



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

Date: Wednesday, 8 October 2025  
Time: 3pm  
Meeting room: Council Chamber, Level 2, 20 Don Street,  
Invercargill

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## Council Agenda OPEN

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### MEMBERSHIP

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

### IN ATTENDANCE

Chief executive	Cameron McIntosh
Committee advisor	Fiona Dunlop

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Online: [Southland District Council YouTube](#)

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

## Health and safety

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

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

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

Phones – Please turn your mobile devices to silent mode.

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

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Mā te kōrero	Through talking
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Mā te wairua	From the spirit
Mā te manaaki mai	Through giving
Mā te manaaki atu	And receiving respect
Ka puawai te maramatanga	Understanding will bloom
Tihei mauri ora	This is the essence of life
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Kia whakapapa pounamu te moana	May the sea be like greenstone
Hei huarahi mā tātou i te rangi nei	A pathway for us all this day
Aroha atu, aroha mai	Let us show respect for each other
Tātou i a tātou katoa	For one another
Hui e! Tāiki e!	Bind us all together!



1 Apologies

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

2 Leave of absence

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

3 Conflict of Interest

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

4 Extraordinary/Urgent Items

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

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

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

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

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

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

5 Confirmation of Council Minutes

5.1 Meeting minutes of Council, 29 September 2025

6 Public Participation

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



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## Council

# OPEN MINUTES

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Minutes of a meeting of Council held in the Council Chamber, Level 2, 20 Don Street, Invercargill on Monday, 29 September 2025 at 10.04am. (10.04am – 10.48am (PE 10.06am – 10.48am))

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### PRESENT

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

### APOLOGIES

Councillor Darren Frazer  
Councillor Saray Greaney (lateness)

### IN ATTENDANCE

Chief Executive - Cameron McIntosh (for part of item C8.2 - Chief Executive Performance Review - 30 June 2025)  
Committee Advisor - Fiona Dunlop (for item C8.1 - Otatau Camping Ground project update)  
RDC Group – Doug Craig (for item C8.2 Chief Executive Performance Review - 30 June 2025)  
Chair Finance and Assurance Committee and member of the Executive Committee – Mr Bruce Robertson (for item C8.2 - Chief Executive Performance Review - 30 June 2025)

Mayor Scott opened the meeting with a karakia timatanga as follows:

<b>Mā te whakarongo</b>	Through listening
<b>Mā te kōrero</b>	Through talking
<b>Mā te ngakau</b>	From the heart
<b>Mā te wairua</b>	From the spirit
<b>Mā te manaaki mai</b>	Through giving
<b>Mā te manaaki atu</b>	And receiving respect
Ka puawai te maramatanga	Understanding will bloom
Tihei mauri ora	This is the essence of life

1 Apologies

There were apologies for absence from Councillor Frazer and for lateness from Councillor Greaney.

Moved Cr Ruddenklau, seconded Cr Boparai and resolved:

That Council accept the apologies.

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 Confirmation of Council Minutes

Resolution

Moved Cr Ruddenklau, seconded Cr Keast and resolved:

That the Council confirms the minutes of the meeting held on 10 September 2025 as a true and correct record of that meeting.

6 Public Participation

There was no public participation.

## Public Excluded

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

### Resolution

Moved Mayor Scott, seconded Deputy Mayor Menzies and resolved:

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

C8.1 Otautau Camping Ground project update

C8.2 Chief Executive Performance Review - Otautau Camping Ground project update 30 June 2025

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
Otautau Camping Ground project update	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.
Chief Executive Performance Review - 30 June 2025	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.</p> <p>s7(2)(i) - the withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

The public were excluded at 10.06am.

(Councillor Greaney joined the meeting at 10.10am.)  
(Chief Executive – Cameron McIntosh left the meeting at 10.21am during discussion of item C8.2 Chief Executive Performance Review - 30 June 2025.)  
(RDC Group – Doug Craig left the meeting at 10.40am at the conclusion of item C8.2 Chief Executive Performance Review - 30 June 2025.)  
(Chair of the Finance and Assurance Committee and member of the Executive Committee – Mr Bruce Robertson left the meeting at 10.40am at the conclusion of item C8.2 Chief Executive Performance Review - 30 June 2025.)  
(Chief Executive – Cameron McIntosh and Committee Advisor Fiona Dunlop returned to the meeting at 10.40am for item C8.1 - Otautau Camping Ground project update.)

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 concluded at 10.48am.

CONFIRMED AS A TRUE AND CORRECT RECORD OF A  
MEETING OF THE COUNCIL HELD ON MONDAY 29  
SEPTEMBER 2025

DATE:.....

CHAIRPERSON:.....



## Adoption of Annual Report 2024/2025

Record no: R/25/9/48224

Author: Jo Hooper, Financial Accountant

Approved by: Anne Robson, Group manager finance and assurance

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 This report seeks the adoption of the audited Annual Report and Summary Annual Report for the year ended 30 June 2025 (2024/2025).

### 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 (LTP) 2024-2034.
- 3 Drafts of the Annual Report 2024/2025 and Summary Annual Report 2024/2025 were received and considered by the Finance and Assurance Committee (the committee) on 29 September 2025. The committee recommended that Council adopt the annual report and endorsed the summary annual report. Minor wording adjustments suggested at the meeting have been incorporated into the documents.
- 4 The final versions of the updated annual report and summary document are attached to this report:
  - **attachment A** Annual Report 2024/2025 – full document
  - **attachment B** Summary Annual Report 2024/2025
- 5 Financially, Council recorded a net deficit of \$5.8 million compared to the budgeted deficit of \$6.4 million with both revenue and expenditure around 5% lower than budget. Net assets at 30 June 2025 were \$2.3 billion, \$36 million below budget primarily due to lower infrastructure revaluations, lower debt drawn due to the deferral of capital projects, offset by higher cash and cash equivalents.
- 6 As at the date of this report, Deloitte have completed the audit, subject to review of the final document and any subsequent events after balance date.
- 7 Mike Hawken, Council's Deloitte Audit Director attended the Finance and Assurance Committee meeting on the 29 September to provide an overview of the audit process/findings and answer questions. He advised that the audit report would be unmodified, which means that the financial statements present a true and fair reflection of Council's results to the 30 June 2025.

## Recommendation

That the Council:

- a) **receives the report titled “Adoption of Annual Report 2024/2025”.**
- 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) Notes that the Finance and Assurance Committee endorsed the summary Annual Report and recommended that Council adopt the Annual Report for the year ended 30 June 2025.
- e) adopts the Annual Report and Annual Report Summary for the year ended 30 June 2025, subject to any final amendments required.
- f) delegates authority to the Chief Executive and Chair Finance and Assurance to approve any minor changes to the Annual Report 2024/2025 and Summary Annual Report subsequent to this meeting.

## Background

- 8 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 (LTP) 2024-2034.
- 9 Drafts of the Annual Report 2024/2025 and Summary Annual Report 2024/2025 were received and considered by the Finance and Assurance Committee (the committee) on 29 September 2025 with minor wording adjustments discussed at the meeting. The adjustments included adding information about the Te Anau Airport Manapouri review and clarifying Council has a pro-rata share of any LGFA guarantees. Other changes included commenting on development and financial contribution variances, timing of the adoption of the climate change regional framework for action (which occurred after 30 June 2025) and renaming the structural planting project back to Matariki Wayfinder.
- 10 The committee recommended that Council adopt the Annual Report 2024/2025 and endorsed the summary. The final versions of the updated annual report and summary document are attached to this report:
  - **attachment A** Annual Report 2024/2025 – full document
  - **attachment B** Summary Annual Report 2024/2025

- 11 The summary annual report document, although not required to be adopted by Council, has also been included for adoption. The summary largely reflects the content of section one of the full document, including key district and community board highlights, performance and project overview and summary financial information.
- 12 As at the date of this report, Deloitte have completed the audit and are reviewing the final document and summary. Once Council has passed the resolution to adopt the annual report and provided the signed representation letter to Deloitte, Council will receive the final audit report(s) from Deloitte for inclusion in the document(s).
- 13 The below provides a summary of performance for the year based on the detailed information and explanation outlined in the 29 September 2025 report to Finance and Assurance Committee.

### **Financial performance overview**

- 14 As shown in the *statement of comprehensive revenue and expense*, Council recorded a net deficit of \$5.8 million compared to the budgeted deficit of \$6.4 million. Revenue was \$6.0 million (5%) below budget, primarily due to reduced NZTA funding for roading, a change in how investment income is treated and a lower forestry revaluation. Operating expenses were \$5.7 million (4.5%) below budget, primarily due to lower maintenance and project-related expenditure across roading, community facilities and open spaces, as well as reduced employee-related costs.
- 15 The *statement of financial position* shows that Council's net assets at 30 June 2025 were \$2.3 billion, primarily made up of property plant and equipment. Total assets were \$53 million below budget primarily due to lower infrastructure revaluations and deferral of capital projects, offset by higher cash and cash equivalents. Total liabilities at 30 June 2025 were \$116.0 million made up largely of borrowings (\$92 million). Liabilities were \$17.4 million below budget primarily due to lower external borrowings resulting from the deferral of capital projects.
- 16 Reserves at 30 June 2025 increased by \$3 million to \$46.7 million compared to a budget decrease of \$3.8 million. The actual movement for the year was \$6.8 million higher than budget primarily due to unspent roading rates being transferred to reserves along with proceeds from the sale of Luxmore land and higher than expected returns on managed funds.
- 17 The *statement of cashflows* shows that Council's cash position increased by \$18.4 million to \$23.8 million at 30 June 2025 primarily due to higher than expected operating cashflows and implementation of the investment strategy.
- 18 Capital spend for the 2024/2025 financial year was \$44 million, lower than the budgeted \$67 million (refer *whole of Council funding impact statement*). This was primarily due to lower funding from NZTA for road asset replacements and delays to wastewater treatment upgrades awaiting the finalisation of new national standards for discharge to water.

- 19 Of the seven financial prudence benchmarks reported, Council met five in 2024/2025.

Financial prudence benchmarks	Budget	Actual	Benchmark	Performance
	2024/25	2024/25	2024/2025	2024/25
Rates affordability benchmark	13.18%	13.23%	14.00%	Met
Debt affordability benchmark - net debt	55%	80%	175%	Met
Debt servicing benchmark	3.5%	3.3%	10%	Met
Essential services benchmark	157%	65%	100%	Not Met
Balanced budget benchmark	95%	92%	100%	Not Met
Operations control benchmark	> 100%	110%	100%	Met
Debt control benchmark	< 100%	45%	100%	Met

- 20 Council did not meet the essential services benchmark due to the reduced NZTA roading programme and a lower level of capital expenditure completed. Council meets this benchmark if capital expenditure on network services equals or is greater than depreciation on network services. Council did not meet 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.

### Non-financial performance overview

- 21 The annual report also includes information about performance targets and projects, their completion status and actual cost versus budget.
- 22 2024/2025 was the first year of reporting for the new non-financial performance framework adopted in the LTP. Of the 70 key performance indicators, 62% (43) of targets were achieved, 10% (7) were mostly achieved (missed by 5% or less), 20% (14) were not achieved, 4% (3) were not measured and 4% (3) established a baseline target for future years. Of the 14 targets not met, contributing factors included budget and resource limitations, environmental conditions beyond Council's control, and various technical and process-related challenges.
- 23 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. As a result, the revised programme expanded to 181 projects with a reduced total budget of \$64.6 million. Over the year, 49% (88) of the revised projects were completed, 20% (35) were in progress, 18% (33) incurred costs but were rescheduled to another year with another 11% (21) rescheduled with no costs incurred and 2% (4) cancelled.

### Issues

- 24 There are no additional issues arising from this report. Subject to adoption by Council, the annual report and summary for the year ended 30 June 2025 are expected to receive an unmodified (clean) audit opinion from Council's auditors, Deloitte, on behalf of the Office of the Auditor General (OAG).

### Factors to consider

#### Legal and statutory requirements

- 25 Section 98 of the Local Government Act (LGA) 2002 requires Council to adopt an annual report within four months of the end of the financial year (31 October 2025).

- 26 The act also requires Council to publish a summary of the annual report within one month of the annual report being adopted. Staff have prepared a summary document (attachment B) which largely reflects the content of section one of the full document. The final audited summary document will be available online along with the annual report following adoption by Council.
- 27 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 document attached.

### **Statement of compliance**

- 28 Clause 34 of Schedule 10 of the LGA requires that a statement of compliance be included in the annual report. This statement must confirm that the statutory requirements relating to the preparation of the report have been met, and it must be signed by both the chief executive and the mayor.
- 29 The key statutory requirements for preparing the annual report are set out in Part 6, Section 98, and Part 3 of Schedule 10 of the Act. These provisions primarily require that the financial statements be prepared in accordance with Generally Accepted Accounting Practice (GAAP) and that specific disclosures are included in the report. Accordingly, the statement of compliance confirms that the required information has been provided, the report has been adopted within the four-month statutory timeframe, and it has been audited. It is important to note that the statement does not extend to confirming that the Council has met all of its statutory obligations in relation to prior decision-making processes.
- 30 The summary annual report has been completed in conjunction with section 98 (4) b of the LGA.

### **Community views**

- 31 The community expects Council to adopt an annual report in accordance with the requirements of the LGA. 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 LTP and/or annual plan.
- 32 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. Availability of the report will be advertised.

### **Costs and funding**

- 33 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.
- 34 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.

### Policy implications

- 35 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. There are no other policy implications arising from this report.

### Analysis

#### Options considered

- 36 Under the Local Government Act 2002, Council must prepare and adopt an annual report in respect of each financial year. This is a statutory obligation, meaning no alternative options are available.

### Analysis of Options

#### Option 1 – Adopt the Annual Report 2024/2025

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• compliance with Council's legislative requirements</li><li>• Council has an opportunity to review the report and satisfy itself that the report is complete and that it has been prepared on an appropriate basis</li><li>• the document provides information to the public on the performance to budget and against key performance indicators.</li><li>• compliance with Council's legislative requirements.</li></ul>	<ul style="list-style-type: none"><li>• none identified.</li></ul>

#### Option 2 – Do not adopt the Annual Report 2024/2025

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• there are no advantages of this option.</li></ul>	<ul style="list-style-type: none"><li>• would not meet legislative timeframes.</li></ul>

### Assessment of significance

- 37 The decision to adopt the annual report is of low administrative significance in terms of the Council's Significance and Engagement Policy given that the report reflects activities and performance of Council over the prior year.
- 38 The report is of interest to the community as it provides information about how Council has performed and meets its financial and non-financial commitments, ensuring services are delivered efficiently and effectively. It provides the public with confidence that Council is fulfilling its responsibilities and performing well.

### Recommended option

- 39 The recommended option is Option 1 – Adopt the Annual Report 2024/2025.

#### Next steps

- 40 Once the annual report and summary are adopted, and the signed representation letter is provided to Deloitte, the final audit report(s) will be issued. These will be included in the final annual report and summary, which will be published online with printed copies distributed to area offices.

#### Attachments

- A FINAL Draft Summary Annual Report 2024/2025 [↓](#)
- B FINAL Draft Audited Annual Report 2024/2025 [↓](#)



# A MESSAGE FROM

Mayor Rob Scott  
and chief executive  
Cameron McIntosh



It's been a year of both challenge and achievement for Southland District Council. While external pressures – particularly around infrastructure funding and continuous national reform – have tested our resilience, they've also highlighted the strength of our people and our purpose.

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 that would be right. We are very much an infrastructure-based council. The greatest percentage of our expenditure annually goes towards maintaining or upgrading the infrastructure in our geographically vast district.

One of the most significant challenges in the past year to achieving our full scheduled work programme has been the funding for our roads and bridging from the National Land Transport fund.

Our community through consultation requested a three-year roading programme totalling \$174 million. Unfortunately, the NZ Transport Agency Waka Kotahi (NZTA) approved only \$124 million for the programme, leaving a significant shortfall. This has meant reducing levels of service in certain areas.

Despite all this, our transport team still delivered two new bridges, regravelled 534km of unsealed roads, resealed 112km of sealed roads, and renewed 5.7km of sealed roads. These achievements reflect our determination to keep Southland connected.

We finalised our Water Services Delivery Plan, that is both compliant and financially sustainable, under the government's Local Water Done Well reforms. We confirmed an in-house delivery model, which was backed by strong community support and reflects the high performance of our water services team.



While Council approved our Water Services Delivery Plan in time for it to be submitted to the Department of Internal Affairs, at the time of its adoption the national standards around disposal of treated wastewater were still not confirmed, and therefore the possible financial impact on our township schemes and ratepayers remains uncertain.

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.

Council delivered 88 projects across the district, and another 35 are progressing, in various activity areas. From the solar energy solution for Stewart Island/ Rakiura to the revitalisation of Lions Park Playground in Te Anau, and the restoration of Tuatapere Railway Station, our nine community boards have led projects that will provide lasting benefits for our communities.

We also saw progress on long-term governance reform, with the Local Government Commission agreeing to investigate the proposal to reorganise Southland's councils. This is a bold step toward more efficient, community-focused local government.

We're proud of what we've achieved in the 2024/2025 year. Together with our people, for our future. It's our Southland.

## COUNCIL VISION

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

## COUNCIL MISSION

Working together for a better Southland.

# OUR STRATEGIC FRAMEWORK

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.

## WELLBEING

### COMMUNITY OUTCOMES

### STRATEGIC PRIORITIES

#### ENVIRONMENT



Communities committed to the protection of our land and water

#### CULTURE



Communities with a sense of belonging for all

#### ECONOMIC



Communities with the infrastructure to grow

#### SOCIAL



Communities that are connected and have an affordable and attractive lifestyle

- ▶ 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
- ▶ Reorganisation proposal
- ▶ Solar solution for Stewart Island energy
- ▶ Council buys office block



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## 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 local water done well plan strives to set out:**

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.

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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. Bringing Invercargill-based staff back together in one building will eliminate the current cost of leasing two office spaces in Don Street.

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



## COMMUNITY BOARD HIGHLIGHTS

### 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.
- ▶ Work started on the project to replace the Balfour hall roof.
- ▶ 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.
- ▶ 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.



### 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.



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## 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.
- ▶ The Te Anau Airport Manapouri Governance Group worked with Great South on the project to find ways to improve the commercial viability of Te Anau Airport Manapouri. Findings from stage one of the project were presented to the Fiordland Community Board in December 2024 and then Council in January 2025. The review identified a number of opportunities around different revenue streams, operational efficiencies and commercial innovations. Phase two of the project is now under way with Great South continuing the work to implement a detailed business case for the airport.



# 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 King's 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.



## ŌRETI 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.



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## 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,
- ▶ 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.



## 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.

## COMMUNITY BOARD HIGHLIGHTS

### 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. Following discussions, Te Oruanui Marae at Ohai reopened after Council sold the old rugby club building to the new marae group for \$1.
- ▶ 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.



### WAIHŌPAI 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.



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## HONOURING OUR COMMUNITY HEROES

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

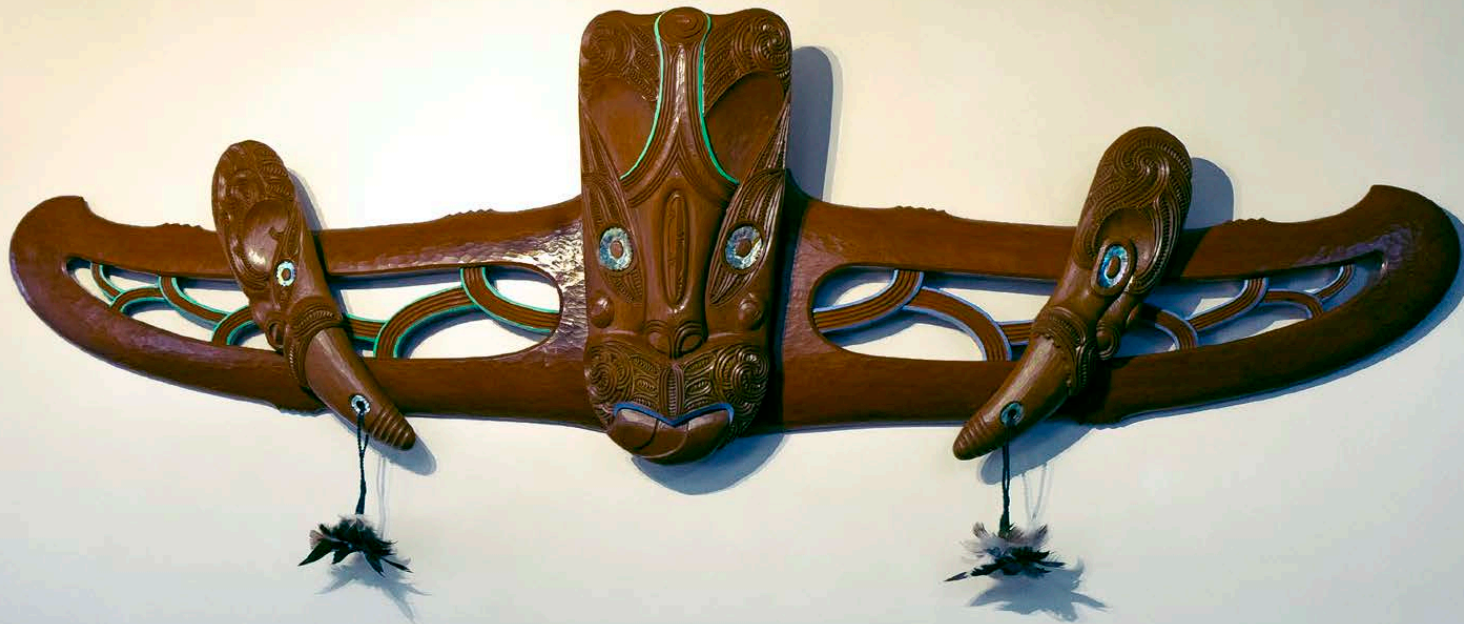
Those honoured (from left) were:

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



## 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 Titi 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.

## Māori contribution to decision-making

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 manifold: 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.



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## 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.

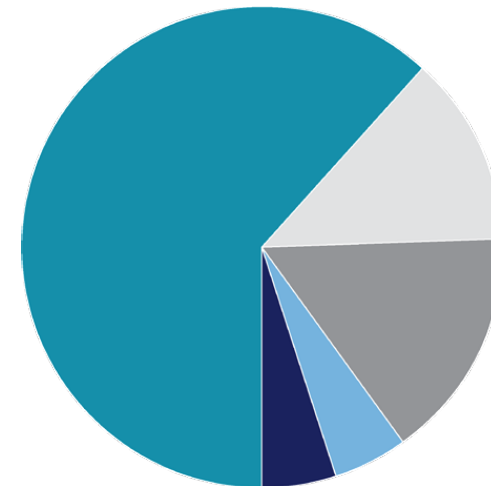
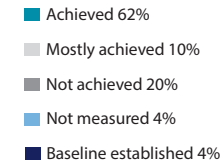
### Key performance indicators

Of the 70 KPIs, 43 (62%) were achieved, 7 (10%) were mostly achieved (missed by 5% or less), 14 (20%) were not achieved, 3 (4%) were not measured and 3 (4%) established a baseline target for future years. Of the 14 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).

### KPIs

Activity group performance results	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	1	3	-	-	10
Transport	6	-	2	1	-	9
Stormwater	8	1	-	-	-	9
Sewerage	8	-	1	-	-	9
Water supply	7	1	7	-	-	15
<b>Total</b>	<b>43</b>	<b>7</b>	<b>14</b>	<b>3</b>	<b>3</b>	<b>70</b>

### PERFORMANCE RESULTS 2024/2025



## 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:

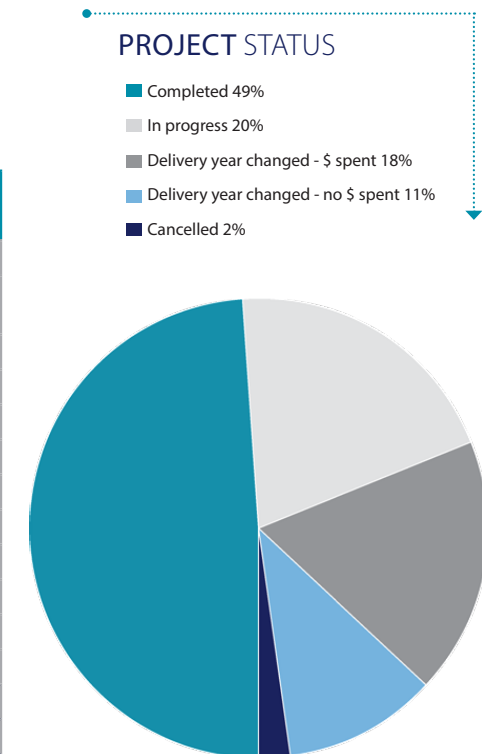
- ▶ carrying forward projects from the prior year that were underway but not yet completed (\$11.4 million added)
- ▶ adjusting project budgets for changes in scope/costs or adding projects (\$0.2 million added)
- ▶ revising the timing of delivery for some projects (\$17.4 million removed).

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).

Activity group	Completed	In progress	Delivery year changed - \$ spent	Delivery year changed - no \$ spent	Cancelled	Total
projects status						
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
<b>Total</b>	<b>88</b>	<b>35</b>	<b>33</b>	<b>21</b>	<b>4</b>	<b>181</b>
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

## OVERVIEW

**The financial overview provides a summary of the year-end financial results for the Southland District Council.**

The information contained in this overview has been extracted from the full financial statements, which contain detailed information about Council's finances and service performance. The financial results include information about Council, the Stewart Island Electrical Supply Authority, as well as Council's share of its associated entities.

The table shows the financial year-end results, as at 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 has left after operational costs are paid.
EQUITY/ NET ASSETS	What the ratepayers own comprising the Assets of the Council less the liabilities.
CASHFLOW	How the Council generated and used cash during the year.

## FINANCIAL SUMMARY

COUNCIL 2023/2024 Actual (\$000)		COUNCIL 2024/2025 Actual (\$000)	COUNCIL 2024/2025 Budget (\$000)	VARIANCE (\$000)
COMPREHENSIVE REVENUE AND EXPENSE				
109,677	Revenue earned (incl asset development)	113,799	119,826	(6,027)
(115,579)	Operating & depreciation	(116,793)	(122,010)	5,217
(1,018)	Finance costs	(3,688)	(4,195)	507
102	Share of associate's surplus/deficit	843	-	843
<b>(6,818)</b>	<b>Net surplus/(deficit)</b>	<b>(5,840)</b>	<b>(6,379)</b>	<b>539</b>
1,219	Movement in fair value reserve	3,428	-	3,428
100,585	Movement in asset revaluation reserve	26,396	64,543	(38,147)
<b>94,987</b>	<b>Comprehensive revenue and expense</b>	<b>23,985</b>	<b>58,164</b>	<b>(34,179)</b>
CHANGES IN EQUITY				
2,151,168	Equity at start of year	2,246,155	2,247,879	(1,724)
94,987	Total comprehensive income	23,985	58,164	(34,179)
<b>2,246,155</b>	<b>Equity at the end of the Year</b>	<b>2,270,140</b>	<b>2,306,043</b>	<b>(35,903)</b>
FINANCIAL POSITION				
<b>2,246,155</b>	<b>Total equity</b>	<b>2,270,140</b>	<b>2,306,043</b>	<b>(35,903)</b>
22,907	Current assets	34,747	13,771	20,976
2,286,934	Non-current assets	2,351,401	2,425,656	(74,255)
<b>2,309,841</b>	<b>Total assets</b>	<b>2,386,148</b>	<b>2,439,427</b>	<b>(53,279)</b>
24,690	Current liabilities	25,055	23,180	1,875
38,997	Non-current liabilities	90,953	110,203	(19,250)
<b>63,687</b>	<b>Total liabilities</b>	<b>116,008</b>	<b>133,383</b>	<b>(17,375)</b>
<b>2,246,155</b>	<b>Net assets (assets less liabilities)</b>	<b>2,270,140</b>	<b>2,306,043</b>	<b>(35,903)</b>
CASH FLOWS				
25,423	Operating cashflow	32,738	29,766	2,972
(46,159)	Investing cashflow	(70,083)	(62,938)	(7,145)
14,000	Financing cashflow	55,755	30,498	25,257
<b>(6,736)</b>	<b>Net cashflow increase/(decrease)</b>	<b>18,430</b>	<b>(2,674)</b>	<b>21,104</b>
12,128	Opening cash Balance	5,392	3,674	1,718
<b>5,392</b>	<b>Closing cash balance</b>	<b>23,822</b>	<b>1,000</b>	<b>22,822</b>

## FINANCIAL SUMMARY

The Council revenue was \$6.0 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 (\$3.0 million) 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 asset disposals (\$0.4 million).

Operating and depreciation expenditure was \$5.2 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 \$1.2 million. Interest costs were also \$0.5 million lower than budgeted. As a result, Council's net deficit was \$0.5 million less than budgeted.

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



Council's operating cashflows were \$2.9 million higher than budget largely as a result of lower payments to staff and suppliers. Investing cash outflow was \$7.1 million higher than budgeted largely due to Council implementing its investment strategy offset by lower than expected capital expenditure.

Financing cashflows were higher than budget, to support the implementation of Council's investment strategy and manage expected operational cashflows.

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 \$113.8 million which was \$6 million less than budget. The breakdown of this is shown in the following table.

SOURCES OF REVENUE	ACTUAL 2024/2025 (\$000)	% of total revenue	BUDGET 2024/2025 (\$000)	% of total budgeted revenue	Variance (\$000)	Explanations
Rates revenue	71,652	63%	72,089	60%	(437)	
Grants and subsidies	20,921	18%	30,557	26%	(9,636)	<p>The reduction is primarily driven by changes to the roading programme which have been made to align with the NZTA funding approved after the adoption of the Long Term Plan.</p> <p>This resulted in reductions and delays to the capital projects totalling \$4.9 million and a decrease in operational costs of \$2.6 million. Additionally, the spatial plan is now proposed to be deferred to the following year, leading to the carry forward of \$0.5 million in expected grant income that was not received in 2024/2025.</p> <p>These reductions have been offset by government better off funding carried forward from 2023/2024 to support community-led projects.</p>
Other revenue	14,782	13%	12,910	11%	1,872	The increase is related to Council's share of joint venture income for WasteNet which is not included in the budget.
Other gains/(losses)	1,851	2%	2,433	2%	(582)	<p>Other gains were lower than budget.</p> <p>The forestry revaluation resulted in a gain of \$0.2 million, lower than the budgeted \$1.4 million, offset by the proceeds from the sale of assets (\$0.6 million).</p>
Interest and dividends	1,138	1%	1,803	2%	(665)	<p>The reclassification of the investment income to gain on assets at fair value also contributed to interest and dividend income being \$1.5 million lower than budgeted.</p> <p>This was offset by higher than expected interest income on cash investments primarily as a result of higher interest rates.</p>
Vested assets	3,412	3%	-	-	3,412	<p>Council received \$3.4 million of vested assets during the year.</p> <p>These assets relate to roading, water, wastewater, stormwater and land associated with parks and reserves in Riverton, Riversdale, Te Anau and Tuatapere.</p>
Development and financial contributions	44	0%	35	-	9	The actuals relate to financial contributions utilised during the year. Development contributions are currently in remission.
<b>TOTAL</b>	<b>113,799</b>	<b>100%</b>	<b>119,827</b>	<b>100%</b>	<b>(6,028)</b>	



## Rates by activity

The following table shows the breakdown of how rates were allocated. More information about the activities which fit under each of these groups is included in section two of the report.

*\* Environmental services are partially funded by rates to reflect the public good component of the activities, which help to maintain public safety, hygiene and environmental protection. These activities include emergency management, building control, animal services, resource planning, environmental health and monitoring and compliance.*

HOW RATES ARE ALLOCATED ACROSS ACTIVITY GROUPS	ACTUAL 2024/2025 (\$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%
<b>TOTAL</b>	<b>71,652</b>	<b>100%</b>

## Operational expenditure

Group operating expenditure totalled \$120.5 million, with 41% relating to roading and transport services. Overall operating expenditure was under budget by \$5.7 million. The breakdown of this is shown in the following table.

ACTIVITY OPERATIONAL EXPENSES	ACTUAL 2024/2025 (\$000)	BUDGET 2024/2025 (\$000)	Variance (\$000)	Explanations
Other Council Expenditure	55,719	59,315	(3,596)	Operational costs within the NZTA approved roading programme were \$2.4 million lower than budgeted. Overall, maintenance costs across Council were also below budget, both in day to day operations and projects planned, some of which will be carried forward to 2025/2026 (\$1.7 million). Several costs have been deferred to 2025/2026, including the spatial planning project and building control software, (\$0.7 million), future-proofing work at the Otatau landfill while alternative funding sources are explored (\$0.9 million) and the implementation of the new financial system (\$0.7 million). Additional underspends include managed investment fund fees and other staff related costs (\$0.8 million), offset by an increase in cost of routine maintenance and cleaning (\$0.7 million).
Depreciation and Amortisation	41,315	41,654	(339)	The main reason actual costs were less than budgeted is that inflation was lower than expected. This reduced the cost to replace infrastructure assets which in turn led to lower annual costs of using those assets.
Employee Benefit Expenses	19,759	21,041	(1,282)	This variance 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)	Debt levels were lower than planned and as a result interest costs were less than budgeted.
<b>TOTAL</b>	<b>120,481</b>	<b>126,205</b>	<b>(5,724)</b>	

## CAPITAL EXPENDITURE

Capital expenditure (including vested assets and work in progress) totalled \$44.1 million in 2024/2025, with the majority of expenditure related to 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 following reduced NZTA funding.

Sewerage expenditure was also \$4.4 million lower due to wastewater treatment plant upgrades being deferred pending the release of new discharge standards. Stormwater projects were also delayed.

Overall, 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 2024/2025 (\$'000)	% of total revenue	BUDGET 2024/2025 (\$'000)	% of total capital budgeted	Variance (\$'000)
Community Leadership	8	0%	52	0%	(44)
Community Resources	6,371	15%	5,971	9%	400
Corporate Services	500	1%	515	1%	(15)
Environmental Services	3	0%	53	0%	(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)
<b>Total</b>	<b>44,081</b>	<b>100%</b>	<b>66,668</b>	<b>100%</b>	<b>(22,587)</b>

audit

audit



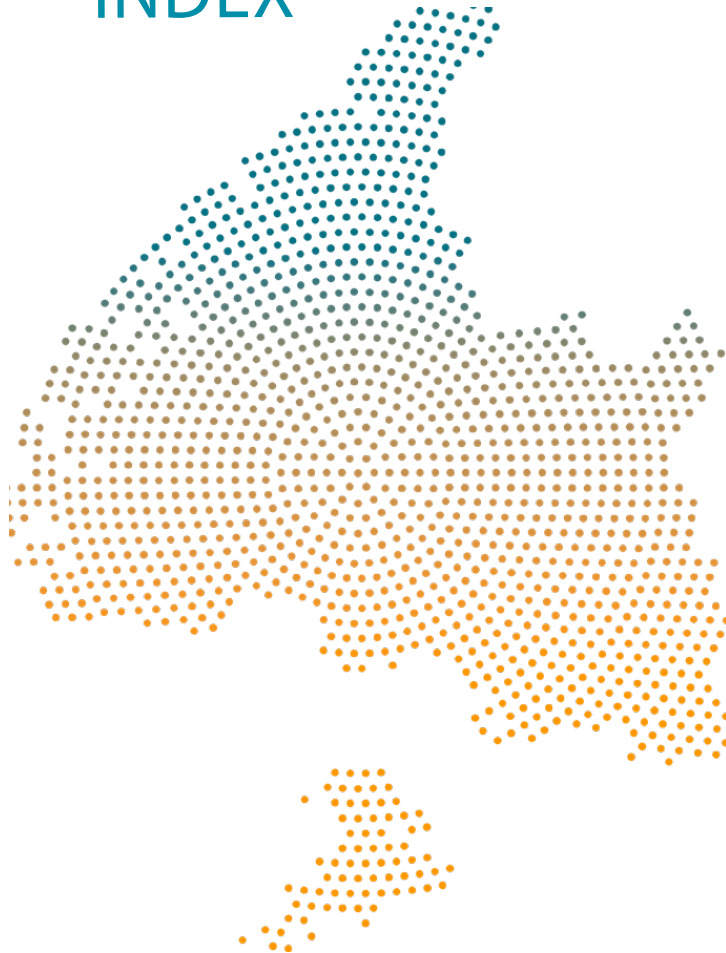
A copy of the full Annual Report can be obtained from any Southland District Council office or library, or on our website [www.southlanddc.govt.nz](http://www.southlanddc.govt.nz)



SOUTHLAND DISTRICT COUNCIL  
**ANNUAL REPORT**  
2024/2025



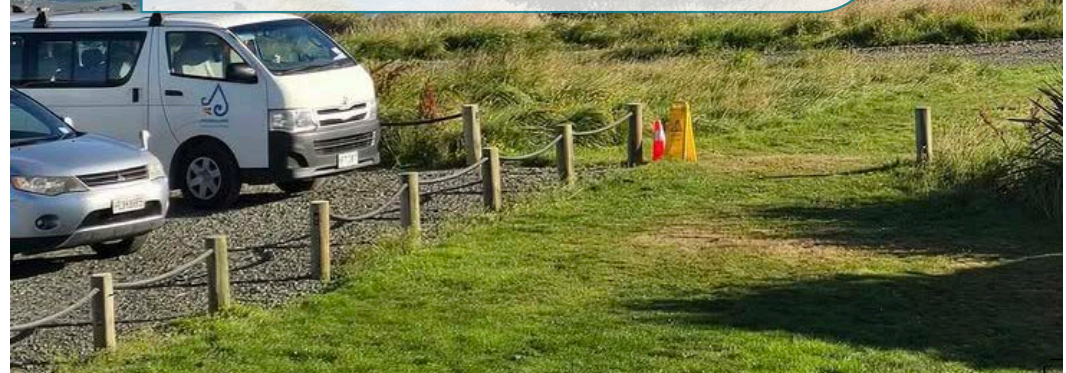
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# A MESSAGE FROM

Mayor Rob Scott  
and chief executive  
Cameron McIntosh



It's been a year of both challenge and achievement for Southland District Council. While external pressures – particularly around infrastructure funding and continuous national reform – have tested our resilience, they've also highlighted the strength of our people and our purpose.

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 that would be right. We are very much an infrastructure-based council. The greatest percentage of our expenditure annually goes towards maintaining or upgrading the infrastructure in our geographically vast district.

One of the most significant challenges in the past year to achieving our full scheduled work programme has been the funding for our roads and bridging from the National Land Transport fund.

Our community through consultation requested a three-year roading programme totalling \$174 million. Unfortunately, the NZ Transport Agency Waka Kotahi (NZTA) approved only \$124 million for the programme, leaving a significant shortfall. This has meant reducing levels of service in certain areas.

Despite all this, our transport team still delivered two new bridges, regravelled 534km of unsealed roads, resealed 112km of sealed roads, and renewed 5.7km of sealed roads. These achievements reflect our determination to keep Southland connected.

We finalised our Water Services Delivery Plan, that is both compliant and financially sustainable, under the government's Local Water Done Well reforms. We confirmed an in-house delivery model, which was backed by strong community support and reflects the high performance of our water services team.



