Agenda

Finance and Assurance Committee

Wednesday, 10 December 2025, 10am
Council Chamber, Level 2, 20 Don Street, Invercargill

Chairperson	Bruce Robertson
Deputy Chair	Rob Scott
Councillors	Jaspreet Boparai
	Don Byars
	Phil Dobson
	Paul Duffy
	Sarah Greaney
	Julie Keast
	Christine Menzies
	Tom O'Brien
	Brian Somerville
	Jon Spraggon
	Michael Weusten
	Matt Wilson

What is important to us?

Our strategic framework is a big picture of what Council is planning to achieve for our communities in the next three years.

Council vision

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

Council mission

Working together for a better Southland.

Our focus is

Strategic priorities

Connected and resilient communities - we collaboratively engage with our partners and communities, along with investing in agile and sustainable practices, to support a vibrant and thriving Southland.

Ease of doing business - we transform the customer experience through partnership, technology and continuous improvement.

Providing equity - we enable all residents to be able to access the same services and tools as part of a fair society.

Robust infrastructure - we deliver innovative and sustainable community focused infrastructure and facilities for the future

Thinking strategically and innovatively - we look for solutions outside of the norm and are not afraid to do something that we have not done before, and we think long-term about the solutions we are providing, while having the flexibility and agility to change direction as necessary.

Our goals for the LTP 2024-2034 are

Outcomes

Social - communities that are connected and have an affordable and attractive lifestyle.

Environmental - communities committed to the protection of our land and water.

Cultural - communities with a sense of belonging for all.

Economic - communities with the infrastructure to grow.

Terms of Reference – Finance and Assurance Committee

TYPE OF COMMITTEE	Council standing committee
RESPONSIBLE TO	Council
SUBCOMMITTEES	None
LEGISLATIVE BASIS	Committee constituted by Council as per schedule 7, clause 30 (1)(a), LGA 2002. Committee delegated powers by Council as per schedule 7, clause 32, LGA 2002.
MEMBERSHIP	The mayor, all councillors and one external appointee.
FREQUENCY OF MEETINGS	Quarterly or as required
QUORUM	Seven members

SCOPE OF ACTIVITIES	The Finance and Assurance committee is responsible for:
	
	• ensuring that Council has appropriate financial, risk management and internal control systems in place that provide:
	
	  - an overview of the financial and non-financial performance of the organisation
	
	  - effective management of potential opportunities and adverse effects
	
	  - reasonable assurance as to the integrity and reliability of Council's financial and non-financial reporting.
	
	• exercising active oversight of information technology systems
	
	• exercising active oversight of Council's health and safety policies, processes, compliance, results and frameworks
	
	• relationships with external, internal auditors, banking institutions and insurance brokers.
	
	The Finance and Assurance committee will monitor and assess the following:
	
	• the financial and non-financial performance of Council against budgeted and forecasted outcomes
	
	• consideration of forecasted changes to financial outcomes
	
	• Council's compliance with legislative requirements
	
	• Council's risk management framework
	
	• Council's control framework
	
	• Council's compliance with its treasury responsibilities
	
	• Council's compliance with its Fraud Policy.

DELEGATIONS	The Finance and Assurance committee shall have the following delegated powers and be accountable to Council for the exercising of these powers. In exercising the delegated powers, the Finance and Assurance committee will operate within:

	• policies, plans, standards or guidelines that have been established and approved by Council
	• the overall priorities of Council
	• the needs of the local communities
	• the approved budgets for the activity.
	The Finance and Assurance committee will have responsibility and delegated authority in the following areas:
	Financial and performance monitoring
	a) monitoring financial performance to budgets
	b) monitoring service level performance to key performance indicators.
	Internal control framework
	a) reviewing whether Council's approach to maintaining an effective internal control framework is sound and effective
	b) reviewing whether Council has taken steps to embed a culture that is committed to probity and ethical behaviour
	c) reviewing whether there are appropriate systems, processes and controls in place to prevent, detect and effectively investigate fraud.
	Internal reporting
	a) to consider the processes for ensuring the completeness and quality of financial and operational information being provided to Council
	b) to seek advice periodically from internal and external auditors regarding the completeness and quality of financial and operational information that is provided to the Council.
	External reporting and accountability
	a) agreeing the appropriateness of Council's existing accounting policies and principles and any proposed change
	b) enquiring of internal and external auditors for any information that affects the quality and clarity of Council's financial statements and statements of service performance, and assess whether appropriate action has been taken by management in response to the above
	c) satisfying itself that the financial statements and statements of service performance are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control (ie letters of representation), and recommend signing of the financial statements by the chief executive/mayor and adoption of the Annual Report, Annual Plans, Long Term Plans
	Risk management
	a) reviewing whether Council has in place a current, comprehensive and effective risk management framework and associated procedures for effective identification and management of the Council's significant risks

	b) considering whether appropriate action is being taken to mitigate Council's significant risks.
	Health and safety
	a) review, monitor and make recommendations to Council on the organisations health and safety risk management framework and policies to ensure that the organisation has clearly set out its commitments to manage health and safety matters effectively.
	b) review and make recommendations for Council approval on strategies for achieving health and safety objectives
	c) review and recommend for Council approval targets for health and safety performance and assess performance against those targets
	d) monitor the organisation's compliance with health and safety policies and relevant applicable law
	e) ensure that the systems used to identify and manage health and safety risks are fit for purpose, being effectively implemented, regularly reviewed and continuously improved. This includes ensuring that Council is properly and regularly informed and updated on matters relating to health and safety risks
	f) seek assurance that the organisation is effectively structured to manage health and safety risks, including having competent workers, adequate communication procedures and proper documentation
	g) review health and safety related incidents and consider appropriate actions to minimise the risk of recurrence
	h) make recommendations to Council regarding the appropriateness of resources available for operating the health and safety management systems and programmes
	i) any other duties and responsibilities which have been assigned to it from time to time by Council.
	Internal audit
	a) approve appointment of the internal auditor, internal audit engagement letter and letter of understanding
	b) reviewing and approving the internal audit coverage and annual work plans, ensuring these plans are based on Council's risk profile
	c) reviewing the adequacy of management's implementation of internal audit recommendations
	d) reviewing the internal audit charter to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.
	External audit

	a) confirming the terms of the engagement, including the nature and scope of the audit, timetable and fees, with the external auditor at the start of each audit
	b) receiving the external audit report(s) and review action(s) to be taken by management on significant issues and audit recommendations raised within
	c) enquiring of management and the independent auditor about significant business, political, financial and control risks or exposure to such risks.
	Compliance with legislation, standards and best practice guidelines
	a) reviewing the effectiveness of the system for monitoring Council's compliance with laws (including governance legislation, regulations and associated government policies), with Council's own standards, and best practice guidelines as applicable
	b) conducting and monitoring special investigations, in accordance with Council policy, and reporting the findings to Council
	c) monitoring the performance of Council organisations, in accordance with the Local Government Act.
	Business case review
	a) review of the business case of work, services, supplies, where the value of these or the project exceeds $2 million (GST exclusive) or the value over the term of the contract exceeds $2 million (GST exclusive).
	Insurance
	a) consider Council's insurance requirements, considering its risk profile
	b) approving the annual insurance renewal requirements
	Treasury
	a) oversee the treasury function of Council ensuring compliance with the relevant Council policies and plans
	b) ensuring compliance with the requirements of Council's trust deeds are met
	c) recommend to Council treasury policies at least every three years.
	d) approve debt, interest rate and external investment management strategy.
	Fraud Policy
	a) receive and consider reports relating to the investigation of suspected fraud
	b) monitor the implementation of the Fraud Policy.
	Power to recommend
	The Finance and Assurance committee is responsible for considering and making recommendations to Council regarding:

	a) policies relating to risk management, rating, loans, funding and purchasing b) accounting treatments, changes in generally accepted accounting practice, and new accounting and reporting requirements c) the approval of financial and non-financial performance statements including adoption of the Annual Report, Annual Plans and Long Term Plans. The Finance and Assurance committee is responsible for considering and making recommendations to Council on business cases completed under the 'Power to act' section above.
FINANCIAL DELEGATIONS	Council authorises the following delegated authority of financial powers to Council committees in regard to matters within each committee's jurisdiction. **Contract acceptance:** • accept or decline any contract for the purchase of goods, services, capital works or other assets where the total value of the lump sum contract does not exceed the sum allocated in the Long Term Plan/Annual Plan and the contract relates to an activity that is within the scope of activities relating to the work of the Finance and Assurance committee • accept or decline any contract for the disposal of goods, plant or other assets other than property or land that is provided for in the Long Term Plan **Budget reallocation**. The committee is authorised to reallocate funds from one existing budget item to another. Reallocation of this kind must not impact on current or future levels of service and must be: • funded by way of savings on existing budget items • within the jurisdiction of the committee • consistent with the Revenue and Financing Policy.
LIMITS TO DELEGATIONS	Matters that must be processed by way of recommendation to Council include: • amendment to fees and charges relating to all activities • powers that cannot be delegated to committees as per the Local Government Act 2002 and sections 2.4 and 2.5 of this manual. Delegated authority is within the financial limits in section 9 of this manual.
RELATIONSHIPS WITH OTHER PARTIES	The committee shall maintain relationships with each of the nine community boards. Professional advisors to the committee shall be invited to attend all meetings of the committee including: • external auditor • internal auditor/risk advisor (if appointed) • chief financial officer.

	At each meeting, the chairperson will provide the external auditor and the internal auditor/risk advisor (if appointed) with an opportunity to discuss any matters with the committee without management being present. The chairperson shall request the chief executive and staff in attendance to leave the meeting for the duration of the discussion. The chairperson will provide minutes for that part of the meeting.
	The chief executive and the chief financial officer shall be responsible for drawing to the committee's immediate attention any material matter that relates to the financial condition of Council, material breakdown in internal controls and any material event of fraud.
	The committee shall provide guidance and feedback to Council on financial performance, risk and compliance issues.
	The committee will report to Council as it deems appropriate but no less than twice a year.
CONTACT WITH MEDIA	The committee chairperson is the authorised spokesperson for the committee in all matters where the committee has authority or a particular interest.
	Committee members, including the chairperson, do not have delegated authority to speak to the media and/or outside agencies on behalf of Council on matters outside of the committee's delegations.
	The chief financial officer will manage the formal communications between the committee and its constituents and for the committee in the exercise of its business. Correspondence with central government, other local government agencies or other official agencies will only take place through Council staff and will be undertaken under the name of Southland District Council.

1   Opening

The chair will open the meeting.

2   Apologies

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

3   Leave of absence

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

4   Conflict of interest

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

5   Additional agenda items

Any additions to the agenda must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

6   Public participation

Requests to speak should be made by midday of the day before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732.

7   Procedural motion to exclude the public

There will be a public excluded discussion on process and systems with the Finance and Assurance Committee.

Procedural motion to return to public

10   Closure

        The chair will close the meeting.

Summary of reports

	Report Name	Purpose	Report Type	Page
8.1	Finance and Assurance Committee work plan for the year ended 30 June 2026	To update the Committee on the status of the work programme discussed and agreed at the 19 March 2025 meeting for the financial year ending 30 June 2026.	Information	17
8.2	B2B update	The purpose of this report is to provide the Finance and Assurance Committee with a comprehensive update on progress with the Back Together Build (B2B) project since the last report in August. The report outlines the status of the soft-strip demolition contract, detailed design and tender preparation for the main construction works, building consent lodgement, internal working group activity, and key design refinements undertaken during the past quarter.	Information	21
8.3	Financial Report for the period ended 31 October 2025	To provide the Committee with an overview of the financial results for the four months to 31 October 2025 by Council's seven activity groups and corporate services, as well as the financial position and the statement of cashflows as at 31 October 2025. To provide the Committee with a report on our reporting covenants and thresholds at 31 October 2025 as identified in our investment and liability management policy and by the Local Government Funding Agency (LGFA). To provide the Committee with the most recent investment reports from Councils balanced funds managers, Milford Investments and BTNZ (Westpac).	Information	31

8.4	Health and Safety Update	To provide an update on health and safety related events and activity over the last quarter.	Information	69
8.5	Risk management - December 2025 quarterly update	The purpose of this report is to submit the December 2025 quarterly risk management report for consideration by the Finance and Assurance Committee (the committee).	Information	73
8.6	Capital delivery programme review	At the August 2025 Finance and Assurance meeting, the Capital Programme Delivery Governance Group (CPDGG) were requested to review the 2025/2026 programme to determine the deliverability of it given the extent of work carried forward from 2024/2025 and bring back a report in December 2025. The purpose of this report is to outline: • the outcome of that review • proposed revisions to the 2025/2026 capital programme and identify the impact on future years • progress of the proposed revised programme • remaining risks with delivery.	Recommendation	105
8.7	Interim performance report - period one, 1 July 2025 to 31 October 2025	The purpose of this report is to present the Finance and Assurance Committee (the committee) with the Interim Performance Report for period one, from 1 July 2025 to 31 October 2025.	Information	115
8.8	Quarterly update on progress for the Environmental Services Business Improvement plan - 17a review	To receive an update and approve the closure of all remaining Environmental Services Business Improvement Plan action points based on the work undertaken and discussions included in this report.	Decision	139

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

Record no: R/25/12/58686
Author: Rachael Poole, Committee advisor
Approved by: Anne Robson, Group manager finance and assurance
Report type: Information

Staff recommendations

That the Finance and Assurance Committee:

a)   notes the information contained in the report.

b)   notes amendments made to the work plan.

Purpose

1   To update the Committee on the status of the work programme discussed and agreed at the 19 March 2025 meeting for the financial year ending 30 June 2026.

Executive Summary

2   As noted at the meeting the adoption of the work plan does not preclude the Committee or staff from including additional reports as and when required.

3   As the year proceeds, the work plan will be updated to incorporate the actual dates reports are being presented where that differs to the work plan adopted. For the committee's information the "X" in red shows the date the report was presented, where this differs from what was approved in the work plan or if it is a new report that will be presented on an annual basis. If there is a black "X" on the same line as a red "X", the black "X" indicates the date agreed by the committee. The "X" in green reflects changes identified to the ongoing work plan since it was adopted. The "X" in blue reflects a report that has been removed permanently.

Context

4   The Internal Audit Terms of Reference and the Community Facilities – mowing, gardening and cleaning contracts have been removed with the Community Facilities report having been presented in August 2025.

5   Additions to this agenda include the Edendale Wyndham Wastewater treatment plan, the update on the 17a review and the discussion on the capital delivery programme.

6   Added to the March meeting is the Reserves Investment report and the final internal audit report.

Attachments

A   Finance and Assurance Committee Work plan to 30 June 2026 - 10 December 2025 ⇩

Finance and Assurance Committee workplan to 30 June 2026

Content	27 Aug 2025	29 Sep 2025	10 Dec 2025	25 Feb 2026 (if required)	25 Mar 2026	10 Jun 2026
2026/27 Annual Plan – Timetable		X				
2026/27 Annual Plan – accounting policies		X				
2026/27 Annual Plan – significant forecasting assumptions		X				
2026/27 Annual Plan – workshop (if required)						
2026/27 Annual Plan – Recommend draft annual plan to Council				X		
2026/27 Annual Plan – Recommendation adoption to Council						X
Quarterly Risk Report		X	X		X	X
Health & Safety Update including H&S events dashboard		X	X		X	X
Financial Monthly Report			X		X	X
Follow up on audit action points		X	X		X	X
Cyber security update		X	X		X	X
Interim Performance Report		X̶	X		X	
Capital delivery programme update			X		X	X
Budget carry forward requests 2024/25 into 2025/26		X̶				
2024/25 Annual Report – agree report ready for audit	X	X̶				
2024/25 Annual Report – management representation letter		X				
2024/25 Annual Report – recommend adoption by Council		X				
2024/25 Annual Report – final audit management report		X				
2025/26 Annual Report – Audit Timetable					X	
2025/26 Annual Report – accounting policies					X	
2025/26 Annual Report – Deloitte engagement and fee proposal letter					X	
2025/26 Debenture Trust Engagement Letter					X	
Analysis of actual results to forecast for year end 30 June 25		X				
Forecast Financial Position					X	
Financial Transactional Team Update Report to 30 June 2026		X				
Determine Finance & Assurance meeting Content 26/27					X	
Insurance - renewal approval		X				X

Content	27 Aug 2025	29 Sept 2025	10 Dec 2025	25 Feb 2026	25 Mar 2026	10 June 2026
Internal Audit Terms of Reference			X			X
Internal Audit Final Report			X		X	X
Commercial infrastructure – forestry harvest plan 2026/2027						X
Roading management and maintenance of current contracts renewals for Waimea, Central and Foveaux alliance.						X
People and Culture update		X	X		X	X
B2B project update		X	X		X	X
Community facilities – mowing, gardening and cleaning contracts			X			
Update on 17a review		X	X			
Capital delivery programme update – June 2025	X					
Communities facilities contract renewal update	X					
Manapouri wastewater treatment plant and pipeline business case and unbudgeted expenditure request	X					
Update – Te Anau transfer station notifiable incident 2025		X				
Edendale Wyndham Wastewater Treatment Plan			X			
Reserves Investment Report					X	

B2B update

Record no: R/25/11/55848
Author: Jendi Paterson, Project Director
Approved by: Cameron McIntosh, Chief executive
Report type: Information

Staff recommendations

That the Finance and Assurance Committee:

a)   notes the information contained in the report.

Purpose

1   The purpose of this report is to provide the Finance and Assurance Committee with a comprehensive update on progress with the Back Together Build (B2B) project since the last report in August. The report outlines the status of the soft-strip demolition contract, detailed design and tender preparation for the main construction works, building consent lodgement, internal working group activity, and key design refinements undertaken during the past quarter.

Executive Summary

2   Since August, the project has advanced through a major design, procurement, and pre-construction phase. The soft-strip demolition package was competitively tendered, awarded, granted consent, and commenced on site on 24 November 2025. The Project Delivery Group has also completed the full suite of construction drawings and technical specifications required for the main works, enabling the Request for Tender to be released on 25 November 2025. The tender closes on 19 December 2025, and by the time of this meeting, the associated building consent application will also have been lodged.

3   Alongside these external processes, the internal working groups have continued to provide substantial input, including resolving electrical, mechanical, ICT infrastructure, and interior design matters. Their work has significantly shaped the final consent set. A key design refinement has been the relocation of the external fire stair, which offers improved compliance and a better design outcome. A verbal update will also be provided to the Committee at the meeting regarding any early findings or latent conditions identified during the soft-strip works.

Background

4   The B2B project was initiated in response to long-standing challenges associated with Southland District Council's accommodation model. For more than five years, Council staff have operated from three separate sites following the partial evacuation of the Forth Street premises due to earthquake-related concerns. Subsequent leasing arrangements at Don Street and various satellite locations have created fragmentation across teams, inefficiencies in workflows, increased operational costs, and ongoing uncertainty about long-term accommodation suitability. Council's strategic objective has therefore been to consolidate staff into a single, modern, fit-for-purpose

civic facility that supports organisational performance, customer service excellence and improved collaboration.

5   Extensive options analysis occurred throughout 2023 and early 2024, including a market scan of available commercial buildings, indicative pricing of new builds, and assessment of potential lease extensions. Engagement with staff, external property specialists and sector peers clearly identified that retrofitting an existing building within the CBD offered the best combination of affordability, future adaptability and ability to support Council's cultural and operational goals.

6   Following this review, Henderson House 93 Kelvin Street was identified as the preferred location. The site presented several advantages: a structurally robust base building suitable for strengthening, proximity to civic and community facilities, adjacency to Henderson Gardens, and sufficient footprint to support a staged redevelopment. Council approved the acquisition in October 2024, delegating the chief executive authority to complete the purchase. The acquisition included due-diligence investigations such as structural assessments, geotechnical review, services investigations, mould remediation requirements and initial seismic concept design.

7   After purchase, Council established a formal governance structure to oversee the project, reflecting its scale and strategic significance. A Project Steering Group (PSG) was formed to provide oversight, ensure risk management, and maintain alignment with Council outcomes. A Project Delivery Group (PDG) comprising architectural, structural, building services, cost management and project management disciplines was also established to progress design development. Appendix A provides a one page summary of the Governance and delivery framework.

8   In early 2025, Council endorsed three key project outcomes: delivering a fit-for-purpose civic building for elected members and the community; creating a workplace that fosters collaboration, positive culture and high performance; and ensuring delivery within budget and the targeted December 2026 occupancy date. Appendix B shows how we track progress towards delivering theses outcomes.

9   Since early 2025, significant engagement has taken place across the organisation. This has included site-wide staff surveys, dedicated architect-led workshops, team-based interviews, drop-in sessions, interior material displays, and ongoing communication through internal channels. Feedback from this engagement has materially shaped the design, particularly in relation to acoustics, layout, wellbeing, public interface, chamber configuration and technology requirements. Working groups focusing on design, technology and infrastructure, and stakeholder engagement have played a central role in refining the detailed scope and ensuring operational considerations are integrated into the emerging design.

10   This background is an update for the Committee and new members and allows us to consider the project's current status, which has now progressed through detailed design into procurement and pre-construction delivery.

