2026. It also notes that level 1 and 2 assessments have still been carried out during the year to identify any defects and that compliance is likely to have improved due to equipment replacement that has occurred during the year.
 - KPI 12.6: Footpath condition - The percentage of footpaths that fall within the level of service or service standard for the condition of footpaths. The assessment was not conducted this year due to reduced NZTA funding. However, given the low likelihood of significant deterioration

during the period, the associated risk is considered minimal. The previous assessment for footpaths in 2023/23 was 96%.

- KPI 1.1.2: Percentage of the community partnership fund and district initiatives fund granted to organisations to achieve the outcomes proposed in the funding application. As this indicator is newly established and linked to the new SmartyGrants system, data was not available in 2024/2025. It is anticipated that the first meaningful data will be available in the second quarter of the 2025/2026.
- KPI 2.1: Council halls are fit for purpose. The baseline has been established at 100% with a new survey of hall users undertaken via the booking system (SpacetoCo).
- KPI 5.1: The library network will increase the digital proportion of lending year on year. The baseline has been established at 12%.
- KPI 5.2: The library and service network will increase programme participation numbers year on year. The baseline has been established at 6,879 participants attending a one-off or recurring library event.

Projects

- 29 The draft unaudited 2024/2025 annual report includes information about projects, their completion status and actual cost versus budget.
- 30 The LTP included 150 projects scheduled for delivery in 2024/2025, with a total budget of \$70.4 million. Over the course of the year, Council and community boards approved several changes to the programme. These included:
- carrying forward projects from the prior year that were underway but not yet completed (\$11.4 million added)
 - adjusting project budgets for changes in scope or costs or new projects added (\$0.2 million added)
 - revising the timing of delivery for some projects (\$17.4 million removed).
- 31 As a result, the revised programme expanded to 181 projects with a reduced total budget of \$64.6 million.
- 32 The graph and table below provide a breakdown of the revised programme and actual expenditure by activity. Over the year 49% of the revised projects were completed, 20% were in progress, 18% incurred costs but were rescheduled to another year with another 11% rescheduled with no costs incurred and 2% cancelled. More information about the projects is included in the section two (our activities) with a full list included in section four (other information).



Number of projects and actual costs by activity group	Complete	In Progress	Delivery year changed - \$ spent	Delivery year changed - no \$ spent	Cancelled	Total
Community resources						
Actual expenditure	\$1,584,030	\$4,474,138	\$730,514	-	\$7,950	\$6,796,632
Transport						
Actual expenditure	\$17,682,684	\$230,879	\$66,041	-	-	\$17,979,604
Stormwater						
Actual expenditure	\$779,805	\$124,686	\$114,845	-	\$986	\$1,020,322
Sewerage						
Actual expenditure	\$1,530,467	\$11,718,559	\$1,608,529	-	-	\$14,857,555
Water supply						
Actual expenditure	\$2,273,593	\$1,535,216	\$168,395	-	-	\$3,977,204
Corporate services*						
Actual expenditure	\$473,901	\$6,629	\$52,308	-	-	\$532,838
Total						
Actual expenditure	\$24,324,481	\$18,043,165	\$2,787,574		\$8,936	\$45,164,156
*Council has various corporate services that are considered internal activities. These corporate services are funded through internal charges which are spread over the seven activities.						

Financial results

- 33 Staff are continuing to review the financial results presented in the draft document. As noted, the forestry revaluation and group results need to be updated for related entities financial information when received, however these will not significantly change the results. Any significant changes to the financial information detailed below will be discussed at the meeting.
- 34 These financial statements have been prepared in accordance with Tier 1 PBE accounting standards. The accounting policies for the year ended 30 June 2025 were approved at the Finance and Assurance Committee meeting in March 2025.
- 35 A summary of key financial information is set out below. An explanation of the key financial variances for each activity group is also detailed in the activity funding statement (FIS) commentaries in the annual report.

Statement of Comprehensive revenue and expenditure

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

	Council 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Council 2024/2025 Budget (\$000)	Variance Actual to Budget	
				(\$000)	%
Total revenue	109,677	111,739	119,826	(8,087)	(7%)
Total operating expenditure	116,596	117,894	126,205	(8,311)	(7%)
Share of surplus from associates			-		
Operating surplus/(deficit)	(6,818)	(6,155)	(6,379)	224	(4%)
Gains on assets at fair value	101,805	29,825	64,543	(34,718)	(54%)
Total comprehensive revenue and expense	94,987	23,670	58,164	(34,494)	(59%)

- 37 Overall the actual operating deficit is in line with the budgeted operating deficit. With total revenue being \$8.1million lower. This is offset by total operating expenditure being \$8.3 million lower.
- 38 Total revenue (\$111.8 million) was \$8.09 million under budget primarily due to:
- lower grants and subsidies than budgeted. The is mainly associated with a reduction in the roading programme to match the NZTA funding approved, subsequent to the adoption of the Long Term Plan. This resulted in reductions and delays to the capital projects by \$4.9 million and operational costs by \$2.6 million. The timing of the spatial plan (is proposed to be deferred to the following year, resulting in the carrying forward of expected grant income of \$0.5 million not received in 2024/2025. These reductions have been offset by government better off funding carried forward from 2023/24 to help with community run projects (\$0.2 million).
 - the reclassification of the investment income to gain on assets at fair value also resulted in lower than budgeted interest and dividend income by \$1.5 million.
 - other gains are currently showing as lower than budget, however the forestry revaluation has yet to be included (budget of \$1.4 million), the discussion below anticipates a gain of \$0.2 million. This is offset by the disposal of assets of \$0.4 million and the recognition of income from vested assets of \$3.4 million.
 - remaining income lines had minor variances, resulting in the remaining \$0.4 million deficit across other revenue streams, including rates penalties and adjustments, lower fees and charges revenue including community housing rental income the value of building consents.
- 39 Total expenditure (\$117.9 million) was \$8.3 million under budget primarily due to:
- NZTA expenditure reducing due to the reduction in the approved programme; including a reduction in pavement maintenance, structure maintenance, network and asset management, the road safety southland programme and fuel costs (\$2.4 million)

- employee related expenses are lower than budgeted due to the timing of vacancies and subsequent appointments and the transfer of labour costs where appropriate to capital projects (\$1.3 million)
- the expenditure for community resources is also lower than budget by \$1.7 million due to the actual annual needs for maintenance and maintenance projects in parks and reserves, transfer stations, halls and public conveniences with some proposed to be carried forward into 2025/26, as well as reducing the cost of reserve management plans.
- environmental services spatial planning township plan project and the building control software replacement solution being delayed into the following year (\$0.7 million)
- delay in the closed landfill remediation for Otautau into the next financial year offset by the provision carried forward (\$0.2 million) whilst other funding sources are explored
- interest costs are less than budget due to the debt being lower than the anticipated on external borrowings (\$0.5 million)
- corporate costs are lower than budget including the cost of implementing the new financial system, lower than expected managed investment fund fees and employee related costs (\$1.5 million)

40 Of these costs, \$1.6m are proposed to be carried forward into the 2025/2026 year.

41 Financial assets at fair value have increased by \$3.4 million this is due to the increase in the value of the managed funds in Milford and Westpac (BTNZ) at 30 June 2025 (\$2.5 million), and the increased value of the emissions trading units (\$929,000). The average return between the balanced funds is approx. a 9.5% return compared to a budgeted 5.5% return. At this time, the unrealised portion of the return not required to fund operational costs, has been credited to a separate reserve. This will be adjusted annually to reflect any gain or loss on the managed funds.

42 Gains/(Loss) on property, plant and equipment revaluations have increased by \$26.4 million compared to a budget of \$64.5 million. This is primarily due to the budgeted revaluation of infrastructure assets using the BERL inflationary increases of 2.9% for roading 3.6% for three waters. The actual inflationary increase is significantly lower at 1.25% for roading and 2.42% for three waters.

Statement of financial position

43 The statement of financial position (also referred to as the balance sheet) records the assets Council owns, and how those assets are financed. Total assets refer to what Council owns, for example infrastructure assets. Total liabilities represent what Council owes to third parties, for example accounts payable. Total equity is the net community assets (total assets less total liabilities).

44 Key items in the statement of financial position are:

	Council 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Council 2024/2025 Budget (\$000)	Variance Actual to Budget	
				(\$000)	%
Total assets	2,309,841	2,385,051	2,439,427	(54,376)	(2%)
Total liabilities	63,687	115,226	133,383	(18,157)	(14%)
Total Equity	2,246,155	2,269,824	2,306,043	(36,219)	(2%)

- 45 Total assets (\$2.39 billion) were \$54.4 million under budget primarily due to the valuation of infrastructure assets coming in lower than forecasted and the deferral of some capital projects (\$74 million under budget, offset by higher cash and cash equivalents (\$22.9 million). For more information please see note 36 in the unaudited financial statements.
- 46 Total liabilities (\$115.2 million) were \$18.1 million under budget primarily due to lower external borrowings due to the timing of the capital programmes (\$15.6 million). Trade and other payables are also lower than budgeted due to the same lower expenditure costs (\$2.3 million).

Statement of cash flows

- 47 At the time of the report being prepared, the cash flows have not yet been prepared. Staff will work to complete this for the meeting.
- 48 Total liabilities (\$115.2 million) were \$18.1 million under budget primarily due to lower external borrowings due to the timing of the capital programmes being delayed (\$15.6 million). Trade and other payables are also lower than budgeted due to the same lower expenditure costs (\$2.3 million).

Financial Prudence Benchmarks

- 49 Of the seven financial prudence benchmarks reported, Council has met four for 2024/2025 as outlined in the Financial Benchmark Performance table below, noting that the Operations Control Benchmark still to be completed. This is because the cashflow statement is yet to be completed and will be tabled at the meeting.

Draft financial prudence benchmarks for 2024/2025

	Budget 2024/25	Actual 2024/25	Benchmark 2024/2025	Performance 2024/25
Rates affordability benchmark	13.18%	13.23	14.00%	Met
Debt affordability benchmark - net debt	55%	82%	175%	Met
Debt servicing benchmark	3.5%	3.4%	10%	Met
Balanced budget benchmark	95%	92%	100%	Not Met
Essential services benchmark	157%	65%	100%	Not Met
Operations control benchmark	> 100%	TBC	100%	TBC
Debt control benchmark	< 100%	68%	100%	Met

- 50 Council has not met the Essential services benchmark. This is due to the reduced NZTA roading programme and a lower level of capital expenditure completed. Council meets this benchmark if its capital expenditure on network services equals or is greater than the depreciation on network services.

- 51 Council has not met the Balanced Budget benchmark. This is primarily due to Council not fully funding its depreciation. This benchmark is met if Councils total revenue exceeds its total operational expenditure.

Other Financial Matters of Interest

Infrastructure revaluation

- 52 The revaluation of roading and three waters assets has resulted in a \$26.4 million increase in value over the prior year as shown in the summary table.
- 53 Council undertakes a revaluation of its roading and water and waste assets annually. The practice for the three waters has been to do a comprehensive review every three years and in the intermediary years increase the values using standard industry indices. For roading, indices have principally been used annually because Council does not actively build or substantially renew some components of the roads on a regular basis and therefore does not have the information on which to base a revaluation.

Draft infrastructure revaluation for 2024/2025 with prior year comparison

Asset group	Revaluation		2023/2024 Actual \$M
	2024/2025 Actual \$M	2024/2025 Budget \$M	
Roadings	17.0	49.6	88.8
Three waters	9.4	14.9	11.3
Total revaluation movement	26.4	64.5	100.6

- 54 Overall the roading revaluation increased by 1.25% this year against a budgeted increase of 2.90%, compared to 5.81% last year.
- 55 In undertaking the roading revaluation, SDC provided recent contract rates for re-surfacing and rehabilitations completed. This information has then been adjusted for the latest NZTA published infrastructure cost indexes to bring them to June 2025 values. For the remaining rates, including bridges and footpaths, the NZTA indices have been used to escalate the overall asset value. Council did not undertake sufficient bridges and footpaths to be able to provide any new construction data this year. Overall, the increases in value is in line with contract movements during the year (eg the price of bitumen).
- 56 The NZTA indices used were to 31 March, with an allowance made for the June quarter. The actual June quarter indices will come out around mid-September. With the audit starting now there is a risk that the actual June indices will be significantly different, but this is believed to be very low at this stage given costs have remained fairly static over the last quarter.
- 57 As a further note, since last year, Council has implemented the national Asset Management Data Standard within its asset database. This has meant that Council now describes its assets in line with this standard. The standard is being rolled out across all road controlling authorities. Although not significant it has resulted in changes to some data tables used for the valuation.
- 58 Overall the three waters revaluation increased by 2.42% this year against a budgeted increase of 3.6%, compared to 3.02% last year.

- 59 This year a full review of the reticulation unit rates was undertaken, with plant equipment assets increased by the relevant cost price index. All these rates were benchmarked against Councils recent contract rates and three other comparable Councils. Overall an allocation of 15% for on-costs (design, supervision and consenting) was allowed for each contract.

Infrastructure Depreciation

- 60 In line with the revaluation increase, annual depreciation has also increased by \$0.7 million (1.8%) as shown in the summary table below.

Draft infrastructure depreciation for 2024/2025 compared to 2023/2024

Asset group	Annual depreciation	
	Actual 2024/2025 \$M	Actual 2023/2024 \$M
Roading	29.3	28.8
Total three waters	9.6	9.4
Stormwater (not funded)	1.2	1.1
Wastewater	5.1	5.0
Water Supply	3.3	3.3
Total annual depreciation	38.9	38.2

- 61 Given Council funds its annual depreciation, this is good news for future rating requirements and means that at this stage the funding of depreciation for water and wastewater assets planned for 2025/26 are at a higher level than that budgeted. In 2024/25, Council planned on funding 65% of its water and wastewater assets. At this level of depreciation, Council is actually funding 69% for wastewater and 77.5% for water assets.

Forestry Valuation

- 62 The forestry valuation was received on the morning this report was finalised, as such the review of the result has yet to occur, but the preliminary information in the report is as follows. The final result will be incorporated into the annual report for inclusion on the Committees September meeting.
- 63 Overall the completed valuation has resulted in an overall increase in the forestry asset of \$0.2m (1.5%) which is recorded as a gain in other revenue.

Draft forestry revaluation for 2024/2025 with prior year comparison

	Forestry valuation	
	Actual 2024/2025	Actual 2023/2024
Discount rate	7.5%	7.5%
	\$M	\$M
Fair value of tree crop	13.5	13.3
Land value	2.5	2.5
Total forestry estate value	16.0	15.8

- 64 The main factors driving the \$0.2 million increase in value were:
- increases for growth \$1.4 million
 - increased woodflow \$0.16 million
- 65 Offset by:
- decreases for harvest \$0.84 million

- decreases for cartage and harvesting costs \$0.65 million.

Emissions Trading Scheme (ETS)

- 66 Council recognises ETS credits on the statement of financial position as at 30 June 2025. The statement reflects an asset, being the number of units held, multiplied by the value of the units at 30 June 2025. ETS credits increased by \$928,000 over the prior year. This is shown through the financial assets at fair value through other revenue and expense line on the statement of comprehensive revenue and expense.

Draft ETS credit with prior year comparison

	ETSs credits	
	Actual 2024/2025	Actual 2023/2024
Units	113,231	113,231
\$ per unit	\$58.70	\$50.50
Total ETS credits	\$6.6m	\$5.7m

- 67 In addition, 41.7 hectares of trees that have been harvested were not replanted at balance date (temporarily un-stocked). As staff expect the land to be replanted during both 2025 and 2026, no allowance has been made for any deforestation liability, which is estimated at \$1.7 million and would be incurred if the trees were not replanted within four years.

Internal Loans

- 68 Internal loans are \$79.1 million as at 30 June 2025, an increase of \$11.8 million from the prior year as outlined in the table below.

Draft summary of internal loan balances as at 30 June 2025

	Opening 1 July 2024 \$M	Closing 30-Jun-25 \$M	Movement \$M
Community resources	-	-	-
Community leadership	8.9	11.0	2.1
Environmental services	0.2	0.2	-
Transport	10.1	6.4	(3.7)
Stormwater	2.7	3.6	0.9
Sewerage	24.4	36.3	11.9
Water supply	19.3	21.6	2.3
Corporate services	1.7	-	(1.7)
Total internal loans	67.3	79.1	11.8

- 69 This reflects the repayment of \$3.23 million of loans from the District Operations Reserve, which Council resolved to undertake as part of preparing the 2025/26 Annual Plan. Overall, 42 internal loans were repaid that had remaining terms between one and eight years. These loans were from activities that are generally funded from Councils district general rate and which form the District Operations Reserve.
- 70 Interest was charged on internal loans at 4.35% in accordance with the Annual Plan.

- 71 A summary of new loans against the annual plan is shown in the table below.

Draft summary of new internal loans for 2024/2025

	Actual 2024/2025 \$M	Budget AP 2024/2025 \$M
Community resources	-	-
Community leadership	4.6	4.2
Environmental services	-	0.2
Corporate services	-	0.9
Transport	0.3	3.6
Stormwater	1.0	3.2
Sewerage	12.6	17.1
Water supply	3.0	2.4
Total new internal loans	21.5	31.6

- 72 Sewerage loans were lower than budgeted due principally to the conscious decision to delay some works to await the final standards from Central Government and a delay in the Manapouri project as design and procurement are taking longer than planned to ensure the appropriate solution is found.
- 73 Transport was lower than budgeted with the delay in the resealing of the airport runway due to deteriorating weather and the district roading loan of \$1.3million not being required as a result of the approved NZTA funding being less than budgeted.
- 74 The water supply loans were higher than expected due, as an additional loan was needed to fund repairs on the Riverton Bridge not covered by insurance.
- 75 The stormwater loans are \$2.2 million less than budgeted. The Te Anau stormwater upgrade is awaiting consent and the Edendale/Wyndham replacement is working through procurement at year end.
- 76 The corporate services loans were underbudget due to the delay in implementing the new financial management system and decisions still pending around digitisation of the remaining Council records.

Reserves

- 77 **Council's** reserves at the 30 June 2025 have increased by \$3 million to \$46.7 million compared to a budget decrease of \$3.8 million as follows.

	Actual 2024/2025 \$M	Budget AP 2024/2025 \$M
Opening Balance 1 July 2024	43,678	
Movement	2,972	(3,814)
Closing Balance 30 June 2025	46,650	

- 78 As can be seen above the actual movement varied by \$6.8 million compared to the budget. This was principally due to roading rate monies collected for the roading programme that was subsequently reduced by NZTA (\$1.6 million), monies collected on the sale of Luxmore land that was unbudgeted (\$1.8 million) and the higher return on the managed funds that was not needed for operational funding this year (\$2.6 million).

- 79 As part of the carried forward process, it is proposed that of the \$6.8 million, \$4.5 million is still required to fund operational costs and projects as detailed in the report to Council on the 27th August 2025. This effectively means that reserves have gone up by an uncommitted amount of \$2.3 million, which is principally the higher return on managed funds.

Managed Funds

- 80 Council has previously made the decision to invest its general reserve funds into managed funds. With the returns from this used to offset rates and pay 2% interest on reserves. As part of the 2024-34 Long Term Plan, Council budgeted for a conservative 5.5% return less 1% fees. The actual return is around 9.5% with fees of around 0.8%. This means that additional unrealised funds have been received. At this stage as noted previously, the excess funds of \$2.6 million have been transferred to a separate reserve for tracking purposes and to acknowledge the increased value of the fund.
- 81 Currently Council has invested \$35 million into the managed funds of Milford and BTNZ (Westpac). As part of forecasting it had been expected that no further funds would be required to be invested as it was expected that the reserves would be around \$35 million after considering restricted reserves. However, based on the above actual result, staff will bring a report to the September meeting to consider the final amount to be invested to balance to the actual general reserves (potentially after carry forwards although this will be discussed in the paper).

Legal and statutory requirements

- 82 Section 98 of the Local Government Act 2002 requires Council to adopt an annual report within four months of the end of the financial year (31 October 2025).
- 83 The act also requires Council to publish a summary of the annual report within one month of the annual report being adopted. Staff will start working on the summary document shortly with the intention to present it at the Council meeting on the 8 October 2025. The final audited summary document will be available online along with the Annual Report on the 20 October 2025.
- 84 Part 3 of Schedule 10 also outlines a number of disclosures that are required to be included in the annual report. These have been considered and incorporated into the draft Annual Report attached.

Community Views

- 85 The community expects Council to adopt an annual report in accordance with the requirements of the Local Government Act 2002. The report is an important accountability document in terms of explaining the actual performance of the organisation relative to the objectives that were set via the Long Term Plan and Annual Plan.
- 86 The annual report and summary (once adopted) will be made available to the public via **Council's website, by placing printed copies in libraries and service centres and having printed copies available for distribution on request.** Availability of the report will be advertised.

Costs and funding

- 87 The total audit fee for the annual report is \$192,883 (excluding GST) plus actual disbursements estimated at \$17,000. This is an increase on the prior year of 2.66%. Council allowed \$193,764 for the audit fee in its 2025/2026 budget with an additional \$17,938 for disbursements.
- 88 **Along with Council's own review and quality assurance processes of the information in the annual report, the independent review undertaken by the auditors helps to ensure that the public can rely on the information provided. In general, auditors provide an opinion as to whether Council has complied with Generally Accepted Accounting Practice (GAAP) and that the annual report fairly reflects Council's financial position, results of operations and cashflows, and levels of service and reasons for any variance.**
- 89 In relation to the financial aspects of the annual report, the financial results are not expected to change significantly, other than for those outstanding matters noted in this report (incorporating the forestry revaluation and those related entities not already incorporated). Staff will continue to focus on completing the remaining key disclosures such as joint ventures and associates, related parties, post balance date events, contingencies and commitments, forestry notes.

Policy implications

- 90 **Council's policies relating to the basis upon which the annual report is prepared are outlined in the Statement of Accounting Policies contained in the report itself.**

Analysis

Options considered

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

Analysis of Options

Option 1 – Endorse and release of the draft unaudited Annual Report 2024/2025 for audit, including any amendments agreed at this meeting.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• complies with Deloitte agreed timelines• committee has an opportunity to review the report and satisfy itself that the report has been prepared on an appropriate basis• committee approval can occur prior to releasing for audit• compliance with Council's legislative requirements and Council's committee delegations.	<ul style="list-style-type: none">• there are no disadvantages.

Option 2 – Do not endorse the draft unaudited Annual Report 2024/2025

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">there are no advantages of this option.	<ul style="list-style-type: none">Council will not be compliant with the legislation if the annual report is not audited and adopted by Council by 31 December 2024.

Assessment of significance

- 92 **The Annual Report 2023/2024 is considered significant under Council’s Significance and Engagement Policy** because the performance of Council is of wide community interest.
- 93 It is important to the public that Council meets both its financial and non-financial commitments to ensure it delivers its services efficiently and effectively. To do this the public relies on the information provided in the annual report to give it assurance that Council is undertaking its responsibilities and how well it is performing these.





Recommended option

- 94 The recommended option is Option 1 – Endorse and release the draft unaudited Annual Report 2024/2025 for audit, including any amendments agreed at this meeting.

Next steps

- 95 The draft annual report will be provided to Deloitte for their audit and at the same time Council staff will continue to review the document and complete the remaining work needed.
- 96 Deloitte will then complete their audit around the 19 September 2025. Staff will have incorporated any changes required and the final audited draft annual report will then be presented to the committee and Council at their meetings on the 29 September and the 8 October 2025.
- 97 Once the annual report and summary are adopted, and the signed representation letter has been provided to Deloitte, the audit opinion(s) will be issued to Council. The audit opinion will then be included in the final annual report and both the full document and summary document will be published online on the 20 October 2025 with the printed versions available later.

Attachments

- A Draft Annual Report 2425 - Section 1 Overview [↓](#) 
- B Draft Annual Report 2425 - Section 2 Activites [↓](#) 
- C Draft Annual Report 2425 - Section 3 Finances [↓](#) 
- D Draft Annual Report 2425 - Section 4 Other Information [↓](#) 



DRAFT Annual Report 2024/2025

Unaudited

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Section 1: Overview

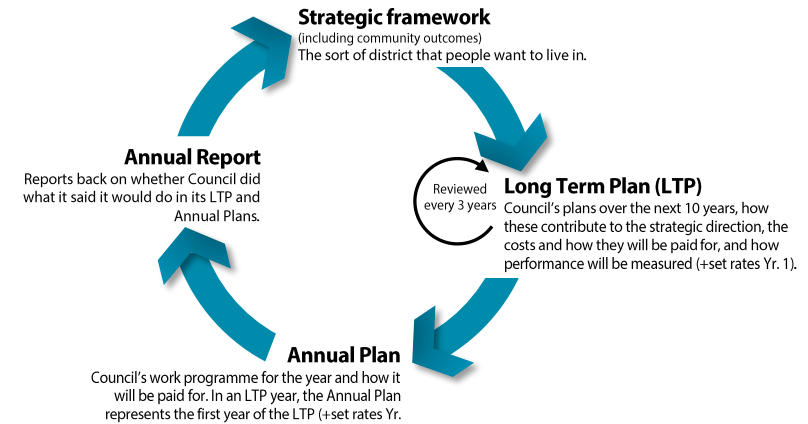
What's an Annual Report?

This annual report tells you and us how well we did against what we said we were going to do in year two of the Long Term Plan (LTP) 2024 - 2034, how much it cost to do this and how we paid for it.

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

This document reports on Council's activities during the year 1 July 2024 to 30 June 2025.

The planning cycle



A message from the mayor and chief executive - draft

Mayor Rob Scott

Acting chief executive Vibhuti Chopra

We are really proud of what Southland District Council has achieved in a year in which external factors conspired against us.

It might seem to the casual observer that every annual report, annual plan or long-term plan we present is dominated by the work we do around our core infrastructure, and you'd be right. We are very much an infrastructure-based council. The greatest percentage of our expenditure annually goes towards maintaining or upgrading roads and water services assets.

This year, unfortunately, we were unable to complete our full scheduled work programme, due to factors beyond our control.

We didn't receive the full funding assistance rate we'd requested from NZ Transport Agency Waka Kotahi, and there were delays getting the final contribution approved by the government. By the time the reduced funding level had been confirmed we had missed a large chunk of the road construction season, and with the reduced budget we were forced to reduce some levels of service. Despite this our transport team and contractors did a fantastic job in managing to build two new bridges, regravell 534 kilometres of unsealed road, reseal 112km of sealed roads, and renew 5.7km of sealed roads.

Meanwhile, the government's Local Water Done Well reforms put our team under pressure to complete a huge amount of work in a short amount of time.

All councils were required to determine and implement a financially sustainable model for the delivery of water services by 30 June, then submit a full Water Services Delivery Plan (WSDP) to the Department of Internal Affairs (DIA) by 3 September 2025.

After an extensive consultation period, the vast majority of Southlanders who made submissions supported our preferred in-house business unit model. This was an endorsement of the excellent work our water services team continues to do in the delivery of our three water services – drinking water, wastewater and stormwater.

While Council approved our Water Services Delivery Plan in time for it to be submitted to DIA, at the time of its adoption the government still had not finalised the national standards around disposal of treated wastewater, and therefore the financial impact on our rural schemes and ratepayers was unknown.

That we were able to prepare a WSDP that is compliant and financially sustainable without all the information needed, in the tight timeframe imposed by the government, was quite remarkable. We are very grateful for all the hard work of the many people who made this happen.

However, the impact on our work programme of this uncertainty meant that we were put in the position of having to pause scheduled upgrades of our wastewater treatment plants until the new standards are known.

In this high-pressure environment we have still been able to deliver a lot for our communities in the past year, while keeping within the parameters of the budget outlined for year two of our 2024-2034 Long Term Plan.

We've worked closely with our nine community boards to deliver projects that will provide lasting benefits for our communities, while focusing on our core job of maintaining sound infrastructure that supports the Southland economy and makes our district a great place to live.

We think that, on balance, we've played the hand we've been dealt really well this year.

Together with our people, for our future. It's our Southland.

Council's strategic direction

The table below sets out Council's approach to planning and the strategies and proposals that are set out in the Long Term Plan 2024-2034, as well as the key priorities we intend to focus on.

Our vision	Southland – one community offering endless opportunities			
Our mission	Together, with our people, for our future. It's our Southland.			
Wellbeing	Environmental	Cultural	Economic	Social
Community outcomes	Communities committed to the protection of our land and water	Communities with a sense of belonging for all	Communities with the infrastructure to grow	Communities that are connected and have an affordable and attractive lifestyle

Strategic priorities

- Connected and resilient communities. We collaboratively engage with our partners and communities, along with investing in agile and sustainable practices, to support a vibrant and thriving Southland
- Ease of doing business. We transform the customer experience through partnership, technology and continuous improvement
- Providing equity. We enable all residents to be able to access the same services and tools as part of a fair society
- Robust infrastructure. We deliver innovative and sustainable community focused infrastructure and facilities for the future
- Thinking strategically and innovatively. We look for solutions outside of the norm and are not afraid to do something that we have not done before, and we think long term about the solutions we are providing, while having the flexibility and agility to change direction as necessary.

Key highlights/executive summary

Water services delivery plan finalised

Council confirmed its business plan for future delivery of water services this year.

Under central government's Local Water Done Well reforms, councils were required to determine and implement a financially sustainable model for the delivery of water services by 30 June 2025, then submit a full Water Services Delivery Plan (WSDP) to the Department of Internal Affairs (DIA) by 3 September 2025.

Following extensive public consultation in April and May 2025 we decided to deliver our future water services through an in-house business unit, building on our strong in-house delivery foundations.

The plan, prepared following consultation, was adopted by Council in August 2025. The WSDP outlines our commitment to delivering safe, reliable, and financially sustainable three waters services – drinking water, wastewater, and stormwater – across the district.

It is a legislative requirement and serves as a forward-looking blueprint for how Council will meet both regulatory obligations and community expectations under the Local Government (Water Services Preliminary Arrangements) Act 2024.

The plan achieves full compliance and financial sustainability by mid-2028.

Under the delivery model:

- Council retains ownership, governance, and operational control
- water revenues and expenses are ringfenced by activity
- in-house delivery is supplemented by contracted services.

Reorganisation proposal

The Local Government Commission will investigate a reorganisation of councils in the Southland region.

Southland District Mayor Rob Scott made the proposal in August last year to reorganise local government in Southland into two unitary authorities – one rural based and one for Invercargill city. Southland District Council then decided to progress the suggestion by lodging a formal proposal with the Local Government Commission (LGC).

The commission consulted with Gore District Council, Invercargill City Council, Southland District Council and Southland Regional Council (Environment Southland), as the local authorities that would be affected by the reorganisation initiative, before deciding whether to undertake an investigation.

LGC also engaged with Te Ao Mārama Incorporated, on behalf of Ngāi Tahu ki Murihiku.

The commission announced in early July 2025 that it had agreed to undertake an investigation in relation to Southland District Council's reorganisation initiative, noting that it met the aims of the Local Government Act by aiming to improve democratic local decision-making, increase efficiency and effectiveness in service delivery, and strengthen regional collaboration and representation.

The commission said the initiative sets out potential benefits for the Southland region, and some concerns of the other affected councils may be able to be addressed in design of an investigation process.

"Each council and Ngāi Tahu ki Murihiku will have the opportunity to feed into development of the investigation process document, which may assist in allaying some concerns," the LGC decision said.

"On balance, there is sufficient potential to improve local government in the Southland region to justify the commission deciding to undertake a reorganisation investigation."

Solar solution for Stewart Island energy

Power consumers on Stewart Island/Rakiura will soon have cheaper, renewable electricity.

Associate Minister of Regional Development Mark Patterson announced a suspensory loan of \$15.35 million to the Rakiura Energy Solutions project at a public meeting on the island in June. The suspensory loan, from the Regional Infrastructure Fund, will enable the construction of a 2 megawatt solar farm and a 4 megawatt battery, as well as upgrades to the electricity supply network.

The Rakiura Energy Solutions project is being run by Southland District Council and the Stewart Island/Rakiura Community Board, working closely with SIESA and PowerNet. It is needed to reduce the cost of electricity for the island's community and reduce their reliance on the current high-cost diesel generators.

The loan is needed as the small size of the community – 494 permanent electricity connections – means it is unable to pay for any large developments, and Council also has a small rating base and is unable to fund a major capital project.

Island consumers currently pay 85 cents per kilowatt hour for their electricity. This is about 240% more for than mainland New Zealanders pay.

Contracts for the solar farm are expected to be in place by the end of 2025. It is anticipated that construction and upgrades will begin at the start of 2026, with the project completed and the network integration fully commissioned by the end of 2027.

Lower power prices will enable economic development opportunities in marine farming and tourism, currently constrained by the high cost of diesel generation.

Council buys office block

Southland District Council's Invercargill-based staff will be back in one building in the near future. For nearly five years, since the original county council building in Forth Street was found to be earthquake prone, Council operations have been separated over three buildings, creating many challenges.

Improvements to the Forth Street building had been budgeted for since 2015. However, Council did not spend any money on that project (except emergency repairs following storms) until the viability of upgrading the building was established. When Henderson House came onto the market, buying and refurbishing it was seen as the more cost-effective option. The building will need a refit to make it suitable and the budgeted figure for this is \$15.75 million, which has been in the LTP since 2018.

Importantly, relocating to Henderson House also means Council's office will no longer be situated in a potential flooding zone.

This move does not alter Council's intention to pursue a reorganisation of councils in Southland. A central base for staff will still be required, and the new location offers potential for future expansion if the structure of local government in the south changes.

Honouring our community heroes

Southland district's community boards, in association Council, recognised the outstanding contributions of a number of deserving Southlanders with Community Service Awards during the year.

Those honoured were:

- Anna Star (Te Anau)
- Judy Matthews (Te Anau)
- Jeanna Rodgers (Lumsden)
- Michael McLees (Blackmount, posthumous award)
- Mairi Dickson (Waikaia)
- JD (John) Miller (Riversdale)
- Andre Bekhuis (Otautau)
- Gay Munro (Gorge Road)

Community board highlights**Ōraka Aparima Community Board**

Public feedback from engagement held during the year will inform the scope of works for stage two of the Taramea Bay redevelopment in Riverton. This follows the completion of stage one, which included a new public toilet and changing room block and the child/toddler play area, which was also opened in the year.

The Colac Bay foreshore playground was renamed to honour George Tasman Dawson, a local hero recognised for his bravery in 1914 after saving 10 lives following a locomotive accident.

The board hosted the Tunatuna portable pump track in Riverton over summer and celebrated the launch of matariki pou at Cosy Nook and Howell Point.

During the year, a 'kings' memorial seat was installed along the Riverton waterfront to honour local family members who tragically lost their lives when their boat capsized on the Riverton bar in 2024.

Fiordland Community Board

Considerable progress was made on the development of the Te Anau Basin Development Plan, a masterplan to guide the future growth and development of the area. Various community engagement activities were carried out during the year to get input into the plan with workshops, surveys, hui and meetings held. The final draft plan, presented to the community board in December 2024, identifies several areas of focus with projects around town centre revitalisation, lakefront improvements, visitor accommodation, residential and play space improvements as well as tourism and business diversification.

The board also carried out further engagement with the community to understand in more detail what improvements were most desired along the Te Anau lakefront. The feedback helped identify key themes that will inform the design direction and scope of works for future lakefront developments.

A major redevelopment of Lions Park Te Anau was also completed, creating a destination playground with modern play equipment and improved landscaping.

The boat ramp at Te Anau downs was also replaced during the year. Work also started on the project to install a pontoon on Lake Manapouri with the

Department of Conservation (DOC) granting concession for the new diving pontoon, which will allow recreational activities. New safe boating signage was installed in conjunction with DOC and Environment Southland, and the alcohol-free areas have had new signage installed in collaboration with Te Anau police.

Tuatapere Te Waewae Community Board

The board worked with the community to better understand the types of recreation and facilities people would like to see at Monkey Island, near Orepuki, and at the Jack and Mattie Bennett Playground in Tuatapere. Feedback was collected through surveys, workshops and meetings, and will help shape the design and scope of future projects in these areas.

Work began on the refurbishment of the Tuatapere Railway Station following the release of Better Off grant funding from the Department of Internal Affairs. The refurbishment, which is being led by the Tuatapere Railway and Heritage Trust Board, aims to revitalise the historic rail precinct including restoration of the station buildings, creation of an information centre and café, and installation of historic rail displays.

Additional projects included replacing fencing at Clifden Domain, contributing funding to the ring fence at the Tuatapere domain and refurbishing Orepuki's historic railway water tank.

Ardlussa Community Board

Speed warning signs were installed in the Waikaia township as well as a new school pedestrian crossing to improve safety for students and families.

Funding support was also provided to the Waikaia Helipad project.

The Balfour playground was upgraded, and work began on a project to investigate subdividing a section of Council-owned land in Balfour to create a number of residential freehold sections to encourage development of the town.

Work started on the project to replace the Balfour hall roof.

In Riversdale, additional lighting was installed around the community centre to improve visibility of the nearby playground, carpark, public toilets, recycling centre and self-contained camping area.

Wallace Takitimu Community Board

Progress has continued on the redevelopment of the Otautau camping ground with both resource and building consents granted and water and sewage connections installed.

Several community drop-in sessions were held in Otautau, Ohai and Nightcaps during the year to provide an opportunity for local residents to speak to the board about local issues and projects.

The Tunatuna portable pump track was installed in Otautau with an activation day held to mark its arrival.

Trees were removed at the Drummond recreation reserve.

In Ohai, the recycling container was moved from Birchwood Road to Hastings Street to reduce noise disturbances for nearby residents. Discussions continued with Te Oruanui Marae regarding building lease in Ohai.

The Otautau War Memorial restoration project continued with a structural assessment completed.

Free hire was approved for the Ohai and Nightcaps halls to encourage greater use by residents.

Northern Community Board

The Mossburn playground was upgraded, and a review of levels of service for mowing, gardening and spraying were completed.

Road naming for the St Thomas Estate in Garston was approved by the board.

The interior of the Five Rivers hall got a refurbishment.

In Athol new picnic tables were installed at the static railway display and the old saleyards site, and a new public toilet and water tanks were installed. The community helped to design the new wrap for the toilets.

Oreti Community Board

Planting was carried out at Anzac Oval, in Winton.

Kōwhai Reach Esplanade Reserve, at Kauana, had its new picnic and outdoor classroom area officially opened. Review of levels of service for mowing, gardening and spraying were completed.

Scope and budget were approved for the Winton CCTV camera project.

Trees were removed for the Wallacetown Community Centre to create additional space to enable the jump track to be expanded for local youth and improve sunlight to an area that is presently shady and damp.

Waihopai Toetoe Community Board

The Edendale Recreation Reserve playground was refurbished, and community engagement was carried out about upgrades for the Wyndham and Tokanui playground upgrades.

The old Wyndham museum building in Balaclava Street was demolished.

A review of levels of service for mowing, gardening and spraying was completed.

Development of Doctors Square in Wyndham was carried out.

Stewart Island/Rakiura Community Board

The government announcement of a \$15.35 million suspensory loan was good news for island power consumers and the culmination of a lot of work by the Rakiura Energy Solutions run by the board in conjunction with Southland District Council, SIESA and PowerNet.

A Healthy Homes initiative has the goal of delivering a wraparound service supporting residents in keeping their homes warm and dry, while also connecting them with government subsidies and financial support.

A revision of Council's Roading Bylaw 2008 was adopted. It outlines new parking restrictions and a one-way system in Oban township.

A review of levels of service for mowing, gardening and spraying was completed.

The Mayors Taskforce for Jobs initiative held its first job hub on Stewart Island/Rakiura, with the help of from Great South's business support team.

Māori contribution to decision-making

Southland District Council values its relationship with Māori and acknowledges the importance of tikanga Māori. Within Murihiku/Southland Ngāi Tahu are recognised as tangata whenua and represented through the four Papatipu Rūnanga o Murihiku. Ngā matawaka (other Māori who are not Ngāi Tahu) are also recognised.

Council formally received its Māori name in 2005. Te Rohe Pōtae o Murihiku was gifted to us at a naming ceremony at Takutai o te Titī marae, Oraka Colac Bay. Links between Council and tangata whenua are strong and emphasise the importance of Council's partnership with Ngāi Tahu. Te Rohe Pōtae o Murihiku acknowledges Council's role as an all-embracing shelter (umbrella/lid) for the district.