While Council approved our Water Services Delivery Plan in time for it to be submitted to the Department of Internal Affairs, at the time of its adoption the national standards around disposal of treated wastewater were still not confirmed, and therefore the possible financial impact on our township schemes and ratepayers remains uncertain.

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.

Council delivered 88 projects across the district, and another 35 are progressing, in various activity areas. From the solar energy solution for Stewart Island/ Rakiura to the revitalisation of Lions Park Playground in Te Anau, and the restoration of Tuatapere Railway Station, our nine community boards have led projects that will provide lasting benefits for our communities.

We also saw progress on long-term governance reform, with the Local Government Commission agreeing to investigate the proposal to reorganise Southland's councils. This is a bold step toward more efficient, community-focused local government.

We're proud of what we've achieved in the 2024/2025 year. Together with our people, for our future. It's our Southland.

## COUNCIL VISION

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

## COUNCIL MISSION

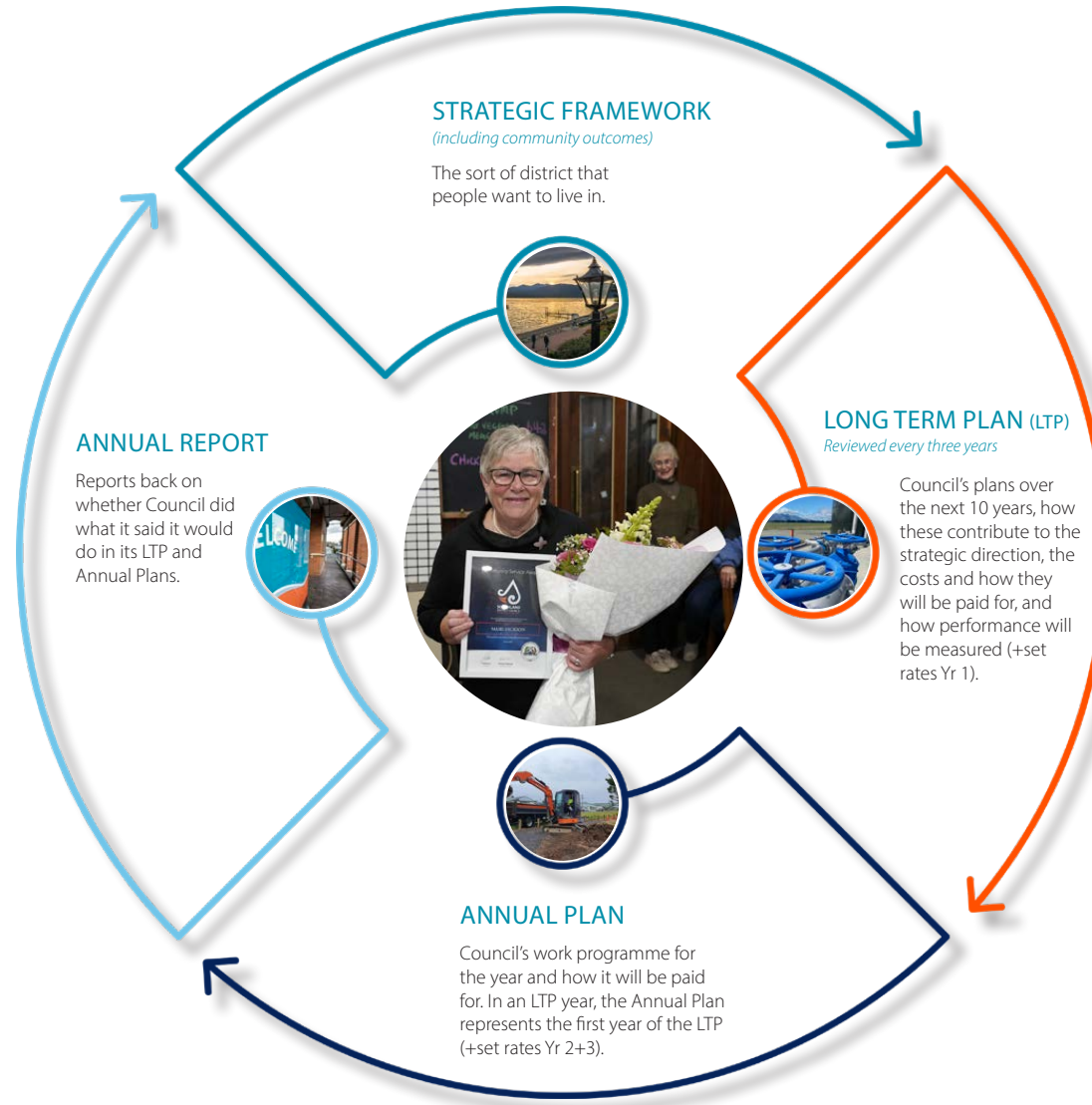
Working together for a better Southland.

## WHAT IS AN ANNUAL REPORT

This Annual Report tells you and us how well we did against what we said we were going to do in year three 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.



# OUR STRATEGIC FRAMEWORK

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.

## WELLBEING

### COMMUNITY OUTCOMES

### STRATEGIC PRIORITIES

#### ENVIRONMENT



Communities committed to the protection of our land and water

#### CULTURE



Communities with a sense of belonging for all

#### ECONOMIC



Communities with the infrastructure to grow

#### SOCIAL



Communities that are connected and have an affordable and attractive lifestyle

- ▶ 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 local water done well plan strives to set out:**

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.

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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. Bringing Invercargill-based staff back together in one building will eliminate the current cost of leasing two office spaces in Don Street.

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



## COMMUNITY BOARD HIGHLIGHTS

### 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.
- ▶ Work started on the project to replace the Balfour hall roof.
- ▶ 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.
- ▶ 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.



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### 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.



## 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.
- ▶ The Te Anau Airport Manapouri Governance Group worked with Great South on the project to find ways to improve the commercial viability of Te Anau Airport Manapouri. Findings from stage one of the project were presented to the Fiordland Community Board in December 2024 and then Council in January 2025. The review identified a number of opportunities around different revenue streams, operational efficiencies and commercial innovations. Phase two of the project is now under way with Great South continuing the work to implement a detailed business case for the airport.



# 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 King's 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.



## ŌRETI 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.



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## 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,
- ▶ 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.



## 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.

## COMMUNITY BOARD HIGHLIGHTS

### 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. Following discussions, Te Oruanui Marae at Ohai reopened after Council sold the old rugby club building to the new marae group for \$1.
- ▶ 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.



### WAIHŌPAI 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.



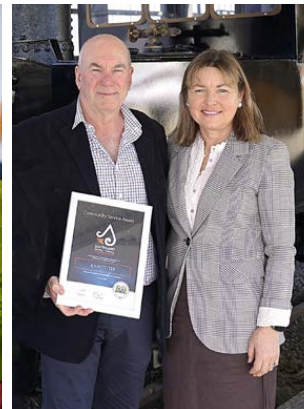


## HONOURING OUR COMMUNITY HEROES

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

Those honoured (from left) were:

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



## 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.

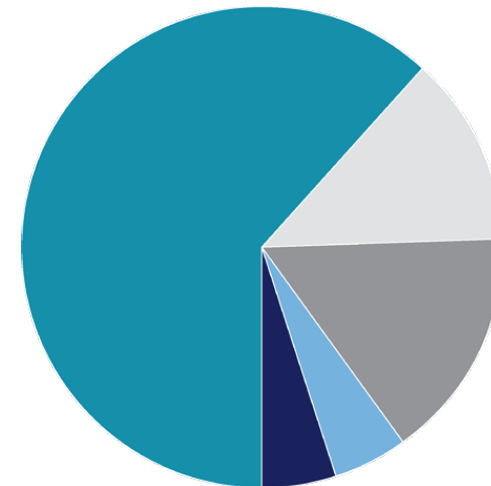
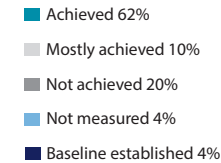
### Key performance indicators

Of the 70 KPIs, 43 (62%) were achieved, 7 (10%) were mostly achieved (missed by 5% or less), 14 (20%) were not achieved, 3 (4%) were not measured and 3 (4%) established a baseline target for future years. Of the 14 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).

### KPIs

Activity group performance results	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	1	3	-	-	10
Transport	6	-	2	1	-	9
Stormwater	8	1	-	-	-	9
Sewerage	8	-	1	-	-	9
Water supply	7	1	7	-	-	15
<b>Total</b>	<b>43</b>	<b>7</b>	<b>14</b>	<b>3</b>	<b>3</b>	<b>70</b>

### PERFORMANCE RESULTS 2024/2025



## 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:

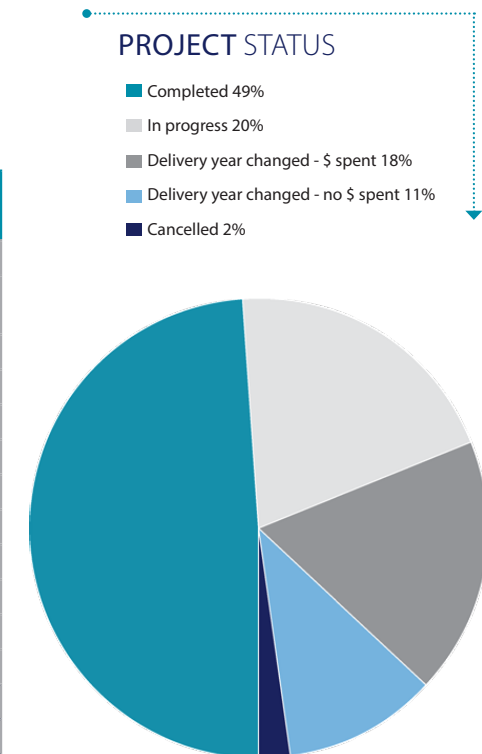
- ▶ carrying forward projects from the prior year that were underway but not yet completed (\$11.4 million added)
- ▶ adjusting project budgets for changes in scope/costs or adding projects (\$0.2 million added)
- ▶ revising the timing of delivery for some projects (\$17.4 million removed).

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).

Activity group	Completed	In progress	Delivery year changed - \$ spent	Delivery year changed - no \$ spent	Cancelled	Total
projects status						
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
<b>Total</b>	<b>88</b>	<b>35</b>	<b>33</b>	<b>21</b>	<b>4</b>	<b>181</b>
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

## OVERVIEW

**The financial overview provides a summary of the year-end financial results for the Southland District Council.**

The information contained in this overview has been extracted from the full financial statements, which contain detailed information about Council's finances and service performance. The financial results include information about Council, the Stewart Island Electrical Supply Authority, as well as Council's share of its associated entities.

The table shows the financial year-end results, as at 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 has left after operational costs are paid.
EQUITY/ NET ASSETS	What the ratepayers own comprising the Assets of the Council less the liabilities.
CASHFLOW	How the Council generated and used cash during the year.

## FINANCIAL SUMMARY

COUNCIL 2023/2024 Actual (\$000)		COUNCIL 2024/2025 Actual (\$000)	COUNCIL 2024/2025 Budget (\$000)	VARIANCE (\$000)
COMPREHENSIVE REVENUE AND EXPENSE				
109,677	Revenue earned (incl asset development)	113,799	119,826	(6,027)
(115,579)	Operating & depreciation	(116,793)	(122,010)	5,217
(1,018)	Finance costs	(3,688)	(4,195)	507
102	Share of associate's surplus/deficit	843	-	843
<b>(6,818)</b>	<b>Net surplus/(deficit)</b>	<b>(5,840)</b>	<b>(6,379)</b>	<b>539</b>
1,219	Movement in fair value reserve	3,428	-	3,428
100,585	Movement in asset revaluation reserve	26,396	64,543	(38,147)
<b>94,987</b>	<b>Comprehensive revenue and expense</b>	<b>23,985</b>	<b>58,164</b>	<b>(34,179)</b>
CHANGES IN EQUITY				
2,151,168	Equity at start of year	2,246,155	2,247,879	(1,724)
94,987	Total comprehensive income	23,985	58,164	(34,179)
<b>2,246,155</b>	<b>Equity at the end of the Year</b>	<b>2,270,140</b>	<b>2,306,043</b>	<b>(35,903)</b>
FINANCIAL POSITION				
<b>2,246,155</b>	<b>Total equity</b>	<b>2,270,140</b>	<b>2,306,043</b>	<b>(35,903)</b>
22,907	Current assets	34,747	13,771	20,976
2,286,934	Non-current assets	2,351,401	2,425,656	(74,255)
<b>2,309,841</b>	<b>Total assets</b>	<b>2,386,148</b>	<b>2,439,427</b>	<b>(53,279)</b>
24,690	Current liabilities	25,055	23,180	1,875
38,997	Non-current liabilities	90,953	110,203	(19,250)
<b>63,687</b>	<b>Total liabilities</b>	<b>116,008</b>	<b>133,383</b>	<b>(17,375)</b>
<b>2,246,155</b>	<b>Net assets (assets less liabilities)</b>	<b>2,270,140</b>	<b>2,306,043</b>	<b>(35,903)</b>
CASH FLOWS				
25,423	Operating cashflow	32,738	29,766	2,972
(46,159)	Investing cashflow	(70,083)	(62,938)	(7,145)
14,000	Financing cashflow	55,755	30,498	25,257
<b>(6,736)</b>	<b>Net cashflow increase/(decrease)</b>	<b>18,430</b>	<b>(2,674)</b>	<b>21,104</b>
12,128	Opening cash Balance	5,392	3,674	1,718
<b>5,392</b>	<b>Closing cash balance</b>	<b>23,822</b>	<b>1,000</b>	<b>22,822</b>

## FINANCIAL SUMMARY

The Council revenue was \$6.0 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 (\$3.0 million) 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 asset disposals (\$0.4 million).

Operating and depreciation expenditure was \$5.2 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 \$1.2 million. Interest costs were also \$0.5 million lower than budgeted. As a result, Council's net deficit was \$0.5 million less than budgeted.

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



Council's operating cashflows were \$2.9 million higher than budget largely as a result of lower payments to staff and suppliers. Investing cash outflow was \$7.1 million higher than budgeted largely due to Council implementing its investment strategy offset by lower than expected capital expenditure.

Financing cashflows were higher than budget, to support the implementation of Council's investment strategy and manage expected operational cashflows.

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 \$113.8 million which was \$6 million less than budget. The breakdown of this is shown in the following table.

SOURCES OF REVENUE	ACTUAL 2024/2025 (\$000)	% of total revenue	BUDGET 2024/2025 (\$000)	% of total budgeted revenue	Variance (\$000)	Explanations
Rates revenue	71,652	63%	72,089	60%	(437)	
Grants and subsidies	20,921	18%	30,557	26%	(9,636)	<p>The reduction is primarily driven by changes to the roading programme which have been made to align with the NZTA funding approved after the adoption of the Long Term Plan.</p> <p>This resulted in reductions and delays to the capital projects totalling \$4.9 million and a decrease in operational costs of \$2.6 million. Additionally, the spatial plan is now proposed to be deferred to the following year, leading to the carry forward of \$0.5 million in expected grant income that was not received in 2024/2025.</p> <p>These reductions have been offset by government better off funding carried forward from 2023/2024 to support community-led projects.</p>
Other revenue	14,782	13%	12,910	11%	1,872	The increase is related to Council's share of joint venture income for WasteNet which is not included in the budget.
Other gains/(losses)	1,851	2%	2,433	2%	(582)	<p>Other gains were lower than budget.</p> <p>The forestry revaluation resulted in a gain of \$0.2 million, lower than the budgeted \$1.4 million, offset by the proceeds from the sale of assets (\$0.6 million).</p>
Interest and dividends	1,138	1%	1,803	2%	(665)	<p>The reclassification of the investment income to gain on assets at fair value also contributed to interest and dividend income being \$1.5 million lower than budgeted.</p> <p>This was offset by higher than expected interest income on cash investments primarily as a result of higher interest rates.</p>
Vested assets	3,412	3%	-	-	3,412	<p>Council received \$3.4 million of vested assets during the year.</p> <p>These assets relate to roading, water, wastewater, stormwater and land associated with parks and reserves in Riverton, Riversdale, Te Anau and Tuatapere.</p>
Development and financial contributions	44	0%	35	-	9	The actuals relate to financial contributions utilised during the year. Development contributions are currently in remission.
<b>TOTAL</b>	<b>113,799</b>	<b>100%</b>	<b>119,827</b>	<b>100%</b>	<b>(6,028)</b>	



### Rates by activity

The following table shows the breakdown of how rates were allocated. More information about the activities which fit under each of these groups is included in section two of the report.

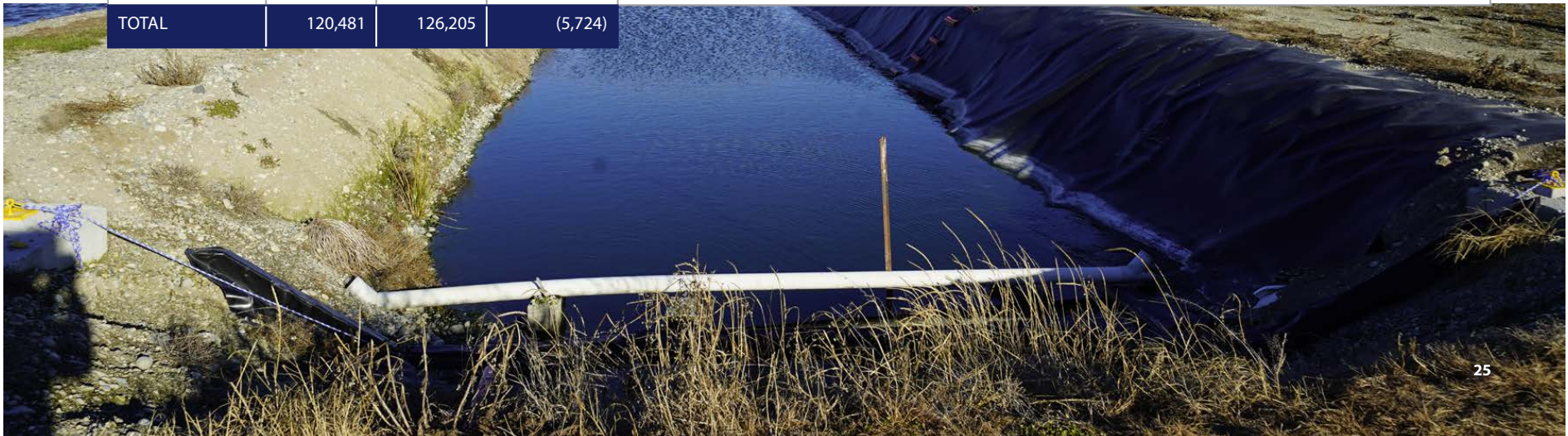
HOW RATES ARE ALLOCATED ACROSS ACTIVITY GROUPS	ACTUAL 2024/2025 (\$'000)	% of total rates
Community leadership	9,546	13%
Community resources	15,370	21%
Environmental services *	6,101	9%
Sewerage	8,553	12%
Stormwater	1,496	2%
Transport	22,944	32%
Water Supply	7,642	11%
<b>TOTAL</b>	<b>71,652</b>	<b>100%</b>

*\* Environmental services are partially funded by rates to reflect the public good component of the activities, which help to maintain public safety, hygiene and environmental protection. These activities include emergency management, building control, animal services, resource planning, environmental health and monitoring and compliance.*

## Operational expenditure

Group operating expenditure totalled \$120.5 million, with 41% relating to roading and transport services. Overall operating expenditure was under budget by \$5.7 million. The breakdown of this is shown in the following table.

ACTIVITY OPERATIONAL EXPENSES	ACTUAL 2024/2025 (\$000)	BUDGET 2024/2025 (\$000)	Variance (\$000)	Explanations
Other Council Expenditure	55,719	59,315	(3,596)	Operational costs within the NZTA approved roading programme were \$2.4 million lower than budgeted. Overall, maintenance costs across Council were also below budget, both in day to day operations and projects planned, some of which will be carried forward to 2025/2026 (\$1.7 million). Several costs have been deferred to 2025/2026, including the spatial planning project and building control software, (\$0.7 million), future-proofing work at the Otautau landfill while alternative funding sources are explored (\$0.9 million) and the implementation of the new financial system (\$0.7 million). Additional underspends include managed investment fund fees and other staff related costs (\$0.8 million), offset by an increase in cost of routine maintenance and cleaning (\$0.7 million).
Depreciation and Amortisation	41,315	41,654	(339)	The main reason actual costs were less than budgeted is that inflation was lower than expected. This reduced the cost to replace infrastructure assets which in turn led to lower annual costs of using those assets.
Employee Benefit Expenses	19,759	21,041	(1,282)	This variance 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)	Debt levels were lower than planned and as a result interest costs were less than budgeted.
<b>TOTAL</b>	<b>120,481</b>	<b>126,205</b>	<b>(5,724)</b>	



## CAPITAL EXPENDITURE

Capital expenditure (including vested assets and work in progress) totalled \$44.1 million in 2024/2025, with the majority of expenditure related to 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 following reduced NZTA funding.

Sewerage expenditure was also \$4.4 million lower due to wastewater treatment plant upgrades being deferred pending the release of new discharge standards. Stormwater projects were also delayed.

Overall, 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.

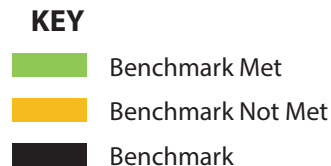
ACTIVITY CAPITAL EXPENDITURE	ACTUAL 2024/2025 (\$'000)	% of total revenue	BUDGET 2024/2025 (\$'000)	% of total capital budgeted	Variance (\$'000)
Community Leadership	8	0%	52	0%	(44)
Community Resources	6,371	15%	5,971	9%	400
Corporate Services	500	1%	515	1%	(15)
Environmental Services	3	0%	53	0%	(50)
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)
<b>Total</b>	<b>44,081</b>	<b>100%</b>	<b>66,668</b>	<b>100%</b>	<b>(22,587)</b>

# DISCLOSURE STATEMENT FINANCIAL PRUDENCE BENCHMARKS

## PURPOSE

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

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



## RATES AFFORDABILITY BENCHMARK

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

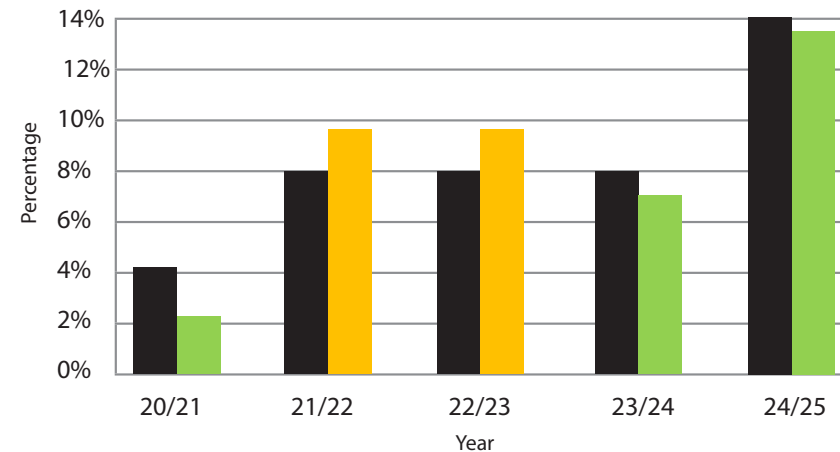
Figure 1 compares Council's actual rates increases with its self-imposed limit. This benchmark looks at the year-on-year percentage increase in rates revenue.

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.

**TABLE 1 – TOTAL RATES INCREASE**



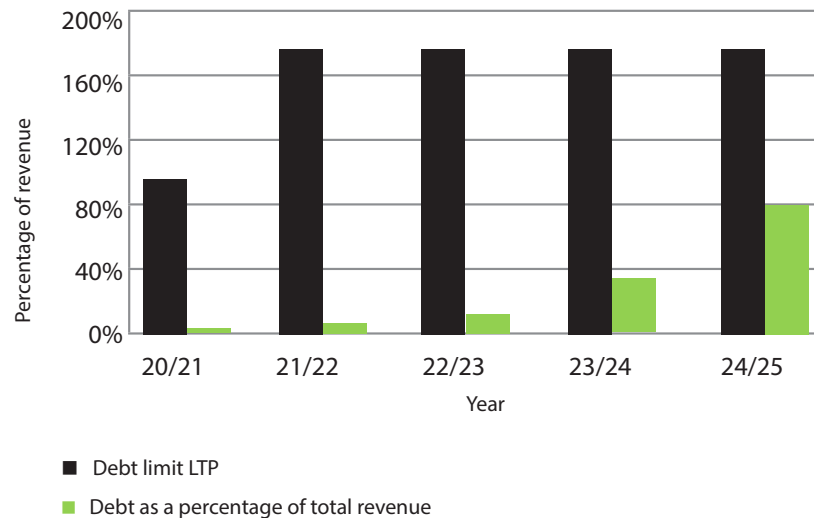
## DEBT AFFORDABILITY (NET DEBT)

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.

TABLE 2 DEBT AFFORDABILITY (NET DEBT)



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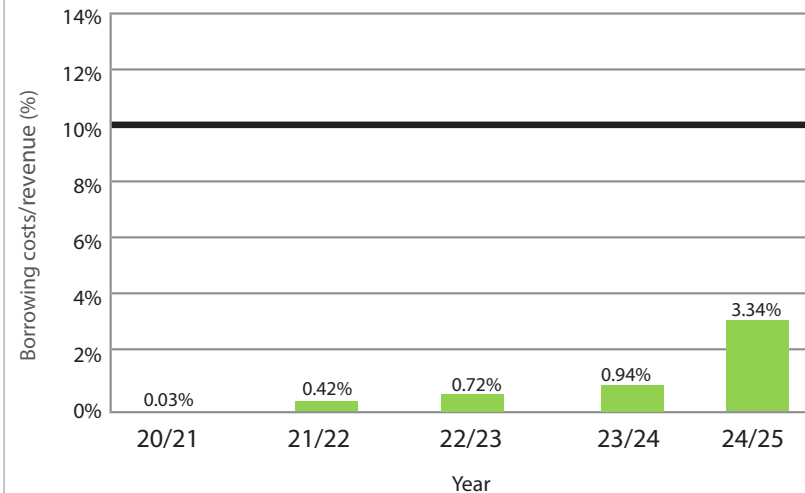
## DEBT SERVICING BENCHMARK

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

TABLE 3 DEBT SERVICING



## ESSENTIAL SERVICES BENCHMARK

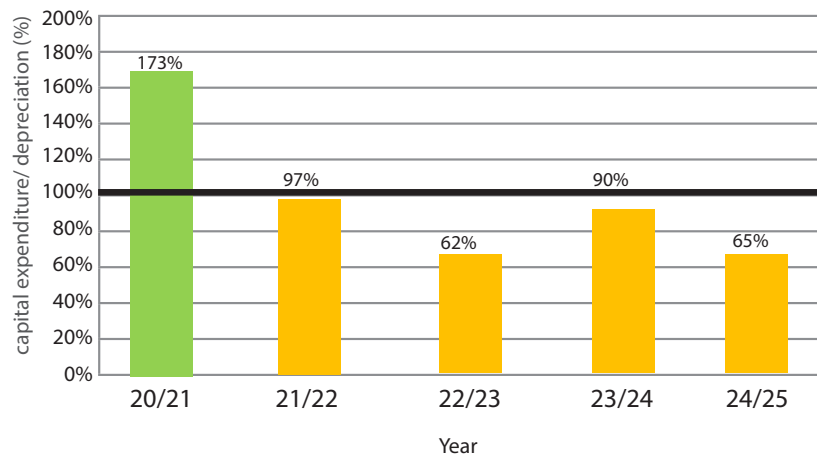
Council meets this benchmark if its capital expenditure on infrastructure assets equals or is greater than depreciation on the same assets.

The capital expenditure on infrastructure assets as a proportion of depreciation on the infrastructure assets is displayed in table 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.

TABLE 4 ESSENTIAL SERVICES



## BALANCED BUDGET BENCHMARK

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

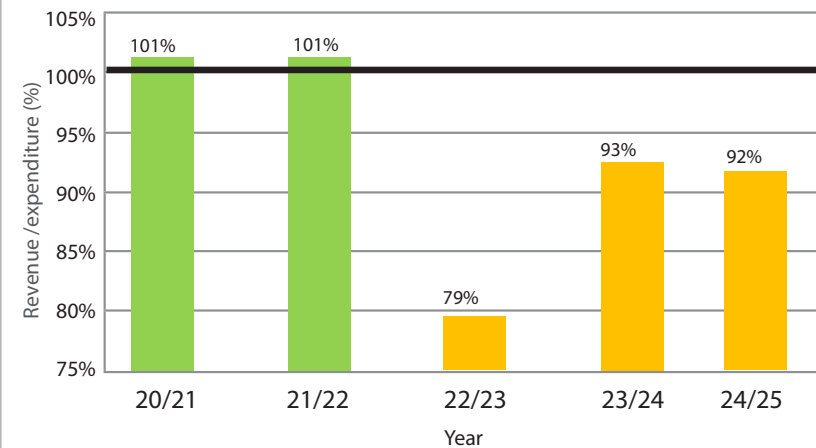
Table 5 displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and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

This limit is set by legislation.

As forecasted in the LTP Council did not meet its balanced budget benchmark in 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.

TABLE 5 BALANCED BUDGET

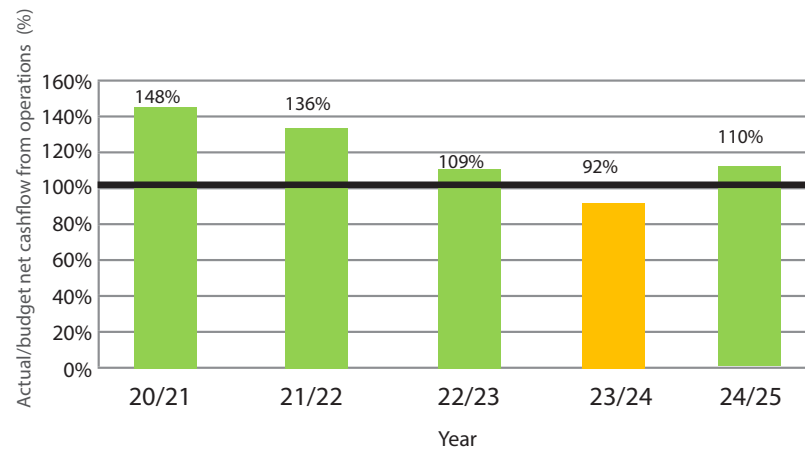


## OPERATIONS CONTROL BENCHMARK

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

Council met this benchmark in 2025.

TABLE 6 OPERATIONS CONTROL



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## DEBT CONTROL BENCHMARK

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

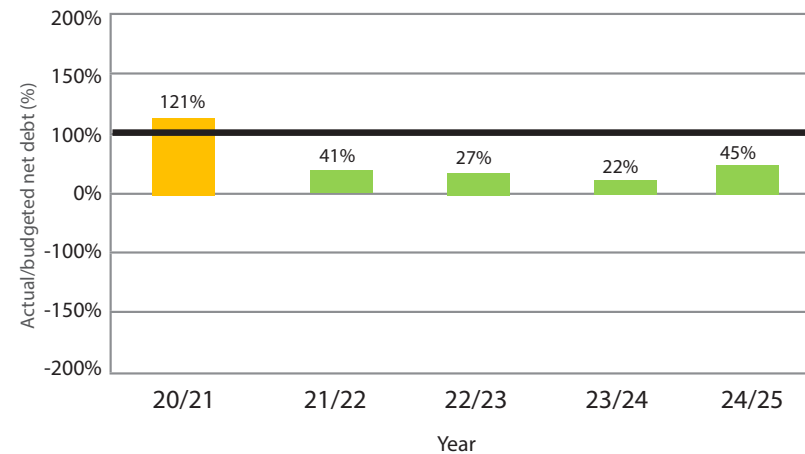
Table 7 displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt is \$44m calculated by:

- ▶ 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.

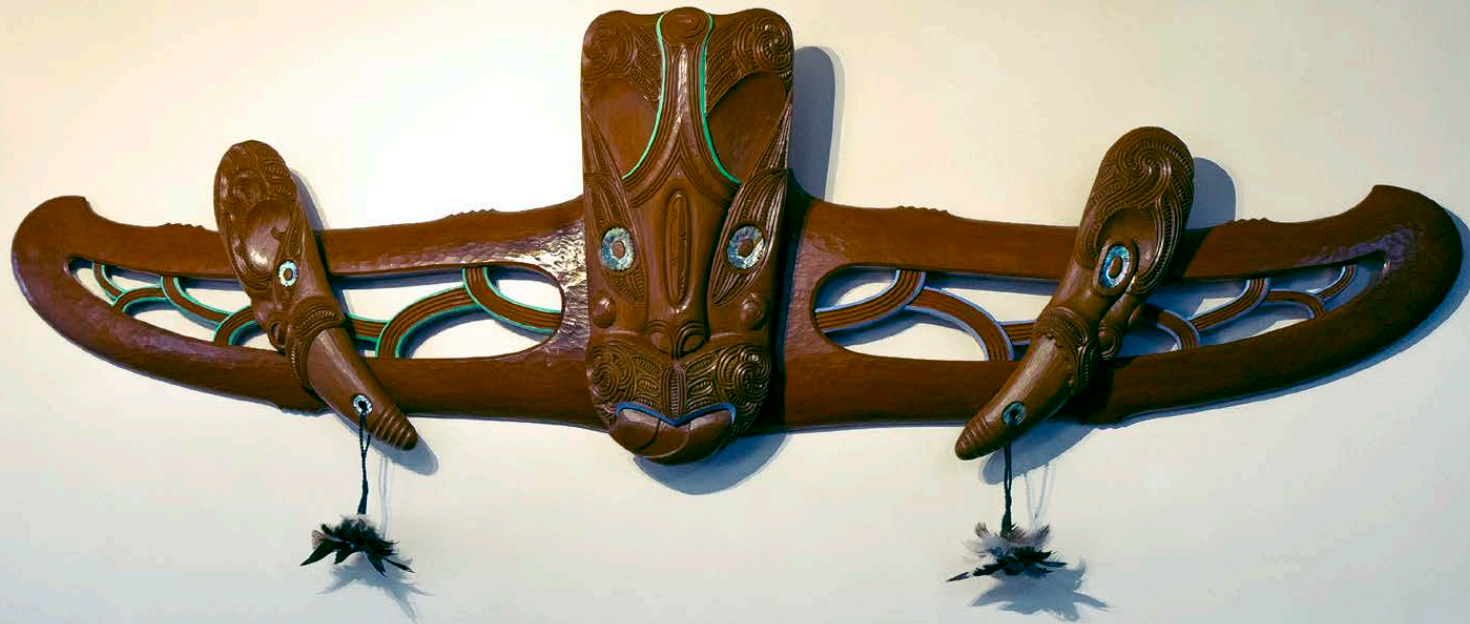
Council meets this benchmark in 2024/2025 with 67% due to the actual level of debt at balance date being significantly less than what was planned in the 2024/2025 Long Term Plan.

TABLE 7 DEBT CONTROL



## 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 Titi 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.

## Māori contribution to decision-making

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 manifold: 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.



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## 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 Tauira (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

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]).



## 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):

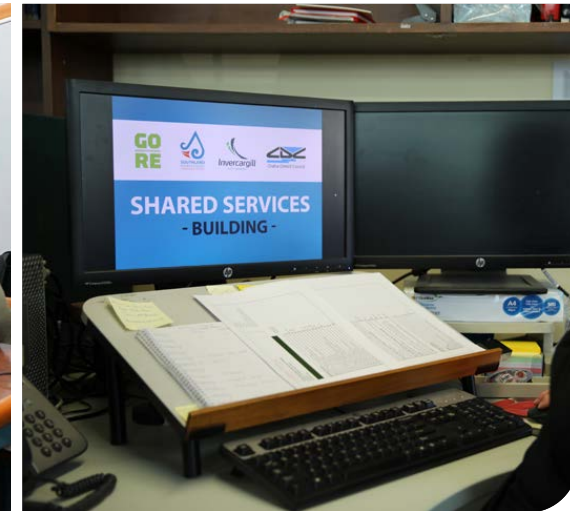
- ▶ Southland District Council
- ▶ Invercargill City Council
- ▶ Gore District Council
- ▶ Clutha District Council
- ▶ Dunedin City Council
- ▶ Central Otago District Council
- ▶ Mackenzie District Council
- ▶ Queenstown Lakes District Council
- ▶ Timaru District Council
- ▶ Waimate District Council
- ▶ 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 SOUTHLAND

Emergency Management Southland (EMS) is a shared service provided by:

- ▶ Invercargill City Council
- ▶ Southland District Council
- ▶ Environment Southland
- ▶ Gore District Council.

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 the year end, the RCCWG have adopted 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.



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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.

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.



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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 2024/2025 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.



## 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.

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 are 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 2023/2024 reporting year and is sourced from PLNZ data.



# 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 2025 fairly reflect the financial position and operations of Southland District Council.

Rob Scott  
MAYOR

Cameron McIntosh  
CHIEF EXECUTIVE



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# Independent Auditor's Report



## To the readers of Southland District Council's annual report for the year ended 30 June 2025

The Auditor-General is the auditor of Southland District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Mike Hawken, using the staff and resources of Deloitte Limited, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

### We are also required to report on:

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

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

We completed our work on 8 October 2025. This is the date on which we give our report.

## Opinion on the audited information

### In our opinion:

- the financial statements on pages 100 to 180.
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2025;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 119 to 120, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the statement of service performance on pages 28 to 64:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2025, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
    - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages [...] to [...], presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages [...] to [...], presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

## Report on the disclosure requirements

We report that the District Council has:

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

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

## Emphasis of Matter – future of water delivery

Without modifying our opinion, we draw attention to pages 162 to 163, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to directly deliver water, wastewater and stormwater services from 14 August 2025.

There is some uncertainty as the proposal is yet to be accepted by the Secretary for Local Government.

## Basis for our opinion on the audited information

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

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

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

## Responsibilities of the Council for the audited information

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

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

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

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

## Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

## Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages [...] to [...] and [...] to [...], but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

## Independence

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

Other than the audit and our report on the disclosure requirements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.

**Mike Hawken**  
for Deloitte Limited  
On behalf of the Auditor-General  
Dunedin, New Zealand

# COUNCIL ACTIVITIES



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## 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 172 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 93.