Context

11   The reporting period has been characterised by concurrent activity across procurement, design finalisation and early site works. Following an open tender process, an appointed and contract negotiation was undertaken for the soft-strip demolition works. Building consent for this stage was issued promptly following their appointment, and the contractor established on site during the week of 17 November 2025. Physical works began on 24 November 2025 and are progressing in line with the contractor's intention to complete prior to Christmas, despite the nominal six-week programme. Any issues identified during demolition that could influence cost, programme, or design, such as hidden services, structural conditions, or previously inaccessible framing will be outlined verbally at the Committee meeting.

12   In parallel, the Project Delivery Group has completed all architectural, structural, mechanical, electrical, civil and fire engineering documentation required for both tendering and the building consent application. The production of this consent set has required intensive coordination over several months, including the incorporation of feedback from Council's Technology and Infrastructure Working Group, Design Working Group and Stakeholder Working Group. These groups have contributed detailed guidance on operational requirements, ICT capacity, AV and meeting room design, mechanical performance, and interior specifications. Staff have also been kept informed through regular updates and by being provided with physical samples of interior materials.

13   The Request for Tender for the main construction contract was uploaded to GETS on 25 November 2025. This tender represents the primary procurement process for the redevelopment of Henderson House and will close on 19 December 2025. With the consent drawings now complete, the Quantity Surveyor has commenced updating the pre-tender estimate to reflect the finalised scope. This work is essential to inform financial reconciliation once pricing is received and to support the project's cost-management obligations.

14   A notable design improvement during this period has been the decision to relocate the northern external fire stairs to the eastern side of the building. The existing stair required significant modification to achieve compliance, including structural remediation and adjustments to handrails and treads. Relocating the stair provides a more cost-effective and visually coherent solution, while also allowing for improved space utilisation due to the stair's alignment with fire-rated walls on the eastern side. This revision has been incorporated into both the consent set and the tender package.

15   An update on iwi engagement will be provided to the Committee once discussions currently underway are concluded, and any amendments or design responses resulting from this engagement will be reported through future updates.

Next steps

16   The project will now move into a period of concurrent consent processing, tender evaluation, and demolition close-out. Following the lodgement of the building consent for the main works, the Project Delivery Group will respond promptly to any requests for information to ensure there is no impact on the construction programme. Soft-strip works will continue through December, with the contractor expected to complete prior to Christmas. Any latent conditions identified during this stage will be investigated and costed as appropriate.

17   The main contract tender will close on 19 December 2025. Tender evaluations will take place over late December and early January, followed by a formal evaluation panel meeting in mid-January to determine the preferred supplier. The Quantity Surveyor's updated estimate will be used to inform this process and to ensure alignment between market pricing and budget expectations.

18   A detailed update will be provided to the Committee at its February meeting, including the tender evaluation outcomes, an updated programme of works, the revised financial position, and the recommended contractor appointment pathway. Internal working groups will continue providing design support and developing operational planning in anticipation of the transition to the new premises.

Attachments

A   B2B Plan on a page Phase 4 ⇩
B   Outcomes measurement table - December 2025 ⇩

B2B - BACK TOGETHER BUILD
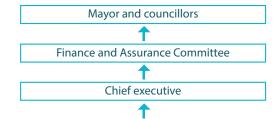
The journey to bring Invercargill staff all back together into one building.

B2B
BACK TOGETHER BUILD

SOUTHLAND
DISTRICT COUNCIL
Te Rohe Pōtae o Murihiku

Phase 4: Procurement and Pre Delivery Readiness - November 2025 – March 2026

Outcomes sought

- A fit-for-purpose civic building for Southland that enables elected members to do their jobs efficiently and effectively
- A design and fit-out that fosters team collaboration, a positive culture, and supports a high-performing organisation
- The move takes place by the target date of December 2026, falls within the budget of $15 million, and the workspaces are functional and modern

Monitoring, measuring and reporting

Mayor and councillors
↑
Finance and Assurance Committee
↑
Chief executive
↑

PROJECT STEERING GROUP

Purpose:
- To provide strategic direction, approve budgets, monitor risk, compliance and overall project purpose.
- To ensure a robust communication plan that ensures key stakeholders are kept informed is in place.
- To prepare reports as required but particularly for the Finance and Assurance Committee.

Membership:
Jane Parfitt, Jendi Paterson, Robyn Rout, Susan McNamara – ex officio Cameron McIntosh

PROJECT DELIVERY GROUP

Purpose:
- To lead the co-ordinated design and delivery by translating strategic objectives into practical outcomes
- To ensure delivery is on time, on budget and fit for purpose

Membership:
Jendi Paterson, project manager, architect, quantity surveyor, structural engineer

In-and-out membership:
Mechanical, electrical, fire and hydraulic engineers, planning and main contractor

Delivering

Supporting the teams to deliver the outcomes

Working Groups	Communications and engagement	Technology and infrastructure	Design advisory	Logistics and execution
Purpose	To recommend a process to identify an appropriate name for the project. To generate a draft communication plan. To act as an information conduit between staff and the steering group. To assist/support engagement and consultation processes, including reviewing draft materials. To monitor the engagement/communication undertaken on the project and provide feedback. To provide any other engagement/communication support sought by the steering group	To ensure that the new office has the required internet speed, network setup, and telecommunications infrastructure to prevent any technology related setbacks. To ensure that any data systems migration is safely secured with minimum downtime. To ensure a good transition of IT systems including servers, workstations, phones, and internet connections occur with no disruption to business operations. To ensure staff and councillors have the right technology to enable them to do their work	To act as a sounding board for the project delivery group as it moves through the design phases. To provide advice on the requirements for a fit-for-purpose council chamber. To monitor progress of design-related outcomes	To oversee the appointment of professional movers experienced in office relocations. To ensure proper packing and labelling of boxes by department and content. To prepare office spaces, including setting up workstations, furniture and safety protocols. To hold a one-day orientation to introduce the new office, layout and safety procedures
Deliverables	A project name and logo. A communications plan. Ongoing monitoring and advice	Fit-for-purpose IT systems that work from day one	A design that reflects the desired outcomes of B2B	A seamless transition to the new civic office

OPERATING PRINCIPLES

- The key role of WG chairs is to ensure cross group alignment and no duplication, take a best for council approach, and make sure everybody in the group has an equal say. They will also have a role in setting the outcomes traffic lights.
- The SG Chair will support WG chairs as required and the Project Director will be the interface between Working Groups and the Project Delivery Group
- Each group will do their own admin. A standard minimalist approach will be taken to agenda setting and note taking. All notes will be available to all WG members and ELT
- All agendas will be provided to all members of ELT and all members of ELT are ex officio all groups.
- WG Chairs will contribute to outcome tracking, including project traffic light status
- All discussions and outputs should align with the endorsed project outcomes and budget envelope
- Working Groups should actively engage with staff feedback and consider operational impacts in all advice and outputs noting that the Chair of the comms working group will be a member of all WGs to support communication strategies

Operating principles

B2B project outcomes measurement
Updated: 4 December 2025 - prepared by working group chairs

Outcome	What this means/key result area	Key Performance indicator	Method of measurement	Progress indicator (traffic light)	Comments
Fit for purpose civic building for Southland	The building instils a sense of pride in Southlanders • all members of the public can access and navigate the building easily • the building is safe and welcoming • people are proud of the building • there is a sense of belonging • Long term adaptability and scalability	Emergency exit plan in place	Plan signed off at appropriate level		As part of building consent fire engineer reports have been complete and submitted. These include exit routes, people numbers and alert systems. Compliance and sign off is required to achieve building code of compliance at the end of the build and is then monitored through building warrant of finesses.
		Design incorporates Mobility access	Design sign off includes Mobility access		Accessibility requirements are comprehensively addressed through compliance with the Building Act, but the project goes further to ensure Henderson House is welcoming and inclusive for everyone. In addition to meeting statutory obligations, the design incorporates an access ramp at the main public entry, with equivalent staff access also provided. Additional accessible toilets and shower facilities, along with a parents' room, are being included to support a wide range of needs and make the workplace more accommodating for staff and visitors alike. The Council Chambers will also be fitted with an Alura hearing loop system, ensuring that people with hearing impairments can fully participate in meetings and civic processes. Together, these measures reflect the project's commitment to creating a civic building that is not only compliant but also genuinely accessible, safe, and inclusive.
		Good ventilation clean air and modern environment	Appropriate ventilation system in place		HVAC system has been designed to allow fresh air in and out with consideration to sun strike
		Chambers design reflects district culture, geography, and heritage	Design incorporates innovation and infrastructure requirements that consider current and future needs Chambers design incorporates District culture, geography and heritage		The design has been confirmed and the technology will now be designed to meet the operating requirements and configuration.
		Plan in place for restricted access to ensure health and safety of staff and Councillors	Design incorporates restricted access		On Track
		Spaces that can evolve as the needs of the workforce change over time	Building is designed to accommodate new technologies, such as 5G, AI and automation		Building design is open plan with structural design focused on columns, internal meeting rooms and offices not weight baring so allows for future adaption if required.
		Chambers have appropriate formality and flexibility	Design balances formality with flexibility		Tables will remain in place and the room can be utilised for other uses outside of formal meetings and gatherings.

Outcomes measurement table - as at 4 Dec 2025

11 November 2025

Outcome	What this means/key result area	Key Performance indicator	Method of measurement	Progress indicator (traffic light)	Comments
Enables elected members to do their jobs efficiently and effectively	There are appropriate infrastructure/services/facilities for elected members	IT services are best in class	Pre entry testing confirms networks, devices and other technology are fit for purpose		Peer review etc, ensuring appropriate for future.
		Flexible committee rooms - at least one near Council chambers	Design incorporates flexibility

Design incorporates a committee room near chambers that can seat approx 18 pax | | On track |
| | | Office for mayor and mayoral support in an appropriate place

Elected members have access to:
• kitchen facilities
• bathrooms
• CE/Exec | Mayor and CE sign off design

Design incorporates elected members accessing kitchen facilities, bathrooms, CE/Exec | | On track, hot desk available for mayoral support, could fit full size desk if need be

On track |
| **Design and fit-out to foster team collaboration** | All head office staff are accommodated in the building
Design/fit-out encourages teams to work together, build relationships and break down silos

There are appropriate spaces for people and groups to eat together, connect and socialize | Design matches headcount (and allows for growth?) | A space for all staff | | All staff will have a dedicated desk, supported by a limited number of hot desks on each floor to provide flexibility for visitors, contractors, or project-based work. The design has been developed with a clear focus on long-term adaptability. Should significant growth occur in the future as local government functions evolve, the building has been deliberately planned to allow expansion to the east and south. This ensures the facility is future-proofed and capable of responding to organisational needs for decades to come.

Equally important, the project is not only about the physical move into one office but also about reshaping the way we work together. Co-location offers an opportunity to review our work practices, embrace modern technology, and create efficiencies across teams. Staff feedback has highlighted the importance of balancing collaboration with spaces for focus, improving acoustic performance, access to natural light, and creating an environment that is welcoming and professional. The redevelopment will embed these principles while enabling more effective day-to-day interactions between teams.

In short, Henderson House is being designed as both a functional civic building and a workplace that supports a high-performing organisation. It will provide staff with a modern, efficient, and adaptable environment, while ensuring the Council is well placed to meet future demands. |

Outcomes measurement table - as at 4 Dec 2025

Outcome	What this means/key result area	Key Performance indicator	Method of measurement	Progress indicator (traffic light)	Comments
		Where possible, teams who interact together are placed together or nearby	Design takes account of how teams interact with each other		On track
		Adequate number of "tea/coffee nooks" and one central social heart/hub	No of nooks Design of social heart/hub		On track
Design and fit-out to foster a positive culture	People's views are heard and considered in the planning process	Decisions on seating/office allocation/car parking etc are fair/equitable	Regular reports from Working Groups confirm progress		On track
	Appropriate lighting, noise control, ventilation and temperature	Appropriate infrastructure, services, facilities, quiet/private spaces incorporated in design			On track
		Modern tech is available and works well			On track
	Healthy lifestyle/wellbeing initiatives are incorporated	Appropriate number/location of bathrooms/showers/photocopiers/ kitchens/meeting rooms/stairs/lifts etc			On track
		Consideration given to showers, scooter/bike parks, recreation/play spaces, art, greenery, natural light etc			On track
Design and fit-out to support a high performing organisation	Functional and modern workspaces with • Confidentiality and private spaces available when required	Private spaces available for booking that reflect business need (quantity, size, location and confidentiality/soundproof requirements) Individual offices with small meeting spaces for GMs, CEO, and Mayor Technology supports operations	No. of meeting rooms Design considers current meeting room provision and staff/working group feedback Provision of IT services/equipment to individuals reflects current practice		On track On track, following up about current meeting room provisions On track, looking at future proofing etc
	• Technology with appropriate back up supports staff	Fit-out allows teams to work together and build relationships where appropriate	Regular reports from Working Groups confirm progress		On track
	• Space planning incorporating work and social needs	Appropriate spaces for people to eat together, connect and socialise			On track – some consideration still required around confidentiality
Move by Dec 2026	All staff in HH by 1 Dec 2026	Logistics plan to co-ordinate the move Minimum disruption to workflows Furniture in place and technology up and running prior to people moving in	Logistics plan in place by Aug/Sept 2026		Currently on track with key milestones

Outcome	What this means/key result area	Key Performance indicator	Method of measurement	Progress indicator (traffic light)	Comments
Within budget	Includes purchase price, any building extension, stabilising, fit-out and office set up.	Project expense tracked cost forecasts reported approved budget met	Regular reports to Steering Team from Project Director		Feedback to steering group has indicated this is on track

Status key	Month	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2025	Nov 2026	Dec 2026
On track		8	12	15		17	18												
Needs attention	Total	3	0	0		1													
Needs escalation		0	0	0															

Outcomes measurement table - as at 4 Dec 2025

11 November 2025

Financial Report for the period ended 31 October 2025

Record no: R/25/11/55702
Author: Joanie Nel, Senior accountant
Approved by: Anne Robson, Group manager finance and assurance
Report type: Information

Staff recommendations

That the Finance and Assurance Committee:

a)   notes the information contained in the report.

b)   receives the report titled "Financial Report for the period ended 31 October 2025."

Purpose

1   To provide the Committee with an overview of the financial results for the four months to 31 October 2025 by Council's seven activity groups and corporate services, as well as the financial position and the statement of cashflows as at 31 October 2025.

2   To provide the Committee with a report on our reporting covenants and thresholds at 31 October 2025 as identified in our investment and liability management policy and by the Local Government Funding Agency (LGFA).

3   To provide the Committee with the most recent investment reports from Councils balanced funds managers, Milford Investments and BTNZ (Westpac).

Attachments

A   Financial report for October 2025 ⇩
B   Westpac Balanced fund - Sept 25 Qtrly report ⇩
C   Milford Investment Monthly Institutional report 30/09/2025 ⇩
D   Extract from Milford Investment Funds 31 October 2025 ⇩

Financial report

October 2025

Southland District Council
Te Rohe Pōtae o Murihiku

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Financial report – October 2025

Table of contents

Introduction

This report summarises Council's financial results for the four month period to 31 October 2025.

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

- year to date (YTD) actuals, which are the actual costs incurred

- YTD projection, which is based on the full year projection (Annual Plan) with adjustments for phasing of budgets, carry forwards and approved unbudgeted expenditure reports

- YTD budget, which is based on Annual Plan budget with some expenditure being phased across the year; and capital and project budgets costs spread evenly across the year

- full year (FY) budget, which is the Annual Plan budget figures

- FY projection, which is the Annual Plan budget figures plus carry forwards and approved unbudgeted expenditure reports.

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

Carry forwards were approved by Council in August 2025 and have been included in the projection column.

The final section is reporting on the actual results for Council's benchmarks and thresholds required as specified in the Investment and Liability Management Policy.

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

Report contents:

A.   Council summary (income, expenditure, capital expenditure and associated commentary)

B.   Council summary by Activity Group

C.   Statement of comprehensive income

D.   Statement of financial position

E.   Statement of cash flows

F.   Investment and liability management policy benchmarks and commentary

Abbreviation explanation

ABBREVIATION	DESCRIPTION
AP	Annual Plan
CAPEX	Capital expenditure
FY	Full year
FYB	Full year budget
DIA	Department of internal affairs
GDC	Gore District Council
GIS	Geographic information system
GMSE	GeoMedia smart client
GST	Goods and Services tax
ICC	Invercargill City Council
ILMP	Investment and Liability Management Policy (2021)
LED	Light emitting diode
LGFA	Local Government Funding Agency
LT	Leadership team
LTP	Long Term Plan
ME	Month end
NZTA	Waka Kotahi NZ Transport Agency
NZDWS	New Zealand Drinking Water Standards
SDC	Southland District Council
SIESA	Stewart Island Electrical Supply Authority
TIF	Tourism Infrastructure Fund
YE	Year end
YTD	Year to date
YTD Variance	Comparison of actual results compared to YTD budget
$M	Millions of dollars
WWTP	Wastewater treatment plant
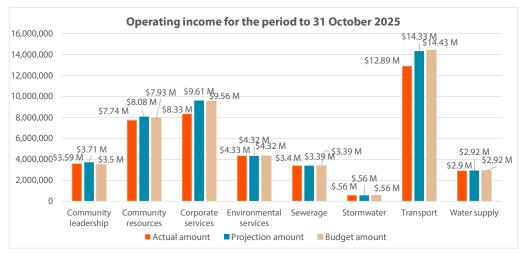
Council summary

Income

Operating income for the four month period to 31 October 2025 is $3.2 million (7%) below projection ($43.7 million actual vs $46.9 million projection). The key reasons for the variances are detailed below.

Operating income for the period to 31 October 2025
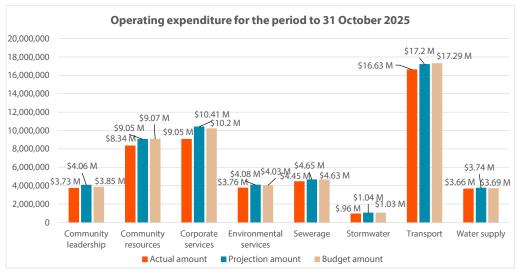
- **corporate services** income is $1.3 million (13%) under projection mainly due to lower forestry income as harvesting is yet to start for the year.

- **transport income** is $1.4 million (10%) lower than projection mainly due to lower NZTA income ($1.2 million). $1.1 million of this relates to capital work of which rehabilitations are starting slightly later than anticipated. In addition, metalling, drainage and traffic services are all slightly behind expected spend at this time of the year. Additionally, NZTA funding includes an allowance for resilience programmes, approval for works on Stewart Island has been received but we are still awaiting approval for use of the balance.

Expenditure

Operating expenditure for the four month period to 31 October 2025 is $3.6 million (6.7%) below projection for the period to date ($50.6 million actual vs $54.2 million projection). The key reasons for the variances are discussed below.

Operating expenditure for the period to 31 October 2025
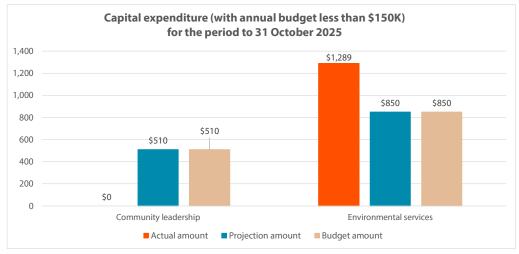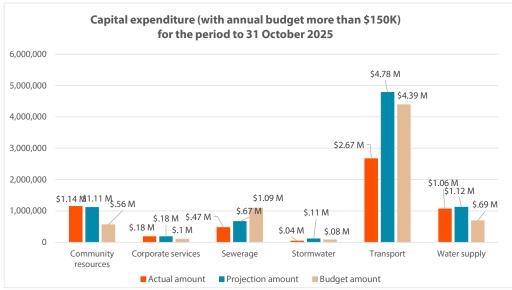
- **community resources** operating expenditure is $707 thousand (8%) below projection:

  o parks and reserves are under projection by $327 thousand. This is largely due to underspends in maintenance, tree and hedge and gardening budgets to date. We should see a change in this next month with costs associated with the extreme weather event experienced on the 23rd of October coming in.

  o SIESA is under projection by $174 thousand due to a decrease in fuel prices compared to budget as well as lower network maintenance with limited work required so far this year.

  o waste services are under projection by $118 thousand due to lower interest and insurance costs along with a timing difference in maintenance costs.

- **corporate services** operating expenditure is $1.4 million (13%) below projection mainly due to forestry harvesting costs yet to be incurred as well as lower interest charges, investment management fees, staff and training costs.

- **environmental services** operating expenditure is $319 thousand (8%) below projection mainly due to lower staff and legal costs to date.

- **sewerage** operating expenditure is $207 thousand (4%) below projection due principally to overall maintenance costs being less than budgeted and lower premiums for material damage insurance.

- **transport** operating expenditure is $571 thousand (3%) under projection. The sealed/unsealed pavement maintenance underspend of $240 thousand is due to a timing issue as the phasing is done based on past results and actuals for this year are different. There is a $46 thousand underspend in jetties, due to low levels of maintenance to date. The road safety area is underspent by $42 thousand due to the timing of projects and we are awaiting some invoices for work completed. The airport has an overall underspend of $121 thousand due to the budget not being phased, this has subsequently been corrected.

Capital expenditure (CAPEX)

Capital expenditure for the period to 31 October 2025 is $2.4 million (30%) under projection ($5.6 million actual vs $8 million projection).