Early in 2025 elected members and executive leadership from Council met with each of the Papatipu Rūnanga o Murihiku. Waihōpai and Awarua welcomed Council onto their marae with a formal pōwhiri. Hokonui hosted Council with a hui and presentation of their activities at their runanga office, and Council hosted Oraka Aparima at our chambers in Don Street, Invercargill. The purpose of these hui was manyfold: introductions and whakapapa korero, acknowledgement of the mana of the people at place, recognition of the special place that papatipu hold within Murihiku and to demonstrate the sincerity of the commitment that Council has to its relationships with Papatipu Māori.

The korero that followed each of these engagements reaffirmed the richness of the relationship and the mutual offers of support going forward, promising a future of collaboration and support for the place of Murihiku and for all who live here.

Charter of Understanding

Seven local authorities are signatories to a Charter of Understanding with Te Ao Mārama Incorporated (TAMI). Southland District Council, Invercargill City Council, Gore District Council, Environment Southland, Queenstown Lakes District Council, Clutha District Council and Otago Regional Council are the local authorities, with TAMI signing on behalf of the four Rununga o Murihiku, and Ngā Matawaka.

The Charter of Understanding is designed to help develop and promote local government relationships with Māori in the southern part of New Zealand.

Southland District Council is an active participant in this relationship and considers it to be more of a partnership. Council refers to the document as the basis for its ongoing interactions, including the conduct of councils and rūnanga within the context of the Local Government Act 2002 and Resource Management Act 1991. This document also assists in developing the capacity of Māori to contribute to a wide range of local government issues and provides the principles and opportunities, the foundation for consultation, and assists councils, through TAMI, to consult with all Māori (mana whenua and matawaka) living in Southland.

The Local Government Act 2002 specifies that responsibilities of councils in relation to Māori are with all Māori, not solely the local iwi. The role of TAMI as a conduit for all Māori is important in terms of Māori contribution to decision-making in the Southland district.

Te Tangi a Taura (the Cry of the People) is a document that articulates Ngāi Tahu values along with their Ki Uta Ki Tai (Mountains to the Sea) perspective as kaitiaki of Murihiku. This is their guiding values document that sits alongside the statutory documents referenced within the charter, to ensure that iwi values are embedded into Council plans and policies and within district consent applications and activities.

Te Rōpū Taiao is the joint management committee, in place to give effect to the Charter of Understanding and the obligations of the parties to the charter. This collaborative structure meets four times a year and is made up of representatives from the councils in Southland and Otago, the four Papatipu Rūnanga of Murihiku and ngā matawaka (other Māori who are not Ngāi Tahu). Minutes of these hui are reported back to participant councils.

Fostering Māori capacity within Council

In August 2024 Council created the position of kaitakawaenga kaupapa Māori. Establishment of this role was primarily focused on strengthening relationships at a strategic level with iwi and the four rūnanga and also with Te Ao Mārama.

Te Rohe Potāe o Murihiku Tikanga Māori Rōpū is made up of staff wanting a safe space to embrace Te Ao Māori. The rōpū continues to meet regularly, guided by a steering group, and further supports the organisation to meet the cultural development needs of staff and councillors by offering opportunities to learn and participate in te reo and Tikanga Māori practices. This includes the provision of Te Tiriti training opportunities for internal team members, organising and running activities for staff to participate in – for example, the staff Matariki breakfast – and delivering on practices such as karakia and waiata at Council events.

Over the past 12 months, TAMI and Council have collaborated on several projects. The collaboration continues as these specific projects develop and new initiatives emerge. Recent examples of this include:

- Southland District spatial planning
- reviews of the Reserve Management Plan and Charter of Understanding
- masterplans for Curio Bay and Golden Bay
- plan changes for Blue Sky Meats, Code of Practice and Landscapes
- one-off projects including the Matariki pou wayfinding project and Ulva Island wharf
- submission on Representation Review
- Rakiura Energy Solutions project
- emergency response for Bluecliffs/Waiau
- the Freedom Camping Bylaw.
- TAMI assisted Council with general advice and guidance for document reviews, cultural assessments, email discussions, site visits, and hui (both online and kanohi ki te kanohi [face to face]).

Performance and projects overview

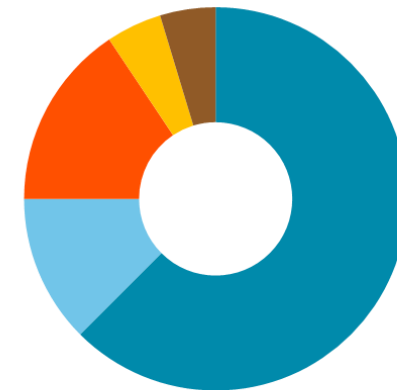
Council activities are grouped into seven activity areas. Each group includes performance measures and key performance indicator (KPI) targets for 2024/2025 set in the Long Term Plan 2024–2034, along with associated capital and maintenance projects. The following section provides an overview of Council's performance against the targets as well as progress on the project programme.

Key performance indicators

Of the 64 KPIs, 40 (63%) were achieved, 8 (13%) were mostly achieved (missed by less than 5%), 10 (16%) were not achieved, 3 (5%) were not measured and 3 (5%) established a baseline target for future years. Of the ten targets not met, contributing factors included budget and resource limitations, environmental conditions beyond Council's control, and various technical and process-related challenges. More information about the KPIs are reported on in section two (our activities).

Activity	Achieved	Mostly achieved (missed by 5% or less)	Not achieved	Not measured	Baseline established	Total
Community Leadership	3	2	-	1	-	6
Community Resources	5	2	1	1	3	12
Environmental Services	6	2	2	-	-	10
Transport	6	-	2	1	-	9
Stormwater	8	1	-	-	-	9
Sewerage	8	-	1	-	-	9
Water Supply	4	1	4	-	-	9
Total	40	8	10	3	3	64

Performance results 2024/2025



- Achieved (63%)
- Mostly achieved (13%)
- Not achieved (16%)
- Not measured (5%)
- Baseline established (5%)

Projects

The Long Term Plan included 150 projects scheduled for delivery in 2024/2025, with a total budget of \$70.4 million. Over the course of the year, Council and community boards approved several changes to the programme. These included:

- carrying forward projects from the prior year that were underway but not yet completed (\$11.4 million added)
- adjusting project budgets for changes in scope/costs or adding projects (\$0.2 million added)
- revising the timing of delivery for some projects (\$17.4 million removed).

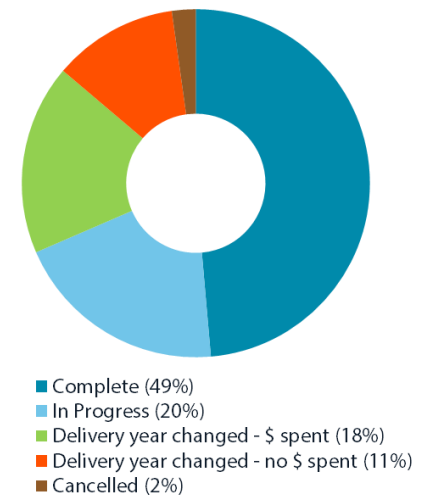
As a result, the revised programme expanded to 181 projects with a reduced total budget of \$64.6 million.

The table and graph below provide a breakdown of the revised programme and actual expenditure by activity. Over the year 49% of the revised projects were completed, 20% were in progress, 18% incurred costs but were rescheduled to another year with another 11% rescheduled with no costs incurred and 2% cancelled. More information about the projects is included in the section two (our activities) with a full list included in section four (other information).

Number of projects and actual costs by activity group	Complete	In Progress	Delivery year changed - \$ spent	Delivery year changed - no \$ spent	Cancelled	Total
Community resources	53	19	13	16	2	103
Actual expenditure	\$1,584,030	\$4,474,138	\$730,514	-	\$7,950	\$6,796,632
Transport	16	7	6	3	1	33
Actual expenditure	\$17,682,684	\$230,879	\$66,041	-	-	\$17,979,604
Stormwater	3	1	2		1	7
Actual expenditure	\$779,805	\$124,686	\$114,845	-	\$986	\$1,020,322
Sewerage	7	1	6			14
Actual expenditure	\$1,530,467	\$11,718,559	\$1,608,529	-	-	\$14,857,555
Water supply	7	5	4	2		18
Actual expenditure	\$2,273,593	\$1,535,216	\$168,395	-	-	\$3,977,204
Corporate services*	2	3	1			6
Actual expenditure	\$473,901	\$6,629	\$52,308	-	-	\$532,838
Total	88	35	33	21	4	181
Actual expenditure	\$24,324,481	\$18,043,165	\$2,787,574		\$8,936	\$45,164,156

*Council has various corporate services that are considered internal activities. These corporate services are funded through internal charges which are spread over the seven activities.

**Status of projects - revised
2024/2025 programme**



Financial overview

The financial overview provides a summary of the year-end financial results for the Southland District Council group. The information contained in this overview has been extracted from the full financial statements, which contain detailed information about Council's finances and service performance. The financial results include information about Council, the Stewart Island Electrical Supply Authority, Milford Community Trust, as well as Council's share of its associated entities. The table shows the financial year-end results, as of 30 June 2025, and includes comparisons from the previous financial year and the budget for 2024/2025 as outlined in the Long Term Plan 2024-2034.

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

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

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

Definitions

Net surplus/(deficit) after tax - What income the Council group has left after operational costs are paid.

Equity / net assets - What the ratepayers own comprising the Assets of the Council Group less the liabilities.

Cashflow - How the Council group generated and used cash during the year.

Financial summary

COUNCIL 2023/2024 Actual		COUNCIL 2024/2025 Actual	COUNCIL* 2024/2025 Budget (LTP)	Variance
(\$000)		(\$000)	(\$000)	(\$000)
Comprehensive revenue and expense				
109,702	Revenue earned (incl asset development)	111,739	119,826	(8,087)
(115,589)	Less total expenditure	(114,206)	(122,010)	7,804
(1,018)	Less finance costs	(3,688)	(4,195)	507
102	Share of associate's surplus/(deficit)	-	-	-
(6,803)	Net surplus/(deficit)	(6,155)	(6,379)	(224)
1,219	Movement in fair value reserve	3,428	-	3,428
100,585	Movement in asset revaluation reserve	26,396	64,543	(38,147)
95,001	Comprehensive revenue and expense	23,670	58,164	(34,494)
Changes in equity				
2,151,619	Equity at start of year	2,246,155	2,247,879	(1,724)
95,001	Total comprehensive income	23,670	58,164	(34,494)
2,246,620	Equity at the end of the year	2,269,825	2,306,043	(36,218)
Financial position				
2,246,620	Total equity	2,269,825	2,306,043	(36,218)
23,337	Current assets	34,692	13,771	20,921
2,286,982	Non-current assets	2,350,359	2,425,656	(75,297)
2,310,320	Total assets	2,385,051	2,439,427	(54,376)
24,703	Current liabilities	25,043	23,180	1,863
38,997	Non-current liabilities	90,183	110,203	(20,020)
63,700	Total liabilities	115,226	133,383	(18,157)
2,246,620	Net assets (assets less liabilities)	2,269,825	2,306,043	(36,218)
Cash flows				
25,441	Operating cashflow		29,766	
(46,164)	Investing cashflow		(62,938)	
14,000	Financing cashflow		30,498	
(6,723)	Net cashflow increase/(decrease)		(2,674)	
12,151	Opening cash balance		3,674	
5,428	Closing cash balance		1,000	

* The 2024/2025 budget is for Council only (i.e. excludes Milford Community Trust).

The Council revenue was \$8.1 million lower than budgeted due principally to the reduction in the NZTA funding as a result of the lower than expected roading programme approved for Council (\$7.5 million). The investment of Council's reserves in a managed fund has also led to the unrealised gain of \$2.5 million being shown as part of the movement in fair value reserve rather than as interest and dividends in the budget (\$1.5 million). This has been offset by additional income (\$2.5million) made up from assets vested to Council in relation to infrastructure and parks and reserves (\$3.4 million) and offset by a lower forestry revaluation and asset disposals (1.0 million).

Total expenditure was \$8.3 million under budget for the year. This is due to the reduced operational roading programme approved by NZTA (\$2.4 million), lower than budgeted operating and project maintenance costs, some of which will be carried forward to 2025/2026 (\$1.7 million). Additionally, lower employee-related costs and underspending on several operational projects, such as spatial planning, landfill remediation, and new software implementation, contributed to a total reduction in expenditure of \$3.7 million. Interest costs were also \$0.5 million lower than budgeted.

As a result, Council's net deficit was \$0.2 million less than budgeted.

Council continues to maintain a strong financial position with \$2.3 billion in net assets. Net assets are \$36 million more than budgeted, due mainly to the increase in revaluation of Council's infrastructure assets.

Council's operating cashflows were \$xx million lower than budget, which has resulted in the financial prudence benchmark relating to operations control not being/being met. Due to Council undertaking less capital work than budgeted its investing cashflow was \$xx million lower than budgeted. As a result of less capital work being undertaken, Council did not require the level of financing required (\$xx million). Additionally, with a higher opening cash position (\$xx million), the group's closing cash balance was \$xx million above budget.

Further explanations of financial statement variances from budget can be found in note 36 of the financial statements.

Where the revenue came from

The group's revenue this year was \$119.9 million which was \$8 million less than budget. The breakdown of this is shown in the following table.

Sources of revenue	Actual 2024/25 (\$000)	% of total revenue	Budget 2024/25 (\$000)	% of total budgeted revenue	Variance Actuals to AP (\$000)	Variance Explanations
Rates revenue	71,652	64%	72,089	60%	(437)	
Grants and subsidies	20,924	19%	30,557	26%	(9,633)	The is mainly associated with a reduction in the roading programme to match the NZTA funding approved, subsequent to the adoption of the Long Term Plan. This resulted in reductions and delays to the capital projects by \$4.9 million and operational costs by \$2.6 million. The timing of the spatial plan (is proposed to be deferred to the following year, resulting in the carrying forward of expected grant income of \$0.5 million not received in 2024/2025. These reductions have been offset by government better off funding carried forward from 2023/24 to help with community run projects (\$0.2 million).
Other revenue	12,938	12%	12,910	11%	28	
Other gains/(losses)	1,651	1%	2,433	2%	(782)	Other gains are currently showing as lower than budget, however the forestry revaluation has to be recorded (budget of \$1.4 million) offset by the disposal of assets valued at \$0.4 million.
Interest and dividends	1,118	1%	1,803	2%	(685)	the reclassification of the investment income to gain on assets at fair value also resulted in lower than budgeted interest and dividend income by \$1.5 million. This is offset by higher than expected interest income on cash investments due principally to higher interest rates.
Vested assets	3,412	3%	-	-	3,412	Council received \$3.4 million of vested assets during the year. These were related to roading, water, wastewater, stormwater and land associated with parks and reserves in Riverton, Riversdale, Te Anau and Tuatapere.
Development and financial contributions	44	-	35	-	9	
Total	111,739		119,827		(8,088)	

Rates by activity

The following table shows the breakdown of how rates were allocated.

How rates allocated	Actual (\$000)	% of total rates
Community leadership	9,546	13%
Community resources	15,370	21%
Environmental services	6,101	9%
Sewerage	8,553	12%
Stormwater	1,496	2%
Transport	22,944	32%
Water Supply	7,642	11%
Total	71,652	100%

Operational expenditure

Group operating expenditure totalled \$117.9 million, with 41% relating to roading and transport services. Overall operating expenditure was under budget by \$8.3 million. The breakdown of this is shown in the following table.

Activity operational expenses	Council Actual (\$000)	Budget (AP) (\$000)	Variance Actuals to AP (\$000)	Variance Explanations
Other Council Expenditure	53,131	59,315	(6,184)	The NZTA approved roading programme for operational costs was lower by \$2.4 million. Overall, other maintenance costs across Council was lower than budgeted both in day to day costs and projects planned, some of which will be carried forward to 2025/2026 (\$1.7 million). A number of costs have been deferred to 2025/26, key areas are the spatial planning project and building control software, (\$0.7 million), work in future proofing the Otautau landfill whilst other possible funding sources are explored (\$0.2 million) and the cost of the new financial system (\$0.7 million). Other costs lower than budget include the managed investment fund fees and other staff related costs \$0.8 million.
Depreciation and Amortisation	41,315	41,654	(339)	The main reason for the actual cost being less than budgeted is due to the actual level of inflation being less than expected reducing the cost to replace Councils infrastructure assets and therefore leading to a lower annual cost of using the assets.
Employee Benefit Expenses	19,759	21,041	(1,282)	This was due to several factors, including the timing of new staff appointments following vacancies, deferred recruitment and the allocation of staff costs to capital projects in accordance with accounting requirements.
Finance Costs	3,688	4,195	(507)	Due to lower debt levels than planned, overall interest costs are less than budgeted.
Total	117,893	126,205	(8,312)	

Capital expenditure

Capital expenditure (including vested assets and work in progress) totalled \$44.1 million in 2024/2025 with the majority of this occurring across the infrastructure activities as shown in the table below. Overall capital expenditure was \$22.6 million less than the \$66.7 million budgeted. Transport was \$16.2 million under budget, primarily due to changes to the roading programme resulting from reduced NZTA funding. Sewerage expenditure was also \$4.4 million lower, as upgrades to wastewater treatment plants were deferred pending the release of new discharge standards and stormwater projects were also delayed. Overall, the community resources was \$0.4 million over budget, largely due to \$3.3 million carried forward from the previous year for the purchase of a new Invercargill office building. This was offset by lower expenditure on projects for the other activities within this group. More detail on projects is included in the section two and four of the report.

Activity capital expenditure	Actual 2024/25 (\$000)	% of total revenue	Budget 2024/25 (\$000)	% of total budgeted revenue	Variance Actuals to AP (\$000)
Community leadership	8		52		(44)
Community resources	6,371	14%	5,971	9%	400
Corporate services	500	1%	515	1%	(15)
Environmental services	3		53		(50)
Sewerage	14,283	32%	18,682	28%	(4,399)
Stormwater	1,011	2%	3,214	5%	(2,203)
Transport	18,042	41%	34,212	51%	(16,170)
Water Supply	3,863	9%	3,969	6%	(106)
Total	44,081	100%	66,668	100%	(22,587)

Net assets and equity

Overall, Council's total net assets are \$32.6 million less than budget. This is primarily due to the decrease in the valuation of Council's infrastructure assets as result of a lower than expected revaluation replacement cost.

Cashflow

Net cash inflows from operating activities were \$xx million lower than budget due to xx. This has resulted in the financial prudence benchmark relating to operations control not being met.

Net cash outflows from investing activities were \$xx million lower than budget as Council did not incur the full capital expenditure of the projected budget in 2024/2025. Where projects are in delivery or still required the remaining budget has been carried forward into 2025/2026.

Net cash inflows from financing activities were \$xx million less than budget due to lower-than-planned external borrowings.

Overall, this resulted in a decrease to the cash balance of \$xx million compared to a budgeted increase of \$xx million.

Annual report disclosure statement for the year ended 30 June 2024

The purpose of this statement is to disclose Council's financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Key:

	Benchmark met
	Benchmark not met
	Benchmark

Rates affordability benchmark

The group meets the rates affordability benchmark if its actual rates increase equals or is less than Council's budgeted quantified limit on rates increases.

Figure 1 compares Council's actual rates increases with its self-imposed limit. This benchmark looks at the year-on-year percentage increase in rates revenue.

Actual results for the 2020/2021 financial year is compared against the benchmarks set in the 2018-2028 Long Term Plan.

Actual results for the 2021/2022, 2022/2023 and 2023/2024 financial years are compared against the benchmarks set in the 2021-2031 Long Term Plan.

Actual results for 2024/2025 are compared against the benchmarks set in the 2024-2034 Long Term Plan.

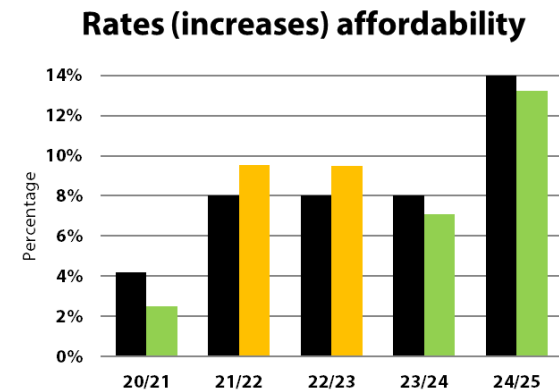


Figure 1 – Total rates increase

Debt affordability benchmark

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

As part of setting the financial strategy for the LTP, Council set the limit of the amount of debt it will borrow against its revenue being less than or equal to 175%.

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

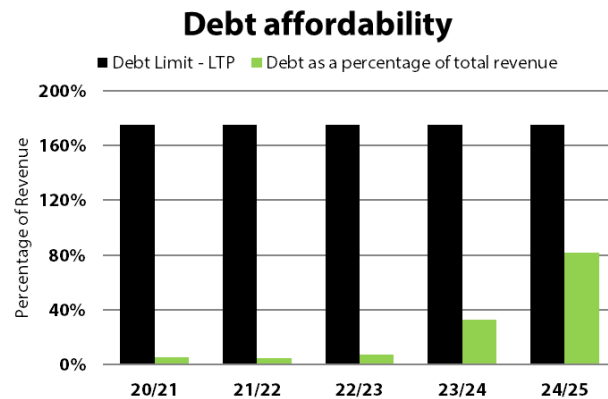


Figure 2 – Debt affordability

Debt servicing benchmark

This benchmark is calculated by taking Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets and revaluations of property plant or equipment).

Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. The limit of this benchmark is set by legislation.

As per figure 3, Council's borrowing costs have increased from previous years but still meets the debt servicing benchmark.

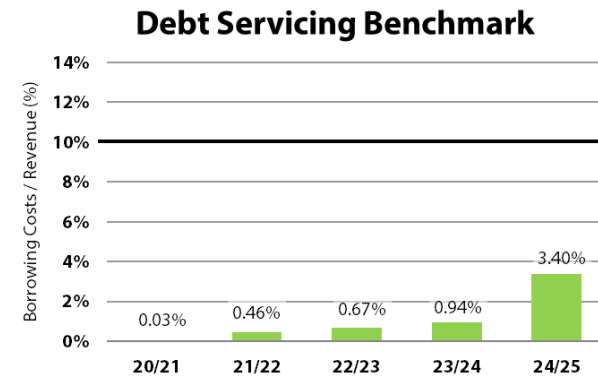


Figure 3 – Debt servicing

Essential services benchmark

Council meets this benchmark if its capital expenditure on infrastructure assets equals or is greater than depreciation on the same assets.

The capital expenditure on infrastructure assets as a proportion of depreciation on the infrastructure assets is displayed in Figure 4 below. This limit is set by legislation.

Previously, Council did not meet the benchmark due to lower capital expenditure and higher depreciation, which resulted from increased asset values following revaluation. This year, capital expenditure was further reduced due to changes to the roading programme, which has also negatively impacted the result.

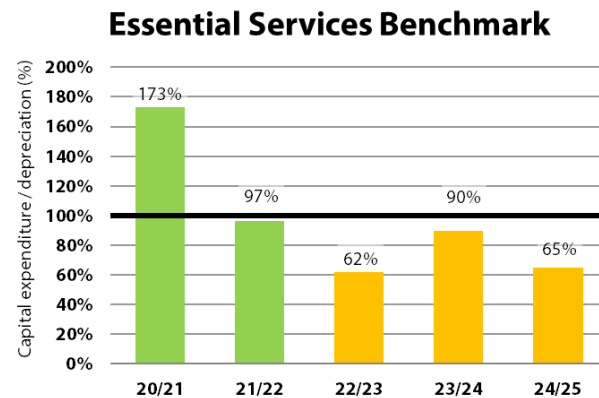


Figure 4 – Essential services

Balanced budget benchmark

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

Figure 5 displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). This limit is set by legislation.

As forecast in the LTP, Council did not meet the balanced budget benchmark for 2024/2025 due to three key factors as follows:

- the phased approach to funding depreciation on key district assets along with the decision not to fully fund depreciation across all assets
- an increase in depreciation expense resulting from higher asset valuations following revaluation
- the partial use of depreciation reserves to help fund interest repayments on capital renewal loans, particularly for water and wastewater. Council is planning to phase out this practice by 2026/2027.

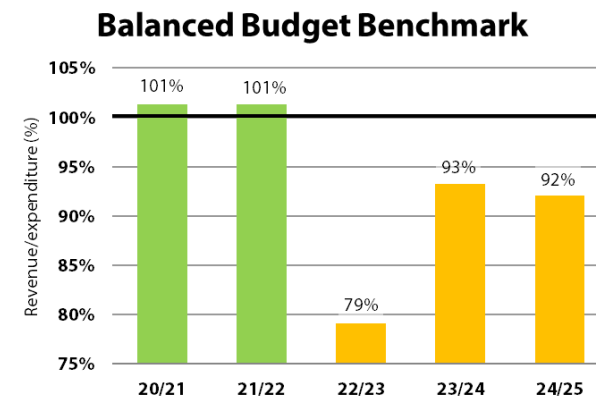


Figure 5 – Balanced budget

Operations control benchmark

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

Council did not meet this benchmark in xx.

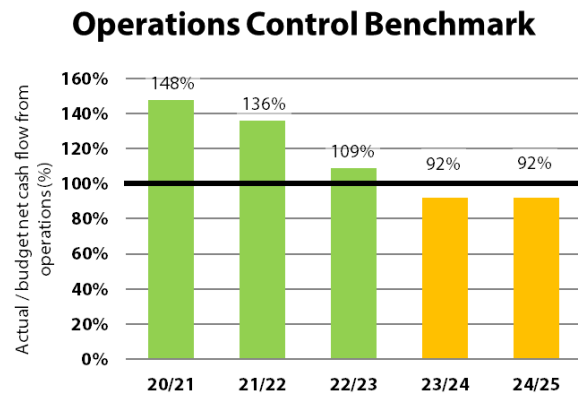


Figure 6 – Operations control

Debt control benchmark

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

Figure 7 displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt is \$44m calculated by:

financial liabilities totalling \$95.9m, less

liquid financial assets comprising Cash \$9m, Term Deposits \$1.2m, Borrowers Notes \$3.8m and Balanced Fund Investments \$37.6m.

This limit is set by legislation.

Council meets this benchmark in 2024/2025 with 67% due to the actual level of debt at balance date being significantly less than what was planned in the 2024/2025 Long Term Plan.

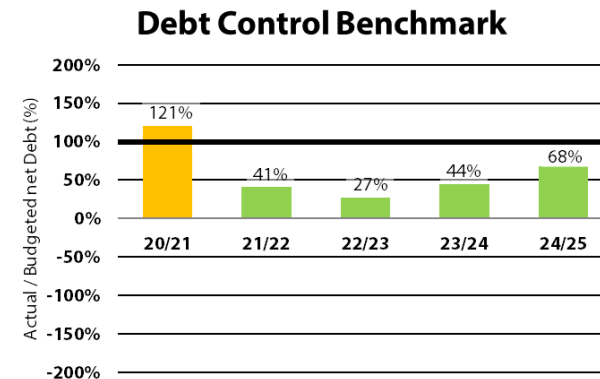


Figure 7 – Debt control

Collaboration across Councils and mana whenua

Council participates in relevant shared service arrangements via the Southland Triennial Agreement and a Memorandum of Understanding with the other local authorities locally and nationally. There are a variety of other collaborative arrangements in place with local councils and mana whenua.

The following are examples of some of those collaborations.

Building control

Eleven building control authorities (BCAs) – Southland District Council, Invercargill City Council, Gore District Council, Clutha District Council, Dunedin City Council, Central Otago District Council, Mackenzie District Council, Queenstown Lakes District Council, Timaru District Council, Waimate District Council and Waitaki District Council – continue to work closely together on building control matters under the Southern Cluster Building Group, sharing information and exchanging staff to support each other at busy times.

These BCAs meet regularly both as a BCA managers' group and a quality assurance leaders' group under the Southern Building Controls Group. They have developed a collaborative environment for consistency in processes as well as shared regulation forms and continuous improvement ideas.

The networking and engagement of these collaboration groups helps to standardise the consent processing methodology and quality assurance processes, improving the communities' experiences when working with a variety of councils in the South Island.

Emergency management

Emergency Management Southland (EMS) is a shared service provided by Invercargill City Council, Southland District Council, Gore District Council, and Environment Southland. EMS plays a vital role in building community resilience by strengthening preparedness, response, and recovery capabilities across the region. This includes public education initiatives, emergency response planning, and the delivery of targeted training to ensure a well-prepared pool of personnel across councils and partner agencies.

In 2024/2025, Southland did not experience any major emergencies that required full activation of the Emergency Coordination Centre (ECC). However, EMS responded to several smaller events, including a magnitude 6.8 earthquake and tsunami, as well as flood monitoring.

To support emergency readiness across councils and partner agencies, EMS delivered over 40 training sessions, including CIMS4, foundation, and induction courses during the year. Collaboration remained a key focus, with EMS facilitating 20 stakeholder engagement sessions throughout the year. These included meetings with the Emergency Services Coordination Committees, Fiordland Hazard Working Group, and Welfare Coordination Group. A significant development was the continued success of the Mana Whenua Emergency Facilitator role, piloted in partnership with Ngāi Tahu and Te Ao Mārama. The facilitator has enhanced cultural responsiveness and supported marae-based emergency planning, contributing to several inter-agency events including the Awarua Peninsula fire, the Southland earthquake and tsunami, and Otago flooding.

Regional Climate Change Working Group

Following a Regional Climate Change Hui 4 July 2022; Environment Southland, Te Ao Mārama, Gore District Council, Invercargill City Council and Southland District Council have established a regional climate change inter-agency working group (RCCWG). This governance-level group has been meeting regularly since February 2023. The purpose of this working group is to effectively and collaboratively progress and communicate a joined-up approach to developing and executing a regional climate change strategy and framework for action for Murihiku Southland. This is a key step towards Murihiku Southland mitigating and adapting to the regional impacts of climate change.

The development of the Regional Climate Change Strategy by the RCCWG was approved by all agencies between August and October 2024. Subsequent to this, the RCCWG have been developing the first Regional Framework for Action which has aggregated all of the planned individual climate change actions from across the agencies and identified leading agencies on various projects.

While this working group is not a formal joint committee and does not have formal delegations; as the work progresses, it is expected to feed into the regionally co-ordinated approach to climate adaptation and spatial planning for the region.

SouthLib Library Consortium

In 2009, all eight councils in Otago and Southland (Central Otago District Council, Clutha District Council, Dunedin City Council, Gore District Council, Invercargill City Council, Southland District Council, Queenstown Lakes District Council and Waitaki District Council) signed a historic memorandum of understanding to collaborate in the delivery of public library services across the two regions.

In 2009, all eight councils in Otago and Southland (Central Otago District Council, Clutha District Council, Dunedin City Council, Gore District Council, Invercargill City Council, Southland District Council, Queenstown Lakes District Council and Waitaki District Council) signed a historic memorandum of understanding to collaborate in the delivery of public library services across the two regions.

The SouthLib consortium provides free reciprocal membership of any public library in the Otago and Southland regions to permanent residents living anywhere in the regions. This means that the more than 321,000 people living in Otago and Southland have free access to 42 public library branches, mobile services and a collection of more than 1.3 million items.

All libraries in the consortium are mostly fine-free for adults, and completely fine-free for children and young people, largely due to a Public Libraries of New Zealand (PLNZ) campaign in 2022 to help all public libraries remove late fees. Fine Free Aotearoa is a step-by-step guide to help library managers, council members, and communities build a better and brighter future through engagement with their local library. Public libraries are a valuable part of our social infrastructure, a place to be connected, to learn, to access trusted information, and a platform to ensure our communities get the best out of life. Going fine-free opens doors for everyone, not just those who can afford it.

Library users in the consortium issued a total of 3,004,482 items during the year.

A range of opportunities and collaborations between the districts regularly take place and these include integrated holiday and reading programmes, while requests and holds able to be placed across boundaries. Authors visits are co-ordinated to minimise costs/travel and accommodation. Attendance at library programmes and events throughout the Southland and Otago region has seen more than 98,000 attendees.

E-resource collections across the consortium are growing steadily and 525,711 e-items were issued to users across the region.

The National Library, Aotearoa Public Network Kaharoa (APNK) in collaboration with New Zealand continues to provide free and facilitated access to the internet and computer technology with 65,150 free internet connections accessed by Southland users during the year.

We continue to subscribe to the shared library management and resources discovery service of the Kōtui consortium. As part of the Kōtui consortium, library managers and staff benefit from access to reliable future-proofed systems, and the ability to easily build resource-sharing networks with other Kōtui public libraries for their physical resources. Other benefits of Kōtui membership include training opportunities, seven-day service desk support from a specialist team, and an active and supportive membership community.

Communities that have access to Kōtui libraries benefit from resource discovery tools at their fingertips, making it easy to find what they want in their library's physical and electronic collections. Library users can search these resources in the library, at home or on their smartphone devices, making the service convenient and adaptable to the wide variety of needs of the community.

Please note: The latest available data is from the 2023-24 reporting year, and is sourced from PLNZ data.

Information technology

The IT Shared Services Operations Subcommittee has undertaken activity during the past 12 months to align the operations of member councils and provide a more collaborative and connected platform moving forward.

Collaboration and communication between all participating councils remain strong, with each member freely sharing their council's technology journey, upcoming projects, and opportunities to align services. The councils continue to support each other with information on emerging trends, risks, and resolutions to new issues.

One Shared Services initiative during the past year was the SouthMaps project. This work is partially a replacement for Environment Southland's Public Beacon platform, SouthMaps also incorporates information and shared maps that aggregate data from all the Southland Councils to give a combined dataset for users. SouthMaps has been designed to complement Great South's DISH site, but for Geospatial data. It is intended to host more shared maps/data as time progresses. This project is looking to be released publicly in September 2025.

Te Rōpu Taiao

The Southland councils have a long-standing and highly valued relationship with Ngāi Tahu ki Murihiku through the four Southland papatipu rūnanga, Te Ao Mārama Inc (the entity representing Southland rūnanga for resource management and local government matters) and Te Rūnanga o Ngāi Tahu (the iwi authority).

The Councils continued to fund and support Te Ao Mārama Inc during the 2024-25 year in order to meet statutory obligations and also ensure that Mana Whenua perspectives are incorporated into workstreams. The four papatipu rūnanga and the participant councils also continued to meet through Te Rōpu Taiao hui, which allow for exchange of information and identification of opportunities to work together.

Statement of compliance and responsibility

Compliance

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

Responsibility

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

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

In the opinion of Council and management of Southland District Council, the annual financial statements for the year ended 30 June 2024 fairly reflect the financial position and operations of Southland District Council.

Rob Scott
MAYOR
Date:

Cameron McIntosh
CHIEF EXECUTIVE
Date:

Audit Report – to be provided by Deloitte

Section 2: Our activities

We organise our work into seven activity groups along with supporting the Council controlled organisations. These are:

1. community leadership (including community assistance, representation and advocacy and regional development)
2. community resources (including community facilities, community services, open spaces, waste services, Stewart Island Electrical Supply Authority)
3. environmental services (including environmental health, animal services, resource management, building solutions, emergency management)
4. transport (including roading and footpaths, cycle trails, airport, water facilities)
5. stormwater
6. wastewater (including sewerage and the treatment and disposal of sewerage)
7. water supply

Community leadership

What's included in the activity?

- community leadership (community development, engagement and planning)
- community assistance (grants and donations)
- representation and advocacy
- regional development

What we do

Community leadership is a core function of Council and contributes to building a strong local government system to support communities and help embed intergenerational wellbeing and local democracy. It plays a vital role in shaping a district-wide approach to wellbeing while recognising the value of people, culture, heritage and places/spaces and building the capacity and capability for communities to have greater resilience to change.

Community leadership takes a strengths-based approach to the District and its communities. This means focusing on current social and community networks, but also focussing on individuals, whanau and communities. There is an emphasis on building strong networks and relationships with new and existing partners and stakeholders. The activity is also about understanding the aspirations of mana whenua. Through relationships, Council can help respond to a wide range of issues, challenges and opportunities through planning, investment, decision making, and agreed actions. This activity also facilitates regional development.

Community leadership helps bring people together to build strong, connected, and resilient communities. By working with local groups, national partners, and regional stakeholders, Council supports community-led development and ensures local voices are heard. This work includes:

- **fostering strong partnerships** with local organisations, iwi and key national and regional stakeholders
- **funding local initiatives** through district initiative and community board partnership funding, district heritage funding, and the Stewart Island Rakiura visitor levy
- **supporting representation and advocacy** to strengthen local democracy, including elections, community boards, and partnerships with groups like the Milford Community Trust, Whakamana Te Waituna Charitable Trust, and Predator Free Rakiura
- **backing regional development through Great South**, which promotes economic growth, business attraction, and quality visitor experiences in line with the regional long term plan – Beyond 2025.

Together, these efforts improve wellbeing, encourage local leadership, and help communities thrive now and for future generations.

How we did

What happened in the year

Representation and advocacy

- we facilitated and supported 97 formal meetings enabling decision making that meet the needs and aspirations of our communities (excluding joint committees)

- we administered and responded [insert number] Local Government Official Information Act (LGOIMA) requests during the year, supporting accessibility to information available at council
- completion of the representation review project. The Local Government Commission issued its final decision on Council's representation arrangements (effective after the 2025 Local Government Election) in January 2025
- a by-election process was conducted to fill a vacancy on the Oreti Community Board
- actively monitored and, where appropriate, participated in the extensive national reform agenda, including preparing and lodging submissions
- the mayor, on behalf of Council, advocated to central government on a range of matters, including matters relating to roading costs and health services.

Community and futures (community development, engagement and planning)

Over the past year, Council has continued to strengthen its connection with communities across the District. By fostering meaningful relationships and engaging proactively, the team has ensured that community voices are not only heard but actively shape Council's decisions. This work also involved connecting communities with regional and national agencies and raising awareness of emerging issues affecting residents across the District.

Council's Community Partnership Leaders worked alongside the nine community boards and Council teams to support local priorities and progress key projects. This included leading and supporting inclusive engagement across a wide range of projects and collaborating with various Council departments and community organisations to ensure meaningful involvement and representation. Details about specific projects delivered with community boards can be found in section one under *Community Board Highlights*. Other key highlights include:

- the Healthy Homes initiative was launched in Stewart Island/Rakiura, with the goal was of delivering a wraparound service supporting residents in keeping their homes warm and dry, while also connecting them with government subsidies and financial support
- representing Council and presenting reports at all nine bi-monthly community board meetings and facilitating bi-monthly community board workshops
- the second year of the Mayor's Taskforce for Jobs (MTFJ) Community Employment Programme (CEP) has recently concluded, achieving strong outcomes in supporting young job seekers across the region. By 30 June 2025, the programme had successfully placed 34 young people into full-time employment- Exceeding contract targets by 70%.
- involvement with community engagement for the development of various project masterplans and opportunities studies around the district
- continued to assist the community with the delivery of community-led projects and partnered with other agencies to provide training opportunities for our communities in the district
- working in partnership with the strategy and policy team on the Winton CCTV working group to address privacy issues and developing new CCTV agreement with NZ Police
- facilitated community service and recognition of service award presentations throughout the district
- continued to support community boards and staff with the Better Off projects, through scoping, developing, and funding agreements with community groups and organisations. Project completed with the assistance of Better Off funding include Taramea Bay Playground stage one, Colac Bay Beach steps, Tuatapere railway station refurbishment (grant allocated in milestones) and Waikaia Trails Trust first mountain bike trail in the Waikaia Forest.

Community assistance

There continues to be a high number of applications to Council's nine community partnership funds administered by community boards. The process has proven effective in fostering connections between elected members and their communities and many groups have actively engaged by attending meetings to discuss

their applications and projects with their respective community boards. The other Council funds such as the District Initiatives Fund, Sport NZ Rural Travel Fund and Creative Communities Scheme have also been well subscribed, helping many schools, clubs and organisations in our communities.

Council facilitated the delivery of the SDC Holiday Programme by Active Southland in January 2025. In March 2025, the Council transitioned to SmartyGrants, an online funding platform also utilised by Community Trust South and several other Councils.

An itemised breakdown of the 2024/2025 grants and Stewart Island Visitor Levy allocations is detailed in section four.