#### *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
<b>Level of Service 1.0: Council makes decisions in an open and transparent manner</b>				
<b>Level of Service 1.1: Council supports partnerships with key stake holders in the district and region</b>				
KPI 1.0.1: All agendas are out on time <sup>1</sup>	New measure	100%	100%	<b>Achieved</b> 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%	<b>Mostly achieved</b> (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%	<b>Mostly achieved</b> (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 <sup>2</sup>	New measure	100%	100%	<b>Achieved</b> 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	<b>Not measured</b> 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
<b>Level of Service 1.0: Council makes decisions in an open and transparent manner</b>				
<b>Level of Service 1.1: Council supports partnerships with key stake holders in the district and region</b>				
the outcomes proposed in the funding application <sup>3</sup>				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 <sup>4</sup>	68%	50%	60%	<b>Achieved</b> 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"> <li>1. This refers to agendas for Council, Council committees, Council subcommittees, community boards and joint committees administered by Council</li> <li>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</li> <li>3. Approved applications will return a report to council on the use of the funding, including benefit to the community (where appropriate).</li> <li>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.</li> </ol>				

2023/2024 <sup>3</sup> Budget (LTP Y3) (\$000)	2023/2024 <sup>3</sup> Budget (AP) (\$000)	Funding impact statement - community leadership	2023/2024 <sup>3</sup> 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	511
-	-	Interest and dividends from investments	-	-	-
247	360	Local authorities fuel tax, fines, infringement fees, and other receipts <sup>1</sup>	893	401	444
<b>10,131</b>	<b>10,114</b>	<b>Total operating funding</b>	<b>11,392</b>	<b>10,786</b>	<b>10,980</b>
		<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 <sup>2</sup>	-	2	-
2,609	3,051	Internal charges and overheads applied <sup>2</sup>	2,713	3,542	3,018
3,084	3,794	Other operating funding applications	3,328	3,673	3,489
<b>10,014</b>	<b>11,072</b>	<b>Total applications of operating funding</b>	<b>10,094</b>	<b>11,254</b>	<b>10,466</b>
<b>117</b>	<b>(958)</b>	<b>Surplus (deficit) of operating funding</b>	<b>1,298</b>	<b>(468)</b>	<b>514</b>
		<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	-	-	-
<b>9</b>	<b>963</b>	<b>Total sources of capital funding</b>	<b>4</b>	<b>13</b>	<b>(38)</b>
		<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)	708
(120)	(120)	Increase (decrease) in investments	(131)	(240)	(240)
<b>126</b>	<b>5</b>	<b>Total applications of capital funding</b>	<b>1,302</b>	<b>(455)</b>	<b>476</b>
<b>(117)</b>	<b>958</b>	<b>Surplus (deficit) of capital funding</b>	<b>(1,298)</b>	<b>468</b>	<b>(514)</b>
-	-	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 Otautau 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
<b>Level of Service 3: Facilities are fit for purpose, to enable healthy grieving and memorialisation for the community</b>				
<b>Cemeteries</b>				
KPI 3.1: To meet family expectations that the burial plots are prepared by the time required	93%	100%	97%	<b>Mostly achieved</b> (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.
<b>Level of Service 4: Facilities are fit for purpose</b>				
<b>Community housing</b>				
KPI 4.1: Community housing occupancy rate <sup>1</sup>	89.85%	85%	88%	<b>Achieved</b> 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 <sup>2</sup>	91.93%	80%	93%	<b>Achieved</b> 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				
<b>Level of Service 5: Council provides a library service for the district including a mobile service</b>				
<b>Library services and customer contact</b>				
KPI 5.1: the library network will increase the digital proportion of lending year on year <sup>1</sup>	New measure	Baseline	12%	<b>Baseline established</b> 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 <sup>2</sup>	New Measure	Baseline	6,879	<b>Baseline established</b> 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				
<b>Level of service 6: Council provides safe, well maintained open spaces</b>				
<b>Open spaces</b>				
KPI 6.1 Percentage of SDC playgrounds that meet NZ standards over the next 3 years <sup>1</sup>	New Measure	80%	Not measured	<b>Not measured</b> 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 <sup>2</sup>	91.3%	90%	91%	<b>Achieved</b> 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 <sup>3</sup>	New Measure Set MOU with community groups 3 per year	3	3	<b>Achieved</b> 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. <a href="https://www.standards.govt.nz/shop/NZS-58282015">https://www.standards.govt.nz/shop/NZS-58282015</a> 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.				
<b>Level of service 2: Council owned facilities are fit for purpose</b>				
<b>Community Services</b>				
KPI 2.1: Council owned halls are fit for purpose <sup>1</sup> (definition includes ease of booking, cleanliness of kitchen and toilets, would you book again)	Baseline data	Baseline+10%	100%	<b>Baseline established</b> 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				
<b>Level of Service 7: Council provides a reliable, sustained electricity supply to Stewart Island that meets current and future needs</b>				
<b>SIESA</b>				
KPI 7.1: Number of unplanned point of consumer supply interruptions to Stewart Island electricity supply	2	≤6	9	<b>Not achieved</b> 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.
<b>Level of Service 8: Council provides rubbish and recycling services that minimise the amount of waste going to landfill</b>				
<b>Waste Services</b>				

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 <sup>1</sup>	29.6%	40%	38%	<b>Mostly achieved</b> (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)	589 kg per property	650kg per property	596kg per property	<b>Achieved</b>
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 <sup>3</sup> Budget (LTP Y3) (\$000)	2023/2024 <sup>3</sup> Budget (AP) (\$000)	Funding impact statement - community resources	2023/2024 <sup>3</sup> 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 <sup>1</sup>	867	1,044	989
<b>19,630</b>	<b>21,545</b>	<b>Total operating funding</b>	<b>22,760</b>	<b>22,779</b>	<b>23,232</b>
		<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 <sup>2</sup>	-	626	-
4,985	5,723	Internal charges and overheads applied <sup>2</sup>	5,986	6,058	6,558
12	7	Other operating funding applications	39	151	296
<b>18,302</b>	<b>21,104</b>	<b>Total applications of operating funding</b>	<b>21,693</b>	<b>23,743</b>	<b>21,547</b>
<b>1,328</b>	<b>441</b>	<b>Surplus (deficit) of operating funding</b>	<b>1,068</b>	<b>(964)</b>	<b>1,685</b>
		<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	-	-	-
<b>10,287</b>	<b>12,813</b>	<b>Total sources of capital funding</b>	<b>4,072</b>	<b>5,267</b>	<b>5,114</b>
		<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)
<b>11,614</b>	<b>13,255</b>	<b>Total applications of capital funding</b>	<b>5,140</b>	<b>4,303</b>	<b>6,799</b>
<b>(1,328)</b>	<b>(441)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(1,068)</b>	<b>964</b>	<b>(1,685)</b>
-	-	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*

7 of the 10 (70%) 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
<b>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</b>				
Environmental and regulatory services				
KPI 9.1: Percentage of non-notified resource consents processed within statutory timeframes	29.28%	100%	93%	<b>Not achieved</b> 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%	94%	<b>Not achieved</b> 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%	<b>Mostly achieved</b> (missed by 5% or less) This represents a significant improvement from the prior year. Over the year Council issued a total of 831 code compliance certificates (CCC). Council has continued to improve compliance with statutory timeframes, supported by ongoing staff development and increasing technical competency within the team.
KPI 9.4: Number of serious injuries to the public from dog attacks <sup>1</sup>	1	0	0	<b>Achieved</b> 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

65

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
				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 <sup>2</sup>	Annual average 95.5%	(AA) 90%	90%	<b>Achieved</b>
KPI 9.6 Percentage of new food and alcohol applications processed and issued within 30 working days	New measure	50%	85%	<b>Achieved</b>
KPI 9.7: On site Building Warrant of Fitness audits completed in the community	22.6% of buildings audited	20% of buildings audited	22%	<b>Achieved</b> 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 <sup>3</sup> of foodborne illness believed <sup>4</sup> to be caused by food sold at a Council-verified business	3	0	0	<b>Achieved</b> 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.				
<b>Level of Service 10: Build community resilience to emergency events</b>				
<b>Emergency Management</b>				
KPI 10.1: there are 26 community plans, eight of those plans will be enhanced and reviewed on an annual basis	Not measured	8 per year	4 plans reviewed	<b>Not achieved</b> 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. 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

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
				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	Not measured	maintain above 60%	73%	<b>Achieved</b> 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 <sup>1</sup>	418	302	95
<b>10,610</b>	<b>11,460</b>	<b>Total operating funding</b>	<b>10,475</b>	<b>12,503</b>	<b>11,282</b>
		<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 <sup>2</sup>	0	14	-
3,644	4,083	Internal charges and overheads applied <sup>2</sup>	3,916	4,422	4,201
441	451	Other operating funding applications	479	473	419
<b>10,758</b>	<b>11,696</b>	<b>Total applications of operating funding</b>	<b>10,743</b>	<b>12,999</b>	<b>10,768</b>
<b>(148)</b>	<b>(235)</b>	<b>Surplus (deficit) of operating funding</b>	<b>(268)</b>	<b>(496)</b>	<b>515</b>
		<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	-	-	-
<b>68</b>	<b>102</b>	<b>Total sources of capital funding</b>	<b>(8)</b>	<b>124</b>	<b>(55)</b>
		<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)
<b>(80)</b>	<b>(134)</b>	<b>Total applications of capital funding</b>	<b>(276)</b>	<b>(372)</b>	<b>460</b>
<b>148</b>	<b>235</b>	<b>Surplus (deficit) of capital funding</b>	<b>268</b>	<b>496</b>	<b>(515)</b>
-	-	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 likeliness 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
<b>Level of Service 12: Our transport network provides for safe, comfortable and efficient travel</b>				
<b>Roads, bridges, footpaths, cycle trail, airport</b>				
KPI 12.1: Condition of the sealed road network – The average quality of ride on sealed local road network measured by smooth travel exposure <sup>1</sup>	Not measured	Smooth Travel Exposure <sup>1</sup> of ≥ 98%	99%	<b>Achieved</b>
KPI 12.2: Percentage of gravel road tests where road roughness <sup>2</sup> meets acceptable standards	91.3%	≥85%	89%	<b>Achieved</b>

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%	<b>Not achieved</b> The full 2024/2025 NZTA approved resurfacing programme was delivered, which equated to 800,548m <sup>2</sup> 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 <sup>3</sup>	96.97%	≥93%	98%	<b>Achieved</b>
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	<b>Not achieved</b> 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 <sup>4</sup> – 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)	Not measured	≥90%	Not measured	<b>Not measured</b> 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	Accreditation retained	Retain accreditation	Accreditation retained	<b>Achieved</b>
KPI 12.8: CAA compliance requirements for Part 139 certification is maintained	Certification retained	Retain certification	Compliance retained	<b>Achieved</b> The airport has maintained Part 139 certification.
<b>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</b>				
<b>Water facilities</b>				
KPI 13.1 – Water facilities requests for services are completed within specified timeframes	93.4%	≥80%	92%	<b>Achieved</b> There was a total of 12 requests for service received with 1 not actioned within the specified timeframe.
<ol style="list-style-type: none"> <li>1. Smooth travel exposure is an index that determines the proportion of travel on sealed roads which are smoother than a defined threshold.</li> <li>2. Road roughness is measured by RoadRoid testing.</li> <li>3. 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.</li> <li>4. 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.</li> </ol>				

2023/2024 <sup>3</sup> Budget (LTP Y3) (\$000)	2023/2024 <sup>3</sup> Budget (AP) (\$000)	Funding impact statement – transport	2023/2024 <sup>3</sup> 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 <sup>1</sup>	1,774	1,403	1,266
<b>25,886</b>	<b>27,705</b>	<b>Total operating funding</b>	<b>29,121</b>	<b>34,506</b>	<b>33,003</b>
		<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 <sup>2</sup>	-	614	-
2,471	2,848	Internal charges and overheads applied <sup>2</sup>	3,140	2,795	3,149
209	243	Other operating funding applications	272	141	143
<b>17,277</b>	<b>18,770</b>	<b>Total applications of operating funding</b>	<b>20,508</b>	<b>22,556</b>	<b>19,627</b>
<b>8,609</b>	<b>8,934</b>	<b>Surplus (deficit) of operating funding</b>	<b>8,613</b>	<b>11,950</b>	<b>13,376</b>
		<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	-	-	-
<b>10,812</b>	<b>15,024</b>	<b>Total sources of capital funding</b>	<b>12,180</b>	<b>21,166</b>	<b>6,036</b>
		<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)
<b>19,421</b>	<b>23,959</b>	<b>Total applications of capital funding</b>	<b>20,793</b>	<b>33,116</b>	<b>19,412</b>
<b>(8,609)</b>	<b>(8,934)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(8,613)</b>	<b>(11,950)</b>	<b>(13,376)</b>
-	-	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.

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*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
<b>Level of Service 11: Provide a reliable stormwater system that protects public health and the environment</b>				
<b>Stormwater</b>				
KPI 11.1: System adequacy - Overflows resulting from the stormwater system that result in the flooding of a habitable floor <sup>1</sup>				
(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	<b>(a) Achieved</b> There were no flooding events that resulted in flooding of habitable floors during the year. <b>(b) Achieved</b> 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	<b>(a) Achieved</b> No abatement notices issued. <b>(b) Achieved</b> No infringements issued. <b>(c) Achieved</b> No enforcement orders issued. <b>(d) Achieved</b> 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	<b>Achieved</b> 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	1.29 per 1000 properties	≤ 15 per 1000 properties	2.75 per 1000 properties	<b>Achieved</b> 26 stormwater complaints were received across 9,465 properties

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
Council's stormwater system, expressed per 1000 properties connected to the stormwater system.				over the year. These complaints are part of the 75 requests coded as THUSW (Transport Hazard Urban Stormwater). Further review 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%	<b>Mostly achieved</b> (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 <sup>1</sup>	-	-	-
<b>2,133</b>	<b>1,484</b>	<b>Total operating funding</b>	<b>1,486</b>	<b>1,540</b>	<b>1,537</b>
		<i>Applications of operating funding</i>			
1,362	656	Payments to staff and suppliers	526	533	418
43	103	Finance costs <sup>2</sup>	-	158	-
654	717	Internal charges and overheads applied <sup>2</sup>	788	847	1,057
-	-	Other operating funding applications	-	-	-
<b>2,059</b>	<b>1,476</b>	<b>Total applications of operating funding</b>	<b>1,314</b>	<b>1,538</b>	<b>1,475</b>
<b>74</b>	<b>8</b>	<b>Surplus (deficit) of operating funding</b>	<b>172</b>	<b>2</b>	<b>62</b>
		<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	-	-	-
<b>580</b>	<b>805</b>	<b>Total sources of capital funding</b>	<b>838</b>	<b>3,164</b>	<b>927</b>
		<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)
<b>654</b>	<b>814</b>	<b>Total applications of capital funding</b>	<b>1,010</b>	<b>3,166</b>	<b>990</b>
<b>(74)</b>	<b>(8)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(172)</b>	<b>(2)</b>	<b>(62)</b>
-	-	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
<b>Level of service 14: Provide reliable wastewater (sewerage) collection and treatment services that protects public health and the environment</b>				
<b>Stormwater</b>				
KPI 14.1: System and adequacy – The number of dry weather <sup>1</sup> 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	<b>Achieved</b> 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 <sup>2</sup> 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) 52 minutes	<b>Achieved</b> 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 <sup>1</sup> of the blockage or other fault	(b) 7 hours, 4 minutes	(b) ≤6 hours	(a) 3 hours 48 minutes	<b>Achieved</b> 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	<b>Achieved</b> 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	<b>(a) Achieved</b> No abatement notices issued. <b>(b) Achieved</b> No infringements issued. <b>(c) Achieved</b> No enforcement orders issued. <b>(d) Achieved</b> No convictions.
KPI 14.5: Percentage of monitoring results that show compliance with resource consent conditions.	95%	100%	94%	<b>Not achieved</b> 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>Oban (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> : Enterococci 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 <sup>1</sup>	672	118	334
<b>7,199</b>	<b>7,777</b>	<b>Total operating funding</b>	<b>8,356</b>	<b>8,994</b>	<b>9,213</b>
		<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 <sup>2</sup>	-	1,402	-
1,742	1,786	Internal charges and overheads applied <sup>2</sup>	2,756	1,638	3,203
-	-	Other operating funding applications	-	-	-
<b>5,131</b>	<b>5,557</b>	<b>Total applications of operating funding</b>	<b>5,963</b>	<b>6,800</b>	<b>7,000</b>
<b>2,068</b>	<b>2,220</b>	<b>Surplus (deficit) of operating funding</b>	<b>2,393</b>	<b>2,194</b>	<b>2,213</b>
		<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	-	-	-
<b>4,534</b>	<b>6,826</b>	<b>Total sources of capital funding</b>	<b>2,484</b>	<b>16,392</b>	<b>11,906</b>
		<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)
<b>6,603</b>	<b>9,046</b>	<b>Total applications of capital funding</b>	<b>4,877</b>	<b>18,586</b>	<b>14,119</b>
<b>(2,068)</b>	<b>(2,220)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(2,393)</b>	<b>(2,194)</b>	<b>(2,213)</b>
-	-	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 Manapōuri 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*

8 of the 15 (53%) 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
<b>Level of Service 15: Our water supply network provides safe, reliable and adequate supply of water</b>				
<b>Water supply</b>				
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 <sup>1</sup> : from the time Council receives notification to the time that service personnel reach the site;	(a) 16 minutes	(a) ≤ 1 hour	(a) 58 minutes	<b>Achieved</b>
(b) resolution of urgent call-outs <sup>1</sup> : 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	<b>Not achieved</b>
(c) attendance for non-urgent call-outs <sup>1</sup> : 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	<b>Achieved</b>

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
(d) resolution of non-urgent call-outs <sup>1</sup> : 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	<b>Not achieved</b>
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 per 1,000 connections	<b>Not achieved</b> There were 100 service requests during the period from 8,334 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 the following parts of the drinking water quality assurance rules <sup>2</sup> :				
(c) 4.7.1 T2 Treatment monitoring rules	c) 100%	c) 100%	c) 100%	<b>Achieved</b>
(d) 4.7.2 T2 Filtration rules	d) 0%	d) 100%	d) 0%	<b>Not achieved</b> Eastern Bush/Otahu Flat 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 2026/2027.
(e) 4.7.3 T2 UV rules	e) 0%	e) 100%	e) 0%	<b>Not achieved</b> As above.
(f) 4.7.4 T2 Chlorine rules	f) 100%	f) 100%	f) 100%	<b>Achieved</b>
(g) 4.8 D2.1 Distribution system rule	g) 100%	g) 100%	g) 100%	<b>Achieved</b>
(h) 4.10.1 T3 Bacterial rules	h) 80% <sup>2</sup>	h) 100%	h) 100%	<b>Achieved</b>
(i) 4.10.2 T3 Protozoal rules	i) 20% <sup>2</sup>	i) 100%	i) 60%	<b>Not achieved</b> Six out of ten 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.

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
				Non-compliant results were recorded at Mossburn, Otatautau, Tuatapere, and Winton. These four plants were non-compliant due to technical issues. Mossburn, Otatautau, 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 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.
(j) 4.11.5 D3.29 Microbiological monitoring rule	j) 100%	j) 100%	j) 75%	<b>Not achieved.</b> Nine out of twelve water treatment plants met the rule. Non-compliant results were recorded at Ohai, Te Anau and Tuatapere. These plants were non-complaint because sampling could not be completed on the required date due to snow-covered roads preventing access to the sites.
KPI 15.4: Maintenance of the reticulated network – The percentage of water lost from the Council’s networked reticulation system <sup>3</sup>	17.21% <sup>3</sup>	≤25%	28.2% <sup>3</sup>	<b>Mostly achieved</b> (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.

How we measure performance	2023/2024 Actual	2024/2025 Target	2024/2025 Actual	How Council performed
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	<b>Achieved</b> 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.
<p>1. 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</p> <p>2. KPI 15.3 has been amended to reflect changes to the Department of Internal Affairs Non Financial Measure Rules (2024). Prior year indicators for protozoal and bacteria have been removed and eight new measures have been added which cover treatment and distribution of water for small and medium entities. All of these measures are also included in reporting to Taumata Arowai. Actual results for 2023/2024 have also been calculated according to the new rules for comparison purposes. The target for these has been retained at 100% across all the new measures. The Department of Internal Affairs updated this mandatory performance measure after Council had published the LTP which set the performance targets. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022. Our reporting is, therefore, against those rules</p> <p>3. 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.</p>				

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 <sup>1</sup>	222	27	(213)
<b>6,588</b>	<b>6,828</b>	<b>Total operating funding</b>	<b>6,993</b>	<b>8,029</b>	<b>7,852</b>
		<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 <sup>2</sup>	-	1,078	-
1,811	1,795	Internal charges and overheads applied <sup>2</sup>	2,496	1,683	2,893
-	-	Other operating funding applications	6	-	(30)
<b>5,200</b>	<b>5,585</b>	<b>Total applications of operating funding</b>	<b>6,202</b>	<b>6,148</b>	<b>6,571</b>
<b>1,388</b>	<b>1,244</b>	<b>Surplus (deficit) of operating funding</b>	<b>791</b>	<b>1,881</b>	<b>1,281</b>
		<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	-	-	-
<b>3,044</b>	<b>4,115</b>	<b>Total sources of capital funding</b>	<b>3,541</b>	<b>1,887</b>	<b>2,362</b>
		<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)
<b>4,432</b>	<b>5,359</b>	<b>Total applications of capital funding</b>	<b>4,332</b>	<b>3,768</b>	<b>3,643</b>
<b>(1,388)</b>	<b>(1,244)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(791)</b>	<b>(1,881)</b>	<b>(1,281)</b>
-	-	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 <sup>1</sup>	Result 2024/2025
<b>Data and Insights</b> 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"> <li>• launch DISH – Digital Insights Southland Hub including 6 dashboards, a website and a cloudbased processing system</li> <li>• prepare a shared service proposal for councils to use and support DISH</li> </ul>	<ul style="list-style-type: none"> <li>• DISH launched with key dashboards</li> <li>• shared service proposal was developed but supported only by Environment Southland.</li> </ul>
<b>Advocacy and Submission</b> Advocate for and/ or prepare submissions and funding applications for issues of importance to the region	Economic Development	<ul style="list-style-type: none"> <li>• hold bi-annual meetings with central government officials at MBIE, NZTE, MHUD, MfE, MPI etc</li> <li>• prepare a minimum of two submissions on issues of regional significance.</li> <li>• support councils and stakeholders to apply for RIF as applicable</li> </ul>	<ul style="list-style-type: none"> <li>• meetings have been completed with ministers, ministerial offices and agencies</li> <li>• minor residential unit legislation changes to the Resource Management Act and Building Act, DOC Submissions on Charging for Access to some Public Conservation Land &amp; Modernising Conservation Land Management</li> <li>• support provided to SDC, ICC, Ocean Beach, SpaceOps for RIF applications</li> </ul>
<b>Housing</b> Implement priorities from the Murihiku Southland Housing Action Plan	Economic Development	<ul style="list-style-type: none"> <li>• deliver four projects from the Housing Action Plan</li> <li>• support individual councils with their housing planning considering current and future community and industry needs</li> </ul>	<ul style="list-style-type: none"> <li>• project 1: Discussion document for regional leaders on options for a regional housing framework and structure</li> <li>• project 2: Regional Digital Housing Portal/website</li> <li>• project 3: Housing Data Dashboard and associated reporting</li> <li>• project 4: A Customer journey mapping exercise with each of the southland councils</li> <li>• build Southland Website completed and Launched from Project 4's recommendations</li> </ul>
<b>Aquaculture</b> Facilitate and develop a regional approach to realise the benefits of Aquaculture as a diversification opportunity	Economic Development	<ul style="list-style-type: none"> <li>• facilitate development of a Regional Aquaculture Strategy</li> <li>• support local and central government and Iwi, to provide enabling regulation and</li> </ul>	<ul style="list-style-type: none"> <li>• developed Murihiku Southland Aquaculture Pathway</li> <li>• socialising aquaculture with Iwi and councils including connecting with private sector continues as part of the approach to develop the regional pathway</li> </ul>

Description	LTP Connection	KPI target 2024/2025 <sup>1</sup>	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
<b>Agriculture</b> 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
<b>Forestry</b> 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
<b>Connectivity</b> 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
<b>Communications</b> 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
<b>Business in Southland – A regional guide</b> 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	• <a href="#">“Murihiku Southland: Where business finds its edge”</a> designed and published on the Great South website
<b>Consumer Marketing</b> 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
<b>Content Development</b> 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
<b>Media</b> 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
<b>Showcasing our region</b> 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 <sup>1</sup>	Result 2024/2025
			Post-TRENZ famils across Southland and Fiordland for agents and TNZ staff • 3 itineraries adopted from Milford Opportunities
<b>New Experiences</b>	Tourism Development	• develop 1 new iwi experience	• Matariki initiative involving Te Ao Mārama, Iwi & SDC - 9 Matariki way points
<b>Business Events</b> 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
<b>Destination Development</b> 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
<b>Regional Events Calendar</b> 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)
<b>Unmissable Regional Events</b>	Event Development	• support delivery of Burt Munro Challenge • deliver ILT Kidzone Festival	• Burt Munro successfully delivered • ILT Kidzone successfully delivered
<b>Regional Marketing of Events</b>	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
<b>Monitor Emissions</b> 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
<b>Energy Planning</b> 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
<b>Implementation of the Regional Energy Strategy</b>	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 <sup>1</sup>	Result 2024/2025
		<ul style="list-style-type: none"> <li>prepare a spatial plan identifying favourable locations for renewable energy generation.</li> </ul>	biomass needs for existing and committed decarbonisation projects - mainly boiler fuel. <ul style="list-style-type: none"> <li>spatial plan for renewable energy generation report complete, with 114 sites identified. Will be incorporated into future spatial plans</li> </ul>

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"> <li>1. Hosting customer-owned satellite ground stations, including installing and maintaining these ground stations</li> <li>2. Leasing its own ground stations to satellite operators and others</li> <li>3. Undertaking space geodesy and radio astronomy observations</li> <li>4. Providing technical expertise to the space community</li> </ol>	<ol style="list-style-type: none"> <li>1. Further develop the facilities at Awarua and elsewhere in response to growing demand for hosting and leasing of ground stations, and associated services</li> <li>2. Develop and bring into service additional antennas for leasing to customers</li> <li>3. Upgrade the equipment at Warkworth Space Centre to provide lunar, and near- and deep-space antenna leasing services.</li> <li>4. Developing a commercial near realtime satellite Earth observation operation.</li> </ol>

#### 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 <sup>1</sup>	Result 2024/2025
<b>Non-Financial</b>		
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
<b>Financial</b>		
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.



## 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 the 8 October 2025.

### 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.

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### Basis of consolidation

Council financial statements represent the results of Council’s seven significant activity groups (detailed on pages 47-92 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 are no new standards applicable in the current financial year.

### **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.

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#### **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 cost of land and buildings recorded at cost price.

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 25):

- **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 26):

- 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.

## **2) 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*

This provision involves significant judgement in estimating the likelihood, timing, and amount of future outflows. Due to inherent uncertainties, actual outcomes may differ from those estimated. The provision is reviewed annually and updated as needed. 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 (note 15 in the prior year report) has been removed 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)
<b>Income</b>						
Rates revenue	1	63,282	63,282	71,652	72,089	71,652
Other revenue	2	17,552	17,554	14,782	12,910	14,784
Interest and dividends		717	741	1,138	1,803	1,162
Grants and subsidies (including NZTA)*	2	25,018	25,018	20,921	30,557	20,921
Other gains/(losses)	3	2,022	2,022	1,851	2,433	1,851
Vested assets		1,050	1,050	3,412	-	3,412
Development and financial contributions		37	37	44	35	44
	4	<b>109,677</b>	<b>109,702</b>	<b>113,799</b>	<b>119,826</b>	<b>113,825</b>
<b>Expenditure</b>						
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	55,719	59,315	55,723
		<b>116,596</b>	<b>116,608</b>	<b>120,481</b>	<b>126,205</b>	<b>120,488</b>
Share of associate's surplus/(deficit)		102	102	843	-	843
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>		<b>(6,818)</b>	<b>(6,804)</b>	<b>(5,840)</b>	<b>(6,379)</b>	<b>(5,821)</b>
Income tax benefit	8	-	-	-	-	-
<b>SURPLUS/(DEFICIT) AFTER TAX</b>		<b>(6,818)</b>	<b>(6,804)</b>	<b>(5,840)</b>	<b>(6,379)</b>	<b>(5,821)</b>
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
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>94,987</b>	<b>95,001</b>	<b>23,985</b>	<b>58,164</b>	<b>24,004</b>

Explanations of major variances against budget can be found in Note 36. The accompanying notes form part of these financial statements.

**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)
<b>Balance on 1 July</b>		<b>2,151,168</b>	<b>2,151,619</b>	<b>2,246,155</b>	<b>2,247,879</b>	<b>2,246,620</b>
Total comprehensive revenue and expense for the year		94,987	95,001	23,985	58,164	24,004
<b>Balance on 30 June</b>		<b>2,246,155</b>	<b>2,246,620</b>	<b>2,270,140</b>	<b>2,306,043</b>	<b>2,270,624</b>

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)
<b>Equity</b>						
Retained earnings	10	705,284	705,284	696,473	702,540	696,473
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	46,650	38,708	46,650
<b>TOTAL EQUITY</b>		<b>2,246,155</b>	<b>2,246,620</b>	<b>2,270,140</b>	<b>2,306,043</b>	<b>2,270,624</b>
<b>Current assets</b>						
Cash and cash equivalents	12	5,392	5,428	23,822	1,000	23,870
Trade and other receivables	13	15,424	15,433	8,579	12,180	8,587
Inventories	14	130	130	149	117	149
Other financial assets	15	1,962	2,347	2,197	474	2,582
		<b>22,907</b>	<b>23,337</b>	<b>34,747</b>	<b>13,771</b>	<b>35,188</b>
<b>Non-current assets</b>						
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	13,490	15,590	13,490
Investment in associates	26	2,185	2,185	3,028	2,083	3,028
Other financial assets	15	10,839	10,839	41,106	42,221	41,106
		<b>2,286,934</b>	<b>2,286,982</b>	<b>2,351,401</b>	<b>2,425,656</b>	<b>2,351,447</b>
<b>TOTAL ASSETS</b>		<b>2,309,841</b>	<b>2,310,320</b>	<b>2,386,148</b>	<b>2,439,427</b>	<b>2,386,634</b>
<b>Current liabilities</b>						
Trade and other payables	19	13,116	13,129	8,860	12,203	8,862
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
		<b>24,690</b>	<b>24,703</b>	<b>25,055</b>	<b>23,180</b>	<b>25,057</b>
<b>Non-current liabilities</b>						
Employee benefit liabilities	21	11	11	9	11	9
Provisions	24	8,186	8,186	8,369	7,985	8,369
Borrowings	23	30,800	30,800	82,575	102,208	82,575
		<b>38,997</b>	<b>38,997</b>	<b>90,953</b>	<b>110,203</b>	<b>90,953</b>
<b>TOTAL LIABILITIES</b>		<b>63,687</b>	<b>63,700</b>	<b>116,008</b>	<b>133,383</b>	<b>116,011</b>
<b>NET ASSETS</b>		<b>2,246,155</b>	<b>2,246,620</b>	<b>2,270,140</b>	<b>2,306,043</b>	<b>2,270,624</b>

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)
<b>Cash flows from operating activities</b>						
Receipts from rates revenue		62,989	62,989	72,484	72,089	72,484
Receipts from other revenue (including NZTA funding)*		35,880	35,880	40,691	41,523	40,691
Interest and dividends		703	729	990	1,803	1,010
Contribution from developers		58	58	60	-	60
Payment to suppliers and employees		(72,716)	(72,724)	(78,571)	(81,453)	(78,580)
Interest paid		(1,018)	(1,018)	(3,232)	(4,195)	(3,232)
GST (net)		(473)	(474)	316		316
<b>Net cash inflow/(outflow) from operating activities</b>	<b>27</b>	<b>25,423</b>	<b>25,441</b>	<b>32,738</b>	<b>29,766</b>	<b>32,749</b>
<b>Cash flows from investing activities</b>						
Receipts from sale of property, plant and equipment		5,329	5,329	1,651	1,073	1,651
Receipts from investments		350	350	-	-	385
Purchase of property, plant and equipment		(41,488)	(41,493)	(43,731)	(66,667)	(43,731)
Acquisition of investments		(10,350)	(10,350)	(28,002)	2,656	(28,387)
Purchase of intangible assets		-	-	-	-	-
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(46,159)</b>	<b>(46,164)</b>	<b>(70,083)</b>	<b>(62,938)</b>	<b>(70,083)</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings		14,000	14,000	66,775	33,263	66,775
Repayment of borrowings		-	-	(11,000)	(2,765)	(11,000)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>14,000</b>	<b>14,000</b>	<b>55,775</b>	<b>30,498</b>	<b>55,775</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(6,736)</b>	<b>(6,723)</b>	<b>18,430</b>	<b>(2,674)</b>	<b>18,441</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>12,128</b>	<b>12,151</b>	<b>5,392</b>	<b>3,674</b>	<b>5,428</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>5,392</b>	<b>5,428</b>	<b>23,822</b>	<b>1,000</b>	<b>23,870</b>

\*As the budget for year 1 of the LTP merges NZTA funding with other revenue, the prior year numbers have been consolidated; but the value has not changed; the change is presentation only.

**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 <sup>1</sup>	9,476	5,891	5,287
<b>81,431</b>	<b>87,181</b>	<b>Total operating funding</b>	<b>91,259</b>	<b>98,610</b>	<b>96,133</b>
		<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 <sup>2</sup>	1,018	4,195	3,688
4,203	5,921	Other operating funding applications	4,444	5,016	4,751
<b>67,068</b>	<b>74,356</b>	<b>Total applications of operating funding</b>	<b>74,425</b>	<b>84,948</b>	<b>76,210</b>
<b>14,363</b>	<b>12,825</b>	<b>Surplus (deficit) of operating funding</b>	<b>16,834</b>	<b>13,662</b>	<b>19,923</b>
		<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	-	-	-
<b>29,671</b>	<b>42,667</b>	<b>Total sources of capital funding</b>	<b>29,973</b>	<b>50,502</b>	<b>92,151</b>
		<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
<b>44,033</b>	<b>55,492</b>	<b>Total applications of capital funding</b>	<b>46,807</b>	<b>64,166</b>	<b>112,073</b>
<b>(14,363)</b>	<b>(12,825)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(16,834)</b>	<b>(13,662)</b>	<b>(19,923)</b>
-	-	Funding balance	-	-	-

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

<sup>2</sup> 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**

	<b>Council/Group 2023/2024 Actual (\$000)</b>	<b>Council/Group 2024/2025 Budget (\$000)</b>	<b>Council /Group 2024/2025 Actual (\$000)</b>
<b>(Surplus)/deficit of operating funding from funding impact statement</b>	<b>16,834</b>	<b>13,662</b>	<b>19,923</b>
Depreciation	(40,600)	(41,654)	(41,315)
Subsidies and grants for capital purposes	13,733	18,896	10,657
Development and financial contributions	37	35	44
Gain on sale	1,652	1,073	1,621
Vested assets	1,050	-	3,412
Forestry revaluation	(130)	1,360	200
Emissions trading units	180	-	-
Landfill contingency	179	248	(1,306)
Internal capital costs	66	-	39
Share of associates	102	-	843
Share of WasteNet (31%)	81	-	43
<b>Net surplus/(deficit) before tax in Statement of Revenue and Expense</b>	<b>(6,818)</b>	<b>(6,379)</b>	<b>(5,840)</b>

## 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
<b>Targeted rates attributable to activities</b>		
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
<b>Total revenue from rates</b>	<b>63,282</b>	<b>71,652</b>

Rates revenue is shown net of rates remissions. SDC's rates remission policy, as set out in the 10 Year Plan, allows Council to consider the remission of rates in a number of circumstances. These include land voluntarily protected for natural, historical or cultural conservation purposes, properties that can be, but are not connected to, water and wastewater schemes, Sports Associations who have liquor licences, and licensed halls owned by general clubs, societies or associations. Remissions will also be considered where extreme financial hardship can be shown, or natural calamities occur. Rates remissions during the year totalled \$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 and grant and subsidy revenue

	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
<b>Other revenue</b>				
Regulatory income	3,477	3,477	3,984	3,984
Other income (including Council's share of Venture Southland/WasteNet)	4,469	4,471	2,415	2,417
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
<b>Total other revenue</b>	<b>17,552</b>	<b>17,554</b>	<b>14,782</b>	<b>14,784</b>
<b>Grants and subsidy revenue</b>				
NZ Transport Agency subsidy funding	21,266	21,266	17,762	17,762
Other grants and subsidies	3,752	3,752	3,159	3,159
<b>Total grant and subsidy revenue</b>	<b>25,018</b>	<b>25,018</b>	<b>20,921</b>	<b>20,921</b>

### 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)		
<b>Revenue on operating leases as lessor</b>	<b>481</b>	<b>690</b>
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
	<b>7,277</b>	<b>6,832</b>

**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)	200
Gain/(loss) on disposal of property, plant and equipment	2,152	1,651
<b>Total gains/(losses)</b>	<b>2,022</b>	<b>1,851</b>

**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	10,934	10,958
Non-exchange revenue	97,051	97,052	102,864	102,867
<b>Total revenue</b>	<b>109,677</b>	<b>109,702</b>	<b>113,799</b>	<b>113,825</b>

**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)
<b>Total employee benefit expense</b>	<b>18,656</b>	<b>19,759</b>

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
Inventory	-	-	(19)	(19)
Impairment of receivables	41	41	(62)	(62)
Other	14,385	14,389	16,384	16,384
<b>Total other expenses</b>	<b>56,322</b>	<b>56,333</b>	<b>55,719</b>	<b>55,723</b>

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)
<b>Audit of financial statements</b>	<b>188</b>	<b>192</b>	<b>210</b>	<b>210</b>
<b>Audit or review related services</b>				
Review of the Long Term Plan (LTP)	63	63	50	50
Review of Debenture Trust	4	4	4	4
<b>Other assurance services and agreed-upon procedure engagements</b>				
Counter Corruption initiative	1	1	18	18
<b>Total fees incurred for services provided by Deloitte</b>	<b>256</b>	<b>260</b>	<b>283</b>	<b>283</b>

## 7. Remuneration – Mayor, councillors and chief executive

### Chief executive

The SDC chief executive appointed under Section 42 of the Local Government Act 2002 received a salary of \$393,268 (2024: \$379,656). For the year ended 30 June 2025, 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
<b>Annual cost</b>	<b>688</b>	<b>734</b>

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<sup>^</sup> may be shown as higher than for other councillors. This additional remuneration is related to the number of hours these councillors spend in hearings and meetings for licensing applications. These additional costs are recovered from licensing applications. The per hour fee is set in accordance with section 195 of the Sale and Supply of Alcohol Act 2012 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.