Capital expenditure (with annual budget less than $150K) for the period to 31 October 2025

Community leadership: Actual amount $0, Projection amount $510, Budget amount $510

Environmental services: Actual amount $1,289, Projection amount $850, Budget amount $850

Legend: Actual amount, Projection amount, Budget amount

Capital expenditure (with annual budget more than $150K) for the period to 31 October 2025

Community resources: Actual amount $1.14 M, Projection amount $1.11 M, Budget amount $.56 M

Corporate services: Actual amount $.18 M, Projection amount $.18 M, Budget amount $.1 M

Sewerage: Actual amount $.47 M, Projection amount $.67 M, Budget amount $1.09 M

Stormwater: Actual amount $.04 M, Projection amount $.11 M, Budget amount $.08 M

Transport: Actual amount $2.67 M, Projection amount $4.78 M, Budget amount $4.39 M

Water supply: Actual amount $1.06 M, Projection amount $1.12 M, Budget amount $.69 M

Legend: Actual amount, Projection amount, Budget amount

- **sewerage** is $195 thousand (29%) under projection due to the timing of projects, the main variance relates to the inflow and infiltration project in Winton. Over the period, work continued to be undertaken on the SCADA upgrades. The Manapouri waste water treatment plant has now been awarded and work is due to commence in January.

- **stormwater** is $73 thousand (65%) under projection due to the timing of the projects in Te Anau, Ohai and Nightcaps.

- **transport** capital costs are $2.1 million (44%) under projection. $300 thousand of this relates to rehabilitations that are starting slightly later than anticipated. $600 thousand relates to resilience work on Stewart Island with some work completed. In addition, metalling, drainage renewals and traffic services are running slightly behind expectation.

- **water supply** is $58 thousand (5%) under projection. The main project currently being worked on is the AC pipe renewal in Te Anau.

Council summary by activity group

SOUTHLAND DISTRICT COUNCIL FINANCIAL SUMMARY
FOR THE PERIOD TO 31 OCTOBER 2025

Operating income

Activity	YTD Actual amount	Projection amount	Budget amount	Var $	Var %	FYB Projection amount	Budget amount	Var $	Var %
Community leadership	3,590,476	3,714,464	3,496,431	(123,989)	(3%)	11,545,012	11,056,949	(488,063)	(4%)
Community resources	7,740,854	8,077,517	7,933,744	(336,663)	(4%)	25,333,025	24,829,553	(503,473)	(2%)
Corporate services	8,332,369	9,613,771	9,561,216	(1,281,402)	(13%)	27,641,574	27,451,233	(190,341)	(1%)
Environmental services	4,334,068	4,321,919	4,321,919	12,150	0%	12,911,520	12,741,656	(169,864)	(1%)
Sewerage	3,401,889	3,390,471	3,390,471	11,418	0%	10,085,833	10,085,833	-	-
Stormwater	560,841	557,439	557,439	3,402	1%	1,702,318	1,702,318	-	-
Transport	12,894,897	14,329,368	14,428,781	(1,434,471)	(10%)	53,428,516	53,620,166	191,650	0%
Water supply	2,897,884	2,924,820	2,924,820	(26,936)	(1%)	8,888,272	8,888,272	-	-
Total	**43,753,278**	**46,929,769**	**46,614,820**	**(3,176,490)**	**(7%)**	**151,536,070**	**150,375,979**	**(1,160,091)**	**(1%)**

OPERATING EXPENDITURE

Activity	YTD Actual amount	Projection amount	Budget amount	Var $	Var %	FYB Projection amount	Budget amount	Var $	Var %
Community leadership	3,734,070	4,060,934	3,854,695	(326,863)	8%	12,141,888	11,597,694	(544,194)	(4%)
Community resources	8,341,755	9,048,857	9,066,116	(707,102)	8%	27,707,211	26,462,145	(1,245,066)	(4%)
Corporate services	9,049,824	10,405,383	10,202,689	(1,355,560)	13%	29,169,586	28,635,907	(533,679)	(2%)
Environmental services	3,759,559	4,078,553	4,029,419	(318,995)	8%	13,117,583	12,785,892	(331,691)	(3%)
Sewerage	4,447,249	4,654,414	4,634,586	(207,165)	4%	13,448,826	13,242,092	(206,734)	(2%)
Stormwater	955,020	1,036,579	1,033,945	(81,559)	8%	2,974,087	2,968,819	(5,268)	(0%)
Transport	16,625,404	17,195,989	17,288,039	(570,584)	3%	52,667,353	52,062,116	(605,238)	(1%)
Water supply	3,656,228	3,738,785	3,689,398	(82,557)	2%	10,608,083	10,509,309	(98,774)	(1%)
Total	**50,569,110**	**54,219,494**	**53,798,887**	**(3,650,384)**	**6.7%**	**161,834,617**	**158,263,973**	**(3,570,644)**	**(2%)**

Net surplus/deficit	(6,815,831)	(7,289,726)	(7,184,067)	473,894	(14%)	(10,298,547)	(7,887,994)	2,410,553	1%

CAPITAL EXPENDITURE

Activity	YTD Actual amount	Projection amount	Budget amount	Var $	Var %	FYB Projection amount	Budget amount	Var $	Var %
Community leadership	0	510	510	(510)	(100%)	265,730	215,730	(50,000)	(19%)
Community resources	1,142,569	1,112,489	560,870	30,080	3%	21,350,759	11,275,498	(10,075,261)	(47%)
Corporate services	183,358	178,682	102,682	4,676	3%	882,249	302,940	(579,309)	(66%)
Environmental services	1,289	850	850	439	52%	507,550	257,550	(250,000)	(49%)
Sewerage	469,935	665,000	1,090,247	(195,065)	(29%)	7,331,900	13,553,325	6,221,425	85%
Stormwater	39,275	112,500	80,909	(73,226)	(65%)	4,559,018	3,278,790	(1,280,228)	(28%)
Transport	2,667,714	4,781,315	4,389,221	(2,113,601)	(44%)	33,985,404	33,830,377	(155,027)	(0%)
Water supply	1,062,358	1,120,167	685,823	(57,809)	(5%)	5,445,714	6,536,807	1,091,093	20%
Total	**5,566,498**	**7,971,514**	**6,911,112**	**(2,405,016)**	**(30%)**	**74,328,323**	**69,251,017**	**(5,077,306)**	**(7%)**

Financial report – October 2025

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

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Statement of comprehensive income

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR THE PERIOD TO 31 OCTOBER 2025	YTD			FYB	
	Actual amount	Projection amount	Budget amount	Projection amount	Budget amount
Revenue					
Rates revenue	25,054,677	25,212,827	25,209,494	77,075,208	77,065,183
Other revenue	4,174,217	4,941,330	4,954,501	11,767,413	11,806,924
Interest and dividends	358,745	6,667	6,667	20,000	20,000
NZ Transport Agency funding	3,999,154	5,412,597	5,333,935	26,327,713	26,108,853
Grants and subsidies	504,476	882,740	604,382	3,127,493	2,382,203
Other gains/losses	5,268	-	-	2,695,707	2,408,207
Development and financial contributions	-	57,742	-	207,857	-
	34,096,538	**36,513,904**	**36,108,979**	**121,221,391**	**119,791,370**
Expenditure					
Employee benefit expense	6,643,296	7,354,014	7,354,014	21,951,853	21,951,853
Depreciation and amortisation	15,233,927	15,297,853	15,297,853	45,712,574	45,712,573
Finance costs	1,424,163	1,602,370	1,602,370	4,807,109	4,807,109
Other Council expenditure	17,610,983	19,549,048	19,038,810	59,000,859	55,160,285
	40,912,369	**43,803,284**	**43,293,046**	**131,472,395**	**127,631,821**
Total comprehensive income	**(6,815,831)**	**(7,289,380)**	**(7,184,067)**	**(10,251,004)**	**(7,840,451)**

Note:

The revenue and expenditure in the comprehensive income statement does not reconcile to the total income and total expenditure reported in the Council summary by activity group on page 9 due to the elimination of the internal transactions. However, the net surplus/deficit (as per the Council summary by activity group) matches the total comprehensive income (as per the statement of comprehensive income).

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

Statement of financial position

Council's unaudited financial position as at 31 October 2025 is detailed below which covers Southland District Council and SIESA financial results.

STATEMENT OF FINANCIAL POSITION	NOTE	31-Oct-25 Actual	30 Jun 2025 ACTUAL
Equity			
Retained earnings		689,608,311	696,472,565
Asset revaluation reserves		1,517,844,160	1,517,844,160
Other reserves		46,496,248	43,650,247
Share revaluation		11,458,209	9,172,948
		2,265,406,931	**2,270,139,920**
Represented by:			
Current assets			
Cash and cash equivalents	(2)	23,666,618	23,822,415
Trade and other receivables		6,576,167	8,578,635
Inventories		148,905	148,905
Other financial assets	(7)	2,196,798	2,196,798
		32,588,488	**37,746,753**
Non-current assets			
Property, plant and equipment		2,277,455,269	2,287,122,579
Intangible assets		6,654,991	6,654,944
Forestry assets		13,490,000	13,490,000
Internal loans		78,074,688	79,094,173
Investment in associates		3,027,896	3,027,896
Other financial assets	(7)	43,443,800	41,105,968
		2,422,146,645	**2,430,495,560**
Total assets		**2,454,735,133**	**2,465,242,313**
Current liabilities			
Trade and other payables		4,706,369	8,859,741
Deferred revenue		1,922,314	1,699,364
Contract retentions and deposits		530,699	491,985
Employee benefit liabilities		1,933,213	2,816,022
Development and financial contributions		1,080,584	1,060,775
Borrowings		9,000,000	9,000,000
Provisions		1,126,960	1,126,960
		20,300,140	**25,054,847**
Non-current liabilities			
Employment benefit liabilities		9,271	9,271
Provisions		8,369,103	8,369,103
Internal loans - liability		78,074,688	79,094,172
Borrowings	(8)	82,575,000	82,575,000
		169,028,062	**170,047,546**
Total liabilities		**189,328,202**	**195,102,393**
Net assets		**2,265,406,931**	**2,270,139,920**

Statement of cash flows

Council's unaudited cash flow position as at 31 October 2025 is detailed below which covers Southland District Council and SIESA financial results.

STATEMENT OF CASHFLOWS FOR THE PERIOD TO 31 OCTOBER 2025	NOTE	2025/26 YTD Actual	2024/25 Jun-25
Cash flows from operating activities			
Receipts from rates revenue		23,015,629	72,484,432
Receipts from other revenue (including NZTA)		9,939,337	40,750,885
Cash receipts from interest and dividends		346,087	990,305
Payments to suppliers and employees		(29,193,847)	(78,346,988)
Interest paid		(1,424,163)	(3,231,909)
GST general ledger (net)		2,902,031	315,629
Net cash inflow (outflow) from operating activities		**5,585,075**	**32,962,354**
Cash flows from investing activities			
Receipts from sale of PPE		5,268	1,650,562
(Increase)/decrease other financial assets		(46,795)	-
Purchase of property, plant and equipment		(5,566,617)	(43,731,404)
Acquisition of investments		(132,681)	(28,002,027)
Net cash inflow (outflow) from investing activities		**(5,740,872)**	**(70,082,869)**
Cash Flows from financing activities			
Increase in term loans		-	66,775,000
Repayment of term loans		-	(11,000,000)
Net cash inflow (outflow) from financing activities		**-**	**55,775,000**
Net increase/(decrease) in cash and cash equivalents		**(155,797)**	**18,654,485**
Cash and cash equivalents at the beginning of the year		**23,822,415**	**5,392,026**
Cash and cash equivalents at the end of October	(2)	**23,666,618**	**23,822,415**

Notes to the financial statements

Cash and cash equivalents

1. On 31 October, Council had $1,553 cash on hand.

2. Funds on call on 31 October 2025:

FUNDS ON CALL			
	AMOUNT	BANK	ACCOUNT
SDC	$8,874,158	BNZ	Funds on call
	$10,000	BNZ	Operating bank acc
	$1,306,684	BNZ	Restricted funds acc
SIESA	$474,223	BNZ	Funds on call
Total	$10,665,065		

Other financial assets

3. On 31 October 2025, Council had $13 million invested in one term deposit.

TERM DEPOSIT INVESTMENTS				
BANK	AMOUNT	INTEREST RATE	DATE INVESTED	MATURITY DATE
ANZ	$13,000,000	2.4%	22-Oct-25	18-Nov-25
Total	$13,000,000			

Reconciliation to statement of financial position	Amount
Cash and cash equivalents	
Current assets	
SDC Cash on hand (Note 1)	$1,553
Funds on call (Note 2)	$23,665,065
Total cash and cash equivalents per the statement of financial position	**$23,666,618**

4. At 31 October 2025, Council held two balanced fund investments.

Balanced Fund Investment		
Balanced Funds	Amount invested	Total value
Milford Balanced Fund	$17,500,000	$19,797,699
Westpac (BT Funds Management)	$17,500,000	$20,187,240
Total	$35,000,000	$39,984,940

5. The amount invested includes the $35 million approved by Council to date. It also includes rebates received (which offsets the fees charged for the managed funds) and is added to the value of the investments. The value at the period being reported is $39.98 million for the managed funds.

6. At 31 October 2025, SIESA had $1.17 million invested in four term deposits as follows:

SIESA INVESTMENTS - TERM DEPOSITS				
Bank	Amount	Interest rate	Date invested	Maturity date
BNZ	$370,000	4.00%	4-Jun-25	4-Dec-25
BNZ	$300,000	4.00%	14-Jul-25	14-Jan-26
BNZ	$250,000	3.90%	11-Aug-25	11-Feb-26
BNZ	$250,000	3.65%	7-Oct-25	7-Apr-26
Total	$1,170,000			

7. At 31 October 2025, Council had $3.27 million of LGFA borrowers notes as follows:

LGFA BONDS				
	AMOUNT	**INTEREST RATE RECEIVED**	**ESTABLISHMENT DATE**	**MATURITY DATE**
LGFA	$210,000	3.10%	20-Dec-21	15-May-35
LGFA	$210,000	3.14%	15-Dec-21	15-Apr-36
LGFA	$100,000	varies	19-Apr-24	15-Apr-26
LGFA	$125,000	5.06%	06-May-24	15-May-28
LGFA	$125,000	5.09%	06-May-24	20-Apr-29
LGFA	$250,000	5.13%	08-Jul-24	15-Apr-26
LGFA	$500,000	4.95%	08-Jul-24	15-Apr-27
LGFA	$250,000	4.91%	08-Jul-24	20-Apr-29
LGFA	$250,000	4.91%	08-Jul-24	15-May-28
LGFA	$500,000	4.25%	14-Aug-24	15-May-28
LGFA	$500,000	4.14%	14-Aug-24	15-Apr-27
LGFA	$250,000	4.19%	17-Feb-25	17-Feb-29
LGFA	$250,000	4.22%	15-Apr-25	15-Apr-30
LGFA	$288,750	4.15%	12-May-25	15-May-30
Total	**$3,808,750**			

RECONCILIATION TO STATEMENT OF FINANCIAL POSITION	AMOUNT
Other financial assets	
Current assets	
SDC Term Investments	-
SIESA Investments (Note 6)	$1,170,000
Civic Assurance shares*	$12,793
Milford Sound Tourism shares*	$601,488
LGFA bonds (Note 7)	$350,000
Milford Sound Tourism current account	$62,517
Total current financial assets per the statement of financial position	**$2,196,798**
Non - Current assets	
SDC Balanced Funds Investments (Note 4)*	$39,984,940
LGFA bonds (Note 7)	$3,458,750
Trustee settlor contributions	$110
Total non-current financial assets per the statement of financial position	**$43,443,800**

*These balances are subject to change due to revaluation processes at month end or year end.

8. As at 31 October 2025, the external borrowings of $91.6 million is made up of:

SDC BORROWINGS						
LENDER	**AMOUNT**	**INTEREST RATE PAID**	**DATE DRAWN**	**MATURITY DATE**	**TYPE**	**CLASS**
LGFA	$4,000,000	varies	19-Apr-24	15-Apr-26	Floating	Current
LGFA	$5,000,000	5.36%	8-Jul-24	15-May-28	Fixed	Non-Current
LGFA	$10,000,000	5.40%	8-Jul-24	15-Apr-27	Fixed	Non-Current
LGFA	$5,000,000	5.46%	6-May-24	15-May-28	Fixed	Non-Current
LGFA	$5,000,000	5.49%	6-May-24	20-Apr-29	Fixed	Non-Current
LGFA	$5,000,000	5.58%	8-Jul-24	15-Apr-26	Fixed	Current
LGFA	$5,000,000	5.36%	8-Jul-24	20-Apr-29	Fixed	Non-Current
LGFA	$8,400,000	3.45%	20-Dec-21	15-May-35	Fixed	Non-Current
LGFA	$8,400,000	3.49%	15-Dec-21	15-Apr-36	Fixed	Non-Current
LGFA	$10,000,000	4.59%	14-Aug-24	15-Apr-27	Fixed	Non-Current
LGFA	$10,000,000	4.70%	14-Aug-24	15-May-28	Fixed	Non-Current
LGFA	$5,000,000	4.64%	17-Feb-25	17-Feb-29	Fixed	Non-Current
LGFA	$5,000,000	4.67%	15-Apr-25	15-Apr-30	Fixed	Non-Current
LGFA	$5,775,000	4.60%	12-May-25	15-May -30	Fixed	Non-Current
Total	**$91,575,000**					

RECONCILIATION TO STATEMENT OF FINANCIAL POSITION	AMOUNT
Borrowings	
LGFA current	$9,000,000
LGFA non-current	$82,575,000
Total borrowings per the statement of financial position	**$91,575,000**

Compliance with the Investment and Liability Management Policy & LGFA covenants

The following section provides information to show whether Council is managing its cash in banks and its debt portfolio in line with Councils Investment and Liability Management Policy (2025) (ILMP policy). This also provides information around our obligations with the Local Government Funding Agency (LGFA).

There are several thresholds set in the policy which Council is required to achieve. For the tables below:

- green shading indicates compliance with the policy
- orange indicates instances where Council is operating outside of the policy thresholds requiring further review and be reported to Council.

Term deposits have been spread across the registered banks to ensure compliance with policy requirements.

CREDIT RISK MANAGEMENT	THRESHOLD		OCTOBER 2025		
REGISTERED BANKS	MINIMUM RATING	MAXIMUM AMOUNT	RATING		AMOUNT
Westpac	AA-	$15 Million	AA-	-	Achieved
BNZ	AA-	$15 Million	AA-	10,665,065	Achieved
ANZ	AA-	$15 Million	AA-	13,000,000	Achieved

Borrowing levels are determined through Council's LTP and Annual Plans. Council will manage its borrowing activities prudently to minimise credit risk.

The ILMP policy & LGFA have set specific borrowing limits as follows. Total revenue is based on a rolling 12 month period for LGFA covenants.

ITEM	THRESHOLDS		OCTOBER 2025 ACTUALS		
	LGFA COVENANTS	CILM POLICY	LGFA COVENANTS	CILM POLICY	
Net debt as % of total revenue*	< 175%	< 175%	30.9%	70%	Achieved
Net interest as % of total revenue	< 20%	< 10%	10.6%	10.6%	Achieved
Net interest as % of rates revenue	< 25%	< 15%	12.7%	12.7%	Achieved
Liquidity ratio*	> 110%	> 110%	169.5%	169.5%	Achieved

*LGFA Covenant includes the balanced fund debt as part of the net debt calculation; where is the CILM policy excludes it. The LGFA covenant calculations will be taken into consideration with the review of the CILM policy.

Council is also operating within the debt maturity profile parameters for the period.

DEBT MATURITY PROFILE	THRESHOLD		OCTOBER 2025		
	MINIMUM	MAXIMUM	AMOUNT	%	
0 to 3 years	15%	60%	49,000,000	54%	Achieved
3 to 7 years	25%	85%	25,775,000	28%	Achieved
7 years plus	0%	60%	16,800,000	18%	Achieved
Total			**91,575,000**	**100%**	

The "Fixed Interest Rate Thresholds" in the table below show how much of the forecasted debt should have a fixed interest rate (eg in year 1 between 40-90% of the forecasted debt should have a fixed interest rate applied). "Actual" shows the current proportion of fixed debt and whether this fits within the required threshold for that year.

USING DEBT FORECAST - 2024 LTP (AT 31 OCTOBER 2025)					
INTEREST RATE EXPOSURE		FIXED INTEREST RATE THRESHOLD		OCTOBER 2025	
TERM	MONTH	MINIMUM	MAXIMUM	ACTUAL	
2025/2026	0-12	40%	90%	73%	Achieved
2026/2027	12-24	35%	85%	45%	Achieved
2027/2028	24-36	30%	80%	27%	Review
2028/2029	36-48	25%	75%	15%	Review
2029/2030	48-60	20%	70%	9%	Review
2030/2031	60-72	0%	65%	6%	Achieved
2031/2032	72-84	0%	60%	6%	Achieved
2032/2033	84-96	0%	50%	6%	Achieved
2033/2034	96-108	0%	50%	6%	Achieved
2034/2035	108-120	0%	50%	6%	Achieved

Generally, Council is within the thresholds for the proportion of fixed interest rate borrowing, however it is below the minimum threshold for a three-year period.