A total of \$1.9 million was budgeted to provide community assistance grant funding and \$1.6 million was allocated over the year across the three categories of grants, scholarships and allocations. In 2024/2025, the Stewart Island/Rakiura Visitor Levy generated \$337,723, exceeding the budgeted \$315,000. The subcommittee allocated grants to seven applicants, totalling \$115,037, compared with the \$296,100 budgeted for allocation. Of this amount, \$54,021 was already committed to multi-year grants awarded in previous funding rounds to two applicants. A full list of the community assistance and visitor levy grant funding is detailed in section four.

Regional development (delivered by Great South)

Great South continued to advance its Beyond 2025 regional development plan, placing a greater focus on the work likely to have the greatest benefit to Southland ratepayers. These priorities, and the progress made during the year, are explained in more detail in the council controlled organisation section from page xx.

Identified effects on community wellbeing

The community leadership activity plays a critical role in making connections, including connections between local communities, Council and community boards. The activities provided develop the social and cultural wellbeing of our communities across the District for example:

- services support and encourage a connection and sense of belonging by providing opportunities to include and connect with new arrivals to the District
- the representation and advocacy activity allow for local decision-making and participation at a local level within our communities (creating connection and a sense of belonging, and empowerment the residents)
- this activity builds connections with local communities and key national and regional agencies
- communities are able to set goals through various plans and work to achieve them (creating a sense of belonging and helping people have an attractive lifestyle)
- the community assistance activity provides funding to assist communities or community groups to achieve projects (which can help ensure communities are connected and have the infrastructure to grow).

There are risks if this activity isn't delivered appropriately. Ineffective governance and leadership could result in decision-making that has significant negative effects on the wellbeing of local communities.

Performance results

5 of the 6 (83%) key performance indicator targets were achieved or mostly achieved (missed by 5% or less).

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
Level of Service 1.0: Council makes decisions in an open and transparent manner				
Level of Service 1.1: Council supports partnerships with key stake holders in the district and region				
KPI 1.0.1: All agendas are out on time ¹	New measure	100%	100%	Achieved All agendas were available two clear working days before the meeting day. A data extract indicated one agenda was run late, but email correspondence has confirmed the agenda was circulated on time.
KPI 1.0.2 A recommendation is included in each report being withheld from the public about what (if anything) will be released to the public and when	New measure	75%	73%	Mostly achieved (missed by 5% or less) During the reporting period, 78 reports were considered in public excluded sessions, with 57 including the required resolution. Council has been actively monitoring compliance with this requirement and has taken steps to improve consistency. To support this, a system enhancement is being tested that will automatically populate the necessary resolution when a report author selects the confidential item option. Implementation of this change is expected soon, and is aimed at improving compliance and streamlining the reporting process
KPI 1.0.3: Proportion of agenda items held in an open meeting	93%	90%	88%	Mostly achieved (missed by 5% or less) 575 out of 653 reports were included on open agendas, reflecting Council's ongoing commitment to transparency. Staff are encouraged to place reports on open agendas wherever possible, and elected members also assess at meetings whether items can be considered in public. A review of the reports withheld from public agendas confirmed that they were appropriately placed in public excluded sessions due to legitimate reasons. These included matters relating to property transactions (such as disposals, purchases, leases, and licences), contracts and procurement, Chief Executive employment, cyber security, staffing, and community service awards. These categories have contributed to the KPI result
KPI 1.1.1: Percentage of the community partnership fund and district initiatives funds granted are utilised for the approved purpose ²	New measure	100%	100%	Achieved Recipients are required to provide an accountability report within 12 months of receiving their grant, outlining how the funds were used in relation to the approved purpose. As accountability reports are received throughout the year, data is updated on a rolling basis. Of the 91 grants awarded through the District Initiatives Fund and Community Partnership Fund in the 2024/2025 financial year, 17 accountability reports (19%) have been returned to date. All submitted reports confirmed that the funds were used in accordance with the original applications. It is not expected that all recipients will have completed their accountability at this stage, as many projects are still underway or yet to commence.
KPI 1.1.2: Percentage of the community partnership fund and district initiatives funds granted to organisations achieve	New Measure	95%	Not measured	Not measured As part of Council's funding accountability process, recipients are required to submit a report detailing how the funding was used in relation to the benefits and outcomes outlined in their original application. This requirement was

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How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
Level of Service 1.0: Council makes decisions in an open and transparent manner				
Level of Service 1.1: Council supports partnerships with key stake holders in the district and region				
the outcomes proposed in the funding application ³				formally integrated into the application process with the launch of the SmartyGrants online funding system, which became operational in early 2025. Grant recipients must submit their accountability reports within 12 months of receiving their funding. Data will be progressively incorporated as reports are received throughout the funding year. As this indicator is newly established and linked to the SmartyGrants system, data was not available in 2024/2025. It is anticipated that the first meaningful data will be available in the second quarter of the 2025/2026.
KPI 1.1.3: Percentage of community board meetings where residents and ratepayers are in attendance ⁴	68%	50%	60%	Achieved Throughout the 2024/2025 year, community board meetings have consistently seen strong public participation and engagement. Across various rounds of meetings, numerous community members attended to speak on a wide range of local issues, projects, and initiatives. Notably, the Oreti Community Board attracted over 200 attendees at one meeting, reflecting the high level of interest and involvement from the public. Across the year, speakers included individuals and representatives from community groups, business associations, pool committees, and local police. Topics discussed ranged from infrastructure concerns such as roading and drainage, to updates on community projects like the Colac Bay surfer statue, walking track developments, and recreational facilities.
<ol style="list-style-type: none"> 1. This refers to agendas for Council, Council committees, Council subcommittees, community boards and joint committees administered by Council 2. Recipients of funds will provide a report to council on the use of the funding in comparison to the purposes approved in the original application 3. Approved applications will return a report to council on the use of the funding, including benefit to the community (where appropriate). 4. This KPI was measured as part of the 21-31 LTP and used to measure attendance at community boards meetings and workshops – however as workshops are not always advertised due to some being closed to public and others being organised quickly when needed, it has been decided to track public attendance at community board meetings only, thus providing clearer data for the KPI. 				

2023/2024 ³ Budget (LTP Y3) (\$000)	2023/2024 ³ Budget (AP) (\$000)	Funding impact statement - community leadership	2023/2024 ³ Actual (\$000)	2024/2025 Budget (LTP Y1) (\$000)	2024/2025 Actual (\$000)
		<i>Sources of operating funding</i>			
7,946	7,867	General rates, uniform annual general charges, rates penalties	7,864	8,335	8,280
1,234	1,243	Targeted rates	1,245	1,269	1,266
115	120	Subsidies and grants for operating purposes	823	302	479
17	-	Fees and charges	-	-	-
572	524	Internal charges and overheads recovered	567	479	503
-	-	Interest and dividends from investments	-	-	-
247	360	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	893	401	444
10,131	10,114	Total operating funding	11,392	10,786	10,972
		<i>Applications of operating funding</i>			
4,320	4,226	Payments to staff and suppliers	4,052	4,037	3,959
1	2	Finance costs ²	-	2	-
2,609	3,051	Internal charges and overheads applied ²	2,713	3,542	3,018
3,084	3,794	Other operating funding applications	3,328	3,673	3,489
10,014	11,072	Total applications of operating funding	10,094	11,254	10,466
117	(958)	Surplus (deficit) of operating funding	1,298	(468)	506
		<i>Sources of capital funding</i>			
-	950	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	3	-	-
-	-	Increase (decrease) in debt	(12)	(12)	(38)
9	13	Gross proceeds from sale of assets	13	25	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
9	963	Total sources of capital funding	4	13	(38)
		<i>Applications of capital funding</i>			
		Capital expenditure			
-	-	- to meet additional demand	-	-	-
-	-	- to improve the level of service	-	2	8
37	50	- to replace existing assets	58	50	-
210	75	Increase (decrease) in reserves	1,375	(266)	700
(120)	(120)	Increase (decrease) in investments	(131)	(240)	(240)
126	5	Total applications of capital funding	1,302	(455)	468
(117)	958	Surplus (deficit) of capital funding	(1,298)	468	(506)
7,946	7,867	Funding balance	-	-	-

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

2. actual finance costs are lower because interest on internal loans is now included in internal charges and overheads applied. Actual interest on internal loans was \$2,144 (23/24: \$2148)

3. minor adjustments were made to classification of activities within each activity group for Community Leadership, Community Resources, and Transport in the LTP 2024-2034. To ensure consistency and comparability, the prior year actuals and budgets for 2023/2024 have been restated to reflect the revised groupings.

*Key variations from budget***Operating:**

Subsidies and grants for operating purposes were above budget due to government “better off” funding for a grants provided to community run projects that were carried forward from 2023/2024. This is reflected in *other operating funding applications*. The costs in *other operating funding applications* were partially offset by a number of grants that were paid less as shown in section four.

Staff and suppliers expense were under than budget due to lower general projects and district survey costs not incurred.

Internal charges and overheads applied were under budget due to lower staff and corporate service costs, a contingency that was not used for unsanitary buildings and a grant that was not given due to the project being delayed to a future year.

Capital:

Capital expenditure to replace existing assets was under budget due to vehicle replacements being delayed. *Reserves* increased as a result of the underspends in *payments to staff and suppliers* and *internal charges and overheads*.

Community resources

What's included in the activity?

- community services (including cemeteries, community housing, library services and heritage and culture)
- community facilities (including toilets, halls, Council library/office buildings)
- open spaces (including parks, reserves, sportsfields)
- waste services (including wheelie bin collections, transfer stations, recycling centres, greenwaste sites, waste minimisation/education via WasteNet Southland)
- electricity services for Stewart Island Rakiura through the Stewart Island Electrical Supply Authority (SIESA)

What we do

Community resources includes a wide range of services and facilities that enable people to participate in recreational, educational, sporting, commercial, social and cultural activities throughout the district. These include community services such as cemeteries, community housing and library facilities, a variety of community facilities including halls, public toilets, council offices and buildings, open spaces as well as essential waste management and electricity supply for Stewart Island/Stewart. Together, these activities foster social connection and active lifestyles and form the foundation of a healthy, inclusive, and liveable community.

How we did

What happened in the year

While 80 projects were originally budgeted for delivery in the long term plan for 2024/2025 (with a total budget of \$8.1 million), this increased to 103 projects with a revised budget of \$12.3 million, primarily due to projects carried over from the prior year. Over the year 51% of the revised projects were completed, 18% were in progress, 13% incurred costs but were rescheduled to another year with another 16% rescheduled with no costs incurred and 2% cancelled. Actual expenditure on projects was \$6.8 million. More information about the specific projects can be found in the full project list in section four.

Community facilities and open spaces

The community facilities activity has been focused on delivering the capital works programme with numerous assets requiring maintenance and over 100 projects programmed to be delivered. While the projects are generally low value, they can be complex and are important communities and require strong community engagement to make their delivery as seamless as possible.

One of the larger projects completed during the year was the first stage of the Taramea Bay playground upgrade in Riverton/Aparima. This stage included the construction of a new public toilet and changing room block, along with the completion of a dedicated child and toddler play area. Planning for the next stage of the project also progressed, with community engagement undertaken to gather feedback that helped shape both the scope of works and the design for Stage Two of the playground redevelopment. A new walking path was also installed on Richard Street in the town.

A major redevelopment of Lions Park Te Anau was also largely completed, creating a destination playground with modern play equipment and improved landscaping. A number of other smaller playground upgrades across the district were also completed.

In Te Anau, community engagement was undertaken to understand in more detail what improvements were most desired along the Te Anau lakefront. The feedback helped identify key themes that will inform the design direction and scope of works for future lakefront developments.

Two other major pieces of work that have started are the renewal of the maintenance contracts for gardening/trees, mowing, cleaning, and buildings with staff connecting with the community boards to review and set levels of service for the new contracts. The second piece of work is the review of the reserve management plans. This will be a two-year piece of work that will see the current plans (adopted in 2003) reviewed and revised based on the feedback receives from communities and stakeholders.

Council purchased a building during the year that will become the new office in Invercargill. This move will allow staff to be housed in a single location, rather than being spread across three separate sites. Refurbishment work is currently underway to ensure the building is fit for purpose. The new site also significantly reduces the flood risk associated with the current office on Forth Street.

Community services

The Winton and Wallacetown cemeteries had new beams installed and memorial signs were updated at Dipton, Edendale, Lynwood, Wallacetown, Winton, Woodlands and Wyndham cemeteries.

Over the past year, a strategic focus was placed on understanding the impact of library services through a national survey conducted by Public Libraries of New Zealand (PLNZ) in late 2024. While traditional service outputs, such as book issues and programme delivery, remain useful for benchmarking, the survey emphasised service outcomes, highlighting how libraries contribute to individual growth, social connection, and overall community wellbeing. Southland's responses provided valuable insights: 87% of participants reported increased feelings of happiness and wellbeing, 90% said libraries encouraged their love of reading, 73% felt a stronger sense of community belonging, and 49% noted improved opportunities for study and learning.

Digital engagement at libraries also continued to grow, with e-resource collections remaining popular among adult borrowers. Virtual visits increased by 30%, compared to an 8.85% rise in physical lending, reflecting a steady shift toward digital access. Additionally, a review of the mobile library service was completed and a replacement mobile library vehicle purchased. The upgraded vehicle will be equipped with Starlink roaming broadband, enhancing access to library services in remote areas of the district.

Waste Services

A key focus for Council continues to be taking a proactive approach to managing closed landfills across the district, with erosion protection and potential removal works programmed for specific sites in the long term plan to address environmental risks associated with these legacy sites. During the year Council made application to the Ministry for the Environment's contaminated sites and vulnerable landfills fund for assistance with protection works at Otautau and removal of waste from Riverton and Colac Bay closed landfills. The Otautau project, originally scheduled for 2024/2025, was intentionally paused while awaiting the outcome of this funding application, as the scope of the works are dependent on the level of external support received.

Stewart Island Electricity Supply Authority (SIESA)

Council received funding from the Ministry of Business, Innovation and Employment (MBIE) to complete an indicative business case for a renewable energy solution for Stewart Island/Rakiura. PTM Consulting Limited were engaged to review previous reports on renewable options and to identify a viable energy solution. A 2MW solar farm with 4MWh battery storage integrated with the existing diesel electricity generation was recommended. Council then made an application to the Regional

Infrastructure Fund for both the renewable energy project and upgrades of the electricity distribution network infrastructure. It was announced in June that Council had secured a suspensory loan for \$15.35 million to undertake both projects under a programme called the Rakiura/Stewart Island Renewable Energy Project.

What we are still working on

Council was unable to deliver the full capital works programme this year. A key contributing factor was the late adoption of the long term plan in August 2024, which effectively reduced the project delivery window to ten months. This timeframe was further constrained by seasonal limitations such as weather-dependent activities like exterior painting and compounded by the volume of projects, contractor availability and cost escalations since budgets were set. In addition, the time required to undertake meaningful engagement to clarify community expectations for projects also impacted delivery timelines by extending project planning. These factors contributed to delays in construction activity, resulting in several projects needing to be carried forward into the 2025/2026 financial year. These projects include the redevelopment of the Otatau camping ground, purchase of additional land for the Riverton/Aparima cemetery and a number of projects to refurbish and replace public toilets at Te Anau Lions Park, Monkey Island, Garston and Half Mile Road playground in Tuatapere.

Identified effects on community wellbeing

These activities play a vital role in supporting community wellbeing, even though it is sometimes perceived as non-essential. However, without these services—such as maintaining lawns, gardens, streetscapes, playgrounds, public toilets, and halls—our towns would lose the vibrancy, cleanliness, and sense of pride that make them welcoming and liveable. These visible, tangible services are a key part of how communities experience Council's presence. Their contribution is critical to the social, cultural, and economic wellbeing of our communities. Additionally, by engaging local contractors to deliver this work, Council supports local employment and economic growth across the district.

Providing reliable and accessible waste disposal and recycling services enables residents to manage their waste responsibly, reduce landfill volumes and in doing so protect public health and reduce the impact on the environment and improve wellbeing. The activity also ensures any landfill waste is managed appropriately, including monitoring and mitigating risks such as leachate and gas emissions. Pest control measures and efficient management of transfer stations further help minimise potential negative impacts. During the year, one of the district's recycling containers was relocated from Birchwood Road Nightcaps to a new more central site at the Ohai Recreation Reserve. The relocation to a more central and accessible location has contributed to community wellbeing by making recycling more convenient for Ohai residents and reducing nuisances caused by noise from glass recycling that previously affected neighbouring properties at the former location.

Performance results

7 of the 12 (58%) key performance indicator targets were achieved or mostly achieved (missed by 5% or less).

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
Level of Service 3: Facilities are fit for purpose, to enable healthy grieving and memorialisation for the community				
Cemeteries				
KPI 3.1: To meet family expectations that the burial plots are prepared by the time required	98%	100%	97%	Mostly achieved (missed by 5% or less) There were 75 burials during the year, with 73 having plot preparations notified on time (defined as at least two hours prior to the burial). All plots were prepared on time, and the level of service provided to families was not affected. The two exceptions relate to the timing of the notification that the plots were ready, which

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
				were received 15 minutes later than expected but still well in advance of the scheduled burials. Of these, one delay was due to onsite technical issues, and the other resulted from an oversight.
Level of Service 4: Facilities are fit for purpose				
Community housing				
KPI 4.1: Community housing occupancy rate ¹	89.85%	85%	88%	Achieved Of the 69 flats, 61 are currently tenanted. Any vacancies during the year have been prioritised for individuals aged over 60, in line with the community housing policy. As of the date of this report, the occupancy rate is at its maximum, with the remaining flats undergoing short or long-term repairs, maintenance, or refurbishment.
KPI 4.2: Percentage of people who meet priority criteria ²	91.9%	80%	93%	Achieved The community housing units provided by Council are prioritised for older local residents aged over 60 years who are assessed as having the greatest need for this type of housing. The majority of current tenants meet this priority criteria, and there have been no new tenancies for individuals under 60 in the past 12 months. The waiting list is also predominantly made up of priority prospective tenants.
1. Community housing occupancy rates are kept at a lower target to allow for maintenance and refurbishment following the end of a tenancy 2. Policy states that priority criteria include that persons are over 60 years old or persons that are considered to be in need of community housing				
Level of Service 5: Council provides a library service for the district including a mobile service				
Library services and customer contact				
KPI 5.1: the library network will increase the digital proportion of lending year on year ¹	New measure	Baseline	12%	Baseline established As this is the first year using this measure, the current e-book lending proportion of 12% will serve as the baseline target going forward. This represents a 2% increase compared to the previous year (2023/2024).
KPI 5.2 the library and service network will increase programme participation numbers year on year ²	New Measure	Baseline	6,879	Baseline established A library programme is defined as a one-off or recurring event organised or delivered primarily by library staff. Over the past year, a total of 6,879 participants attended these activities. As this is the first year using this measure, this figure will serve as the baseline going forward. This participation level represents a 35% increase compared to the previous year's total of 5,104 in 2023/2024.
1. Council is looking to increase access digitally to library lending – potentially reducing the spend on physical lending materials, based on customer feedback. 2. Council is wanting to increase community connectedness by seeing the libraries as a place to socialise and participate in ongoing learning				
Level of service 6: Council provides safe, well maintained open spaces				
Open spaces				
KPI 6.1 Percentage of SDC playgrounds that meet NZ standards over the next 3 years ¹	New Measure	80%	Not measured	Not measured The measurement of this KPI requires a level three risk assessment of playgrounds, which evaluates hazards by assessing the probability of injury occurrence against the potential severity. This assessment is next scheduled to be carried out in

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
				2025/2026 and therefore was not measured during the reporting period. Instead, level one and two assessments were carried out regularly throughout the year as part of Council's maintenance contract. These focus on routine playground maintenance and identifying equipment defects. While not measured, compliance with standards is likely to have improved over the year due to the replacement of equipment at several playgrounds and the installation of new playgrounds in Balfour and Henry Street Te Anau.
KPI 6.2: Open spaces requests for services are completed within specified timeframes ²	74.4%	90%	91%	Achieved There were a total of 442 requests for service received with 402 actioned within the specified timeframe.
KPI 6.3 Council collaborated in partnership with a minimum of three community groups in the biodiversity /ecological or environmental space ³	New Measure Set MOU with community groups 3 per year	3	3	Achieved Council partnered with Riverton Lions, Riverton Menz Shed, and Riverton Rotary Club to carry out minor works in Riverton. In Te Anau, Council is in the process of establishing a Memorandum of Understanding (MOU) with the Te Anau Lakefront Labourers to undertake beautification efforts along the Lake Te Anau foreshore, specifically in the area surrounding the Matariki pou. Initial discussions have also taken place with the Aparima Pest Busters to expand the scope of their current work. This proposed variation to their existing MOU will focus on native planting initiatives at Taramea Bay and Bath Road.
1. https://www.standards.govt.nz/shop/NZS-58282015 2. Open spaces requests include requests for related activities e.g. playgrounds, reserves etc. Timeframes for response to request for service depends on the type of request 2, 5 or 10 days. 3. Council sharing the development, maintenance and care of our open spaces builds on the model of community-based care of spaces along with the use of local contractors for maintenance and development.				
Level of service 2: Council owned facilities are fit for purpose				
Community Services				
KPI 2.1: Council owned halls are fit for purpose ¹ (definition includes ease of booking, cleanliness of kitchen and toilets, would you book again)	Baseline data	Baseline+10%	100%	Baseline established All nine responses received from hall users rated the halls as fit for purpose. Six respondents rated the hall a 5, one rated it a 4, and two rated it a 3.
1. Fit for purpose is a rating of 3+ on a hall user survey scale of 1 -5				
Level of Service 7: Council provides a reliable, sustained electricity supply to Stewart Island that meets current and future needs				
SIESA				
KPI 7.1: Number of unplanned point of consumer supply interruptions to Stewart Island electricity supply	2	≤6	9	Not achieved There were nine unplanned outages during the year, each lasting between 8 and 30 minutes. Two of these outages were caused by external factors (e.g. lightning strikes or accidents), while the remaining incidents were due to faults within the network or generation equipment.
Level of Service 8: Council provides rubbish and recycling services that minimise the amount of waste going to landfill				
Waste Services				

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
KPI 8.1: The amount of waste diverted from landfill (tonnes) as a percentage of total waste ¹	35%	40%	38%	Mostly achieved (missed by 5% or less) While the amount of waste diverted is less than the target it is an increase on the prior year.
KPI 8.2: The maximum amount of waste per property disposed of to landfill (kilograms)	588 kg per property	650kg per property	596kg per property	Achieved
1. Total waste diverted by weight includes material from drop-off centres, (yellow) recycling wheelie bins, greenwaste sites and scrap metal. Weight calculations are estimated based on the number of collection containers processed multiplied by an average weight for different material types.				

2023/2024 ³ Budget (LTP Y3) (\$000)	2023/2024 ³ Budget (AP) (\$000)	Funding impact statement - community resources	2023/2024 ³ Actual (\$000)	2024/2025 Budget (LTP Y1) (\$000)	2024/2025 Actual (\$000)
		<i>Sources of operating funding</i>			
7,795	8,032	General rates, uniform annual general charges, rates penalties	8,032	8,582	8,557
6,101	6,695	Targeted rates	6,675	6,827	6,813
93	801	Subsidies and grants for operating purposes	1,633	718	860
1,899	2,142	Fees and charges	2,480	2,329	2,679
2,963	3,083	Internal charges and overheads recovered	3,073	3,279	3,335
-	-	Interest and dividends from investments	-	-	-
778	792	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	867	1,044	988
19,630	21,545	Total operating funding	22,760	22,779	23,232
		<i>Applications of operating funding</i>			
12,996	14,978	Payments to staff and suppliers	15,668	16,908	14,692
308	396	Finance costs ²	-	626	-
4,985	5,723	Internal charges and overheads applied ²	5,986	6,058	6,558
12	7	Other operating funding applications	39	151	297
18,302	21,104	Total applications of operating funding	21,693	23,743	21,547
1,328	441	Surplus (deficit) of operating funding	1,068	(964)	1,685
		<i>Sources of capital funding</i>			
21	1,508	Subsidies and grants for capital expenditure	902	909	953
35	35	Development and financial contributions	34	35	44
10,134	11,148	Increase (decrease) in debt	1,160	3,415	2,117
97	123	Gross proceeds from sale of assets	1,976	908	2,000
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
10,287	12,813	Total sources of capital funding	4,072	5,267	5,114
		<i>Applications of capital funding</i>			
		Capital expenditure			
232	226	- to meet additional demand	-	226	-
1,511	2,520	- to improve the level of service	2,297	2,551	3,677
8,788	10,380	- to replace existing assets	1,107	3,195	2,694
1,233	278	Increase (decrease) in reserves	1,785	(1,422)	575
(149)	(149)	Increase (decrease) in investments	(49)	(247)	(147)
11,614	13,255	Total applications of capital funding	5,140	4,303	6,799
(1,328)	(441)	Surplus (deficit) of capital funding	(1,068)	964	(1,685)
-	-	Funding balance	-	-	-

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

2. actual finance costs are lower because interest on internal loans is now included in internal charges and overheads applied. Actual interest on internal loans for was \$499,474 (23/24: \$335,755).

3. minor adjustments were made to classification of activities within each activity group for Community Leadership, Community Resources, and Transport in the LTP 2024-2034. To ensure consistency and comparability, the prior year actuals and budgets for 2023/2024 have been restated to reflect the revised groupings.

*Key variations from budget***Operating:**

Subsidies and grants for operating purposes were above budget primarily due to the receipt of government “better off” funding for projects originally budgeted as capital income. This was offset by the deferral of some projects future years. Additional grants were also received for the remediation of the Bluecliffs landfill site and waste minimisation.

Fees and charges were above budget due to a combination of increased transfer station charges, higher volumes of waste received and an increase in electricity charges for SIESA partway through the year.

Local authorities fuel tax, fines, infringement fees, and other receipts were below budget as a result of lower community housing rentals, partially offset by increased interest earnings.

Payments to staff and suppliers were below budget primarily due to the deferral of several maintenance projects and the reclassification of certain actual costs as capital expenditure rather than maintenance. In addition, expenditure on the review of reserve management plans was lower, as these have been consolidated into an omnibus review that is expected to result in further savings as the project is carried out over future years. Overall maintenance costs were also under budget, with some tree and hedge work now intended for delivery next year. Closed landfill remediation costs and fuel expenses for SIESA were also under budget. These savings were partially offset by higher cleaning costs, particularly for public toilets, along with increased building lease expenses and higher waste disposal levies.

Other operating funding applications were over budget due to the actual costs of a grant for the Tuatapere Historic Railway Station being included here, while the budget had originally been classified under *capital expenditure to replace existing assets*.

While *finance costs* appear reduced, this reflects a change in accounting treatment. Council now uses internal interest charges to allocate borrowing costs across activities, following the shift to bulk borrowing through the Local Government Funding Agency (LGFA). Interest charges are now included as part of internal charges and overheads rather than separately as finance costs resulting in higher internal charges and overheads.

Capital:

Gross proceeds from sale of assets was higher than budget due to the sale of property at Luxmore in Te Anau and John Street in Winton.

Capital expenditure to meet additional demand was lower than budget due to a delay in the purchase of additional land for the Riverton/Aparima cemetery. *Capital expenditure to improve the level of service* was above budget, largely due to the purchase of a new Invercargill office building, which has been budgeted in the prior year. *Capital expenditure to replace existing assets* was under budget, primarily due to changes in project timing and the classification of railway project costs as operating expenditure rather than capital. Project timing changes also contributed to lower *debt* levels as fewer loans were required to fund the deferred projects. Additionally, *reserves* increased due to the reduced need for funding.

Environmental services (including emergency management)

What's included in the activity?

- building solutions
- resource management
- environmental health (including for health, alcohol, food and monitoring/compliance)
- animal services
- emergency management

What we do

Environmental Services helps keep our communities safe by making sure rules around building, food safety, alcohol, dogs, and the natural and built environment are followed, working closely with Te Ao Mārama, representing Ngāi Tahu ki Murihiku, to ensure iwi perspectives are included in decisions about land, water, and development. This partnership supports kaitiakitanga—guardianship of our natural and built environments—for current and future generations. The activity also supports emergency planning through Emergency Management Southland—helping communities prepare for, respond to, and recover from emergencies. This work protects public health, supports safe living environments, and ensures our district is cared for now and into the future.

How we did

What happened in the year

[Resource management planning/processing](#)

During the year, significant progress was made across several planning areas.

District plan change 2, to implement the Code of Practice for Subdivision, Land Use, and Development was finalised, publicly notified and adopted following a hearing. The plan change is now operative, with one appeal underway, enabling Council to enforce the engineering standards for developments and subdivisions through the District Plan provisions. In addition, District Plan private plan change 3, proposing the rezoning of approximately 46 hectares in Woodlands/Morton Mains from general rural to general industrial, was accepted and notified with four submissions received. The hearing for this change is scheduled for August 2025.

Consent processing saw significant improvement, with 93% of consents completed within statutory timeframes, a marked shift from 29% the previous year. This achievement was driven by successful staff recruitment, supported by targeted upskilling and training initiatives leading to a reduced reliance on outsourcing. These enhancements contributed to a notable uplift in customer survey results, with respondents viewing the team as considerably more effective than two years ago.

In the area of climate change, Council adopted the Southland Regional Climate Change Strategy in October 2024.

Work also began on the preparation of spatial plans for 10 townships across the district, starting with Stewart Island/Rakiura with this plan and others expected to be completed in 2026. A spatial plan is a long-term, strategic document that visually maps out how an area is planned to grow and develop over time. They are used to guide land use, support infrastructure planning, identify areas that should be preserved or enhanced, manage risks of natural hazards like flooding or

coastal erosion, and support economic growth by providing areas for business and industry. These plans will help communities make informed decisions about the future, ensuring growth is sustainable, resilient, and aligned with local values.

Animal services and consent compliance

The year saw a successful registration campaign with 99.8% of dogs re-registered. Compliance activities remained a focus with additional resources employed to support continued enforcement efforts resulting in several dangerous dogs being removed from public areas and two individuals convicted of serious offences relating to dog attacks.

With resource management monitoring and compliance, a larger team enabled monitoring of around 300 older consents to ensure consent holders met the requirements of their consent. Taking a consistent and balanced approach has led to notable improvements and greater compliance across the board.

Environmental health

Customers can now apply online for alcohol, food, and health-related permits, streamlining the process. The Council website was also updated to make it easier for people to find and use food and health related services. The alfresco dining programme was relaunched with a simplified application process and a list of approved outdoor dining spots, alongside a review of the Trading in Public Places Bylaw. In Te Anau, new signage was installed to clearly mark alcohol-free areas to improve awareness and encourage greater compliance. A new food business levy, introduced by the Ministry for Primary Industries, was also implemented.

Building control

In February, the Council underwent a successful IANZ audit as part of its accreditation as a Building Consent Authority (BCA). The audit identified only two minor general non-compliances, both of which were promptly addressed. As a result, BCA accreditation was retained, and the Council was classified as a low-risk BCA, meaning the next audit will not be required for two years.

Over the past 18 months, efforts have been directed toward training and developing new building control officers. All technical staff within the team now hold recognised levels of competency, reducing the need for close supervision and contributing to improved operational efficiency.

Statutory timeframes for consent processing continue to be met at a high level, with compliance rates for building consents and code compliance certificates consistently in the high 90% range. The average processing time for granting building consents is approximately 11 working days.

Remote inspections have also been successfully implemented for selected inspection types using Zyte video calling software. This proactive initiative positions the Council well in anticipation of the Government's proposed mandate for remote inspections.

Emergency management

Emergency Management Southland (EMS) is a shared service provided by Invercargill City Council, Southland District Council, Gore District Council, and Environment Southland. EMS plays a vital role in building community resilience by strengthening preparedness, response, and recovery capabilities across the region. This includes public education initiatives, emergency response planning, and the delivery of targeted training to ensure a well-prepared pool of personnel across councils and partner agencies.

In 2024/2025, Southland did not experience any major emergencies that required full activation of the Emergency Coordination Centre (ECC). However, EMS responded to several smaller events, including a magnitude 6.8 earthquake and strong currents off the coast of Southland (north of Snares Island) as well as flood

monitoring. To enhance operational readiness, EMS introduced a new “three-shift” model to sustain emergency operations for the first five days of an event and has identified the implementation of a “four-shift” model as a strategic goal in the coming one to two years.

Work continued on the revision of the Southland Civil Defence Emergency Management (CDEM) Group Plan, with the updated version scheduled for adoption in 2025/2026. Toa Consulting was engaged to ensure alignment with the National Disaster Resilience Strategy (NDRS), with a strong emphasis on community-led resilience and partnership with iwi.

Despite ongoing staffing pressures during much of the reporting period, EMS delivered a number of targeted community preparedness initiatives based on insights from its 2024 Community Preparedness Survey. Public education campaigns focused on earthquake and flooding risks, with new resources developed to address preparedness gaps among younger families, older populations, and individuals living alone. EMS also updated Community Response Plans in four communities and expanded its popular School Simulator Programme, which supports youth engagement.

To support readiness across councils and partner agencies, EMS delivered over 40 training sessions, including CIMS4, foundation, and induction courses. A structured training programme was implemented, including evaluation tools to measure learning outcomes. A long-term Training and Capability Strategy (2025–2030) was also developed to guide future efforts. While training was made more accessible through onsite delivery, uptake remained low in some areas.

Collaboration remained a key focus, with EMS facilitating 20 stakeholder engagement sessions throughout the year. These included meetings with the Emergency Services Coordination Committees, Fiordland Hazard Working Group, and Welfare Coordination Group. A significant development was the continued success of the Mana Whenua Emergency Facilitator role, piloted in partnership with Ngāi Tahu and Te Ao Mārama. The facilitator has enhanced cultural responsiveness and supported marae-based emergency planning, contributing to several inter-agency events including the Awarua Peninsula fire, earthquakes and Otago flooding.

The appointment of a Communications Advisor has enabled EMS to take a more strategic and consistent approach to public messaging. Digital platforms were upgraded to support real-time updates, and targeted resources, such as the Older Persons Guide to Emergencies, were created to ensure inclusive communication. Results from the 2024 Preparedness Survey showed a growing public understanding of hazards, confirming the value of these efforts.

EMS continued to administer and lead the South Island-wide AF8 Programme. Highlights included sustained public engagement through the AF8 Roadshow and ongoing national collaboration on Alpine Fault risk awareness. The programme received continued Resilience Fund support for 2023–2026 and contributed to scenario development for the national Exercise Rū Whenua. EMS also maintained active involvement in the AF8 Programme, contributing to inter-regional risk reduction efforts and supporting the promotion of local hazard awareness through public-facing initiatives. The AF8 Roadshow continued to have record numbers in the region with a total of 624 people interacting with these sessions, including school visits and public talks.

Key challenges during the 2024/2025 year included preparing for legislative reform, addressing the limitations of current response capacity beyond five days, and managing the impacts of longstanding staffing shortages. However, EMS reached full staffing capacity in June 2025 for the first time in over three years, positioning the team to progress strategic priorities and continue strengthening Southland’s emergency management capability in the year ahead.

What we are still working on

Several planned initiatives in the areas of environmental planning and climate change were deferred. Work on the Outstanding Natural Features and Landscapes plan change was paused with significant legislative changes occurring in the resource management sector. Council considered it was more prudent to await the establishment of the new planning framework to ensure alignment. The development of a Council emissions reduction plan was also delayed with priority given to

advancing the Regional Climate Strategy, Regional Framework for Climate Action, and initiating the Council's organisational climate change risk assessment. A business case to support future emission reduction activities is planned to be developed in 2025/2026.

Identified effects on community wellbeing

Council environmental service activities contribute to community wellbeing by protecting natural resources, promoting sustainable land use, managing environmental risks, enhancing community preparedness and resilience in the face of emergencies, and ensuring compliance with regulations that safeguard public health. In addition to these wider effects, specific initiatives that occurred during the year to influence wellbeing included:

- the adoption of the Regional Climate Strategy and the Regional Framework for Climate Action marked a significant milestone in building a more resilient future for Southland and long term community wellbeing. By aligning the aspirations and principles of local councils, Te Ao Mārama Inc, and Great South, these frameworks foster a unified and strategic response to climate change across the region.
- the targeted dog control enforcement efforts carried out during the year, such as removing dangerous dogs from public areas and prosecuting serious offences, has positively impacted community wellbeing by helping to create a safer and more secure environment.

Performance results

8 of the 10 (80%) key performance indicator targets were achieved or mostly achieved (missed by 5% or less).

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
Level of Service 9: Enhance the health, safety and well-being of the community and environment, through the effective implementation of a range of legislation				
Environmental and regulatory services				
KPI 9.1: Percentage of non-notified resource consents processed within statutory timeframes	29.28%	100%	93%	Not achieved This represents a significant improvement from the prior year following an increase in staff capacity and improvements to processes and systems. The majority of the consents not processed within timeframes relate to a backlog of resource consents lodged during 2022/2023 which are still being worked through to a decision.
KPI 9.2: Percentage of building consent applications processed within statutory timeframes	70.1%	100%	95%	Mostly achieved (missed by 5% or less) This represents a significant improvement from the prior year. Over the year Council processed and granted 885 building consents, with an average processing time of 13.6 working days. Most applications that exceeded the statutory 20-working-day timeframe were either complex or required multiple rounds of additional information requests.
KPI 9.3: Percentage of code compliance certificate applications processed within statutory timeframes	78.3%	100%	96%	Mostly achieved (missed by 5% or less) This represents a significant improvement from the prior year. Over the year Council issued a total of 830 code compliance certificates (CCC). The average processing time from receipt of a complete application was 11.7 working days. Of these, approximately 380 were for historic building consents (older than two years) with some dating back as far as 1993. Council has continued to improve compliance with statutory timeframes, supported by ongoing staff development and increasing technical competency within the team.

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
KPI 9.4: Number of serious injuries to the public from dog attacks ¹	1	0	0	Achieved During the year, there were no serious injury dog attacks on people, reflecting earlier actions to remove dangerous dogs from the community. While a small number of dog attacks on animals were recorded, none resulted in life-threatening injuries.
KPI 9.5: Percentage of non-working dogs subject to the responsible owner category ²	Annual average 95.5%	(AA) 90%	90%	Achieved
KPI 9.6 Percentage of new food and alcohol applications processed and issued within 30 working days	New measure	50%	85%	Achieved
KPI 9.7: On site Building Warrant of Fitness audits completed in the community	22.6%	20% of buildings audited	22%	Achieved Council completed 168 building warrant of fitness audits, representing 22% of all buildings with compliance schedules. Council's audit programme is structured around risk-based groupings, with each group assigned a different audit frequency. High-risk buildings are audited on a three-year cycle, medium-risk buildings on a four-year cycle and low-risk buildings on a five-year cycle.
KPI 9.8: Number of incidents ³ of foodborne illness believed ⁴ to be caused by food sold at a Council-verified business	3	0	0	Achieved There have been no incidents of foodborne illness.
1. This is not intended to capture injuries from dog bites within a home environment 2. This KPI is reported on quarterly and has an annual average, for the 24/25 year council is moving to a one tag for life system 3. "Incident" means illness arising from a common food source that has made one or more people ill, and includes an outbreak (more than 2 people ill) 4. "Believed" means that there is strong evidence suggesting the cause is the business concerned. The term 'suspected' would be used when there is weak evidence linking a food business to the incident.				
Level of Service 10: Build community resilience to emergency events				
Emergency Management				
KPI 10.1: there are 26 community plans, eight of those plans will be enhanced and reviewed on an annual basis	New measure All communities are covered with a plan.	8 per year	4 plans reviewed	Not achieved Emergency Management Southland (EMS) reviewed four community plans during the year. While this is below Council's target, it aligns with the approved EMS workplan, which sets a goal of reviewing four plans annually. While Emergency Management Southland remains committed to delivering on its core objectives, several significant challenges impacted the ability to meet all key performance indicators (KPIs) during the 2024/2025 financial year. Chief among these was a sustained period of high staff attrition, which placed considerable strain on operational capacity. For much of the year, EMS operated below full staffing levels, requiring the team to prioritise critical functions and defer or scale back some planned initiatives.