<b>Total annual remuneration band for employees as of 30 June:</b>	<b>Council/Group 2023/2024 Actual (\$000)</b>	<b>Council/Group 2024/2025 Actual (\$000)</b>
< \$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
<b>Total employees</b>	<b>211</b>	<b>214</b>

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

	<b>Council 2023/2024 Actual (\$000)</b>	<b>Group 2023/2024 Actual (\$000)</b>	<b>Council 2024/2025 Actual (\$000)</b>	<b>Group 2024/2025 Actual (\$000)</b>
<b>Depreciation and amortisation by group of activity</b>				
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
<b>Total by group of activity</b>	<b>40,322</b>	<b>40,322</b>	<b>41,087</b>	<b>41,087</b>

	Council 2023/2024 Actual (\$000)	Group 2023/2024 Actual (\$000)	Council 2024/2025 Actual (\$000)	Group 2024/2025 Actual (\$000)
<b>Depreciation and amortisation by other activity</b>				
Corporate Services <sup>1</sup>	278	278	228	228
<b>Total by other activity</b>	<b>40,600</b>	<b>40,600</b>	<b>41,315</b>	<b>41,315</b>
Depreciation and amortisation not directly related to group activities	-	1	-	3
<b>Total depreciation and amortisation expense</b>	<b>40,600</b>	<b>40,601</b>	<b>41,315</b>	<b>41,317</b>

<sup>1</sup> 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)	(5,840)	(5,821)
Operating surplus for the year transferred to other equity (Milford Community Trust)	-	14	-	(33)
<b>As of 30 June</b>	<b>705,284</b>	<b>705,298</b>	<b>696,473</b>	<b>696,473</b>

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
<b>As of 30 June</b>	<b>1,491,448</b>	<b>1,517,844</b>
<b>Asset revaluation reserves consist of:</b>		
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
<b>Total</b>	<b>1,491,448</b>	<b>1,517,844</b>

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	-	-
<b>As of 30 June</b>	<b>5,745</b>	<b>9,173</b>
<b>Fair value through statement of comprehensive revenue and expense reserve consists of:</b>		
Share revaluation reserve	576	585
Emissions trading unit revaluation reserve	5,100	6,029
Balanced fund revaluation	69	2,559
<b>Total</b>	<b>5,745</b>	<b>9,173</b>

Other equity consists of:	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Milford Community Trust	465	484
<b>Total</b>	<b>465</b>	<b>484</b>

#### 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	2,971
<b>As of 30 June</b>	<b>43,679</b>	<b>46,650</b>

Reserves summary	Opening balance 30/6/2024 (\$000)	Deposits in (\$000)	Withdrawal s out (\$000)	Closing balance 30/6/2025 (\$000)
<b>Total restricted reserves</b>	3,589	988	(736)	3,841
<b>Total Council created - general reserves</b>	12,578	4,885	(4,480)	12,983
<b>Total Council created - special reserves</b>	27,511	18,453	(16,138)	29,826
<b>Total reserve funds</b>	<b>43,679</b>	<b>24,325</b>	<b>(21,354)</b>	<b>46,650</b>

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	9,313	9,360
Short term deposits and other investments maturing within three months of acquisition	-	-	14,509	14,509
<b>Total cash and cash equivalents</b>	<b>5,392</b>	<b>5,428</b>	<b>23,822</b>	<b>23,870</b>

The carrying value of cash at bank and short-term deposits with maturities less than three months from initiation 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	265
Other receivables	9,325	9,334	5,991	6,000
Prepayments	675	675	770	770
	15,564	15,573	8,671	8,681
Less provision for doubtful debts	(140)	(140)	(92)	(92)
<b>Net trade and other receivables</b>	<b>15,424</b>	<b>15,433</b>	<b>8,579</b>	<b>8,587</b>
<b>Total receivables comprise:</b>				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	13,611	13,620	5,918	5,917
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	2,661	2,670
	<b>15,424</b>	<b>15,433</b>	<b>8,579</b>	<b>8,587</b>

**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	6,400		6,400	6,408		6,408
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
<b>Total</b>	<b>15,564</b>	<b>(140)</b>	<b>15,424</b>	<b>15,573</b>	<b>(140)</b>	<b>15,433</b>	<b>8671</b>	<b>(92)</b>	<b>8579</b>	<b>8,680</b>	<b>(92)</b>	<b>8,587</b>

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	-	-
<b>Total Provision for Expected Credit Losses</b>	<b>140</b>	<b>92</b>

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
Addition/(Reduction) on provisions made during the year	32	(48)
<b>Balance of individual credit losses as of 30 June</b>	<b>140</b>	<b>92</b>

**14. Inventories**

	<b>Council/Group 2023/2024 Actual (\$000)</b>	<b>Council/Group 2024/2025 Actual (\$000)</b>
Roading	85	85
Other	44	64
	<b>130</b>	<b>149</b>

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**

<b>Current portion</b>	<b>Council 2023/2024 Actual (\$000)</b>	<b>Group 2023/2024 Actual (\$000)</b>	<b>Council 2024/2025 Actual (\$000)</b>	<b>Group 2024/2025 Actual (\$000)</b>
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
Current Account for Milford Sound Tourism Limited	63	63	63	63
LGFA borrowers' notes	125	125	350	350
Investment in managed funds	-	-	-	-
<b>Total current portion</b>	<b>1,962</b>	<b>2,347</b>	<b>2,197</b>	<b>2,582</b>
Investments in managed funds	10,069	10,069	37,647	37,647
LGFA borrowers' notes	770	770	3,459	3,459
<b>Total non-current portion</b>	<b>10,839</b>	<b>10,839</b>	<b>41,106</b>	<b>41,106</b>
<b>Total other financial assets</b>	<b>12,801</b>	<b>13,186</b>	<b>43,303</b>	<b>43,688</b>

**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)
<b>Operational Assets</b>														
Art	94	-	-	-	-	-	94	-	-	-	-	-	94	94
Buildings	18,623	332	581	-	(80)	-	19,457	(9,433)	(469)	62	-	(9,840)	9,617	9,190
EDP hardware	1,427	473	-	-	(180)	-	1,720	(1,346)	(77)	180	-	(1,243)	478	82
Furniture and fittings	1,153	41	-	-	(32)	-	1,162	(671)	(133)	32	-	(773)	389	481
Improvements	10,644	1,386	931	40	(12)	-	12,989	(4,476)	(901)	-	-	(5,377)	7,613	6,168
Land	11,881	13,221	2	128	(142)	-	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	94	2	-	-	(5)	-	91	(38)	(11)	5	-	(43)	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)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>57,720</b>	<b>18,811</b>	<b>-</b>	<b>168</b>	<b>(724)</b>	<b>-</b>	<b>75,976</b>	<b>(23,372)</b>	<b>(2,362)</b>	<b>527</b>	<b>-</b>	<b>(25,206)</b>	<b>50,769</b>	<b>34,348</b>
<b>Infrastructural assets at valuation</b>														
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
	<b>2,256,453</b>	<b>25,141</b>	<b>-</b>	<b>3,246</b>	<b>(308)</b>	<b>(11,865)</b>	<b>2,272,667</b>	<b>(38,251)</b>	<b>(38,871)</b>	<b>-</b>	<b>-</b>	<b>38,251</b>	<b>(38,871)</b>	<b>2,233,796</b>
<b>Other assets at cost</b>														
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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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)
	7,841	296	-	-	-	-	8,137	(5,500)	(80)	-	-	(5,579)	2,558	2,342
<b>Total SDC</b>	<b>2,322,014</b>	<b>44,248</b>	<b>-</b>	<b>3,414</b>	<b>(1,032)</b>	<b>(11,865)</b>	<b>2,356,780</b>	<b>(67,123)</b>	<b>(41,313)</b>	<b>527</b>	<b>38,251</b>	<b>(69,657)</b>	<b>2,287,123</b>	<b>2,254,891</b>

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)
<b>Milford Community Trust</b>														
Building & Equip	59						59	(11)	(3)			(14)	45	48
<b>Total Milford Community Trust</b>	<b>59</b>						<b>59</b>	<b>(11)</b>	<b>(3)</b>			<b>(14)</b>	<b>45</b>	<b>48</b>
<b>TOTAL GROUP</b>	<b>2,322,073</b>	<b>44,248</b>	<b>-</b>	<b>3,414</b>	<b>(1,032)</b>	<b>(11,865)</b>	<b>2,356,839</b>	<b>(67,134)</b>	<b>(41,316)</b>	<b>527</b>	<b>38,251</b>	<b>(69,671)</b>	<b>2,287,168</b>	<b>2,254,940</b>

\*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)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>57,958</b>	<b>4,222</b>	<b>(527)</b>	<b>(2,855)</b>	<b>(1,096)</b>	<b>18</b>	<b>57,720</b>	<b>(22,095)</b>	<b>(2,263)</b>	<b>987</b>	<b>-</b>	<b>(23,372)</b>	<b>34,348</b>	<b>35,863</b>
<b>Infrastructural assets at valuation</b>														
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)	-	3,113	(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
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
	<b>2,151,679</b>	<b>34,261</b>	<b>-</b>	<b>3,905</b>	<b>(421)</b>	<b>67,029</b>	<b>2,256,453</b>	<b>(34,332)</b>	<b>(38,251)</b>	<b>-</b>	<b>34,333</b>	<b>(38,251)</b>	<b>2,218,201</b>	<b>2,117,346</b>
<b>Other assets at cost</b>														
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*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>7,746</b>	<b>(409)</b>	<b>527</b>	<b>-</b>	<b>(22)</b>	<b>-</b>	<b>7,841</b>	<b>(5,422)</b>	<b>(77)</b>	<b>-</b>	<b>-</b>	<b>(5,500)</b>	<b>2,342</b>	<b>2,324</b>
<b>Total SDC</b>	<b>2,217,383</b>	<b>38,074</b>	<b>-</b>	<b>1,050</b>	<b>(1,540)</b>	<b>67,047</b>	<b>2,322,014</b>	<b>(61,851)</b>	<b>(40,593)</b>	<b>987</b>	<b>34,333</b>	<b>(67,123)</b>	<b>2,254,892</b>	<b>2,155,533</b>

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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)
<b>Milford Community Trust</b>														
Building	54	5	-	-	-	-	59	(9)	(1)	-	-	(11)	48	45
<b>Total Milford Community Trust</b>	<b>54</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59</b>	<b>(9)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(11)</b>	<b>48</b>	<b>45</b>
<b>TOTAL GROUP</b>	<b>2,217,437</b>	<b>38,079</b>	<b>-</b>	<b>1,050</b>	<b>(1,540)</b>	<b>67,047</b>	<b>2,322,073</b>	<b>(61,861)</b>	<b>(40,593)</b>	<b>987</b>	<b>34,333</b>	<b>(67,134)</b>	<b>2,254,940</b>	<b>2,155,578</b>

\*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)
<b>Roading</b>	2,562,369	2,591,461
<b>Water</b>		
Water plant	26,393	24,161
Water other assets	205,856	209,283
<b>Stormwater</b>		
Stormwater system	99,620	105,803
<b>Wastewater</b>		
Wastewater plant	66,533	67,212
Wastewater other	278,884	287,886
<b>Total</b>	<b>3,239,655</b>	<b>3,285,807</b>

**Work in progress**

	<b>Council/Group 2023/2024 Actual (\$000)</b>	<b>Council/Group 2024/2025 Actual (\$000)</b>
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
<b>Total Work in Progress</b>	<b>20,592</b>	<b>24,969</b>

**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:

	<b>Council/Group 2023/2024 Actual (\$000)</b>	<b>Council/Group 2024/2025 Actual (\$000)</b>
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	1,442,846

\* In the prior year this balance was reported as nil, however a reserve fund was in place for \$1.4 million reported above.

**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)
<b>Cost</b>		
Opening cost on 1 July	762	762
Additions	-	-
Disposals	-	-
<b>Closing cost as at 30 June</b>	<b>762</b>	<b>762</b>

Computer software	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
<b>Accumulated amortisation and impairment</b>		
Balance on 1 July	(752)	(760)
Amortisation charge	(8)	(2)
Impairment	-	-
Closing as at 30 June	<b>(760)</b>	<b>(762)</b>
<b>Net book value as at 30 June</b>	<b>2</b>	<b>-</b>

Trademarks/patents	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
Opening cost on 1 July	8	8
Additions	-	-
Disposals	-	-
<b>Closing cost as at 30 June</b>	<b>8</b>	<b>8</b>
<b>Accumulated amortisation and impairment</b>		
Balance on 1 July	-	-
Amortisation charge	-	-
Impairment	-	-
<b>Closing as at 30 June</b>	<b>-</b>	<b>-</b>
<b>Net book value as at 30 June</b>	<b>8</b>	<b>8</b>

Emissions 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
<b>Closing balance as at 30 June</b>	<b>113,231</b>	<b>5,718</b>	<b>113,231</b>	<b>6,646</b>
<b>Total intangible assets</b>	<b>113,231</b>	<b>5,718</b>	<b>113,231</b>	<b>6,646</b>

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

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).

<b>Emissions trading units 2025</b>	<b>Council/Group Pre-1990 forest</b>	<b>Council/Group Post-1989 forest</b>	<b>Council/Group Total</b>
Productive area (hectares)	1,384.0	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	-	-	-
<b>NZUs on hand on 30 June</b>	<b>82,914</b>	<b>30,317</b>	<b>113,231</b>

<b>Emissions trading units 2024</b>	<b>Council/Group Pre-1990 forest</b>	<b>Council/Group Post-1989 forest</b>	<b>Council/Group Total</b>
Productive area (hectares)	1,384.0	116.6	1,500.6
	<b>Council/Group 2023/2024 Units</b>	<b>Council/Group 2024/2025 Units</b>	<b>Council/Group 2024/2025 Units</b>
NZUs opening balance 1 July	82,914	26,759	113,231
NZUs allocated/transferred during the year	-	3,558	-
NZUs sold during the year	-	-	-
<b>NZUs on hand on 30 June</b>	<b>82,914</b>	<b>30,317</b>	<b>113,231</b>

#### 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

#### Emissions 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**

	<b>Council/Group 2023/2024 Actual (\$000)</b>	<b>Council/Group 2024/2025 Actual (\$000)</b>
Balance on 1 July	13,420	13,290
Increase due to purchases	-	
Gains/(losses) arising from changes attributed to physical changes	1,470	1,410
Gains/(losses) arising from changes attributed to price changes	(860)	(370)
Decreases due to harvest	(740)	(840)
<b>Balance on 30 June</b>	<b>13,290</b>	<b>13,490</b>

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 1540 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 39.7 hectares of timber for \$0.84 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 7.5% (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**

	<b>Council 2023/2024 Actual (\$000)</b>	<b>Group 2023/2024 Actual (\$000)</b>	<b>Council 2024/2025 Actual (\$000)</b>	<b>Group 2024/2025 Actual (\$000)</b>
Payables and deferred revenue under exchange transactions				
Trade payables and accrued expenses	10,232	10,246	5,571	5,574
<b>Total</b>	<b>10,232</b>	<b>10,246</b>	<b>5,571</b>	<b>5,574</b>
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
<b>Total</b>	<b>2,885</b>	<b>2,885</b>	<b>3,289</b>	<b>3,288</b>
<b>Total trade and other payables</b>	<b>13,116</b>	<b>13,129</b>	<b>8,860</b>	<b>8,862</b>

Payables are generally non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of payables approximates their fair value. All trade and other payables are current. There is nothing past due.

**20. Deferred revenue**

	<b>Council/Group 2023/2024 Actual (\$000)</b>	<b>Council/Group 2024/2025 Actual (\$000)</b>
Grants (subject to conditions not yet met)	369	188
Dog registrations in advance	198	115
Outstanding building consents	1,437	1,396
Other	76	-
<b>Total deferred revenue</b>	<b>2,080</b>	<b>1,699</b>

**Grants**

2025 grants include:

- \$32,281 from Better off funding for Doctors Square
- \$50,000 from Better off funding for Lumsden Museum (carried forward from 2024)
- \$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)
<b>Current</b>		
Holiday pay accrual	1,894	1,933
Long service leave	-	-
Wages accrual	847	883
	<b>2,741</b>	<b>2,816</b>
<b>Non-current</b>		
Retirement gratuity	11	9
Long service leave (potential)	-	-
	11	9
<b>Total employment entitlements</b>	<b>2,752</b>	<b>2,825</b>

#### *Key assumptions in measuring retirement and long service leave obligations*

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability. 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
<b>Total development and financial contributions</b>	<b>1,045</b>	<b>1,061</b>

**23. Borrowings**

Borrowings	Actual 2024 (\$000)	Actual 2025 (\$000)
Current		
Secured borrowings	5,000	9,000
<b>Total current borrowings</b>	<b>5,000</b>	<b>9,000</b>
Non-current		
Secured borrowings	30,800	82,575
<b>Total non-current</b>	<b>30,800</b>	<b>82,575</b>
<b>Total borrowings</b>	<b>35,800</b>	<b>91,575</b>

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
<b>Total borrowings</b>	<b>91,575</b>

### 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)
<b>Financial Liabilities</b>		<b>35,800</b>	<b>97,080</b>
Less liquid financial assets:			
Cash and cash equivalents	12	5,392	23,822
Term deposits	15	1,170	1,170
Borrowers' notes	15	895	3,809
Balanced Fund Investments	15	10,069	37,647
<b>Total liquid financial assets</b>		<b>17,526</b>	<b>66,448</b>
<b>Net Debt</b>		<b>18,274</b>	<b>30,632</b>

### 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 2024 (\$000)	Movement between activities (\$000)	Council/Group New advances (\$000)	Council/Group Total repayments (\$000)	Council/Group Balance 2025 (\$000)	Council/Group Interest paid (\$000)
<b>Internal loans by group of activity</b>						
Community leadership	39	-	-	(39)	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
<b>Total by group of activity</b>	<b>65,536</b>	<b>-</b>	<b>21,526</b>	<b>(7,979)</b>	<b>79,080</b>	<b>3,712</b>
<b>Internal loans by other activity</b>						
Corporate services <sup>1</sup>	1,725	-	-	(1,713)	14	98
<b>Total by other activity</b>	<b>1,725</b>	<b>-</b>	<b>-</b>	<b>(1,713)</b>	<b>14</b>	<b>98</b>
<b>Total internal loans</b>	<b>67,261</b>		<b>21,526</b>	<b>(9,692)</b>	<b>79,094</b>	<b>3,810</b>

<sup>1</sup> 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)	1,316
<b>Closing balance - landfill aftercare provision</b>	<b>8,190</b>	<b>9,496</b>
Other provisions	-	-
<b>Total provisions</b>	<b>8,190</b>	<b>9,496</b>
Comprised of:		
Current	3	1,127
Non-current	8,186	8,369
<b>Closing balance</b>	<b>8,190</b>	<b>9,496</b>

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. Council assesses the adequacy of the provision on an annual basis with changes to the value reflecting the most up to date estimates. The provision has been estimated taking this into account and is discounted using the discount rates and CPI changes listed on the NZ Treasury website at balance date.

## 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	1,860
Expenses	(1,929)	(1,817)
<b>Share of surplus/(deficit)</b>	<b>118</b>	<b>43</b>
Share of:		
Current assets	1,313	1,368
Current liabilities	(614)	(626)
<b>Equity</b>	<b>699</b>	<b>741</b>

**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)
<i>Council's interest in associates is represented by:</i>	<b>SRHC</b>	<b>EMS</b>	<b>GS</b>	<b>Total</b>
Share of income	777	562	4,569	5,908
Share of expenses	(575)	(549)	(4,108)	(5,232)
<b>Share of surplus/(deficit)</b>	<b>202</b>	<b>13</b>	<b>461</b>	<b>676</b>
Share of assets	729	284	3,592	4,605
Share of liabilities	(100)	-	(1,477)	(1,577)
<b>Share of equity</b>	<b>629</b>	<b>284</b>	<b>2,115</b>	<b>3,028</b>
Share of associates' contingent liabilities incurred jointly with other investors	-	-	-	-
Share of associates' joint commitments with other investors	7	-	-	7

				Council/Group 2023/2024 Actual (\$000)
<i>Council's interest in associates is represented by:</i>	<b>SRHC</b>	<b>EMS</b>	<b>GS</b>	<b>Total</b>
Share of income	741	530	4,121	5,392
Share of expenses	(735)	(508)	(4,048)	(5,291)
<b>Share of surplus/(deficit)</b>	<b>7</b>	<b>22</b>	<b>73</b>	<b>102</b>
Share of assets	429	271	3,654	4,354
Share of liabilities	(148)	-	(2,022)	(2,170)
<b>Share of equity</b>	<b>281</b>	<b>271</b>	<b>1,632</b>	<b>2,185</b>
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)**

	<b>Council 2023/2024 Actual (\$000)</b>	<b>Group 2023/2024 Actual (\$000)</b>	<b>Council 2024/2025 Actual (\$000)</b>	<b>Group 2024/2025 Actual (\$000)</b>
Operating surplus/(deficit)	(6,816)	(6,804)	(5,840)	(5,821)
<b>Add/(less) non-cash Items</b>				
Share of associate's surplus	(102)	(102)	(843)	(843)
Depreciation and amortisation	40,600	40,601	41,315	41,317
Vested assets	(1,050)	(1,050)	(3,412)	(3,412)
Forestry revaluation	130	130	(200)	(200)
Loss/(Gain) on emissions trading units	(180)	(180)	-	-
Milford Sound Tourism shareholder account	(43)	(43)	-	-
<b>Add/(less) movements in working capital items</b>				
Trade and other receivables	(6,607)	(6,607)	6,059	6,059
Interest receivable	(14)	(14)	(148)	(152)
Inventories and work in progress	(1)	(1)	(19)	(19)
Trade and other payables	2,156	2,161	(4,235)	(4,242)
Net GST	(473)	(474)	316	316
Development and financial contributions	22	22	16	16
<b>Other</b>				
Movement in employee benefit liabilities	131	131	74	74
(Gains)/losses on disposal of investments	(2,152)	(2,152)	(1,651)	(1,651)
Movement in provision for decommissioning	(179)	(179)	1,306	1,306
<b>Net cash inflow/(outflow) from operating activities</b>	<b>25,423</b>	<b>25,441</b>	<b>32,738</b>	<b>32,749</b>

**28. Reconciliation of movements in liabilities arising from financing activities**

	<b>Council 2023/2024 Actual (\$000)</b>	<b>Cashflow movement 2024/2025 Actual (\$000)</b>	<b>Council 2024/2025 Actual (\$000)</b>
Long term borrowings	30,800	51,775	82,575
Short term borrowings	5,000	4,000	9,000
<b>Total liabilities from financing activities</b>	<b>35,800</b>	<b>55,775</b>	<b>91,575</b>

**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)
<b>Financial assets measured at FVSTD</b>					
Cash and cash equivalents	12	5,392	5,428	23,822	23,870
Trade and other receivables	13	15,424	15,433	8,579	8,587
<b>Financial assets amortised cost</b>		<b>20,816</b>	<b>20,861</b>	<b>32,401</b>	<b>32,457</b>
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	37,647	37,647
Unlisted shares	15	667	667	667	667
<b>Financial assets at FVTSD</b>		<b>12,801</b>	<b>13,186</b>	<b>43,303</b>	<b>43,688</b>
<b>Financial liabilities measured at FVSTD</b>					
Trade and other payables	19	(13,116)	(13,129)	(8,860)	(8,862)
Borrowings - Secured loans	23	(35,800)	(35,800)	(91,575)	(91,575)
<b>Financial liabilities at amortised cost</b>		<b>(48,916)</b>	<b>(48,929)</b>	<b>(100,435)</b>	<b>(100,437)</b>

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
<b>Balance as of 30 June</b>	<b>667</b>	<b>677</b>

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.

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	-100bps	+100bps	-100bps
	Surplus/(deficit)	Surplus/(deficit)	Surplus/(deficit)	Surplus/(deficit)
<b>Financial Asset</b>				
Cash and cash equivalents	54	(54)	239	(239)
<b>Financial Liability</b>				
Borrowings	(358)	358	(916)	916
<b>Total Sensitivity</b>	<b>(304)</b>	<b>304</b>	<b>(677)</b>	<b>677</b>

### 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	23,822	23,870
Trade and other receivables (excluding prepayments)	13	15,424	15,433	7,808	7,817
Other financial assets*	15	12,134	12,519	42,626	43,011
<b>Total credit risk</b>		<b>32,949</b>	<b>33,380</b>	<b>74,257</b>	<b>74,698</b>

\*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)
<b>Cash at bank and term deposits</b>					
AA-	12, 15	6,562	6,983	24,992	25,425
<b>Total cash at bank and term deposits</b>		<b>6,562</b>	<b>6,983</b>	<b>24,992</b>	<b>25,425</b>
<b>Listed Bonds (LGFA)</b>					
AAA	15	895	895	3,809	3,809
<b>Total listed bonds (LGFA)</b>		<b>895</b>	<b>895</b>	<b>3,809</b>	<b>3,809</b>

**Liquidity risk**

Liquidity risk is the risk that Council will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, and the ability to access investment funds whenever necessary.

**Contractual maturity analysis of financial assets and liabilities**

The table below analyses Council's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

Council 2024/2025	Note	On demand (\$000)	Less than 1 year (\$000)	1-2 years (\$000)	2 years plus (\$000)	Council (\$000)
<b>Financial assets</b>						
Cash and cash equivalents	12	9,313	14,509			23,822
Trade and other receivables (excluding prepayments)	13		7,808			7,808
Other financial assets (includes deposits, borrowers notes, managed funds)	15	37,647	1,520	1,875	1,584	42,626
<b>Financial liabilities</b>						
Trade and other payables	19		8,860			8,860
Borrowings	23		9,000	40,000	42,575	91,575

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Group 2024/2025	Note	On demand (\$000)	Less than 1 year (\$000)	1-2 years (\$000)	2 years plus (\$000)	Group (\$000)
<b>Financial assets</b>						-
Cash and cash equivalents	12	9,360	14,509			23,870
Trade and other receivables (excluding prepayments)	13		7,817			7,817
Other financial assets (includes deposits, borrowers notes, managed funds)	15	37,647	1,905	1,875	1,584	43,011
<b>Financial liabilities</b>						
Trade and other payables	19		8,862			8,862
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)
<b>Financial assets</b>						
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
<b>Financial liabilities</b>						
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)
<b>Financial assets</b>						
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
<b>Financial liabilities</b>						
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
<b>Total key management personnel compensation</b>	<b>2,255</b>	<b>2,647</b>
<b>Total full-time equivalent personnel</b>	<b>18.63 FTE</b>	<b>20 FTE</b>

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

#### *Local Water Done Well*

Following extensive public consultation in April and May 2025, Council decided on 11 June 2025 to deliver future water services through an in-house business unit. As required under the Local Government (Water Services Preliminary Arrangements) Act 2024, Southland District Council's Water Service Delivery Plan was submitted with the Secretary for Local Government on 14<sup>th</sup> August 2025 (this was due in September 2025). The decision for water delivery for Southland District Council remains uncertain as The Secretary for Local Government has not yet accepted or has rejected the water services delivery plan.

The plan sets out how Council will continue to deliver safe, reliable, and affordable drinking water, wastewater, and stormwater services to its communities. It has been developed following a process of community consultation, financial and asset analysis, and consideration of both national regulatory requirements and local circumstances.

Based on this work, Council has confirmed the Adjusted Status Quo model as its preferred option for ongoing service delivery. This approach reflects strong community feedback favouring local ownership and accountability, while also ensuring Council can meet the financial and regulatory expectations set by central government.

The Adjusted Status Quo model retains full Council ownership and operation of water services, while strengthening long-term financial sustainability through measures such as:

- full funding of depreciation from 2027/28, ensuring the renewal and replacement of water assets can be fully supported into the future.

- ring-fencing of water services revenue and expenditure, providing transparency, accountability, and assurance that funds collected for water services are used solely for that purpose.
- continued investment to meet compliance obligations, particularly in relation to wastewater disposal and the rigorous drinking water standards overseen by Taumata Arowai.

Council was also an active member of the Otago/Southland Local Water Done Well Working Group, which has explored potential opportunities for regional collaboration. While Southland's preference remains to retain direct responsibility for its own services, Council recognises the value in shared approaches where they could deliver efficiencies, resilience, or cost savings for communities.

The key drivers for Council remain financial prudence, regulatory compliance, environmental responsibility, and protection of community interests. While central government's legislative process continues to evolve, Council is well positioned to implement its chosen delivery model and ensure that water services remain sustainable, affordable, and resilient for the people of Southland.

#### *Stewart Island Rakiura Energy Project*

In June 2025, Council received confirmation of a government-funded suspensory loan of \$15.35 million through the Regional Infrastructure Fund, administered by the Ministry of Business, Innovation and Employment (MBIE), to support the Rakiura Energy Solutions project. This initiative aims to deliver a long-term renewable energy solution for Stewart Island/Rakiura, significantly reducing the community's reliance on diesel-generated electricity.

The contract outlining the terms and conditions of the project and the suspensory loan is currently being finalised and is expected to be agreed by the end of 2025. Physical works are scheduled to commence in early 2026, marking a significant milestone in the transition to more affordable and sustainable energy for the island community.

### **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 2025.

LGFA Shareholders consist of the New Zealand Government (10%) and local authority shareholders (90%). The Council is exposed to a pro-rated share of 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 2025 LGFA had bond borrowings totalling \$22,657 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. Since the Supreme Court decision in LGMFT v Napier City Council [2023] NZSC 97, which addressed claims involving both weathertight and non-weathertight issues, Riskpool has accepted three claims, including the Napier City Council claim, with two of these claims currently before the court. Riskpool undertakes a review of its current and future liabilities on an annual basis to determine any additional funds required from members until all claims are settled. At this point the potential liability of the outstanding claims against Riskpool is unable to be quantified.

**c) Emissions 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. There are no enforcement orders being pursued in 2024/2025. 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. This order is on hold waiting on a determination from MBIE. This has been with MBIE for 11 months and we have sought an urgent outcome via our lawyers for this to be finalised.

**g) Contractual**

At balance date Council was in discussions with a contractor over contractual performance. Any liability of Council to make further payment is currently disputed. The resolution of this matter is ongoing, and any outcome is uncertain and cannot be reliably measured at this stage.

### 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)
<b>Capital commitments</b>		
Commitments for capital expenditure contracted, but not provided for:		
Water system	1,110	830
Stormwater system	-	-
Sewerage system	998	424
Roading	21,570	11,694
Other	53	622
	<b>23,732</b>	<b>13,570</b>

	Council/Group 2023/2024 Actual (\$000)	Council/Group 2024/2025 Actual (\$000)
<b>Operating leases (as a lessee)</b>		
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
	<b>578</b>	<b>1,198</b>

### 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)	6,027
Expenditure	(b)	(5,724)
<b>Net impact of variance on surplus/(deficit)</b>		<b>(539)</b>
Revaluation surplus	(c)	(34,719)
<b>Total variance in Statement of comprehensive revenue and expense</b>		<b>34,179</b>

#### Explanatory notes:

*Statement of comprehensive revenue and expense*

#### a) Revenue

Total operating revenue was \$6.0 million lower than year one LTP budget, due to

- lower grants and subsidies than budgeted due to the capital programme not being met. This is mainly associated with a reduction in programme to match NZTA funding, resulting in delays of capital projects by \$4.7 million and operational costs by \$2.7 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 offset by the joint venture revenue and the gain made on investments in associates of \$0.8m.
- the forestry revaluation was lower than expected (\$1.2 million). This was offset by unbudgeted property asset sales (\$1.0 million) and vested asset income (\$3.4 million).
- remaining income lines had minor variances, resulting in the remaining variance of \$0.7 million is 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 \$5.7 million lower than year one LTP budget, due to:

- NZTA expenditure was lower due to the reduction in the approved programme; 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 (\$1.9 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 increase to the landfill provision (\$0.7 million)
- interest costs are less than budget due to the debt being lower than the anticipated external borrowings (\$0.5 million)
- the remaining variance is made up of other corporate costs coming in lower than budget including the cost of implementing the new financial system, lower than expected managed investment fund fees, training, relocation and recruitment costs, offset by the expenses reported from the joint venture.

**c) Revaluation surplus**

Overall revaluation surplus was \$34.7 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. This was offset by the gain on financial assets due the valuation of the balanced fund investment coming in higher than budgeted.

*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*

Total assets as of 30 June 2025 is \$2.386 billion which is \$53.3 million lower than the LTP Y1 (\$2.39 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 \$23.8 million, up \$22.8 million due to higher inflow of revenue, lower expenditure and determining to final balance to invest in balanced fund
- investments in associates came in \$0.9 million higher than budgeted and the value of the forestry asset was \$2.1 million lower than forecasted.

Total liabilities are \$116.0 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 \$3.3 million due to a decrease in operational costs
- offset by the provision for decommissioning is up by \$1.4 million, due to the review of the landfill provision and the delay in the works on the Otautau landfill
- 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
- contract retentions and deposits are under budget by \$1.5 million as the value held at year end is lower than budgeted.

### 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)
<b>Restricted</b>							
<b>Restricted District</b>							
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	8	-	426
	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
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

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
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
<b>Restricted District Total</b>				<b>3,553</b>	<b>988</b>	<b>(736)</b>	<b>3,805</b>
<b>Restricted Local</b>							
Wallacetown	Cemetery bequest	Community Services	Wallacetown Cemetery	36	1	-	36
<b>Restricted Local Total</b>				<b>36</b>	<b>1</b>	<b>-</b>	<b>36</b>
<b>Restricted Total</b>				<b>3,589</b>	<b>988</b>	<b>(736)</b>	<b>3,841</b>
<b>General</b>							
<b>General District</b>							
Council	District operations	Corporate Services	General reserve	6,756	2,301	(4,480)	4,577
	Global	Corporate Services	General reserve	1,084	25	-	1,109
	Strategic assets reserve	Roading	Offset rates	4,738	-	-	4,738
	Investments	Corporate Services	Hold any gains or losses related to managed investment funds	-	2,559	-	2,559
<b>General District Total</b>				<b>12,578</b>	<b>4,885</b>	<b>(4,480)</b>	<b>12,983</b>
<b>General Total</b>				<b>12,578</b>	<b>4,885</b>	<b>(4,480)</b>	<b>12,983</b>
<b>Special</b>							
<b>Special District</b>							
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 Trail	Internal Reconciliations	Fund Cycle Trail replacements	-	160	(82)	78
	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

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
	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	1,646	(0)	2,794
	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
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

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
	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
<b>Special District Total</b>				<b>17,786</b>	<b>15,393</b>	<b>(14,410)</b>	<b>18,769</b>
<b>Special Local</b>							
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

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Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
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)
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)

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
	Frasers Beach	Open Spaces	Frasers 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
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

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Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
	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
	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

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
	Stormwater	Stormwater	Te Anau general purpose	0	-	-	0
Thornbury	Community centre	Community Facilities	Thornbury community centre	9	6	-	14
	General	Open Spaces	Thornbury general purpose	9	0	(9)	1
Tokanui	Community centre	Community Facilities	Tokanui community centre	7	0	(7)	1
	General	Open Spaces	Tokanui general purpose	46	1	-	47
Tuatapere	Community centre	Community Facilities	Tuatapere community centre	34	3	-	37
	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
Tussock Creek	Community centre	Community Facilities	Tussock Creek hall	19	3	-	22
Waiau/Aparima Ward	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	Baths	Open Spaces	Waihopai Toetoe pool	7	3	-	10
	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

Reserves Type/Area	Business Unit	Activity	Purpose	Opening balance 1/7/2024 (\$000)	Deposits (\$000)	Withdrawals (\$000)	Closing balance 30/6/2025 (\$000)
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	7	-	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
<b>Special Local Total</b>				<b>9,726</b>	<b>3,060</b>	<b>(1,729)</b>	<b>11,058</b>
<b>Special Total</b>				<b>27,511</b>	<b>18,453</b>	<b>(16,138)</b>	<b>29,826</b>

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	988	(736)	3,841
Total Council created - general reserves	12,578	4,885	(4,480)	12,983
Total Council created - special reserves	27,511	18,453	(16,138)	29,826
<b>Total reserve funds</b>	<b>43,679</b>	<b>24,325</b>	<b>(21,354)</b>	<b>46,650</b>

## 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.

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## 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 Apārīma Ward	Waihōpai Toetoe Ward	Stewart Island/Rakiura Ward
Councillor Christine Menzies (deputy mayor) Councillor Darren Frazer Councillor Margie Ruddenklau	Councillor Matt Wilson Councillor Sarah Greaney Councillor Tom O'Brien	Councillor Derek Chamberlain Councillor Don Byars Councillor Jaspreet Boparai	Councillor Julie Keast Councillor Paul Duffy	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.

<b>Community Boards</b>	<b>Council committees and subcommittees</b>	<b>Joint committees</b>
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.

<b>CHIEF EXECUTIVE - CAMERON MCINTOSH</b>					
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
<b>Community Resources</b>				<b>8,117,357</b>	<b>12,331,093</b>	<b>6,796,632</b>
<b>Community Facilities</b>				<b>2,356,483</b>	<b>6,627,816</b>	<b>4,484,018</b>
<b>Halls</b>				<b>640,737</b>	<b>660,304</b>	<b>342,441</b>
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	-	-
<b>Offices &amp; Buildings</b>				<b>20,000</b>	<b>3,671,348</b>	<b>3,331,948</b>
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
<b>Other Property</b>				<b>215,000</b>	<b>323,000</b>	<b>181,729</b>
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
<b>Toilets</b>				<b>1,480,746</b>	<b>1,973,164</b>	<b>627,899</b>
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
<b>Community Services</b>				<b>455,586</b>	<b>583,948</b>	<b>90,432</b>
<b>Cemeteries</b>				<b>239,636</b>	<b>286,173</b>	<b>28,136</b>
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	-
<b>Community Housing</b>				<b>152,350</b>	<b>174,175</b>	<b>62,296</b>
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
<b>Library Services</b>				<b>63,600</b>	<b>123,600</b>	-
District	P-11434A	District Wide - Library refurbishment	4.DYC-No \$ spent	63,600	123,600	-
<b>Open Spaces</b>				<b>3,790,788</b>	<b>3,317,650</b>	<b>1,715,488</b>
<b>Parks &amp; Reserves</b>				<b>3,790,788</b>	<b>3,317,650</b>	<b>1,715,488</b>
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	Matariki Wayfinder	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	-
Oreti	FPARK001A	Dipton repair or replace access foot bridge	4.DYC-No \$ spent	10,000	10,000	-

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
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
<b>SIESA</b>				<b>406,500</b>	<b>406,500</b>	<b>244,038</b>
Stewart Island/Rakiura	P-11207A	Stewart Island/Rakiura SIESA - Capital renewal programme	2.In progress	406,500	406,500	244,038
<b>Waste Services</b>				<b>1,108,000</b>	<b>1,395,179</b>	<b>262,657</b>
<b>Waste Services</b>				<b>1,108,000</b>	<b>1,395,179</b>	<b>262,657</b>
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	-	-	-
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 - Re-gravel	1.Complete	10,000	10,000	5,700

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
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	-
<b>Corporate Services</b>				<b>983,000</b>	<b>1,436,994</b>	<b>532,838</b>
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
<b>Sewerage</b>				<b>19,582,142</b>	<b>17,414,044</b>	<b>14,857,555</b>
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
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
<b>Stormwater</b>				<b>3,240,650</b>	<b>2,599,408</b>	<b>1,020,322</b>
District	P-10278B	Lumsden - Reticulation upgrade	3.DYC-\$ spent	463,000	463,000	67,878

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
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
<b>Transport</b>				<b>34,309,072</b>	<b>25,258,861</b>	<b>17,979,604</b>
<b>Roading</b>				<b>32,439,871</b>	<b>24,129,351</b>	<b>17,664,149</b>
<b>Airport</b>				<b>1,297,150</b>	<b>920,000</b>	<b>81,155</b>
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	-
<b>Cycle Trails</b>				<b>390,693</b>	<b>406,068</b>	<b>362,386</b>
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
<b>Footpaths</b>				<b>1,415,668</b>	<b>515,091</b>	<b>255,950</b>
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
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

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
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	-	-
<b>Roading</b>				<b>29,336,360</b>	<b>22,288,192</b>	<b>16,964,658</b>
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	-
<b>Water Facility</b>				<b>1,869,201</b>	<b>1,129,510</b>	<b>315,454</b>
<b>Boat Ramps</b>				<b>300,000</b>	<b>300,000</b>	<b>295,558</b>
Fiordland	P-10880A	Te Anau - Te Anau Downs Boat Ramp Replacement	1.Complete	300,000	300,000	295,558
<b>Harbour</b>				<b>300,000</b>	<b>200,000</b>	<b>-</b>
Oraka-Aparima	P-11225A	Riverton T Wharf Replacement - Design and consents	4.DYC-No \$ spent	300,000	200,000	-
<b>Stewart Island Jetties</b>				<b>1,269,201</b>	<b>629,510</b>	<b>19,897</b>
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	-	-
Stewart Island/Rakiura	P-10674A	Stewart Island/Rakiura Millars Beach - Wharf Refurbishment	3.DYC-\$ spent	127,516	27,516	720
<b>Water Supply</b>				<b>4,132,823</b>	<b>5,577,204</b>	<b>3,977,204</b>
<b>Drinking Water</b>				<b>3,498,328</b>	<b>4,728,484</b>	<b>3,626,245</b>
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

Group>activity > sub activity	Project no.	Project Description	Project Status	2024/2025 Budget (LTP)	2024/2025 Revised Budget	2024/2025 Actuals
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	-
<b>Rural Water</b>				<b>634,495</b>	<b>848,720</b>	<b>350,959</b>
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
<b>Total</b>				<b>70,365,044</b>	<b>64,617,604</b>	<b>45,164,156</b>

## 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.

	2024/2025 Actuals (\$)	2024/2025 Budget (\$)
<b>Grants</b>		
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	-
<b>Scholarships</b>		
Bursaries	6,500	7,000
Debating Competition	-	800
Outward Bound	-	8,000
<b>Allocation Grants</b>		
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
<b>Total</b>	<b>1,620,480</b>	<b>1,873,996</b>

**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
<b>2024/2025 allocations</b>			
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
<b>Prior year grants committed</b>			
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
<b>Total</b>		<b>\$115,037</b>	



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## Draft Insurance Policy

Record No: R/25/9/48062  
Author: Joanie Nel, Senior accountant  
Approved by: Anne Robson, Group manager finance and assurance

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 The purpose of this report is to review and adopt Council's draft Insurance Policy (attachment A) as endorsed by the Finance and Assurance Committee.