The ILMP policy states that a strategy must be completed if in any month the interest rate risk position is not within the ranges. If the strategy results in the position being corrected within 90 days, the GM of Finance and Assurance can approve. If it is over 90 days the Committee are required to approve it.

The following proposed strategy is expected to ensure compliance within 90 days.

- that 10% of Councils forecasted debt in 12 months time is borrowed on a floating interest rate; for a term of one year
- any additional debt is borrowed on a fixed term rate; for a term of four or five years.

The risk management profile for growth versus income on externally managed funds is set out below along with current splits for Councils two managed funds at the most recent reported dates.

	Milford Investment balanced fund	Westpac (BTNZ) balanced fund	Combined balanced fund investment	
Allocation	Actual	Actual	Range %	Actual
Growth assets	54.8%	61.5%	35-65%	58.2%
Income assets	45.09%	38.5%	35-65%	41.8%

At the period being reported both investments asset types are within the range required by the policy. It is important to note that there will be a certain amount of fluctuation from the agreed allocations due to the market environment.

The compliance with ILMP treasury section excludes SIESA investments which are reported in the notes to the financial statements.

To date $35 million has been invested in Westpac and Milford.

The most recent reports are attached to this report from both investment funds for your information.

BT

Funds Management

Westpac Active Balanced Trust

Quarterly Report

30 September 2025

Classification: PROTECTED

BT Funds Management

September quarter 2025

Global markets showed strength driven by solid corporate earnings, supportive central bank policies, and improving investor sentiment - despite lingering US policy uncertainties.
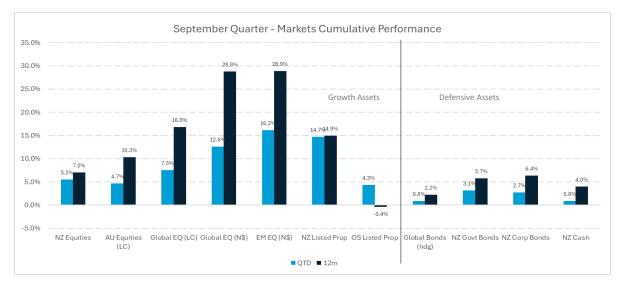
The U.S. market in particular continued to be supported by continued massive investment in AI and related infrastructure, which is reflected in further out-performance by both the technology and communication services sectors. Europe lagged due to weak manufacturing and energy concerns. In Japan the ruling Liberal Democratic party elected the country's first female PM, Sanae Takaichi, who is seen as being fiscally liberal, which saw equities rally and the Yen depreciate.

Bond yields eased later in the quarter as softer labour and inflation readings strengthened the case for monetary easing, particularly in the U.S. Commodity prices fluctuated, with oil briefly spiking on supply risks before moderating, and gold gaining as investors sought defensive assets.

Q2 growth in GDP in New Zealand was weaker than expected, with more spare capacity in the economy than anticipated, leading to calls for more stimulus from the Reserve Bank at their remaining meetings this year.

Key themes influencing market performance

September Quarter - Markets Cumulative Performance

- **Global equities** returned returned a strong +7.5% in local currency terms and even more in NZD terms (+12.6%) due to the weakness in the NZ dollar. Emerging markets delivered a stellar +16.2% return in local currency terms, while the US S&P500 index returned +8.1%. **New Zealand equities** delivered an improved performance (albeit slightly under-performing global equities), returning 5.5% (S&P/NZX 50 gross index), while Australian equities returned 4.7% (in AUD terms).
- **Government bond yields** reduced over the course of the quarter as economic stagnation concerns outweighed inflation concerns and the Federal Reserve resumed its easing cycle. The US government 10-year bond yield traded in a wide 46bps range, as low as 4.02% towards the quarter end, having peaked at 4.48% in July. The New Zealand 10-year government bond yield also traded in a wide range, between 4.16% and 4.60%. **Global bonds** returned +0.8% over the quarter, while **NZ bonds** returned +3.0%. NZ corporate bonds (2.7%) underperformed NZ Government bonds (+3.1%).

Source: Bloomberg L.P, RBNZ, BT Funds Management NZ
Returns are index total returns. LC = Local Currency Return. N$ = NZD Hedged returns

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Performance

Performance to 30 September 2025:

	3 months	6 months	1 year	2 years (p.a.)	3 years (p.a.)	5 years (p.a.)
Westpac Active Balanced Trust	5.91%	10.95%	11.34%	15.13%	12.33%	6.76%
Benchmark	5.95%	10.77%	11.83%	14.41%	12.09%	6.59%
Relative	*-0.04*	*+0.18*	*-0.49*	*+0.72*	*+0.24*	*+0.17*

- Returns are gross of fees and tax.
- Southland District Council inception date 31/05/2024.

Performance commentary

For the September quarter, the Balanced Fund returned 5.91%. All asset classes contributed positively to the fund's absolute performance, with NZ listed property, as well as international and Australasian shares, the strongest performing asset classes. The fund performed broadly in-line with its benchmark over the quarter, with income asset classes (fixed interest and cash) outperforming their benchmarks, while growth assets classes (shares and listed property) underperformed their benchmarks.

Over the one year period, the Balanced Fund returned 11.34%, with all asset classes except international listed property contributing positively to absolute performance. The fund underperformed it's benchmark over the one year period, with the international fixed interest asset class delivering strong outperformance, while the Australasian shares asset class underperforming.

Absolute and benchmark relative returns continue to be strong over longer periods.

Classification: PROTECTED   BT Funds Management

Transaction Report

Transactions for the three months to 30 September 2025:

Date	Description	Amount	Tax	Total	Price	Units
01/07/2025	Opening balance	$18,720,841.97			3.2483	5,763,273.70
18/07/2025	Fee rebate (Jun)	$12,173.46	$0.00	$12,173.46	3.2891	3,701.15
18/07/2025	Fee charge (Jun)	-$6,847.57	$0.00	-$6,847.57	3.2891	-2,081.90
05/08/2025	Fee rebate (Jul)	$12,854.24	$0.00	$12,854.24	3.3073	3,886.63
05/08/2025	Fee charge (Jul)	-$7,230.51	$0.00	-$7,230.51	3.3073	-2,186.23
05/09/2025	Fee rebate (Aug)	$13,055.72	$0.00	$13,055.72	3.3635	3,881.59
05/09/2025	Fee charge (Aug)	-$7,343.84	$0.00	-$7,343.84	3.3635	-2,183.39
30/09/2025	Investment earnings	$1,055,235.33				
30/09/2025	Closing balance	$19,792,738.80			3.4313	5,768,291.55
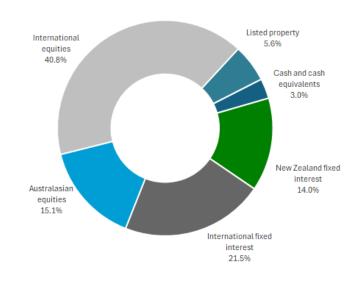
Positioning

Top 10 holdings	Weight
NVIDIA Corporation	2.47%
Microsoft Corporation	1.95%
Fisher & Paykel Healthcare Corporation	1.66%
Apple Inc	1.51%
Infratil Limited	1.14%
ASX SPI 200 Future Dec 25	1.05%
Alphabet Inc Class A	0.95%
Auckland International Airport Limited	0.88%
Taiwan Semiconductor Manufacturing Co Ltd	0.79%
Precinct Properties NZ Ltd	0.78%

Asset allocation as at 30 September 2025

International equities 40.8%
Listed property 5.6%
Cash and cash equivalents 3.0%
New Zealand fixed interest 14.0%
International fixed interest 21.5%
Australasian equities 15.1%

BT Funds Management

Underlying Investment Managers

Asset Class	Strategic weighting	Investment Manager*		Investment Style
Cash	4%	BTNZ	BT	Core
New Zealand Fixed Interest	14%	BTNZ	BT	Core, composite
		BTNZ	BT	Corporate bonds
International Fixed Interest	22%	Colchester	Colchester	Global sovereign
		Loomis Sayles	LOOMIS | SAYLES	Global investment grade credit
		Wellington	WELLINGTON MANAGEMENT	Core, global aggregate
NZ Listed Property	2.5%	Salt	SALT	Core, value tilt, NZ listed
International Listed Property	2.5%	Principal	Principal	Core, global listed
Australasian Equities	15%	Harbour	Harbour	Growth, 30% AU
		Devon	DEVON FUNDS.	Value, 30% AU
		Salt	SALT	Core, 15% AU
International Equities	40%	Schroders	Schroders	Core
		T. Rowe Price	T.Rowe Price	Growth
		Mirova	mirova	Sustainable focused
		Ninety One	Ninety One	Emerging markets
		Northern Trust	NORTHERN TRUST	Systematic, factor based
		LGIM	LGIM	Climate & ESG focused

* All external investment managers manage a segregated account and are appointed under an investment management agreement tailored to meet BT's requirements

About the Trust

- **Investment objective and overview**:
  - Aims to provide medium returns over the medium to long term
  - Has a higher target allocation to growth assets than to income assets
  - Volatility is expected to be higher than the Moderate Trust but lower than the Growth Trust
  - Returns will vary and may be low or negative at times.
- **Recommended minimum investment timeframe:** 7 years
- **Inception Date**: 1 August 1992
- **Trust Size**: $335.8m (30 September 2025)
- **Risk indicator[*]:**

← Potentially lower returns   Potentially higher returns →

| 1 | 2 | 3 | **4** | 5 | 6 | 7 |

← Lower risk   Higher risk →

[*]The risk indicator is calculated based on the volatility of past returns over the five years ended 30 June 2024, which may not be a full investment cycle.

Disclaimer

Important things to know

BT Funds Management (NZ) Limited ("BT") is the funds management business of Westpac in New Zealand.

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Classification: PROTECTED **BT** Funds Management

Monthly Report

30 SEPTEMBER 2025

MILFORD
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milfordasset.com

Market and Economic Overview

A purple patch

> " Through all the noise, global share markets continue to march higher.

Milford's Funds continue to deliver positive returns, supported by performance of share and bond markets. Through all the noise, global share markets continue to march higher. Global bond markets are also delivering positive performance as central banks continue on their interest rate cutting cycles.

Global share market performance was boosted last month by renewed optimism around the outlook for AI and technology companies. Increased expectations of demand for data centres were fuelled by software company Oracle (which we own) who announced a large pipeline of deals, sending the stock up 24.4% in the month. In turn, this supported share prices of other technology companies including our picks Nvidia (+7.1%), TSMC (+21.3%) and Google (+14.2%). Nontechnology stocks were more mixed last month. Bank stocks took a breather after a strong run, but Bank of Ireland (+10.9%) bucked the trend.

NZ assets did well last month, with NZ bonds a notable outperformer on the back of weaker second quarter GDP data. We have had heavier exposure to NZ bonds (vs global bonds) and this position has paid off over recent months. NZ shares rallied, albeit less than global shares. Real estate developer Precinct Properties (+6.6%), infrastructure investment company Infratil (+8.7%) and fuel import terminal Channel Infrastructure (+12.7%) were notable performers for us. Australian shares underperformed, finishing down on the month as bank stocks weighed. Gold miners such as Newmont (+15.9%) performed well on the back of a breakout in the gold price.

Bond markets saw broad rallies last month as the US Federal Reserve cut interest rates. Expectations of lower interest rates in the US also appears to be fuelling stock market gains. The US economy is bifurcated, with weak employment market contrasting a booming AI technology sector. Meanwhile, the rest of the world is growing steadily, supported by falling inflation and interest rates.

Performance of asset markets and valuations already reflect a large degree of optimism from investors. Economic fundamentals remain supportive into next year in most regions that we invest in. The key risk is that valuations have run somewhat ahead of the fundamentals. That said, we continue to find reasonably valued investment opportunities, supporting the outlook for returns.

Southland District Council

Client ID: ML180508

Portfolio Valuation

As at 30 September 2025

Fund	Units	Unit Price	Gross Value	% of Total
Milford Balanced Fund	5,309,650.4771	$3.6964	$19,626,592.02	100.00%
Total			**$19,626,592.02**	**100.00%**

Portfolio Performance

As At 30 September 2025
Net of fees & tax

Fund	1 month	3 month	1 year	3 years	5 years	Since inception
Milford Balanced Fund	1.42%	3.70%	11.24%	N/A	N/A	11.27%
Overall Performance	**1.42%**	**3.70%**	**11.24%**	**N/A**	**N/A**	**11.27%**

Returns for periods over 1 year are annualised and reflect the performance of funds for the time they were open.
Some funds may not have been open for the full period, and partial-period returns are included in the calculations for each respective timeframe.

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Southland District Council

Client ID: ML180508

MILFORD
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Account Activity

As at 30 September 2025

	1 month	3 months	1 year	Since inception
Opening Value	**$19,351,882.22**	**$18,926,266.04**	**$12,816,868.07**	**$0.00**
Contributions	$0.00	$0.00	$5,000,000.00	$17,500,000.00
Withdrawals	$0.00	$0.00	$0.00	$0.00
PIE Tax (Paid)/Refunded	$0.00	$0.00	$0.00	$0.00
Distributions Declared	$0.00	$0.00	$0.00	$0.00
Distributions Reinvested	$0.00	$0.00	$0.00	$0.00
Investment Earnings or (Losses) After Tax and Fees	$274,709.80	$700,325.98	$1,809,723.95	$2,126,592.02
Closing Value	**$19,626,592.02**	**$19,626,592.02**	**$19,626,592.02**	**$19,626,592.02**

Invested in you.

MILFORD
INVESTED IN YOU

Head of Institutional Clients
Mike Cruickshank
Phone 09 921 4756
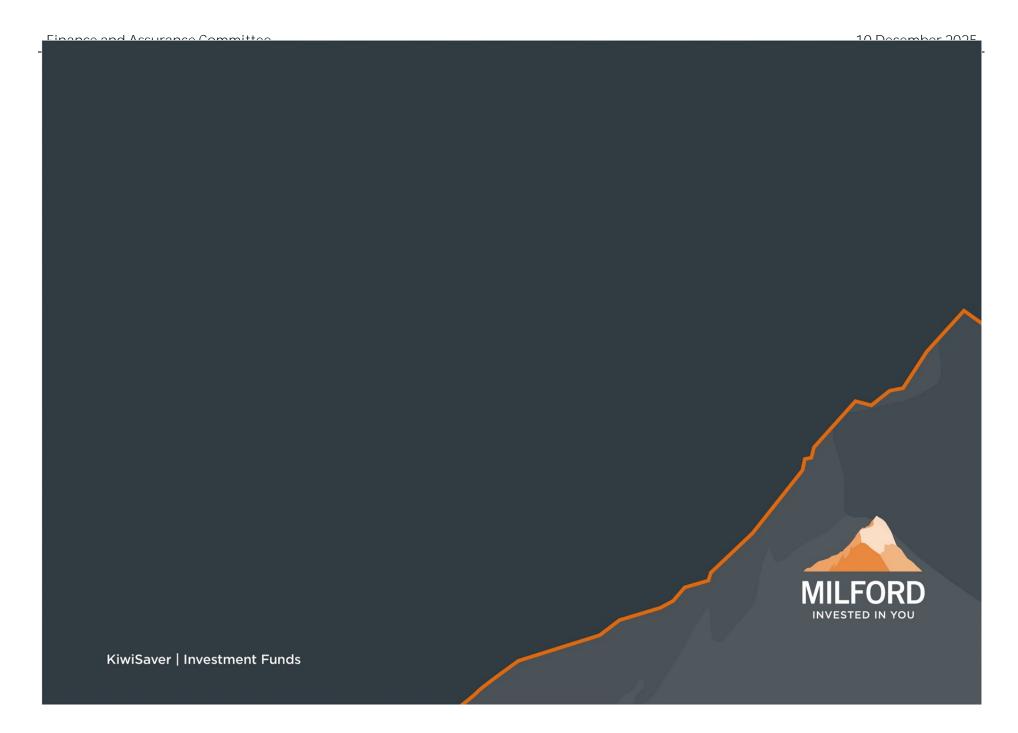Email mcruickshank@milfordasset.com

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Milford Asset Management
W milfordasset.com
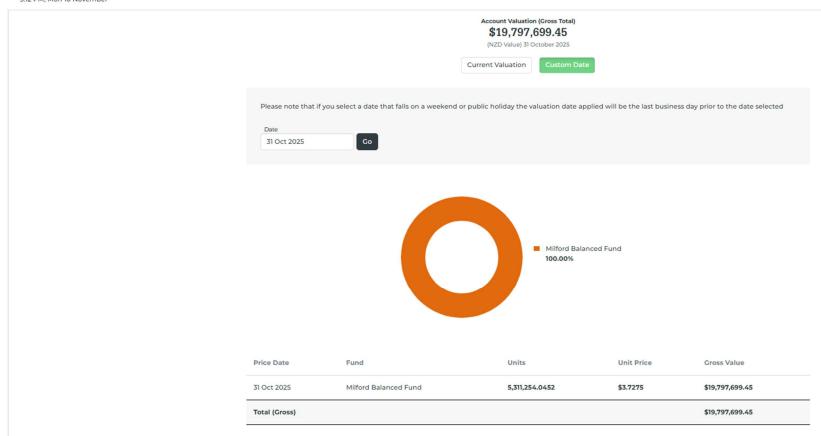
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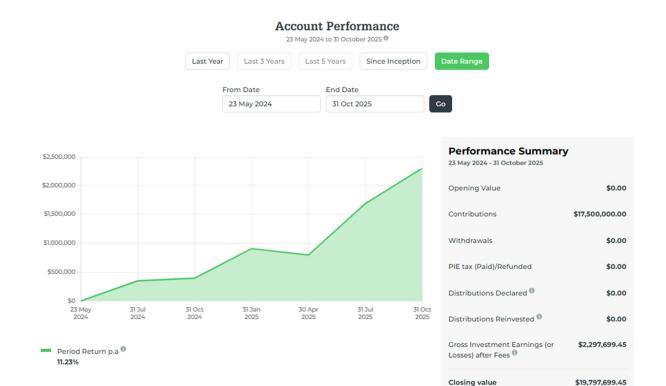
PO Box 960. Shortland Street
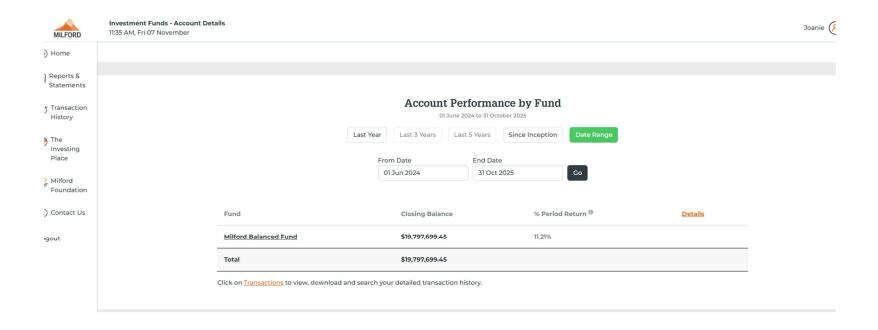Auckland 1140, New Zealand

KiwiSaver | Investment Funds

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Milford Investment Fund – extract from the online portal

Investment Funds - Account Details
5:12 PM, Mon 10 November

Account Valuation (Gross Total)
$19,797,699.45
(NZD Value) 31 October 2025

Current Valuation   Custom Date

Please note that if you select a date that falls on a weekend or public holiday the valuation date applied will be the last business day prior to the date selected

Date
31 Oct 2025   Go

■ Milford Balanced Fund
100.00%

Price Date	Fund	Units	Unit Price	Gross Value
31 Oct 2025	Milford Balanced Fund	5,311,254.0452	$3.7275	$19,797,699.45
Total (Gross)				$19,797,699.45

Account Performance

23 May 2024 to 31 October 2025 ⓘ

| Last Year | Last 3 Years | Last 5 Years | Since Inception | **Date Range** |

From Date
23 May 2024

End Date
31 Oct 2025

Go

Period Return p.a ⓘ
11.23%

Performance Summary
23 May 2024 - 31 October 2025

Opening Value	$0.00
Contributions	$17,500,000.00
Withdrawals	$0.00
PIE tax (Paid)/Refunded	$0.00
Distributions Declared ⓘ	$0.00
Distributions Reinvested ⓘ	$0.00
Gross Investment Earnings (or Losses) after Fees ⓘ	$2,297,699.45
Closing value	**$19,797,699.45**

MILFORD

Investment Funds - Account Details
11:35 AM, Fri 07 November

Joanie

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Account Performance by Fund

01 June 2024 to 31 October 2025

| Last Year | Last 3 Years | Last 5 Years | Since Inception | Date Range |

From Date
01 Jun 2024

End Date
31 Oct 2025

Go

Fund	Closing Balance	% Period Return	Details
Milford Balanced Fund	**$19,797,699.45**	11.21%	
Total	**$19,797,699.45**		

Click on Transactions to view, download and search your detailed transaction history.