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
				Compounding this was a period of leadership transition, with turnover in the Group Manager role affecting continuity in strategic direction and programme delivery. This leadership gap caused a temporary pause or redirection of several long-term projects, including the Group Plan review, tsunami, modelling, and community response planning activities, to ensure alignment with future leadership priorities. Additionally, EMS was required to respond to several unplanned emergency events, including the Southland M6.8 earthquake and tsunami response, as well as minor flooding and earthquake incidents. These response activities demanded significant time and resources, diverting attention from scheduled work programmes and training delivery. While these responses demonstrated the organisation's growing capability and adaptability, they also highlighted the ongoing tension between readiness and delivery in a constrained resource environment.
KPI 10.2: percentage of surveyed households that have an emergency plan (written or verbal) form 55% - 60%	Yet to be measured	maintain above 60%	73%	Achieved While this is a positive outcome, there is still more to be done to increase public awareness about the importance of emergency planning.

2023/2024 Budget (LTP Y3) (\$000)	2023/2024 Budget (AP) (\$000)	Funding impact statement – environmental services	2023/2024 Actual (\$000)	2024/2025 Budget (LTP Y1) (\$000)	2024/2025 Actual (\$000)
		<i>Sources of operating funding</i>			
5,785	5,615	General rates, uniform annual general charges, rates penalties	5,610	6,117	6,101
-	-	Targeted rates	-	-	-
11	410	Subsidies and grants for operating purposes	6	610	97
4,006	4,452	Fees and charges	3,811	4,864	4,331
600	661	Internal charges and overheads recovered	630	610	658
-	-	Interest and dividends from investments	-	-	-
209	323	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	418	302	95
10,610	11,460	Total operating funding	10,475	12,503	11,282
		<i>Applications of operating funding</i>			
6,670	7,150	Payments to staff and suppliers	6,348	8,090	6,148
3	12	Finance costs ²	0	14	-
3,644	4,083	Internal charges and overheads applied ²	3,916	4,422	4,201
441	451	Other operating funding applications	479	473	419
10,758	11,696	Total applications of operating funding	10,743	12,999	10,768
(148)	(235)	Surplus (deficit) of operating funding	(268)	(496)	515
		<i>Sources of capital funding</i>			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
39	39	Increase (decrease) in debt	(68)	99	(59)
29	63	Gross proceeds from sale of assets	60	25	4
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
68	102	Total sources of capital funding	(8)	124	(55)
		<i>Applications of capital funding</i>			
		Capital expenditure			
-	-	- to meet additional demand	-	-	-
43	42	- to improve the level of service	23	-	3
117	250	- to replace existing assets	-	53	-
(120)	(306)	Increase (decrease) in reserves	(13)	(185)	656
(120)	(120)	Increase (decrease) in investments	(286)	(240)	(199)
(80)	(134)	Total applications of capital funding	(276)	(372)	460
148	235	Surplus (deficit) of capital funding	268	496	(515)
-	-	Funding balance	-	-	-

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

2. actual finance costs are lower because interest on internal loans is now included in internal charges and overheads applied. Actual interest on internal loans was \$11,711 (23/24: \$11,941).

*Key variations from budget***Operating:**

Subsidies and grants for operating purposes were under budget due to the change in timing of the spatial planning project (Township Futures Plan) that has been partially deferred to 2025/2026 to enable the scope to be finalised and resources secured to complete the work.

Fees and charges income were under budget due to a decline in building consent volumes combined with a general lowering in the value of building work being undertaken. This was caused by a combination of factors including slowing economy, high construction costs, and challenging financial conditions.

Local authorities fuel tax, fines infringement fees and other were under budget largely due to lower general recoveries for building and resource consenting with less external consultants used to process consents.

Payments to staff and suppliers were under budget due to the delay of both the spatial planning project, Go-get software system replacement for building consents and lower staff costs. This was partially offset by higher expenditure on external consultants to ensure work was completed.

Internal charges and overheads applied were under budget as a result of lower corporate service costs particularly employee costs, project and general operating costs.

Other operating expenses were under budget due to doubtful debts recovered during the year.

Capital:

Capital expenditure to replace existing assets was under budget due to vehicle replacements being delayed.

Reserves increased as a result of the underspends in *payments to staff and suppliers* and *internal charges and overheads*.

Increase (decrease) in debt was under budget due to the delay in the Go-get software system replacement.

Transport

What's included in the activity?

- roads and footpaths (including signs, bridges, streetlights) and road safety
- cycle trails
- Te Anau Airport Manapōuri
- water facilities

What we do

Transport delivers services and manages assets to enable safe and efficient transportation of people and vehicles across the district, excluding State Highways. Services range from routine maintenance, such as clearing debris and grading gravel roads, to major capital projects like bridge replacements and road renewals. In addition to roads, streets, streetlights, bridges, and culverts, the activity also oversees the Around the Mountains Cycle Trail, Te Anau Airport Manapōuri, and various water facilities such as boat ramps, wharves/jetties and navigation aids enabling both recreational and commercial access to waterways.

This activity supports people's ability to live, work and travel safely throughout Southland and contributes to environmental protection and public safety through controlled, secure access to roads and waterways and by facilitating safe marine navigation.

How we did

What happened in the year

Key achievements for the year include:

- two bridge replacements
- 534 kilometres of unsealed road re-gravelled
- 112 kilometres of sealed roads resurfaced
- 658 metres of culverts installed
- 5.7 kilometres of sealed road rehabilitations completed
- in late 2024, Council adopted amendments to its Roading Bylaw 2008 to address long-standing parking and traffic safety issues on Stewart Island/Rakiura. The changes followed public consultation, where 49 submissions were received. The key changes included new parking restrictions, particularly in areas like Oban and Golden Bay, where long-term vehicle parking had become problematic and the introduction of a new one way system on narrow hillside roads near Observation Rock, where two-way traffic posed safety risks
- completing the repairs on the Around the Mountains Cycle Trail, further to the September 2023 flood damage
- replacement of the Te Anau downs boat ramp
- the concession for water structures in the Fiordland National Park has been renewed with the Department of Conservation. The concession allows Council to operate and maintain water structure infrastructure like boat ramps, wharfs, jetties within the national park
- working with the Riverton Harbour committee to define the scope of work for the refurbishment of the Riverton T Wharf and the maintenance of the long wharf

- progress on replacing the Ulva Island wharf on Stewart Island/Rakiura has advanced to the point where the community board can consider and make a recommendation to Council. The new design is of a similar scale and appearance to the existing wharf with functional improvements incorporated and will remain in the existing location in Post Office Cove.

While 38 projects were originally budgeted for delivery in the long term plan for 2024/2025 (with a total budget of \$34.3 million), this reduced to 33 projects with a revised budget of \$25.3 million, primarily due to the reduction in NZTA funding for roads. Over the year 49% of the revised projects were completed, 21% were in progress, 18% incurred costs but were rescheduled to another year with another 9% rescheduled with no costs incurred and 3% cancelled. Actual expenditure on projects was \$18 million. More information about the specific projects can be found in the full project list in section four.

What we are still working on

Roading and footpaths

Not all requested funding for roading was received from NZ Transport Agency Waka Kotahi (NZTA). NZTA approves Councils roading programme once every three years. The confirmed programme was received in September 2024 after Council had set its long term plan August 2024. This resulted in works programmed needing to be reviewed and adjusted. Footpath funding was the activity proportionally most affected resulting in the need to revisit priorities and funding levels with each community board.

To meet the revised budget, it was agreed to reduce the quantity of remarking of road edgelines. Rural sealed roads with less than 750 vehicles per day did not have edgelines remarked over during the 2024/25 year.

The shortfall in funding has also meant Council was not able to achieve its annual road resurfacing target and will be around 20km short this year. If this shortfall in funding continues this will have a compounding effect on future year works programme and funding requirements to maintain current levels of service.

The full bridge programme could not be delivered this year due to changes in the NZTA funding approval process. This has now been worked through and funding approved resulting in tenders being put out to market covering both work originally planned for 2024/2025 and 2025/2026.

Te Anau Airport Manapouri

A contract for the resurfacing of the Te Anau Airport Manapouri runway has been awarded; however, construction has been delayed until December 2025 due to suboptimal weather conditions and the need to accommodate scheduled flight operations

Water facilities

While the replacement of the Ulva Island wharf on Stewart Island/Rakiura did not get completed, Council has progressed this project to a point where a replacement wharf is expected to be in place in time for the 2026/2027 visitor season. In the interim, maintenance works are planned to be completed later in 2025. Subject to the procurement of a contractor to carry out physical works, the refurbishment of the Millars Beach wharf on the island has also been deferred and is now planned to occur in late 2025, with consideration being given to coordinating works alongside other wharf projects on Stewart Island/Rakiura to improve efficiencies. Preparations for the renewal of the Golden Bay wharf on the island were also placed on hold, with focus redirected toward developing a masterplan for Golden Bay, Stewart Island/Rakiura. The masterplan aims to guide future upgrades and better integrate infrastructure to meet the needs of both residents and visitors over the next 5 to 10 years as funding becomes available. A central feature of the masterplan is the redevelopment of the Golden Bay Wharf, with funding allocated in the Annual Plan 2025/2026 for the project scope, design and construction which is dependent on obtaining grant funding for the projects.

The project to replace the T-Wharf at Riverton Harbour has been delayed to allow for further investigations into alternative options and ongoing discussions with stakeholders. The specific scope of work is still being finalised in collaboration with the local harbour committee, with a construction programme to be developed once a preferred approach is agreed upon.

Identified effects on community wellbeing

The effect of the activity group on social wellbeing includes providing crucial infrastructure so users can connect with others and move safely around the district. It provides a cycleway and footpaths to encourage walking and biking as part of a healthy lifestyle. It also provides transport through other infrastructure such as wharves, jetties and airports to further connect communities. Southland has the second largest roading network in the country. The effects of this network on community wellbeing are providing the means to connect people, goods and services throughout the district, and supporting people's ability to live, work, visit and travel safely. It helps business and industry to transport their goods and services. The provision of streetlighting aids the safety of the community by discouraging crime in urban areas. Road safety education is carried out to minimise the negative effects of the activity. While transport plays an integral part in Southland district, there are inherently some significant negative effects on the community's wellbeing associated with it. We have processes in place to reduce the likelihood of their occurrence. An example of a significant negative effect is road crash fatalities. The possibility of these occurring is reduced through maintenance, renewals and road safety strategies. Other negative effects that could arise from the roading activity are economic effects such as travel delays as a result of road construction or upgrade works. Negative environmental effects could also occur, such as excessive noise, dust, contamination of waterways by stormwater discharge from road surfaces and environmental degradation from road construction or upgrade works. We put processes in place to reduce and or mitigate these negative effects as much as practicably possible.

The Ulva Island and Golden Bay wharves are vital infrastructure for Stewart Island/Rakiura's economy, supporting both local operations and tourism. However, the high cost of maintenance and replacement has posed ongoing challenges. Delays in replacing the Ulva Island wharf have had a noticeable impact on the island's economy, with uncertainty around its future affecting bookings from overseas visitors. Current restrictions on the wharf also limit the size of vessels that can access it. To help fund ongoing maintenance, Council consulted on a new Ulva Island wharf fee as part of its fees and charges review in April 2025. The fee was adopted in June 2025 and is expected to be implemented once the Ulva Island wharf replacement is complete.

Performance results

6 of the 9 (67%) key performance indicator targets were achieved or mostly achieved (missed by 5% or less).

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
Level of Service 12: Our transport network provides for safe, comfortable and efficient travel				
Roads, bridges, footpaths, cycle trail, airport				
KPI 12.1: Condition of the sealed road network – The average quality of ride on sealed local road network measured by smooth travel exposure ¹	Yet to be measured	Smooth Travel Exposure ¹ of ≥ 98%	99%	Achieved
KPI 12.2: Percentage of gravel road tests where road roughness ² meets acceptable standards	91.3%	≥85%	89%	Achieved

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
KPI 12.3: Maintenance of a sealed local road network - The percentage of sealed local road network that is resurfaced	4.06%	6.7%	5.7%	Not achieved The full 2024/2025 NZTA approved resurfacing programme was delivered, which equated to 800,548m ² or around 112km of the network being resealed or 5.7% of the total sealed network area. This is less than the target of 6.7% due to budget limitations as a result of the reduced NZTA funding.
KPI 12.4: Response to service requests – The percentage of customer service requests relating to roads and footpaths to which the Council responds within the required timeframes ³	96.97%	≥93%	98%	Achieved
KPI 12.5: Road Safety – The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	11	Reduction of 1 from prior year	16	Not achieved There was one fatal and fifteen serious injury crashes recorded in the Crash Analysis System (CAS) database in the Southland District network for 2024/2025. Alcohol was a contributing factor in half of these crashes.
KPI 12.6: Footpath condition ⁴ – The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan)	Yet to be measured	≥90%	Not measured	Not measured With a significant reduction in footpath funding from NZTA, Council decided not to carry out the condition survey considering the data already held and works programmes being so small. Existing data from previous condition surveys have scored the footpath network overall in excess of 90% which is well above the minimum target of 70%. Given that the footpath network is not a dynamic asset it is expected that little change will have occurred since the last survey was carried out and therefore would still easily exceed the minimum target score. The next survey (regardless of scope) is planned for early 2026.
KPI 12.7: Around the Mountains cycle trail has Great ride status	Retain accreditation	Retain accreditation	Accreditation retained	Achieved
KPI 12.8: CAA compliance requirements for Part 139 certification is maintained	Retain certification	Retain certification	Compliance retained	Achieved The airport has maintained Part 139 certification.
Level of Service 13: Council provides safe and well-maintained water facilities to enable public enjoyment and access to the district's rivers, lakes and sea				
Water facilities				
KPI 13.1 – Water facilities requests for services are completed within specified timeframes	100%	≥80%	92%	Achieved There was a total of 12 requests for service received with 1 not actioned within the specified timeframe.
<ol style="list-style-type: none"> Smooth travel exposure is an index that determines the proportion of travel on sealed roads which are smoother than a defined threshold. Road roughness is measured by RoadRoid testing. Timeframes for responding to requests related to roads and footpaths vary from 24 hours to up 60 days depending on the urgency and risk associated with the request. Overall around 80% of the Council's requests for service have a target timeframe of 10 days or less. The Transport AMP includes more detail about the individual request types and timeframes. Footpaths are assessed and given a condition rating that uses a visual rating scale of 1-5 where 1 is the highest (3 is reasonable). The percentage is calculated according to the length of the network that meets or exceeds the average of all condition ratings. 				

2023/2024 ³ Budget (LTP Y3) (\$000)	2023/2024 ³ Budget (AP) (\$000)	Funding impact statement – transport	2023/2024 ³ Actual (\$000)	2024/2025 Budget (LTP Y1) (\$000)	2024/2025 Actual (\$000)
		<i>Sources of operating funding</i>			
1,053	1,399	General rates, uniform annual general charges, rates penalties	1,404	1,355	1,353
16,649	17,288	Targeted rates	17,237	21,623	21,591
6,659	7,037	Subsidies and grants for operating purposes	8,157	9,645	8,271
44	39	Fees and charges	70	59	75
335	333	Internal charges and overheads recovered	479	421	447
-	-	Interest and dividends from investments	-	-	-
1,147	1,608	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	1,774	1,403	1,266
25,886	27,705	Total operating funding	29,121	34,506	33,003
		<i>Applications of operating funding</i>			
14,269	15,168	Payments to staff and suppliers	17,096	19,006	16,335
328	512	Finance costs ²	-	614	-
2,471	2,848	Internal charges and overheads applied ²	3,140	2,795	3,149
209	243	Other operating funding applications	272	141	143
17,277	18,770	Total applications of operating funding	20,508	22,556	19,627
8,609	8,934	Surplus (deficit) of operating funding	8,613	11,950	13,376
		<i>Sources of capital funding</i>			
9,896	12,483	Subsidies and grants for capital expenditure	12,826	17,838	9,704
-	-	Development and financial contributions	-	-	-
906	2,504	Increase (decrease) in debt	(710)	3,303	(3,668)
10	38	Gross proceeds from sale of assets	64	25	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
10,812	15,024	Total sources of capital funding	12,180	21,166	6,036
		<i>Applications of capital funding</i>			
		Capital expenditure			
-	-	- to meet additional demand	-	-	-
2,408	1,555	- to improve the level of service	1,514	842	435
17,488	24,364	- to replace existing assets	23,560	33,369	17,607
(469)	(1,954)	Increase (decrease) in reserves	(4,234)	(1,018)	1,450
(7)	(7)	Increase (decrease) in investments	(47)	(78)	(80)
19,421	23,959	Total applications of capital funding	20,793	33,116	19,412
(8,609)	(8,934)	Surplus (deficit) of capital funding	(8,613)	(11,950)	(13,376)
-	-	Funding balance	-	-	-

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

2. actual finance costs are lower because interest on internal loans is now included in internal charges and overheads applied. Actual interest on internal loans was \$570,626 (23/24: \$468,675).

3. minor adjustments were made to classification of activities within each activity group for Community Leadership, Community Resources, and Transport in the LTP 2024-2034. To ensure consistency and comparability, the prior year actuals and budgets for 2023/2024 have been restated to reflect the revised groupings.

*Key variations from budget***Operating:**

The reduction in programme to match NZTA funding has impacted *payments to staff and suppliers* by \$2.0 million. Due to delays in receiving approvals from NZTA regarding the roading programme and the level of funding allocated to its various components, Council had to reassess the entire programme in light of the reduced funding. This process took longer than usual, which, combined with seasonal weather constraints and the timing of the tendering process for engaging contractors, significantly shortened the available window for physical construction. This impacted the volume of work that could be completed within the financial year contributing towards the \$0.3 million variance in both *subsidies and grants for operating purposes*, and *local authorities fuel tax, fines, infringement fees and other receipts*.

In addition, *payments to staff and suppliers* were further under budget due to staff vacancies (\$0.1 million) and the lower project maintenance costs for Stewart Island jetties (\$0.1 million).

While *finance costs* appear reduced, this reflects a change in accounting treatment. Council now uses internal interest charges to allocate borrowing costs across activities, following the shift to bulk borrowing through the Local Government Funding Agency (LGFA). Interest charges are now included as part of *internal charges and overheads applied* rather than being shown separately as *finance costs* resulting in *higher internal charges and overheads*. The increase in *internal charges and overheads applied* has been offset by reduced charges from other areas in relation to overhead costs.

Capital:

Reduced funding from NZTA has also resulted in lower *capital expenditure to replace existing assets* by \$4.3 million. In addition, the delays receiving approvals from NZTA for the revised programme and specific bridge projects also contributed to the underspend as it impacted the volume of work that could be completed (\$4.5 million). These changes also contributed to *subsidies and grants for capital purposes* being \$4.9 million under budget. Additionally, \$3.6 million of funds collected for Council's portion of the removed programme were used to reduce debt. In total *debt* decreased by \$5.4 million, as planned borrowing was not required.

In addition, several renewal projects for wharves at Stewart Island/Rakiura and Riverton and at the Te Anau Airport-Manapouri were not completed during the year. These delays also contributed to lower *debt* levels as fewer loans were required to fund the projects. Additionally, *reserves* increased due to the reduced need for funding.

Stormwater

What's included in the activity?

- stormwater pipes, culverts, drains, sumps, soak holes, ditches, swales

What we do

The stormwater activity is focussed on providing reliable network infrastructure to deal with rainfall and the disposal of surface water with adequate capacity to protect people and property from flooding and to ensure that the roading network is managed in as safe and efficient manner as possible ensuring that the impact of discharges on the receiving environment is minimised. Council provides a variety of stormwater services to 26 townships throughout the district from extensive reticulated infrastructure provided in larger communities to partial services focussed on road drainage or natural water source management in smaller communities.

The activity helps to protect people's property, improves road safety, and mitigates accessibility/safety issues which may otherwise be caused during flooding events. The collection, treatment and disposal of stormwater also helps to protect public health and controls the level of pollutants in stormwater discharged to waterways.

How we did

What happened in the year

Council continues to make gradual improvements to stormwater networks across the district. The annual stormwater main renewal programme in Winton was completed along with renewals in Nightcaps. The investigation into littoral outfalls in Riverton was completed two years earlier than planned in order to provide data to inform the design of treatment solutions to improve stormwater flows in the coastal zone.

While six projects were originally budgeted for delivery in the long term plan for 2024/2025 (with a total budget of \$3.2 million), this increased to seven projects with a revised budget of \$2.6 million, primarily due to changes in project timing. Over the year 43% of the revised projects were completed, 14% were in progress, 29% incurred costs but were rescheduled to another year and 14% cancelled. Actual expenditure on projects was \$1 million. More information about the specific projects can be found in the full project list in section four.

What we are still working on

A number of stormwater projects have been delayed with additional engineering design needed or changes to the scope of works. The project to upgrade stormwater reticulation in Lumsden was started but delayed with further work needed on the design to identify the most effective solution. The complexity of the existing network and its elevation relative to the river required a more considered approach to ensure the final design would be both technically feasible and cost-effective. Gravity related design challenges have also delayed the project to renew stormwater mains and manholes in Edendale/Wyndham. The scope of the stormwater management and upgrade project in Te Anau has been expanded to include Aparima Drive and Puketahi Drive, alongside the original focus areas of Sandy Brown Road and Caswell Road. All of these projects will have their delivery timeline extended, with work scheduled to continue into next year.

Identified effects on community wellbeing

Gradual improvements to the stormwater networks in Winton, Riverton, and Te Anau have a positive impact on community wellbeing. These upgrades help reduce the risk of stormwater entering homes during heavy rainfall events and are improving the quality of stormwater discharges into the environment.

Performance results

9 of the 9 (100%) key performance indicator targets were achieved or mostly achieved (missed by 5% or less).

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
Level of Service 11: Provide a reliable stormwater system that protects public health and the environment				
Stormwater				
KPI 11.1: System adequacy - Overflows resulting from the stormwater system that result in the flooding of a habitable floor ¹				
(a) The number of "flooding events" that occur within the district. (b) For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the council stormwater system).	(a) 1 (b) 0.11	(a) < 5 (b) < 1	(a) 0 (b) 0	(a) Achieved There were no flooding events that resulted in flooding of habitable floors during the year. (b) Achieved As above.
KPI 11.2: Discharge compliance - Compliance with the resource consents for discharge from the stormwater system, measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders (d) successful prosecutions, received in relation to those resource consents.	(a) 0 (b) 0 (c) 0 (d) 0	(a) 0 (b) 0 (c) 0 (d) 0	(a) 0 (b) 0 (c) 0 (d) 0	(a) Achieved No abatement notices issued. (b) Achieved No infringements issued. (c) Achieved No enforcement orders issued. (d) Achieved No prosecutions.
KPI 11.3: Response to stormwater issues - The median response time between the time of notification and the time when service personnel reach the site when "habitable floors" are affected by flooding resulting from faults in the stormwater system.	0	≤ 2 hours	0	Achieved There were no flooding events that resulted in flooding of habitable floors so no responses were required during the year.
KPI 11.4: Customer satisfaction – The number of complaints received about the performance of the Council's stormwater system, expressed per 1000 properties connected to the stormwater system.	1.29 per 1000 properties	≤ 15 per 1000 properties	2.75 per 1000 properties	Achieved 26 stormwater complaints were received across 9,465 properties over the year. These complaints are part of the 75 requests coded as THUSW (Transport Hazard Urban Stormwater). Further review

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How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
				of the data shows that 26 of these were genuine concerns related to stormwater network infrastructure, with the remainder routine road maintenance issues which are likely to have been miscoded at the initial point of contact.
KPI 11.5: Percentage of monitoring results that show compliance with resource consent conditions.	100%	100%	98.6%	Mostly achieved (missed by 5% or less) Nightcaps exceeded total ammoniacal nitrogen concentration on one occasion (TN of 1.52 MPN versus limit of 0.9) and will continue to be monitored.
1. Habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages. A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor.				

2023/2024 Budget (LTP Y3) (\$000)	2023/2024 Budget (AP) (\$000)	Funding impact statement – stormwater	2023/2024 Actual (\$000)	2024/2025 Budget (LTP Y1) (\$000)	2024/2025 Actual (\$000)
		<i>Sources of operating funding</i>			
388	491	General rates, uniform annual general charges, rates penalties	492	431	431
1,668	954	Targeted rates	953	1,068	1,065
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	-	-	-
77	39	Internal charges and overheads recovered	41	41	41
-	-	Interest and dividends from investments	-	-	-
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	-	-	-
2,133	1,484	Total operating funding	1,486	1,540	1,537
		<i>Applications of operating funding</i>			
1,362	656	Payments to staff and suppliers	526	533	418
43	103	Finance costs ²	-	158	-
654	717	Internal charges and overheads applied ²	788	847	1,057
-	-	Other operating funding applications	-	-	-
2,059	1,476	Total applications of operating funding	1,314	1,538	1,475
74	8	Surplus (deficit) of operating funding	172	2	62
		<i>Sources of capital funding</i>			
-	-	Subsidies and grants for capital expenditure	5	-	-
-	-	Development and financial contributions	-	-	-
580	805	Increase (decrease) in debt	833	3,164	927
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
580	805	Total sources of capital funding	838	3,164	927
		<i>Applications of capital funding</i>			
		Capital expenditure			
-	-	- to meet additional demand	-	-	-
53	278	- to improve the level of service	357	1,463	326
527	527	- to replace existing assets	649	1,751	686
98	32	Increase (decrease) in reserves	28	-	26
(24)	(24)	Increase (decrease) in investments	(24)	(48)	(48)
654	814	Total applications of capital funding	1,010	3,166	990
(74)	(8)	Surplus (deficit) of capital funding	(172)	(2)	(62)
-	-	Funding balance	-	-	-

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

2. actual finance costs are lower because interest on internal loans is now included in internal charges and overheads applied. Actual interest on internal loans was \$152,899 (23/24: \$81,036).

*Key variations from budget***Operating:**

Payments to staff and suppliers were under budget due to reduced spending on planned pipe condition assessments intended to assess the state of the network. Some of these funds were redirected to cover maintenance costs for addressing known issues.

While *finance costs* appear reduced, this reflects a change in accounting treatment. Council now uses internal interest charges to allocate borrowing costs across activities, following the shift to bulk borrowing through the Local Government Funding Agency (LGFA). Interest charges are now included as part of *internal charges and overheads applied* rather than separately as *finance costs* resulting in higher *internal charges and overheads*.

Capital:

Capital expenditure to improve the level of service and replace existing assets was under budget due to the delay in projects. These delays also contributed to lower *debt* levels as fewer loans were required to fund the projects. Additionally, *reserves* increased due to the reduced need for funding.

Wastewater (sewerage)

What's included in the activity?

- wastewater pipes and treatment plants

What we do

The wastewater activity is focused on providing reliable wastewater collection and treatment services that protect public health and the environment. Council provides reticulated wastewater to 20 wastewater schemes servicing 19 townships throughout the district and manages this infrastructure to collect, treat and dispose of wastewater from residential properties, businesses, and public facilities. This service also includes the collection, treatment, and disposal of industrial liquid waste (commonly known as trade wastes) from industrial and commercial premises.

The activity helps to maintain public health by preventing the spread of disease and helps protect the environment by treating wastewater prior to discharge to the environment. It also supports the needs of businesses and industry that operate in the district.

How we did

What happened in the year

Scheduled replacement of SCADA monitoring and control systems, pumps and electrical equipment across the network was completed during the year along with the renewal of sewer mains on Stewart Island/Rakiura. Oxidation pond desludging on the island was delayed by weather and will be completed next year. Design planning continued for the annual district-wide wastewater network renewals, with the programme structured in two stages. The first stage, replacement of the Winton rising main (Gerrard Road), is now expected to go out for tender early in 2025/2026 year with construction to follow. The final design for the upgrade of the Manapouri wastewater treatment plant was completed and released for tender for construction in two stages (pipeline and plant). A five-year consent extension for the existing Winton wastewater discharge was granted with design and planning for the Winton wastewater treatment upgrade continuing into next year, supported by Council's purchase of land for the Winton treatment project in late 2024.

While nine projects were originally budgeted for delivery in the long term plan for 2024/2025 (with a total budget of \$19.6 million), this increased to 14 projects with a revised budget of \$17.4 million, primarily due to changes in project timing. Over the year 50% of the revised projects were completed, 7% were in progress and 43% were started but rescheduled to another year. Actual expenditure on projects was \$14.9 million. More information about the specific projects can be found in the full project list in section four.

What we are still working on

With the government's new national standard for discharge to water still to be finalised later in 2025, Council has held off finalising designs and starting construction of several wastewater treatment upgrades. This approach has been taken to ensure the works align with the new standards. These standards will set out what treatment, monitoring and reporting is required for public network wastewater discharged into different types of waterbodies and is expected to provide viable alternatives to costly land disposal for communities with small populations – being the majority of Southland townships including Balfour, Edendale/Wyndham and Stewart Island/Rakiura.

Identified effects on community wellbeing

Wastewater services play a vital role in protecting public health, supporting environmental sustainability, and enabling economic activity. By treating wastewater safely and maintaining infrastructure proactively, Council minimises risks of service failure and environmental harm. Cultural values, including Māori cultural practices and beliefs around the importance of clean, healthy water, are a key consideration in how the activity is planned and delivered.

Performance results

8 of the 9 (89%) key performance indicator targets were achieved or mostly achieved (missed by 5% or less).

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
Level of service 14: Provide reliable wastewater (sewerage) collection and treatment services that protects public health and the environment				
Stormwater				
KPI 14.1: System and adequacy – The number of dry weather ¹ wastewater (sewerage) overflows from the territorial authority's wastewater (sewerage) system, expressed per 1000 wastewater (sewerage) connections to that wastewater (sewerage) system	0	≤1	0	Achieved No overflow service requests were identified as dry weather overflows.
KPI 14.2: Response to wastewater (sewerage) system faults - Where the Council attends to wastewater (sewerage) overflows resulting from a blockage or other fault in the Council's wastewater (sewerage) system, the following median response times ² measured:				
(a) attendance time: from the time of notification to the time when service personnel reach the site; and	(a) 1.16hrs	(a) ≤1 hour	(a) 57 minutes	Achieved There were 15 service requests during the reporting period with a median resolution time of 52 minutes.
(b) resolution time: from the time of notification to this time that service personal confirm resolution ¹ of the blockage or other fault	(b) 7 hours, 4 minutes	(b) ≤6 hours	(a) 3 hours 48 minutes	Achieved There were 15 service requests during the reporting period with a median resolution time of 3 hours and 48 minutes.
KPI 14.3: Customer satisfaction – The total number of wastewater (sewerage) system complaints about any of the following: (a) wastewater (sewerage) odour (b) wastewater (sewerage) system faults (c) wastewater (sewerage) system blockages; and (d) the Council's response to issues with its wastewater (sewerage) system, expressed per 1,000 connections to the Council wastewater (sewerage) system.	5 per 1,000 connections	≤8 per 1,000 connections	5.3 per 1,000 connections	Achieved There were 51 service requests from a total of 9,658 connections during the year.

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
KPI 14.4: Discharge compliance - Compliance with resource consents for wastewater (sewerage) discharges, measured by the total number of: (a) abatement notices (b) infringement notices (c) enforcement orders (d) convictions received in relation to the resource consents	(a) 0 (b) 0 (c) 0 (d) 0	(a) 0 (b) 0 (c) 0 (d) 0	(a) 0 (b) 0 (c) 0 (d) 0	(a) Achieved No abatement notices issued. (b) Achieved No infringements issued. (c) Achieved No enforcement orders issued. (d) Achieved No convictions.
KPI 14.5: Percentage of monitoring results that show compliance with resource consent conditions.	95%	100%	94%	Not achieved Of the 392 tests, 367 were compliant and 25 non-compliant. The non-compliance related to: <u>Curio Bay (x2)</u> : total suspended solids (TSS) and e-coli - caused by a damaged screen which was repaired <u>Edendale-Wyndham (x2)</u> : carbonaceous biochemical oxygen demand (cBOD5) x 2 due to an issue sourcing sawdust for the plant <u>Monowai (x3)</u> : cBOD5, TSS and faecal coliforms – known issue related to sampling location currently at the discharge point of the septic tank. This will be moved to the end of the receiving pipe network with new consent in 2029 <u>Nightcaps (x4)</u> : Dissolved oxygen (DO) x2, clarity and e-coli – due to disturbed land adjacent to Wairio Stream <u>Ohan (x4)</u> : Dissolved reactive phosphorus (DRP) x 2, dissolved inorganic nitrogen (DIN) and DO - mainly related to nitrates, new consent for "discharge" only <u>Ohai (x2)</u> : DO and e-coli <u>Riverton Rocks (x1)</u> : E. coli due to coastal conditions <u>Riversdale (x3)</u> : E-coli x 2, DO <u>Winton (x4)</u> : E-coli x 2, DO - E-coli downstream, high rainfall with inflow and infiltration.
1. Dry Weather" is defined as a period of 24 hours prior to an event of no catchment rainfall. 2. In accordance with operations and maintenance contract timeframes.				

2023/2024 Budget (LTP Y3) (\$000)	2023/2024 Budget (AP) (\$000)	Funding impact statement – wastewater	2023/2024 Actual (\$000)	2024/2025 Budget (LTP Y1) (\$000)	2024/2025 Actual (\$000)
		<i>Sources of operating funding</i>			
697	1,102	General rates, uniform annual general charges, rates penalties	1,104	935	935
6,273	6,366	Targeted rates	6,283	7,672	7,618
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	32	-	20
194	191	Internal charges and overheads recovered	265	269	306
-	-	Interest and dividends from investments	-	-	-
35	118	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	672	118	334
7,199	7,777	Total operating funding	8,356	8,994	9,213
		<i>Applications of operating funding</i>			
2,941	2,719	Payments to staff and suppliers	3,207	3,760	3,797
447	1,053	Finance costs ²	-	1,402	-
1,742	1,786	Internal charges and overheads applied ²	2,756	1,638	3,203
-	-	Other operating funding applications	-	-	-
5,131	5,557	Total applications of operating funding	5,963	6,800	7,000
2,068	2,220	Surplus (deficit) of operating funding	2,393	2,194	2,213
		<i>Sources of capital funding</i>			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
4,534	6,826	Increase (decrease) in debt	2,484	16,392	11,906
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
4,534	6,826	Total sources of capital funding	2,484	16,392	11,906
		<i>Applications of capital funding</i>			
		Capital expenditure			
-	-	- to meet additional demand	-	-	-
5,841	6,936	- to improve the level of service	2,847	17,306	13,213
176	1,368	- to replace existing assets	2,024	1,376	1,070
634	790	Increase (decrease) in reserves	54	-	(68)
(48)	(48)	Increase (decrease) in investments	(48)	(96)	(96)
6,603	9,046	Total applications of capital funding	4,877	18,586	14,119
(2,068)	(2,220)	Surplus (deficit) of capital funding	(2,393)	(2,194)	(2,213)
-	-	Funding balance	-	-	-

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

2. actual finance costs are lower because interest on internal loans is now included in internal charges and overheads applied. Actual interest on internal loans was \$1,383,320 (23/24: \$952,895).

*Key variations from budget***Operating:**

Local authorities fuel tax, fines, infringement fees and other receipts were higher than budget due to extra rental income following the purchase of the farmland in Winton for the upcoming wastewater upgrade, along with an increase in baleage income from the Kepler Block.

Payments to staff and suppliers were higher than budget due to the higher electricity and SCADA costs across the district which is offset by lower spend on the oxidation pond desludging project which was delayed by weather.

While *finance costs* appear reduced, this reflects a change in accounting treatment. Council now uses internal interest charges to allocate borrowing costs across activities, following the shift to bulk borrowing through the Local Government Funding Agency (LGFA). Interest charges are now included as part of *internal charges and overheads* rather than separately as finance costs resulting in higher *internal charges and overheads*.

Internal charge expense is higher due to the movement in interest along with an increase in internal charges for rates, electricity and management.

Capital:

Capital expenditure to meet demand, improve the level of service and replace existing assets was under budget due to the movement of projects between years, particularly related to the upgrade of wastewater treatment plans as noted earlier. These timing changes also contributed to lower *debt* levels as fewer loans were required to fund the projects. The *increase/(decrease) in reserves* was lower as the interest earned from wastewater development contribution reserves has been used to fund wastewater projects in the current year.

Water supply

What's included in the activity?

- drinking water reticulation and treatment
- rural water reticulation and treatment

What we do

Water is a valuable resource and we strive to provide a reliable and adequate supply. Council provides 12 drinking water supplies (servicing 10 townships and two treated rural water areas) as well as seven untreated water supplies for rural (stock) consumption. Supplying safe and clean drinking water is a fundamental requirement of life, supporting healthy communities and economic wellbeing. Water is necessary to provide critical public services and enables economic growth. Industries, businesses, hospitals, and schools all require water to function. It also contributes to community safety through the firefighting capability in most urban reticulated areas.

How we did

What happened in the year

The project to upgrade the Manapouri water treatment plant upgrade was completed with the plant commissioned in March and officially opened in June 2025. The new facility replaces the original 1969 plant and steel water tower, which were nearing the end of their service life. It includes modern filtration and pH correction systems to meet the latest national drinking water standards and provided for improved firefighting capacity with larger pumps and a backup generator to ensure resilience during power outages.

Work continued on fixing known issues in the district's pipe network with the replacement of ageing asbestos cement (AC) pipes with programmed work for the year completed in Lumsden, Manapouri (stage one), Eastern Bush and Ohai. Design and planning for pipe replacements in Te Anau, Otautau and Riverton also progressed with construction expected to occur next year. The whole project aims to complete replacement of AC pipes throughout the district within the long term plan period including Winton, Wairio and Otahu Flat in latter years. Maintenance checks and replacements of other water supply assets were completed including manifolds, valves, pumps, electrical equipment as well as water storage tanks in Tuatapere and Ohai.

Planning work progressed on the design to upgrade the Riverton water treatment plant, with the goal of increasing supply capacity to the township and improving the quality and aesthetics of the drinking water. While design work was initially expected to be completed this year, it will continue into next year, with construction now anticipated in 2026/2027, slightly later than originally planned. Work also continued on identifying the best option for a new water take for the Eastern Bush water supply, with the goal of removing the boil water notice. Design work is now expected to be completed in 2025/2026, with construction planned for the following year.

An audit of connections to the Te Anau Basin rural water supply was carried out during the year, providing an opportunity to assess asset condition, identify risks, and plan proactive maintenance. The audit also reviewed property connections to ensure compliance with scheme guidelines and confirmed that restrictors controlling daily water allocations were operating correctly.

While 13 projects were originally budgeted for delivery in the long term plan for 2024/2025 (with a total budget of \$4.1 million), this increased to 18 projects with a revised budget of \$5.6 million, primarily due to projects carried over from the prior year. Over the year 39% of the revised projects were completed, 28% were in progress, 22% incurred costs but were rescheduled to another year with another 11% rescheduled with no costs incurred. Actual expenditure on projects was \$4.0 million. More information about the specific projects can be found in the full project list in section four.

What we are still working on

As noted above, design, planning, and construction for a number of projects were initiated during the year but not completed, with work set to continue into next year. Consent renewal processes for the Mossburn water supply and the Mount York/Takitimu schemes—both part of the Te Anau Basin rural water supply—are now expected to be completed in 2025/2026 with any construction to extend into the following year.

Identified effects on community wellbeing

Providing safe drinking water supports all aspects of community wellbeing. It enables economic activity, promotes healthy living, protects the environment through sustainable use, ensures regulatory compliance and considers cultural values when managing water resources.

The ongoing boil water notice for the Eastern Bush water supply has the potential to negatively impact community wellbeing by limiting access to safe, reliable drinking water and reducing confidence in the supply. As noted above, Council is currently evaluating options for a new water intake, which will resolve the issue once construction is completed (currently expected in 2026/2027).

Performance results

5 of the 9 (56%) key performance indicator targets were achieved or mostly achieved (missed by 5% or less).