### Executive Summary

- 2 The aim of the Insurance Policy is to guide Council staff in the insuring of Council's assets into the future. Councils purpose for having insurance is to mitigate its financial risk for any loss or damage of its assets or from particular events that may occur.
- 3 The Insurance Policy was originally adopted by Council in 2019. Generally, staff have found the policy to function well however given it has been six years since it was implemented it was due for review.
- 4 In undertaking the review staff have reflected on how it has been working, previous questions raised in relation to the policy and thought about how inflationary changes over the years may affect the monetary tables in the policy.
- 5 Overall, the key principal within the policy remains unchanged, being the insurance of all assets if possible, for replacement and to mitigate any potential risks that may result in significant financial loss.
- 6 The ability to still insure non-Council community assets remains in the policy. Council has previously commented that the preference would be for community entities to obtain their own insurance however for some entities closely related to Council, it has been easier to insure through us. It is added administration for Council staff and the higher excess of \$5000 is often a disadvantage, however we have left the option in the policy. This was discussed with the Finance & Assurance Committee (the Committee), some Councillors indicated that they supported the encouragement of groups to look at other insurance options given the excess and requested staff continue to advise these groups of options, utilising Councils Community Boards. Staff will look at this in the new year.
- 7 Changes have been incorporated for the following areas based on a previous workshop with the Finance and Assurance Committee and the review of the policy:
  - it is proposed to change the calculation of council vehicles older than one year from an independent valuation to using depreciated replacement cost. Councils broker does not believe this is unreasonable and reflects what we currently do
  - the policy has been changed to allow for the consideration of insurance cover for bridges as and when this is further explored
  - updates have been made to the roles and responsibilities to reflect the current staffing structure.

- 8 In considering changes to when the valuation of Council buildings would occur, councillors at the Finance and Assurance Committee sought more information. Due to the insurance for this current year being in place and Council elections occurring, it was agreed to undertake a separate workshop in the future with the new Council, where this could be explored further. Any changes after discussions at the workshop and subsequent meetings can then be incorporated into the insurance policy at that time.
- 9 Council is being asked to adopt the draft policy, which is included with the report as Attachment A, along with any amendments agreed at the meeting.

## Recommendation

That Council:

- a) **receives the report titled “Draft Insurance Policy”.**
- 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) agrees to continuing to include in the draft insurance policy the ability to insure existing non-council assets within its annual insurance renewal.
- e) adopts the draft Insurance Policy, as attached to this report, including any amendments agreed at this meeting.

## Background

- 10 This Insurance Policy was first approved by Council on 24 July 2019.
- 11 The aim of the Insurance Policy is to guide Council staff in the insuring of Council’s assets into the future.
- 12 No significant principal changes are proposed. The current policy’s key principal is to fully insure assets where possible for replacement and mitigate any potential risks that may result in significant financial loss. This is, of course, limited by what can be insured and exclusions within policies as well as the administrative cost of seeking cover when dealing with minimal amounts.
- 13 Overall, the approach is to limit the financial risk to Council from an event occurring.
- 14 Additionally, this policy attempts to capture decisions on the processes to be followed to insure these assets.
- 15 A copy of the draft policy is included in Attachment A.

## Summary of policy

- 16 Below is a summary of the key aspects of the Draft Insurance Policy (Attachment A).

### Underground assets

- 17 This Insurance Policy looks to insure key underground infrastructure, being water, wastewater and stormwater assets. These assets are insured at replacement/reinstatement value and the value is reviewed on an annual basis. Replacement/reinstatement value is established based on the annual asset revaluation provided for the preceding year's Annual Report and encompasses the costs associated with sealing the old pipes with concrete, which remain undisturbed. Consequently, there is no need to insure for demolition costs separately.
- 18 Given the significant value of Council's underground assets, these assets may be insured using non-traditional insurance policies, such as a cash accumulation mutual pool, whereby members make an annual contribution in return for cover for the cost of restoring infrastructure as a result of a disaster. There is a risk with this approach that the cover available by the mutual pool will not sufficiently cover the total claims, especially when more than one member is affected or there are multiple major events in an insurance year.
- 19 Please note, roads, footpaths and bridges are not currently insured. The insurance market currently does not provide coverage for roads and footpaths. We have been advised that coverage may be possible for bridges. This will be investigated and discussed with the Finance and Assurance Committee in the future, noting a focus on lifeline bridges.

### Material Damage

- 20 This policy provides coverage for aboveground infrastructure (water and wastewater treatment structures and plant), buildings (including specified non-Council owned buildings), airport runways, jetties/wharves, sea walls, boat ramps, public toilets, associated contents and other specified assets as noted on the property schedule.
- 21 These assets are insured at replacement/reinstatement value (including demolition costs where appropriate), which is reviewed on an annual basis. The review comprises of either updating the insured value or by undertaking an independent valuation. Where an insurance valuation does not occur, the policy requires a level of inflation to be applied to the prior year's insured value as well as reviewing the assets for any known changes (e.g.: additions, disposals, significant deterioration etc). Valuations for insurance purposes occur at an interval dependent on the value of the asset. Discussion around the timing of these asset valuations is discussed in more detail below.
- 22 Where a specific reason exists for an asset to be insured at less than replacement/reinstatement value (i.e. a specified value or indemnity value), Council approval is required. To date, this has been sought for some community halls and jetties. Staff are not proposing to change this but encourage Council to discuss further if it wishes to change this.
- 23 Allowance is also made for contract works and capital additions to any of our buildings anywhere in New Zealand during the year. This is capped at \$2million each.

### Business interruption

- 24 This policy provides coverage for loss/increased costs as a result of an interruption to the business as a result of damage to property insured by the material damage policy.

- 25 This risk is insured based on a specified value. The value is determined based on the potential loss of specified revenues being:
- all individual revenue streams over \$10,000 per annum plus inflation
  - all commercial rentals over \$10,000 per annum plus inflation
  - all residential revenues plus inflation.
- 26 The revenues will be calculated based on actual revenue streams plus inflation and the policy provides coverage for up to 18 months post event.

### **Motor Vehicle**

- 27 All Council owned vehicles covered under this policy are insured at market value, or replacement value for vehicles less than 12 months old. Previously the policy sought independent valuations for vehicles older than one year. It is proposed to change this to using depreciated replacement cost. In speaking to Councils insurance broker, this is not unreasonable. Insurers are made aware of how the values are attained during reinsurance by receiving detailed schedules of Councils assets.

### **Standing Timber/Forestry**

- 28 Council forestry is insured at market value. Market value is based on the annual revaluation provided for the preceding year's Annual Report, completed by a suitably qualified party. Insured events are fire and hail. Windstorm and earthquake cover are excluded. In the event of a windstorm, it is expected that harvesting will still occur.

### **Crime/Fidelity Guarantee, Employers Liability, Statutory Liability, Public Liability, Professional Indemnity**

- 29 These risks are all insured for a relevant specified value. The values are reviewed on an annual basis and amended as necessary.

### **Airport Owners and Operators Liability, Harbourmasters Liability and Wreck Removal**

- 30 These risks are insured based on a specified value. The value is to be reviewed on an annual basis and amended as necessary.

### **Personal Accident**

- 31 This policy provides coverage for executive management (24 hours a day, worldwide) and all other staff (24 hours a day whilst on Council business).
- 32 This risk is insured based on a specified value. The value and level of indemnity is to be reviewed on an annual basis and amended as necessary.

### **Travel**

- 33 This policy provides coverage for disruption to travel, accident, illness, injury or death of a staff member and accompanying family members whilst travelling outside of New Zealand on authorised Council business and associated private travel.
- 34 This risk is insured based on the anticipated number of relevant overseas travel days. With an adjustment at year end for actual days. The level of indemnity is reviewed on an annual basis and amended as considered necessary.

## Issues

Roads, footpaths and bridges

- 35 This policy excludes the insurance of roads and footpaths but has been amended for Council to consider the insurance of bridge assets in the future.
- 36 There is a limited insurance market for the insurance of bridges. The policy has been changed to allow for the consideration of cover for bridges. The assets covered and the values agreed will be determined at that time.
- 37 No insurance market exists for roads and footpaths. The reliance is on Government to assist through emergency provisions and increased NZTA funding for emergency events along with Council funding.

### **Valuation frequency for Council owned buildings**

- 38 Currently buildings are independently valued for insurance purposes. However, this is undertaken on a cycle as indicated below. In the intermediary years, the last valuation is updated for inflation.

Valuation frequency for insurance purposes	Criteria	2019	2025
5 yearly	< \$1.0 million	145 buildings	123 buildings
3 yearly	\$1.0 million - \$2.0 million	26 buildings	22 buildings
Annually	> \$2.0 million	12 buildings	26 buildings

- 39 All other assets insured under the material damage policy are subject to an insurance valuation every five years. This includes jetties/wharves, boat ramps, seawalls, band rotundas, viewing platforms, generators, runway etc.
- 40 In reviewing the current policy, we have been advised that although we insure for replacement, this is limited to the total sum insured we advise the insurers as part of the information provided to them which is based. Therefore, Council needs to consider if it wishes to revisit when buildings and other assets under the material damage policy are valued.
- 41 Staff are currently confirming but have been advised that the valuations we obtain is generally valid for two years as it includes an inflationary component. However, if building costs exceeds the inflationary allowance, then it would only be relevant for one year.
- 42 Valuations are a mixture of desktop and onsite each costing around \$200 to \$400. In total we have around 222 assets insured. So, the maximum amount payable would be around \$55,500 if they were all to be valued on an average cost of \$250.
- 43 In considering changes to when the valuation of Council buildings would occur, councillors at the Finance and Assurance meeting sought more information. Due to the insurance for this current year being in place and Council elections occurring, it was agreed to undertake a separate workshop in the future with the new Council, where this could be explored further.

#### Insuring non-Council owned assets

- 44 For some time, Council has insured approximately 34 non-Council owned assets, predominately sports clubs and halls. This was initially done to assist the communities, as Council was able to obtain more competitive premiums given the volume of assets that we insure. However, community groups now have policies with a \$5,000 excess which potentially is not suitable to the nature of their activities and risks. It also exposes Council to a level of additional risk that we have no control over, i.e. if there are frequent claims for non-Council owned assets, this will increase our claims history and potentially future premiums. To date claims have been minimal.
- 45 Staff wish to take this opportunity to seek confirmation from Council that they agree to continue to insure the existing non-Council owned assets. The policy has been drafted to continue to do this. Please note, the premium on such assets is invoiced to the relevant community group.

#### Factors to Consider

##### Legal and Statutory Requirements

- 46 Section 101 of the Local Government Act requires Council to manages its finances prudently and provide for current and future interests of the community.

##### Community Views

- 47 Council staff have not specifically sought community views; however, staff believe that the public will be in support of the intent of the policy ensuring Council has appropriate insurance in place to mitigate its risk.

##### Costs and Funding

- 48 There is no specific cost with the establishment of this policy, however, the final policy will affect Council's approach to insurance and may result in additional premiums and/or insurance valuation costs.

##### Policy/Risk Implications

- 49 Council staff have considered this draft policy in conjunction with other Council policies as outlined in section 10 of the draft Insurance Policy.
- 50 The main risk associated with this policy is that Council's level of insurance may not be sufficient to cover the full amount of any loss/damage. For this reason, Council holds a specified disaster recovery reserve (approximately \$1.4 million) as well as the ability to access government funding in the event of a natural disaster.

#### Analysis

##### Options Considered

- 51 Two reasonably practicable options have been identified regarding how Council could proceed. These are:
- option 1: that Council adopts the draft Insurance Policy, including any amendments agreed at this meeting
  - option 2: that Council recommends major changes to the draft insurance policy and this is brought back to Council at a future date.

## Analysis of Options

Option 1 – That Council adopts the draft Insurance Policy, including any amendments agreed at this meeting

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>the draft policy considers the various Council assets and risks and approach to insurance. It is good practice in the local government sector to have Council's approaches documented in a policy</li><li>provides Council staff with guidance on its approach to insuring its assets and business risks.</li></ul>	<ul style="list-style-type: none"><li>none identified.</li></ul>

Option 2 – That Council recommends major changes to the draft Insurance Policy and this is brought back Council at a future date

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>if the staff approach to the proposed draft policy is incorrect it can be rectified by revisiting the policy.</li></ul>	<ul style="list-style-type: none"><li>none identified.</li></ul>

## Assessment of Significance

- 52 This policy is not considered significant in terms of Council's Significance and Engagement policy. As a consequence, community feedback is not being sought on this policy.
- 53 However, although consultation is not being undertaken, Council is still required to consider the views and preferences of people likely to be affected by or have an interest in the matter, as required by Local Government Act 2002 section 78(1).
- 54 As noted above Council staff believe that the public will be in support of the intent of the policy ensuring Council has appropriate insurance in place to mitigate its risk.

## Recommended Option

- 55 It is recommended that Council adopts the draft Insurance Policy, including any amendments agreed at this meeting (Option 1).

## Next Steps

- 56 If Council proceed with Option 1, staff will finalise the policy incorporating any changes from this meeting.
- 57 A workshop will be set up in the new year to work through the insurance policy with the new Council and discuss further the issues raised at the Finance & Assurance meeting.

## Attachments

- A Draft Insurance Policy [↓](#)



## Draft Insurance Policy

Group responsible: Financial services

Date approved: 24 July 2019

File no: R/19/3/4902

### 1. Purpose

Council's approach to insurance is to insure all assets if possible, for replacement and mitigate any potential risks that may result in significant financial loss.

Accordingly, the purpose of this policy is to:

- set guidelines for Council staff to insure Council's assets and business risks
- mitigate Council's exposure to the effects of business risks
- mitigate Council's exposure to potential loss
- outline Council's approach to insurance.

### 2. Definitions and abbreviations

Term	Meaning
Contents	these are personal possessions, for example, things like furniture, computers, equipment, business tools, carpets, curtains etc.
Council	Southland District Council
Excess	the amount of a claim that you have to pay yourself. For example, a standard excess might be \$1,000. So you would pay the first \$1,000 of any claim on that policy, and your insurer pays the rest.
Indemnity value	this is an <b>item's</b> current value allowing for its age and condition, immediately before the loss or damage happened.
Insurance broker	a person or company registered as an adviser on matters of insurance and as an arranger of insurance cover with an insurer on behalf of a client.
Insurance premium	this is the amount you pay the insurer to have your property or personal effects insured. Depending on the type of cover you have, your premium can also include Earthquake Commission and Fire Service levies. When you pay your premium, you accept the policy offered by the insurance company.
Market value	the cost of replacing the same asset in the same condition in the current market.



Term	Meaning
Policy	a policy is a contract between you and your insurance company, setting out the terms, conditions and exclusions of your insurance cover.
Policy schedule	this sets out the individual details of your insurance including the items being insured, your details, and excesses, the premiums due and any exceptions or special terms.
Reinstatement value	the cost of replacing or reinstating on the same site, property of the same kind or type but not superior to or more extensive than the insured property when new.
Replacement value	the actual cost to replace an item or structure at its pre-loss condition.
Total loss	when damage to an asset is so severe that it becomes uneconomical to repair. For a building, this means it needs to be demolished and rebuilt.

### 3. Scope

This policy applies to Council's assets and business risks, including Stewart Island Electrical Supply Authority. In some instances, Council's policies also provide coverage for other Council related entities (specifically non-Council owned hall committees).

- Assets include:
  - underground infrastructure
  - above ground infrastructure (excluding roads, footpaths and bridges)
  - runways
  - public toilets
  - buildings
  - contents, plant and equipment (including SIESA)
  - jetties, wharves, sea walls and boat ramps
  - motor vehicles
  - standing timber/forestry
- Business risks include:
  - business interruption
  - crime/fidelity
  - employers liability
  - statutory liability
  - public liability/professional indemnity
- Harbour master's liability include:
  - airport owners and operators liability
  - personal accident
  - travel
  - cyber
  - other business risks as identified



#### 4. Insurance policy renewal

Council's insurance policies are renewed on an annual basis, typically the 30 June each year.

#### 5. Specified values

A number of Council's policies are insured based on a specified value. The specified value is determined after undertaking discussions with relevant Council staff and giving consideration to the relevant risk and the outcome of recent insurance events.

Guidance on specified values is obtained from Council's insurance broker based on their knowledge and expertise of the insurance market, local government and Council's operations and risks.

Specified values are approved by the Finance and Audit Committee at the time of the annual renewal.

#### 6. Policy details

##### 6.1 Infrastructure assets

Infrastructure assets insured under this policy:

- underground assets
  - water
  - wastewater
  - stormwater
- aboveground assets (included in the material damage policy)
  - water
  - wastewater

All Council owned infrastructure assets covered under this policy should be insured at replacement/reinstatement value. This value should be reviewed on an annual basis. Replacement/reinstatement value is established for water, wastewater and stormwater assets based on the annual revaluation provided for the preceding year's Annual Report.

Where relevant, demolition coverage is included for all above ground infrastructure assets.

Given the significant value of Council's underground assets and the limited market options for insurance these assets may be insured using non-traditional insurance policies, such as a cash accumulation mutual pool, whereby participants make an annual contribution in return for cover for the cost of restoring infrastructure as a result of a disaster. The contribution is set to cover the risk, administration costs, re-insurance premiums and a component for building the self-insurance fund. Claims are met from the investments in the fund and the reinsurance that it has in place.

Roads, footpaths and bridges:

Roads and footpaths are not insured.



Council will consider the insurance of bridges, if a market opportunity is available. The assets covered and the values agreed will be determined at that time.

## 6.2 Property, plant and equipment (material damage coverage)

Property, plant and equipment assets insured under this policy include, but are not limited to:

- residential buildings
- non-residential buildings (including specified non-Council owned buildings)
- airport buildings
- runways
- jetties, wharves, boat ramps
- public toilets
- playgrounds
- water and wastewater treatment structures and plant
- associated contents
- other specified assets as noted on the property schedule.

All Council owned property, plant and equipment covered under this policy is insured at replacement/reinstatement value. This value is reviewed on an annual basis.

Demolition coverage is included in the total sum insured where appropriate.

Where a specific reason exists for a building to be insured at less than replacement/reinstatement value (ie a specified value or indemnity value), this must be approved by the Finance and Audit Committee at the time of the annual renewal.

Replacement/reinstatement value is determined at the frequency outlined below:

- Buildings – revalued for insurance purposes as follows:
  - under \$1 million – 5 yearly
  - \$1 million - \$2 million – 3 yearly
  - over \$2 million – annually
- Water, wastewater and stormwater assets – revalued annually, based on the annual revaluation in the preceding year's Annual Report
- Other assets – revalued for insurance purposes every 5 years

In the years where an insurance valuation does not occur, Council staff will apply inflation to the prior year's insured value and review the assets for any know changes in value (additions, disposals, significant deterioration etc).

Inflation will be determined based on BERL cost indices for capital expenditure for the relevant year, or an equivalent publicly available inflation index.



### 6.3 Motor vehicles

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Motor vehicle assets insured under this policy:

- vehicles
- trailers
- book bus
- rubbish trucks.

All Council owned motor vehicles covered under this policy will be insured at market value (or cost price for vehicles less than 12 months old). Market value is established from the depreciated cost of the vehicles at the 30 June prior to renewal. Adjustments to this will be made for any extensive customisation of the vehicle.

### 6.4 Forestry

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Forestry assets insured under this policy:

- standing timber

All Council owned assets covered under this policy will be insured at market value.

Market value is based on the annual revaluation in the preceding year's Annual Report, completed by a suitably qualified party. Adjustments to this will be made for any extensive harvesting/planting that has subsequently occurred.

Insured events are fire and hail. Windstorm and earthquake/volcanic eruption events are excluded.

### 6.5 Public indemnity, public liability and environmental impairment liability

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Types of liability insured under this policy:

- public liability - indemnity for legal liability in connection with the business arising from occurrences resulting in personal injury or property damage
- professional indemnity - indemnity for legal liability in respect of any negligent act, error or omission, including defense costs and expenses
- environmental impairment liability - indemnity for legal liability in connection with the business arising from pollution, including clean-up, bodily injury and/or property damage.

These risks are insured for specified values. The specified values are to be reviewed on an annual basis and amended as considered necessary.

### 6.6 Business interruption

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Types of liability insured under this policy:

Business risk is a loss consequent upon interruption to the business as a result of damage to property



insured by the material damage policy, resulting in losses or increased costs.

Business risk is insured based on a specified value. The specified value is determined based on specified revenues being:

- all individual revenue streams over \$10,000 per annum plus inflation
- all commercial rentals over \$10,000 per annum plus inflation
- all residential revenues over \$20,000 per annum plus inflation.

Inflation will be determined based on BERL local government cost index for the relevant year, or equivalent publicly available inflation index.

The indemnity period is 18 months (meaning revenues will be covered for up to 18 months in the event of a claim). The values are to be reviewed by the Finance team on an annual basis and amended as considered necessary.

## 6.7 Airport owners and operators liability

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Types of liability insured under this policy:

Loss arising from the business of Airport Owner or Operator where Council is legally obligated to pay damages for bodily injury of any person (non-employees) and/or for loss or damage to property of others.

Airport owners and operators liability risk is insured based on a specified value. The value is to be reviewed on an annual basis and amended as considered necessary.

## 6.8 Employers liability

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Types of liability insured under this policy:

Loss arising from legal liability to pay damages as a result of an employee sustaining personal injury in the course of their employment, and to pay the costs and expenses in the investigation, defence or settlement of claims, where such injury is not covered by Accident Insurance legislation.

This risk is insured based on a specified value. The value is to be reviewed on an annual basis and amended as considered necessary.

## 6.9 Statutory liability

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Types of liability insured under this policy:

Costs of defense and penalties as a result of an alleged breach of any act of Parliament other than specifically excluded Acts. This policy coverage excludes fines imposed under the Health and Safety in Employment Act.

This risk is insured based on a specified value. The value is to be reviewed on an annual basis and amended as considered necessary.



## 6.10 Personal accident

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Types of liability insured under this policy:

Provides financial assistance in the event a member of staff suffers death, disablement or significant injury. Executive management are covered 24 hours a day, worldwide. All other staff are covered 24 hours a day whilst on Council business.

This risk is insured based on a specified value. The value and level of indemnity is to be reviewed on an annual basis and amended as considered necessary.

## 6.11 Travel

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Types of liability insured under this policy:

Disruption to travel, accident, illness, injury or death of a staff member and accompanying family members whilst travelling outside of New Zealand on authorised Council business and associated private travel.

This risk is insured based on the anticipated number of days of business and associated private overseas travel. The level of indemnity is to be reviewed on an annual basis and amended as considered necessary. The policy is revised retrospectively at the end of the term to adjust to the actual days travelled.

## 6.12 Crime/ fidelity guarantee

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Types of liability insured under this policy:

Loss of money or goods, belonging to Council as a result of an act of dishonesty by an employee or elected member. It includes fraud, third party crime and electronic/computer crime.

This risk is insured based on a specified value. The value is to be reviewed on an annual basis and amended as considered necessary.

## 6.13 Harbour masters liability and wreck removal costs

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Types of liability insured under this policy:

Loss arising from the business of Harbour mastering and wreck removal where Council is legally obligated to pay damages for bodily injury of any person (non-employees) and/or for loss or damage to property of others.

This risk is insured based on a specified value. The value is to be reviewed on an annual basis and amended as considered necessary.



## 6.14 Cyber

Types of liability insured under this policy:

Loss arising from cyber attacks such as computer hacking, ransomware, data theft and other cyber events.

This risk is insured based on a specified value. The value is to be reviewed on an annual basis and amended as considered necessary.

## 7. Other risks

As part of the annual insurance review process, Council staff will identify any other potential risks to Council that could be mitigated by insurance. These will be brought to the Finance and Audit Committee in a report for consideration and further action (as required).

## 8. Insurance broker

Council may engage an insurance broker to provide independent expert guidance and advice and facilitate the placement of the various policies with insurance companies.

## 9. Role and responsibilities

Party/ parties	Roles and responsibilities
General Manager Finance and Assurance	<p>The GM Finance &amp; Assurance is responsible for:</p> <ul style="list-style-type: none"> <li>developing and maintaining the governance and strategy aspects of this policy</li> <li>overall ownership of this policy.</li> <li></li> </ul>
Financial Controller	<p>The Financial Controller has delegated authority to:</p> <ul style="list-style-type: none"> <li>approve the placement of <b>Council's</b> insurance policies, including signing the relevant renewal documentation</li> <li>approve payment of <b>Council's</b> insurance premiums within the set financial delegations</li> <li>approve/authorise modification of any Council insurance policies during the policy period</li> <li>approve write-off of any insurance related debts.</li> </ul>
Financial Accountant	<p>The Financial Accountant is responsible for:</p> <ul style="list-style-type: none"> <li>developing, maintaining and implementing this policy</li> <li>overall administration of this policy</li> <li>oversight and review of the insurance broker and insurance process.</li> </ul>



Party/ parties	Roles and responsibilities
Activity manager	<p>The activity manager is responsible for:</p> <ul style="list-style-type: none"> <li>annual review of the assets to be insured and the associated values.</li> <li>ensuring independent revaluations for insurance occur in accordance with this policy.</li> </ul> <p>The activity manager has delegated authority to:</p> <ul style="list-style-type: none"> <li>submit an insurance claim.</li> </ul>
Senior Accountant	<p>The Senior Accountant is responsible for:</p> <ul style="list-style-type: none"> <li>application of this policy.</li> <li>compilation of information to support the annual insurance renewal.</li> <li>oversight of insurance arrangements to ensure they are in compliance with this policy.</li> <li>maintenance of the various asset registers for insurance purposes and associated records.</li> <li>liaising with <b>Council's</b> insurance broker.</li> <li>ensuring <b>Council's</b> insurance records are accurate and up to date.</li> <li>providing reports on insurance as required.</li> <li>keeping the finance manager advised of any significant issues with insurance.</li> <li>communicating established insurance policies and procedures.</li> <li>following up with claimants, activity managers and the insurance broker.</li> <li>submitting an insurance claim.</li> <li>allocation of insurance premiums.</li> <li>on-charging of insurance premiums to external parties.</li> </ul>

## 10. Associated documents

Risk management framework

Risk management policy

Corporate risk register

Delegations manual

Financial strategy

## Proposed changes to the Riskpool Trust deed

Record no: R/25/10/48533  
Author: Anne Robson, Group manager finance and assurance  
Approved by: Cameron McIntosh, Chief executive

☒ Decision ☐ Recommendation ☐ Information

### Purpose

- 1 To seek approval from Council to the proposed amendments to the Riskpool Trust Deed, as requested by the Local Government Mutual Funds Trustee Ltd (LGMFT), the trustee for the New Zealand Mutual Liability Riskpool Scheme (Riskpool).

### Executive summary

- 2 Riskpool was established in 1997 by local authorities and Civic Assurance (now Civic Financial Services Ltd) to provide collective risk protection for local government entities across New Zealand. It was formed in response to an unreliable and expensive commercial insurance market, particularly after the withdrawal of key insurers from the local government liability cover market.
- 3 Structured as a not-for-profit mutual fund with a Board of Trustees (the Board) acting in the best interests of members, Riskpool successfully operated for 20 years. Since 2017, the Scheme has been in a managed wind-down phase. The Board's focus is now primarily on resolving legacy claims, pursuing recoveries from reinsurers, and ensuring sound trust governance.
- 4 As part of Riskpools ongoing governance review, it has been identified that the Riskpool Trust Deed lacks clear provisions for indemnifying the Board. This exposes the board members to personal liability for the decisions they make despite acting in good faith in a complex, high-value scheme. This is not consistent with standard practice in the governance of comparable entities. Additionally, other proposed amendments to the deed include confirming that surplus funds may be distributed to members and update technical provisions to reflect Riskpool's current structure.
- 5 To ensure Riskpool can continue to attract and retain capable Board members, to protect those serving in this capacity, and to update the additional provisions outlined in this report, Riskpool are asking Council to approve the proposed amendments to the Trust Deed. For the changes to take effect, they must be approved by 90% of Riskpool members.
- 6 It is important to note that the proposed amendments do not alter Council's financial contributions or create new obligations. The practical effect of the amendments will be to reduce governance risk, ensure compliance with best practice, and provide the Board with adequate protections and safeguards when acting in the best interests of Council and other Members, in resolving legacy claims and winding down the Scheme.
- 7 Riskpool, would like to hear back from all members, so although they indicated a response by 30 September, they are working with a number of Councils whose meetings are still in October.
- 8 A copy of the request letter, draft deed of amendment and the proposed mark-up of the trust deed are attached to this report.

## Recommendation

That the Council:

- a) **receives the report titled “Proposed changes to the Riskpool Trust deed”.**
- 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 the purpose and effect of the proposed amendments as outlined in this report and the attached papers;
- e) Approves the request to the amendments to the Riskpool Trust Deed, as set out in the attached letter dated 21 August 2025; and
- f) Authorises the Chief Executive to sign and return the attached consent form on behalf of Council.

## Background

- 9 Riskpool was established in 1997 by local authorities and Civic Assurance (now Civic Financial Services Ltd) to provide collective risk protection for local government entities across New Zealand. It was formed in response to an unreliable and expensive commercial insurance market, particularly following the withdrawal of key insurers from local government liability cover.
- 10 Structured as a not-for-profit mutual fund with a Board of Trustees (the Board) acting in the best interests of members, Riskpool successfully operated for 20 years, returning \$178.7 million in claims to its members in comparison to \$147.5 million in contributions. Southland District Council was a member of the Riskpool Scheme in that period.
- 11 Since 2017, the Scheme has been in a managed wind-down phase. The Board’s focus is now primarily on resolving legacy claims, pursuing recoveries from reinsurers, and ensuring sound trust governance.
- 12 Although the Riskpool Scheme is in a managed wind down phase, the Board is currently managing a number of significant workstreams relating to Riskpool including:

### Domestic Litigation

- 13 Several legacy claims remain outstanding against the Scheme. In 2023, the Supreme Court in *Local Government Mutual Funds Trustee Ltd v Napier City Council [2023] NZSC 97* confirmed that claims against the Scheme involving both weathertight and non-weathertight defects (mixed claims) could be divided, with cover available for non-weathertight defects. This ruling had wide-ranging consequences and led to a series of other mixed defect claims proceeding against the Scheme.

- 14 Two of these claims are currently scheduled for trial. The central issue being whether the claims were validly notified under the Scheme. These proceedings are important in clarifying Riskpool's historic obligations and the interpretation of Scheme terms. The Board is working closely with its legal advisers to prepare for trial and is keeping reinsurers updated with developments.

#### Reinsurance recoveries

- 15 Reinsurance remains Riskpool's primary source of funds for accepted claims. However, the process of ensuring reinsurers meet their obligations is complex, involving multi-layered "towers" of reinsurance for each fund year. The relevant reinsurance contracts are governed by English law and subject to the jurisdiction of the London commercial courts.
- 16 The Board is actively engaged with London brokers, English counsel, and New Zealand advisers to pursue recovery. Litigation in London remains a possibility. Ensuring that reinsurers meet their indemnity obligations is essential to reduce the scale of any further calls on member Councils and safeguard the wider local government sector.

#### Changes to the Trust Deed

- 17 In summary, the proposed changes to the trust deed are:
- i. Clarify the duties owed under clause 6 of the Trust Deed. The amendments make clear that these duties are owed by LGMFT, rather than by the Board. It appears that has always been the intention of the drafting given that the Board is not a party to the Trust Deed. The Board will remain mindful of them and continue to seek to cause LGMFT to give effect to them.
  - ii. Clarify that the Trustee can distribute surplus funds to members. This is implicit at present but as the Scheme pursues reinsurance recoveries it is appropriate to put the point beyond any doubt. See clauses 6.13 and 6.14 of the Amended Riskpool Trust Deed.
  - iii. Clarify that the role of the Scheme Manager under clause 9 of the Trust Deed passed to Civic Financial Service Limited, formerly known as New Zealand Local Government Insurance Corporation Limited (LGIC).
  - iv. Properly provide for indemnification and limitation of liability of LGMFT, as trustee, and the Board. The Trust Deed, as currently drafted, provides insufficient protections to LGMFT and the Board when compared to the position at common law and in typical commercial trust arrangements. The Board considers that this is an oversight which, in the interests of the Scheme and Members, should be addressed. See clause 13 of the Amended Riskpool Trust Deed.
  - v. Ensure consistent use of defined terms and correct other minor drafting issues.

#### Issues

- 18 The Riskpool Trust Deed dates from 1997, with further amendments having been made in 2007.
- 19 As part of its ongoing governance review, the Board commissioned Webb Henderson to conduct a 'hygiene check' of the Scheme and its governing documents. That review identified a number of deficiencies in the current Trust Deed which require correction to bring the governance framework into line with best practice.

- 20 To ensure Riskpool can continue to attract and retain capable Board members, to protect those serving in this capacity, and update the provisions outlined above, it is recommended that elected members approve the proposed amendments to the Trust Deed.
- 21 Clarify other roles and responsibilities as noted above and in the documentation provided.

#### Factors to consider

##### Legal and statutory requirements

- 22 Section 14(1)(g), requires Council in performing its role to ensure prudent stewardship and effective and efficient use of resources. Riskpool are advising that in making the changes they are looking to ensure that they have the best people available to guide the business to minimise cost and maximise re-insurer returns.
- 23 In accordance with clause 17.1 of the Riskpool Trust Deed, the proposed amendments are conditional on not less than 90% of Members consenting in writing to the changes. There are 75 Member Councils in the relevant period, each with a casting vote.

##### Community views

- 24 No Community views have been sought on this matter, however it is fair to expect that the community would want Council to consider the request and act in its best interests.

##### Costs and funding

- 25 The proposed amendments do not alter Councils financial contributions or create new obligations. The practical effect of the amendments will be to reduce governance risk, ensure compliance with best practice, and provide the Board with adequate protections and safeguards when acting in the best interests of Council and other Members, in resolving legacy claims and winding down the Scheme.

##### Policy implications

- 26 There are no direct policy implications

##### Analysis

##### Options considered

- 27 Council is being asked to approve the amendments to the Trust Deed as noted above and outlined in the attachments. Council can choose to either agree or not.
- 28 Even if Council does agree, it is still subject to 90% of members agreeing

## Analysis of Options

Option 1 – Agrees to the amendments to the Riskpool Trust Deed, as set out in the attached letter dated 21 August 2025

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• Riskpool have noted this will ensure candidates will not be put off applying to be board members because of any personal risk they may have with the current trust deed.</li><li>• Subject to getting the right board members applying, the best board can be established to ensure the best response for members by limiting future calls.</li><li>• The deed has been reviewed by Riskpool lawyers and is according to that review in line with best practice if it makes the changes proposed</li><li>• No changes to Councils liability for its share of claims</li></ul>	<ul style="list-style-type: none"><li>• If Council wanted separate legal advice, this has not been sought.</li></ul>

Option 2 – Does not agree to the amendments to the Riskpool Trust Deed, as set out in the attached letter dated 21 August 2025

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"><li>• If Council does not agree with the proposed changes then this can be advised to Riskpool</li><li>• If Council requires a separate legal opinion, it could get it</li><li>• No changes to Councils liability for claims</li></ul>	<ul style="list-style-type: none"><li>• Riskpool have indicated that the pool of board members may reduce due to the risk and as such the best decisions for members may not occur.</li></ul>

## Assessment of significance

- 29 This is not deemed significant in terms of Councils Significance and Engagement policy.

## Recommended option

- 30 Agrees to the amendments to the Riskpool Trust Deed, as set out in the attached letter dated 21 August 2025

#### Next steps

- 31 If the Council agrees with the recommendations, the CEO will sign the form and staff will return it to Riskpool.
- 32 If the Council does not agree, this will be advised to Riskpool along with any other comments of Council.

#### Attachments

- A Riskpool letter requesting approval for Trust Deed Changes [↓](#)
- B Riskpool draft deed of amendment and reinstatement [↓](#)
- C Amended Riskpool Trust Deed - proposed amendments in mark-up [↓](#)



21 August 2025

Cameron McIntosh  
Southland District Council  
P O Box 903  
INVERCARGILL 9840

cameron.mcintosh@southlanddc.govt.nz

Dear Cameron

**RISKPOOL: UPDATE TO TRUST DEED**

As indicated in our letters of 26 May and 24 July, we write in relation to proposed amendments to the trust deed governing the Riskpool Scheme (**Trust Deed**).

The Trust Deed dates from 1997, with further amendments having been made in 2007. As part of its ongoing governance review, the Board of Local Government Mutual Funds Trustee Limited (**LGMFT**) engaged Webb Henderson, legal and regulatory advisors, to conduct a 'hygiene check' of the Scheme and its governing documents. That review identified a number of deficiencies in the current Trust Deed which require correction to bring the governance framework into line with best practice.