Investment Funds - Account Details
11:35 AM, Fri 07 November

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Current Account Valuation by Asset Class

(based on a look-through basis considering each individual fund as at 31 Oct 2025)

- International Equities 25.95%
- International Fixed Interest 20.78%
- Australian Equities 15.24%
- Effective Cash 13.12%
- New Zealand Fixed Interest 11.19%
- New Zealand Equities 7.05%
- Listed Property 6.52%
- Commodities 0.15%

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Primary Asset Class	$ Value	% of Account	
International Equities	$5,117,242.43	25.95%	Detail
International Fixed Interest	$4,097,737.87	20.78%	Detail
Australian Equities	$3,005,270.70	15.24%	Detail
Effective Cash	$2,587,214.67	13.12%	Detail
New Zealand Fixed Interest	$2,206,625.93	11.19%	Detail
New Zealand Equities	$1,390,233.49	7.05%	Detail
Listed Property	$1,285,719.49	6.52%	Detail
Commodities	$29,579.44	0.15%	Detail
Total	**$19,719,624.02**	**100.00%**	

The actual cash held is 10.79%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Note: The account allocation incorporates the notional exposure value of equity derivatives and credit default swaps where applicable.

MILFORD

Investment Funds - Account Details
11:36 AM, Fri 07 November

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Top Holdings ⓘ

(based on a look-through basis considering each individual fund as at 30 September 2025)

Name	Country	% of Portfolio
Microsoft Corp	United States	1.80%
New Zealand (Government Of) 4.5%	New Zealand	1.76%
Amazon.com Inc	United States	1.43%
Contact Energy Ltd	New Zealand	1.32%
NatWest Group PLC	United Kingdom	1.17%
NVIDIA Corp	United States	1.03%
SSE PLC	United Kingdom	0.96%
Bank of America Corp	United States	0.95%
CRH PLC	United States	0.90%
Infratil Ltd	New Zealand	0.88%

Health and Safety Update

Record no: R/25/12/58302
Author: David McCone, Organisational health and safety manager
Approved by: Fran Mikulicic, Group manager infrastructure and capital delivery
Report type: Information

Staff recommendations

That the Finance and Assurance Committee:

a)   notes the information contained in the report.

Purpose

1   To provide an update on health and safety related events and activity over the last quarter.

Context

2   Please find attached the health, safety and wellbeing dashboard update for the period 1 September 2025 – 30 November 2025. This report is on operational (employee) health and safety within Council focused on critical risk and associated controls.

3   The event summary provides the measurement of incident reporting to our H&S system.

4   Health and safety training is directed at progressing our staff and contractor capacity.

5   Our commitment to monitoring contractor health and safety performance is continuing to improve. Our programme of audits, safety observations and associated learnings demonstrates our expectations to others as well as building credible relationships across stakeholders.

6   Review of risks is focused according to the likelihood of exposure. Recognising the top three critical risks encountered for the period ensures effective mitigation.

7   There are many ways to keep current on health and safety matters, subscribing to the Worksafe updates is an easy way to remain up to date. The link is: https://worksafe.govt.nz/home/subscriptions

Attachments

A   A3 Health and safety update ⇩

Health and Safety Dashboard – 1 September 2025 – 30 November 2025

D McCone 02/12/2025

EVENT SUMMARY

	Current period	YTD	Currently active	Resolved this period
Notifiable events	0	2	1	1
Total injuries	0	4	0	4
Lost time injury	0	0	0	0
Medical treatment	0	1	0	1
First aid	2	5	2	3
No treatment	1	1	0	1
Property damage	1	4	0	2
Environmental	0	0	0	0
Near miss	8	18	0	2
Pain and discomfort	1	6	1	1

TOP THREE MECHANISM OF INJURY/DAMAGE

1	Slip/trip – Fall (x2)
2	Reversing – Motor vehicle damage.
3	Pain & Discomfort – Repetitive work and position.

EMERGENCY PREPAREDNESS

Emergency Competencies

Introduction to our emergency management procedures is delivered by our induction e-learning programme at on boarding.

8% of our workforce are trained in the use of evacuation chairs, use of fire extinguishers and fire warden duties.

21% of our workforce hold certificates in first aid. Support equipment including AEDs remain current.

Our approved evacuation schemes remain current with Fire and Emergency New Zealand.

MANAGING RISK

Top three risks encountered this period

1   **Driving**

The quality and standard of our fleet is being maintained at Ancap 5 by the current renewal policies. These vehicles are fitted with emergency response equipment and GPS enabled.

During this quarter our fleet has travelled 336,000 kms across the Southland network.

Incidents involved a broken taillight within one of our car parks, and a near miss of a milk tanker turning across oncoming traffic.

Five star being the ultimate, our drivers have sustained an average at four star within the performance monitoring system for over a year. It is also important to note, there is a margin of error in respect of the accuracy of mapping speeds within the software system meaning five star across whole of fleet would be an unrealistic goal at this time.

We also continue to provide training regarding risk recognition and management for our drivers.

While still a critical risk, we are managing this risk effectively.

2   **Gravity – Unstable ground/falling objects**

The weather event leading into Labour weekend impacted widely across our district, especially life services such as electricity and water.

An ongoing risk from the event was fallen trees or trees at risk as they had unstable root networks. We had approximately 15,000 trees in public areas.

A response system allowing the recording of specific risk assessments by qualified arborists was established by the initial reponse group – with this continuing to be used during the recovery phase by community facilities.

This has ensured strong risk assessments before this work was delivered and good records post event. See figure 2.

3   **Psychosocial**

During this period we received four reports of exposure to psychosocial risk under the 'near miss' heading.

This ranged from abuse of our workers by a member of the public. On two occasions our contractors were abused or faced aggression while working on our network, and sadly, a worker had to assist police control animals at the scene of a death.

Reporting from other councils are also indicating a potential for exposure to abuse and aggression will grow.

Our controls in respect of this risk fall under the below headings and rely on training and self monitoring:

Protect – identify risks and design protective factors.

Foster – develop wellbeing capability of individuals and teams.

Support – access to workplace and external professional support.

Restore – restore wellbeing of individuals and teams.

Our health and safety representatives are reviewing these incidents and sharing suggestions as to how workers in specific work groups might benefit from additional controls.

VERIFICATION AND ASSURANCE

Type - Audit	Occurred this period	YTD
External	146	247
Internal	4	10
Playground and reserves	1	33
Water and waste	1	46

Verification and assurance activities conitinue.

Risks reviewed in these audits were:

- Emergency Response Plan
- failure to wear PPE
- hygiene – public facilities
- hygiene - tool segregation
- motion – vehile checklists
- motion – work on the road corridor and driving
- use of handheld power tools
- working at height
- working in the road corridor.

Five actions have arisen from these activities.

Type – Safety observation	Occurred this period	YTD
Safe practice	15	52
Unsafe conditions	23	70
Unsafe practices	5	27
Suggestions	3	19

Safety observations focus on specific, real time safety practices and potential hazards in the workplace. As a result they are more immediate to work being done and there is also an ability to schedule these around higher risk work.

Risks reviewed were:

- biological – asbestos and mould
- gravity – falling objects (trees)
- gravity – structures and equipment at height
- mechanical – mobile plant and equipment
- motion – projectile items
- motion – working in the road corridor
- sharp object – cut/stab (see figure 1)
- slips/Trips – wet steps and uneven ground

Five actions have arisen from safety observations.

Health and Safety Dashboard – 1 September 2025 – 30 November 2025

D McCone 02/12/2025

ENGAGEMENT AND PARTICIPATION

New starters continue to complete both the online induction modules and in person sessions. These are offered over the first month in addition to onboarding support from people and culture.

Ten health and safety representative meetings have occurred to date with a December date scheduled. Sixteen actions created and resolved from these meetings.

Nine health and safety representatives (HSRs) completed Stage I training in early October. This complimented the existing five HSRs holding unit standard 29315 as required by regulation.

WORKER AND CONTRACTOR KNOWLEDGE

Due to workload, the HSRs training previously mentioned has been the only internal worker knowledge activity.

During October the local Downer branch held a reset day for their staff involved in contracts related to our water services. Southland District Council representatives also attended. This allowed the sharing of ideas and expectations relating to quality of work (including hygiene and health and safety).

Subsequently, in November, the National zero harm operations manager (Australia) for Downer visited our district and associated work sites with a focus on health and safety culture under our water sevices contract.

The Downer workers had also responded strongly during the Labour weekend weather event in maintaining water services.

These interactions bode well for 2026.

The joint transport alliance leadership team also met regarding delivery of our roading maintenance. There were good discussions around incident learnings and how we might further advance contractor prequalification with no concerns arising.

Figure 1Knife in rubbish at Winton Library
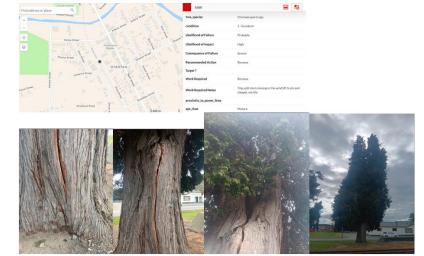
Figure 2 Arborist risk assessment - King Strewet, Otautau

Risk management - December 2025 quarterly update

Record no: R/25/10/51905
Author: Jane Edwards, Risk analyst
Approved by: Anne Robson, Group manager finance and assurance
Report type: Information

Staff recommendations

That the Finance and Assurance Committee:

a)   notes those risks currently assessed as of significant issue for the December 2025 quarter.

Purpose

1   The purpose of this report is to submit the December 2025 quarterly risk management report for consideration by the Finance and Assurance Committee (the committee).

Executive Summary

2   A risk management framework (RMF) was adopted by Council in December 2024. This framework supports risk thinking across Council so that risk can be understood, planned for, and mitigated across all levels and activities.

3   As part of the RMF process, Council's strategic priority risks were identified and endorsed in July 2025, and these form the basis of the committee's quarterly risk report including the risk register.

4   The Executive Leadership Team (ELT) have reviewed the status of the priority risks for the December 2025 quarter and this report presents the current risks, with their assessment, any current and proposed mitigations, and their residual risk assessment.

5   For the committee to note, three risks are assessed as requiring an increased focus this quarter. The risk status of two of these remain unchanged from last quarter (change and finance), and one risk status has changed from stable to increased (adverse event). Also to note, the social licence risk has changed from stable to decreased.

6   The risk register for the December 2025 quarter is included as attachment A.

7   The matrices used to assess the risks are included for information as attachment B.

8   The draft risk appetite thresholds used to assess Council's priority risks is included as attachment C. This outlines the rationale behind the appetite assessments in the current quarterly risk register.

Context

Background

9   The quarterly risk management report has been developed in line with Council's RMF. This framework supports risk management knowledge across the organisation so that risk management can be understood, planned for, and managed across all levels and activities.

10   As part of the risk management process outlined in the RMF, Council's priority strategic risks were identified and endorsed in July 2025, and these form the basis of the quarterly risk report including the risk register.

11   The ELT undertake a comprehensive review of the status of the risks, and any emerging risks, on a quarterly basis. This review includes evaluation of each risk, including any current or proposed mitigations, and assessment of the residual risk remaining. ELT's review is incorporated into the risk management update report that is presented to the committee for consideration each quarter.

12   All priority risks are considered of equal importance to Council and are outlined in a single tiered risk register. This allows for fluid prioritisation throughout the reporting year with resource allocated where appropriate across the top risks.

13   Governance will continue to have a clear indication of management's risk priorities by the utilisation of the traffic light assessment or 'status' for the quarter that indicates where focus and resource could be directed. The status indicators are as follows:

- a 'decreased' status highlights where levels of risk may have been positively influenced over the quarter (i.e. a significant action completed)

- 'stable' indicates that a risk is assessed as remaining static or managed

- an 'increased' status highlights where a negative influence may result in a greater focus being required to manage the risk.

14   The consequences, likelihoods and thresholds for each risk have been assessed after a review of the risk register and they reflect the highest assessed aspect of each risk for this current quarter.

Quarterly overview of Council's priority strategic risks

15   The risk register update for the December 2025 quarter is included as attachment A.

16   There have been no changes to the inherent or residual threshold assessments of any of the strategic risks over the quarter.

17   The risk status summary for the December 2025 quarter is as follows:

- three risks are assessed as requiring an increased focus. The increased risk status of two of these remains unchanged from last quarter (change and finance), and one risk status has changed from stable to increased (adverse event).

- two risks have changed from increased to stable (cybersecurity and strategic relationships).

- one risk has been changed from stable to decreased (social licence).

- all other risks remain unchanged from the previous quarterly assessment.

Issues

18   This section of the report is used to provide a summary of each risk for information purposes and to highlight any significant activity over the last quarter.

Adverse event

19   This risk has changed from stable to increased this quarter.

Severe wind event

20   Between 21-27 October 2025, a storm system swept across New Zealand, with Southland among the hardest-hit regions with extremely strong winds creating widespread damage. An estimated 50,000 properties across Southland lost power at the peak of the storm on October 23. The wind event caused unprecedented damage to the electricity network leading to a state of emergency declaration for Southland to better enable coordination of resources and recovery efforts.

21   The wind event was the first major storm of its kind, and all agencies involved were responding to the unknown. Council's immediate response to the event was focused on recovery of its critical utilities with all water and wastewater systems impacted across the district. This was followed by the assessment and management of the wind damage to parks, reserves, halls, and community housing. Damage to the roading network was minimal and 90% of roads were able to be reopened swiftly.

22   Now that the district is in the recovery phase, an assessment of the internal and regional response will look to understand the impacts of the event and the effectiveness of controls put in place. This will provide opportunity to identify any gaps or ongoing vulnerabilities ahead of a potentially more impactful event such as an AF8 earthquake.

Change

23   This risk remains assessed as increased.

Local body elections

24   In terms of knowledge loss, there is a sense of stability at the Council table with all but one councillor either re-elected or elected to different positions within the organisation. The three incoming elected members to the Council table bring with them knowledge and experience at community board level positioning Council to take advantage of continued momentum towards its strategic objectives.

25   A robust and tailored induction programme is currently being undertaken focusing on professional development, key challenges for the district, key strategies and the central government reform programme. It will also include training for committee and community board chairs and clarity around delegations, roles and responsibilities recognising that the uniqueness of the district means that a 'one size fits all' approach cannot be applied.

26   Visibility of the strategic priorities of the new governance group will be required to ensure the organisation is able to swiftly meet their objectives.

Reorganisation of local government

27   Following Mayor Scott's proposal for a Southland local government restructure in February 2025, on 16 October 2025, the Local Government Commission confirmed the formal investigation process it will undertake following feedback from the Council, its neighbouring councils, and Te Ao Mārama Incorporated.

28   The proposed investigation procedure including scoping, deep dive and development of draft reorganisation plan is expected to be concluded by mid-2027.

29   On 25 November 2025, central government announced the proposal for the mayors of city and district councils to take over the duties of regional councils stating that the impending replacement of the RMA would mean a reduced role for regional councils creating an "ideal opportunity to reset the structure of local government" (RNZ, 25 Nov 25).

30   It is proposed that mayors will form 11 Combined Territorial Boards (CTBs) which will be tasked with coming up with a Regional Reorganisation Plan to structure their councils for the long term.

31   This proposal is now out for consultation with the resulting legislation expected to be introduced mid-next year and passed in 2027.

Local Waters Done Well (LWDW)

32   In November 2025, the Department of Internal Affairs (DIA) approved Council's Water Services Delivery Plan which was drafted for the worst-case scenario of wastewater discharge standards (Standards) remaining unchanged.

33   At the time of writing, the final Standards had not yet been confirmed. If the Standards remain unchanged, the rates increase proposed by the WSDP may be increasingly challenging for rate payers. Changes to the Standards are considered likely and therefore the risk of status quo is considered as having a severe impact but low probability.

34   To mitigate the likelihood of this risk being realised, Council has strenuously advocated about the inequity of standards that align large metropolitan with small rural schemes. Council staff have also participated in case studies for the new Standards.

35   The DIA are aware of the affordability challenges for smaller rural communities and have publicly acknowledged this. Central government too has shown their steer for regulatory change.

36   A direct impact of the continued lack of certainty is the resultant delays to the work programme while Council awaits decisions.

Central government legislation

37   Central government reform risks include policy uncertainty, implementation challenges and interdependencies between reforms which increase the potential for disruption and failure if not managed correctly. Ongoing reforms remain a challenge, especially when they come unexpectedly.

38   Upcoming legislation challenges include:

·   over the quarter, the regulatory standards bill passed its third reading, and the new Act will come into force on 1 January 2026. New requirements, requiring bylaws or regulatory policies to be aligned to the new principles of responsible regulation, could potentially lead to legal challenge if Council's rules are deemed inconsistent. There is potential this could also extend to rates resolutions and local governance orders. Staff await sector guidance through Taituarā however Council may also seek legal guidance on the full extent of this impact.

- Local Government Systems Improvements Bill which gives effect to proposed change of purpose of local government and performance comparisons. This report is due out on 18 November.

- changes to the Civil Defence Emergency Management Act 2002 are proposed to be passed during this parliamentary term however a busy agenda and overlapping legislations may delay this. The impacts of proposed changes are speculative at this stage. A broad focus area suggests that the Emergency Management Bill will place costs on councils to uplift skills and capacity to meet new compliance obligations however there has been no suggestion through the cabinet paper that there will be additional funding provided from central government. To note, the System Improvements Bill adds 'civil defence emergency management' as a core service.

- Natural Adaptation Framework (refer to climate response risk for update)

Climate response

39   This risk remains assessed as stable.

Climate adaptation framework

40   The Minister of Climate Change Simon Watts has announced the first actions under New Zealand's National Adaptation Framework. The framework proposes legislation to clarify the responsibility of local government to provide mandatory adaptation plans for highest priority locations (these are the inhabited areas at risk of coastal or flooding hazards and which will be identified by spatial planning).

41   While central government is imposing the mandate to provide adaptation plans in compliance with the Climate Change Response Act, it will not be providing the funding to implement this.

42   It is anticipated that the legislation will be extremely prescriptive and highly regulated and consequently there may be risk that Council will require additional resource and training to action the increased responsibilities when they come into effect in 2027.

Severe wind event

43   Scientific methods to reliably predict changes in wind have not yet been developed and as a result, available climate predictions did not highlight increasingly severe wind events. Southland's geography and topography would suggest that the likelihood of further severe wind events is increasing and is likely to be influenced by a changing climate.

44   Climate projections do point to the potential for an increase in total rainfall and number of very rainy days. With flooding Southland's most anticipated disaster, Council will need to ensure has the preparation in place for a severe wind event accompanied by rainfall.

Regional Climate Change Working Group (RCCWG)

45   Environment Southland have engaged an external provider to complete a review of the RCCWG governance arrangements and to provide options for improvements. Post-election, councils are currently putting forward representatives for the group ahead of a first formal meeting in February 2026. Staff continue to meet in the interim.

Regional climate change projections

46   Earth Sciences New Zealand (ESNZ) (formerly NIWA) updated regional climate projections are still pending. Anticipated last quarter, once received this information will inform various Council workstreams including the organisational climate change risk assessment.

47   Over the quarter, ESNZ released a national flood hazard viewer with flooding exposure information for the whole district. The data has been downloaded by the GIS team.

Cyber security

48   This status of this risk has changed from increased to stable this quarter now that the vulnerability of the local body election period has passed.

49   Further detail regarding treatments and controls relating to this risk will be made available in a separate public excluded report to the committee from Information Services staff.

Decision-making

50   This risk remains assessed as stable.

51   There is continued risk around the time taken to make decisions at both governance and organisational levels. Factors driving this risk include seeking decision by consensus, re litigation of issues, involvement of multiple parties, complexity of process, and the quality of information provided on which to base a decision. The impact of this is the slowing or halting of the work programme delivery.

52   Continued pressures from central government drive the need for aligned strategic priorities that are not reactive to public pressure. Rates capping is a possibility and decisionmakers will need robust forecasting and appropriate prioritisation to inform long term strategic planning.

53   The continued momentum of a stable governance group will strengthen the ability to make effective and timely decisions.

Finance

54   This risk remains assessed as increased.

Local Waters Done Well

55   Council's financial sustainability remains fundamentally influenced by the adoption of wastewater disposal standards, a decision which should be made this quarter.

56   In the interim, staff are currently managing the timing of the delivery of the works programme to coincide with the release of the Standards.

57   Over the quarter, Council's Water Services Delivery Plan was approved by the Department of Internal Affairs (DIA). While this is a positive step forward, the approval still carries increased risk due to the heightened scrutiny Council is likely to face in its delivery of the plan. Council will be closely monitored on the delivery of its capital programme, and scrutiny placed on the ability to adhere to the financial commitments the plan outlines.

Rates capping

58 Minister of Local Government Simon Watts has stated his intention to advance rates capping policy discussions before the end of 2025 (1news 13 Nov 25)

59 If implemented, Council is likely to face increased difficulty to effectively and efficiently manage the competing demands to maintain and upgrade core infrastructure, especially water and roading.

60 To note is the potential that rates capping may be an election topic for next year and therefore there is uncertainty around the extent and duration of any impact on local government.

61 Council demonstrated its agility around the late inclusion of three waters in the last LTP cycle and it is anticipated that it would again have the agility to develop the next LTP based on rates capping if required.

Revenue

62 Council continues to lobby and advocate for a more equitable FAR rate. NZTA is currently developing new metrics and identifying what the impacts might be. These will be ready mid 2026 in time for the development of the Long Term Plan.

Health, safety, and wellbeing (HSW)

63 This risk remains assessed as stable.

Severe wind event

64 Specific teams have been impacted by the emergency and recovery response. Where capacity has been stretched, there is heightened potential for wellbeing issues as teams transition back to business as usual. This risk is being managed by team leads supported by People and Culture staff.