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
Level of Service 15: Our water supply network provides safe, reliable and adequate supply of water				
Water supply				
KPI 15.1: Fault response times – Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:				
(a) attendance for urgent call-outs ¹ : from the time Council receives notification to the time that service personnel reach the site;	(a) 16 minutes	(a) ≤ 1 hour	(a) 58 minutes	Achieved
(b) resolution of urgent call-outs ¹ : from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption;	(b) 5 hours, 57 minutes	(b) ≤ 6 hours	(b) 19 hours, 57 minutes	Not achieved
(c) attendance for non-urgent call-outs ¹ : from the time that Council receives notification to the time that service personnel reach the site; and	(c) 56 minutes	(c) ≤ 4 hours	(c) 2 hours, 46 minutes	Achieved

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
(d) resolution of non-urgent call-outs ¹ : from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	(d) 22 hours, 47 minutes	(d) ≤ 24 hours	(d) 25 hours, 18 minutes	Not achieved
KPI 15.2: Customer satisfaction – The total number of complaints received by Council about any of the following: (a) drinking water clarity (b) drinking water taste (c) drinking water odour (d) drinking water pressure or flow (e) continuity of supply, and (f) the way Council responds to any of these issues expressed per 1000 connections to Council's networked reticulation system	6.7 per 1,000 connections	≤10 per 1,000 connections	12.4 per 1,000 connections	Not achieved There were 100 service requests during the period from 8,057 connections. The majority of the requests were related to no water supply with 16 concerning water pressure and 14 related to aesthetics (clarity/taste/odour).
KPI 15.3: Drinking water safety – The extent to which the Council drinking water supplies complies with:				
(a) drinking water standards (bacteria compliance criteria) ² and	a) 72.7% ²	a) 100%	a) 100% ²	Achieved Eleven out of eleven water treatment plants met the bacterial compliance through UV and chlorine disinfection.
(b) drinking water standards (protozoal compliance criteria) ³ .	b) 27.3% ³	b) 100%	b) 54.5% ³	Not achieved Six out of eleven water treatment plants met the T3 protozoal compliance. Meeting this KPI is particularly challenging, as any instance of non-compliance, regardless of its duration, results in the entire reporting year being marked as non-compliant. This means that even a brief event, such as a 15-minute exceedance or a single day of non-compliance, would be non-complaint for the full year. Non-compliant results were recorded at Mossburn, Otautau, Tuatapere, and Winton. These four plants were non-compliant due to technical issues. Mossburn, Otautau, and Winton underwent upgrades and experienced programming errors, resulting in some data loss and subsequent non-compliance. This has been corrected and should not happen in the future. Tuatapere is technically non-compliant for protozoa due to a cartridge filtration issue. Although, the current filter offers effective protection by removing small particles that help safeguard water quality, the filter housing itself is not validated due to being an older model, and the original manufacturer is no longer in operation. While the plant

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
				currently provides effective protection through its existing UV treatment system and the water quality remains safe, a new UV treatment unit is required to meet the updated standards outlined in the Drinking Water Quality Assurance Rules (DWQAR) 2022, by Taumata Arowai. The upgraded UV system and filter is scheduled for installation during the 2025/2026 period to ensure full compliance with the latest treatment requirements. The Eastern Bush/Otahu Flat plant operates under T2 treatment monitoring rules (DWQAR 2022) and is non-compliant because of the turbidity in the water. There is only basic chlorination at the scheme currently which means when the river gets dirty during storms, chlorination isn't as effective. A new plant is expected to be installed in the 2026/2027 year.
KPI 15.4: Maintenance of the reticulated network – The percentage of water lost from the Council's networked reticulation system ⁴	17.21% ⁴	≤25%	28.2% ⁴	Mostly achieved (missed by 5% or less) The KPI is intended to measure the maintenance of the reticulated network by measuring water lost from the source through the pipe network to the point of connection. High levels may indicate the network is in poor condition or is being operated inefficiently. In the district only 5.7% of properties have water meters at their connection, making it very difficult to monitor water loss across the 465km pipe network. Despite this, Council is required by the government to report on this KPI. As such Council has had to make some assumptions about water consumption per property to calculate water loss.
KPI 15.5: Demand management – The average consumption of drinking water per day, per resident within the territorial authority district.	969 litres per person per day	≤ 850 litres per person per day	711 litres per person per day	Achieved The consumption figures exclude the following Lumsden-Balfour, Eastern Bush Otahu Flat and Orawia schemes as these include supply of water for stock which distorts the results.
<ol style="list-style-type: none"> Attendance means from the time that the Council receives notification to the time that service personnel reach the site. Resolution means from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption. "Urgent" is considered complete loss of drinking-water to an urban drinking water supply. "Non-urgent" includes all other fault/interruptions to an urban drinking water supply The methodology used to assess bacteria compliance (KPI 15.3a) has changed for 2024/2025 compared to 2023/2024 to match the government's new rules (DWQAR 2022) where results for 2024 are based on T2 Treatment Monitoring Rules, T2 Chlorine Rules, D2.1 Distribution System Rule, T3 Bacterial Rules and D3.29 Microbiological Monitoring Rule. The methodology used to assess protozoal compliance (KPI 15.3b) has changed for 2024/2025 compared to 2023/2024 to match the government's new rules (DWQAR 2022) where results for 2024 are based on T2 Filtration Rules, T2 UV Rules and T3 Protozoal Rules. The water loss calculation is the weighted averaged percentage loss reduction per urban drinking water supply using an assumed consumption of 365 cubic metres of water per property (assuming 1m³ consumed per day per property). Results for 2023/2024 were calculated per urban and rural water supply. 				

2023/2024 Budget (LTP Y3) (\$000)	2023/2024 Budget (AP) (\$000)	Funding impact statement – water supply	2023/2024 Actual (\$000)	2024/2025 Budget (LTP Y1) (\$000)	2024/2025 Actual (\$000)
		<i>Sources of operating funding</i>			
689	938	General rates, uniform annual general charges, rates penalties	945	812	812
5,780	5,703	Targeted rates	5,658	7,063	7,068
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	51	-	50
116	115	Internal charges and overheads recovered	117	127	135
-	-	Interest and dividends from investments	-	-	-
3	73	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	222	27	(213)
6,588	6,828	Total operating funding	6,993	8,029	7,852
		<i>Applications of operating funding</i>			
2,985	3,043	Payments to staff and suppliers	3,700	3,387	3,708
403	746	Finance costs ²	-	1,078	-
1,811	1,795	Internal charges and overheads applied ²	2,496	1,683	2,893
-	-	Other operating funding applications	6	-	(30)
5,200	5,585	Total applications of operating funding	6,202	6,148	6,571
1,388	1,244	Surplus (deficit) of operating funding	791	1,881	1,281
		<i>Sources of capital funding</i>			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
3,044	4,115	Increase (decrease) in debt	3,541	1,887	2,362
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
3,044	4,115	Total sources of capital funding	3,541	1,887	2,362
		<i>Applications of capital funding</i>			
		Capital expenditure			
-	-	- to meet additional demand	-	150	-
2,133	3,095	- to improve the level of service	2,388	1,853	2,599
1,683	1,640	- to replace existing assets	1,860	1,966	1,265
664	671	Increase (decrease) in reserves	136	(105)	(125)
(48)	(48)	Increase (decrease) in investments	(52)	(96)	(96)
4,432	5,359	Total applications of capital funding	4,332	3,768	3,643
(1,388)	(1,244)	Surplus (deficit) of capital funding	(791)	(1,881)	(1,281)
-	-	Funding balance	-	-	-

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

2. actual finance costs are lower because interest on internal loans is now included in internal charges and overheads applied. Actual interest on internal loans was \$1,091,603 (23/24: \$683,444).

*Key variations from budget***Operating:**

Local authorities fuel tax, fines, infringement fees and other receipts are lower than budget due to an insurance claim previously accrued for repairs to the Riverton bridge pipe following a storm in 2023 being reversed, as liability was not accepted by the third party's insurance company.

Payments to staff and suppliers were higher than budget due to higher SCADA and maintenance costs for repairing parts of the water supply network across the district.

While *finance costs* appear reduced, this reflects a change in accounting treatment. Council now uses internal interest charges to allocate borrowing costs across activities, following the shift to bulk borrowing through the Local Government Funding Agency (LGFA). Interest charges are now included as part of *internal charges and overheads* rather than separately as *finance costs* resulting in higher *internal charges and overheads*.

Internal charges and overheads are higher due to the movement in interest along with an increase in *internal management charges*.

Capital:

Capital expenditure to improve the level of service and replace existing assets was under budget due to the movement of projects between years, particularly related to the pipe renewals. While capital expenditure was slightly below budget, *debt* was higher because Council had to borrow to finance the Riverton Bridge repairs incurred last year given the insurer didn't cover the damage.

Council-controlled-organisations

Southland Regional Development Agency Limited (Great South)

What they do

Great South is responsible for economic development and promotion of Southland. Great South is a council-controlled organisation that is jointly owned by Invercargill City Council, Southland District Council, Gore District Council, Environment Southland, Invercargill Licensing Trust, Maitauro Licensing Trust, Southland Business Chamber, SIT Te Pūkenga, and member organisation Community Trust South. Great South receives funding from Invercargill City Council, Southland District Council, Gore District Council and Environment Southland. Great South has four key priorities:

- regional development leadership
- business support and diversification
- regional promotion
- net zero

How they did

Great South continues to deliver against the agreed priorities for the region. In addition to delivering on the Statement of Intent 2024/2025, Great South developed a Light Touch Regional Deals proposal that was submitted to central government in February 2025. This proposal outlined five key areas of focus that the region is committed to progressing, in line with New Zealand's economic growth ambitions.

Whilst concentrating on ensuring timely up to date information on achievements and challenges were shared with all shareholders, Great South made a conscious effort to build stronger relationships within key stakeholders. The work undertaken to produce the Murihiku Southland Aquaculture Pathway in particular was a significant piece of work that sought input from existing industry partners, potential new investors, SIT, local councils, regional council, central government, regulatory and advocacy bodies and with significant input from all four rūnaka within the region.

The 2024/25 financial year has had a number of achievements. The year started with an organisational restructure that was used to reprioritise what would bring the greatest benefit to the rate payers of Murihiku Southland. Some key deliverables were:

- the development and launch of DISH and a central repository of timely, reliable data that is used for decision making. DISH delivers quarterly reports that, overtime will produce trends and evidence on how well Southland's regional development plans are performing.
- the development and launch of Build Southland website and delivering the inaugural Murihiku Regional Housing Forum that was attended by over 100 participants with representation from across the building industry.
- the design and development of the Murihiku Southland Aquaculture Pathway that has identified Southland's ability to contribute significantly to the National Aquaculture targets.
- review of the Region's fourth Energy Strategy and the associated technical reports on solar, wind and run of river hydro has provided an overview of how to bridge increased energy requirements for our region.

- the evaluation of forestry data and livestock numbers as needed for the Regional Emissions report has identified the region has made meaningful progress towards reducing our greenhouse gas emissions. With increased activity within the forestry industry, we are seeing an opportunity to develop wood fuel production hubs within the region and value-added forestry processing opportunities. This will need further investigation in the coming year.
- there have been strong tourism results this financial year. A number of key events including the Tourism Export Council (TEC) conference in Southland, the launch of the Minecraft movie and an Aotearoa World within the Minecraft game, the Hardest Geezer and hosting Tourism New Zealand Board and staff in the region have all lead to outstanding exposure for the region.
- the estimated advertising value achieved for the region is \$35million from the media and press exposure received this year.
- the concentration on events and business events remains a focus for Great South as it supports year-round regional travel. The work Great South carries out on behalf of the Southern Way is showing dividends with additional central government resources being pulled into the region.

Performance results

Description	LTP Connection	KPI target 2024/2025 ¹	Result 2024/2025
Data and Insights Provide up-to-date and accurate data and insights to inform decision making via regional data dashboards and repository	Economic Development	<ul style="list-style-type: none"> • launch DISH – Digital Insights Southland Hub including 6 dashboards, a website and a cloudbased processing system • prepare a shared service proposal for councils to use and support DISH 	<ul style="list-style-type: none"> • DISH launched with key dashboards • shared service proposal was developed but supported only by Environment Southland.
Advocacy and Submission Advocate for and/ or prepare submissions and funding applications for issues of importance to the region	Economic Development	<ul style="list-style-type: none"> • hold bi-annual meetings with central government officials at MBIE, NZTE, MHUD, MfE, MPI etc • prepare a minimum of two submissions on issues of regional significance. • support councils and stakeholders to apply for RIF as applicable 	<ul style="list-style-type: none"> • meetings have been completed with ministers, ministerial offices and agencies • minor residential unit legislation changes to the Resource Management Act and Building Act, DOC Submissions on Charging for Access to some Public Conservation Land & Modernising Conservation Land Management • support provided to SDC, ICC, Ocean Beach, SpaceOps for RIF applications
Housing Implement priorities from the Murihiku Southland Housing Action Plan	Economic Development	<ul style="list-style-type: none"> • deliver four projects from the Housing Action Plan • support individual councils with their housing planning considering current and future community and industry needs 	<ul style="list-style-type: none"> • project 1: Discussion document for regional leaders on options for a regional housing framework and structure • project 2: Regional Digital Housing Portal/website • project 3: Housing Data Dashboard and associated reporting • project 4: A Customer journey mapping exercise with each of the southland councils • build Southland Website completed and Launched from Project 4's recommendations
Aquaculture Facilitate and develop a regional approach to realise the benefits of Aquaculture as a diversification opportunity	Economic Development	<ul style="list-style-type: none"> • facilitate development of a Regional Aquaculture Strategy • support local and central government and Iwi, to provide enabling regulation and 	<ul style="list-style-type: none"> • developed Murihiku Southland Aquaculture Pathway • socialising aquaculture with Iwi and councils including connecting with private sector continues as part of the approach to develop the regional pathway

Description	LTP Connection	KPI target 2024/2025 ¹	Result 2024/2025
		infrastructure to build an aquaculture industry in Southland	• support provided to Environment Southland with development and socialisation of the revised Regional Coastal Plan
Agriculture Support agricultural sector land use and support farmer decision making	Economic Development	• analysis of relevant agricultural sector data to feed into the Regional Emissions Report for 2025	• data analysed and interim regional emissions report prepared; waiting for release of information from MPI
Forestry Support further investigation of the impacts of unrestricted forestry	Economic Development	• provide data and insights regarding changing land use and the impacts of carbon forestry	• interim report completed, waiting for harvest and planning data from MPI to complete final report
Connectivity Monitor digital connectivity in the region	Economic Development	• deliver the Digital Connectivity Report which tracks mobile phone coverage across the region	• digital connectivity report completed and shared with council
Communications Continue to connect with businesses within the region to provide information on RBP and Callaghan Innovation opportunities.	Business Development	• publish Beyond Great – Great South's Business Newsletter 6 times per year • showcase 6 Southland businesses achieving success	• six newsletters published • six businesses showcased
Business in Southland – A regional guide Resource document that outlines useful information for new & potential businesses to the region.	Business Development	• develop and publish a regional guide to support new businesses to Southland	• “Murihiku Southland: Where business finds its edge” designed and published on the Great South website
Consumer Marketing Promote Murihiku Southland as a year-round destination for travellers from New Zealand, Australia and other key markets, resulting in more visitors.	Tourism Development	• ensure 85% of website traffic comes from key markets in NZ, Australia, North America, Europe, Asia • 3 digital campaigns	• website traffic for Southland NZ - 89% from key markets. 92% for Fiordland • 9 digital campaigns carried out
Content Development Increase awareness and preference for Murihiku Southland as a year-round destination for travellers through improved marketing materials	Tourism Development	• 3 marketing collateral updated including Murihiku Visitor Guide, Murihiku Eats and Hike Fiordland	• 3 completed - Hike Fiordland: The Hiking Passport Guide, Murihiku Eats: The Murihiku Southland Food Guide, Murihiku Southland Visitor Guide and Map
Media Increase positive travel media coverage for Murihiku Southland, promoting the region's diverse activities and experiences and drive visitor numbers.	Tourism Development	• 3 media famils • 15 media results	• 27 famil opportunities delivered across Southland and Fiordland • TECNZ, Minecraft, The Hardest Geezer and hosting TNZ in Southland were the catalysts for this exceptional achievement in 2024/25
Showcasing our region Trade Events, Trade Famils and TRENZ	Event Development	• attend 5 trade shows • attend 2 partnered famils • 2 Murihiku itineraries adopted from Milford Opportunities Project	• ATEC, TRENZ, RTNZ IBO, Murihiku Operator (6 companies) training and Regional Tourism Organisation Inbound operator training • hosted Southern World agents in Fiordland, welcomed the TNZ team and board to Invercargill and welcomed TNZ UK & Germany trade famil. Also hosted Pre- and

Description	LTP Connection	KPI target 2024/2025 ¹	Result 2024/2025
			Post-TRENZ famils across Southland and Fiordland for agents and TNZ staff • 3 itineraries adopted from Milford Opportunities
New Experiences	Tourism Development	• develop 1 new iwi experience	• Matariki initiative involving Te Ao Mārama, Iwi & SDC - 9 Matariki way points
Business Events Develop Murihiku Southland as a Business Events destination	Event Development	• attend 3 conference events	• 4 conferences attended including The Odffice EA PA Show, AuSAE Linc Conference, BE Expo & MEETINGS25
Destination Development Progress projects from the Murihiku Southland Destination Strategy (MSDS)	Destination Development	• develop an Implementation Plan for MSDS • progress 3 projects from MSDS which includes delivering the Murihiku Southland Sustainable Tourism programme	• developed implementation plan for MSDS • 5 projects progressed from the MSDS
Regional Events Calendar Maintain southlandnz.com website calendar listings for regional events	Event Development	• 10% increase on number of events listed (baseline: 690) • 10% increase on number of overall page views (baseline: 40,000) • 15% increase on number of overall page views from within Southland (baseline: 14,000)	• 772 events listed - 11.8% increase on baseline • achieved increase in page views (99,626) • achieved increase in page views (29,967)
Unmissable Regional Events	Event Development	• support delivery of Burt Munro Challenge • deliver ILT Kidzone Festival	• Burt Munro successfully delivered • ILT Kidzone successfully delivered
Regional Marketing of Events	Event Development	• six cluster events • four seasonal campaigns • marketing of unmissable events	• cluster events completed including: 3 seasonal campaigns (Spring, Summer, Autumn), a Like Campaign, Southland Heritage Month, Summer Holiday Activity Guide & Get Festive Invercargill
Monitor Emissions Complete annual regional emissions reporting	Economic Development	• produce the Regional Emissions Report for 2024	• interim Regional emissions reports completed – waiting for final data from MPI and MfE for forestry
Energy Planning Implement the Net Zero Southland Report	Economic Development	• review and update the Net Zero Southland - Economic Mitigation Pathways Analysis to Net Zero Emissions for Southland Report (March 2021)	• framework has been reviewed, additional information including the need for biomass • the forestry data biomass needs new industry investment and has included the effects of Tiwai now remaining in the province and recent legislative change
Implementation of the Regional Energy Strategy	Economic Development	• prepare an Action Plan to guide implementation of the Regional Energy Strategy • prepare two technical reports to support the development 'biogenic methane capture and use' opportunities and 'woody bio-mass' market growth	• as part of the Action Plan, undertaken the wind resources plan, identified solar potential within the region, and completed the evaluation of run of river hydro • identified a demand for 95,000 tonnes of processed carbon from wood biomass for industrial processing which requires carbon feed stocks. Evaluated the

Description	LTP Connection	KPI target 2024/2025 ¹	Result 2024/2025
		<ul style="list-style-type: none"> prepare a spatial plan identifying favourable locations for renewable energy generation. 	biomass needs for existing and committed decarbonisation projects - mainly boiler fuel. <ul style="list-style-type: none"> spatial plan for renewable energy generation report complete, with 114 sites identified. Will be incorporated into future spatial plans

1. Please note that the KPI targets listed above have been sourced from Great South's Statement of Intent 2024-2027. This information varies from what was published in Council's 2024 LTP which was based on the available information at the time from the draft statement of intent.

Great South Subsidiary - Space Operational New Zealand Ltd

What they do

Space Operations New Zealand Ltd is a 100% subsidiary of Great South and is a council- controlled trading organisation as defined in section 6 of the Local Government Act 2022. The purpose of Space Operations New Zealand Ltd (Space Ops NZ) is to deliver sustainable innovative services to the global space market. The primary business lines are hosting customer-owned satellite ground stations, leasing its own ground stations to customers, installing and maintaining customer' ground stations and providing technical and logistics support services for these products and services. The board of directors of Space Ops NZ report to the Great South board and the Great South Joint Shareholders Committee.

Space Ops Statement of Intent 2024-2025 sets out the overall intentions and activities for Space Ops NZ as:

Business activities	Growth and investment
<ol style="list-style-type: none"> Hosting customer-owned satellite ground stations, including installing and maintaining these ground stations Leasing its own ground stations to satellite operators and others Undertaking space geodesy and radio astronomy observations Providing technical expertise to the space community 	<ol style="list-style-type: none"> Further develop the facilities at Awarua and elsewhere in response to growing demand for hosting and leasing of ground stations, and associated services Develop and bring into service additional antennas for leasing to customers Upgrade the equipment at Warkworth Space Centre to provide lunar, and near- and deep-space antenna leasing services. 4. Developing a commercial near realtime satellite Earth observation operation.

How they did

SpaceOps NZ continues to build its global reputation for customer focus and insightful engineering expertise. This reputation was notably reinforced in June when the team mobilised full engineering capability over a 36-hour period to enable the Warkworth 30-metre antenna to track a critical spacecraft manoeuvre with precision - drawing quiet international praise. National recognition came in December when CEO, Robin McNeill, received the inaugural Prime Minister's Space Prize for Professional Excellence.

As Awarua operations enter a phase of steady growth, SpaceOps has prioritised long-overdue maintenance at the Warkworth Space Centre. Interest in the Warkworth antennas from spacecraft operators and space agencies continues to grow. There has been significant progress in preparing the Warkworth facilities for Lunar and Near Space missions, to the point that the team were ready to support a lunar landing attempt in March.

Behind the scenes, SpaceOps has steadily enhanced its infrastructure with improved security measures and comprehensive monitoring systems across the stations. The integration of automation and cutting-edge technology is already delivering useful benefits to our operations team.

Invercargill is now home to three space companies, collectively employing 14 staff—a number expected to grow in the coming year. This is in addition to the local contractors, consultants, and service providers who contribute to operations at Awarua. The local economy has also seen a boost, with overseas visitors to the station contributing 40 to 60 bed-nights per month during peak periods.

Performance results

Description	KPI target 2024/2025 ¹	Result 2024/2025
Non-Financial		
Health, Safety and Risk Management	No lost-time injuries for staff	Achieved
	No Reportable Incidents in the workplace	Achieved
Infrastructure	No contractual penalty is payable to customers caused by the failure of SpaceOps NZ infrastructure	Achieved
Human Resources	Less than 15% turnover of staff	Achieved
Financial		
Revenue	Annual revenue growth to exceed 15%	Achieved
Budget	Meet budgeted surplus	Achieved

1. Please note that the KPI targets listed above have been sourced from Space Ops NZ's Statement of Intent 2024-2025.

Milford Community Trust

The Milford Community Trust is an incorporated charitable trust. Southland District Council, Environment Southland and the Department of Conservation jointly established the Milford Community Trust in 2007 to provide leadership and governance for the Milford community. It allows the Milford community to determine its priorities and provides an avenue for local consultation and engagement, as well as public meetings. Milford Piopiotahi covers the developed area of land and adjacent coastal marine area at the end of State Highway 94 at the head of Milford Sound. The Milford community covers residents of Milford, the holders of concessions from the Crown operating at Milford and iwi. Please note that Council made the trust an exempt council-controlled organisation in 2023, meaning it is not a council-controlled organisation under the Local Government Act 2002 (LGA). As the trust is an exempt CCO, Council is not required to include in its annual report the information about the trust's activities and performance that would otherwise be required under clause 28 of Schedule 10 of the Local Government Act 2002.

Section 3: Our finances

This section presents the financial statements for the 2024/2025 year, comparing actuals to budget. These include statements of comprehensive income, changes in equity, financial position and cashflows. Following the statements are notes explaining these in more detail.

The section also includes the accounting policies used to prepare the financial information.

Accounting policies

Reporting entity

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

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

The financial statements of SDC are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on xx (insert date).

Basis of preparation

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

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

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

Measurement base

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

Functional and presentation currency

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

Basis of consolidation

Council financial statements represent the results of Council’s seven significant activity groups (detailed on pages xx-xx including the Stewart Island Electrical Supply Authority (SIESA), as well as Council’s share of its joint ventures and associates (including WasteNet, Southland Regional Heritage committee, Emergency Management Southland, and Great South). SIESA is a business unit of Council, which generates and reticulates electricity to most of Stewart Island residents and industry.

The group financial statements represent the results of the ultimate parent, Southland District Council, and its controlled entity, Milford Community Trust.

Control is achieved when Council is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. Specifically, Council controls another entity if and only if Council has:

- power over the other entity
- exposure, or rights, to variable benefits from its involvement with the other entity
- the ability to use its power over the other entity to affect the nature and amount of the benefits from its involvement with the other entity.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when Council has less than a majority of the voting or similar rights of another entity, Council considers all relevant facts and circumstances in assessing whether it has power over another entity.

Consolidation of a controlled entity begins when Council obtains control over the controlled entity and ceases when Council loses control of the entity. Assets, liabilities, revenue and expenses of a controlled entity acquired or disposed of during the year are included in the financial statements from the date Council gains control until the date Council ceases to control the controlled entity.

Surplus or deficit and each component of other comprehensive revenue and expense are attributed to the owners of the controlling entity and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of controlled entities to bring their accounting policies into line with Council's accounting policies. All intra-economic entity assets and liabilities, net assets/equity, revenue, expenses and cash flows relating to transactions between entities of the economic entity are eliminated in full on consolidation.

A change in the ownership interest of a controlled entity that does not result in a loss of control, is accounted for as an equity transaction.

If Council loses control over a controlled entity, it derecognises the assets (including goodwill) and liabilities, any non-controlling interests and other components of net assets/equity, while resulting gain or loss is recognised in surplus or deficit. Any investment retained in the former controlled entity is recognised at fair value.

New accounting standards applied

There were no new standards applied

Specific accounting policies

a) Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are:

Rates:

- general rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Council considers that the effect of payment of rates instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue
- rates arising from late payment penalties are recognised as revenue when rates become overdue

- revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis
- rates remissions are recognised as a reduction in rates revenue when Council has received an application that satisfies its rates remission policy.

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

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

Interest is recognised using the effective interest method.

Subsidies from Waka Kotahi NZ Transport Agency and grants from other government agencies are recognised as revenue upon entitlement, which is typically when conditions pertaining to eligible expenditure have been fulfilled.

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

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

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

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

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

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

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

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

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

b) Borrowing costs

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

c) Grant expenditure

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

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

d) Foreign currency transactions

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

e) Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

f) Equity

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

- accumulated funds
- Council-created reserves (general reserve, separate account balances and rates appropriation balance)
- special reserves (managed by allocation committees)
- asset revaluation reserves
- fair value through other comprehensive revenue and expense reserve.

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

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

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

g) Cash and cash equivalents

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

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

h) Receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council apply the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”:

- when remitted in accordance with the Council’s rates remission policy
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

i) Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis, are measured at the lower of cost or current replacement cost.

The write down from cost to current replacement cost is recognised in the surplus or deficit in the year of the write down.

j) Financial assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost
- fair value through other comprehensive revenue and expense (FVTOCRE)
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit. The classification of a financial asset depends on its cash flow characteristics and the Council’s management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD.

However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in surplus or deficit as a grant expense.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and

foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council do not hold any debt instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designate into this category all equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

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

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Instruments in this category include the Council's investment fund portfolio (comprising of listed shares, bonds, and units in investment funds) and LGFA borrower notes.

Expected credit loss allowance (ECL)

The Council recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial

recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward looking information.

The Council considers a financial asset to be in default when the financial asset is more than 180 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

k) Impairment of financial assets

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

l) Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

m) Property, Plant and Equipment

Property, plant and equipment consist of:

Infrastructure assets

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

Operational assets

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

Restricted assets

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

Recognition

Property, plant and equipment is shown at cost for all asset categories other than infrastructure and heritage assets, which are at valuation, less accumulated depreciation and impairment losses.

Additions

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

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

Disposals

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

Subsequent costs

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

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

Depreciation

Depreciation is provided on a straight-line (SL) or on a diminishing value (DV) basis. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Estimated economic life		Depreciation	
Asset category	(years)	Percent	Method
Operational assets			
Improvements	4-25	4.00% - 25.00%	SL or DV
Buildings	10-100	1.00% - 10.00%	SL or DV
Light vehicles	4-8	14.40% - 21.60%	SL or DV
Heavy vehicles	4-8	12.00% - 21.60%	DV
Other plant	2-25	4.00% - 60.00%	SL or DV
Furniture and fittings	3-13	8.50% - 30.00%	SL
Office equipment	7-8	13.50% - 14.00%	SL
Computer equipment	2-7	13.50% - 40.00%	SL
Other equipment	3-14	7.00% - 30.00%	SL or DV
Library books	10	10.00%	SL
Infrastructural Assets			
Electrical generation plant	1-100	4.00% - 60.00%	SL or DV
Sealed roads	5-80	1.25% - 20.00%	SL
Unsealed roads	4-5	20.00% - 25.00%	SL
Bridges	70-100	1.00% - 1.43%	SL
Footpaths	20-60	1.67% - 3.33%	SL
Streetlighting	20-40	2.50% - 5.00%	SL
Cycle trail	10-99	1.01% - 10.00%	SL
Sewerage schemes	5-100	1.00% - 20.00%	SL
Stormwater schemes	80-100	1.00% - 1.25%	SL
Water supply schemes	5-100	1.00% - 20.00%	SL
Marine assets	5-50	2.00% - 20.00%	SL
Transfer stations	10	10.00%	SL
Landfill sites	10-40	10.00%	SL
Resource Consent - Sewerage	25	4.00%	SL
Resource Consent - Water	10-15	4.00-10.00%	SL

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

Revaluations

Roads, bridges, footpaths, cycle trails, streetlights, water treatment systems, sewerage treatment systems and stormwater systems are revalued on an annual basis. Council-owned heritage assets include artworks, war memorials, viaducts and railway memorabilia. Artworks are revalued every three - five years.

All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed each balance date to ensure that those values are not materially different to fair value.

The valuation basis for the different asset categories is described in more detail below.

Land and buildings

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

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

Other infrastructural assets

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

Library books

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

Heritage assets

The only assets to be included under this category are art works owned by the Council, which have been recorded at fair value in accordance with NZ IAS 16. Due to the nature of the item, art works are revalued on a three to five-yearly cycle and not depreciated.

Other assets, which would normally be classified under heritage assets, for example war memorials, have been included under "other assets".

Other assets

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

Accounting for revaluations

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

The results of revaluing are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset.

Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

n) Work in progress

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

o) Intangible assets

Software acquisition and development

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

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

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

Amortisation

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

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

Estimated economic life		Depreciation	
Asset category	(years)	Percent	Method
Computer software	2-10	10.00% - 40.00%	SL

Emissions Trading Scheme

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

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

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

The deforestation contingency is not recognised as a liability on the statement of financial position as there is no current intention of changing the land use subject to the ETS.

However, the estimated liability that would arise should deforestation occur has been estimated in the notes to the accounts.

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

Emissions Trading Units are revalued annually on 30 June.

The difference between initial value or the previous revaluation, and disposal or revaluation value of the units, is recognised in other comprehensive revenue and expense.

p) Forestry assets

Forestry assets are revalued independently annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cashflows discounted at a current market determined pre-tax rate.

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

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

q) Impairment of property, plant and equipment and intangible assets

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

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount.

The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash generating assets

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

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

Value in use for cash generating assets

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

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

r) Employee benefits

Short term benefits

Employee benefits that SDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

Long term benefits

- *long service leave and retirement leave*

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

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

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

- *presentation of employee entitlements*

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

s) Payables and deferred revenue

Short term payables are recorded at the amount payable.

t) Provisions

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

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs.

Financial guarantee contracts

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

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received.

When no consideration is received, a provision is recognised based on the probability Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee.

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

Landfill post-closure costs

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

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

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

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

u) Internal borrowings

Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

v) External borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed.

Borrowings are classified as current and non-current liabilities.

w) Borrower notes

Borrower notes are subordinated convertible debt instruments that the Council subscribes for an amount equal to 5% of the total borrowing from LGFA.

LGFA will redeem borrower notes plus interest, when the Council's related borrowings are repaid or no longer owed to LGFA.

The fair value of borrower notes is calculated using the discounted cash flow method. The significant input used in the fair value measurement of borrower notes is the forward interest rate yield.

x) Investments in joint arrangements

Under PBE IPSAS 37 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Council has both joint operations and joint ventures.

Council determined that the investment in the following entity meets the definition of "joint operation" and should be accounted for using the proportionate consolidation method (refer note xx):

- **WasteNet (31% share)**

Joint operations

Council recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 25.

Joint ventures

Interests in joint ventures are accounted for using the equity method (see (y) below), after initially being recognised at cost in the consolidated balance sheet.

y) Investments in associates and joint ventures

Council determined that the investment in the following entities meets the definition of "associate" and should be accounted for using the equity method (refer note xx):

- Southland Regional Heritage Committee
- Emergency Management Southland
- Southland Regional Development Agency (trading as Great South).

An associate is an entity over which SDC has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of another entity but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

SDC's investment in its associates and joint ventures is accounted for using the equity method of accounting in the consolidated financial statements.

Under the equity method, an investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise post-acquisition changes in Council's share of net assets of the associates or joint ventures since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

SDC's share of an associate's or joint venture's surplus, or deficit is recognised in the statement of financial performance. Any change in the associate or joint venture's other comprehensive revenue and expense is presented as part of Council's other comprehensive revenue and expense. The cumulative movements are adjusted against the carrying amount of the investment. In addition, when there has been a change recognised directly in the net assets/equity of the associate or joint venture, Council recognises its share of any changes, when applicable, in the statement of changes in net assets/equity. Unrealised gains and losses resulting from transactions between Council and the associate or joint venture are eliminated to the extent of Council's interest in the associate or joint venture.

The aggregate of the SDC's share of surplus or deficit of associates or joint ventures is shown on the face of the statement of financial performance. This is the surplus attributable to equity holders of the associate or joint venture and therefore is surplus after tax and non-controlling interests in the controlled entities of the associates and joint ventures.

The financial statements of the associate or joint venture are prepared for the same reporting period as Council. When necessary, adjustments are made to bring the accounting policies in line with those of Council. After application of the equity method, Council determines whether it is necessary to recognise an impairment loss on Council's investment in its associate or joint venture.

Council determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case Council calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the "share of surplus of an associate and joint venture" in the statement of financial performance.

Goodwill included in the carrying amount of the investment in associate is not tested for impairment separately; rather the entire carrying amount of the investment is tested as a single asset. When Council's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any unsecured long-term receivables and loans, Council does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture, Council measures and recognises any remaining investment at its fair value, and accounts for the remaining investments in accordance with PBE IPSAS 29. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in surplus or deficit.

z) Critical accounting estimates and assumptions

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

Infrastructural assets

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

- the physical deterioration and condition of an asset. For example, Council could be carrying an asset at an amount that does not reflect its actual condition. This

is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground

- estimating any obsolescence or surplus capacity of an asset
- estimating the replacement cost of the asset. The replace cost is derived from recent construction contracts
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then SDC could be over or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.

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

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

Experienced independent valuers perform Council's infrastructural asset revaluations.

Closed landfill sites

For landfill provision please reference accounting policy (t).

aa) Critical judgements in applying SDC's accounting policies

Management has exercised the following critical judgements in applying SDC's accounting policies for the period ended 30 June 2025:

Classification of property

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

bb) Statement of cashflows

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

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

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

cc) Rounding

Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data.

dd) Budget figures

The budget figures are those approved by SDC in its 2024/2025 long term plan. The budget figures have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and are consistent with the accounting policies adopted by SDC for the preparation of financial statements.

ee) Standards issued and not yet effective that have not been early adopted

Standards and amendments, issued but not yet effective that have not been early adopted are:

PBE IFRS 17 Insurance Contracts

PBE IFRS 17 Insurance contracts was issued on 22 June 2023. The standard establishes principle for the recognition, measurement, presentation and disclosure of insurance contracts. It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted. The group has not assessed in detail the effect of the new standard.

ff) Changes to the financial statements

The maturity analysis and effective interest rates table has been removed from the annual report; as this is not required under the associated accounting standards.

Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2025

	Note	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Council 2024/2025 Budget (\$000)	Group 2024/2025 Actual (\$000)
Income						
Rates revenue	1	63,282	63,282	71,652	72,089	71,652
Other revenue	2	17,552	17,554	12,938	12,910	12,940
Interest and dividends		717	741	1,118	1,803	1,141
Grants and subsidies (including NZTA)*		25,018	25,018	20,924	30,557	20,924
Other gains/(losses)	3	2,022	2,022	1,651	2,433	1,651
Vested assets		1,050	1,050	3,412	-	3,412
Development and financial contributions		37	37	44	35	44
	4	109,677	109,702	111,739	119,826	111,765
Expenditure						
Employee benefit expenses	5	18,656	18,656	19,759	21,041	19,759
Depreciation and amortisation	9	40,600	40,601	41,315	41,654	41,317
Finance costs		1,018	1,018	3,688	4,195	3,688
Other council expenditure	6	56,322	56,332	53,131	59,315	53,136
		116,596	116,608	117,894	126,205	117,901
Share of associate's surplus/(deficit)		102	102		-	
SURPLUS/(DEFICIT) BEFORE TAX		(6,818)	(6,804)	(6,155)	(6,379)	(6,136)
Income tax benefit	8	-	-		-	
SURPLUS/(DEFICIT) AFTER TAX		(6,818)	(6,804)	(6,155)	(6,379)	(6,136)
Financial assets at fair value through other revenue and expense	10	1,219	1,219	3,428	-	3,428
Gain/(Loss) on property, plant and equipment revaluations	10	100,585	100,585	26,396	64,543	26,396
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		94,987	95,001	23,670	58,164	23,688

Explanations of major variances against budget can be found in Note 36. The accompanying notes form part of these financial statements.

*Grants and subsidies now includes NZTA income of \$17.8 million of the \$20.9 million (2024: \$21.2 million of \$25.0 million)

Statement of changes in equity for the year ended 30 June 2025

	Note	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Council 2024/2025 Budget (\$000)	Group 2024/2025 Actual (\$000)
Balance on 1 July		2,151,168	2,151,619	2,246,155	2,247,879	2,246,620
Total comprehensive revenue and expense for the year		94,987	95,001	23,670	58,164	23,688
Balance on 30 June		2,246,155	2,246,620	2,269,825	2,306,043	2,270,308

Explanations of major variances against budget can be found in **Note 36**. The accompanying notes form part of these financial statements.

Statement of financial position as of 30 June 2025

	Note	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Council 2024/2025 Budget (\$000)	Group 2024/2025 Actual (\$000)
Equity						
Retained earnings	10	705,284	705,284	696,157	702,540	696,157
Asset revaluation reserves	10	1,491,448	1,491,448	1,517,844	1,560,269	1,517,844
Fair value reserves	10	5,745	5,745	9,173	4,526	9,173
Other equity	10	-	465	-	-	484
Other reserves	11	43,679	43,679	46,440	38,708	46,440
TOTAL EQUITY		2,246,155	2,246,620	2,269,824	2,306,043	2,270,308
Current assets						
Cash and cash equivalents	12	5,392	5,428	23,917	1,000	23,964
Trade and other receivables	13	15,424	15,433	8,429	12,180	8,438
Inventories	14	130	130	149	117	149
Other financial assets	15	1,962	2,347	2,197	474	2,582
Property, plant and equipment (held for sale)	16	-	-	-	-	-
		22,907	23,337	35,692	13,771	35,133
Non-current assets						
Property, plant and equipment	16	2,254,892	2,254,940	2,287,123	2,361,092	2,287,168
Intangible assets	17	5,728	5,728	6,655	4,669	6,655
Forestry assets	18	13,290	13,290	13,290	15,590	13,290
Investment in associates	26	2,185	2,185	2,185	2,083	2,185
Other financial assets	15	10,839	10,839	41,106	42,221	41,106
		2,286,934	2,286,982	2,350,359	2,425,656	2,350,404
TOTAL ASSETS		2,309,841	2,310,320	2,385,051	2,439,427	2,385,537
Current liabilities						
Trade and other payables	19	13,116	13,129	8,848	12,203	8,850
Deferred revenue	20	2,080	2,080	1,699	-	1,699
Contract retentions and deposits		705	705	492	2,004	492
Employee benefit liabilities	21	2,741	2,741	2,816	2,988	2,816
Development and financial contributions	22	1,045	1,045	1,061	990	1,061
Provisions	24	3	3	1,127	-	1,127
Borrowings	23	5,000	5,000	9,000	4,994	9,000
		24,690	24,703	25,043	23,180	25,045
Non-current liabilities						
Employee benefit liabilities	21	11	11	9	11	9
Provisions	24	8,186	8,186	7,599	7,985	7,599
Borrowings	23	30,800	30,800	82,575	102,208	82,575
		38,997	38,997	90,183	110,203	90,183
TOTAL LIABILITIES		63,687	63,700	115,226	133,383	115,228
NET ASSETS		2,246,155	2,246,620	2,269,824	2,306,043	2,270,308

Explanations of major variances against budget can be found in [Note 36](#). The accompanying notes form part of these financial statements.