Accompanying this letter are drafts of:

- the proposed deed of amendment and restatement of the existing Trust Deed (**Deed of Amendment and Restatement**); and
- a copy of the Trust Deed marked up to show the changes which would be affected by the Deed of Amendment and Restatement (**Amended Deed**).

In summary, the proposed changes:

- Clarify the duties owed under clause 6 of the Trust Deed. The amendments make clear that these duties are owed by LGMFT, rather than by the Board. It appears that has always been the intention of the drafting given that the Board is not a party to the Trust Deed. The Board would of course still be mindful of them and will continue to seek to cause LGMFT to give effect to them.
- Clarify that the Trustee can distribute surplus funds to Members. This is implicit at present but as the Scheme pursues reinsurance recoveries it is appropriate to put the point beyond any doubt. See clauses 6.13 and 6.14 of the Amended Deed.

- Clarify that the role of the Scheme Manager under clause 9 of the Trust Deed passed to Civic Financial Services Limited, formerly known as New Zealand Local Government Insurance Corporation Limited (LGIC).
- Properly provide for indemnification and limitation of liability of LGMFT, as trustee, and the Board. The Trust Deed, as currently drafted, provides insufficient protections to LGMFT and the Board when compared to the position at common law and in typical commercial trust arrangements. The Board considers that this is an oversight which, in the interests of the Scheme and Members, should be addressed. See clause 13 of the Amended Deed.
- Ensure consistent use of defined terms and correct other minor drafting issues.

**Consent procedure**

In accordance with clause 17.1 of the Trust Deed, the amendment and restatement of the Deed of Trust is conditional on not less than 90% of Members consenting in writing to the changes. We encourage all members to engage with the process of amendment and will be happy to arrange one-on-one sessions and virtual briefings with members to explain the proposed amendments.

If the amendments proposed by the Deed of Amendment and Restatement are acceptable to you, please sign the attached consent and return it to us at your earliest convenience, and no later than **30 September 2025**.

If you have any questions or would like to discuss any of the matters outlined above, please don't hesitate to contact me at: [stephen.ferson@riskpool.org.nz](mailto:stephen.ferson@riskpool.org.nz)

Ngā mihi



**Stephen Ferson**  
General Counsel  
Local Government Mutual Funds Trustee Ltd (Riskpool)

**CONSENT TO TRUST DEED AMENDMENTS**

**Southland District Council**, a local authority within the meaning of the Local Government Act 2002, in its capacity as a Member of the Scheme (and having received such advice, if any, as it has considered appropriate in the circumstances), hereby irrevocably consents to the amendments to the deed of trust dated 1 July 1997 and as varied pursuant to a Deed of Variation of Deed of Trust dated 22 July 2007 between Civic Financial Services Limited (previously named New Zealand Local Government Insurance Corporation Limited) and Local Government Mutual Funds Trustee Company Limited (**Trust Deed**) as proposed in the draft Deed of Amendment and Restatement of Trust Deed relating to the New Zealand Mutual Liability Riskpool circulated under cover of the letter from Stephen Ferson, General Counsel of Riskpool, dated 21 August 2025.

The terms "Member" and "Scheme" shall have the same meaning in this Consent as in the Trust Deed.

**Dated:**

**SIGNED** for and on behalf of  
**Southland District Council** by:

---

Authorised Signatory

## Deed of Amendment and Restatement

DEED dated 2025

### Parties

1. **Civic Financial Services Limited** (formerly known as New Zealand Local Government Insurance Corporation Limited) (**Civic**)
2. **Local Government Mutual Funds Trustee Limited (LGMFT)**

### Background

- A. On 1 July 1997, the parties entered into a Deed of Trust (as varied by Deed of Variation dated 22 June 2007) (**Deed of Trust**).
- B. The parties now wish to amend and restate the Deed of Trust, on the terms set out in this deed.
- C. The amendments to the Deed of Trust are in the interests of Members, and (in accordance with, and for the purposes of clause 17.1 of the Deed of Trust) the consent of Members will be sought in respect of them.

The parties agree as follows:

### 1. Interpretation

#### 1.1 In this Deed:

- (a) **Effective Date** means the date on which the consent (pursuant to clause 17.1 of the Deed of Trust) of the requisite number of Members is received in writing, in accordance with clause 2 of this deed;
- (b) **Deed of Trust** has the meaning given to it in the Background;
- (c) **Revised Deed** means the deed set out in the Appendix of this deed;
- (d) capitalised terms that are not defined in this deed have the meaning given to them in the Revised Deed; and
- (e) headings are to be ignored in construing this deed.

### 2. Condition

In accordance with clause 17.1 of the Deed of Trust, the amendment and restatement of the Deed of Trust pursuant to this deed is conditional on not less than 90% of Members consenting in writing to the changes shown as marked up in the version of the Revised Deed attached as the Appendix to this deed.

### 3. Amendment

#### 3.1 Amendment and restatement

Subject to clause 2, with effect on and from the Effective Date, the Deed of Trust is amended and restated in the form of the deed set out in the Appendix. Except to the extent amended by this deed, the Deed of Trust continues in full force and effect.

#### 3.2 Confirmation

- (a) Each party acknowledges and confirms that on and from the Effective Date, the parties shall have the benefit of the Revised Deed in accordance with its terms and are bound by the terms of the Revised Deed and have the obligations set out in it.
- (b) The parties:
  - (i) acknowledge that, in the period prior to the Effective Date, the references in clause 6 of the Deed of Trust to duties, responsibilities, discretions, and powers of the "Board" were intended by the parties to mean (and have been understood and applied as being) duties, responsibilities, discretions, and powers of the Trustee Company, acting by and through the instrumentality of the Board; and
  - (ii) agree and confirm that, as a result, the amendments to that clause 6 as set out in the Revised Deed are consistent with that intent and understanding.

### 4. General

#### 4.1 Further assurance

Each party shall take all steps, execute all documents and do or procure all other acts and things reasonably required to give effect to this deed according to its true intent.

#### 4.2 Entire agreement

This deed records the entire agreement between the parties concerning the amendment and restatement of the Deed of Trust.

#### 4.3 Counterparts

This deed may be executed in any number of counterparts (including electronically scanned copies) all of which, when taken together, will constitute one and the same instrument. A party may enter into this deed by executing any counterpart.

#### 4.4 Deed binding and delivered

For the purposes of Section 9 of the Property Law Act 2007, this deed:

- (a) is intended to be immediately and unconditionally binding upon each party to be bound by it when that party executes this deed; and
- (b) without limiting any other mode of delivery, will be delivered by each of the parties immediately on execution and exchange of this deed in accordance with clause 4.3.

**4.5 Governing Law**

This deed is governed by the laws of New Zealand and each party irrevocably and unconditionally:

- (a) submits to the non-exclusive jurisdiction of the courts of New Zealand; and
- (b) waives any right to object to any proceedings being brought in, or transferred to, those courts.

Executed as a Deed

Signed for **LOCAL GOVERNMENT MUTUAL FUNDS TRUSTEE LIMITED** by:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

\_\_\_\_\_  
Name of director

Signed for **CIVIC FINANCIAL SERVICES LIMITED** by:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Name of director

\_\_\_\_\_  
Name of director

DATED

1997

**NEW ZEALAND LOCAL GOVERNMENT INSURANCE CORPORATION  
LIMITED**

("LGIC")

AND

**LOCAL GOVERNMENT MUTUAL FUNDS TRUSTEE COMPANY LIMITED**

("Trustee Company")

## **DEED OF TRUST**

**THIS DEED OF TRUST** made the 1<sup>st</sup> day of July 1997

## **PARTIES**

**CIVIC FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS NEW ZEALAND LOCAL GOVERNMENT INSURANCE CORPORATION LIMITED-# Wellington)** ("LGIC")

**LOCAL GOVERNMENT MUTUAL FUNDS TRUSTEE COMPANY LIMITED**  
("Trustee Company")

## **BACKGROUND**

- A. LGIC is a Local Authority Trading Enterprise as that term is defined in the Local Government Act 1974.
- B. Trustee Company is a company incorporated under the Companies Act 1993 and is a wholly owned subsidiary of LGIC.
- C. LGIC, in consultation with Jardine, has agreed to establish a Trust pursuant to this deed to provide the Fund and the Scheme (to be known as the New Zealand Mutual Liability Riskpool) for the benefit of the Members of the Scheme and to manage all Claims for Civil Liabilities against the Members of the Scheme which may arise in connection with the exercise by the Members of any of their powers, duties or functions.
- D. The purpose for establishing this Trust in consultation with Members is to benefit residents and ratepayers of New Zealand and in particular that purpose is to be achieved by enabling Members to be recompensed from the Fund in respect of liabilities thus reducing the need for insurance cover and reducing Members' annual expenses. In addition the Scheme Manager will work with Members to ensure that proper systems are developed to promote the efficient and safe fulfilment of each Member's functions thus providing a benefit to the community as a whole.
- E. LGIC has agreed to hold all the shares in Trustee Company on trust for the Members of the Scheme pursuant to this deed.
- F. Trustee Company has agreed to act as Trustee of the Scheme and to hold and apply the Fund in accordance with this deed and the other Scheme Documents so as to provide the benefits intended to be obtained by Members of the Scheme as envisaged by this deed and the other Scheme Documents.

THIS DEED WITNESSES:

**1. Interpretation**

1.1. In this deed unless the context clearly requires otherwise:

“**Act**” means the Companies Act 1993.

“**Additional Contribution**” means any additional or further contribution to an Annual Fund by a Member, after the initial Contribution to that Annual Fund, called for or demanded by the Board pursuant to this deed and the Scheme Rules.

“**Annual Fund**” means the separate fund established, pursuant to the Scheme Documents, for each Fund Year of the Scheme.

“**Board**” means the directors of Trustee Company who number not less than the quorum required pursuant to the Constitution acting together as a board of directors.

“**Call**” means each call or demand for an Additional Contribution.

“**Civil Liability**” means any civil liability resulting from an obligation, function, power or duty of a Member arising under law and includes any public liability and any liability for negligence of the Member.

“**Claim**” means any claim by a Member in respect of that Member’s Civil Liability during the term of the Scheme in respect of the Risks.

“**Constitution**” means the constitution of Trustee Company as may be varied, or substituted from time to time.

“**Contribution**” includes each Member’s initial contribution to each Annual Fund as determined by the Board, pursuant to clause 11 and each Additional Contribution.

“**Deed of Participation**” means the deed of participation required to be entered into by each Member pursuant to clause 16.

“**Fund**” means all assets and property of the Scheme and includes each separate Annual Fund.

“**Fund Manager**” means the manager of the Fund pursuant to clause 10.

“**Fund Year**” means the year commencing 4.00pm on 30th June in each year and terminating 4.00pm on 30th June in the next following year, or as otherwise determined by the Board.

“**Guidelines for Exercise of Discretion**” or “**Guidelines**” means the guidelines from time to time set out by the Board as detailed in clause 8.1.

“**Indemnity Cover**” means insurance cover purchased by the Board on behalf of Members to meet the Claims of the Members in the amount and in respect of the Risks determined from time to time by the Board being amounts payable in excess of the pooled cover.

“**Jardine**” means Jardine Risk Consultants Limited.

“**Local Authority**” means a local authority pursuant to the Local Government Act 1974.

“**Member**” means any person or body (whether incorporated or not) admitted as a Member to the Scheme pursuant to the Scheme Documents.

“**Pooled Cover**” means cover provided from the Fund to manage and, if the Claims are accepted by the Board, settle or pay the Claims against the Members in respect of the Risks.

“**Risks**” means those risks of Civil Liability of each Member and which fall within the Guidelines for Exercise of Discretion for the relevant Fund Year.

“**Scheme**” means the scheme, to be known as the New Zealand Mutual Liability Riskpool, constituted by this deed and the other Scheme Documents.

“**Scheme Documents**” means this deed, the Scheme Rules, and the Constitution of Trustee Company and for each Member, its Deed of Participation and the Guidelines.

“**Scheme Manager**” means the manager of the Scheme appointed from time to time pursuant to clause 9.

“**Scheme Manager’s Quantum**” shall mean \$30,000 inclusive of self retained limit or such other amount as shall from time to time be fixed by the Board.

“**Scheme Rules**” means the rules of the Scheme as promulgated by the Board from time to time.

“**Scheme Solicitor**” means the solicitor appointed from time to time by the Board.

“**Self Retained Limit**” means the deductible or excess to be borne by each Member in respect of its Risks and Claims against it as provided in the Guidelines.

“**Shares**” means the shares in Trustee Company.

“**Underlying Claim**” means any claim for civil liability (covered for the time being under the Guidelines) made against a Member which may give rise to a Liability; but also includes a claim which may give rise to a Liability to a Member under any other category of risk to that Member which the Guidelines of the Scheme may properly have been extended to cover pursuant to the terms of this deed.

1.2. In this deed, unless the context clearly otherwise requires:

1.2.1. Words importing the singular shall include the plural and vice versa;

1.2.2. References to any legislation shall include references to all amendments to that legislation and to any legislation passed in substitution for it (in whole or in part);

- 1.2.3. References to “director” or “directors” shall be to a director, or directors, of Trustee Company, acting in their capacity as such; and;
- 1.2.4. References to persons shall be deemed to include references to individuals, companies, corporations, firms, partnerships, joint ventures, associations, organisations, trusts, states or agencies of state, government departments and local and municipal authorities in each case whether or not having separate legal personality.

## **2. Constitution of the Scheme**

- 2.1. A scheme is hereby established by LGIC and Jardine for the benefit of Members of the Scheme with the objects set out in clause 2.4. The name of the Scheme shall be the New Zealand Mutual Liability Riskpool.
- 2.2. The parties agree that Trustee Company shall act as the Trustee of the Scheme established under this deed and shall be responsible to ensure that the purposes of the Scheme as provided by this deed and the other Scheme Documents are carried into effect.
- 2.3. The Fund of the Scheme shall include all assets and property for the time being held by or on behalf of Trustee Company, derived from:
  - 2.3.1. Contributions;
  - 2.3.2. Additional Contributions;
  - 2.3.3. Any gifts, donations or grants;
  - 2.3.4. Revenue from investments;
  - 2.3.5. Proceeds of realisation of investments;
  - 2.3.6. Any policies or contracts of re-insurance or indemnity;
  - 2.3.7. Any recoveries;
  - 2.3.8. Any other source.
- 2.4. The Fund shall be held in trust for the benefit of the Members of the Scheme by Trustee Company upon the trusts and for the objects contained in this deed and shall be managed, administered and applied by Trustee Company in accordance with the powers contained in this deed, in order to attain those objects.
- 2.5. LGIC hereby declares that it holds the Shares on trust for the benefit of the Members in accordance with the terms of this deed and the other Scheme Documents for the objects and purposes of the Scheme.
- 2.6. Trustee Company is and shall remain responsible for the safe custody of all money, policies, certificates and other documents of title and value in connection with the Fund and for the safe custody, realisation and distribution of all assets and property from the Fund, from time to time vested in Trustee Company.

### 3. Purposes and Objects

- 3.1. LGIC and Trustee Company declare that their purposes in entering into this deed and the objects of the Scheme are:
- 3.1.1. To establish and maintain an Annual Fund for each Fund Year during the term of the Scheme for the benefit of the Members to meet the costs of establishing and running the Scheme and, subject to the terms of this deed and the other Scheme Documents and the Guidelines, to pay the Civil Liabilities of the Members arising from the Risks covered by the Scheme and specified in the Scheme Documents with the intention that Members' needs for insurance cover and insurance expenses are reduced for the benefit of residents and ratepayers;
  - 3.1.2. To provide Pooled Cover in respect of Risks as may be determined from time to time by the Board;
  - 3.1.3. To manage and settle or pay Claims made against Members;
  - 3.1.4. To develop programmes for the management of the risk of loss arising out of Civil Liability of the Members;
  - 3.1.5. To reduce the amount and frequency of losses to the Members arising out of Civil Liability;
  - 3.1.6. To purchase such Indemnity Cover or re-insurance in respect of such Risks as may be determined from time to time by the Board;
  - 3.1.7. To undertake such other functions in relation to the management of Civil Liability as the Board may from time to time require having regard to the interests of the Members, including making grants from the Fund to a Member or any other person or body approved by the Board;
  - 3.1.8. To investigate and if deemed appropriate by the Board, establish other Funds to cater for the insurance needs of Local Authorities and other local government organisations;
  - 3.1.9. To work with Members to ensure that proper systems are developed to promote the efficient and safe fulfilment of each Member's functions to provide to the Community as a whole;
  - 3.1.10. To do all other things as may be necessary or desirable to further the above objects in the interests of the Members of the Scheme.
- 3.2. The parties agree that they will co-operate to the fullest extent with each other in the implementation of the purposes stated in clause 3.1 and act in accordance with the provisions and spirit and intent of this deed.
- 3.3. LGIC shall be entitled to be paid an administration fee to be determined from time to time by the Board for the performance of its functions and duties under this deed as Fund Manager and for the provision of any other services to Trustee Company.

#### 4. The Fund

- 4.1. Trustee Company shall establish and maintain a Fund in the amount recommended by the Board and shall at the commencement of each Fund Year during the term of the Scheme on the advice of the Board invite the Members of the Scheme to contribute to the Fund at such levels as are determined pursuant to clause 6.6 to meet:
- 4.1.1. such Underlying Claims as may be made against any one or more of the Members during that Fund Year in respect of Risks to the extent of the Pooled Cover.
  - 4.1.2. the premium payable to an appropriate indemnity insurer or insurers to provide Indemnity Cover for the Members during that Fund Year.
  - 4.1.3. the operating expenses of the Scheme for that year.
  - 4.1.4. the grants or allocations to be made pursuant to clauses 3.1.7 or 3.1.8 (if any).
  - 4.1.5. any other amount determined by the Board to be required for the continuation of the Scheme.
- 4.2. Each Underlying Claim made upon any of the Members during a Fund Year in respect of Risks may at the discretion of the Board be met:
- 4.2.1. to the extent that the Underlying Claim does not exceed the amount of the Pooled Cover of the Annual Fund for that Fund Year from that Annual Fund;
  - 4.2.2. to the extent that the Underlying Claim exceeds the amount of the Pooled Cover but does not exceed the amount of the Indemnity Cover for that Fund Year
    - (i) to the amount of the Pooled Cover, from the relevant Annual Fund for that Fund Year;
    - (ii) thereafter from Indemnity Cover for that Fund Year to the extent of that Cover;
  - 4.2.3. To the extent that the Underlying Claim exceeds the amount of the Pooled Cover and the Indemnity Cover for that Fund Year;
    - (i) to the amount of the Pooled Cover, from the relevant Annual Fund for that Fund Year;
    - (ii) to the amount of the Indemnity Cover for that Fund Year, to the extent of that cover;
    - (iii) the balance by the Fund from surpluses from previous Fund Years and from Additional Contributions from Members;

(iv) to the limit of any guarantee provided by LGIC, by LGIC.

4.3. The Members shall be invited to Contribute to the Fund in the proportions to be determined annually by the Board. The Contributions by Members for each Fund Year shall be held and accounted for as a separate Annual Fund for that Fund Year.

4.4. Trustee Company shall administer the Fund with the intent that upon the settlement of all Claims made in respect of occurrences or events arising during the relevant Fund Year;

4.4.1. any surplus or anticipated surplus remaining in the [Annual Fund attributable to](#) that Fund Year shall be allocated at the absolute direction of the Board towards liabilities of the Fund for any later Fund Year; and

4.4.2. any deficiency in the [Annual Fund for that Fund Year](#) shall be met by Additional Contributions by each Member in the proportion in which Contributions were made to the Annual Fund for that Fund Year.

## 5. Board of Trustee Company

5.1. LGIC shall, following consultation with the Board, appoint persons (not exceeding a maximum of six at any one time) as directors for a term not exceeding three years and one month, and may following consultation with the Board at any time remove, with or without a replacement, any director.

5.2. Unless otherwise expressly provided in this deed or the Constitution, questions arising at any meeting of the Board shall be decided by a simple majority of the votes of those directors present and voting.

5.3. The quorum necessary for the transaction of business at meetings of the Board shall be the majority of the Directors. A director is to be counted for quorum purposes whether entitled to vote or not.

5.4. Subject to the provisions of this deed and any applicable law, LGIC shall determine, from time to time, what (if any) directors fees, other valuable consideration or other benefit shall be paid or given by Trustee Company out of the Fund to any director in respect of that person's performance of duties as a member of the Board.

5.5. No director may hold office for more than twelve years, whether continuously or in aggregate over several periods.

## 6. Duties of the [Board Trustee Company](#)

6.1. The [Board Trustee Company](#) shall be responsible to LGIC as shareholder (as trustee for the Members). Notwithstanding anything to the contrary in the Constitution, the duties of the [Board Trustee Company](#) shall include:

6.1.1. Implementing and achieving the purposes and objects of the Scheme;

- 6.1.2. Considering all Claims made against the Fund and determining whether or not the [Board's Trustee Company's](#) discretion should be exercised to meet the Claim for the Member from the Pooled Cover;
  - 6.1.3. Ensuring the Scheme is and remains financially viable and solvent within the "solvency tests" laid down by the Act and generally at law;
  - 6.1.4. Conduct its business in accordance with this deed and other Scheme Documents, and otherwise in such manner as is resolved by the Board from time to time;
  - 6.1.5. Promulgating and amending the Scheme Rules and the Guidelines from time to time.
- 6.2. The [Board Trustee Company](#) shall regard the purposes and objects of this deed and the Scheme as being of paramount importance in decisions made and policies adopted by it in relation to the Scheme and shall adopt and use such management and other techniques as will ensure that those main objectives are achieved.
  - 6.3. The Trustee Company being a wholly-owned subsidiary of LGIC (as trustee for the Members), any director may act in a manner which he or she believes is in the best interests of LGIC (as trustee for the Members) and the Members, notwithstanding that it may not be in the best interests of the Trustee Company.
  - 6.4. A director who is an officer, employee, nominee or representative of a Member shall only be disqualified from voting on any matter that affects that Member if it affects the Member directly and in a materially different way from which it affects other Members or there are personal reasons why that director has a conflict of interest.
  - 6.5. The [Board Trustee Company](#) shall from time to time appoint the Scheme Solicitor for such tenure and upon such terms as it shall in its sole discretion decide, but such appointment shall be formally reviewed by the [Board Trustee Company](#) at least every three years.
  - 6.6. The [Board Trustee Company](#) shall be responsible for the financial management of the Scheme to the extent that it shall:
    - 6.6.1. annually prepare the financial statements and, where considered necessary, report to the Members on any items arising from those statements;
    - 6.6.2. annually determine the Guidelines for the Risks to be provided for from the Fund for any Fund Year;
    - 6.6.3. annually determine the amount of Pooled Cover to be provided for the Members from the Fund for any Fund Year;
    - 6.6.4. annually determine the amount and nature of Indemnity Cover to be purchased for the Members from the Fund for any Fund Year and to determine the indemnity insurer or insurers for this purpose;

- 6.6.5. be responsible for the assessment of the Members to determine the proportion in which they are to contribute to the Fund in each year. Each Member shall be required to and shall provide to the [BoardTrustee Company](#) and to the Scheme Manager such information as the [BoardTrustee Company](#) or the Scheme Manager may require in relation to the history of Civil Liability Claims made against the Member, the Member's operating procedures or such other matters as may be directed in order to permit the [BoardTrustee Company](#) to carry out its obligations under this clause.
- 6.7. The [BoardTrustee Company](#) may from time to time establish, or disestablish, a Claims Committee. Any such Claims Committee shall have such membership, duties, functions and powers, and be subject to such procedures, as the Board may from time to time stipulate. Where a Claims Committee is disestablished, its duties, functions and powers shall revert to the [BoardTrustee Company](#) (but without prejudice to the validity or effectiveness of any act or omission of the Claims Committee prior to its disestablishment), and any reference in this deed to the Claims Committee shall be read accordingly.
- 6.8. The [BoardTrustee Company](#) at its discretion may establish such other committees, to be constituted by such persons, as the Board may determine. ~~The~~[The Trustee Company, and the](#) Board may delegate such of its powers, duties and functions as it may determine to any committee or person.
- 6.9. The [BoardTrustee Company](#) at all times remains responsible for powers and duties delegated to any committee or person and must monitor, by means of reasonable methods properly used, the exercise of those powers and duties by the delegate.
- 6.10. The [BoardTrustee Company](#) shall consider regularly the reports of the Scheme Manager and the Claims Committee in relation to Claims and:
- 6.10.1. shall, on the recommendation of the Claims Committee and Scheme Manager, determine whether to accept or reject any Claim;
- 6.10.2. from time to time shall issue instructions to the Claims Committee and Scheme Manager regarding the processing of Claims
- 6.10.3. shall, on written request from a Member, reconsider any Claim that has been rejected.
- 6.11. [Intentionally Omitted]
- 6.12. Where it becomes apparent to the [BoardTrustee Company](#) that the Annual Fund for any Fund Year will be insufficient to meet Claims payable from that Annual Fund, the [BoardTrustee Company](#) may at any time require the payment by the Members of an Additional Contribution in the same proportions as the Contributions paid by each of the Members to that Annual Fund in order to ensure that all Claims upon that Annual Fund are able to be met.
- 6.13. In addition to the provisions of this clause the [BoardTrustee Company](#) may at any time resolve to apply by way of transfer or loan any actual or anticipated surplus

then remaining in any Annual Fund to any later Annual Fund, or to such purposes as ~~may the Trustee Company in its absolute discretion determines from time to time~~ to be considered appropriate having regard to the purposes of the Scheme and this deed.

6.14. The ~~Board~~Trustee Company, in accordance with the provisions of this deed, may make payments and grants from the Fund for the benefit of the Members and to further the objectives of the Scheme as the ~~Board~~Trustee Company deems fit in its absolute discretion.

~~6.15.~~ The ~~Trustee Company Board~~ shall within 12 months from the commencement of the Scheme hold an annual meeting of Members to be convened no earlier than 30 days after the

~~6.16.~~6.15. mailing to Members of notice of such meeting. In each subsequent year in which the Scheme continues the Board shall in the same manner hold an annual meeting.

~~6.17.~~6.16. Any meeting of the Members shall be called and conducted as closely as is practicable in accordance with the Constitution and the Act as if it were a meeting of the shareholders of Trustee Company and as if the Members were shareholders of Trustee Company, and each meeting shall otherwise regulate its own proceedings, however at any such meeting:

~~6.17.1.~~6.16.1. a Member shall have one vote;

~~6.17.2.~~6.16.2. a Member may vote only in respect of matters arising in, from or relating to a Fund Year during which the Member was or is a Member of the Scheme; and

~~6.17.3.~~6.16.3. matters arising in, from or relating to different Fund years shall be considered and voted on separately.

## 7. [Intentionally Omitted]

## 8. Guidelines and Claims

8.1. The Trustee Company (acting through the Board) upon the recommendation of the Scheme Manager shall set at the commencement of each Fund Year Guidelines for the exercise of its discretion as to whether or not Claims by Members should be met out of the Pooled Cover.

8.2. The Trustee Company (acting through the Board) shall have absolute and unfettered discretion as to whether or not any Claim should be met out of the Pooled Cover and shall be influenced by but not bound by the Guidelines.

8.3. The Claims Committee may authorise the Scheme Manager to meet Claims out of the Pooled Cover where:

8.3.1. Those Claims do not exceed the Scheme Manager's Quantum and;

8.3.2. The Claim falls within the Guidelines and;

8.3.3. The Underlying Claim against the Member is one for which the Member is reasonably liable and would in all probability be held liable at law for the amount of the Claim.

8.4. Where the quantum of any Underlying Claim exceeds the Scheme Manager's Quantum the Claims Committee shall authorise the Scheme Manager in conjunction with the Scheme Solicitor to administer and deal with that Underlying Claim but any settlement of a claim shall be authorised by the Claims Committee.

## 9. Engagement of Scheme Manager

9.1. The ~~Trustee Company Board~~ shall appoint a person to be the Scheme Manager upon such conditions as to tenure and remuneration or otherwise as shall be determined by the ~~Trustee Company Board~~ in its sole discretion and agreed upon by the Scheme Manager, and ~~the parties record that:~~

9.1.1. the first Scheme Manager ~~appointed by the Trustee Company was shall be~~ Jardine, ~~which was appointed~~ for a period of 5 years from commencement of the Scheme; ~~and~~

~~9.1.9.1.2.~~ With effect from 30 June 2012, LGIC was appointed as Scheme Manager and, without interruption, has continued in that capacity from that date and remains the Scheme Manager as at the date of this deed.

9.2. The Scheme Manager's duties shall be determined by the ~~Trustee Company Board~~ from time to time and may include:

9.2.1. from time to time undertake an assessment of the Members or any of them and their activities to assist the Fund Manager in the determination of the proportion in which the Members are to contribute to the Fund in any year and upon the conclusion of any such investigation direct the Members or any of them as to the procedures to be adopted by them to prevent losses or to minimise Civil Liability.

9.2.2. under the supervision and direction of the Claims Committee and the Board, the management of Claims made against each Member including:

- (a) the investigation and assessment of those Claims;
- (b) the preparation of regular reports to the Board on the progress of Claims and the preparation of recommendations as to the acceptance, rejection, settlement, litigation or other handling of the Claims;
- (c) the issue of instructions to the Scheme Solicitor for advice ~~min~~ respect of Claims and for assistance in the defence of Claims.

9.2.3. the provision of loss prevention and risk minimisation guidelines to members.

9.3. The Scheme Manager shall be available at all times to any member of the ~~Trustee Company, the~~ Board, or any member of the Claims Committee or any other

committee of the Board, or any of the Members of the Scheme, to answer any questions on the conduct of the Scheme's activities.

#### **10. Fund Manager**

- 10.1. LGIC shall be the Fund Manager upon such conditions as to remuneration or otherwise as shall be agreed by the Board and LGIC. In the event that LGIC becomes insolvent or ceases to trade then the Board shall appoint a new Fund Manager.
- 10.2. The Fund Manager's duties shall be determined by the Board from time to time and shall include:
  - 10.2.1. the keeping of the accounts of the Annual Fund for each Fund Year;
  - 10.2.2. the provision of administrative and secretarial services to Trustee Company and the Board including setting agendas and submitting reports;
  - 10.2.3. the preparation of advice and recommendations on the investment of any moneys of the Fund not immediately required and implementation of decisions of the Board;
  - 10.2.4. the preparation of regular reports to the Board in such form as the Board shall from time to time direct in respect of each Annual Fund as to:
    - (i) Claims outstanding;
    - (ii) The Scheme Manager's assessment of liability in respect of each outstanding Claim;
    - (iii) The ability of the Fund to meet the assessment of liability;
    - (iv) The assessment of further Additional Contributions required, if any;
    - (v) The investment of the moneys of the Fund not immediately required;
    - (vi) The allocation of surplus moneys in the Fund, if any;
  - 10.2.5. the preparation of the annual operating budget;
  - 10.2.6. the calculation of Contributions in conjunction with actuarial advice and advice from the Scheme Manager;
  - 10.2.7. the recommendation of the level of Pooled Cover to be provided in any Fund Year;
  - 10.2.8. the recommendation of the level of Indemnity Cover to be provided in any Fund Year.
- 10.3. The Fund Manager shall be available at all times to any member of the Board or any member of the Claims Committee or any other committee of the Board or any Member of the Scheme to answer questions on the management of the Fund.

- 10.4. The Fund Manager shall negotiate Indemnity Cover as requested by the Board and satisfying any specific requirements of LGIC while LGIC's Deed of Guarantee is operative or while there are outstanding amounts due to LGIC under any Deed of Guarantee.

#### 11. Contributions to Scheme

- 11.1. Each Member, as a condition of membership of the Scheme for that Fund Year, shall pay the initial Contribution determined by the Board for that Member for that Fund Year.
- 11.2. The Contributions determined for any Member in respect of any Fund Year, shall be determined having regard to the advice from the Claims Committee, the Fund Manager and the Scheme Manager and such matters as the Board considers relevant to the Scheme Member's level of risk and may include, without limitation:
  - 11.2.1. the Member's revenue base;
  - 11.2.2. the geographical location of the Member's territory;
  - 11.2.3. the population of the Member's territory;
  - 11.2.4. the Member's Civil Liability claims history (both during and prior to its membership of the Scheme);
  - 11.2.5. any matter relating to the nature of the Member's territory or its operations which create increased or reduced risks of Civil Liability;
  - 11.2.6. any matters relevant to the Scheme Member's risk management practices that are known to the Board;
  - 11.2.7. any other matters the Board considers relevant, having regard to the purposes and objects of the Scheme.
- 11.3. If during a Fund Year it becomes apparent to the Board that as a result of unexpected or exceptional circumstances the Fund for that Fund Year will be insufficient to meet Claims payable from the Fund, the Board may determine an Additional Contribution payable by each Member for the Fund Year (which will be in the same proportion to the Additional Contributions of all other Members as the initial Contribution paid by the Member for that Fund Year bears to the initial Contributions of all Members for that Fund Year).
- 11.4. All Contributions (including any Additional Contribution under sub-clause 11.3) must be paid within twenty days of the date of the contribution notice given to the Member by the Board, the Scheme Manager or the Fund Manager (or such longer period as stated in the notice or determined by the Board).
- 11.5. Without affecting any other Rule, if the amount of any Contribution (including any Additional Contribution under sub-clause **Error! Reference source not found.**) is not paid by the due date:

- 11.5.1. interest may, if the Board so determines, accrue calculated daily, on daily balances (and compounding semi-annually) at the Bank of New Zealand Indicator Rate from the due date to the date of actual payment;
- 11.5.2. an unpaid Contribution (and interest) constitutes a debt payable by the relevant Member to the Scheme and Trustee Company may bring proceedings for the recovery of that debt in its name on behalf of the Scheme.

## **12. Bank Account, Investment and Borrowing Powers**

- 12.1. Trustee Company shall open a bank account for the Fund with a registered Bank determined by the Board.
- 12.2. The name of the bank account and the persons authorised as signatories to operate the bank account shall be determined by the Board.
- 12.3. The parties agree that the Trustee Company may invest moneys received in respect of the Fund and not immediately required to meet the liabilities of the Fund;
  - 12.3.1. with any registered Bank;
  - 12.3.2. in any security or investment authorised by the Trustee Act; or
  - 12.3.3. in any security or investment authorised by the Local Government Act 1974 or prescribed pursuant to and for the purposes of that Act; or
  - 12.3.4. with the Trustee of any other Trust Fund established for the benefit of Local Authorities or other local government organisations.
- 12.4. The parties agree that for any of the purposes of this deed Trustee Company may borrow moneys and for that purpose secure the repayment of its borrowings by granting security over the assets of the Scheme and the Fund.
- 12.5. All Contributions and other moneys received by Trustee Company shall be deposited to the credit of the Fund and shall be applied at its discretion as follows:
  - 12.5.1. in payment of any establishment costs for the Scheme;
  - 12.5.2. in payment of all administrative and operating costs associated with the Scheme;
  - 12.5.3. in payment of fees due to the Scheme Manager and the Fund Manager;
  - 12.5.4. in payment of all Claims accepted by the Board;
  - 12.5.5. by way of any grant or allocation approved under this deed; and
  - 12.5.6. generally in furtherance of the Scheme's objectives including a transfer, payment or loan in accordance with the Scheme Documents.

- 12.6. The parties agree that Trustee Company and the Board shall keep or cause to be kept all such accounting records for the Scheme and the Fund as fully and correctly explain the transactions and financial position of the Scheme and the Fund.

### ~~13. Recourse to Scheme Assets Only~~

### 13. Limitation of liability and indemnity

13.1. ~~For The~~ liability of the payment of Trustee Company for any Claim against the Scheme loss, claim, or other liability arising out of or connected with the performance of its obligations under this Deed (including, but not limited to, loss or liability of, or claims against, the Scheme, or in respect of the performance of any obligation of the Trustee Company or the Scheme under this deed, ~~resort may~~), is limited to, and can only be ~~had solely to~~ recovered to the extent of, the right of indemnity (conferred under clause 13.3) of the Trustee Company from the Fund and other assets and property of the Scheme ~~and no, provided however that this limitation does not apply to the extent that the Trustee Company's right of indemnity is impaired as a direct result of the Trustee Company's dishonesty or wilful default.~~

~~13.1.13.2.~~ No claim may be made or endorsed by a Member against:

~~13.1.1.13.2.1.~~ any ~~Member of~~ director, officer, or employee of the Trustee Company, or the Board;

~~13.1.2.13.2.2.~~ the Scheme Manager or the Fund Manager in any capacity other than as Scheme Manager or Fund Manager of the Scheme;

~~13.1.3.13.2.3.~~ except to the extent of LGIC's indemnity to Trustee Company, LGIC; or

~~13.1.4.13.2.4.~~ any other Member.

~~13.2.13.3.~~ The Trustee Company, the Board and every member of the Board are, to the fullest extent permissible at law, unconditionally and irrevocably indemnified out of the Fund and other assets and property of the Scheme:

13.3.1. in respect of all liabilities, losses, costs and expenses incurred by the Trustee Company, the Board or a member of the Board; and

13.3.2. against all actions, proceedings, claims, demands, costs, expenses, losses or liabilities in respect of any matter or thing done or omitted by the Trustee Company the Board or a member of the Board,

in each case:

13.3.3. in connection with administering this Deed and the Scheme;

13.3.4. when exercising their powers, authorities and discretions under this deed and the Scheme;

13.3.5. in relation to any matter or thing done, or omitted to be done, in any way in relation to this Deed and the Scheme; and

13.3.6. even where the liability, loss, cost or expense or the action, proceedings, claims, demands, costs, expenses, losses or liabilities (as the case may be) arise from a failure or alleged failure by the Trustee Company, the Board or a member of the Board to comply with the terms of this deed, or the terms of the Scheme or any duty, limitation or restriction howsoever arising (including, by way of example, at common law, in equity, under statute or contract).

except for any liability arising in respect of any dishonesty or wilful default of the Trustee Company or the Board, or a member of the Board. Where the exception applies it only applies to deprive the person whose conduct amounts to dishonesty or wilful default of the benefit of the indemnities and no other person.

#### **14. Order of Priority of Scheme Documents**

- 14.1. The Scheme Documents shall be construed in the following order of priority:
- 14.1.1. this deed, which shall be paramount; then
  - 14.1.2. the Scheme Rules; then
  - 14.1.3. the Constitution; and then
  - 14.1.4. the Deed of Participation and the Guidelines for each Member.

#### **15. Surplus on Liquidation of Scheme**

- 15.1. Upon the winding up of the Scheme (including the liquidation of Trustee Company) the assets, if any, remaining after payment of the debts and liabilities of the Scheme and the costs of winding up ("the surplus assets") shall be distributed among the then Members of the Scheme in proportion to their Contributions to the Scheme over the Fund Year in which the winding up commenced and the previous four Fund Years, provided however that Members whose Contributions are not fully paid up at the commencement of the winding up shall receive only a proportionate share of their entitlement being the amount which is in proportion to the amount of their Contributions paid up. In calculating a Member's Contributions for the purposes of this clause the amount of the Contribution shall be reduced by the amount of any Claim or Claims paid or payable pursuant to the Scheme.