Social licence

65 The status of this risk has changed from stable to decreased this quarter.

Local body elections

66 The willingness of people to turn out and vote is an indication of a community's level of interest in its local democracy and underpins Council's mandate to act as an advocate and leader for its community. While there was a decrease in the SDC voter return from 47.6% in 2022 to 42.2% in 2025, this decrease reflects a trend mirrored elsewhere in NZ and still compares favourably to the national average of 39.4% voter return (LGNZ 19 Oct 25).

67 The return of all elected members who chose to stand for their previous position reflects a positive endorsement of the last three years and the work that has been undertaken with the community.

Consents

68 Staff are currently meeting consenting targets, but additional customer experience measures are being explored to identify any gaps or improvements which could be addressed.

69 Where there is a gap between central government promises and local government capability, there is a strategic need for clear communication and realistic levels of service expectations. e.g. the

messaging regarding granny flats opportunities versus Council's current legislative ability to action the changes.

Strategic relationships

70 The status of this risk has changed from increased to stable this quarter.

<u>Regional</u>

71 The local body elections in October 2025 resulted in only minor changes for neighbouring councils. It is too early to judge the impact on relationships however there is a perception that the relative stability of each governance group will continue the momentum of regional strategic direction.

72 Council continues to actively engage and collaborate with its partner councils and other entities.

<u>Central government</u>

73 Proposed changes to the structure of local government in Southland continues to have the potential to impact Council's relationship with its neighbouring councils.

74 Council's relationships with government agencies continue to work effectively.

Emergent risks

75 No emergent risks have been identified by staff this quarter

Risk management work programme update

76 The risk management function continues to build on the planned programme of work to ensure Council's risk management framework is successfully embedded into Council's everyday business-as-usual, project activities, and work programmes.

77 The first year of the programme focused on the review of the documents and skills that provide the foundation for Council's risk management.

78 We are currently in the second year of the programme, focusing on organisation-wide awareness building and capability development, alongside embedding the risk management framework into the organisation.

Organisational risk awareness

79 A phased internal communication roll-out to all staff of the framework, practices and supporting tools is being undertaken alongside the operational risk register development.

80 This has also been supported by the InfoCouncil template development designed to assist staff with risk considerations in decision-seeking reports. Training workshops have been undertaken and ongoing support provided for report writers which is aligned to the foundation risk documents.

81 Risk was included in the guidance documentation to elected members as part of the induction post local body elections. This one pager described Council's risk landscape, the 'big issues', and the current priority strategic risks.

Operational risk register development

82   Over the quarter, staff have continued the development of an enterprise-wide operational risk register. It is anticipated that the pilot study undertaken with the Information Services group will be completed in time for a 'soft launch' with ELT in December 2025.

83   Once completed, the enterprise-wide operational risk register will serve as a central, structured tool for identifying, assessing, tracking and managing potential risks to Council's day-to-day operations.

84   It is also intended to be used as the basis for developing contingency plans, detailing alternative approaches or backup plans to minimise disruption for unexpected events.

Risk appetite statement

85   Council last assessed its risk appetite in March 2025 as part of an informal workshop facilitated by committee chair Bruce Robertson.

86   This assessment formed the basis of a draft Risk Appetite Statement presented to ELT for endorsement at its meeting 3 June 2025. The decision was made by ELT to pause this piece of work until after the local body elections.

87   It is anticipated that Council's risk appetite will be 'refreshed' next year with the new governance group so that it is able to support the development of Council's strategic planning and long term decision making.

Treatment and controls assessment

88   Identification and assessment of controls and their effectiveness continues with action officers and key staff to assist in help identifying any gaps in mitigations.

89   This assessment also helps to identify the training, tools and support which might be required to ensure Council's risk management practices are applied consistently across Council and in accordance with Council's risk management policy and framework.

Attachments

A   Risk register - Finance and Assurance Committee - December 2025 quarter ⇩
B   Risk Management Framework 2024 - risk matrices ⇩
C   DRAFT Risk Appetite thresholds - for information only ⇩

Quarterly risk register – December 2025 quarter
Finance and Assurance Committee

STRATEGIC RISK SUMMARY TABLE								
Adverse event	Change	Climate response	Cyber-security	Decision making	Finance	Health, safety, and wellbeing	Social licence	Strategic relationships
PRE TREATMENT (INHERENT) THRESHOLD								
Very high	Very High	Very high	Very high	High	Very high	Very high	Very high	Very high
POST TREATMENT (CURRENT) THRESHOLD								
High	Very high	Very high	Medium	High	Very high	High	High	High
DRAFT RISK APPETITE								
2.9 Conservative	3.3 Measured	3.1 Measured	2.5 Conservative	3.5 Measured	3.4 Measured	2.6 Conservative	3.5 Measured	3.7 Measured
RISK STATUS FOR THE CURRENT QUARTER IS ASSESSED AS:								
Increased	Increased	Stable	Stable	Stable	Increased	Stable	Decreased	Stable
RISK LEAD								
Executive Leadership Team								
ACTION OFFICER Climate change lead								
Communications manager Climate change lead Strategic manager transport Strategic manager water & waste Strategic planning & policy manager	Executive leadership team	Strategic planning & policy manager Climate change lead Strategic manager transport Strategic manager water & waste	Manager information services	Executive leadership team	Financial business partnering lead Financial development coordinator Strategic manager transport Strategic manager water & waste Community facilities manager Project delivery manager	Health & safety manager Group manager people and culture Senior people and culture advisor	Community leadership manager Communications manager Governance legal manager Project delivery manager Senior project manager Manager resource consent process	Communications manager Community leadership manager Governance legal manager

SOUTHLAND DISTRICT COUNCIL

Strategic risk:	ADVERSE EVENT

RISK STATEMENT	The risk that Council is unable to appropriately respond to the consequences of a natural or human-induced event impacting the district leading to a loss of critical service continuity		STATUS
			Increased
DESCRIPTION	**If** a lack of preparedness causes Council to be unable to respond effectively and efficiently to adverse events which occur with little or no warning disrupting service delivery (including extreme weather events, natural disasters, malicious actions, failure of critical assets) **then** critical services may be unavailable for a prolonged period compromising organisational and community resilience.		

Risk management framework CATEGORY	Social, cultural & environmental Financial	Risk register LINKS	Climate response Cyber security	Social licence Strategic relationships
RISK LEAD	Executive leadership team	ACTION OFFICER	Communications manager Climate change lead Strategic planning & policy manager	Strategic manager transport Strategic manager water & waste

POTENTIAL RISK TRIGGERS	External:
	• biosecurity outbreak
	• severe weather event
	• disaster caused by failure of man-made structure
	• natural disaster event without warning or build up
	• global financial crisis
	• pandemic
	Internal:
	• critical asset failure that impacts safety as a result of poor resource allocation/prioritisation e.g. water, energy, telecommunications, financial
	• insufficient organisational agility and resilience
	• ineffective clear advice to enable evidence-based quality decisions due to variability and uncertainty
	• inadequate or ineffective engagement, communication, governance
	• ineffective or lack of collaboration /partnership
	• relationship mismanagement
	• inadequate contingency planning

PRE TREATMENT THRESHOLD	Consequence:	Catastrophic	Likelihood:	Possible
	Very high			

CURRENT MITIGATIONS	- o emergency management - o collaboration on emergency management response approach across agencies and the region - o organisational emergency response plans including internal incident management team - o community emergency response plans - o business continuity planning - o effective communication/roles/governance with documented processes - o infrastructure resilience - o criticality assessment and asset identification ratings and plans to return to BAU - o appropriate capacity and competency in place to manage, monitor, operate and maintain critical infrastructure - o infrastructure strategy/activity management plans completed and in place - o financial resilience - o adequate borrowing capacity in place through the financial strategy to assist with recovery costs - o catastrophe insurance in place - o external sources – central government/agencies - o ability to reprioritise funding			
POST TREATMENT THRESHOLD	**Consequence:**	Catastrophic	**Likelihood:**	Unlikely
	High			

Strategic risk: CHANGE

RISK STATEMENT	**The risk that Council has inadequate adaptability to respond to a continuously changing environment impacting its ability to achieve the best outcomes for the district**		**STATUS**
			Increased
DESCRIPTION	**If** Council fails to proactively prepare for and adapt to the uncertainties of the external operating environment **then** there is potential for significant negative impact to Council's form, or function, its resourcing and strategic work programme, resulting in economic, environmental, social or cultural wellbeing impacts on the community		

Risk management framework CATEGORY	Strategic	Risk register LINKS	Climate response Social licence Decision making Strategic relationships
RISK LEAD	Chief executive	ACTION OFFICER	Executive leadership team

POTENTIAL RISK TRIGGERS	<ins>External</ins> • changes in the political environment • changes in the regulatory framework • unknown role of local government • changes in community/stakeholder service level expectations • wider economic downturn • relationships with neighbouring territorial authorities are ineffective or adversarial due to differences of opinion or priorities • international events, trends or decisions influencing NZ <ins>Internal</ins> • organisational lack of agility and resilience due to: · political personalities, trust, and relationships, and change of key personnel – both positive and negative · failure to manage iwi and stakeholder relationships, communication, and engagement tactics, including due to lack of resource or need to balance priorities · short term focus overshadows long term cost benefit outcomes · political sovereignty/patch protection leads to lack of alignment or willingness to compromise i.e. boundaryless approach vs localism · financial strategy misaligned with wider context · loss of key staff/elected members · inadequate capacity and capability · complexity and effectiveness of organisation systems and processes · siloed culture · inadequate contingency planning

	· not 'change ready' · lack of strategic direction and/or implementation			
PRE TREATMENT	**Consequence:**	Major	**Likelihood:**	Highly likely
THRESHOLD	Very high			
CURRENT MITIGATIONS	- monitoring of macro trends/broader environment - taking an apolitical approach to continue working effectively with central government - continued monitoring and participation where appropriate to influence the direction of new legislation - visibility of central government's legislative/statutory changes provided through regular reporting and workshops with Council and/or committee - organisational resilience - review of current internal structures and practices to ensure they are fit for purpose - review and identify process to increase adaptiveness and agility of governance/management/staff - detailed succession planning - visibility of Council's strategic direction - financial resilience - ensuring the ability to urgently reprioritise capital spending and/or community levels of service spending - effective communication and engagement - open and transparent decision making via regular governance briefings - regional and national collaboration and knowledge sharing - representation review to ensure communities in the District are fairly and effectively represented			
POST TREATMENT	**Consequence:**	Major	**Likelihood:**	Highly likely
THRESHOLD	Very high			

Strategic risk: **CLIMATE RESPONSE**

RISK STATEMENT	**The risk that Council fails to appropriately adapt to, or mitigate the effects of, a changing climate leading to significant financial, economic, and social impacts**		STATUS
			Stable
DESCRIPTION	**If** Council's preparedness and risk mitigations are not adequate to effectively respond, absorb and/or reduce the impacts of a changing climate **then** this may result in significant financial and reputational consequences for Council, and negative economic and social impacts on the community		

Risk management framework CATEGORY	Health, safety & wellbeing Strategic Regulatory & compliance Social, cultural & environmental	Risk register LINKS	Adverse event Social licence Change
RISK LEAD	Executive leadership team	ACTION OFFICER	Climate change lead Strategic manager water & waste Strategic manager transport Strategic planning & policy manager

POTENTIAL RISK TRIGGERS	External • ineffective clear advice to enable evidence-based quality decisions due to: 　　· variability and uncertainty in climate change modelling 　　· changes in political direction 　　· continued debate of validity climate change science • economic, social, and technological shocks resulting from the transition to a lower carbon economy Internal • inadequate consideration of climate impacts in: 　　· strategic decision-making 　　· fit for purpose activity management • uncertainty in the climate change modelling on the physical climate change and transition impacts making it hard to estimate impacts on particular Council activities • lack of necessary funding and financial resilience to manage the speed and scale of mitigation, transition, and adaptation effort • failure to understand the significance of effects of changing climate • failure to comply with legislative requirements • misalignment between Council's climate change strategies and its operational activities • misalignment between strategies and national and international recommendations

PRE TREATMENT THRESHOLD	**Consequence:**	Catastrophic	**Likelihood:**	Likely
	Very high			

CURRENT MITIGATIONS	- deliver asset management and capital projects to make core infrastructure assets resilient to a changing climate - infrastructure planning and asset management that takes into account climate change impacts and contributes to adaptation and mitigation pathways - ensuring continued compliance with appropriate national and regional plans - consideration of climate change impacts in business cases, activity management plans and Council reports - embed climate response thinking, planning and action into all Council activities - consideration of climate change in planning decisions, particularly in relation to spatial planning and the District Plan - regional climate change strategy in collaboration with regional partners - measuring and reducing Council's greenhouse gas emissions - increase staff knowledge of climate change issues and how these relate to their work - effective internal and external communication of climate change related issues - establishment of a staff climate change working group - business continuity planning - continued advocacy for the region - financial resilience - adequate borrowing capacity in place through the financial strategy to assist with recovery costs - catastrophe insurance in place - central government/agency funding

POST TREATMENT THRESHOLD	Consequence:	Catastrophic	Likelihood:	Possible
	Very high			

SOUTHLAND DISTRICT COUNCIL

Strategic risk:	CYBER SECURITY

RISK STATEMENT	The risk that Council's systems do not have the resilience to protect information assets from cyber-attack and/or error		STATUS
			Stable
DESCRIPTION	**If** Council's information technology assets are compromised (due to actions of staff or external parties including cyber-security attacks, privacy breaches, data loss or corruption, or non-compliance of legislated obligations), **then** there is risk that confidential information will be lost or misused, and/or Council's delivery of services will fail resulting in reputational, legal, and financial consequences		

Risk management framework CATEGORY	Financial Regulatory & compliance Operational	Risk register LINKS	Adverse event Social licence Decision making
RISK LEAD	Executive leadership team	ACTION OFFICER	Business solutions manager

POTENTIAL RISK TRIGGERS	**External**
	• external threat attempts – phishing/malware/ransomware
	• third party supplier breach
	• social engineering
	• complacency regarding international trends and attacks
	Internal
	• technical failure to protect IT systems
	   · increasing digitisation without integration with processes
	   · inadequate cyber strategy
	   · underinvestment/lack of maintenance
	• breakdown of internal controls
	   · inadequate IT security awareness/culture/behaviours /competency potentially resulting in malicious or innocent employee activities
	   · remote/flexible working creating less secure connections

PRE TREATMENT THRESHOLD	Consequence:	Catastrophic	Likelihood:	Possible
Very high				

CURRENT MITIGATIONS	• increased digital protection • better life cycle management of IT infrastructure • effective governance, strategies, and plans ○ cyber security strategy, SAM for compliance, disaster recovery plan, cyber incident management, collaboration. • improved internal controls

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	o regular reporting to management and governance o phone systems, systems back up, role based controls in place • regular staff and governance cyber security awareness training			
POST TREATMENT	**Consequence:**	Catastrophic	**Likelihood:**	Rare
THRESHOLD	**Medium**			

Strategic risk: DECISION MAKING

RISK STATEMENT	The risk that suboptimal decision-making by Council results in misalignment with community needs and/or expectations, or with statutory obligations		STATUS
			Stable
DESCRIPTION	**If** decision making processes are compromised due to inadequate information, misaligned priorities, or insufficient expertise, **then** Council may experience delayed responses, missed opportunities, or compliance failure resulting in reputational damage, financial loss, and erosion of stakeholder confidence.		

Risk management framework CATEGORY	Financial Strategic Operational	Risk register LINKS	Change Social licence Cyber security Strategic relationships
RISK LEAD	Executive leadership team	ACTION OFFICER	_

POTENTIAL RISK TRIGGERS	Internal
	• poorly managed maintenance, storage and availability of public and personal information generated and collected by Council • unclear and incomplete understanding of strategic objectives • near-sighted decision making • competing priorities • complex decision-making processes and requirements • ineffective clear advice to enable evidence-based quality decisions • lack of systemic controls and a poor understanding of privacy • reliance on staff to know, understand and act appropriately regarding collection, storage, usage and sharing of data and information

PRE TREATMENT THRESHOLD	Consequence:	Major	Likelihood:	Possible
	High			

CURRENT MITIGATIONS	• effective governance, strategies, and plans
	  o Significance and engagement policy
	  o Long term plan and Annual plan
	  o strategy development workplan to look beyond 10-year LTP cycle
	  o FMIS (Finance Management Information System) project
	• knowledge building
	  o functional conduit between governance, management, and organisation to ensure strategic vision delivered to the organisation effectively

	○ regular collaborative governance group meetings to progress alignment of strategic direction – Mayoral forum, CEO forum, neighbouring councils plus other external strategic discussions. ○ regular Council briefings for sharing of information and alignment of thinking ○ early and ongoing briefing of elected members regarding project timelines and key milestones ○ use of Taituarā guidance ○ increasing focus on improving project management and risk management ○ governance and staff inductions – clear understanding of respective roles in decision-making process ○ training and support for effective use of tools available • review and improve systems/procedures around data capture, management, and storage ○ data governance work programme focussing on data management, security and classifications including identifying all data sources and 'unmanaged' data. ○ review and improve systems/procedures around data capture, management, and storage to improve integrations between current and new systems ○ contract alignment ○ implementation of metadata standards and asset management tool (IPS) ○ established infrastructure design standards • effective communication and engagement ○ open and transparent decision making via regular governance briefings ○ part of BAU with operational reporting to community boards

POST TREATMENT	Consequence:	Major		Likelihood:	Possible
THRESHOLD	**High**				

Strategic risk: FINANCE

RISK STATEMENT	**The risk that Council fails to manage its financial sustainability impacting its ability to fund essential services and projects now and in the future**		STATUS	
			Increased	
DESCRIPTION	**If** Council does not have effective planning and practices in place to address funding and/or revenue gaps arising from organisational financial management and/or external economic conditions, **then** it is vulnerable to:			
	· decision making that may not represent value for money or be in the longer term interests of the community or the organisation			
	· unplanned adverse events requiring response and recovery			
	· rate levels becoming unaffordable for ratepayers.			
Risk management framework CATEGORY	Financial Social, cultural & environmental	Risk register LINKS	Adverse event Decision making Climate response Social licence Change Strategic relationships	
RISK LEAD	Executive leadership team	ACTION OFFICERS	Strategic manager transport Financial business partnering lead Strategic manager water & waste Financial development coordinator Community facilities manager Project delivery manager	
POTENTIAL RISK TRIGGERS	**External**			

POTENTIAL RISK TRIGGERS

External

- rapid increases in inflation, insurance premiums, finance sector credit contraction, interest rates, oil prices, debt costs, significant pressure on household rates affordability
- critical infrastructure failure
- major supplier failure
- major government policy changes negatively impact Council's income streams or cost base
- natural or manmade disaster (including deliberate attacks on critical infrastructure or pandemic) has an impact on the economy
- recession (two successive quarters or negative GDP growth)

Internal

- inadequate asset management
- inadequate balance sheet and cashflow management
- inadequate control framework
- lack of effective financial reporting and monitoring
- staff and system knowledge and capability
- financial information that is appropriate, accessible, reliable, accurate and timely

	• breakdown in internal controls resulting in internal or external attempts to perpetuate fraud

PRE TREATMENT THRESHOLD	Consequence:	Catastrophic	Likelihood:	Possible
	Very high			

CURRENT MITIGATIONS	• effective governance, strategies, and plans
	   o Council's long term strategic planning e.g. Long Term Plan, Annual Plan, Annual report
	   o Financial Strategy and associated policies
	   o Fraud Policy including fraud and corruption awareness training
	   o Procurement Policy and manual implementation
	   o Code of Conduct
	   o Conflict of Interest policy and register
	• effective internal processes
	   o asset management plans
	   o continued improvement in internal management practices including risk management, broader assurance practices and financial management
	   o internal and external audit programme:
	• effective external processes
	   o continued advocacy to secure central government/key agency funding for priority projects
	   o monitor and respond to legislative and regulatory obligations
	   o ongoing relationship management, communication, and monitoring to identify early on any significant changes to funding models that may have financial implications
	• financial resilience
	   o adequate borrowing capacity if required to assist with recovery costs
	   o insurance of Council's assets
	   o externals sources e.g. central government/agencies
	   o ability to reprioritise funding

POST TREATMENT THRESHOLD	Consequence:	Catastrophic	Likelihood:	Possible
	Very high			

Strategic risk: HEALTH, SAFETY AND WELLBEING

RISK STATEMENT	**The risk that Council is unable to manage the health, safety, and wellbeing of staff, contractors, and the community where reasonably practicable to do so**		STATUS
			Stable
DESCRIPTION	**If** Council's action or inaction fails to keep staff, contractors, and members of the public safe and well for council controlled activities **then** there is the potential for injuries/fatalities/mental wellbeing impacts with significant financial, legal, and reputational consequences		
Risk management framework CATEGORY	Health, safety & wellbeing Operational	Risk register LINKS	Adverse events Social licence Change
RISK LEAD	Executive leadership team	ACTION OFFICER	Health & safety manager Group manager people & culture
POTENTIAL RISK TRIGGERS	<u>External</u> - complacency leading to greater risks being taken by community - failure to properly engage with and listen to the community –failure to act on lessons learned from near misses and incidents (including lessons from other industry experiences) human error/inappropriate behaviours/criminal behaviours or damage at Council assets <u>Internal</u> - poor health and safety culture and/or behaviours across the organisation leading to: - stressed disengaged staff - increased staff workloads - limited capability and capacity - inadequate governance understanding of role/accountability - staff failure to understand duties and accountability relating to health and safety - critical health and safety risks not identified, assessed, and mitigated adequately - inadequate contractor management frameworks including procurement and assurance practices - competing priorities: - deferred maintenance / under resourcing leading to identified risks not being mitigated appropriately. - time pressures and/or complacency leading to acceptance of high levels of risk - poor understanding of the health and safety risks within the facilities and services provided and managed by Council - failures in safety-in-design planning for amenities and services provided to the community - failures in asset maintenance - failure in due diligence on assets purchased for use by the community or staff - failure in due diligence on maintenance		