Statement of cashflows for the year ended 30 June 2025

	Note	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Council 2024/2025 Budget (\$000)	Group 2024/2025 Actual (\$000)
Cash flows from operating activities						
Receipts from rates revenue		62,989	62,989		72,089	
Receipts from Waka Kotahi NZ Transport Agency		19,915	19,915		41,523	
Interest and dividends		703	729		1,803	
Contribution from developers		58	58			
Receipts from other revenue		15,965	15,965			
Payment to suppliers and employees		(72,716)	(72,724)		(81,453)	
Interest paid		(1,018)	(1,018)		(4,195)	
GST (net)		(473)	(474)			
Net cash inflow/(outflow) from operating activities	27	25,423	25,441		29,766	
Cash flows from investing activities						
Receipts from sale of property, plant and equipment		5,329	5,329		1,073	
Receipts from investments^		350	350		-	
Purchase of property, plant and equipment		(41,488)	(41,493)		(66,667)	
Acquisition of investments^		(10,350)	(10,350)		2,656	
Purchase of intangible assets		-	-		-	
Net cash inflow/(outflow) from investing activities		(46,159)	(46,164)		(62,938)	
Cash flows from financing activities						
Proceeds from borrowings		14,000	14,000		33,263	
Repayment of borrowings		-	-		(2,765)	
Net cash inflow/(outflow) from financing activities		14,000	14,000		30,498	
Net increase/(decrease) in cash and cash equivalents		(6,736)	(6,723)		(2,674)	
Cash and cash equivalents at the beginning of the year		12,128	12,151		3,674	
Cash and cash equivalents at the end of the year		5,392	5,428		1,000	

^ Prior year comparatives have been restated for comparability. The accompanying notes form part of these financial statements

Funding impact statement for the year ended 30 June 2025 (whole of Council)

2023/2024 Budget (LTP Y3) (\$000)	2023/2024 Budget (AP) (\$000)	Funding impact statement	2023/2024 Actual (\$000)	2024/2025 Budget (LTP Y1) (\$000)	2024/2025 Actual (\$000)
		<i>Sources of operating funding</i>			
24,351	25,444	General rates, uniform annual general charges, rates penalties	25,446	26,568	26,467
37,705	38,249	Targeted rates	38,054	45,521	45,422
6,878	8,617	Subsidies and grants for operating purposes	10,952	11,404	10,183
6,116	6,797	Fees and charges	6,635	7,424	7,409
1,930	1,911	Interest and dividends from investments	697	1,803	1,365
4,451	6,162	Local authorities fuel tax, fines, infringement fees, and other receipts ¹	9,476	5,891	5,287
81,431	87,181	Total operating funding	91,259	98,610	96,133
		<i>Applications of operating funding</i>			
60,797	65,126	Payments to staff and suppliers	68,963	75,736	67,771
2,068	3,309	Finance costs ²	1,018	4,195	3,688
4,203	5,921	Other operating funding applications	4,444	5,016	4,751
67,068	74,356	Total applications of operating funding	74,425	84,948	76,210
14,363	12,825	Surplus (deficit) of operating funding	16,834	13,662	19,923
		<i>Sources of capital funding</i>			
9,917	14,941	Subsidies and grants for capital expenditure	13,733	18,896	10,657
35	35	Development and financial contributions	37	35	44
19,489	27,344	Increase (decrease) in debt	14,000	30,498	79,442
230	348	Gross proceeds from sale of assets	2,204	1,073	2,008
-	-	Lump Sum Contributions	-	-	-
29,671	42,667	Total sources of capital funding	29,973	50,502	92,151
		<i>Applications of capital funding</i>			
		Capital expenditure			
232	226	- to meet additional demand	-	376	-
12,078	14,536	- to improve the level of service	9,469	24,093	20,268
29,418	39,315	- to replace existing assets	29,370	42,199	23,813
2,083	(463)	Increase (decrease) in reserves	450	(4,074)	3,157
222	1,878	Increase (decrease) in investments	7,518	1,572	64,835
44,033	55,492	Total applications of capital funding	46,807	64,165	112,073
(14,363)	(12,825)	Surplus (deficit) of capital funding	(16,834)	(13,662)	(19,923)
-	-	Funding balance	-	-	

¹ includes all other operating funding from sources not identified above.

² interest on internal loans is included in internal charges and overheads applied/ recovered, which offset to nil and therefore are excluded from this statement. Actual total interest on internal loans for 2024/2025 was \$3,809,717 (2024: \$2,622,000).

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

	Council/Group 2023/2024 Actual (\$000)	Council /Group 2024/2025 Actual (\$000)	Council/Group 2024/2025 Budget (\$000)
(Surplus)/deficit of operating funding from funding impact statement	16,834	19,923	13,662
Depreciation	(40,600)	(41,315)	(41,654)
Subsidies and grants for capital purposes	13,733	10,657	18,896
Development and financial contributions	37	44	35
Gain on sale	1,652	1,621	1,073
Vested assets	1,050	3,412	-
Forestry revaluation	(130)	-	1,360
Emission trading units	180	-	-
Landfill contingency	179	(536)	248
Internal capital costs	66	39	-
Share of associates	102	-	-
Share of WasteNet (31%)	81	-	-
Net surplus/(deficit) before tax in Statement of Revenue and Expense	(6,818)	(6,155)	(6,379)

Notes to the financial statements for the year ended 30 June 2025**1. Rates revenue**

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
General rates	25,047	26,256
Targeted rates attributable to activities		
Roading	16,669	21,018
Stormwater	953	1,065
Regional heritage	675	712
Hall	614	695
Local community	2,752	2,762
Pool	169	172
Water	5,440	6,831
Wastewater	6,380	7,716
Refuse	4,173	4,059
Septic tank cleaning	7	7
Rates penalties	402	359
Total revenue from rates	63,282	71,652

Rates revenue is shown net of rates remissions. SDC's rates remission policy, as set out in the 10 Year Plan, allows Council to consider the remission of rates in a number of circumstances. These include land voluntarily protected for natural, historical or cultural conservation purposes, properties that can be, but are not connected to, water and wastewater schemes, Sports Associations who have liquor licences, and licensed halls owned by general clubs, societies or associations. Remissions will also be considered where extreme financial hardship can be shown, or natural calamities occur. Rates remissions during the year totalled \$543,193 (2024: \$564,274), rates on non-rateable land are included in these figures.

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

Rating base information

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

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Number of rating units within Southland District	20,993	21,127
Total rateable capital value within Southland District	23,838,104	23,952,011
Total rateable land value within Southland District	16,082,158	16,102,244

2. Other revenue

	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Regulatory income	3,477	3,477	3,984	3,984
Other income (including Council's share of Venture Southland/WasteNet)	4,469	4,471	571	574
Provision of services	1,263	1,263	1,486	1,486
Rental and hire income	906	906	1,165	1,165
User charges	2,811	2,811	2,928	2,928
Sales revenue	4,375	4,375	2,499	2,499
Fines and infringements	35	35	67	67
Targeted water rates	217	217	238	238
Total other revenue	17,552	17,554	12,938	12,940

Operating leases as a lessor

Council owns land including freehold, reserves and endowments and these are occupied with varying forms of arrangements including licences and leases. These licences and leases range from one year to perpetual rights of renewal. Community Housing agreements are excluded from this note as they are residential tenancies. The future aggregate minimum lease payments to be collected under operating leases are as follows:

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Operating leases (as a lessor)		
Revenue on operating leases as lessor	481	690
Future lease payments to be collected by Council		
Not later than one year	660	663
Later than one year and not later than five years	2,004	1,980
Later than five years	4,613	4,189
	7,277	6,832

3. Other gains/(losses)

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Gain/(loss) on changes in fair value of forestry assets	(130)	-
Gain/(loss) on disposal of property, plant and equipment	2,152	1,651
Total gains/(losses)	2,022	1,651

4. Exchange/non-exchange revenue

	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Exchange revenue	12,626	12,650	102,765	102,767
Non-exchange revenue	97,051	97,052	9,184	9,208
Total revenue	109,677	109,702	111,949	111,975

5. Employee benefit expense

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Salaries and wages	17,901	19,023
Defined contribution plan employer contributions	755	737
Increase/(decrease) in employee entitlements	-	(1)
Total employee benefit expense	18,656	19,759

Employer contributions to defined contribution plans include contributions to KiwiSaver.

6. Other Council expenditure

	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Audit fees*	256	260	283	283
Grants	3,886	3,886	2,717	2,717
Contractors	32,856	32,856	31,618	31,618
Insurance	863	866	1,095	1,098
Consultants and legal fees	3,430	3,430	2,994	2,994
Operating lease costs	589	589	689	689
Donations	17	17	20	20
Impairment of receivables	41	41	(62)	(62)
Other	14,385	14,389	13,777	13,779
Total other expenses	56,322	56,333	53,131	53,136

Audit services provided by Deloitte*	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Audit of financial statements	188	192	210	210
Audit or review related services				
Review of the Long Term Plan (LTP)	63	63	50	50

Audit services provided by Deloitte*	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Review of Debenture Trust	4	4	4	4
Other assurance services and agreed-upon procedure engagements				
Counter Corruption initiative	1	1	18	18
Internal audit fraud	-	-	-	-
Total fees incurred for services provided by Deloitte	256	260	283	283

7. Remuneration – Mayor, councillors and chief executive

Chief executive

The SDC chief executive appointed under Section 42 of the Local Government Act 2002 received a salary of \$393,268 (2024: \$379,656). For the year ended 30 June 2024, the total annual cost, including fringe benefit tax, to SDC of the remuneration package being received by the chief executive is calculated at \$393,268 (2023: \$382,062).

Elected representatives	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Mayor: Rob Scott (including FBT, carpark and private use of motor vehicle) - elected October 2022	149	174
Deputy mayor: Menzies, Christine*^ (including FBT and carpark) – re-elected	55	62
Byars, Donald (including FBT and carpark) - re-elected	41	44
Boparai, Jaspreet ^ (including FBT and carpark) - elected October 2022	46	42
Chamberlain, Derek (including FBT and carpark) (Elected October 2022)	43	41
Greaney, Sarah (including FBT and carpark) (Elected October 2022)	48	47
Duffy, Paul*^ (including FBT and carpark) – re-elected	44	49
Frazer, Darren* (including FBT and carpark) – re-elected	41	43
O'Brien, Tom ^ (including FBT and carpark) (Elected October 2022)	44	44
Keast, Julie* (including FBT and carpark) – re-elected	49	54
Ruddenklau, Margaret* (including FBT and carpark) – re-elected	45	44
Spraggon, Jon (including FBT and carpark) (Elected October 2022)	38	42
Wilson, Matt (including FBT and carpark) (Elected October 2022)	45	48
Annual cost	688	734

Remuneration for councillors who are members of Council's Regulatory and Consents Committee* may be shown as higher than for other councillors, this committee no longer exists as of November 2022. From that date all councillors would be entitled to remuneration should a hearing be held.

This additional remuneration is related to the number of hours these councillors spend in hearings and meetings for resource consent applications. These additional costs are recovered from resource consent applicants via a separate resource consent hearing charge. The per hour fee is set by the Remuneration Authority at \$116 per hour for chairpersons (2024: \$116) and \$93 per hour for members (2024: \$93).

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

applications. The per hour fee is set in accordance with section 195 of the Sale and Supply of Alcohol Act 2012 which is currently determined by the Ministry of Justice under the Cabinet Fees Framework (CO(22)2) at \$82.75 per hour for chairpersons (2024: \$82.75) and \$54.11 per hour for members (2024: \$54.11).

Travel and other reimbursements are excluded from the above totals.

Total annual remuneration band for employees as of 30 June:	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
< \$60,000	33	25
\$60,000 - \$79,999	73	72
\$80,000 - \$99,999	36	44
\$100,000 - \$119,999	32	36
\$120,000 - \$139,999	17	16
\$140,000 - \$159,999	7	9
\$160,000 - \$199,999	6	5
\$200,000 - \$394,999	7	7
Total employees	211	214

Total remuneration includes non-financial benefits provided to employees. At balance date Council employed 169 (2024: 166.5) full-time employees, with the remaining 45 (2024: 44) staff representing 31(2024: 31.1) full-time equivalent employees. As of 30 June 2025, there were 22 vacant positions (2024: 18). A full-time employee is determined on the basis of a 40-hour working week.

8. Taxation

SDC and Milford Community Trust are exempt from income tax.

9. Depreciation and amortisation expense by group of activity

	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Depreciation and amortisation by group of activity				
Community Leadership	38	38	33	33
Community Resources	1,670	1,670	1,827	1,827
Environmental Services	111	111	113	113
Sewerage	5,026	5,026	5,136	5,136
Stormwater	1,140	1,140	1,210	1,210
Transport	29,054	29,054	29,475	29,475
Water Supply	3,283	3,283	3,293	3,293
Total by group of activity	40,322	40,322	41,087	41,087
Depreciation and amortisation by other activity				
Corporate Services ¹	278	278	228	228
Total by other activity	40,600	40,600	41,315	41,315

Depreciation and amortisation not directly related to group activities	-	1		3
Total depreciation and amortisation expense	40,600	40,601	41,315	41,317

1 Council has various corporate services that have depreciation and amortisation. These corporate services are funded through internal charges which are spread over the seven activities.

10. Changes in equity and reserves

Retained earnings	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
As of 1 July	713,035	713,035	705,284	705,298
Transfer from other reserves (note 11)	(934)	(934)	(2,972)	(2,972)
Transfer from reserves	-	-	-	-
Transfer to fair value through statement of comprehensive revenue and expense reserve	-	-	-	-
Operating surplus/(deficit) for the year	(6,817)	(6,817)	(6,155)	(6,136)
Operating surplus for the year transferred to other equity (Milford Community Trust)	-	14	-	(33)
As of 30 June	705,284	705,298	696,157	696,157

Asset revaluation reserves	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
As of 1 July	1,390,863	1,491,448
Revaluation surplus/(deficit)	100,585	26,396
As of 30 June	1,491,448	1,517,844
Asset revaluation reserves consist of:		
Infrastructural assets		
Wastewater system	157,842	163,689
Water system	106,297	107,331
Stormwater system	40,950	43,457
Road network	1,186,335	1,203,343
Artwork	25	25
Total	1,491,448	1,517,844

Fair value through statement of comprehensive revenue and expense reserve	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
As of 1 July	4,526	5,745
Net revaluation gains/(losses)	1,219	3,428
Transfer to retained earnings	-	-
Reclassification to surplus/(deficit) on disposal	-	-
As of 30 June	5,745	9,173
Fair value through statement of comprehensive revenue and expense reserve consists of:		

Share revaluation reserve	576	585
Emission trading unit revaluation reserve	5,100	6,029
Balanced fund revaluation	69	2,559
Total	5,745	9,173

Other equity consists of:	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Milford Community Trust	465	484
Total	465	484

11. Other reserves

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
As of 1 July	42,745	43,679
Transfers from/(to) retained earnings	934	2,972
As of 30 June	43,679	46,651

Reserves summary	Opening balance 30/6/2024 (\$000)	Deposits in (\$000)	Withdrawal s out (\$000)	Closing balance 30/6/2025 (\$000)
Total restricted reserves	3,589	980	(736)	3,833
Total Council created - general reserves	12,578	4,988	(4,480)	13,086
Total Council created - special reserves	27,511	18,355	(16,135)	29,731
Total reserve funds	43,679	24,323	(21,351)	46,650

See [note 37](#) for detailed schedule of Council's reserves.

12. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Cash at bank and on hand	5,392	5,428	9,408	9,455
Short term deposits and other investments maturing within three months of acquisition	-	-	14,509	14,509
Total cash and cash equivalents	5,392	5,428	23,917	23,964

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

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

Council holds unspent funds, included in cash at bank and investments, of \$3.83 million (2024: \$3.6 million) that are subject to restrictions. These unspent funds relate to trusts and bequests received, waste minimisation reserve and other funds received with restrictions where the spending of the funds is separately monitored. The restrictions generally specify how the funds are required to be spent.

13. Trade and other receivables

	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Rates receivables	2,601	2,601	1,644	1,644
General receivables	2,962	2,962	266	266
Other receivables	9,325	9,334	5,841	5,851
Prepayments	675	675	770	770
	15,564	15,573	8,521	8,530
Less provision for doubtful debts	(140)	(140)	(92)	(92)
Net trade and other receivables	15,424	15,433	8,429	8,438
Total receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	13,611	13,620	5,918	5,918
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	1,813	1,813	2,511	2,520
	15,424	15,433	8,429	8,438

Rates Write-offs

The chief executive approved the write-off of rates receivables during the year under the Local Government (Rating) Act 2002 as follows: section 90A: \$Nil (2024: \$Nil) and section 90B: \$Nil (2024: \$Nil).

Fair value

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

Expected credit loss on rates receivable

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

Aged trade and other receivables	Council 2024 Gross (\$000)	Council 2024 Impairment (\$000)	Council 2024 Net (\$000)	Group 2024 Gross (\$000)	Group 2024 Impairment (\$000)	Group 2024 Net (\$000)	Council 2025 Gross (\$000)	Council 2025 Impairment (\$000)	Council 2025 Net (\$000)	Group 2025 Gross (\$000)	Group 2025 Impairment (\$000)	Group 2025 Net (\$000)
Not past due	12,930	-	12,930	12,939	-	12,939	6,250	-	6,250	6,259	-	6,259
Past due 1-60 days	-	-	-	-	-	-	-	-	-	-	-	-
Past due 60-120 days	-	-	-	-	-	-	-	-	-	-	-	-
Past due > 120 days	2,634	(140)	2,494	2,634	(140)	2,494	2,271	(92)	2,179	2,271	(92)	2,179
Total	15,564	(140)	15,424	15,573	(140)	15,433	8,521	(92)	8,429	8,530	(92)	8,438

The ECL rates for other receivables on 30 June 2025 and 1 July 2024 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward looking macro factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

The allowance for credit losses on the Council's receivables (excluding rates), based on the credit matrix is as follows:

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Individual expected credit losses	140	92
Collective expected credit losses	-	-
Total Provision for Expected Credit Losses	140	92

Individually expected credit loss receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

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

Movement in expected credit losses is as follows:

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Balance on 1 July	108	140
Additional provisions made during the year	32	-48
Balance of individual credit losses as of 30 June	140	92

14. Inventories

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Roading	85	85
Other	44	64
	130	149

The carrying amount of inventories held for consumption that are measured at current replacement cost as of 30 June 2025 amounted to \$148,905 (2024: \$129,552). The increase in inventory during the year was \$19,353 (2024: write down of \$693). There have been no reversals of write-downs \$Nil (2024: \$Nil). The carrying amount of inventories pledged as security for liabilities is \$Nil (2024: \$Nil).

15. Other financial assets

Current portion	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Short term deposits with maturities within one year of 30 June	1,170	1,555	1,170	1,555
Unlisted shares in Civic Assurance	13	13	13	13
Unlisted shares in Milford Sound Tourism	592	592	601	601
Other financial assets	63	63	63	63
LGFA borrowers' notes	125	125	350	350
Investment in managed funds	-	-	-	-
Total current portion	1,962	2,347	2,197	2,582
Investments in managed funds	10,069	10,069	37,647	37,647
LGFA borrowers' notes	770	770	3,459	3,459
Total non-current portion	10,839	10,839	41,106	41,106
Total other financial assets	12,801	13,186	43,303	43,688

Security

Council holds a Security Stock Certificate dated 22 December 2009 for \$25,000,000 in favour of Westpac NZ Limited and Westpac Banking Corporation under a Debenture Trust Deed between SDC and Corporate Trust Limited (trading as Foundation Corporate Trust).

Fair value

Term deposits

The carrying amount of term deposits approximates their fair value.

Short-term loans

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

Unlisted shares

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

16. Property, plant and equipment

2024/2025 Actual	Cost revaluation 1 Jul 2024 (\$000)	Current year additions (\$000)	Transfers (\$000)	Vested assets (\$000)	Current year disposals (\$000)	Revaluation (\$000)	Cost/ revaluation 30 Jun 2025 (\$000)	Accumulated depreciation and impairment charges 1 Jul 2024 (\$000)	Current year depreciation (\$000)	Current year disposals (\$000)	Revaluation/ Write-off (\$000)	Accumulated depreciation and impairment charges 30 Jun 2025 (\$000)	Carrying amount 30 Jun 2025 (\$000)	Carrying amount 1 Jul 2024 (\$000)
Operational Assets														
Art	94	-	-	-	-	-	94	-	-	-	-	-	94	94
Buildings	18,623	913	-	-	(80)	-	19,457	(9,433)	(469)	62	-	(9,840)	9,617	9,190
EDP hardware	1,608	473	-	-	(180)	-	1,901	(1,526)	(77)	180	-	(1,423)	478	82
Furniture and fittings	1,185	41	-	-	(32)	-	1,194	(703)	(133)	32	-	(805)	389	481
Improvements	10,644	2,358	-	-	(12)	-	12,989	(4,476)	(901)	-	-	(5,377)	7,613	6,168
Land	11,881	13,221	-	-	(14)	-	25,089	-	-	-	-	-	25,089	11,881
Library	1,594	159	-	-	(82)	-	1,671	(663)	(174)	82	-	(755)	916	931
Motor vehicles	2,642	-	-	-	(187)	-	2,455	(1,492)	(310)	162	-	(1,640)	815	1,150
Office equipment	100	2	-	-	(5)	-	96	(43)	(11)	5	-	(48)	48	57
Other equipment	445	11	-	-	-	-	456	(274)	(33)	-	-	(307)	148	171
Other plant	5,533	339	-	-	(4)	-	5,868	(4,348)	(206)	4	-	(4,550)	1,318	1,185
Landfill sites	115	-	-	-	-	-	115	(115)	-	-	-	(115)	-	-
Transfer stations	926	51	-	-	-	-	977	(516)	(47)	-	-	(563)	413	410
Work in progress*	2,548	2,798	-	-	(1,514)	-	3,832	-	-	-	-	-	3,832	2,548
Work in progress – Intangibles (note 17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	57,938	20,366	-	-	(2,111)	-	76,193	(23,590)	(2,362)	527	-	(25,425)	50,769	34,348
Infrastructural assets at valuation														
Bridges	286,069	851	49	-	-	(6,255)	280,714	(6,307)	(6,276)	-	-	6,307	(6,276)	274,438
Footpaths	26,458	55	-	171	-	(1,321)	25,363	(897)	(950)	-	-	897	(950)	24,413
Wastewater other	172,699	-	1,142	699	-	1,315	175,855	(3,214)	(3,322)	-	-	3,214	(3,322)	172,533
Wastewater plant	37,171	-	-	-	-	(473)	36,699	(1,791)	(1,793)	-	-	1,791	(1,793)	34,906
Water other assets	125,518	-	2,110	451	(308)	(573)	127,197	(2,592)	(2,626)	-	-	2,592	(2,626)	124,571
Water plant	13,220	-	-	-	-	(1,676)	11,544	(683)	(657)	-	-	683	(657)	10,887
Stormwater system	48,343	-	1,282	994	-	1,367	51,985	(1,140)	(1,210)	-	-	1,140	(1,210)	50,775
Unsealed roads	537,373	2,461	-	64	-	1,518	541,415	(4,221)	(4,247)	-	-	4,221	(4,247)	537,168
Cycle trail	7,959	346	-	-	-	(386)	7,919	(162)	(160)	-	-	162	(160)	7,759
Sealed roads	980,251	13,724	-	814	-	(5,523)	989,267	(16,996)	(17,316)	-	-	16,996	(17,316)	971,951
Street lighting	3,349	27	-	53	-	142	3,571	(249)	(315)	-	-	249	(315)	3,257
Work in progress*	18,043	7,677	(4,584)	-	-	-	21,137	-	-	-	-	-	21,137	18,043
	2,256,453	25,141	-	3,246	(308)	(11,865)	2,272,667	(38,251)	(38,871)	-	38,251	(38,871)	2,233,796	2,218,202
Other assets at cost														
Marine	2,056	296	-	-	-	-	2,351	(318)	(47)	-	-	(365)	1,986	1,738
Runways	5,067	-	-	-	-	-	5,067	(5,059)	(1)	-	-	(5,060)	7	7
Resource Consent - Sewerage	516	-	-	-	-	-	516	(103)	(21)	-	-	(124)	392	413
Resource Consent - Water	203	-	-	-	-	-	203	(19)	(11)	-	-	(30)	172	184
Work in progress*	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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	7,841	296	-	-	-	-	8,137	(5,500)	(80)	-	-	(5,579)	2,558	2,342
Total SDC	2,322,232	45,802	-	3,246	(2,419)	(11,865)	2,356,998	(67,340)	(41,313)	527	38,251	(69,875)	2,287,123	2,254,892

2024/2025 Actual	Cost revaluation 1 Jul 2024 (\$000)	Current year additions (\$000)	Transfers (\$000)	Vested assets (\$000)	Current year disposals (\$000)	Revaluation (\$000)	Cost/ revaluation 30 Jun 2025 (\$000)	Accumulated depreciation and impairment charges 1 Jul 2024 (\$000)	Current year depreciation (\$000)	Current year disposals (\$000)	Revaluation/ Write-off (\$000)	Accumulated depreciation and impairment charges 30 Jun 2025 (\$000)	Carrying amount 30 Jun 2025 (\$000)	Carrying amount 1 Jul 2024 (\$000)
Milford Community Trust														
Building & Equip	59						59	(11)	(3)			(14)	45	43
Total Milford Community Trust	59						59	(11)	(3)			(14)	45	43
TOTAL GROUP	2,322,291	45,802	-	3,246	(2,419)	(11,865)	2,357,057	(67,351)	(41,316)	527	38,251	(68,889)	2,287,168	2,254,940

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

2023/2024 Actual	Cost revaluation 1 Jul 2023 (\$000)	Current year additions (\$000)	Transfers (\$000)	Vested assets (\$000)	Current year disposals (\$000)	Revaluation (\$000)	Cost/ revaluation 30 Jun 2024 (\$000)	Accumulated depreciation and impairment charges 1 Jul 2023 (\$000)	Current year depreciation (\$000)	Current year disposals (\$000)	Revaluation/ Write-off (\$000)	Accumulated depreciation and impairment charges 30 Jun 2024 (\$000)	Carrying amount 30 Jun 2024 (\$000)	Carrying amount 1 Jul 2023 (\$000)
Art	76	-	-	-	-	18	94	-	-	-	-	-	94	76
Buildings	18,514	71	75	-	(37)	-	18,623	(8,992)	(467)	25	-	(9,433)	9,190	9,523
EDP hardware	1,391	37	-	-	-	-	1,427	(1,248)	(98)	-	-	(1,346)	82	143
Furniture and fittings	1,160	7	-	-	(15)	-	1,153	(538)	(148)	15	-	(671)	481	622
Improvements	9,803	1,057	271	-	(488)	-	10,644	(4,165)	(776)	464	-	(4,476)	6,168	5,640
Land	14,429	315	-	(2,855)	(8)	-	11,881	-	-	-	-	-	11,881	14,429
Library	1,558	161	-	-	(125)	-	1,594	(614)	(174)	125	-	(663)	931	945
Motor vehicles	2,938	109	-	-	(405)	-	2,642	(1,484)	(347)	339	-	(1,492)	1,150	1,454
Office equipment	61	33	-	-	-	-	94	(30)	(8)	-	-	(38)	57	32
Other equipment	448	10	-	-	(12)	-	445	(254)	(32)	12	-	(274)	171	194
Other plant	5,415	(366)	490	-	(7)	-	5,533	(4,181)	(174)	7	-	(4,348)	1,185	1,234
Landfill sites	115	-	-	-	-	-	115	(115)	-	-	-	(115)	-	-
Transfer stations	844	82	-	-	-	-	926	(477)	(39)	-	-	(516)	410	367
Work in progress*	1,204	2,708	(1,363)	-	-	-	2,548	-	-	-	-	-	2,548	1,204
Work in progress – Intangibles (note 17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	57,958	4,222	(527)	(2,855)	(1,096)	18	57,720	(22,095)	(2,263)	987	-	(23,372)	34,348	35,863
Infrastructural assets at valuation														
Bridges	240,159	6,152	-	-	-	39,758	286,069	(5,362)	(6,307)	-	5,362	(6,307)	279,762	234,797
Footpaths	21,520	928	-	213	-	3,797	26,458	(735)	(897)	-	735	(897)	25,561	20,785
Wastewater other	169,153	-	12	1,272	-	2,262	172,699	(3,113)	(3,214)	-	3113	(3,214)	169,485	166,040
Wastewater plant	39,758	-	115	-	-	(2,702)	37,171	(1,618)	(1,791)	-	1,618	(1,791)	35,380	38,140
Water other assets	116,668	-	5,217	709	(313)	3,237	125,518	(2,475)	(2,592)	-	2,475	(2,592)	122,926	114,193
Water plant	11,842	-	1,042	-	(109)	445	13,220	(692)	(683)	-	692	(683)	12,538	11,150

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2023/2024 Actual	Cost revaluation 1 Jul 2023 (\$000)	Current year additions (\$000)	Transfers (\$000)	Vested assets (\$000)	Current year disposals (\$000)	Revaluation (\$000)	Cost/ revaluation 30 Jun 2024 (\$000)	Accumulated depreciation and impairment charges 1 Jul 2023 (\$000)	Current year depreciation (\$000)	Current year disposals (\$000)	Revaluation/ Write-off (\$000)	Accumulated depreciation and impairment charges 30 Jun 2024 (\$000)	Carrying amount 30 Jun 2024 (\$000)	Carrying amount 1 Jul 2023 (\$000)
Stormwater system	45,415	-	2,514	911	-	(497)	48,343	(1,082)	(1,140)	-	1,082	(1,140)	47,203	44,332
Unsealed roads	531,206	2,705	-	-	-	3,462	537,373	(4,199)	(4,221)	-	4,199	(4,221)	533,152	527,007
Cycle trail	8,147	42	-	-	-	(230)	7,959	(153)	(162)	-	153	(162)	7,797	7,994
Sealed roads	947,564	14,278	2	742	-	17,666	980,251	(14,662)	(16,996)	-	14,662	(16,996)	963,255	932,902
Street lighting	3,355	87	18	58	-	(168)	3,349	(241)	(249)	-	241	(249)	3,100	3,113
Work in progress*	16,893	10,071	(8,920)	-	-	-	18,043	-	-	-	-	-	18,043	15,569
	2,151,679	34,261	-	3,905	(421)	67,029	2,256,453	(34,332)	(38,251)	-	34,333	(38,251)	2,218,201	2,117,346
Other assets at cost														
Marine	2,077	(526)	527	-	(22)	-	2,056	(272)	(47)	-	-	(318)	1,738	1,805
Runways	5,059	8	-	-	-	-	5,067	(5,059)	-	-	-	(5,059)	7	-
Resource Consent - Sewerage	516	-	-	-	-	-	516	(83)	(21)	-	-	(103)	413	434
Resource Consent - Water	94	109	-	-	-	-	203	(9)	(10)	-	-	(19)	184	85
Work in progress*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	7,746	(409)	527	-	(22)	-	7,841	(5,422)	(77)	-	-	(5,500)	2,342	2,324
Total SDC	2,217,383	38,074	-	1,050	(1,540)	67,047	2,322,014	(61,851)	(40,593)	987	34,333	(67,123)	2,254,892	2,155,533

2023/2024 Actual	Cost revaluation 1 Jul 2023 (\$000)	Current year additions (\$000)	Transfers (\$000)	Vested assets (\$000)	Current year disposals (\$000)	Revaluation (\$000)	Cost/ revaluation 30 Jun 2024 (\$000)	Accumulated depreciation and impairment charges 1 Jul 2023 (\$000)	Current year depreciation (\$000)	Current year disposals (\$000)	Revaluation/ Write-off (\$000)	Accumulated depreciation and impairment charges 30 Jun 2024 (\$000)	Carrying amount 30 Jun 2024 (\$000)	Carrying amount 1 Jul 2023 (\$000)
Milford Community Trust														
Building	54	5	-	-	-	-	59	(9)	(1)	-	-	(11)	48	45
Total Milford Community Trust	54	5	-	-	-	-	59	(9)	(1)	-	-	(11)	48	45
TOTAL GROUP	2,217,437	38,079	-	1,050	(1,540)	67,047	2,322,073	(61,861)	(40,593)	987	34,333	(67,134)	2,254,940	2,155,578

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

Core infrastructure assets

Included within the Council assets above are the following core Council assets:

Most recent replacement cost estimate for revalued assets	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Roading	2,562,369	2,591,461
Water		
Water plant	26,393	24,161
Water other assets	205,856	209,283
Stormwater		
Stormwater system	99,620	105,803
Wastewater		
Wastewater plant	66,533	67,212
Wastewater other	278,884	287,886
Total	3,239,655	3,285,807

Work in progress

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Buildings	617	1,792
Improvements	1,172	1,081
Information Systems	-	-
Marine	497	517
Transfer stations	-	-
Other	262	442
SIESA	-	-
Roading and Footpaths	96	152
Wastewater	10,038	11,593
Water	6,993	8,746
Stormwater	916	646
Total Work in Progress	20,592	24,969

Leased assets

The net value of plant and equipment held under finance lease is \$Nil (2024: \$Nil).

Insurance of assets

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

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Total value of all assets that are covered by insurance contracts (carrying amount on 30 June)	84,608	97,772
Maximum amount to which these assets are insured	293,248	314,149
Total value of all assets that are covered by financial risk sharing arrangements	357,603	372,273
Maximum amount available to Council under those arrangements	150,000	300,000
Total value of all assets that are self-insured (roads, footpaths, bridges, streetlighting)	1,812,627	1,815,730
Value of any fund maintained by Council for that purpose	-	1,442,846

Infrastructural assets

Appropriately qualified personnel from Beca have completed a revaluation of District roading, footpaths and bridge asset networks as of 30 June 2025. Land values associated with Council's roading network are recognised at cost and have not been revalued.

Additionally, Waugh Infrastructure Management Limited have completed a revaluation of the water supply, sewerage scheme and stormwater assets as of 30 June 2025.

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

Sewerage, water, stormwater, and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- the replacement cost reflects existing assets and network capacity. There is possibly some obsolescence in the network due to declining populations in remote locations. However, with increasing water quality requirements, moving service populations to un-serviced populations would not support New Zealand's wider ambitions for quality of water for all. Additionally, the spread of the existing population is likely to remain and therefore the extension of the existing network is also assumed to be required in the future
- estimating the replacement cost of the asset. The replacement cost of an asset is based on recent construction contracts across the South Island for modern equivalent assets, from which unit rates are determined. Where possible the specific Southland contract was used. Unit rates have been applied to components of the network based on size, material, depth, and location. If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand's Capital Goods Price Index (based on the March 2024 quarter index and then extrapolated to June 2024) for civil constructions to convert them to current dollar value at the valuation date
- estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and the International Infrastructure Management Manual and have been adjusted for local conditions based on past

experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provide further assurance over useful life estimates.

Heritage assets

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

Artworks are revalued every three - five years. These have been valued by an independent valuer of International Art Centre, Auckland, as of 30 June 2025 and recorded at fair value.

War memorials, viaducts and railway memorabilia are typically vested to Council and thus are recorded at no consideration in the fixed asset schedule.

Given the nature of these assets, Council is unable to determine their fair value as there is no active market for such assets.

17. Intangible assets

Computer software	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Cost		
Opening cost on 1 July	762	762
Additions	-	-
Disposals	-	-
Closing cost as at 30 June	762	762
Accumulated amortisation and impairment		
Balance on 1 July	(752)	(760)
Amortisation charge	(8)	(2)
Impairment	-	-
Closing as at 30 June	(760)	(762)
Net book value as at 30 June	2	-
Trademarks/patents		
	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Opening cost on 1 July	8	8
Additions	-	-
Disposals	-	-
Closing cost as at 30 June	8	8
Accumulated amortisation and impairment		
Balance on 1 July	-	-

Trademarks/patents	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Amortisation charge	-	-
Impairment	-	-
Closing as at 30 June	-	-
Net book value as at 30 June	8	8

Emission trading units	Council/Group 2023/2024 Units	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Units	Council/Group 2024/2025 Actual (\$000)
Opening balance on 1 July	113,231	4,579	113,231	5,718
Additions	-	-	-	-
Disposals / Surrendered	-	-	-	-
Change in market value 30 June	-	1,139	-	928
Closing balance as at 30 June	113,231	5,718	113,231	6,646
Total intangible assets	113,231	5,718	113,231	6,646

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

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

Council accounts for NZUs allocated at a market value of \$58.70 per unit (2024: \$50.50).

Emission trading units 2025	Council/Group Pre-1990 forest	Council/Group Post-1989 forest	Council/Group Total
Productive area (hectares)	1,384	116.6	1,500.6
NZUs opening balance 1 July	82,914	30,317	113,231
NZUs allocated/transferred during the year	-	-	-
NZUs sold during the year	-	-	-
NZUs on hand on 30 June	82,914	30,317	113,231

Emission trading units 2024	Council/Group Pre-1990 forest	Council/Group Post-1989 forest	Council/Group Total
Productive area (hectares)	1,384	116.6	1,500.6
	Council/Group 2023/2024 Units	Council/Group 2024/2025 Units	Council/Group 2024/2025 Units
NZUs opening balance 1 July	82,914	26,759	113,231
NZUs allocated/transferred during the year	-	3,558	-
NZUs sold during the year	-	-	-
NZUs on hand on 30 June	82,914	30,317	113,231

Post-1990 Forests

Nil units (2024: Nil) were received during the year on 116.8 hectares of post-1989 land. Future allocation of NZUs relating to post-1989 forests will depend on the amount of carbon sequestered by those forests. The units have been valued at the balance sheet date based on the estimated market value of \$58.70 per unit (2024: \$50.50). Tax is payable on the receipt or sale of the post-1989 units. Liabilities for emissions relating to post-1990 forest land are capped at the amount of NZUs previously allocated. Accordingly, NZUs are gained as forests grow and are surrendered as forests are harvested or removed in any other way. At balance date no liability for surrender of post-1989 NZUs has been accrued, because the forests are intact.

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

Expected credit losses

Emission Trading Units

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

18. Forestry assets

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Balance on 1 July	13,420	13,290
Increase due to purchases	-	
Gains/(losses) arising from changes attributed to physical changes	1,470	
Gains/(losses) arising from changes attributed to price changes	(860)	
Decreases due to harvest	(740)	
Balance on 30 June	13,290	

SDC owns 1,840 hectares of forest in five areas: Dipton, Gowan Hill, Ohai (2 sites), and Waikaia, which are managed as one forest. The tree crop covers xx hectares (2024: 1,550 hectares). The predominant species grown in these four blocks is Radiata pine followed by Douglas fir. The age of the tree crop ranges from one year to 39 years. In the year ending 30 June 2025, Council sold xx hectares of timber for \$xx million (2024: 57 hectares of timber for \$0.74 million).

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

Council instructed Woodlands Pacific Consulting Limited (Woodlands Pacific), to independently value its forestry assets as of 30 June 2025. Woodlands Pacific is a firm of forestry consultants and valuation experts with extensive experience valuing forests nationally and internationally. The valuation was undertaken in a manner consistent with Public Benefit Entity International Public Sector Accounting Standard 27. The objective of the PBE IPSAS 27 Standard is estimating "fair value" for financial reporting purposes.

Valuation conventions

A pre-tax discount rate of x.x% (2024 7.5%) has been used in discounting the present value of expected future cash flows. Only the current tree crop is valued, in accordance with the valuation standard. Land use cost is recognised by applying notional land rental based on the prevailing market rentals of forestry land in the Otago/Southland region. Woodlands Pacific assumes inflation will affect costs and prices equally. Current log prices are used reverting to long-term prices.