#### **16. Deed of Participation**

- 16.1. Each Member, as a condition of membership of the Scheme, shall be required to execute under seal and deliver to Trustee Company a Deed of Participation in the form annexed as Schedule 1, as may be varied or substituted by the Board from time to time, whereby the Member covenants and agrees, for the benefit of Trustee Company and LGIC, to be bound and to observe and perform all the terms of this deed and the other Scheme Documents as if the Member was a party to this Deed and the other Scheme Documents.
- 16.2. Members shall provide the Scheme Manager with all information as is necessary to give effect to the Scheme and in particular will:

- 16.2.1. Disclose all material facts to the Scheme Manager as if the Member was an insured and the Scheme Manager was an agent for an insurer and;
- 16.2.2. Conduct itself in its dealings with the Scheme in the same manner as if it was an insured under a policy of insurance with the Scheme and in particular act in good faith towards the Scheme.
- 16.2.3. Immediately advise the Scheme Manager of any Underlying Claim and co-operate with the Scheme Manager and Scheme Solicitor in dealing with Underlying Claims

#### **17. Variations**

- 17.1. LGIC and Trustee Company may make any variation or addition to this deed if it is consented to in writing by not less than 90% in number of Members, and any such variation or addition shall be binding on all Members.

EXECUTED AS A DEED

**EXECUTED by NEW ZEALAND  
LOCAL GOVERNMENT  
INSURANCE CORPORATION  
LIMITED** by two of its directors:

\_\_\_\_\_  
Director (signature)

\_\_\_\_\_  
Director (signature)

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Name (Please Print)

**EXECUTED by LOCAL  
GOVERNMENT MUTUAL FUNDS  
TRUSTEE COMPANY LIMITED** by  
two of its directors:

\_\_\_\_\_  
Director (signature)

\_\_\_\_\_  
Director (signature)

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Name (Please Print)

## SCHEDULE 1

**DEED OF PARTICIPATION**

---

(Name of Member)

HEREBY DECLARES covenants and agrees for the benefit of Local Government Mutual Funds Trustee Company Limited and New Zealand Local Government Insurance Corporation

Limited to be bound by and observe and perform all of the terms of the Deed of Trust establishing the New Zealand Mutual Liability Riskpool and the Scheme Documents referred to in that Deed of Trust as if it was a party to those documents (as amended from time to time).

**SIGNED BY**

---

as the duly authorised agent of the  
Member in the presence of:

---

(Signature of duly authorised Agent)

---

(Signature of Witness)

---

(Name of Witness)

---

(Address of Witness)

---

(Date)



## End of triennium governance matters

Record No: R/25/6/25981  
Author: Michal Gray, Democracy advisor  
Approved by: Cameron McIntosh, Chief executive

☒ Decision

☐ Recommendation

☐ Information

### Purpose

- 1 The purpose of this report is to allow for Council to make two governance decisions before the end of the Council term:
  - a delegation to the chief executive to make decisions during the period between the declaration of election results and elected members being sworn into office
  - the continuation of three joint committees of Council
  - the appointment of commissioners to the District Licencing Committee.

### Executive Summary

- 2 During the period between the declaration of election results and the inaugural meeting of the new Council it may be necessary for decisions to be made. It is recommended that the chief executive be delegated authority to make decisions over this short period after consulting with the Mayor-elect.
- 3 If Council wishes to continue certain committees, sub-committees, other subordinate decision-making bodies, and joint committees after the election, it is necessary to resolve that continuation.
- 4 Staff recommend that the following joint committees should not be discharged and that Council should resolve that they continue:
  - Waste Advisory Group (WasteNet)
  - Southland Regional Heritage Committee
  - Great South Joint Shareholders Committee.
- 5 The incoming Council will appoint members to the joint committees in the new triennium.
- 6 Council needs to ensure the District Licensing Committee (DLC) can operate and make decisions before members are appointed to the DLC in the new triennium.
- 7 The chief executive may, on recommendation of Council, appoint commissioners to the DLC. Staff suggest that council recommends the chief executive appoint the current chairperson and deputy chairperson of the DLC for period between the declaration of election results and when new appointments to the DLC are made by Council.

## Recommendation

That the Council:

- a) **Receives the report titled “End of triennium governance matters”.**
- 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) Authorises the chief executive, subject to the limitations set out in clause 32(1) of schedule 7 of the Local Government Act 2002, to make decisions on behalf of Council and the community boards during the period between the declaration of election results and elected members being sworn into office, in respect of urgent matters and where the Mayor-elect is known, in consultation with the Mayor-elect. All decisions made under this delegation will be reported to the first ordinary meeting of the new Council.
- e) resolves, under clause 30(7) of schedule 7 of the Local Government Act 2002, that the Southland Regional Heritage Committee, Great South Joint Shareholder Committee and WasteNet (Waste Advisory Group) are not discharged on the coming into office of the members of the Council elected at the October 2025 triennial elections.
- f) recommends that the chief executive appoints Councillor Duffy and Councillor Menzies as commissioners to the District Licensing Committee for the period from the declaration of election results until such a time as Council makes new appointments to the District Licensing Committee in the new triennium.

## Background

- 8 Current elected members will vacate office when the members elected at the upcoming elections come into office (section 116(1) Local Electoral Act 2001).
- 9 Candidates who are elected come into office on the day after the day on which the official result of the election is declared by public notice (section 115(1) Local Electoral Act 2001). The electoral officer expects that the official results will be released by 16 October 2025, therefore it is anticipated candidates come into office about Friday 17 October.
- 10 Clause 14 of schedule 7 of the Local Government Act 2002 (LGA) provides that a person newly elected to Council (this includes a re-elected person) may not act as a member until they have made the necessary declaration at the inaugural Council meeting. The inaugural meeting is expected to take place on 29 October 2025.
- 11 The power to appoint committees, subcommittees and joint committees is contained in clause 30 of schedule 7 of the LGA. Clause 30(7) provides that unless Council resolves otherwise, these entities are deemed to be discharged on the coming into office of the members of the Council

elected or appointed at, or following, the triennial general election of members next after the entities were appointed.

- 12 All committees, subcommittees of the current Council will therefore be deemed discharged following the 2025 elections, unless it resolves otherwise. Joint committees are committees of one or more local authorities, and all joint committees will be deemed discharged unless all of the member councils resolve otherwise.

## Issues

### **Delegation to the chief executive**

- 13 Council should consider arrangements to ensure the effective and efficient conduct of Council business during the period from the day after the declaration of the electoral result until the new Council is sworn in at the inaugural Council meeting. This is likely to be for the period from 17 October 2025 until the new Council is sworn in on 29 October 2025.
- 14 There is a need to provide for the possibility that urgent decisions might be required during that time. It is suggested the chief executive be delegated the authority to make such decisions and that he consults with the Mayor-elect, should the Mayor-elect be known at the time. This delegation will be subject to the general limits on delegations in clause 32(1) of schedule 7 of the LGA. The chief executive would report to the new Council on any exercise of the delegation.

### **Continuation of committees**

- 15 Staff recommend that the following joint committees should not be discharged and that Council should resolve to ensure that they are not deemed discharged under clause 30(7) of schedule 7 of the LGA:
- WasteNet (Waste Advisory Group)
  - Southland Regional Heritage Committee
  - Great South Joint Shareholders.
- 16 WasteNet (Waste Advisory Group) is a joint committee of Southland District Council (SDC), Gore District Council (GDC) and Invercargill City Council (ICC) that oversees waste management in Southland by WasteNet. GDC has resolved that this committee will not be discharged and staff at ICC have confirmed that ICC intends to make the same resolution.
- 17 The Southland Regional Heritage Committee is a joint committee of SDC and GDC and the Heads of Agreement (HOA) states that this committee will not be discharged under clause 30(7). To give effect to the HOA, Council should resolve to not discharge the joint committee. GDC have already made the resolution.
- 18 The Great South Joint Shareholder Committee is a joint committee with SDC, GDC, ICC and Environment Southland (ES) as shareholders of Great South. GDC has resolved that this committee will not be discharged and staff ICC and ES have confirmed that their councils intend to make the same resolution.
- 19 The incoming Council will appoint members to these three joint committees in the new triennium.

### **Appointment of Commissioners to the DLC**

- 20 The current members of the DLC are discharged on the coming into office of the new members of the Council. Council needs to ensure the DLC can operate and make decisions (other than for contested hearings) before new appointments are made. The chairperson of the DLC can act alone to make decisions ‘on the papers’ on uncontested applications such as new licenses, renewals and managers certificates.
- 21 Under section 193 of the Sale and Supply of Alcohol Act 2012 (SSAA), the chief executive may, on recommendation of Council, appoint commissioners to the DLC. Any person appointed as commissioner will hold all of the functions, powers and duties of the chairperson of the DLC.
- 22 Under the SSAA, the chief executive may only appoint a person as a commissioner if that person is of good standing in the community, has necessary knowledge, skill and experience relating to matters that are likely to come before the committee. There are also limitations on appointments to ensure that a commissioner is not involved directly or indirectly with the alcohol industry, or is a constable, Medical Officer of Health, inspector or employee of Council.
- 23 Staff suggest that Council recommend the chief executive appoints that the current DLC chairperson Cr Paul Duffy and the current deputy chairperson Cr Christine Menzies, as commissioners for the period from the declaration of election results until new appointments are made to the DLC. Staff recommend that both councillors are appointed to cover any periods of unavailability or any conflicts that might arise. Both councillors have the experience and knowledge to complete the obligations under the SSAA.
- 24 Staff have approached Cr Duffy and Cr Menzies and they are both willing to be appointed as commissioners.

#### Factors to Consider

##### Legal and Statutory Requirements

- 25 Clause 30(7) of schedule 7 of the LGA provides that a committee, subcommittee, or other subordinate decision-making body is, unless the local authority resolves otherwise, deemed to be discharged on the coming into office of the members of the local authority elected or appointed at, or following, the triennial general election of members next after the appointment of the committee, subcommittee, or other subordinate decision-making body.
- 26 The statutory authority for Council to delegate is provided for in clause 32 of schedule 7 of the LGA. The decisions that Council are not able to delegate include:
- the power to make a rate
  - the power to make a bylaw (although local boards have the right to recommend these for their local areas)
  - the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan
  - the power to adopt a long-term plan, annual plan, or annual report
  - the power to appoint a chief executive

- the power to adopt policies required to be adopted and consulted on under the LGA in association with the long-term plan or developed for the purpose of the local governance statement
  - the power to adopt a remuneration and employment policy.
- 27 The DLC is required to be established by Council under the Sale and Supply of Alcohol Act 2012. under section 193 the chief executive may appoint commissioners to the DLC.
- 28 Section 193 allows the chief executive to appoint commissioners to the DLC, on recommendation of the council. Section 193 sets out the following requirements:
- The chief executive may only appoint a person as a commissioner if that person is of good standing in the community and has the necessary knowledge, skill, and experience relating to matters that are likely to come before the committee.
  - A person must not be appointed as a commissioner if:
    - the council believes that person has, directly or indirectly or by virtue of his or her relationship with another person, such an involvement or appearance of involvement with the alcohol industry that he or she could not perform his or her duties without actual bias or the appearance of bias; or
    - the person is a constable, a Medical Officer of Health, an inspector, or an employee of the council.

#### Community Views

- 29 As this is an administrative matter community views are not applicable to this decision.

#### Costs and Funding

- 30 The fees payable to the DLC commissioners is the same as the DLC chairperson, as determined by the Minister of Justice as \$624 per day and \$78 per hour for part days.

#### Policy Implications

- 31 There are no policy considerations in relation to this matter. The delegations proposed are only for a short duration and do not establish new practice.

#### Analysis

##### Options Considered

The following reasonably practicable options have been identified and assessed in this report:

Option 1 – delegating the responsibilities to the chief executive for urgent matters, resolving to prevent the three joint committees from being discharged and appointing commissioners to the DLC

Option 2 – not delegating the responsibilities to the chief executive for urgent matters, not resolving to prevent the three joint committees from being discharged and not appointing commissioners to the DLC.

## Analysis of Options

Option 1 – delegating the responsibilities to the chief executive for urgent matters, resolving to prevent the three joint committees from being discharged and appointing commissioners to the DLC

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>□ provides for the continued business of Council to be carried out with appropriate safeguards in place.</li> <li>□ allows Council to complete urgent business that might arise during the period.</li> <li>□ is consistent with the approach being taken by the other local authority members of the joint committees and is consistent with the governance documents/HOA.</li> <li>□ Allows for the DLC to continue to made decisions (other than hearings)</li> </ul>	<ul style="list-style-type: none"> <li>□ Council may not agree with the decisions made and overturn them at a later date.</li> </ul>

Option 2 – not delegating the responsibilities to the chief executive for urgent matters, not resolving to prevent the three joint committees from being discharged and not appointing commissioners to the DLC.

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> <li>□ will ensure decisions align with Council's wishes.</li> </ul>	<ul style="list-style-type: none"> <li>□ provides for the continued business of Council to be carried out with appropriate safeguards in place</li> <li>□ may not allow Council to complete urgent business that arises during the period</li> <li>□ is inconsistent with the approach being taken by the other local authority members of the joint committees and is inconsistent with the governance documents/HOA.</li> <li>□ the DLC will not be able to make decisions until the new members are appointed.</li> </ul>

## Assessment of Significance

- 32 The decision in this report is assessed as being administrative under Council's Significance and Engagement Policy.

## Recommended Option

- 33 Staff recommend option one, that Council delegates the responsibilities to the chief executive for urgent matters, resolves to prevent the three joint committees from being discharged and appoints commissioners to the DLC.

### Next Steps

- 34 Staff will record the delegation to the chief executive in the register of temporary delegations.
- 35 The chief executive will report to new Council if he exercises the delegation.
- 36 The new Council will appoint members to the three joint committees in the new triennium.
- 37 If Council appoints Cr Duffy and Cr Menzies and Commissioners to the DLC, then the chief executive will prepare a formal appointment letter.

### Attachments

There are no attachments for this report.



## Drinking water supplies consolidated report - 1 July 2024 to 30 June 2025

Record no: R/25/8/40772

Author: Bill Witham, Asset manager water

Approved by: Fran Mikulicic, Group manager infrastructure and capital delivery

☐ Decision

☐ Recommendation

☒ Information

### Summary

- 1 This report contains the drinking water compliance report for Southland District Council (SDC) supplies, for the reporting period of 1 July 2024 to 30 June 2025. SDC supplies water to Eastern Bush/Otahu Flat, Edendale/Wyndham, Lumsden/Balfour, Manapouri, Mossburn, Ohai/Nightcaps, Otautau, Orawia, Riverton, Te Anau, Tuatapere, and Winton.
- 2 The purpose of this report is to provide a summary for Southland District Council on the Drinking water supply schemes compliance in accordance with the Drinking Standard New Zealand 2022.
- 3 This report is an internal self-report that is required as per SDC's drinking water safety plans for each scheme. This report has not been reviewed or assessed by external parties.

### Recommendation

That Council:

- a) **Receives the report titled "Drinking water supplies consolidated report - 1 July 2024 to 30 June 2025".**

### Attachments

- A Signed Drinking Water Supplies Consolidated Compliance Report - Self Reporting for Period 1 July 2024 to 30 June 2025 (Full Document).pdf [↓](#)



# Drinking water supplies consolidated compliance report

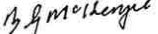
Self-reporting for period 1 July 2024 to 30 June 2025

As per DIA requirements

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Drinking water supplies consolidated compliance report

**Document Revision****APPROVED BY:** BILL WITHAM**SIGN** **TITLE:** Asset Manager Water**DATE** 12 Aug 2025**PREPARED BY:** DANICA AMABA**SIGN** **TITLE:** Water Safety Officer**DATE** 23 JULY 2025**REVIEWED BY:** BEVAN MCKENZIE**SIGN** **TITLE:** Three Waters-Project Manager**DATE** 22 July 2025

Compliance report from 1 July 2024 to 30 June 2025 in accordance with Drinking Water Quality Assurance Rules 2022, Water Services Regulations 2022 and the Water Services Act 2021.

### SDC drinking water supplies

SUPPLY NAME	SUPPLY ID
Eastern Bush/Otahu Flat	EAS002
Edendale/Wyndham	EDE001
Lumsden/Balfour	LUM001
Manapouri	MAN006
Mossburn	MOS002
Ohai/Nightcaps	OHA009
Orawia	ORA003
Otautau	OTA001
Riverton	RIV001
Te Anau	TEA002
Tuatapere	TUA001
Winton	WIN001

### Drinking Water Supplier

Southland District Council (SDC)

### Equipment used for the assessment

Manual sampling and SCADA reporting through WaterOutlook.

### Assessment Method

Drinking Water Quality Assurance Rules 2022

Water Services (Drinking Water Standards for New Zealand) Regulations 2022

Water Services Act 2021

**Document and information**

Drinking Water Quality Assurance Rules 2022

Water Services (Drinking Water Standards for New Zealand) Regulations 2022

Water Services Act 2021

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Invercargill 9840

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Invercargill, 9810

E-mail: [emailsdc@southlanddc.govt.nz](mailto:emailsdc@southlanddc.govt.nz)

Phone: 0800 732 732

Fax: 0800 732 329

Int phone: +64 3 211 2500

## 1 Introduction

This report contains the drinking water compliance report for Southland District Council (SDC) supplies for the reporting period of **1 July 2024 to 30 June 2025**. SDC supplies water to Eastern Bush/Otahu Flat, Edendale/Wyndham, Lumsden/Balfour, Manapouri, Mossburn, Ohai/Nightcaps, Otautau, Orawia, Riverton, Te Anau, Tuatapere, and Winton.

The purpose of this report is to provide a summary for the Southland District Council on the Drinking water supply schemes compliance in accordance with the Drinking Water Standard New Zealand 2022.

This report is an internal self-report that is required as per the SDC drinking water safety plans for each scheme. This report has not been reviewed or assessed by external parties.

For the 24/25 year, the drinking water supply has been assessed for compliance/non-compliance under the set standards.

### Non-compliance

- from 1 July 2024 to 30 June 2025
  - drinking water supply that does not comply with the requirements of the Water Services Act 2021 and compliance requirements set in the Water Services (Drinking Water Standard for New Zealand) Regulations 2022 (DWSNZ 2022) and Drinking-Water Quality Assurance Rules 2022 (DWQAR 2022).

## 2 Water Services Act 2021 Compliance

The duties of the Water Supplier (SDC) under the Water Services Act 2021 section 30 regarding preparing and implementing drinking water safety plans that comply with legislative requirements have been met.

The water supplier works collaboratively with the drinking water contractor (Downer Ltd.) to implement the drinking water safety plans for all the registered drinking water schemes. The 12 drinking water safety plans have been lodged with Taumata Arowai (New Zealand water regulator) via Hinekorako (self-service portal for drinking water suppliers) to comply with legislative requirements.

The drinking water safety plans have been updated to align with the DWSNZ 2022 and DWQAR 2022, including the source water risk management plan, risk assessment, supply emergency response plan, situation/incident response and improvement schedule.

### 3 Compliance report in accordance with Drinking Water Quality Assurance Rules 2022, Water Services Regulations 2022 and the Water Services Act 2021

Drinking water quality standards to which drinking-water supplies must monitor and/or comply

Source water abstraction	Water treatment plant	Distribution system
Bacterial monitoring	Bacterial compliance	Bacterial monitoring
Chemical monitoring	Protozoal compliance	Backflow protection monitoring
Physico-chemical monitoring	Chemical compliance	Hygiene procedures monitoring
Cyanobacteria monitoring		Residual disinfection compliance
Radiological monitoring		Disinfection by-product compliance
		Plumbosolvent compliance

The drinking water quality assurance rules set the rule modules for the water suppliers to follow to meet compliance. The rule module is a structured module covering general rules (**G**), source water (**S**), treatment systems (**T**) and distribution systems (**D**) to meet specific drinking water supply categories. SDC Drinking water supplies fall under networked supplies except for **Orawia**, as it follows the Very Small Communities module. (**VSC**)

The table below outlines the drinking water supply categories and the rule modules to follow to demonstrate compliance.

Categories of drinking water supplies	Rule modules that compliance is demonstrated against
<b>1. Very Small Communities</b>	
Up to 25 people, or up to 50 people for up to 60 days in any 12 month period.	<b>VSC</b>
If supplying drinking water to a planned event which increases the total population to more than 50 people.	<b>G + TDWS</b> (for the duration of the planned event)
<b>2. Networked Supplies</b>	
Small (26 – 100 people)	<b>G + S1 + T1 + D1</b>
Medium (101 – 500 people)	<b>G + S2 + T2 + D2</b>
Large (>500 people)	<b>G + S3 + T3 + D3</b>

Figure 1: Very Small Communities and Networked Supplies and Rule Modules that apply to them (Taumata Arowai, 2022)

## 4 Performance Measure (Safety of drinking water)

The extent to which the local authority's drinking water supply complies with the following parts of the drinking water quality assurance rules 2022:

- (a) 4.4 T1 Treatment Rules;
- (b) 4.5 D1.1 Distribution System Rule;
- (c) 4.7.1 T2 Treatment Monitoring Rules;
- (d) 4.7.2 T2 Filtration Rules;
- (e) 4.7.3 T2 UV Rules;
- (f) 4.7.4 T2 Chlorine Rules;
- (g) 4.8 D2.1 Distribution System Rule;
- (h) 4.10.1 T3 Bacterial Rules;
- (i) 4.10.2 T3 Protozoal Rules; and
- (j) 4.11.5 D3.29 Microbiological Monitoring Rule.

### 4.1 Summary of drinking water compliance in accordance with Drinking Water Quality Assurance Rules 2022 for 1 July 2024 to 30 June 2025 report period

#### S3 source water monitoring

Figure 2. S3.3 Rule module (Drinking Water Quality Assurance Rules 2022)

<b>S3.3</b>	All source waters must be monitored for the determinands and at the frequencies set out in Table 16 and Table 18.
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Figure 2: S3.3 Rule module (Drinking Water Quality Assurance Rules 2022)

Determinand Group	Determinands monitored at each abstraction point <sup>33 34</sup>	Sampling Frequency
Bacterial	<i>E. coli</i> and total coliforms	2 per Month
Physico-chemical	Iron, manganese, colour, nitrate	Monthly
	Alkalinity, antimony, arsenic, barium, cadmium, calcium, chloride, chromium, copper, lead, magnesium, mercury, nickel, sodium, sulphate.	Annually <sup>35</sup>

Figure 3: DWQAR 2022 Table 16 (Drinking Quality Assurance Rules 2022)

**Table 18. S3 Raw Water Monitoring Parameters**

Parameters monitored in raw water from each source or combined sources <sup>39</sup>		Sampling Frequency
<b>Class 1 and Interim Class 1</b>		
Physico-chemical	Conductivity, pH, Turbidity	Monthly for 12 months Every 6 months if there is no significant variation in the initial 12 months of samples <sup>40</sup>
<b>Classes 2, 3 and 4</b>		
Physico-chemical	Conductivity, pH, Turbidity	Continuous <sup>41</sup>

Figure 4: DWQAR 2022 Table 18 (Drinking Quality Assurance Rules 2022)

Eight drinking water schemes (with over 500 population) are required to continuously monitor the conductivity, pH and turbidity of the source raw water (DWQAR 2022 Rule S3.3, Table 18). Currently, these are not being monitored as SDC does not have the equipment/instruments and meters. A project has been placed into the Long-Term Plans to install the equipment/instrument and meters for each of the eight schemes. It is expected that this monitoring equipment on each of the raw water sources will be installed 25/26 year to monitor the raw source water as required in the new rules.

#### 4.1.1 Southland District Council Drinking Water Treatment Plants – treatment (T2, T3 rules)

##### 4.1.1.1 T2 Rules: Medium Networked Supply (101-500 people)

- **Eastern Bush/Otahu Flat (TP00475)** - operates under T2, the plant 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.

##### 4.1.1.2 T3 Rules: Large Networked Supplies (>500 people)

Manapouri and Mossburn were originally expected to operate under T2 due to their population size, but SDC is reporting treatment compliance under T3 rules, as it is easier to report based on the instruments and treatment processes at the plants.

##### **Bacterial Compliance: (10 out of 10 WTPs are compliant)**

- **Edendale/Wyndham Treatment Plant (TP03002)** – met the bacterial through UV disinfection.
- **Lumsden/Balfour Treatment Plant (TP03001)** - met the bacterial compliance through UV disinfection.
- **Manapouri Treatment Plant (TP00473)** - met the bacterial compliance through UV disinfection from July 2024-March 2025. On March 26, 2025, the new Manapouri treatment plant was commissioned and now achieving four log credit.
- **Mossburn Treatment Plant (TP00474)** - met the bacterial compliance through UV disinfection.
- **Ohai/Nightcaps Treatment Plant (TP00090)** – met the bacterial compliance through chlorine disinfection.

- **Otautau Treatment Plant (TP00083)** - met the bacterial compliance through UV disinfection.
- **Riverton Treatment Plant (TP00089)** - met the bacterial compliance UV disinfection.
- **Te Anau Treatment Plant (TP00087)** - met the bacterial compliance through UV disinfection.
- **Tuatapere Treatment Plant (TP02456)** – met the bacterial compliance through UV disinfection.
- **Winton Treatment Plant (TP00091)** - On March 17, 2025, SDC's contractor finished the reprogramming of the UVs in Winton WTP to achieve 4 log credit. The UV system was functioning correctly, and the values were visible on the SCADA screen, but the UV data was not being stored in the SCADA historian due to a programming error. It was a technical non-compliant. However, the chlorine dosing was working correctly to meet bacterial compliance so therefore SDC meet bacterial compliance.

**Protozoal Compliance: (6 out of 10 WTPs are compliant)**

- **Edendale/Wyndham Treatment Plant (TP03002)** – met protozoal compliance through UV disinfection and achieved three log credits required.
- **Lumsden/Balfour Treatment Plant (TP03001)** - met protozoal compliance through UV disinfection and achieved three log credits required.
- **Manapouri Treatment Plant (TP00473)** - met the protozoal compliance through UV disinfection and achieved three log credits. On 24 November 2024 at 2:00 am, there was a low chlorine alarm in SCADA system. The operator immediately responded by going onsite and checking the chlorine bottles and discovered that the automatic chlorine gas bottle valves had not changed properly leading to a reported reading of 0 in the Depolox. Subsequent handheld testing of the chlorine at Depolox revealed a reading of 0.37 mg/L. Although the chlorine was low at the time of the incident, the UV and UVT were working correctly to kill the bacteria, and the turbidity was not over 5 NTU. SDC issued a boil water notice to the public to make sure everyone is safe. SDC conducted a 3-day E. Coli and Total coliforms sampling, and all results was clear for both E Coli and Total Coliforms. SDC Lifted the Boil water notice on the 28th of November 2025. On March 26, 2025, SDC conducted a testing in the new Manapouri Plant before it was commissioned on the 27th of March 2025 but none of the water went to Town. The old building was still online on the 26th of March 2025.
- **Mossburn Treatment Plant (TP00474)** - On February 19, the UV screen at the Mossburn WTP was replaced and reprogrammed to achieve 4 log credit. It was observed that while the UV system was functioning correctly, and the values were visible on the SCADA screen, the UV data was not being stored in the historian. There were no values in the trend analysis. The issue was resolved on March 6, 2025; however, some data were lost, but the chlorine dosing was working correctly to meet the bacterial compliance. On the 28th & 29th of June, UVT was low, however the UV system in Mossburn TP has been upgraded and revalidated to 4-log credit. The UV system automatically adjust the UV dose as the UVT of the water flowing through the reactor varies.
- **Ohai/Nightcaps Treatment Plant (TP00090)** – used membrane filtration to meet protozoal compliance and achieved four log credits required.
- **Otautau Treatment Plant (TP00083)** - On March 17 & 18, 2025, SDC's contractor finished the reprogramming of the UV's in Otautau WTP to achieve 4 log credit. The UV system was functioning correctly, and the values were visible on the SCADA screen, but the UV data was not stored in the SCADA historian. It was a technical non-compliant. However, the chlorine dosing was working correctly to meet bacterial compliance.
- **Riverton Treatment Plant (TP00089)** - On the 31st of May 2025, SDC experienced power outages due to severe weather conditions. The report reflects the resulting turbidity spikes, which

were caused by wind disturbing the clarifier and leading to some carryover. Despite this, the bypass valve was open when turbidity exceeded 0.2 NTU. SDC maintained compliance by achieving the required 3-log credit for the filters and 4-log credit for the UV systems. On the 21st of June 2025 with the rapid change in turbidity and cold-water temperatures. Despite this, the bypass valve was open when turbidity exceeded 0.1 NTU. SDC maintained compliance by achieving the required 3-log credit for the filters and 4-log credit for the UV systems. Overall log credit total of 7.

- **Te Anau Treatment Plant (TP00087)** - met the protozoal compliance through UV disinfection and achieved four log credits.
- **Tuatapere Treatment Plant (TP02456)** – met the bacterial compliance through UV and chlorine disinfection. The plant is a technical non-compliant for protozoa due to a cartridge filtration issue. The filter is being used, which provides an additional 2 log credits, but the filter housing is not validated. It is an old filter housing, and the manufacturer is no longer operating. The plant does meet three log credits with UV treatment, but it requires treatment to 4 log credits. A new four log credit UV system will be installed 2025/2026 year.
- **Winton Treatment Plant (TP00091)** - On March 17, 2025, SDC's contractor finished the reprogramming of the UVs in Winton WTP to achieve 4 log credit. The UV system was functioning correctly, and the values were visible on the SCADA screen, but the UV data was not stored in the SCADA historian. It was a technical non-compliant. However, the chlorine dosing was working correctly to meet bacterial compliance.

#### 4.1.2 Southland District Council Drinking Water Treatment Plants – distribution (D2, D3 rules)

##### 4.1.2.1 D2 Rules: Medium Networked Supplies (101-500 people)

- **Eastern Bush (EAS002EB)** - met compliance for the residual disinfection and microbiological monitoring.
- **Otahu Flat (EAS002OF)** - met compliance for the residual disinfection. There was a total coliform detects on 11 June 2025.
- **Manapouri (MAN006MA)** - met compliance for the residual disinfection and microbiological monitoring.
- **Mossburn (MOS002MO)** - met compliance for the residual disinfection and microbiological monitoring.

##### 4.1.2.2 D3 Rules: Large Networked Supplies (>500 people)

- **Edendale (ED001ED)** - met compliance for the residual disinfection and microbiological monitoring.
- **Wyndham (ED001WY)** - met compliance for the residual disinfection and microbiological monitoring.
- **Lumsden (LUM001LU)** - met compliance for the residual disinfection and microbiological monitoring.
- **Balfour (LUM001BA)** - met compliance for the residual disinfection and microbiological monitoring.
- **Ohai (OHAI009OH)** – Microbiological monitoring was non-compliant in September 2025. There was no E. Coli exceedance; however, failure to meet the sampling frequency leads to non-compliance. One sample was not taken due to snow conditions. Low continuous FAC monitoring occurred on 25 January 2025, and on 22, 27, and 30 March 2025.

- **Otautau (OTA001OT)** - low continuous FAC monitoring occurred on occasions in July 2024, December 2024, and in February 2025, however microbiological monitoring was met.
- **Nightcaps (OHA009NI)** – Low continuous FAC monitoring occurred on 21 and 26 January 2025. By-product exceedance on 13 February 2025. The continuous online monitoring identified FAC <0.2 mg/L on occasions on March 20, 2025, at the Nightcaps zone, but no FAC was <0.1 mg/L, the minimum handheld sample was 0.66 mg/L for the reporting period.
- **Riverton (RIV001RI)** – residual disinfection was not met in Riverton distribution zone in August, December 2024, February and May 2025; however microbiological monitoring was met.
- **Te Anau (TEA002TE)** - met compliance for the residual disinfection, microbiological monitoring was non-compliant in September 2025. There was no E. Coli exceedance; however, failure to meet the sampling frequency leads to non-compliance. One sample was not taken due to snow conditions.
- **Tuatapere (TUA001TU)** - met compliance for the residual disinfection, microbiological monitoring was non-compliant in September 2025. There was no E. Coli exceedance; however, failure to meet the sampling frequency leads to non-compliance. One sample was not taken due to snow conditions.
- **Wairio (OHA009WA)** - met compliance for the residual disinfection. By-product exceedance on 07 November 2025 and on 24 February 2025. There was a total coliform positive result on 13 and 21 May 2025. Resample was clear for E. Coli and total coliform in 15<sup>th</sup> and 23<sup>rd</sup> of May 2025.
- **Winton (WIN001WI)** - met compliance for the residual disinfection. There was a total coliform detected in Winton reticulation on 05 May 2025. The re-sample was clear for E. Coli and total coliforms on the 7<sup>th</sup> and 8<sup>th</sup> of May 2025.

**Note: Positive TOTAL COLIFORM result is NOT non-compliance.**

#### 4.2 Performance measures on Treatment Rules (T2, and T3)

Southland District Council is required to comply with the level 2 and 3 rules modules for treatment. Reporting period from 1 July 2024 to 30 June 2025.

##### 4.2.1 SDC drinking water - T2 treatment rules

SCHEME	SUPPLY ID	RULE ID	BACTERIAL COMPLIANCE	RULE ID	PROTOZOAL COMPLIANCE (NUMBER OF DAYS OF COMPLIANCE)								RULE ID	CHEMICAL COMPLIANCE	RULE ID	CYANOTOXIN COMPLIANCE	NOTES
					NTU	UV DOSE	C. FILTER	FLOW	SENSOR	M. FILTER	SEDIMENTATION	UVT					
<b>EASTERN BUSH/OTAHU FLAT</b> <i>(OPERATES UNDER T2 RULES)</i>	TP00475	T2.6	Non-compliant	T2.1	-	-	-	-	-	-	-	-	-	-	-	N / A	No treatment process other than chlorine dosing in Eastern Bush. No historic <i>E. coli</i> or total coliforms detect or low chlorine levels in the treatment plant.  Eastern Bush Treatment Plant was 0% compliant with protozoal requirement for FY 24/25.

## 4.2.2 SDC drinking water - T3 treatment rules

SCHEME	SUPPLY ID	RULE ID	BACTERIAL COMPLIANCE	RULE ID	PROTOZOAL COMPLIANCE (NUMBER OF DAYS OF COMPLIANCE)								RULE ID	CHEMICAL COMPLIANCE	RULE ID	CYANOTOXIN COMPLIANCE	NOTES	
					NTU	UV DOSE	C. FILTER	FLOW	SENSOR	M. FILTER	SEDIMENTATION	UVT						TOTAL
EDENDALE/ WYNDHAM	TP03002	T3.15-T3.18	Compliant	T3.85-T3.91	365	365	-	365	365	-	-	365	365	T3.93	Compliant	T3.97	N/A	Edendale/Wyndham Water Treatment Plant was 100% compliant with bacterial and protozoal requirement for FY 24-25.
LUMSDEN/ BALFOUR	TP03001	T3.15-T3.18	Compliant	T3.85-T3.91	365	365	-	365	365	-	-	365	365	T3.93	Compliant	T3.97	N/A	Lumsden/Balfour Water Treatment Plant was 100% compliant with bacterial and protozoal requirement for FY 24-25.
MANAPOURI	TP00473	T3.15-T3.18	Compliant	T3.85-T3.88	365	365		365	365			365	365		Compliant	T3.97	N/A	Manapouri Water Treatment Plant was 100% compliant with bacterial and protozoal requirement for FY 24-25.

## Drinking water supplies consolidated compliance report

SCHEME	SUPPLY ID	RULE ID	BACTERIAL COMPLIANCE	RULE ID	PROTOZOAL COMPLIANCE (NUMBER OF DAYS OF COMPLIANCE)								RULE ID	CHEMICAL COMPLIANCE	RULE ID	CYANOTOXIN COMPLIANCE	NOTES	
					NTU	UV DOSE	C. FILTER	FLOW	SENSOR	M. FILTER	SEDIMENTATION	UVT						TOTAL
MOSSBURN	TP00474	T3.15-T3.18	Compliant	T3.85-T3.91	350	350	350	-	-	-	-	350	350	T3.93	Compliant	T3.97	N/A	On February 19, the UV screen at the Mossburn WTP was replaced and reprogrammed to achieve 4 log credit. It was observed that while the UV system was functioning correctly, and the values were visible on the screen, the UV data was no longer being stored in the historian. There were no values in the trend analysis. The issue was resolved on March 6, 2025; however, some data were lost, but the chlorine dosing was working correctly to meet the bacterial compliance.
OHAI	TP00090	T3.2-T3.6	Compliant	T3.74-T3.77	365	-	-	-	-	-	365	-	-	365			N/A	Ohai Water Treatment Plant was 100% compliant with bacterial and protozoal requirement for FY 24-25.

## Drinking water supplies consolidated compliance report

SCHEME	SUPPLY ID	RULE ID	BACTERIAL COMPLIANCE	RULE ID	PROTOZOAL COMPLIANCE (NUMBER OF DAYS OF COMPLIANCE)								RULE ID	CHEMICAL COMPLIANCE	RULE ID	CYANOTOXIN COMPLIANCE	NOTES	
					NTU	UV DOSE	C. FILTER	FLOW	SENSOR	M. FILTER	SEDIMENTATION	UVT						TOTAL
OTAUTAU	TP00083	T3.15-T3.18	Compliant	T3.85-T3.91	363	363	363	-	-	-	-	363	363	T3.93	Compliant	T3.97	N/A	On March 17 & 18, 2025, SDC's contractor finished the reprogramming of the UV's in Otautau WTP to achieve 4 log credit. The UV system was functioning correctly, and the values are visible on the screen, but the UV data was not stored in the historian due to incorrect UV dose range in the RTU. It was a technical non-compliant. However, the chlorine dosing was working correctly to meet bacterial compliance so therefore bacterial compliance was met.
RIVERTON	TP00089	T3.15-T3.18	Compliant	T3.39-T3.91	365	365	-	365	365	-	365	365	365	T3.93	Compliant	T3.97	N/A	Rule T3.43 non-compliant on 31 May 2025, and rule T3.39, T3.43, and T3.47 non-compliant on 21 June 2024, however 3-log credit for filtration and 4-log credit for UV disinfection was met, overall total of 7-log credit.

## Drinking water supplies consolidated compliance report

Scheme	Supply ID	Rule ID	Bacterial Compliance	Rule ID	Protozoal Compliance (Number of Days of Compliance)								Rule ID	Chemical Compliance	Rule ID	Cyanotoxin Compliance	Notes	
					NTU	UV Dose	C. Filter	Flow	Sensor	M. Filter	Sedimentation	UVT						Total
Te Anau	TP00087	T3.15-T3.18	Compliant	T3.85-T3.90	365	365	-	365	365	-	-	365	365	T3.93	Compliant	T3.97	N/A	Te Anau Water Treatment Plant was 100% compliant with bacterial and protozoal requirement for FY 24-25.
Tuatapere	TP02456	T3.15-T3.18	Compliant	T3.85-T3.91	365	0	0	-	-	-	-	365	365	T3.93	Compliant	T3.97	N/A	The plant is a technical non-compliant for protozoa due to a cartridge filtration issue. The filter is being used, which provides an additional 2 log credits, but the filter housing is not validated. It is an old filter housing, and the manufacturer is no longer operating. The plant does meet three log credits with UV treatment, but it requires treatment to 4 log credits. A new four log credit UV system will be installed 2025/2026 year.