Risk register template
1/06/2019

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	· internal Business Continuity Plans and Pandemic Plans not adhered to.			
PRE TREATMENT THRESHOLD	**Consequence:**	Catastrophic	**Likelihood:**	Highly likely
	Very high			
CURRENT MITIGATIONS	- effective governance, strategies, and plans - critical risk register and framework - health, safety and wellbeing policy and framework. - health and safety strategic road map - condition assessments for assets - pandemic business continuity plan in place and current - best practice public reporting, safe structures, and signage/warnings - collaborative approach with other southern councils - ongoing training for governance and management on roles and responsibilities - organisational health, safety, and wellbeing culture - ongoing education process with staff about controls in place and continued monitoring of effectiveness - effective health and safety governance structure - wellbeing programme established - ensuring continued compliance with appropriate national and regional plans - comprehensive audit framework - prequalification and safety standards for contractors - monitoring of macro trends/broader environment			
POST TREATMENT THRESHOLD	**Consequence:**	Catastrophic	**Likelihood:**	Unlikely
	High			

SOUTHLAND DISTRICT COUNCIL

Strategic risk: SOCIAL LICENCE

RISK STATEMENT	The risk that Council fails to maintain acceptable levels of satisfaction and social licence within the community leading to a loss of mandate to act on its behalf	STATUS
		Decreased

DESCRIPTION	**If** Council does not understand the community's needs, values, and preferences because it has not proactively engaged with the community, and/or maintained its confidence and trust **then** there is risk that the community disengages from Council leading to a loss of relevance, reduced participation in democratic processes, and social dissatisfaction resulting in an inability for Council to meet the community's expectations and/or achieve its strategic objectives.			
Risk management framework **CATEGORY**	Social & cultural Strategic	**Risk register** **LINKS**	Adverse event Decision making Social licence Change Health, safety & Strategic relationships Cyber security wellbeing	
RISK LEAD	Executive leadership team	**ACTION OFFICER**	Community leadership manager Project delivery manager Communications manager Senior project manager Governance legal manager Building coordinator team leader	

POTENTIAL RISK TRIGGERS	**External** • changes in the political environment • changes in the regulatory and statutory framework • local government delivering central government directives • societal pressures and/or polarization including misinformation and disinformation • community indifference/consultation fatigue with local and central government, and other agencies. **Internal** • inconsistent or ineffective approaches to engagement, communication, governance • lack of transparency and accountability • narrow, short term/misaligned strategic focus • ineffective or lack of collaboration/partnership with iwi/stakeholders/community • poor understanding of and responsiveness to community needs and expectations • lack of or insufficient resources		
PRE TREATMENT **THRESHOLD**	**Consequence:** Catastrophic	**Likelihood:** Possible	
	Very high		

CURRENT MITIGATIONS	- effective governance, strategies, and plans - effective strategic planning - long term plan and annual plan - development of a well-informed capital works programme based on known condition and performance of assets - allocation of appropriate funding and resources to deliver prioritised work plan - procurement optimisation - internal and external audit - ability to reprioritise work programme - adherence to Code of Conduct, Conflict of Interest policy and Council Standing Orders by staff and elected members - staff development and training, documented process and procedures, contract management, and succession planning - significant and engagement policy - protected disclosures policy - enhanced customer experience - facilitate a high quality and quantity of community engagement - transparent and proactive disclosure of decision making - regular opportunities for the community to give views to Council - public consultation on significant issues - regular iwi and stakeholder engagement - provide accurate information and enables rapid response to misinformation - key strategic relationship management - Community Boards as conduit between Council and community - recruiting and retaining skilled resources - engaging contractors/consultants for specific and short-term work delivery - monitoring organisational climate - work closely with industry providers and training institutions		
POST TREATMENT THRESHOLD	**Consequence:** Major		**Likelihood:** Possible
	High		

Strategic risk: **STRATEGIC RELATIONSHIPS**

RISK STATEMENT	**The risk that Council fails to appropriately maintain its local, regional and national relationships impacting its ability to achieve its objectives**		STATUS	
			Stable	
DESCRIPTION	**If** stakeholder relationship management by Council leads to a failure to maintain the trust, confidence, and shared objectives with mana whenua iwi and other key strategic partners (primarily central government) **then** Council's ability to achieve the best outcomes for the district may be significantly affected by changes in direction and/or derailed strategic programmes of work with long term financial and reputational impacts.			

Risk management framework CATEGORY	Social & cultural Strategic	Risk register LINKS	Adverse events Finance
			Change Social licence
			Decision making

RISK LEAD	Chief executive	ACTION OFFICER	Executive leadership team

POTENTIAL RISK TRIGGERS	**External**
	• political EQ
	• changes in political landscape nationally and locally
	
	Internal
	• inadequate or ineffective engagement, communication, governance
	• narrow, short term/misaligned strategic focus
	    · ineffective or lack of collaboration/partnership with iwi/stakeholders/community
	• lack of shared work programme or agreed objectives
	• dysfunctional internal relationship between governance and staff
	    · dysfunctional organisational culture – job uncertainty/restructures/staff burnout/remote working
	• lack of awareness regarding Treaty obligations and iwi protocol

PRE TREATMENT THRESHOLD	Consequence:	Major	Likelihood:	Likely
	Very high			

CURRENT MITIGATIONS	• strong networks with other agencies and external stakeholders to share knowledge, learnings, and culture
	    o regular engagement with stakeholders at political and executive level
	    o collaborative governance group meetings to progress alignment of strategic direction – mayoral forum, TAMI board sessions, Te Roopu Taiao meetings, CEG civil defence forums, neighbouring councils
	    o proactive steps taken at the start of each local government triennium to re-establish trust and relationships with community, iwi, and stakeholders

	- relationship management between mayor/elected members, mayor/chief executive, executive leadership team/key staff
	  - monitor media and provide information to staff, iwi, stakeholders, and community including managing relationships with media outlets
	  - monitoring of macro trends/broader environment
	• understanding Council's Treaty obligations
	  - regular communications and partnering approach
	  - Charter of Understanding
	  - Partnership Agreement
	  - identify and address gaps in organisational cultural and diversity awareness
	  - grow staff understanding of tikanga, cultural capability and capacity
	• effective communication and engagement with community
	  - support community boards including greater visibility and connection to Council and community
	  - representation review to ensure communities in the District are fairly and effectively represented
	• effective organisational relationship management
	  - comprehensive induction programme provided for new elected members which highlights the respective roles of management and governance.
	  - regular Council briefings for sharing of information and alignment of thinking.
	  - regular meetings held between governance, management, and staff to ensure continued constructive communication and internal relationship management.

POST TREATMENT	Consequence:	Major	Likelihood:	Possible
THRESHOLD	High			

Impact, likelihood, and risk matrix tables
Risk Management Framework 2025

SOUTHLAND
DISTRICT COUNCIL

Impact assessment table

IMPACT	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
Strategic	No significant adverse public comment No impact on achievement of LTP objectives Key stakeholder relationships unaffected	Adverse comment in local or social media Letters to CEO, complaints to elected members May slow achievement of LTP objectives Minor impact on key stakeholder relationships	National media coverage Will impact achievement of one or more LTP objectives Negative impact on key stakeholder relationships	National media coverage 2-3 days Will significantly impact the achievement of multiple LTP objectives Significant impact on multiple key stakeholder relationships	Coverage in national media 3+ days Commission of Inquiry/ Parliamentary questions Stakeholder relations irreparably damaged Cannot deliver on most LTP objectives
Operational	No loss of operational capability Minimal change to service levels Minimal loss of internal capacity	Loss of operational capability in some areas Some disruption to service levels Internal capacity lost for up to 1 week	Serious loss of operational capability for over 6 weeks and/or Disruption to service levels for 4-6 weeks Loss of internal capacity 1-3 weeks	Serious loss of operational capability for over 8 weeks and major disruption to service levels and/or Loss of internal capacity 4-6 weeks	Serious loss of operational capability for 3-4 months and serious disruption to service levels and Loss of internal capacity for more than 6 weeks
Financial	No impact on financial targets	Up to 1% impact on financial targets	Up to 5% impact on financial targets	Up to 10% impact on financial targets	More than 10% impact on financial targets

Southland District Council
Te Rohe Pōtae o Murihiku

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IMPACT	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
Health, Safety & Wellbeing	No medical treatment required Issue noted, no action required	Minimal personal injury and/or sickness AND Less than 2 weeks incapacitation H&S issue noted by Worksafe	Personal injury and/or sickness with up to 3mths incapacitation OR H&S issue to court	Significant public health impact OR Personal injury and/or sickness with 3+ months incapacitation or long term disability OR H&S issue to court and fine imposed	Permanent severe disability or loss of life OR H&S issue taken to court resulting in imprisonment OR Widespread community sickness
Social, Cultural, Environmental	No significant community impact Localised short-term reversible environmental, economic, or social impact	Single community affected Localised short-term reversible environmental, economic, or social damage	Multiple communities affected Localised medium term (1 month +) reversible damage or disruption (environmental, economic, social, or cultural)	Many communities affected Localised or widespread long term (3-6m) reversible damage or disruption (environmental, economic, social, or cultural)	Most or all communities affected OR Extensive or irreversible damage or disruption (environmental, economic, social, or cultural)
Regulatory & Compliance	Fine/ liability less than $10K	Fine/ liability $10-100K	Fine/ liability $100-250K	Fine/liability $250K - $1M	Fine/ liability $1M+

Likelihood assessment table

LIKELIHOOD	PROBABILITY (PER ANNUM)	TIME BASED DESCRIPTOR
Rare	<10%	Unlikely to occur within a 10 year period, or in exceptional circumstances
Unlikely	10% - 40%	May occur within a 10 year period
Possible	40% - 70%	Likely to occur within a 5 year period
Likely	70% - 90%	Likely to occur within a 1 year timeframe
Highly likely	>90%	Likely to occur immediately or within a short period of time.

Risk matrix

LIKELIHOOD	CONSEQUENCE				
	Insignificant	Minor	Moderate	Major	Catastrophic
Highly likely	Low	Medium	High	Very High	Very High
Likely	Low	Medium	High	Very High	Very High
Possible	Low	Low	Medium	High	Very High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	High

DRAFT Risk appetite thresholds

Finance and Assurance committee – risk appetite workshop – 14 May 2025

RISK ATTITUDE	PHILOSOPHY	TOLERANCE FOR UNCERTAINTY Willingness to accept uncertain outcomes or variations	CHOICE Willingness to select an option that puts objectives at risk	TRADE OFF Willingness to trade off against achievement of other objectives
AVERSE (Low)	Avoidance of risk is a key objective	Extremely low	Will always select the lowest risk option	Never
CONSERVATIVE (Moderate)	Prefer very safe options with very low level of inherent uncertainty	Low	Will accept risk only if essential, and with limited possibility and/or impact of failure	With extreme reluctance
MEASURED (High)	Prefer safe options with low degree of residual risk	Limited	Will accept risk if limited and heavily outweighed by potential benefit	Prefer to avoid
JUSTIFIED (Very high)	Willing to consider various options and take fully justified risks	Expect some	Will choose to put outcomes at risk, but will manage impact	Willing under the right conditions
FLEXIBLE (Extreme)	Willing to take less justified risks based on potentially greater benefits, while recognising higher inherent risk	Fully anticipate	Will choose option(s) with highest return, accepting possibility of failure	Willing

DRAFT risk appetite thresholds
13/05/2025

Capital delivery programme review

Record no: R/25/12/57620
Author: Dave Connell, Programme delivery manager
Approved by: Fran Mikulicic, Group manager infrastructure and capital delivery
Report type: Recommendation

Staff recommendations

That the Finance and Assurance Committee:

a) notes the information contained in the report.

b) notes that the matter or decision in this report is assessed as being of some importance based on Council's Significance and Engagement Policy. On this basis the assessed level of significance indicates that the community is kept informed of the decisions made in this report, rather than engaged prior to this decision being made.

c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.

d) recommends to Council that it approves the changes to the 2025/2026 capital programme as outlines in Attachment A.

e) notes that on resolving resolution (d) $22,065,205 will be moved from the 2025/2026 capital programme to either the 2026/2027 year, the Long Term Plan 2027-2037 or be permanently removed, thereby, reducing the total annual programme for 2025/2026 to $75,965,364.

Purpose
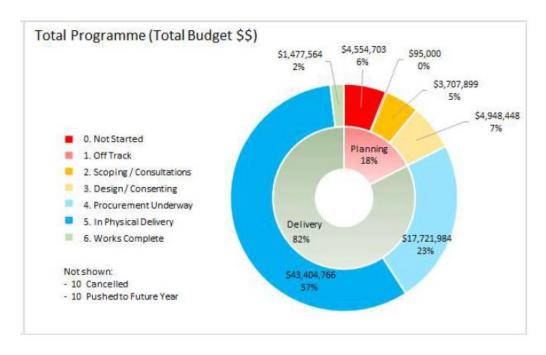
1 At the August 2025 Finance and Assurance meeting, the Capital Programme Delivery Governance Group (CPDGG) were requested to review the 2025/2026 programme to determine the deliverability of it given the extent of work carried forward from 2024/2025 and bring back a report in December 2025. The purpose of this report is to outline:

• the outcome of that review

• proposed revisions to the 2025/2026 capital programme and identify the impact on future years

• progress of the proposed revised programme

• remaining risks with delivery.

Executive summary

2 At the conclusion of the 2024/2025 financial year the total amount of projects that Council approved to carry forward was $18,788,025. This coupled with the Annual Plan budget for 2025/2026 of $70,540,818 pushed the capital delivery budget to $89,328,843 significantly greater than the 2024/2025 year.

3   Further to this, unbudgeted expenditure of $8,701,726 (comprising $7,750,000 for the Raikiura Energy Project and $951,726 of other minor programme adjustments) further increased the programme to a total of $98,030,569.

4   Our assessment has concluded that a $98,030,569 programme across 196 projects is not feasible for delivery in this financial year and would continue to result in extensive carry forwards in future years. As a result, a comprehensive review of the current programme has been completed by the activity managers.

5   The outcome of this review is proposing $22,065,205 (23%) of the current approved programme expenditure to be moved out to future years or cancelled, leaving a proposed revised programme of $75,965,364. Of this $62,604,314 (82%) has been contracted for physical delivery already, however, the bulk of the works are commencing post-Christmas, which will result in a heavy reliance on contractors to deliver as per their agreed construction programmes.

6   The pie graph below illustrates the progress to the end of October 2025 for the proposed revised programme by dollar value. It's pleasing to note 82% is in the delivery phase.

7   Currently, there is $13,306,050 (18%) of the proposed revised programme that has yet to be fully scoped, details confirmed, designs completed and/or consenting resolved. Although staff continue to work through the processes with multiple parties to finalise the details, the timing is unknown, this, coupled with the Christmas holiday break, leaves some uncertainty and risk around the achievability and contractor availability for these works for 2025/2026.

Total Programme (Total Budget $$)

Context/Discussion

8   Council had an already ambitious plan for the 2025/2026 year summarised as below:

- $70,540,818 Annual Plan budget across approximately 131 projects

- $18,788,025 of carry forwards from 2024/2025 across 103 projects, these projects were split with 38 requiring partial funds moved and 65 requiring 100% of funds to be moved

- $7,750,000 of unbudgeted expenditure for the Raikiura Energy Project

- $951,726 of unbudgeted adjustments to 12 projects.

9   In summary, following adjustments, Council has a total of $98,030,569 across 196 projects to be delivered in 2025/2026, a 39% increase on the previous year which was not fully delivered.

10   Initial assessment was the $98,030,569 would create significant pressure and would likely result in projects not being fully delivered either through stretches on internal resourcing and/or the external supply chain availability leading to further extensive carry forwards in the future.

11   The status of the programme to the end of October indicated there were 106 (54%) of projects totalling $27,818,113 (28%) still in the planning phases financially and therefore as a minimum these projects required careful review as to timing and achievability. As a result, a full review by activity area managers has been undertaken and the outcome is summarised below.

Activity	Approved budget (incl annual plan, carry forward, unbudgeted)	Revised budget (proposed)	Difference
Community resources	$9,128,625	$7,093,542	($2,035,083)
Transport	$38,536,420	$33,101,433	($5,434,987)
Transport other	$2,548,304	$684,000	($1,864,304)
Three waters	$31,021,820	$18,865,349	($12,156,471)
Corporate services	$1,658,923	$1,084,563	($574,360)
B2B	$7,098,327	$7,098,327	$0
SIESA	$8,038,150	$8,038,150	$0
Total	$98,030,569	$75,965,364	($22,065,205)

12   The overall effect of the review completed to the end of October is proposing $22,065,205 (23%) of the current approved programme to be moved. The key drivers for these decisions are summarised as follows:

Community resources

Sub activity	Budget change	Comments
Other property	($117,793)	Minor adjustments with some work under budget, no longer required and/or timing planned later than anticipated.
Toilets	($943,934)	Primary expenditure revision is centred on the timing of the Garston and Tuatapere Main Street renewals and ensuring sufficient time for preparation including designs and consent work prior to construction.
Parks and reserves	($973,356)	Primary expenditure revision is centred on the Wyndham Multi Use track being pushed out two years at the community board's request.
	($2,035,083)	

Transport

Sub activity	Budget change	Comments
Traffic services	($40,000)	Minor work carried forward from 2024/2025 no longer required.

Bridge renewal	($4,767,425)	Expenditure of funds revised to reflect the bridge contracts and the actual build programme for the 23 replacements and four removals.
Structure component renewal	($627,562)	Council received good pricing on the bridge replacements, as a result, staff are looking at the budgets for both the bridges and component renewals and in consultation with engineers to reprioritise the programme and best use of the budget.
	($5,434,987)	

Transport other

Sub activity	Budget change	Comments
Harbour	($714,000)	Expenditure revised to reflect the current permanent repair work required to the T-wharf and long wharf. Remaining funds pushed out while harbour committee explore options for alternative site.
Stewart Island jetties	($1,057,508)	Expenditure for Ulva and Golden Bay wharves revised to reflect contract awarded and completed for the temporary repairs. All remaining funds forecast out to match intended timing for the full reconstruction works.
Stewart Island jetties	($92,796)	Expenditure for Millers Beach wharf revised to reflect contract awarded and completed.
	($1,864,304)	

Three waters

Sub activity	Budget change	Comments
Sewerage	($8,592,857)	Primary expenditure revision is centred on the timing of the Edendale wastewater treatment plant (WWTP) and the impact of recent government changes to the standards and revising expenditure for the Manapouri wastewater treatment plant (WWTP) to match the contractors build timing.
Stormwater	($195,000)	Te Anau revised slightly as the design options are taking longer than anticipated to assess and resolve.
Water	($3,100,889)	Bulk of the revised expenditure is the Riverton water treatment plant (WTP). This had been pushed back as resourcing allows for one treatment plant per year to be undertaken and Eastern Bush WTP must remain the priority.
Rural Water	($258,923)	Te Anau Rural Water Supply expenditure revised as remediations following the Kakapo audit were less than anticipated and the committee has approved portions only of the Ramparts scheme to be audited.
Waste Services	($8,802)	Minor adjustment in timing of some works.
	($12,156,471)	

Corporate services

Sub activity	Budget change	Comments
Corporate Services	($574,360)	Expenditure forecast out as the business case due diligence on the digitisation of archives records is taking longer than anticipated.
	($574,360)	

13   As at the end of October, 90 projects (51% of the total) have been contracted for physical delivery, representing $62,604,314 or 82% of the proposed revised programme value. However, the majority of work is scheduled to commence after Christmas, which will place some contractors under significant pressure to meet the agreed construction programmes.

14   Additionally at the end of October, 86 projects (49% of the total), representing $13,306,050 or 18% of the proposed revised programme value, have yet to be fully scoped, confirmed, procured, or contracted. With the upcoming Christmas holiday period, this introduces some uncertainty around timing, achievability, and contractor availability through to the end of the financial year.

Options

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

Option 1 - Revise the 2025/2026 delivery programme as proposed.

Option 2 - Continue to deliver the 2025/2026 without the proposed adjustments.

Recommended option:

16   Option 1 – Revise the 2025/2026 delivery programme as proposed. This will allow greater focus to be placed on projects which are scoped, consented and ready to be delivered.

Option 1 – Revise the 2025/2026 delivery programme as proposed.

Advantages	Disadvantages
• staff and elected members have a more realistic delivery programme • focus can be on the projects which are ready to go to delivery or are contracted and currently being delivered • focus on the remaining risk areas for delivery • staff are not overwhelmed with the scale of the programme • programme is more in line with where project scoping, decisions and planning cycles are at • programme is more in line with resources.	• potential for frustration with the deferral of projects.