Financial risk management strategies

Council is exposed to financial risks arising from changes in timber prices. Council is a long-term forestry investor and does expect short term volatility in the domestic and export market, however council expects timber prices not to decline significantly in the foreseeable long term future. Council reviews the outlook for timber prices regularly in considering the need for further financial risk management.

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

19. Trade and other payables

	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Payables and deferred revenue under exchange transactions				
Trade payables and accrued expenses	10,232	10,246	5,559	5,562
Total	10,232	10,246	5,559	5,562
Payables and deferred revenue under non-exchange transactions				
Income taxes payable	248	248	-	-
Other taxes payable (i.e. GST and FBT)	32	32	36	35
Grants payable	322	322	414	414
Other	2,281	2,282	2,840	2,840
Total	2,885	2,885	3,289	3,288
Total trade and other payables	13,116	13,129	8,848	8,850

Payables are generally non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of payables approximates their fair value. All trade and other payables are current. There is nothing past due.

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20. Deferred revenue

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Grants (subject to conditions not yet met)	369	188
Dog registrations in advance	198	115
Outstanding building consents	1,437	1,396
Other	76	-
Total deferred revenue	2,080	1,699

Grants

2025 grants include:

- \$32,281 from Better off funding for Doctors Square
- \$50,000 from Better off funding for Lumsden Museum
- \$65,726 for Rakiura Energy Grant
- \$34,269 for Milford Opportunities

2024 grants include:

- \$150,000 from Better off funding for Doctors Square
- \$50,000 from Better off funding for Lumsden Museum
- \$10,800 from Better off funding for Riversdale tennis court
- \$59,963 for Milford Opportunities
- \$86,108 from Ministry of Business, Innovation and Employment ("MBIE")
- \$12,000 for Mayoral taskforce.

Outstanding building consents

Council receives income from ratepayers to undertake required inspections at the time a building consent is issued. Each building consent typically requires multiple inspections which occur over an extended period, sometimes longer than 12 months. This inspection value is held in Councils general ledger as 'deferred revenue' until the work is completed, and then the income is assigned to the building team.

During 2024/2025, Council completed less 'historical' inspections sitting in the deferred revenue account than the volume that was added as new work assigned to the deferred revenue account. This is primarily because building work is becoming more complex and requiring a greater number of required inspections at the time the consent is issued. As a result, the difference of value of work recognised as deferred revenue on 30 June 2025 decreased by \$41 thousand, resulting in an end of year balance of \$1.40 million (2024 \$1.44 million).

21. Employee benefit liabilities

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Current		
Holiday pay accrual	1,894	1,933
Long service leave	-	-
Wages accrual	847	883
	2,741	2,816
Non-current		
Retirement gratuity	11	9
Long service leave (potential)	-	-
	11	9
Total employment entitlements	2,752	2,825

Key assumptions in measuring retirement and long service leave obligations

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability. All employees entitled to a retirement gratuity have already reached retirement age, therefore the discount rate and inflation rate were not required for this calculation as the full benefit will be paid on retirement.

22. Development and financial contributions liabilities

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Roading contributions	408	440
Reserves contributions	611	595
Other contributions	26	26
Total development and financial contributions	1,045	1,061

23. Borrowings

Borrowings	Actual 2024 (\$000)	Actual 2025 (\$000)
Current		
Secured borrowings	5,000	9,000
Total current borrowings	5,000	9,000
Non-current		
Secured borrowings	30,800	82,575
Total non-current	30,800	82,575
Total borrowings	35,800	91,575

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Council's external borrowings are secured by security stock certificates in favour of the Local Government Funding Agency under a Debenture Trust Deed between Southland District Council and Covenant Trustees Limited. The effective weighted interest rate is 4.82% for the 2024/2025 year (2023/2024 the effective weighted interest rate is 4.12%).

LGFA borrowings are due for repayment on:

Date	Actual (\$000)
April 2026	4,000
April 2026	5,000
April 2027	10,000
April 2027	10,000
May 2028	5,000
May 2028	5,000
May 2028	10,000
February 2029	5,000
April 2029	5,000
April 2029	5,000
April 2030	5,000
May 2030	5,775
May 2035	8,400
April 2036	8,400
Total borrowings	91,575

Net Debt

Council calculates net debt in accordance with the financial covenant imposed on LGFA borrowers as outlined in the table below.

Net debt	Note	Actual 2024 (\$000)	Actual 2025 (\$000)
Financial Liabilities	22	35,800	97,080
Less liquid financial assets:			
Cash and cash equivalents	12	5,392	23,917
Term deposits	15	1,170	1,170
Borrowers' notes	15	895	3,809
Balanced Fund Investments	15	10,069	37,647
Total liquid financial assets		17,526	66,543
Net Debt		18,274	30,537

Internal loans

Internal loans total \$79.1 million (2024: \$67.3 million). These loans are not represented in the statement of financial position. Council's internal loans are designed to help local communities within Southland District to develop or improve new or existing facilities and undertake other major projects. Loans are for a maximum period

of 30 years depending on the nature of the project being funded. The interest rate applied to these loans was 5.67% (2024: 4.35%). A summary of these internal loans by group activity follows:

Internal loans	Council/group Balance 2023 (\$000)	Movement between activities (\$000)	Council/Group New advances (\$000)	Council/Group Total repayments (\$000)	Council/Group Balance 2024 (\$000)	Council/Group Interest paid (\$000)
Internal loans by group of activity						
Community leadership	38	-	-	(38)	0	2
Community resources	8,879	-	4,587	(2,470)	10,996	499
Environmental services	207	-	-	(59)	147	12
Transport	10,064	-	266	(3,933)	6,396	571
Stormwater	2,697	-	975	(48)	3,624	153
Sewerage	24,397	-	12,633	(727)	36,303	1,383
Water Supply	19,253	-	3,065	(704)	21,615	1,092
Total by group of activity	65,535	-	21,526	(7,979)	79,080	3,712
Internal loans by other activity						
Corporate services ¹	1,726	-	-	(1,713)	14	98
Total by other activity	1,726			(1,713)	14	98
Total internal loans	67,261		21,526	(9,692)	79,094	3,810

¹ Council has various corporate services that have internal loans. These corporate services are funded through internal charges which are spread over the seven activities. The movement in activities is to allocate three waters assets

24. Provisions

Provisions are represented by:	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Opening balance - landfill aftercare provision	8,369	8,190
Unused amounts reversed during the year	-	(10)
Additional provisions made in the period	(179)	546
Closing balance - landfill aftercare provision	8,190	8,726
Other provisions	-	-
Total provisions	8,190	8,726
Comprised of:		
Current	3	1,137
Non-current	8,186	7,589
Closing balance	8,190	8,726

A Closed Landfill Risk Assessment report was completed in September 2022 to identify risks related to closed landfill across the District. This report then lead council to obtain further information from industry experts to quantify the best estimate of the cost to remove or protect the material in the closed landfills. As a result, Council has reflected the estimate in its landfill provision. Bluecliffs landfill has been removed from the provisions as this was completed in 2023/2024 ahead of schedule.

The cash outflows for post-closure costs are expected to occur until 2040. The long-term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking this into account and is discounted using a discount rate of 3.14%.

25. Investment in joint operations

WasteNet

Council has a 31 percent interest in WasteNet, a jointly controlled operation of Council. The principal activity of WasteNet is managing the disposal of rubbish and recycling in Southland. Council's interest in the joint venture is disclosed in the financial statements under the classifications shown below.

Council's interest in WasteNet is represented by:	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Share of:		
Income	2,047	
Expenses	(1,929)	
Share of surplus/(deficit)	118	
Share of:		
Current assets	1,313	
Current liabilities	(614)	
Equity	699	

26. Investment in associates

- Council has investments in the following associated entities:
- Southland Regional Heritage Committee (SRHC) – 50% (2024: 33%)
- Emergency Management Southland (EMS) – 28.27% (2024: 28.27%)
- Southland Regional Development Agency Limited Trading as Great South (GS) – 48.73% (2024: 48.73%).

				Council/Group 2024/2025 Actual (\$000)
Council's interest in associates is represented by:	SRHC	EMS	GS	Total
Share of income				
Share of expenses				
Share of surplus/(deficit)				
Share of assets				
Share of liabilities				
Share of equity				
Share of associates' contingent liabilities incurred jointly with other investors				
Share of associates' joint commitments with other investors				

				Council/Group 2023/2024 Actual (\$000)
Council's interest in associates is represented by:	SRHC	EMS	GS	Total
Share of income	741	530	4,121	5,392
Share of expenses	(735)	(508)	(4,048)	(5,291)
Share of surplus/(deficit)	7	22	73	102
Share of assets	429	271	3,654	4,354
Share of liabilities	(148)	-	(2,022)	(2,170)
Share of equity	281	271	1,632	2,185
Share of associates' contingent liabilities incurred jointly with other investors	-	-	-	-
Share of associates' joint commitments with other investors	5	-	-	5

27. Reconciliation between the operating surplus (from the statement of revenue and expense) and net cash from operating activities (from the statement of cash flows)

	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Operating surplus/(deficit)	(6,816)	(6,804)		
Add/(less) non-cash items				
Share of associate's surplus	(102)	(102)		
Depreciation and amortization	40,600	40,601		
Vested assets	(1,050)	(1,050)		
Forestry revaluation	130	130		
Loss/(Gain) on emission trading units	(180)	(180)		
Milford Sound Tourism shareholder account	(43)	(43)		
Add/(less) movements in working capital items				
Trade and other receivables	(6,607)	(6,607)		
Interest receivable	(14)	(14)		
Inventories and work in progress	(1)	(1)		
Trade and other payables	2,156	2,161		
Net GST	(473)	(474)		
Development and financial contributions	22	22		
Other				
Movement in employee benefit liabilities	131	131		

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(Gains)/losses on disposal of investments	(2,152)	(2,152)		
Movement in provision for decommissioning	(179)	(179)		
Net cash inflow/(outflow) from operating activities	25,423	25,441		

28. Reconciliation of movements in liabilities arising from financing activities

	Council 2023/2024 Actual (\$'000)	Cashflow movement 2024/2025 Actual (\$'000)	Council 2024/2025 Actual (\$'000)
Long term borrowings	30,800	51,775	82,575
Short term borrowings	5,000	4,000	9,000
Total liabilities from financing activities	35,800	55,775	91,575

29. Financial instruments

The following tables are comparisons of carrying amounts of Council's financial assets and liabilities in each of the financial instrument categories:

Fair value and classification of financial instruments

	Note	Council 2023/2024 (\$'000)	Group 2023/2024 (\$'000)	Council 2024/2025 (\$'000)	Group 2024/2025 (\$'000)
Financial assets measured at FVSTD					
Cash and cash equivalents	12	5,392	5,428	23,917	23,964
Trade and other receivables	13	15,424	15,433	8,429	10,255
Financial assets amortised cost		20,816	20,861	32,346	34,219
Term deposits	15	1,170	1,555	1,170	1,555
LGFA borrowers' notes	15	895	895	3,809	3,809
Investment in managed funds	15	10,069	10,069	677	677
Unlisted shares	15	667	667	37,647	37,647
Financial assets at FVTSD		12,801	13,186	43,303	43,688
Financial liabilities measured at FVSTD					
Trade and other payables	19	(13,116)	(13,129)	(10,636)	(10,638)
Borrowings - Secured loans	23	(35,800)	(35,800)	(91,575)	(91,575)
Financial liabilities at amortised cost		(48,916)	(48,929)	(102,211)	(102,213)

FVTSD = Fair value through surplus or deficit

Fair Value

The Council carries certain financial assets and financial liabilities at fair value, in accordance with PBE IPSAS 30.

Valuation techniques with non-observable inputs (level 3) relate to unlisted shares in Milford Sound Tourism and Civic Assurance.

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements.

Level 3 fair value measurements

	Actual 2024 (\$000)	Actual 2025 (\$000)
Balance as of 1 July	414	667
Gain and losses recognised in the surplus or deficit	253	10
Balance as of 30 June	667	677

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

Financial instruments risk

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

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return from an investment. Council's exposure to fair value rate risk is limited to its short-term bank deposits at floating interest rates and a bank advance facility.

The interest rates on Council's investments are disclosed in note 15. There are no interest rate options or interest rate swap agreements in place on 30 June 2025 (2024: Nil).

Sensitivity analysis

The table below illustrates the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Council's financial exposures at the balance date.

Interest rate risk	Council/Group 2023/2024 Actual (\$000)		Council/Group 2024/2025 Actual (\$000)	
	+100bps Surplus/(deficit)	-100bps Surplus/(deficit)	+100bps Surplus/(deficit)	-100bps Surplus/(deficit)
Financial Asset				
Cash and cash equivalents	54	(54)	239	(239)
Financial Liability				
Borrowings	(358)	358	(916)	916
Total Sensitivity	(304)	304	(677)	677

Explanation of sensitivity analysis

A movement in interest rates of plus or minus 1.0 percent has an \$0.7 million effect on the surplus (2024: \$0.3 million).

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council has minimal transaction in the overseas market so the exposure to this risk is very low.

Credit risk

Credit risk is the risk that a third party will default on its obligations to Council causing Council to incur a loss.

SDC has minimal credit risk in its holdings of various financial instruments.

Council limits the amount of credit exposure to any one institution by using a risk weighting methodology based on Standard and Poor's credit ratings.

In the normal course of business Council incurs credit risk with both general and rates debtors. Council has approved a credit control policy to monitor and manage its exposure to this credit risk and has special legislative powers to collect rates.

Council's maximum exposure to each class of financial instruments is as follows:

Total credit risk by instrument class

	Note	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Cash and cash equivalents	12	5,392	5,428	23,917	23,964
Trade and other receivables (excluding prepayments)	13	15,424	15,433	8,966	7,924
Other financial assets*	15	12,134	12,519	42,626	43,011
Total credit risk		32,949	33,380	75,509	74,899

*Includes short term deposits, borrowers notes and investment in managed funds

Credit risk exposure by credit risk rating grades, excluding receivables

	Note	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
Cash at bank and term deposits					
AA-	12, 15	6,562	6,983	25,087	25,519
Total cash at bank and term deposits		6,562	6,983	25,087	25,519
Listed Bonds (LGFA)					
AAA	15	895	895	3809	3809
Total listed bonds (LGFA)		895	895	3809	3809

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, and the ability to access investment funds whenever necessary.

Contractual maturity analysis of financial assets and liabilities

The table below analyses Council's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

Council 2024/2025	Note	On demand (\$000)	Less than 1 year (\$000)	1-2 years (\$000)	2 years plus (\$000)	Council (\$000)
Financial assets						
Cash and cash equivalents	12	9,408	14,509			23,917
Trade and other receivables (excluding prepayments)	13		9,447			9,447
Other financial assets (includes deposits, borrowers notes, managed funds)	15	37,647	1,520	1,875	1,584	42,626
Financial liabilities						
Trade and other payables	19		10,636			10,636
Borrowings	23		9,000	40,000	42,575	91,575

Group 2024/2025	Note	On demand (\$000)	Less than 1 year (\$000)	1-2 years (\$000)	2 years plus (\$000)	Group (\$000)
Financial assets						-
Cash and cash equivalents	12	9,455	14,509			23,964
Trade and other receivables (excluding prepayments)	13		9,455			9,455
Other financial assets (includes deposits, borrowers notes, managed funds)	15	37,647	1,905	1,875	1,584	43,011
Financial liabilities						
Trade and other payables	19		10,638			10,638
Borrowings	23		9,000	40,000	42,575	91,575

Council 2023/2024	Note	On demand (\$000)	Less than 1 year (\$000)	1-2 years (\$000)	2 years plus (\$000)	Council (\$000)
Financial assets						
Cash and cash equivalents	12		5,392	-	-	5,392
Trade and other receivables (excluding prepayments)	13		14,749	-	-	14,749
Other financial assets (excluding shares in companies)	15	10,069	1,295	100	670	12,134
Financial liabilities						
Trade and other payables (excluding taxes payable)	19		13,116	-	-	13,116
Borrowings	23		5,000	4,000	26,800	35,800

Group 2023/2024	Note	On demand (\$000)	Less than 1 year (\$000)	1-2 years (\$000)	2 years plus (\$000)	Group (\$000)
Financial assets						

Cash and cash equivalents	12		5,428	-	-	5,428
Trade and other receivables (excluding prepayments)	13		14,758	-	-	14,758
Other financial assets (excluding shares in companies)	15	10,069	1,680	100	670	12,519
Financial liabilities						
Trade and other payables	19		13,129	-	-	13,129
Borrowings	23		5,000	4,000	26,800	35,800

30. Related parties

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Council would have adopted in dealing with the party at arm's length in the same circumstances.

Key management personnel	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Councillors		
Remuneration	688	737
Full-time equivalent members	13 FTE	13 FTE
Executive leadership team, including the chief executive		
Remuneration	1,567	1,910
Full-time equivalent members	5.63	7
Total key management personnel compensation	2,255	2,647
Total full-time equivalent personnel	18.63 FTE	20 FTE

Key management personnel include the mayor, councillors, chief executive, group manager finance and assurance, group manager people and culture, group manager infrastructure and capital projects, group manager regulatory services, group manager strategy and partnerships and group manager customer and community wellbeing.

Due to the difficulty in determining the full-time equivalent for councillors, the full-time equivalent figure is taken as the number of councillors.

31. Events after balance date

In November 2024, Council settled the purchase of a property at Thomsons Crossing for the purpose of wastewater disposal. The property has a market valuation of \$11.5million.

In November 2024, council settled the purchase of 93 Kelvin St and 46-50 Yarrow Street Invercargill for the purpose of moving all Invercargill operations into one building. The properties have a market valuation of \$3 million.

Council sold 8.4 hectares of development land at Te Anau, called Luxmore. The land was settled on the 8 November 2024 for \$1.8million, being the balance of funds after a 10% deposit received in August 2023.

32. Statement of contingencies

A contingency represents future expenditure that either:

- may or may not be expended, in part or in full, at some future date
- future expenditure that will be incurred at a future date, but which is unable to be quantified at this time.

a) Guarantees

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a credit rating from Standard and Poor's of AAA (stable outlook) for local currency and AA+ (stable outlook) for foreign currency as of 30 June 2025. LGFA has a credit rating from Fitch Ratings of AA+ (stable outlook) for local currency and AA+ (positive outlook) for foreign currency as of 30 June 2024.

LGFA Shareholders consist of the New Zealand Government (10%) and local authority shareholders (90%). The Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. On 30 June 2024 LGFA had bond borrowings totalling \$19,579 million (\$19,579 million as of 30 June 2024).

"Financial reporting standards require the Council to recognise the guaranteed liability at fair value. However, the council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- we are not aware of any local authority debt default events in New Zealand
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligation if further funds were required."

b) Council Mutual Insurance Fund - Riskpool

Council withdrew as a member of a mutual liability fund, Riskpool, as of 30 June 2015. The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working on the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

c) Emission Trading Scheme

Council owns approximately 1,840 hectares of forest, of which 1,384 hectares are pre-1990 land under the Emissions Trading Scheme. Of this harvested land, 41.7 hectares has not yet been replanted on 30 June 2025 (2024: 2.1) and carries a potential deforestation liability of \$1,721,988 in 2025 (2024 \$83,234) if the land is not replanted within four years. It is Council's intention that these harvested areas will be re-established to ensure that there will be no obligation to surrender units.

d) Building Act claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done. At the date of this report there were no matters under this Act which would indicate a liability to Council (2024: Nil)

e) Weather-tight homes claims

The Weather-tight Homes Resolution Services (WHRS) no longer receives claim applications however still provide an advice and mediation service to resolve leaky home disputes. Included in the Building Act potential liability noted in (b) above are potentially for weather-tight home claims. However, as of 30 June 2025 (2024: Nil), no claims have been lodged with Council.

f) Resource Management Act 1991 (RMA) prosecutions

As part of day to day operations, Council pursue a range of enforcement actions for breaches of the RMA. During 2023/2024, Council pursued an enforcement order in relation to breach of an abatement notice in the 2023/2024 year. A court sentencing hearing was held in October 2024 and a guilty decision was applied. A final sentence payment of \$17,500 was awarded to Council.

g) Affordable waters reform

Local water done well

xxx

33. Capital and operating lease commitments

A commitment exists where Council has entered into contracts but the goods and/or services have not been provided by balance date.

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Capital commitments		
Commitments for capital expenditure contracted, but not provided for:		
Water system	1,110	830
Stormwater system	-	-
Sewerage system	998	424
Roading	21,570	11,193
Other	53	622
	23,732	13,069

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Operating leases (as a lessee)		
Commitments for non-cancellable operating leases:		
Not later than one year	387	423
Later than one year and not later than five years	147	765
Later than five years	43	9
	578	1,198

34. Severance payments

For the year ended 30 June 2025, Council made one severance payment of \$23,500 (2024: four employees totalling \$84,306).

35. Capital management

The Council's capital (equity or ratepayer's funds), comprises retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (LGA) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Intergenerational equity

The Council's objective is to manage the balance between rating (for funds) and borrowing to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for the renewal and maintenance programmes of major classes of assets to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance. The LGA requires the Council to make adequate and effective provision in its LTP and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and level of funding are set out in the funding and financial policies of the Long Term Plan.

36. Explanation of major variances against budget

	Note	Council 2024/2025 Actual (\$000)
Revenue (including asset development revenue)	(a)	8,087
Expenditure	(b)	(8,311)
Net impact of variance on surplus/(deficit)		(224)
Revaluation surplus	(c)	(34,719)
Total variance in Statement of comprehensive revenue and expense		(34,943)

Explanatory notes:

Statement of comprehensive revenue and expense

a) Revenue

Total operating revenue was \$8.1 million lower than year one LTP budget, due to

- lower grants and subsidies than budgeted due to a capital programme not being met. The is mainly associated with a reduction in programme to match NZTA funding therefore resulting in delays of capital projects by \$4.9 million and operational costs by \$2.6 million. The timing of the Township future plan project was deferred to the following year carrying forward the expected grant income of \$0.5 million not received in 2024/2025. These reductions have been offset due to receiving the government better off funding to help with community run projects that were carried forward from the prior year (\$0.2 million).
- The reclassification of the investment income to gain on assets at fair value also resulted in lower than budgeted investment income by \$1.5 million.

- Other gains are currently showing as lower than budget, however the forestry revaluation is still in progress and will be recorded once completed (budget of \$1.4 million). The disposal of assets valued at \$0.4 million further increases the variances. This is offset by the income received from vested assets of \$3.4 million.
- Remaining income lines had minor variances, resulting in the remaining \$0.4 million deficit across other revenue streams, including rates penalties, rates adjustments, internal rates, community housing rental income being lower, number and value of the building consents.

b) Expenditure

Total operating expenditure was \$8.3 million lower than year one LTP budget, due to:

- NZTA expenditure as indicated in accordance with the income received; including reduction in pavement maintenance, Structure maintenance, Network and asset management, road safety southland programme and fuel costs (\$2.4 million)
- employee related expenses are lower than budgeted due to vacancies and transfer of costs to capital projects (\$1.3 million)
- The expenditure for community resources is also lower than budget by \$1.7 million due to the maintenance requirements the parks and reserves, transfer stations, halls and public conveniences due to the costs being consolidated into an omnibus and also carried forward into the following year. Some of these budgeted costs are for remedial work, which is only used when required.
- Environmental services spatial planning Township plan project and go-get replacement solution has been delayed into the following year (\$0.7 million)
- delay in the closed landfill remediation for Otautau into the next financial year offset by the provision carried forward (\$0.2 million)
- interest costs are less than budget due to the debt being lower than the anticipated external borrowings (\$0.5 million)
- Other corporate costs are lower than budget include the cost of implementing the new financial system, lower than expected managed investment fund fees, training, relocation and recruitment costs (\$1.5 million)

c) Revaluation surplus

Overall revaluation surplus was \$38.1 million lower than budgeted. The LTP revaluation was calculated using the BERL inflationary increases for 2024/2025 on the calculated opening balances at 30/06/2024. The actual inflationary increase is significantly lower on all revalued infrastructure assets.

Statement of changes in equity

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

Statement of financial position

d) Balance sheet

Total assets as of 30 June 2025 is \$2.387 billion which is \$53.3 million lower than the LTP Y1 (\$2.440 billion) due to:

- property, plant and equipment of \$2.29 billion, compared to a budget of \$2.36 billion (\$74 million under budget). The decrease is predominantly due to the lower infrastructure valuations and the timing of the capital projects being completed
- cash and cash equivalents of \$23.9 million, up \$22.9 million due to higher inflow of revenue, lower expenditure and determining to final balance to invest in balanced funds
- other financial assets are up by \$0.6 million, due to an increase in the value of the managed funds and unlisted shares and borrowers notes

Total liabilities are \$116.3 million at 30 June 2025, compared to the budget of \$133.4 million made up of:

- borrowings are \$15.6 million under budget due to lower capital expenditure which was budgeted to be funded by external borrowings
- trade and other payables which is under budget by \$2.3 million due to a decrease in operational costs
- offset by the provision for decommissioning is up by \$0.7 million, due to the work associated with Otautau landfill being delayed
- deferred revenue is over budget by \$1.7 million, due to income received in advance for dog registrations, outstanding building consents (pre-paid consents) and grants received for projects still in progress at year end

37. Schedule of financial reserves

Please note that all values are rounded to the nearest thousand dollars (\$000). As a result of rounding there may be slight discrepancies in subtotals.

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
Restricted							
Restricted District							
Allocation committee	Community development fund	Community Leadership	Development of community facilities, recreational opportunities and events	(0)	-	-	(0)
	Contributions and levies	Community Leadership	Raised through the District plan to be used to remedy, mitigate or offset adverse effects arising from, and in consequence of, or in association with any development	418	-	-	418
	Contributions and levies -Waihopai Toetoe	Community Leadership	Funding to be used for projects that benefit the Waihopai Toetoe community (sourced from interest earned on Fonterra financial contributions) based on recommendation of the Waihopai Toetoe Community Board.	251	5	-	256
	Creative NZ	Community Leadership	Support local communities to create diverse opportunities for accessing and participating in arts activities with their specific geographical area, as well as defined communities of interest	15	-	(13)	2
	District heritage grant	Community Leadership	Support the heritage in the District area	(0)	-	-	(0)
	Meridian contribution	Community Leadership	Support northern Southland community initiatives by way of grants	330	14	(10)	334
	Ohai Railway Board	Community Leadership	Support Ohai community initiatives by way of grants	1,911	91	(68)	1,934
	Sport NZ	Community Leadership	To subsidise travel costs for people 5-19 years of age participating in regular sporting competition	4	-	(4)	0
	Stewart Island visitor levy	Community Leadership	Stewart Island visitor levy funds	416	248	-	664

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
Assets and services	Waste minimisation	Waste Services	Waste minimisation reserve	27	614	(641)	-
Environmental services	Dog and animal control	Environment Services	Residual funds from dog and animal control activity	0	-	-	0
Holding	SDC - officers association	Corporate Services	Held on behalf of SDC Officers Association	1	-	-	1
John Beange	John Beange	Community Leadership	Funding available in Edendale and Wyndham area	21	1	-	23
Southland joint mayoral fund	Southland joint mayoral fund	Community Leadership	Residual funds from Southland flood relief	137	5	-	143
Specific	ECNZ - projects	Corporate Services	Funds available for future projects in accordance with ECNZ requirements	22	-	-	22
Restricted District Total				3,553	979	(736)	3,797
Restricted Local							
Wallacetown	Cemetery bequest	Community Services	Wallacetown Cemetery	36	1	-	36
Restricted Local Total				36	1	-	36
Restricted Total				3,589	980	(736)	3,833
General							
General District							
Council	District operations	Corporate Services	General reserve	6,756	2,309	(4,480)	4,585
	Global	Corporate Services	General reserve	1,084	25	-	1,109
	Strategic assets reserve	Roading	Offset rates	4,738	95	-	4,833
	Investments	Corporate Services	Hold any gains or losses related to managed investment funds	-	2,559	-	2,559
General District Total				12,578	4,988	(4,480)	13,086
General Total				12,578	4,988	(4,480)	13,086
Special							
Special District							
Assets and services	Community housing	Community Services	Operational reserve for community housing	0	-	-	0
	Depreciation buildings	Internal Reconciliations	Fund building replacements	228	336	(112)	452
	Depreciation Cycle Trial	Internal Reconciliations	Fund Cycle Trail replacements	-	160	(82)	78

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
	Depreciation IT	Internal Reconciliations	Fund IT replacements	420	5	(334)	91
	Depreciation motor vehicle	Corporate Services	Fund motor vehicle fleet replacements	1,264	395	(105)	1,554
	Depreciation Te Anau rural water	Internal Reconciliations	Fund Te Anau rural water scheme replacements	80	221	(301)	0
	Depreciation waste management	Internal Reconciliations	Fund waste management replacements	12	84	(53)	43
	Depreciation wheelie bin	Internal Reconciliations	Fund wheelie bin replacements	113	2	(15)	101
	District reserves	Open Spaces	Operation reserve for District reserves	60	37	-	97
	District stormwater	Corporate Services	Stormwater investigations	0	-	-	0
	District wastewater	Sewerage	Development for wastewater schemes	0	-	-	0
	Forestry Council reserve	Corporate Services	Residual funds from forestry activities	9,856	897	(1,587)	9,166
	Gravel reserves	Roading	Ensure Council has sufficient funds available for reinstatement of Council's pits	570	-	(30)	540
	Property development	Corporate Services	Balancing fund for sales and operational building expenditure	311	16	(116)	211
	Proposed water	Water Supply	Operational account for proposed water	553	-	-	553
	Public toilets capital pro reserve	Community Facilities	Fund public toilets capital	0	-	-	0
	Road safety community	Roading	Funding accrued from programmes not completed by year end	(0)	-	-	(0)
	Roading	Roading	Rate smoothing reserve	1,148	1,551	(0)	2,699
	Waste management	Waste Services	General waste reserve	0	228	(120)	109
	Wastewater contribution	Sewerage	Development for building wastewater	0	-	-	0
	Water schemes	Corporate Services	Development for water schemes	(0)	-	-	(0)
	Wheelie Bin Rates	Waste Services	Wheelie Bin Rates	34	16	(50)	0
	Depreciation roading	Internal Reconciliations	Fund roading replacements	(0)	7,814	(7,814)	(0)
	Depreciation sewerage	Internal Reconciliations	Fund sewerage replacements	0	3,478	(3,478)	0
Chief exec	Around the Mountains	Roading	Around the Mountains Cycle Trail	183	3	(1)	185
	SDC/DOC joint project	Community Leadership	Residual funds from past joint projects for future projects	61	-	-	61

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
Development and financial	Parks contribution	Open Spaces	Contribution to capital activity - parks and reserves	144	-	(4)	140
	Roading contribution	Roading	Contribution to capital activity - roading and transport	317	-	-	317
	Wastewater contribution	Sewerage	Contribution to capital activity - wastewater	246	-	(114)	132
	Water contribution	Water Supply	Contribution to capital activity - water	92	-	(92)	0
Environment and community	Alcohol licensing	Environment Services	Residual funds from alcohol licensing	(0)	-	-	(0)
	Health licensing	Environment Services	Residual funds from health licensing	209	-	-	209
Holding	International relationship	Community Leadership	Residual funds from International activities	57	-	-	57
	Milford flood protect	Corporate Services	Residual funds from Milford Flood protection	46	-	-	46
	Shared services	Community Leadership	Shared services balance	0	-	-	0
Policy and community	Community outcomes	Community Leadership	Contribute Southland Regional Development Strategy	108	-	-	108
	Elections	Community Leadership	Fund Council's election costs every three years	164	25	-	189
	Waimumu Field Days	Corporate Services	Fund Council's Field Days every two years	10	17	-	26
Specific	Biodiversity initiative	Corporate Services	Funds set aside for future biodiversity initiatives	21	-	-	21
	Disaster recovery	Emergency Management	Funds set aside in case of disaster in accordance with insurance requirements	1,443	-	-	1,443
	North Makarewa rec reserve	Open Spaces	North Makarewa rec reserve	5	1	-	6
	Predator Free Rakiura	Community Leadership	Contribution to the Predator Free Rakiura programme	4	10	-	14
	Rates civil defence/ rural fire	Emergency Management	Fund emergency management	11	-	-	11
	Tuatapere (Clifden bridge)	Open Spaces	Residual funds from Tuatapere project in 2000, to be used for community projects at Council's discretion	14	0	-	14
Special District Total				17,786	15,298	(14,410)	18,674
Special Local							

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
Ardlussa CB	General	Community Leadership	Ardlussa Community Board	32	1	(21)	12
Athol	Community centres	Community Facilities	Athol hall	15	0	(10)	5
	General	Open Spaces	Athol general purpose	4	0	-	4
Balfour	General	Open Spaces	Balfour general purpose	25	0	(24)	1
Browns	Community centres	Community Facilities	Browns hall	1	90	(2)	89
	General	Roading	Browns general purpose	49	1	-	50
Brydone	Community centres	Community Facilities	Brydone hall	0	-	-	0
Clifden	Community centres	Community Facilities	Clifden hall	16	4	-	20
	Rec reserve Committee	Open Spaces	Clifden reserves	44	1	(1)	45
Colac Bay	Community centres	Community Facilities	Colac Bay hall	16	0	-	17
	General	Open Spaces	Colac Bay general purpose	3	0	-	3
Dipton	Cemetery	Community Services	Dipton cemetery	11	0	-	12
	Community centres	Community Facilities	Dipton hall	3	-	(3)	-
	General	Open Spaces	Dipton general purpose	25	0	(21)	5
Drummond	General	Open Spaces	Drummond general purpose	12	0	(4)	9
	Rec reserve Committee	Open Spaces	Drummond reserves	4	2	(3)	3
Edendale	Cemetery	Community Services	Edendale cemetery	(0)	-	-	(0)
Edendale-Wyndham	Community centre	Community Facilities	Edendale Wyndham hall	68	1	(7)	62
	Footpaths	Roading	Footpaths	38	1	-	39
	General	Open Spaces	General purpose	356	7	(12)	351
Fiordland CB	General	Community Leadership	Fiordland general purpose	200	65	(71)	195
	Fiordland elderly persons	Community Leadership	Fiordland general purpose	483	10	-	493
Five Rivers	Community centre	Community Facilities	Five Rivers hall	2	0	-	2
Garston	Special projects	Open Spaces	Garston general purpose	25	1	(13)	14
Gorge Road	Gorge Road general	Open Spaces	Gorge Road general purpose	35	0	(25)	11
Hokonui	Community centre	Community Leadership	Hokonui Hall	97	-	(97)	0
Limehills	Community centre	Community Facilities	Limehills hall	15	0	(12)	3
	General	Open Spaces	Limehills general purpose	62	1	-	63
	Stormwater	Stormwater	Limehills stormwater	(0)	-	-	(0)

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
Lochiel	Rec Reserve Oreti	Lochiel hall grazing income to be passed onto the Hall society	Lochiel rec res lease	1	1	-	2
Lumsden	Cemetery	Community Services	Lumsden cemetery	1	0	-	1
	Community centre	Community Facilities	Lumsden community centre	16	0	(15)	1
	Footpaths	Roading	Lumsden footpaths	(0)	-	-	(0)
	General	Open Spaces	Lumsden general purpose	60	1	-	61
	Stormwater	Stormwater	Lumsden Stormwater	0	-	-	0
Manapouri	Community centre	Community Facilities	Manapouri community centre	5	-	(5)	(0)
	Fraser's Beach	Open Spaces	Fraser's Beach reserve	42	1	-	42
	General	Open Spaces	Manapouri general purpose	76	5	-	81
	Swimming pool area	Open Spaces	Manapouri pool	5	0	-	5
Mararoa/Waimea Ward	Mararoa/Waimea Ward	Open Spaces	Mararoa/Waimea Ward	0	-	-	0
Mataura Island	Community centre	Community Facilities	Mataura Island community centre	6	0	-	6
Matuku	Rural WS general	Water Supply	Matuku water	(0)	-	-	(0)
Menzies Ferry	Community centre	Community Facilities	Menzies Ferry community centre	9	0	-	9
Mokoreta/Redan	Community centre	Community Facilities	Mokoreta/Redan community centre	0	-	-	0
Mossburn	General	Open Spaces	Mossburn general purpose	94	1	(87)	8
Nightcaps	Community centre	Community Facilities	Nightcaps community centre	14	0	(1)	13
	General	Open Spaces	Nightcaps general purpose	6	0	-	6
	McGregor Park	Open Spaces	Nightcaps McGregor Park	65	1	(4)	62
Northern CB	General	Community Leadership	Northern CB general purpose	19	24	(4)	39
	Northern pool reserve	Community Leadership	Northern pool reserve	0	0	(0)	0
Ohai	Community centre	Community Facilities	Ohai community centre	3	2	-	5
	General	Open Spaces	Ohai general purpose	243	5	(25)	222
	Stormwater	Stormwater	Ohai stormwater	0	-	-	0
Oraka-Aparima CB	General	Community Leadership	Oraka-Aparima CB general purpose	11	4	(7)	8
	Riverton library endowment	Community Services	Riverton library endowment	21	7	-	29
Orawia	Community centre	Community Facilities	Orawia community centre	3	5	-	8
			Orawia hall group	23	0	-	23
Orepuki	Community centre	Community Facilities	Orepuki community centre	10	0	(1)	10
	General	Open Spaces	Orepuki general purpose	1	0	-	1

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
Oreti	Community centre	Community Facilities	Oreti community centre	(0)	7	-	7
Oreti CB	General	Community Leadership	Oreti CB general purpose	63	47	(1)	109
	Hedgehope recreation reserve	Open Spaces	Hedgehope reserve	2	0	-	2
	Winton library endowment reserve	Community Services	Winton library endowment	30	11	-	41
Otapiri/Lora	Community centre	Community Facilities	Otapiri/Lora community centre	78	2	(0)	79
Otautau	Baths	Community Leadership	Otautau pool	0	2	-	2
	Bowling club	Open Spaces	Bowling club	0	-	(0)	(0)
	Brightwood Develop Co	Roading	Otautau financial contribution	18	0	-	19
	CB conference	Open Spaces	Community board conference	0	-	(0)	0
	Community centre	Community Leadership	Otautau community centre	31	1	-	31
	Forestry	Open Spaces	Holt Park forestry	179	4	-	182
	General	Open Spaces	Otautau general purpose	329	7	(31)	304
Riversdale	General	Open Spaces	Riversdale general purpose	0	-	-	0
Riverton	Cemetery maintenance	Community Services	Riverton cemeteries	78	2	-	80
	Doc profits lib sale	Community Services	Riverton projects	74	1	-	75
	General	Open Spaces	Riverton general purpose	105	32	(3)	134
	Parks and res develop	Open Spaces	Riverton parks and reserves	0	-	(0)	0
	Property sales	Open Spaces	Riverton general purpose	160	3	(5)	159
	Riverton Harbour general	Water Facility	Riverton Harbour	168	98	-	266
	Taramea Bay/Rocks development	Open Spaces	Taramea Bay foreshore	29	-	(29)	(0)
	Taramea Howells Point	Open Spaces	Taramea Howells Point	43	1	-	44
	War memorial	Open Spaces	Riverton war memorial	17	0	-	18
Riverton	Stormwater headworks	Stormwater	Riverton stormwater	(0)	-	-	(0)
Ryal Bush	Community centre	Community Facilities	Ryal Bush community centre	6	6	-	12
SIESA	Operations	SIESA	SIESA Operations	494	-	-	494
Stewart Island	General	Open Spaces	Stewart Island general purpose	146	4	(1)	149

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
	Jetties	Water Facility	Stewart Island jetties	24	22	-	46
	Waste management	Waste Services	Stewart Island general purpose	45	1	(2)	44
	Wharf Ulva Island	Water Facility	Replacement of Ulva Island Bay wharf	213	4	(19)	198
Te Anau	General	Open Spaces	Te Anau general purpose	1,138	18	(547)	608
	Luxmore	Various	Luxmore subdivision	1,361	1,804	(85)	3,079
	Manapouri airport	Roading	Te Anau Manapouri airports	77	131	-	208
	Te Anau carpark res	Open Spaces	Te Anau general purpose	28	1	-	28
	Rural WS general	Water Supply	Te Anau water	0	197	(197)	0
	Sandy Brown loan	Water and Sewerage	Loan to ratepayers	0	-	-	0
	Stormwater	Stormwater	Te Anau general purpose	0	-	-	0
	Community centre	Community Facilities	Thornbury community centre	9	6	-	14
Thornbury	General	Open Spaces	Thornbury general purpose	9	0	(9)	1
	Community centre	Community Facilities	Tokanui community centre	7	0	(7)	1
Tokanui	General	Open Spaces	Tokanui general purpose	46	1	-	47
	Community centre	Community Facilities	Tuatapere community centre	34	3	-	37
Tuatapere	General	Open Spaces	Tuatapere general purpose	170	3	(31)	142
	General - OPR	Open Spaces	Tuatapere general purpose	26	1	-	27
	Property	Open Spaces	Tuatapere general purpose	3	0	-	3
	Waiau River collection	Open Spaces	Tuatapere Waiau River	1	0	-	1
	Water Meridian Contract	Water Supply	Tuatapere general purpose	8	0	-	8
	Community centre	Community Facilities	Tussock Creek hall	19	3	-	22
Tussock Creek	Arboretum reserve	Open Spaces	Arboretum reserve	11	2	-	13
	Calcium cemetery	Community Services	Calcium cemetery	10	0	-	11
	Hirstfield reserve	Open Spaces	Hirstfield reserve general purpose	29	1	(21)	9
	Takitimu pool reserve	Community Leadership	Takitimu pool	23	10	-	33
	Tuatapere ward pool	Community Leadership	Tuatapere ward pools	36	1	(5)	32
	Waiau/Aparima Ward	Community Leadership	Waiau/Aparima Ward	226	5	-	230
	Wairio cemetery	Community Services	Wairio cemetery	39	1	-	40
	Wairio reserve	Open Spaces	Wairio reserve	2	2	-	4
	Wairio Town general	Open Spaces	Wairio general purpose	5	0	-	5
	Cosy Nook	Community Facilities	Cosy Nook general purpose	40	4	-	44
	Waihopai Toetoe CB	Open Spaces	Waihopai Toetoe pool	7	3	-	10

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
	General	Community Leadership	Waihopai-Toetoes general purpose	86	32	(25)	93
Waihopai/Toetoes Ward	Waihopai/Toetoes Ward	Open Spaces	Waihopai/Toetoes Ward	72	1	(51)	22
Waikaia	Dickson Park	Open Spaces	Waikaia general purpose	10	0	-	10
	Drain filing	Stormwater	Waikaia drains	0	-	-	0
	General	Open Spaces	Waikaia general purpose	35	1	(20)	16
	Museum donations	Open Spaces	Waikaia Museum	5	2	-	7
Waikawa/Niagara	Community centre	Community Facilities	Waikawa/Niagara community centres	1	0	(0)	1
Waitane Glencoe	Res Reserve Committee	Open Spaces	Waitane Glencoe reserves	2	0	-	2
Wallace Takatimu CB	General	Community Leadership	Wallace Takatimu CB general purpose	108	23	(24)	107
Wallacetown	General	Open Spaces	Wallacetown general purpose	227	5	3	235
	Stormwater	Stormwater	Wallacetown general purpose	0	-	-	0
Winton	Community centre	Community Facilities	Winton community centres	78	6	(1)	84
	General	Open Spaces	Winton general purpose	127	2	(35)	94
	Medical centre general	Community Facilities	Winton Medical Centre	164	46	(32)	177
	Property sales	Community Facilities	Winton general purpose	152	191	(10)	333
	Res capital development	Open Spaces	Winton general purpose	112	2	-	114
	Stormwater	Stormwater	Winton stormwater	(0)	-	-	(0)
Winton/Wallacetown Ward	Winton/Wallacetown Ward	Community Leadership	Winton/Wallacetown Ward	331	6	(60)	277
Woodlands	General	Open Spaces	Woodlands general purpose	51	1	(1)	52
	Septic tank rates	Sewerage	Woodlands septic tank cleaning	(3)	3	-	(0)
Tuatapere Te Waewae CB	General	Community Leadership	Tuatapere Te Waewae general purpose	94	40	(0)	133
Special Local Total				9,726	3,057	(1,726)	11,058
Special Total				27,511	18,355	(16,135)	29,731

Reserves summary	Opening balance 1/7/2024 (\$000)	Deposits in (\$000)	Withdrawals out (\$000)	Closing balance 30/6/2025 (\$000)
Total restricted reserves	3,589	980	(736)	3,833
Total Council created - general reserves	12,578	4,988	(4,480)	13,086
Total Council created - special reserves	27,511	18,355	(16,135)	29,731
Total reserve funds	43,679	24,323	(21,351)	46,650

Section 4: Other information

This section provides supplementary information about Council's structure and the projects and grants for the year. It is included to offer additional context and transparency around Council's activities for the year. Please note that this content falls outside the scope of the audited financial statements and has not been subject to audit.