## Drinking water supplies consolidated compliance report

SCHEME	SUPPLY ID	RULE ID	BACTERIAL COMPLIANCE	RULE ID	PROTOZOAL COMPLIANCE (NUMBER OF DAYS OF COMPLIANCE)								RULE ID	CHEMICAL COMPLIANCE	RULE ID	CYANOTOXIN COMPLIANCE	NOTES	
					NTU	UV DOSE	C. FILTER	FLOW	SENSOR	M. FILTER	SEDIMENTATION	UVT						TOTAL
WINTON	TP00091	T3.15-T3.18	Compliant	T3.85-T3.91	363	363	363	363	363	-	-	363	363	T3.93	Compliant	T3.97	N/A	On March 17, 2025, SDC's contractor finished the reprogramming of the UVs in Winton WTP to achieve 4 log credit. The UV system is functioning correctly, and the values are visible on the screen, but the UV data was not stored in the historian due to incorrect UV dose range in the RTU. It was a technical non-compliant. However, the chlorine dosing was working correctly to meet bacterial compliance so therefore we are compliant for bacterial compliance.

### 4.3 Performance measures on Distribution Rules (D2 & D3)

Southland District Council is required to comply with the level 2 and 3 rules modules for distribution zones. Reporting period from 1 July 2024 to 30 June 2025.

#### 4.3.1 SDC drinking water – D2 distribution rules

SCHEME	SUPPLY ID	RULE ID	MONITORING				COMPLIANCE			NOTES
			BACKFLOW PROTECTION	HYGIENE PROCEDURE	STORAGE FACILITIES	MICROBIOLOGICAL	RESIDUAL DISINFECTION	BY-PRODUCT DISINFECTION	PLUMBOSOLVENT METAL	
<b>EASTERN BUSH/ OTAHU FLAT</b>	EAS002EB EAS002OF	D2	In draft	SDC will formalize the document for the contractors.	In draft	Compliant	Compliant	N/A	Compliant	There was a total coliform detect on 11 June 2025 in Otahu Flat distribution zone. SDC conducted a re-sample and was clear for both E. Coli and Total coliforms on 27 June 2025. <i>*Positive total coliform is NOT non-compliant.</i>
<b>MANAPOURI</b>	MAN006MA	D2	In draft	SDC will formalize the document for the contractors.	In draft	Compliant	Compliant	N/A	Compliant	
<b>MOSSBURN</b>	MOS002MO	D2	In draft	SDC will formalize the document for the contractors.	In draft	Compliant	Compliant	N/A	Compliant	

## 4.3.2 SDC drinking water – D3 distribution rules

SCHEME	SUPPLY ID	RULE ID	MONITORING				COMPLIANCE			NOTES
			D3.1-D3.6 BACKFLOW PROTECTION	D3.7-D3.11 HYGIENE PROCEDURE	D3.12-D3.17 STORAGE FACILITIES	D3.29 MICROBIOLOGICAL	D3.19 RESIDUAL DISINFECTION	D3.22 BY-PRODUCT DISINFECTION	D3.24 PLUMBOSOLVENT METAL	
EDENDALE/ WYNDHAM	EDE001ED EDE001WY	D3	In draft	SDC to formalize the document to the Contractors.	In draft	Compliant	Compliant	Compliant	Compliant	
LUMSDEN/ BALFOUR	LUM001BA LUM001LU	D3	In draft	SDC to formalize the document to the Contractors.	In draft	Compliant	Compliant	Compliant	Compliant	
OHAI	OHA009NI OHA009OH OHA009WA	D3	In draft	SDC will formalize the document for the contractors.	In draft	Non-compliant	Non-compliant	Non-compliant	Compliant	Microbiological monitoring was non-compliant in September 2025. There was no E. Coli exceedance; however, SDC failed to meet the sampling frequency leads to non-compliance. One sample was not taken due to snow conditions.  Low continuous FAC monitoring occurred on 25 January 2025, and on 22, 27, and 30 March 2025.

## Drinking water supplies consolidated compliance report

SCHEME	SUPPLY ID	RULE ID	MONITORING				COMPLIANCE			NOTES
			BACKFLOW PROTECTION	HYGIENE PROCEDURE	STORAGE FACILITIES	MICROBIOLOGICAL	RESIDUAL DISINFECTION	BY-PRODUCT DISINFECTION	PLUMBOSOLVENT METAL	
			D3.1-D3.6	D3.7-D3.11	D3.12-D3.17	D3.29	D3.19	D3.22	D3.24	
OTAUTAU	OTA001OT	D3	In draft	SDC will formalize the document for the contractors.	In draft	Compliant	Non-compliant	Complaint	Compliant	<p>Dichloroacetic acid exceedance in Nightcaps zone on 13 February 2025, and in Wairio reticulation zone on 24 February 2025.</p> <p>There was a total coliform detects in Wairio zone on 13 and 21 May 2025. SDC conducted a re-sample and was clear for both E. Coli and Total coliforms on 15 and 23 May 2025.</p>
RIVERTON	RIV001RI	D3	In draft	SDC will formalize the document for the contractors.	In draft	Compliant	Non-compliant	Complaint	Compliant	<p>Riverton reticulation – Rocks did not have sufficient FAC residual disinfection in the distribution system on occasions due to chlorine demand caused by dissolve organics in the water.</p> <p>Low continuous FAC monitoring in the reticulation on 22 Aug 2025.</p> <p>Low continuous FAC monitoring in the reticulation on 11, 17, and 22nd of Nov 2024.</p>

## Drinking water supplies consolidated compliance report

SCHEME	SUPPLY ID	RULE ID	MONITORING				COMPLIANCE			NOTES
			BACKFLOW PROTECTION	HYGIENE PROCEDURE	STORAGE FACILITIES	MICROBIOLOGICAL	RESIDUAL DISINFECTION	BY-PRODUCT DISINFECTION	PLUMBOSOLVENT METAL	
			D3.1-D3.6	D3.7-D3.11	D3.12-D3.17	D3.29	D3.19	D3.22	D3.24	
										Continuous monitoring identified FAC <0.1 mg/L on occasion in the reticulation on 3 and 4 of December 2024. The low FAC was linked to the planned power outage at the TP the day before and older water from the reservoir. Low continuous FAC monitoring in the reticulation on 5,6,8,11, and 25 Feb 2025. Low continuous FAC monitoring in the reticulation on 9,10,12,13,14 May 2025.
TE ANAU	TEA002TE	D3	In draft	SDC will formalize the document for the contractors.	In draft	Non-compliant	Compliant	Compliant	Compliant	'There was no E. Coli detect in Te Anau reticulation the non-compliance was because the sites were scheduled to be sampled on the 17th of September 2024 but were unable to be sampled due to snow condition on the road and the sampler was unable to get from Nightcaps through Ohai and then over to Tuatapere and then onto Te Anau.
TUATAPERE	TUA001TU	D3	In draft	SDC will formalize the document for the contractors.	In draft	Non-compliant	Compliant	Compliant	Compliant	'There was no E. Coli detect in Tuatapere reticulation the non-compliance was because the sites were scheduled to be sampled on the 17th of September 2024 but were unable to be sampled due to snow condition on the road and the sampler was unable to get from Nightcaps through Ohai and then over to Tuatapere and then onto Te Anau.

## Drinking water supplies consolidated compliance report

SCHEME	SUPPLY ID	RULE ID	MONITORING				COMPLIANCE			NOTES
			BACKFLOW PROTECTION	HYGIENE PROCEDURE	STORAGE FACILITIES	MICROBIOLOGICAL	RESIDUAL DISINFECTION	BY-PRODUCT DISINFECTION	PLUMBOSOLVENT METAL	
WINTON	WIN001WI	D3	In draft	SDC will formalize the document for the contractors.	In draft	Compliant	Compliant	Compliant	Compliant	<p>There was a total coliform detects on 05 May 2025.SDC conducted a re-sample and was clear for both E. Coli and Total coliforms on 7 &amp; 8 May 2025.</p> <p><i>*Positive total coliform is NOT non-compliant.</i></p>

## 4.3.3 SDC Drinking water – summary of E. coli and total coliforms sampling results (D3.29 and D2.1 distribution zone)

Distribution zone name	DWO code	Number of Samples DWQAR 2022 (1 sample per week)	Number of actual samples collected	Maximum interval 9 days between samples	Minimum number of 5 days of the week used	Number of transgressions	Compliance
<b>D3 Distribution Zones (D3.29-ecol, D3.29-coli)</b>							
Edendale	EDE001ED	1	53	8	4	0	Compliant
Wyndham	EDE001WY	1	53	8	4	0	Compliant
Lumsden	LUM001LU	1	53	8	4	0	Compliant
Lumsden/Balfour	LUM001BA	1	53	8	4	0	Compliant
Ohai	OHA009OH	1	53	10	4	0	Non-compliant
Nightcaps	OHA009NI	1	53	8	4	0	Compliant
Wairio	OHA009WA	1	53	8	4	2	Compliant
Otautau	OTA001OT	1	53	8	4	0	Compliant

## Drinking water supplies consolidated compliance report

Distribution zone name	DWO code	Number of Samples DWQAR 2022 (1 sample per week)	Number of actual samples collected	Maximum interval 9 days between samples	Minimum number of 5 days of the week used	Number of transgressions	Compliance
Riverton	RIV001RI	1	53	8	4	0	Compliant
Tc Anau	TEA002TE	1	53	10	4	0	Non-compliant
Tuatapere	TUA001TU	1	53	10	4	0	Non-compliant
Winton	WIN001WI	1	53	8	4	1	Compliant
<b>D2 Distribution Zones (D2.1-a, D2.1-b)</b>							
Distribution zone name	DWO code	Number of Samples DWQAR 2022 (Monthly)	Number of Samples collected (Quarterly samples)	Maximum 12 days duration between samples	Compliance period (1 Month)	Number of transgressions	Compliance
Eastern Bush	EAS002EB	1	12	12	1	0	Compliant
Otahu Flat	EAS002OF	1	12	12	1	1	Compliant
Manapouri	MAN006MA	1	12	12	1	0	Compliant

## Drinking water supplies consolidated compliance report

Distribution zone name	DWO code	Number of Samples DWQAR 2022 (1 sample per week)	Number of actual samples collected	Maximum interval 9 days between samples	Minimum number of 5 days of the week used	Number of transgressions	Compliance
Mossburn	MOS002MO	1	12	12	1	0	Compliant

## Appendix A. Dichloroacetic Acid Exceedance in Nightcaps and Wairio

**eurofins** Out of Specification Notification

**Report Code** NC-25-NC-000483-01 To validate

Downer New Zealand Limited  
159 Liddel Street  
Invercargill, 9810  
NEW ZEALAND

**Attention** David Wilson

This is not a certificate of analysis.  
Only results not meeting specification limits are shown.


<b>Order</b>	EUNZCH-00203186	<b>Submission Reference</b>	Weekly Potable +HAAs) 13/2/25						
<b>Reception Date</b>	13/02/2025	<b>Reception Temperature</b>	5.8 °C						
<b>Sample</b>	817-2025-00000431	<b>Client Sample Code</b>	10 - Nightcaps Reticulation						
<b>Sampling point</b>	Nightcaps Reticulation	<b>Sampled Date &amp; Time</b>	13/02/2025 5:01:00 AM						
<b>Supply Component</b>	OHA009NI	<b>Sampler(s)</b>	Murray de Groot						
<b>Product Type</b>	Drinking Water	<b>Temperature when sampled</b>	17.3						
<b>Sampling Purpose</b>	Monitoring								
<b>Test name:</b>	NW01W Haloacetic Acid   Internal Method based on USEPA								
<b>Measurement Results:</b>	<table border="1"> <thead> <tr> <th colspan="2">Specification Details</th> </tr> </thead> <tbody> <tr> <td>Dichloroacetic acid</td> <td>0.056 mg/l <b>Fail</b></td> </tr> <tr> <td>MAV of 0.05 mg/l</td> <td>Drinking Water Standard for New Zealand</td> </tr> </tbody> </table>			Specification Details		Dichloroacetic acid	0.056 mg/l <b>Fail</b>	MAV of 0.05 mg/l	Drinking Water Standard for New Zealand
Specification Details									
Dichloroacetic acid	0.056 mg/l <b>Fail</b>								
MAV of 0.05 mg/l	Drinking Water Standard for New Zealand								
<b>Signature</b>									
 Tonia Bulling Head of Southern Laboratory (K.T.P)									

Figure 5: 13 February 2025 Dichloroacetic acid exceedance in Nightcaps on 13 Feb 2025

**eurofins** Out of Specification Notification

**Report Code** NC-25-NC-000579-01 Validated 11/03/2025

Downer New Zealand Limited  
159 Liddel Street  
Invercargill, 9810  
NEW ZEALAND

**Attention** David Wilson

This is not a certificate of analysis.  
Only results not meeting specification limits are shown.


<b>Order</b>	EUNZCH-00208735	<b>Submission Reference</b>	HAA Retests 24/2/25						
<b>Reception Date</b>	24/02/2025	<b>Reception Temperature</b>	19.5 °C						
<b>Sample</b>	817-2025-00019354	<b>Client Sample Code</b>	Wairio Retic						
<b>Sampling point</b>	Wairio Reticulation	<b>Sampled Date &amp; Time</b>	2025-02-24 09:45						
<b>Supply Component</b>	OHA009WA	<b>Sampler(s)</b>	David						
<b>Product Type</b>	Drinking Water								
<b>Test name:</b>	NW01W Haloacetic Acid   Internal Method based on USEPA								
<b>Measurement Results:</b>	<table border="1"> <thead> <tr> <th colspan="2">Specification Details</th> </tr> </thead> <tbody> <tr> <td>Dichloroacetic acid</td> <td>0.054 mg/l <b>Fail</b></td> </tr> <tr> <td>MAV of 0.05 mg/l</td> <td>Drinking Water Standard for New Zealand</td> </tr> </tbody> </table>			Specification Details		Dichloroacetic acid	0.054 mg/l <b>Fail</b>	MAV of 0.05 mg/l	Drinking Water Standard for New Zealand
Specification Details									
Dichloroacetic acid	0.054 mg/l <b>Fail</b>								
MAV of 0.05 mg/l	Drinking Water Standard for New Zealand								
<b>Signature</b>									
 Tonia Bulling Head of Southern Laboratory (K.T.P)									

Figure 6: 1 out of 3 re-samples in Nightcaps and Wairio – Dichloroacetic acid exceedance on 24 Feb 2025

## Appendix B. Dichloroacetic Acid Result for March 2025

SAMPLE CODE 817-2025-00011748				
<b>Sample Name</b> 9 - Wairio Reticulation				
<b>Product:</b> Drinking water				
<b>Sampling Point code:</b> I_DO_OHA009WA		<b>Sampling Point name:</b> Wairio Reticulation, OHA009WA		
<b>Reception Date &amp; Time:</b> 12/03/2025 12:25		<b>Reception temperature:</b> 5.9 °C		
<b>Analysis Started on:</b> 12/03/2025 13:01		<b>Analysis Ending Date:</b> 21/03/2025		
<b>Product Type</b> Drinking Water		<b>Sampled Date &amp; Time</b> 12/03/2025 05:15		
<b>Temperature when sampled</b> 14.6		<b>Sampler(s)</b> Murray		
<b>Sampling Purpose</b> Monitoring				
RESULTS (UNCERTAINTY)		LOQ	SPECIFICATIONS	
ZMLZ6 Enumeration of Escherichia coli and Total Coliforms by Membrane Filtration				
Escherichia coli	<1	cfu/100 ml	1	MAV of <1.0 cfu/100 ml ✓ National Guideline
Total Coliforms	<1	cfu/100 ml	1	Result <1 cfu/100 ml ✓ Client Specification
QNW01W Haloacetic Acid				
Bromochloroacetic acid	<0.005	mg/l	0.005	
Chloroacetic acid	<0.005	mg/l	0.005	
Dibromoacetic acid	<0.005	mg/l	0.005	
Dichloroacetic acid	0.015	(± 0.002) mg/l	0.005	MAV of 0.05 mg/l ✓ National Guideline
Monobromoacetic acid	<0.005	mg/l	0.005	
Trichloroacetic acid	0.08	(± 0.01) mg/l	0.05	MAV of 0.2 mg/l ✓ National Guideline

Figure 7: Wairio By-products re-test result

SAMPLE CODE 817-2025-00011749				
Sample Name		10 - Nightcaps Reticulation		
Product:		Drinking water		
Sampling Point code:		I_DO_OHA009		
Reception Date & Time:		12/03/2025 12:25		
Analysis Started on:		12/03/2025 13:01		
Product Type		Drinking Water		
Temperature when sampled		15.4		
Sampling Purpose		Monitoring		
Sampling Point name:		Nightcaps Reticulation, OHA009NI		
Reception temperature:		5.9 °C		
Analysis Ending Date:		21/03/2025		
Sampled Date & Time		12/03/2025 05:26		
Sampler(s)		Murray		
RESULTS (UNCERTAINTY) LOQ SPECIFICATIONS				
ZMLZ6 Enumeration of Escherichia coli and Total Coliforms by Membrane Filtration				
Escherichia coli	<1	cfu/100 ml	1	MAV of <1.0 cfu/100 ml ✓ National Guideline
Total Coliforms	<1	cfu/100 ml	1	Result <1 cfu/100 ml ✓ Client Specification
QNW01W Haloacetic Acid				
Bromochloroacetic acid	<0.005	mg/l	0.005	
Chloroacetic acid	<0.005	mg/l	0.005	
Dibromoacetic acid	<0.005	mg/l	0.005	
Dichloroacetic acid	0.033	(± 0.004) mg/l	0.005	MAV of 0.05 mg/l ✓ National Guideline
Monobromoacetic acid	<0.005	mg/l	0.005	
Trichloroacetic acid	0.09	(± 0.01) mg/l	0.05	MAV of 0.2 mg/l ✓ National Guideline

Figure 8: Nightcaps By-products re-test result

**Appendix C. Total Coliforms Detects in Winton, Wairio, and Otahu Flat,**

SAMPLE CODE	817-2025-00034843
Sample Name	12 - Winton Reticulation
Sampling Point code:	L_DOWN_WIN001WI
Reception Date & Time:	05/05/2025 11:50
Analysis Started on:	05/05/2025 12:44
Product Type	Drinking Water
Temperature when sampled	12.0
Sampling Purpose	Monitoring
Sampled By Eurofins	No
RESULTS	LOG
Enumeration of Escherichia coli and Total Coliforms by Membrane Filtration	
Escherichia coli	<1 cfu/100 ml
Total Coliforms	14 cfu/100 ml
MAV of <1.0 cfu/100 ml	✓ National Guideline
Result <1 cfu/100 ml	✓ Client Specification

*Figure 9: Total coliforms detect in Winton on 05 May 2025*

**eurofins** Food & Water Testing  
ANALYTICAL REPORT

AR-25-NC-013128-01 Page 1 of 2

REPORT CODE: AR-25-NC-013128-01 REPORT DATE: 09/05/2025

Attention: Downer New Zealand Limited  
David Wilson  
159 Liddell Street  
9810 Invercargill  
NEW ZEALAND

Phone: +64277047922  
Email: David.Wilson@downer.co.nz

Copy to: De Groot (murray.degroot@downer.co.nz)

Contact for your orders: James Thornton  
Contract: Downer Southland DC Sampling  
Submission Reference: Winton Retic Retest 7/5/25

Order code: EUNZCH-00216559  
Purchase Order Number: 5155651

SAMPLE CODE: 817-2025-00046385

Sample Name: 12 - Winton Reticulation  
Sampling Point code: L\_DOWN\_WIN001WI  
Reception Date & Time: 07/05/2025 12:20  
Analysis Started on: 07/05/2025 13:43  
Product Type: Drinking Water  
Temperature when sampled: 13.3  
Sampling Purpose: Monitoring

Sampling Point name: Winton Reticulation, WIN001WI  
Reception temperature: 10.7 °C  
Analysis Ending Date: 09/05/2025  
Sampled Date & Time: 07/05/2025 11:54  
Sampler(s): Murray

Sampled By Eurofins: No

RESULTS	LOG	SPECIFICATIONS
ZML26 Enumeration of Escherichia coli and Total Coliforms by Membrane Filtration		
Escherichia coli	<1 cfu/100 ml	MAV of <1.0 cfu/100 ml ✓ National Guideline
Total Coliforms	<1 cfu/100 ml	Result <1 cfu/100 ml ✓ Client Specification

REPORT INFORMATION

Tests with Maximum Allowable Value (MAV) assigned are measured against the Drinking Water Standards for New Zealand.  
Results are considered unsatisfactory (\*) when they do not comply with the specified MAV or Aesthetic Value indicating the water may not be safe to drink.  
Results are considered satisfactory (✓) when they comply with the specified MAV or Aesthetic Value.

LIST OF METHODS

ZML26 Escherichia coli: Total Coliforms E (Water) (NZ Water)  
+1 >80/100 ml (B) M1 Agar-P: SMLWVW 5222K, APHA 24th Edition

Signature: *T. Bulling*

Tonia Bulling Head of Southern Laboratory (K.T.P.)

EXPLANATORY NOTE

Eurofins ELS Limited  
43 Detroit Drive  
Rolleston  
Christchurch 7614  
NEW ZEALAND

Eurofins ELS Limited  
142 Esk Street  
Invercargill 9810  
NEW ZEALAND

Phone (Christchurch) +64 3 343 5227  
Phone (Invercargill)  
www.eurofins.co.nz

ISO 9001  
ACCREDITED  
LABORATORY

*Figure 10: Total coliforms re-tests*

**eurofins** Food & Water Testing  
ANALYTICAL REPORT

AR-25-NC-013168-01 Page 1 of 2

REPORT CODE: AR-25-NC-013168-01 REPORT DATE: 09/05/2025

Attention: Downer New Zealand Limited  
David Wilson  
159 Liddell Street  
9810 Invercargill  
NEW ZEALAND

Phone: +64277047922  
Email: David.Wilson@downer.co.nz

Copy to: De Groot (murray.degroot@downer.co.nz)

Contact for your orders: James Thornton  
Contract: Downer Southland DC Sampling  
Submission Reference: Winton Retic Retest 8/5/25

Order code: EUNZCH-00216560  
Purchase Order Number: 5155651

SAMPLE CODE: 817-2025-00046386

Sample Name: 12 - Winton Reticulation  
Sampling Point code: L\_DOWN\_WIN001WI  
Reception Date & Time: 08/05/2025 12:05  
Analysis Started on: 08/05/2025 13:19  
Product Type: Drinking Water  
Temperature when sampled: 14.4  
Sampling Purpose: Monitoring

Sampling Point name: Winton Reticulation, WIN001WI  
Reception temperature: 3.6 °C  
Analysis Ending Date: 09/05/2025  
Sampled Date & Time: 08/05/2025 11:34  
Sampler(s): Murray

Sampled By Eurofins: No

RESULTS	LOG	SPECIFICATIONS
ZML26 Enumeration of Escherichia coli and Total Coliforms by Membrane Filtration		
Escherichia coli	<1 cfu/100 ml	MAV of <1.0 cfu/100 ml ✓ National Guideline
Total Coliforms	<1 cfu/100 ml	Result <1 cfu/100 ml ✓ Client Specification

REPORT INFORMATION

Tests with Maximum Allowable Value (MAV) assigned are measured against the Drinking Water Standards for New Zealand.  
Results are considered unsatisfactory (\*) when they do not comply with the specified MAV or Aesthetic Value indicating the water may not be safe to drink.  
Results are considered satisfactory (✓) when they comply with the specified MAV or Aesthetic Value.

LIST OF METHODS

ZML26 Escherichia coli: Total Coliforms E (Water) (NZ Water)  
+1 >80/100 ml (B) M1 Agar-P: SMLWVW 5222K, APHA 24th Edition

Signature: *T. Bulling*

Tonia Bulling Head of Southern Laboratory (K.T.P.)

EXPLANATORY NOTE

Eurofins ELS Limited  
43 Detroit Drive  
Rolleston  
Christchurch 7614  
NEW ZEALAND

Eurofins ELS Limited  
142 Esk Street  
Invercargill 9810  
NEW ZEALAND

Phone (Christchurch) +64 3 343 5227  
Phone (Invercargill)  
www.eurofins.co.nz

ISO 9001  
ACCREDITED  
LABORATORY

**eurofins** Out of Specification Notification

**Report Code** NC-25-NC-001103-01 **Validated** 15/05/2025

Downer New Zealand Limited  
159 Liddel Street  
Invercargill, 9810  
NEW ZEALAND

**Attention:** David Wilson

This is not a certificate of analysis.


<b>Order</b>	<b>EUNZCH-00213315</b>	<b>Submission Reference</b>	Weekly 13/5/25
<b>Reception Date</b>	13/05/2025	<b>Reception Temperature</b>	9.7 °C
<b>Sample</b>	<b>817-2025-00035055</b>	<b>Client Sample Code</b>	9 - Wairoa Reticulation
<b>Sampling point</b>	Wairoa Reticulation	<b>Sampling Date &amp; Time</b>	13/05/2025 12:30:00
<b>Supply Component</b>	OHA009WA	<b>Sampler(s)</b>	David
<b>Product Type</b>	Drinking Water	<b>Sampled By Eurofins</b>	false
<b>Temperature when sampled</b>	14.0		
<b>Sampling Purpose</b>	Monitoring		
<b>Test name:</b>	<b>ZML26</b>	<b>Enumeration of Escherichia coli and Total Coliforms by Membrane Filtration   SMLWW</b>	
	<b>9222K</b>		
<b>Measurement Results:</b>			
Total Coliforms	> 80 cfu/100 ml	<b>Fail</b>	Result <1 cfu/100 ml Limits Downer - Invercargill
<b>Signature</b>			
			
<b>Tonia Bulling</b>	Head of Southern Laboratory (K.T.P.)		
<small>Eurofins shall not be liable for loss, cost, damages or expenses incurred by the client or any other person or company resulting from the use of any information or interpretation given in this report. In no case shall Eurofins be liable for consequential damages including, but not limited to, lost profits, damages for failure to meet deadline or lost production arising from this report. This document shall not be reproduced except in full and remains only to the items tested. Unless indicated otherwise the tests were performed on the samples as received.</small>			
<b>Eurofins ELS (Christchurch)</b>		<b>Page</b> 1/1	
43 Detroit Drive, Rolleston, Christchurch, NZ-7614 Telephone: +64 3 343 5227   Email: James.Thornton@eurofinsnz.com   www.eurofins.co.nz			

Figure 11: Wairoa Total coliform detects on 13 May 2025

**eurofins** Food & Water Testing **ANALYTICAL REPORT**

**AR-25-NC-014182-01** **Page 1 of 2**

**REPORT CODE** **AR-25-NC-014182-01** **REPORT DATE** **13/05/2025**

**Attention:** Downer New Zealand Limited  
David Wilson  
159 Liddel Street  
9810 Invercargill  
NEW ZEALAND

**Phone** +64277047922 **Copy to:** Tim Gird (tim.gird@downer.co.nz)

**Email** David.Wilson@downer.co.nz

**Contact for your orders:** James Thornton  
Downer Southland UC Sampling  
**Submission Reference:** Wairoa Retic Retest 15/5/25 **Order code:** EUNZCH-00217681  
**Purchase Order Number:** 5155651

**SAMPLE CODE** **817-2025-00049786**

**Sample Reference:** Wairoa Retic  
**Sampling Point code:** I\_DO\_OHA009WA **Sampling Point name:** Wairoa Reticulation, OHA009WA  
**Reception Date & Time:** 15/05/2025 14:30 **Reception temperature:** 11 °C  
**Analysis Started on:** 15/05/2025 17:04 **Analysis Ending Date:** 19/05/2025  
**Sampled Date & Time:** 15/05/2025 13:10 **Temperature when sampled:** 13.1  
**Sampler(s):** David **Sampling Purpose:** Monitoring  
**Sampled By Eurofins:** No

	RESULTS	LOQ	SPECIFICATIONS
<b>*ZML26</b>	<b>Enumeration of Escherichia coli and Total Coliforms by Membrane Filtration</b>		
Escherichia coli	<1 cfu/100 ml	1	MAV of <1.0 cfu/100 ml ✓ National Guideline
Total Coliforms	<1 cfu/100 ml	1	


**REPORT INFORMATION**

Tests with Maximum Allowable Value (MAV) assigned are measured against the Drinking Water Standards for New Zealand. Results are considered unsatisfactory (\*) when they do not comply with the specified MAV or Aesthetic Value indicating the water may not be safe to drink. Results are considered satisfactory (✓) when they comply with the specified MAV or Aesthetic Value.

**LIST OF METHODS**

7M1.76 Escherichia coli-Total Coliforms E (Water) [NZ Water]  
<1 >80 /100 ml (6) MI Agar-F, SMEWW 9222K; APHA 24th Edition

**Signature**

  
**Tonia Bulling** Head of Southern Laboratory (K.T.P.)

**EXPLANATORY NOTE**

Eurofins EL S.I limited 43 Detroit Drive Rolleston Christchurch 7614 NEW ZEALAND Phone (Christchurch) +64 3 343 5227 Phone (Invercargill) www.eurofins.co.nz

Eurofins EL S.I limited 142 Esk Street Invercargill 9810 NEW ZEALAND

ACCREDITED  
NAC-MRA  
LABORATORY

ACCREDITED  
LMS  
LABORATORY

Figure 12: Wairoa Total coliforms re-test

## Drinking water supplies consolidated compliance report

SAMPLE CODE	817-2025-00035067				
Sample Name	9 - Wairio Reticulation				
Sampling Point code:	I_DO_OHA009WA	Sampling Point name:	Wairio Reticulation, OHA009WA		
Reception Date & Time:	21/05/2025 14:00	Reception temperature:	7.9 °C		
Analysis Started on:	21/05/2025 14:32	Analysis Ending Date:	22/05/2025		
Product Type	Drinking Water	Sampled Date & Time	21/05/2025 11:50		
Temperature when sampled	12.3	Sampler(s)	David		
Sampling Purpose	Monitoring	Sampled By Eurofins	No		
RESULTS		LOQ	SPECIFICATIONS		
*ZML26 Enumeration of Escherichia coli and Total Coliforms by Membrane Filtration					
Escherichia coli	<1	cfu/100 ml	1	MAV of <1.0 cfu/100 ml ✓ National Guideline	
Total Coliforms	11	I cfu/100 ml	1	Result <1 cfu/100 ml ✗ Client Specification	

Figure 13: Wairio Total Coliforms detects on 21 May 2025


		<b>AR-25-NC-015004-01</b>		Page 1 of 2
<b>Food &amp; Water Testing</b>				
<b>ANALYTICAL REPORT</b>				
<b>REPORT CODE</b>	<b>AR-25-NC-015004-01</b>		<b>REPORT DATE</b>	<b>26/05/2025</b>
<b>Attention</b>	Downer New Zealand Limited David Wilson 159 Liddel Street 9810 Invercargill NEW ZEALAND			
<b>Phone</b>	+64277047922		<b>Copy to:</b> De Groot (murray.degroot@downer.co.nz)	
<b>Email</b>	David.Wilson@downer.co.nz			
<b>Contact for your orders:</b>	James Thornton	<b>Order code:</b>	EUNZCH-00218546	
<b>Contract:</b>	Downer Southland DC Sampling	<b>Purchase Order Number:</b>	5155651	
<b>Submission Reference:</b>	Wairio Retic Retest 23/5/25			
<b>SAMPLE CODE</b>	<b>817-2025-00052894</b>			
<b>Sample Reference</b>	Wairio Retic			
<b>Sampling Point code:</b>	I_DO_OHA009WA	<b>Sampling Point name:</b>	Wairio Reticulation, OHA009WA	
<b>Reception Date &amp; Time:</b>	23/05/2025 16:00	<b>Reception temperature:</b>	12.7 °C	
<b>Analysis Started on:</b>	23/05/2025 16:11	<b>Analysis Ending Date:</b>	26/05/2025	
<b>Sampled Date &amp; Time</b>	23/05/2025 14:35	<b>Temperature when sampled</b>	12.7	
<b>Sampler(s)</b>	David	<b>Sampling Purpose</b>	Monitoring	
<b>Sampled By Eurofins</b>	No			
	<b>RESULTS</b>	<b>LOQ</b>	<b>SPECIFICATIONS</b>	
<b>*ZML26 Enumeration of Escherichia coli and Total Coliforms by Membrane Filtration</b>				
Escherichia coli	<1	cfu/100 ml	1	MAV of <1.0 cfu/100 ml ✓ National Guideline
Total Coliforms	<1	cfu/100 ml	1	Result <1 cfu/100 ml ✓ Client Specification

Figure 14: Total Coliforms re-test

<b>Sample</b>	817-2025-00044615	<b>Client Sample Code</b>	10 - Otahu Flat Reticulation					
<b>Sampling point</b>	Otahu Flat Reticulation							
<b>Supply Component</b>	EAS002CF							
<b>Product Type</b>	Water	<b>Sampled Date &amp; Time</b>	11/06/2025 10:24:00					
<b>Temperature when sampled</b>	7.4	<b>Sampler(s)</b>	David Wilson					
<b>Sampling Purpose</b>	Monitoring							
<b>Test name:</b>	ZMLZ6 Enumeration of Escherichia coli and Total Coliforms by Membrane Filtration   SMEWW 9222K							
<b>Measurement Results:</b>	<table border="0"> <tr> <td>Total Coliforms</td> <td>1 cfu/100 ml</td> <td><b>Fail</b></td> <td>Result &lt;1 cfu/100 ml</td> <td>Limits Downer - Invercargill</td> </tr> </table>			Total Coliforms	1 cfu/100 ml	<b>Fail</b>	Result <1 cfu/100 ml	Limits Downer - Invercargill
Total Coliforms	1 cfu/100 ml	<b>Fail</b>	Result <1 cfu/100 ml	Limits Downer - Invercargill				

Figure 15: Otahu Flat Total Coliform detects sample date 11 June 2025





		AR-25-NC-018319-01 Page 1 of 2	
<b>Food &amp; Water Testing</b>			
<b>ANALYTICAL REPORT</b>			
<b>REPORT CODE</b>	AR-25-NC-018319-01	<b>REPORT DATE</b>	27/06/2025
<b>Attention</b>	Downer New Zealand Limited David Wilson 159 Liddel Street 9810 Invercargill NEW ZEALAND +64277047922 David.Wilson@downer.co.nz		
<b>Phone</b>		<b>Copy to:</b>	De Groot (murray.degroot@downer.co.nz)
<b>Email</b>			
<b>Contact for your orders:</b>	James Thornton Downer Southland DC Sampling	<b>Order code:</b>	EUNZCH-00221770
<b>Contract:</b>	Otahu Flat Reticulation	<b>Purchase Order Number:</b>	5155651
<b>Submission Reference:</b>			
<b>SAMPLE CODE</b>	817-2025-00063549		
<b>Sample Name</b>	Otahu Flat Reticulation		
<b>Reception Date &amp; Time:</b>	25/06/2025 12:05	<b>Reception temperature:</b>	8.7 °C
<b>Analysis Started on:</b>	25/06/2025 14:28	<b>Analysis Ending Date:</b>	27/06/2025
<b>Sampled Date &amp; Time</b>	25/06/2025 06:02	<b>Temperature when sampled</b>	9.9
<b>Sampler(s)</b>	Murray de Groot	<b>Sampling Purpose</b>	Monitoring
<b>RESULTS</b>		<b>LOQ</b>	<b>SPECIFICATIONS</b>
<b>ZMLZ6 Enumeration of Escherichia coli and Total Coliforms by Membrane Filtration</b>			
Escherichia coli	<1	cfu/100 ml	1 MAV of <1.0 cfu/100 ml ✓ National Guideline
Total Coliforms	<1	cfu/100 ml	1
<b>REPORT INFORMATION</b>			
Tests with Maximum Allowable Value (MAV) assigned are measured against the Drinking Water Standards for New Zealand. Results are considered unsatisfactory (✗) when they do not comply with the specified MAV or Aesthetic Value indicating the water may not be safe to drink. Results are considered satisfactory (✓) when they comply with the specified MAV or Aesthetic Value.			
<b>LIST OF METHODS</b>			
ZMLZ6 Escherichia coli-Total Coliforms E [BVC] <1 >80 cfu/100 ml (B) M1 Agar-F; SMEWW 9222K, APHA 24th Edition			
Signature			
			
<b>Tonia Bulling</b> Head of Southern Laboratory (K.T.P)			
<b>EXPLANATORY NOTE</b>			
Eurofins ELS Limited 43 Detroit Drive Rolliston Christchurch 7614 NEW ZEALAND	Eurofins ELS Limited 142 Esk Street Invercargill 9810 NEW ZEALAND	Phone (Christchurch) +64 3 343 5227 Phone (Invercargill) www.eurofins.co.nz	 

Figure 16: Otahu Flat Total Coliform re-test



## Acknowledgement of retiring community board members

Record no: R/25/6/30517  
Author: Michal Gray, Democracy advisor  
Approved by: Vibhuti Chopra, Group manager strategy and partnerships

☐ Decision ☐ Recommendation ☒ Information

### Purpose

At the end of this triennium, the elected members listed below are not standing for re-election as community board members. This report is for Council to record its thanks for the commitment and service given by those members to their communities.

- **Oreti Community Board** - Colin Smith, Philip Dobson, Katie Allan, Dave Diack, Chris Herud and Tracy Kennedy.
- **Oraka Aparima Community Board** - Eve Welch
- **Tuatapere Te Waewae Community Board** - Paula McKenzie and Joanne Sanford
- **Stewart Island/Rakiura Community Board** - Rakiura Herzhoff
- **Fiordland Community Board** - Kate Norris
- **Waihopai Toetoe Community Board** - John McIntyre
- **Northern Community Board** - Pam Naylor and Sonya Taylor
- **Ardlussa Community Board** - Hilary Kelso
- **Wallace Takitimu Community Board** - Bridget Mason

### Recommendation

That the Council:

- a) **receives the report titled “Acknowledgement of retiring community board members”.**
- b) expresses its thanks the following retiring community board members for their commitment and service to their communities:
  - Colin Smith, Philip Dobson, Katie Allan, Dave Diack, Chris Herud, Tracy Kennedy, Eve Welch, Paula McKenzie, Joanne Sanford, Rakiura Herzhoff, **Kate Norris**, John McIntyre, Pam Naylor, Sonya Taylor, **Hilary Kelso and Bridget Mason.**

### Attachments

There are no attachments for this report.



## Valedictories

Record no: R/25/6/30521  
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☐ Decision

☐ Recommendation

☒ Information

### Purpose

- 1 At the end of this triennium, Cr Margie Ruddenklau, Cr Derek Chamberlain and Cr Darren Frazer are not standing for re-election as councillors.
- 2 The purpose of this report is for those councillors to be welcomed to each make a valedictory speech and for Council to record its thanks to those councillors for their service to the Southland District.

### Recommendation

That the Council:

- a) **receives the report titled "Valedictories".**
- b) expresses its thanks to Cr Margie Ruddenklau, Cr Derek Chamberlain and Cr Darren Frazer for their service to the Southland District.

### Attachments

There are no attachments for this report.