About Council

Role of Council

- to enable democratic local decision-making and action by, and on behalf of, communities
- to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

To accomplish this, we have overall responsibility and accountability in a variety of roles, including:

- planning the district's strategic direction alongside local communities as part of developing the long term plan
- facilitating solutions to local issues and needs
- advocacy on behalf of the local community with central government, other local authorities and agencies
- providing prudent stewardship and the efficient and effective use of resources within the district in a sustainable way
- risk management
- management of local infrastructure including network infrastructure (e.g. roads, wastewater disposal, water, stormwater) and community infrastructure (e.g. libraries, reserves and recreational facilities)
- administering various legal and regulatory requirements
- ensuring the integrity of management controls systems
- informing and reporting to communities, ratepayers and residents.

Governance systems

Council

Council consists of a mayor and 12 councillors elected by Southland district residents/ratepayers every three years. Council believes its democratic election ensures it can operate in the best interests of the district. Council is responsible for:

- representing the interest of the district
- developing and approving Council policy
- determining the expenditure and funding requirements of Council through the planning process
- monitoring the performance of Council against its stated objectives and policies
- employing, overseeing, and monitoring the chief executive's performance. under the Local Government Act 2002, the local authority employs the chief executive, who in turn employs all other staff on its behalf.

MAYOR - ROB SCOTT				
Ōreti Ward	Mararoa Waimea Ward	Waiau Apārima Ward	Waihōpai Toetoe Ward	Stewart Island/Rakiura Ward
Councillor Christine Menzies (deputy mayor) Councillor Darren Frazer Councillor Margie Ruddenklau	Councillor Matt Wilson Councillor Tom O'Brien Councillor Sarah Greaney	Councillor Don Byars Councillor Jaspreet Boparai Councillor Derek Chamberlain	Councillor Paul Duffy Councillor Julie Keast	Councillor Jon Spraggon

Community boards and council committees

There are nine community boards as part of the representation arrangements for the District. The boards prepare local budgets, recommend local rates, and make decisions on issues specifically delegated by Council. Council has a policy of decentralising responsibilities, where practical, to ensure local input into decision-making and the setting of priorities for issues of local concern.

Committees and subcommittees have been established by Council to assist with conducting the business of Council.

Community Boards	Council committees and subcommittees	Joint committees
Ardlussa Fiordland Northern Oraka Aparima Oreti Stewart Island/Rakiura Tuatapere Te Waewae Waihopai Toetoe Wallace Takitimu	Finance and Assurance Committee Executive Committee Ohai Railway Fund Committee Riverton Harbour Subcommittee Stewart Island/Rakiura Visitor Levy Subcommittee Five Rivers Water Supply Subcommittee Te Anau Basin Fiordland Water Supply Subcommittee District Licensing Committee	Great South Joint Shareholders Committee Civil Defence Emergency Management Group Southland Regional Heritage Joint Committee Regional Transport Committee WasteNet (Waste Advisory Group) Connected Murihiku Joint Committee

Council operations

Council has appointed a chief executive to oversee its operations and has delegated certain powers of management to that position. The chief executive implements and manages Council's policies and objectives within the budgetary constraints established by Council. The chief executive is responsible for:

- implementing the decision of Council
- providing advice to Council and community boards
- ensure that all responsibilities, duties and powers delegated to the chief executive or to any person employed by the chief executive, or imposed or conferred by any act, regulation or bylaw are properly performed or exercised
- managing the activities of Council effectively and efficiently
- maintaining systems to enable effective planning and accurate reporting of financial and service performance of Council
- providing leadership for Council staff
- employing staff (including negotiation of the terms of employment for the staff).

The management of Council is structure under six groups.

CHIEF EXECUTIVE - CAMERON MCINTOSH					
Joanne Davidson People and culture	Sam Marshall Customer and community wellbeing	Vibhuti Chopra Strategy and partnerships	Fran Mikuliclic Infrastructure and capital delivery	Anne Robson Finance and assurance	Adrian Humphries Regulatory services

Project schedule

The following table outlines the status of projects and compares actual project costs for the year with both the original 2024/2025 budget from the Long Term Plan and the revised budget approved by Council during the year. The revised budget reflects changes in delivery timing, project costs, and scope.

Project status:

1. Complete	2. In progress	3. DYC-\$ spent	4. DYC-No \$ spent	5. Not started	6. Cancelled
The project is complete	Work is well underway	Work has commenced and costs have been incurred, but the delivery year has changed (DYC)	Planning has begun, but no costs have been incurred, and the delivery year has changed (DYC)	The project has not yet commenced	The project will no longer proceed

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
Community Resources				8,117,357	12,331,093	6,796,632
Community Facilities				2,356,483	6,627,816	4,484,018
Halls				640,737	660,304	342,441
Ardlussa	P-10552-A	Balfour Hall - Replace roof and spouting	2.In progress	-	120,000	-
Fiordland	FHALL042A	Manapouri Hall - Exterior Repaint	3.DYC-\$ spent	100,000	100,000	27,979
Northern	P-10550A	Athol Hall - Installation of water tanks, pumps and filters	1.Complete	50,000	50,000	34,902
Northern	P-10561	Five Rivers Hall - Internal Refurbishment	1.Complete	-	32,120	26,376
Northern	P-11128A	Lumsden Hall - Upgrade distribution board and install heat pumps	1.Complete	50,000	50,000	26,149
Oraka-Aparima	P-10557A	Colac Bay Hall - Lighting and heat pumps	1.Complete	50,000	50,000	37,039
Oreti	FHALL031A	Winton RSA Hall - Interior refurbishment	4.DYC-No \$ spent	40,000	40,000	-
Oreti	P-10559A	Dipton Hall - Replace roof	1.Complete	122,400	92,667	92,560
Oreti	P-10565A	Limehills Hall - Heating upgrade in main room	1.Complete	18,000	13,000	10,016
Oreti	P-10577A	Ryal Bush Hall - Replace roof	1.Complete	76,667	76,667	50,797
Tuatapere-Te Waewae	FHALL058A	Orepuki Hall - Handrails, parking and landscaping	4.DYC-No \$ spent	20,000	-	-
Tuatapere-Te Waewae	P-11444A	Tuatapere Hall - Remove chimneys	4.DYC-No \$ spent	9,000	-	-
Waihopai-Toetoe	FHALL075A	Edendale - Wyndham Hall - replace door	1.Complete	10,850	10,850	12,240
Waihopai-Toetoe	P-11067	Tokanui Hall - new heating system	1.Complete	-	25,000	24,382
Wallace-Takitimu	FHALL054A	Nightcaps Hall - Repairs to exterior wall and minor repairs	1.Complete	93,820	-	-
Offices & Buildings				20,000	3,671,348	3,331,948
District	FBUILD024A	Tuatapere Library - Exterior repaint	4.DYC-No \$ spent	20,000	20,000	-
District	P-10710A	Invercargill Building - Replacement	2.In progress	-	3,651,348	3,331,948
Other Property				215,000	323,000	181,729
District	FBUILD027A	Waikiwi Yard - Clean up, hardfill and fence off section at rear. Spray twice a year	1.Complete	35,000	35,000	46,353

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
District	FBUILD028A	Waikiwi Yard - Remove hedges and build new fences in conjunction with neighbours	3.DYC-\$ spent	40,000	40,000	1,488
District	FBUILD029A	Waikiwi Yard - Options analysis for future facility provisions for depot/yard	4.DYC-No \$ spent	10,000	10,000	-
Northern	FBUILD001A	Garston Playcentre Building - Exterior repaint and carpentry work	4.DYC-No \$ spent	30,000	-	-
Northern	FBUILD003A	Lumsden Information Centre - Exterior paint and repairs	4.DYC-No \$ spent	30,000	-	-
Oreti	P-10739A	Winton Maternity Centre - Structural report for the roof	1.Complete	20,000	20,000	19,858
Waihopai-Toetoe	P-10840A	Wyndham Museum Disposal	1.Complete	-	156,000	55,089
Waihopai-Toetoe	P-11088	Wyndham Camping Ground	1.Complete	-	12,000	12,000
Waihopai-Toetoe	P-11222A	Wyndham Camping Ground - Upgrade construction	2.In progress	50,000	50,000	46,942
Toilets				1,480,746	1,973,164	627,899
District	FTOIL001A	District Wide Toilets - Refurbishment four toilets	3.DYC-\$ spent	285,000	285,000	138,522
District	P-10633A	Mossburn Toilet - Renewal	3.DYC-\$ spent	-	390,528	60,008
District	P-10637A	District Wide Toilets - Renewal preparation	4.DYC-No \$ spent	20,000	20,000	-
District	P-10642A	District Wide Toilets - Renewal preparation	4.DYC-No \$ spent	206,356	100,000	-
District	P-10646A	Riverton Howells Point Toilet - Renewal	4.DYC-No \$ spent	-	-	-
District	P-10650A	Te Anau Lions Park Toilet - Refurbishment	3.DYC-\$ spent	328,390	454,868	23,261
District	P-10657A	Tuatapere Half Mile Road Play Ground Toilet - New	2.In progress	154,000	177,511	1,175
District	P-10661B	Athol Toilet - Renewal	1.Complete	87,000	254,608	251,132
District	P-10842A	Monkey Island - Shelter area development (stage two)	2.In progress	400,000	100,000	13,190
District	PC0013	Riverton Taramea Bay (Princess St) toilet refurbishment	1.Complete	-	190,649	140,611
Community Services				455,586	583,948	90,432
Cemeteries				239,636	286,173	28,136
District	P-10960	Cemetery Software Project	2.In progress	-	46,537	11,253
District	P-10974A	District Wide - Cemetery beams	1.Complete	13,800	13,800	16,882
District	P-10989A	Riverton - Land purchase to increase cemetery size	4.DYC-No \$ spent	225,836	225,836	-
Community Housing				152,350	174,175	62,296
District	FHOUS001A	Community Housing - Interior repaint five units	3.DYC-\$ spent	36,000	36,000	15,989
District	P-10530A	Nightcaps Community Housing - Replace roofs on all five units	4.DYC-No \$ spent	46,350	-	-
District	P-10547A	Community Housing - Exterior repairs	1.Complete	70,000	70,000	3,085
District	P-10959	Invercargill - Community Housing Business Case	6.Cancelled	-	-	-
District	P-11469A	Otautau Community Housing - 1 Rochdale Road	1.Complete	-	23,175	25,334
District	P-11470A	Edendale Community Housing - 56 Seawood Road Repairs	2.In progress	-	45,000	17,888
Library Services				63,600	123,600	-
District	P-11434A	District Wide - Library refurbishment	4.DYC-No \$ spent	63,600	123,600	-
Open Spaces				3,790,788	3,317,650	1,715,488
Parks & Reserves				3,790,788	3,317,650	1,715,488
Ardlussa	FPARK046A	Balfour Kruger Street Subdivision Investigation	3.DYC-\$ spent	-	50,000	2,155

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
Ardlussa	FPLAY024A	Riversdale Playground - Maintenance	1.Complete	2,400	2,400	247
Ardlussa	FPLAY029A	Waikaia Playground - Maintenance	1.Complete	2,500	2,500	920
Ardlussa	P-10752A	Balfour Playground - Equipment renewal	1.Complete	120,000	60,000	60,000
Ardlussa	P-11083	Balfour Festival Lights	1.Complete	-	2,307	6,725
Ardlussa	P-11084	Playground - Waikaia sculpture walk	1.Complete	-	1,500	1,500
Ardlussa	P-11473	Riversdale Community Centre Lighting Project	1.Complete	-	25,000	9,254
District	FPARK027A	Te Anau Ivon Wilson Park - Master plan development	6.Cancelled	40,000	-	-
District	FPARK032A	Edendale Scenic Reserve - Bridge maintenance	1.Complete	15,000	15,000	12,996
District	FPARK038A	Curio Bay Reserve - Renew reserve management plan	6.Cancelled	100,000	-	-
District	FPARK044A	Kowhai Reach Reserve - Master plan development	6.Cancelled	40,000	-	7,950
District	P-10868	Curio Bay - Reserve Management Plan	2.In progress	-	30,038	21,242
District	P-11093	Structural planting of areas at Curio Bay, Slope Point and Colac Bay	1.Complete	-	105,234	66,920
District	P-11483-A	Reserve Management Plans	2.In progress	-	18,563	18,563
Fiordland	FPARK011A	Manapouri Frasers Beach - Reserve management plan renewal	6.Cancelled	50,000	-	-
Fiordland	FSIGN002	Te Anau - Alcohol/Lake Signage	1.Complete	-	20,000	12,966
Fiordland	P-10811A	Te Anau - Henry Street Playground Redevelopment	1.Complete	75,000	75,000	62,481
Fiordland	P-10814A	Te Anau - Lions Park Playground Redevelopment	2.In progress	400,000	400,000	235,171
Fiordland	P-10933A	Te Anau masterplan implementation	3.DYC-\$ spent	300,000	100,000	44,537
Fiordland	P-11090A	Fiordland - Active recreation improvements	2.In progress	260,000	270,124	270,124
Fiordland	P-11476	Manapouri Turbine Sign	4.DYC-No \$ spent	-	15,000	-
Northern	FPLAY003A	Athol Playground - Swing replacement	6.Cancelled	2,100	2,100	-
Northern	FPLAY007A	Garston - Swing replacement	1.Complete	2,200	2,200	2,200
Northern	FSIGN001A	Garston - Welcome to Garston signs	1.Complete	8,665	8,665	8,690
Northern	P-10773A	Mossburn War Memorial Park Playground - Equipment renewal	1.Complete	30,000	60,000	60,000
Northern	P-10952A	Garston - Village projects	4.DYC-No \$ spent	56,869	-	-
Northern	P-11080	Athol Tennis Court Resurface	1.Complete	-	2,690	752
Northern	P-11081	Mossburn Tennis Court Resurface	1.Complete	-	5,978	5,978
Oraka-Aparima	P-10692A	Riverton Harbour - Refurbishment of viewing platform	4.DYC-No \$ spent	10,000	10,000	-
Oraka-Aparima	P-10754A	Colac Bay Foreshore Playground - Equipment renewal (Nature Play)	1.Complete	20,000	20,000	19,500
Oraka-Aparima	P-10755	Colac Bay Manuka Street Playground Equipment Renewal	4.DYC-No \$ spent	-	5,150	-
Oraka-Aparima	P-10799	Riverton Taramea Bay Playground - Redevelopment	3.DYC-\$ spent	189,000	566,429	290,031
Oraka-Aparima	P-10816A	Thornbury Playground - Equipment renewal	1.Complete	8,454	8,454	5,293
Oraka-Aparima	P-11076	Colac Bay Surfer Statue Refurbishment	4.DYC-No \$ spent	-	-	-
Oraka-Aparima	P-11079	Paua Shell relocation and refurbishment	2.In progress	-	39,315	38,221
Oraka-Aparima	P-11089	Colac Bay Beach Access Steps	1.Complete	-	49,050	44,150
Oraka-Aparima	P-11213A	Riverton - Estuary planting	4.DYC-No \$ spent	20,000	20,000	-
Oraka-Aparima	P-11214A	Riverton - Riparian planting	4.DYC-No \$ spent	5,000	5,000	-

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
Oreti	FPARK001A	Dipton repair or replace access foot bridge	4.DYC-No \$ spent	10,000	10,000	-
Oreti	FPARK005A	Winton Moores Reserve - Re-grassing	1.Complete	35,000	35,000	35,038
Oreti	P-10829A	Wallacetown Recreational Project	2.In progress	227,000	100,711	27,068
Oreti	P-10893	Winton Anzac Oval - concept and design for the development of wider Anzac Oval area	1.Complete	-	10,000	10,783
Oreti	P-11205A	Winton - Great North Road development	4.DYC-No \$ spent	200,000	20,000	-
Oreti	P-11482-A	Winton Install CCTV	4.DYC-No \$ spent	-	65,000	-
Stewart Island/Rakiura	P-10316	New walking track horseshoe bay road	3.DYC-\$ spent	-	94,230	36,030
Tuatapere-Te Waewae	FPARK025A	Tuatapere - Concept design for Memorial Park	1.Complete	11,100	11,100	1,950
Tuatapere-Te Waewae	P-11091A	Tuatapere - Historic Railway Station	2.In progress	310,000	192,592	113,038
Tuatapere-Te Waewae	P-11474	Tuatapere Domain Gate	3.DYC-\$ spent	-	8,500	2,681
Waihopai-Toetoe	P-10761A	Edendale Recreational Reserve Playground - Equipment renewal	1.Complete	30,000	30,000	27,146
Waihopai-Toetoe	P-10864A	Edendale and Wyndham - Creation of multi-use track	1.Complete	600,000	84,195	12,113
Waihopai-Toetoe	P-11117A	Woodlands - Interpretation panels	4.DYC-No \$ spent	10,000	10,000	-
Waihopai-Toetoe	P-11206A	Wyndham and Tokanui Playground - Redevelopment concept design	2.In progress	20,000	5,000	3,900
Wallace-Takitimu	FPARK016A	Otautau - Concept plan for new playground	2.In progress	10,200	10,200	1,950
Wallace-Takitimu	FPARK022A	Drummond Recreation Reserve - Removal of trees on the northern boundary of the rugby fields	1.Complete	50,000	50,000	16,118
Wallace-Takitimu	FPLAY015A	Nightcaps - Playground maintenance	6.Cancelled	5,300	5,300	-
Wallace-Takitimu	P-10779	Ohai Playground - replace large module and small	1.Complete	-	56,178	36,698
Wallace-Takitimu	P-11085A	Otautau - Camping Ground Redevelopment	2.In progress	245,000	396,425	72,290
Wallace-Takitimu	P-11086	Nightcaps to Ohai railway track multiuse trail concept and design	1.Complete	-	2,761	-
Wallace-Takitimu	P-11087	McGregor Park Masterplan	1.Complete	-	2,761	-
Wallace-Takitimu	P-11199A	Otautau - Camping ground development	6.Cancelled	150,000	-	-
Wallace-Takitimu	P-11201A	Nightcaps - McGregor Park development	3.DYC-\$ spent	100,000	100,000	3,983
Wallace-Takitimu	P-11202A	Otautau - War Memorial replacement	2.In progress	20,000	20,000	6,137
SIESA				406,500	406,500	244,038
SIESA				406,500	406,500	244,038
Stewart Island/Rakiura	P-11207A	Stewart Island/Rakiura SIESA - Capital renewal programme	2.In progress	406,500	406,500	244,038
Waste Services				1,108,000	1,395,179	262,657
Waste Services				1,108,000	1,395,179	262,657
District	FWAST001A	Bluecliffs remediation	1.Complete	-	88,825	88,825
District	P-11003A	Te Anau Transfer Station - Pad strengthening and shed refurbishment	1.Complete	50,000	50,000	47,289
District	P-11073A	Woodlands 24/7 recycling transfer	6.Cancelled	-	-	-

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
District	P-11106A	Wyndale Transfer Station - Green waste tidy up	1.Complete	30,000	30,000	22,282
District	P-11110A	Stewart Island/Rakiura Resource Recovery Centre - Regravel	1.Complete	10,000	10,000	5,700
District	P-11158A	Otautau - Closed landfill protect in place	3.DYC-\$ spent	998,000	1,164,052	83,852
District	P-11178A	Stewart Island/Rakiura Resource Recovery Centre - New 20ft burn bin	1.Complete	5,000	5,000	3,655
District	P-11179A	Lumsden Transfer Station - Shed maintenance	1.Complete	15,000	15,000	2,835
District	P-11478	Ohai Recycling Container Relocation	1.Complete	-	7,000	8,219
District	P-11481A	Te Anau Recycling Container relocation and CCTV	1.Complete	-	25,302	-
Corporate Services				983,000	1,436,994	532,838
Corporate Services				983,000	1,436,994	532,838
Corporate Services				983,000	1,436,994	532,838
District	FINFO001A	District Wide - Archives business case	2.In progress	100,000	100,000	-
District	FINFO003A	District Wide - Ongoing digitisation projects	2.In progress	43,000	43,000	-
District	FINFO004A	District Wide - Equipment renewal	1.Complete	140,000	190,959	191,179
District	FINFO005A	Nutanix Hardware Infrastructure replacement	1.Complete	-	282,975	282,722
District	FINFO007A	District Wide - Core system replacement	3.DYC-\$ spent	700,000	810,122	52,308
District	FINFO008	Starlink for Stewart Island offices and pavillion	2.In progress	-	9,938	6,629
Sewerage				19,582,142	17,414,044	14,857,555
Sewerage				19,582,142	17,414,044	14,857,555
Sewerage				19,582,142	17,414,044	14,857,555
District	P-10126A	Consent Renewal Preparation	1.Complete	-	196,434	27,363
District	P-10446B	District Wide Waste Water Treatment Plant - SCADA replacement	1.Complete	200,000	200,000	229,148
District	P-10448A	District Wide - End of life wastewater pumps and electrics	1.Complete	176,000	176,000	177,079
District	P-10452A	District Wide Waste Water - Completion of oxidation pond desludging	3.DYC-\$ spent	900,000	900,000	574,898
District	P-10453B	Balfour Waste Water Treatment Plant - Consent renewal treatment upgrade	1.Complete	547,142	613,909	596,067
District	P-10454A	Edendale/Wyndham Waste Water Treatment Plant - Consent renewal preparation	3.DYC-\$ spent	-	265,054	20,097
District	P-10454B	Edendale/Wyndham Waste Water Treatment Plant - Consent renewal treatment upgrade	2.In progress	1,500,000	-	-
District	P-10459A	Manapouri - Wastewater treatment upgrade	3.DYC-\$ spent	1,600,000	1,338,225	479,778
District	P-10462A	Nightcaps Waste Water Treatment Plan - Treatment upgrade and land disposal investigation	3.DYC-\$ spent	-	196,247	6,423
District	P-10468A	Riversdale WWTP Treatment upgrade Stage 2	1.Complete	-	122,000	122,076
District	P-10474A	Stewart Island/Rakiura Waste Water Treatment Plant - Consent renewal preparation	3.DYC-\$ spent	159,000	159,000	117,390
District	P-10486A	Winton Waste Water Treatment Plant - Upgrade	2.In progress	13,500,000	11,600,000	11,718,559

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
District	P-10487A	Winton Waste Water Network - Stormwater infiltration project	1.Complete	-	405,813	137,372
District	P-11219A	District Wide Wastewater Network - Renewals	3.DYC-\$ spent	1,000,000	1,000,000	409,943
District	P-11380A	Stewart Island/Rakiura Waste Water - Sewer main renewal	1.Complete	-	241,362	241,362
Stormwater				3,240,650	2,599,408	1,020,322
Stormwater				3,240,650	2,599,408	1,020,322
Stormwater				3,240,650	2,599,408	1,020,322
District	P-10278B	Lumsden - Reticulation upgrade	3.DYC-\$ spent	463,000	463,000	67,878
District	P-10431B	Edendale/Wyndham Stormwater - Main/manhole renewal and subsoils	2.In progress	1,143,000	1,143,000	124,686
District	P-10432A	Limehills - Mechanical cleaning of open drains	6.Cancelled	26,641	26,641	986
District	P-10435A	Nightcaps - Stormwater investigations and renewals	1.Complete	108,009	108,009	42,735
District	P-10445A	Winton - Investigation and replacement of storm main	1.Complete	500,000	500,000	555,897
District	P-11060A	Te Anau Stormwater - Sandy Brown Road stormwater upgrade	3.DYC-\$ spent	1,000,000	108,758	46,966
District	P-11235A	Riverton Stormwater - Investigate and design treatment solutions for the Riverton littoral outfalls	1.Complete	-	250,000	181,174
Transport				34,309,072	25,258,861	17,979,604
Roading				32,439,871	24,129,351	17,664,149
Airport				1,297,150	920,000	81,155
Fiordland	P-10664A	Te Anau Airport Manapouri - Runway surface rehabilitation	2.In progress	1,277,150	900,000	81,155
Fiordland	P-10996A	Te Anau Airport Manapouri - Exterior cladding maintenance of building	6.Cancelled	20,000	20,000	-
Cycle Trails				390,693	406,068	362,386
District	FCYCLE001A	Around The Mountains Cycle Trail - Continuous improvement programme	4.DYC-No \$ spent	20,000	20,000	-
District	P-10687A	ATMCT Surface Metal Replacement	1.Complete	370,693	345,855	345,855
District	P-10746	AMCT Improvements	3.DYC-\$ spent	-	40,213	16,532
Footpaths				1,415,668	515,091	255,950
Ardlussa	FFOOT100A	Waikaia - Otta Seal Upper Newburn Road	4.DYC-No \$ spent	65,000	-	-
Ardlussa	FFOOT101A	Waikaia - Additional streetlights	3.DYC-\$ spent	26,000	26,000	6,004
Ardlussa	FFOOT104A	Waikaia - School safety project	1.Complete	20,000	20,000	13,941
Fiordland	FFOOT115A	Manapouri - Sealing of footpath opposite the church and shop on Waiau Street	1.Complete	65,000	65,000	55,200
Fiordland	FFOOT116A	Te Anau - Construction of pedestrian facilities on Sandy Brown Road	3.DYC-\$ spent	99,181	99,181	3,750
Oraka-Aparima	FFOOT004A	Riverton - New footpaths	1.Complete	112,500	56,000	54,159
Oreti	FFOOT001P	Winton - Footpath renewal programme 2024/2025 - 2026/2027	4.DYC-No \$ spent	245,100	-	-
Stewart Island/Rakiura	FROAD010A	Strwart Island/Rakiura road bylaw signs	1.Complete	-	33,337	30,671
Stewart Island/Rakiura	P-11075	Golden Bay Walkway	3.DYC-\$ spent	-	93,573	19,859

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
Tuatapere-Te Waewae	FFOOT001g	Orepuki - Footpath renewal programme 2024/2025 to 2026/2027	4.DYC-No \$ spent	54,503	-	-
Tuatapere-Te Waewae	FFOOT001M	Tuatapere - Footpath renewal programme 2024/2025 to 2026/2027	4.DYC-No \$ spent	113,821	-	-
Tuatapere-Te Waewae	FFOOT102A	Tuatapere - New streetlight on Birch Street	1.Complete	2,000	2,000	1,405
Waihopai-Toetoe	FFOOT001R	Edendale - Wyndham - Footpath renewal programme 2024/2025 to 2026/2027	4.DYC-No \$ spent	242,563	-	-
Waihopai-Toetoe	FFOOT103A	Edendale - New streetlights	1.Complete	20,000	20,000	19,821
Waihopai-Toetoe	FFOOT105A	Edendale - Speed feedback sign at Ferry Road	2.In progress	20,000	20,000	10,228
Waihopai-Toetoe	FFOOT106A	Wyndham - Speed feedback sign at Ferry Street	2.In progress	20,000	20,000	10,228
Waihopai-Toetoe	FFOOT107A	Gorge Road - Speed feedback sign at Gorge Road Invercargill Highway	6.Cancelled	20,000	-	-
Waihopai-Toetoe	FFOOT108A	Wyndham - Speed feedback sign at Wyndham Road	2.In progress	20,000	20,000	10,228
Waihopai-Toetoe	FFOOT109A	Edendale - Speed feedback sign at Seaward Road	2.In progress	20,000	20,000	10,228
Waihopai-Toetoe	FFOOT110A	Gorge Road - Speed feedback sign at Tokanui Gorge Road Highway	6.Cancelled	20,000	-	-
Waihopai-Toetoe	FFOOT112A	Wyndham - Speed feedback sign at Wyndham Letterbox Road	2.In progress	20,000	20,000	10,228
Wallace-Takitimu	FFOOT001H	Otautau - Footpath renewal programme 2024/2025 to 2026/2027	4.DYC-No \$ spent	210,000	-	-
Roading				29,336,360	22,288,192	16,964,658
District	FROAD001A	District Wide - Bridge programme 2024-2034	1.Complete	5,500,000	910,000	768,348
District	FROAD002A	District Wide - Unsealed road renewal programme 2024-2034	1.Complete	2,816,345	2,716,875	2,460,786
District	FROAD003A	District Wide - Resurfacing programme 2024-2034	1.Complete	8,750,000	7,988,184	8,098,074
District	FROAD004A	District Wide - Drainage renewal programme 2024-2034	1.Complete	2,145,343	1,864,006	1,275,567
District	FROAD004B	District Wide - Drainage renewal programme 2024-2034	1.Complete	100,000	100,000	65,546
District	FROAD005A	District Wide - Pavement rehabilitation programme 2024-2034	1.Complete	6,800,000	5,892,017	3,180,665
District	FROAD006A	District Wide - Structure component renewal programme 2024-2034	2.In progress	1,880,000	631,764	98,583
District	FROAD007A	District Wide - Traffic services programme 2024-2034	1.Complete	1,172,172	1,091,028	1,000,399
District	FROAD007B	District Wide - Traffic services programme 2024-2034	1.Complete	172,500	172,500	16,690
District	FROAD009A	District Wide Roding - Resilience programme 2024-2034	4.DYC-No \$ spent	-	921,818	-
Water Facility				1,869,201	1,129,510	315,454
Boat Ramps				300,000	300,000	295,558
Fiordland	P-10880A	Te Anau - Te Anau Downs Boat Ramp Replacement	1.Complete	300,000	300,000	295,558
Harbour				300,000	200,000	-
Oraka-Aparima	P-11225A	Riverton T Wharf Replacement - Design and consents	4.DYC-No \$ spent	300,000	200,000	-
Stewart Island Jetties				1,269,201	629,510	19,897
Stewart Island/Rakiura	P-10203A	Stewart Island/Rakiura Ulva Island Wharf - Replacement	3.DYC-\$ spent	891,685	601,994	19,177
Stewart Island/Rakiura	P-10670A	Stewart Island/Rakiura Golden Bay Wharf - Renewal preparation	5.Not started	250,000	-	-

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
Stewart Island/Rakiura	P-10674A	Stewart Island/Rakiura Millars Beach - Wharf Refurbishment	3.DYC-\$ spent	127,516	27,516	720
Water Supply				4,132,823	5,577,204	3,977,204
Water Supply				4,132,823	5,577,204	3,977,204
Drinking Water				3,498,328	4,728,484	3,626,245
District	P-10007A	Eastern Bush Water Supply - Upgrade	2.In progress	-	138,559	175,148
District	P-10263A	Manapouri Water Treatment Plant - Upgrade	1.Complete	900,000	1,826,797	1,796,509
District	P-10270A	Riverton Water Supply - District metering area	1.Complete	169,000	169,000	56,756
District	P-10476A	District Water Supply - Mobility field inspection integration IT	1.Complete	-	65,631	75,001
District	P-10494A	District Water Supply - End of life water tanks storage maintenance	1.Complete	163,587	163,587	177,959
District	P-10495A	District Water Supply - End of life water pumps and electrical	1.Complete	50,000	50,000	20,632
District	P-10503A	Mossburn Water Supply - Consent renewal preparation	3.DYC-\$ spent	-	39,169	12,692
District	P-10507A	Ohai/Nightcaps Water Treatment Plant - Tank replacement	2.In progress	200,000	200,000	140,079
District	P-10517A	District Water Supply - Replacement of AC pipe at end of life	2.In progress	1,600,000	1,600,000	795,097
District	P-10520A	District Water Supply - Acuflo manifolds and check valves	1.Complete	115,741	115,741	115,741
District	P-11266	Tuatapere Water Supply - Ultraviolet system replacement	2.In progress	-	160,000	117,521
District	P-11406A	Riverton Water Treatment Plant - Upgrade	3.DYC-\$ spent	150,000	100,000	143,111
District	P-11406B	Riverton Water Treatment Plant - Upgrade	4.DYC-No \$ spent	150,000	100,000	-
Rural Water				634,495	848,720	350,959
District	P-10501A	Te Anau Rural Water Supply Mt York Water - Consent renewal preparation	4.DYC-No \$ spent	51,750	51,750	-
District	P-10514A	Takitimu Rural Water Supply - Switchboards and pump	3.DYC-\$ spent	-	214,225	10,928
District	P-10515A	Takitimu Rural Water Supply - Consent renewal preparation	3.DYC-\$ spent	51,750	51,750	1,664
District	P-11223A	Te Anau Rural Water Supply - Scheme audit	2.In progress	500,000	500,000	307,372
District	P-11224A	Te Anau Rural Water Supply - Homestead intake modification	1.Complete	30,995	30,995	30,995
Total				70,365,044	64,617,604	45,164,156

Grant and visitor levy funding provided

Community assistance funding - A total of \$1.9 million was budgeted to provide community assistance grant funding. \$1.6 million was allocated over the year across the three categories of grants, scholarships and allocations as shown in the table below.

Grants	20244/25 Actuals (\$)	24/25 AP Budget (\$)
Hollyford Conservation Trust	10,000	10,000
Iwi Funding	181,936	253,739
Safe Swim	23,000	23,000
Southland Indoor Leisure Centre (Stadium maintenance)	75,000	75,000
Southland Regional Heritage Committee	715,845	715,794
Enviroschools funding	10,000	10,000
Whakamana Te Waituna Trust	25,000	25,000
Warm Homes Trust	35,000	35,000
Around the Mountain Cycle Trail	30,000	30,000
Miscellaneous Grant (school prizegivings)	450	-
Scholarships		
Bursaries	6,500	7,000
Debating Competition	-	800
Outward Bound	-	8,000
Allocation Grants		
Creative Communities	46,940	26,730
District Heritage	69,500	69,500
John Beange Reserve	-	5,000
Northern Southland Development Fund	9,886	9,750
Ohai Railway Fund	66,747	55,000
Sport NZ	18,300	13,889
Stewart Island Visitor Levy	75,845	276,171
District Initiative Fund	64,497	64,497
Ardlussa Community Partnership Fund	6,522	6,522
Fiordland Community Partnership Fund	45,000	45,000
Northern Community Partnership Fund	6,245	6,245
Oraka-Aparima Community Partnership Fund	12,480	12,488
Oreti Community Partnership Fund	30,648	30,648
Stewart Island Community Partnership Fund	3,303	4,514
Tuatapere Tewaewae Community Partnership Fund	13,300	13,309
Waihopai Toetoe Community Partnership Fund	20,000	22,857
Wallace Takitimu Partnership Fund	18,535	18,543
Total	1,620,480	1,873,996

Schedule of Stewart Island Visitor Levy allocations - The Stewart Island/Rakiura Visitor Levy supports services and facilities for the island's many short-term visitors, helping ease the financial burden on local ratepayers. Collected annually, the funds are distributed by a subcommittee according to the Stewart Island Rakiura Visitor Levy Policy, which allows for both one-off and multi-year grants—up to 10 years for infrastructure and up to 3 years for operational costs. In 2024/2025, the Stewart Island/Rakiura Visitor Levy generated \$337,723, exceeding the budgeted \$315,000. The subcommittee allocated grants to seven applicants, totalling \$115,037, compared with the \$296,100 budgeted for allocation. Of this amount, \$54,021 was already committed to multi-year grants awarded in previous funding rounds to two applicants.

Organisation	Purpose	Actual amount allocated	Multi-year
2024/2025 allocations			
Stewart Island Rakiura Community Board	Interpretation panels	\$15,000	No
Stewart Island Promotions Association	Events manager	\$20,000	Yes – each for two years
	Free wifi	\$1,043	No
The Lord Family Trust	Millar's Beach restoration project	\$7,582	No
Rakiura Heritage Trust	Operational costs	\$17,391	No
Prior year grants committed			
Stewart Island Rakiura Community Environment Trust	Community liaison costs	\$34,688	Yes – each for two year
Stewart Island Rakiura Community Board	Footpath loan repayment	\$19,333	Yes
Total		\$115,037	

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

Recommendation

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

C8.1 Manapouri wastewater treatment plant and pipeline business case and unbudgeted expenditure request

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Manapouri wastewater treatment plant and pipeline business case and unbudgeted expenditure request	s7(2)(i) - the withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.