Option 2 – Continue to deliver the 2025/2026 without the proposed adjustments.

Advantages	Disadvantages
• Nil.	• known delivery concerns are not addressed • unrealistic delivery expectations may cause excess pressure on the team

	• failure to deliver the programme • continued large carry forwards into the 2026/2027 year and beyond • staff and Council frustration with under delivery.

Legal considerations

17   Not applicable to this recommendation.

Strategic alignment

Strategic direction

18   The delivery of projects contributes to Council's key strategic priority of creating robust infrastructure and facilities for the future which enables our communities to remain connected and resilient.

Policy and plan consistency

19   No inconsistencies have been identified with Council's policies or plans.

Financial considerations

20   The financial impact of delivering the capital delivery programme is noted in the above commentary.

21   In summary, of the $22,065,205 proposed to be moved from the 2025/2026 programme $13,805,661 is being proposed to be moved to the 2026/2027 Annual Plan, a further $7,150,000 to the next Long Term Plan (LTP) and the remainder $509,544 is to be cancelled, the majority of this relates to remaining budgets that are no longer required.

22   Currently the 2026/2027 Annual Plan is being prepared. The changes proposed, although not yet approved, have been incorporated where applicable into the preliminary calculations. If the programme is not approved or only partially approved, the resulting changes will be made.

23   Overall, changes to the 2025/2026 delivery programme, where they are loan funded will see a reduction in the rates requirements for 2026/2027.

Significance assessment

24   The decision for Council to approve the proposed revisions to the 2025/2026 capital delivery programme is assessed as being of some importance under Council's Significance and Engagement Policy because:

•   the proposed revisions will affect the planned timing and delivery of some projects set in the Long Term Plan (LTP)

•   the proposed revisions for some projects may impact expectations that have previously been communicated with community boards and public.

25   Given these factors, the matter does not materially affect Council's overall service delivery, but it is relevant to expectations that have been communicated around likely delivery timings of projects and therefore warrants some level of significance.

26   Engagement would be limited to informing stakeholders only of the proposed capital delivery revision.

Level	Likelihood of engagement
Some importance or administrative	Council is not likely to carry out any engagement.
Moderate importance	Council may choose whether it carries out engagement, which may be targeted to directly affected individuals or groups.
Significant	Council will engage with directly affected individuals and groups and wider community engagement is likely, unless there are reasons under policy not to.
Critical	Council will engage with directly affected individuals and groups and wider community engagement is highly likely, unless there are reasons under policy not to.

Community views

27   Community views have not been sought for this report as the significance level is some importance.

28   Changes proposed to 2025/2026 local community board projects have been incorporated into the 2026/2027 community board reports currently being presented to boards. In the reports, details of the projects proposed to change have been incorporated along with an indication of what is happening to them ie, moved to 2026/2027 or the LTP. To support this, a resolution has also been included, that recommends to Council that they approve the changes as indicated.

Climate change considerations

29   The decision to recommend revising the planned delivery programme for 2025/2026 has no direct climate change implications. However, the projects and activities affected by this revision will continue to provide opportunities to reduce emissions and enhance climate resilience. This will be achieved through careful consideration of asset design and location, incorporating changing rainfall patterns, sea-level rise, updated standards, and innovative approaches, as well as seeking ways to minimise greenhouse gas emissions during construction. At this stage, staff have not assessed the emissions impact of the proposed revision; however, it is not expected to be significant, as key areas such as wastewater processes will maintain current service levels. Climate resilience will continue to be addressed during project scoping and design phases.

Risk and mitigations

30   As at the end of October, 90 projects (51% of the total) have been contracted for physical delivery, representing $62,604,314 or 82% of the proposed revised programme value. However, the majority of work is scheduled to commence after Christmas, which will place contractors under significant pressure to meet the agreed construction programmes.

31   To mitigate the risk, contract managers will be required to monitor contractual obligations, expectations, processes and adherence of the contractors to their timeframes.

32   As at the end of October, 86 projects (49% of the total), representing $13,306,050 or 18% of the proposed revised programme value, have yet to be fully scoped, confirmed, procured, or contracted. With the upcoming Christmas holiday period, this introduces some uncertainty around timing, achievability, and contractor availability through to the end of the financial year.

33   Council staff will need to carefully consider where the jobs are at in the planning cycle and determine if this work can still be delivered in 2025/2026 or not. Any further adjustments will need to be confirmed as part of the February 2026 forecasting.

34   For three waters specifically, some start dates for larger projects have been delayed beyond initial expectations, and recent tenders have received a lower-than-anticipated response from the market due to current contractor workloads. As a result, there is a risk that some projects may fall short by $2 to $2.5 million at year-end. Predicting this phasing on multiyear projects is not 100% precise.

35   Staff will continue to manage contractors' committed programmes and plan to re-tender selected work early in the New Year to attract submissions from contractors seeking low-risk, non-peak projects that better align with their current workloads.

36   For transport 90% of the current year's programme value is procured and in contract. However, the primary risk will be ensuring the key contractors involved are meeting the planned spend for their contracts through until the end of the financial year.

37   Operations and maintenance contract managers will need to closely monitor contractors' actual cash flow against forecasted expenditure to ensure they remain on track with proposed targets and avoid significant delays in delivery.

Next steps

38   If the proposed revisions to the 2025/2026 programme (full detail attached) are approved the finance team will incorporate the changes into the annual plan financial statements which are expected to be considered by Council in early 2026.

Attachments

A   Capital Delivery Programme Report - December 2025 ⇩

Projects with proposed adjustment to 2025/2026 capital delivery programme

Category/ Activity	Project Code	Description	2025/2026 Annual Plan Budget ($)	Carry Forwards ($)	Unbudgeted Expenditure ($)	2025/2026 Approved Budget ($)	Proposed adjustment to 2025/2026 capital delivery programme ($)	2025/2026 Revised Budget ($)
Community Resources	P-10734A	Garston Old Post Office - Upgrade distribution board, install LED lighting and heat pump	14,280	-	-	14,280	(14,280)	-
Community Resources	P-10840A	Wyndham Museum Disposal	-	100,911	-	100,911	(40,000)	60,911
Community Resources	FBUILD001A	Garston Playcentre Building - Exterior repaint and carpentry work	30,000	-	-	30,000	(30,000)	-
Community Resources	FBUILD028A	Waikiwi Yard - Remove hedges and build new fences in conjunction with neighbours	-	38,513	-	38,513	(23,513)	15,000
Community Resources	FBUILD029A	Waikiwi Yard - Options analysis for future facility provisions for depot/yard	-	10,000	-	10,000	(10,000)	-
Community Resources	P-10642A	District Wide Toilets - Renewal preparation	106,356	100,000	-	206,356	(106,356)	100,000
Community Resources	P-10642B	District Wide Toilets - Renewal construction	438,600	-	-	438,600	(383,600)	55,000
Community Resources	P-10649A	District Wide Toilets - Renewal preparation	447,780	-	-	447,780	(150,000)	297,780
Community Resources	P-11092A	District Wide Toilets - Public toilets	267,500	86,478	-	353,978	(303,978)	50,000
Community Resources	P-10864A	Edendale and Wyndham - Creation of multi-use track	600,000	-	-	600,000	(600,000)	-
Community Resources	P-11208A	Stewart Island/Rakiura - Car park and walking link development	102,000	-	-	102,000	(102,000)	-
Community Resources	FPARK001A	Dipton - Repair or replace bridge across ditch at reserve and level street	-	10,000	-	10,000	(10,000)	-
Community Resources	FPARK011A	Manapouri Frasers Beach - Reserve management plan renewal	102,000	-	-	102,000	(102,000)	-
Community Resources	P-11474	Tuatapere Domain Gate	-	5,819	-	5,819	(5,819)	-
Community Resources	P-11483	Reserve Management Plans	-	-	251,537	251,537	(51,537)	200,000
Community Resources	FPARK024A	Orepuki Water Tower - Repairs	102,000	-	-	102,000	(102,000)	-
Transport - Roading	FFOOT107A	Gorge Road - Speed feedback sign at Gorge Road Invercargill Highway	20,000	-	-	20,000	(20,000)	-
Transport - Roading	FFOOT110A	Gorge Road - Speed feedback sign at Tokanui Gorge Road Highway	20,000	-	-	20,000	(20,000)	-
Transport - Roading	FROAD001A	District Wide - Bridge programme 2024-2034	9,000,000	157,425	-	9,157,425	(4,767,425)	4,390,000
Transport - Roading	FROAD006A	District Wide - Structure component renewal programme 2024-2034	643,344	533,181	-	1,176,525	(627,562)	548,963
Transport - Others	P-11225B	Riverton T Wharf Replacement - Demolition and construction	814,000	-	-	814,000	(714,000)	100,000
Transport - Others	P-10203A	Stewart Island/Rakiura Ulva Island Wharf - Replacement	289,691	582,817	-	872,508	(607,508)	265,000
Transport - Others	P-10670A	Stewart Island/Rakiura Golden Bay Wharf - Renewal preparation	255,000	-	-	255,000	(200,000)	55,000
Transport - Others	P-10670B	Stewart Island/Rakiura Golden Bay Wharf - Renewal construction	250,000	-	-	250,000	(250,000)	-
Transport - Others	P-10674A	Stewart Island/Rakiura Millars Beach - Wharf Refurbishment	100,000	26,796	-	126,796	(92,796)	34,000
Three Waters	P-11481A	Te Anau Recycling Container relocation and CCTV	-	25,302	-	25,302	(8,802)	16,500
Three Waters	P-10453B	Balfour Waste Water Treatment Plant - Consent renewal treatment upgrade	800,000	-	-	800,000	(650,000)	150,000
Three Waters	P-10454B	Edendale/Wyndham Waste Water Treatment Plant - Consent renewal treatment upgrade	6,500,000	-	-	6,500,000	(6,500,000)	-
Three Waters	P-10454A	Edendale/Wyndham Waste Water Treatment Plant - Consent renewal preparation	-	244,957	-	244,957	(94,957)	150,000
Three Waters	P-10455A	Gorge Road Waste Water Treatment Plant - Consent renewal preparation	205,000	-	-	205,000	(110,000)	95,000
Three Waters	P-10459A	Manapouri - Wastewater treatment upgrade	4,036,450	858,447	-	4,894,897	(780,000)	4,114,897
Three Waters	P-10461A	Monowai Waste Water - Consent renewal investment	153,750	-	-	153,750	(93,750)	60,000

Projects with proposed adjustment to 2025/2026 capital delivery programme

Category/ Activity	Project Code	Description	2025/2026 Annual Plan Budget ($)	Carry Forwards ($)	Unbudgeted Expenditure ($)	2025/2026 Approved Budget ($)	Proposed adjustment to 2025/2026 capital delivery programme ($)	2025/2026 Revised Budget ($)
Three Waters	P-10462A	Nightcaps Waste Water Treatment Plan - Treatment upgrade and land disposal investigation	-	189,824	-	189,824	(95,000)	94,824
Three Waters	P-10474A	Stewart Island/Rakiura Waste Water Treatment Plant - Consent renewal preparation	-	41,610	-	41,610	(25,000)	16,610
Three Waters	P-10483A	Wallacetown Waste Water - Consent contribution to Alliance	128,125	-	-	128,125	(98,125)	30,000
Three Waters	P-11331A	Te Anau Treatment Plant - Sludge removal	206,025	-	-	206,025	(146,025)	60,000
Three Waters	P-11060A	Te Anau Stormwater - Sandy Brown Road stormwater upgrade	1,000,000	61,792	-	1,061,792	(195,000)	866,792
Three Waters	P-11248A	Orawia Water Supply - Consent renewal preparation	102,500	-	-	102,500	(44,000)	58,500
Three Waters	P-11406A	Riverton Water Treatment Plant - Upgrade	1,587,500	56,889	-	1,644,389	(1,469,389)	175,000
Three Waters	P-11406B	Riverton Water Treatment Plant - Upgrade	1,587,500	-	-	1,587,500	(1,587,500)	-
Three Waters	P-11223B	Te Anau Rural Water Supply - scheme audit remediation	558,923	-	-	558,923	(258,923)	300,000
Corporate Services	FINFO001A	District Wide - Archives business case	-	100,000	-	100,000	(100,000)	-
Corporate Services	FINFO002A	District Wide - Archives requirements as the result of business case in 2024/2025	510,000	-	-	510,000	(442,500)	67,500
Corporate Services	FINFO003A	District Wide - Ongoing digitisation projects	43,860	43,000	-	86,860	(31,860)	55,000
	44		31,022,184	3,273,760	251,537	34,547,481	(22,065,205)	12,482,276

Value of projects without any proposed adjustment to 2025/2026 capital delivery programme

Category/ Activity	Number of projects	Description	2025/2026 Annual Plan Budget ($)	Carry Forwards ($)	Unbudgeted Expenditure ($)	2025/2026 Approved Budget ($)	Proposed adjustment to 2025/2026 capital delivery programme ($)	2025/2026 Revised Budget ($)
Community Resources	74	Various	3,037,071	3,327,591	(49,811)	6,314,851		6,314,851
Transport	39	Various	22,474,372	5,688,098	-	28,162,470		28,162,470
Transport Other	2	Various	30,000	200,000	-	230,000		230,000
Three Waters	30	Various	6,709,174	5,218,053	750,000	12,677,227		12,677,227
Corporate Services	4	Various	200,940	761,123	-	962,063		962,063
Community Resources	1	Invercargill Office - Renewal	6,778,927	319,400	-	7,098,327		7,098,327
SIESA	2	Various	288,150	-	7,750,000	8,038,150		8,038,150
			39,518,634	15,514,265	8,450,189	63,483,088		63,483,088

Summary of total value inclusive of proposed adjustments to 2025/2026 capital delivery programme

Category/ Activity	Number of projects	Description	2025/2026 Annual Plan Budget ($)	Carry Forwards ($)	Unbudgeted Expenditure ($)	2025/2026 Approved Budget ($)	Proposed adjustment to 2025/2026 capital delivery programme ($)	2025/2026 Revised Budget ($)
All	44	Value of capital projects with proposed adjustments	31,022,184	3,273,760	251,537	34,547,481	(22,065,205)	12,482,276
All	152	Value of capital projects with no proposed adjustments	39,518,634	15,514,265	8,450,189	63,483,088	-	63,483,088
	196		70,540,818	18,788,025	8,701,726	98,030,569	(22,065,205)	75,965,364

Interim performance report - period one, 1 July 2025 to 31 October 2025

Record no:	R/25/11/56449
Author:	Nicole Taylor, Finance development co-ordinator
Approved by:	Anne Robson, Group manager finance and assurance
Report type:	Information

Staff recommendations

That the Finance and Assurance Committee:

a)   notes the information contained in the report.

b)   receives the report titled "Interim performance report - period one, 1 July 2025 to 31 October 2025".

Purpose

1   The purpose of this report is to present the Finance and Assurance Committee (the committee) with the Interim Performance Report for period one, from 1 July 2025 to 31 October 2025.

Executive Summary

2   The Interim Performance Report (IPR) provides a 'snapshot in time' record of the status of Council's key performance indicators (KPIs) and is reported to the committee every four months as a cumulative record throughout the financial year (1 July 2025 to 30 June 2026).

3   The final performance report results, due at the end of June 2026, will be presented as part of the Annual Report 2025/2026. The Annual Report is audited by Deloitte and will be examined to ensure that the results are correct and the methodologies for monitoring the KPIs are recorded, reviewed and robust.

4   The targets in the report have been updated to match what was included in year two of the Long Term Plan (LTP) 2024-2034, noting that KPI's for water vary from the LTP to match the Department of Internal Affairs Non-Financial Measure Rules (2024).

5   The results to date show that for the 70 KPI's, 66% (46) are on target, 10% (7) are near target, 13% (9) are off target and 11% (8) are yet to be measured. This is in line with reporting for the same period last year.

6   In this reporting period several KPIs are ahead of the 2024/25 year end result including SIESA electricity interruptions, resource and building consent processing timeframes, road safety, sewerage resource consent monitoring and drinking water customer satisfaction

7   Of the nine KPIs that are off target, three of these are related to water supply fault response times which were not responded to within specified times. A further two water targets were not met. The first was because a scheduled protozoal test was missed at the Ohai water treatment plant and an older filter housing at Tuatapere did not meet technical requirements with this scheduled for upgrade in November 2025. The second was because of a technical non-compliance because scheduled e-coli and total coliform samples were not able to be collected due
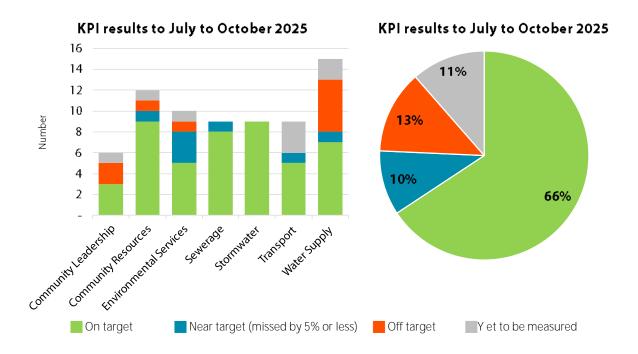
to the high wind weather event that caused widespread power outages across several drinking water schemes.

8   The remaining four off-track KPIs related to the amount of waste diverted from landfill, the number of EMS community response plans being reviewed and a lower proportion of agenda items being held in open meeting and containing the appropriate resolutions regarding public exclusion.

9   The commentary against each KPI in the report provides more information with staff continuing to work towards improving results over the remainder of the year.

Context

10   The Corporate Performance Framework (CPF) aligns Council's high-level direction to its activities and outcomes, and its purpose is to streamline Council planning and reporting functions.

11   As part of the framework, Council produces interim performance reports for the periods - July to October, July to February and July to June, with the third being produced to inform the Annual Report at year end.

12   The intended role of the Interim Performance Report (IPR) is to provide a touch point throughout the financial year for elected members and staff to monitor progress against targets. Interim reporting is a useful element of any performance monitoring framework, keeping high level performance goals relevant to daily operations and enabling early identification of potential issues.

13   Council has 70 KPI's across seven groups and thirteen activities with the majority of the KPI's set in the Long Term Plan 2024-2034 with adjustments made to water KPI's as a result of changes to DIA rules for water service reporting. Of the 70 KPIs, a total of 29 are required to be measured by the Department of Internal Affairs (DIA) along with four KPI's that are regulatory measures for the specific service provided by Council such as the building consent requirements.

14   Council's overall KPI performance measures and results are included in attachment A.

Results and analysis

15   Overall, 66% (46) of Councils KPIs are on target, 10% (7) near target (missed by 5% or less), 13% (9) are off target and 11% (3) are yet to be measured.

KPI results to July to October 2025

KPI results to July to October 2025

Legend: On target | Near target (missed by 5% or less) | Off target | Yet to be measured

16 **Stormwater** and **Sewerage** have nine KPI's each and all KPI's are either on or near target. For sewerage the near target result was due to a number of resource consent monitoring tests that did not meet conditions for a variety of reasons highlighted in the report. The results relate to Edendale Wyndham, Nightcaps, Stewart Island and Tuatapere wastewater plants. The approach to each varies with the scheme, with some being addressed with the replacement of filtering equipment, others will be corrected with future plant upgrades etc. A number relate to the conditions present at the time of testing, such as dry or very wet conditions, these are generally considered as part of an ongoing trend analysis rather than as a one-off event. Where trends developed that were not dealt with Council would likely receive abatement, infringement or enforcement orders from the regional council. Council has not received any of these.

17 **Water supply** has fifteen KPI's. Seven are on target, one near target, five off target and two yet to be measured. The three fault resolution times are all outside targets. The median urgent fault attendance time was two hours 14 minutes (versus target of one hour), and fault resolution times were 27 hours and 4 minutes (versus the target of six hours or less). Median non-urgent resolution times were also slightly outside of the 24 hour target at 25 hours 21 minutes. Median response times may reach the target by year end.

18 A further two water targets related to drinking water standards were not met. The first was because a scheduled protozoal test was missed at the Ohai water treatment plant and an older filter housing at Tuatapere did not meet technical requirements with this scheduled for upgrade in November 2025. The second was because of a technical non-compliance because scheduled e-coli and total coliform samples were not able to be collected due to the high wind weather event that caused widespread power outages across several drinking water schemes.

19 **Community leadership** has six KPI's with three on target, two off target and one to be reported on later in the year once grant funding accountability reports are received. The number of reports with the appropriate public excluded resolution is currently off target at 71% versus a target of 80% with 22 of the 33 reports in public excluded including the appropriate resolution. The

number of reports on open agenda is also currently off target sitting at 81%, compared to the target of 90% with 128 reports out of 159 in open agenda, 16 less than required to meet the target.

20   **Community resources** has 12 KPIs, with 10 on target or near target, one off target and one yet to be measured. The one off target result relates to the percentage of waste diverted from landfill with a result of 34% compared to a target of 40%. A lot of proactive work is taking place with Wastenet undertaking education programmes with industry and schools and regular inspection of recycling bins occurring. As a result, the amount of waste diverted to the landfill is reducing, so staff expect improvements over the coming year. The near target result relates to meeting burial preparation times with two interments notified late, noting that the plot was still prepared in time with no interruption to the service.

21   **Transport** has nine KPIs, six are on or near target and three are yet to be measured with condition surveys for roads and footpaths yet to be undertaken. The road condition survey work has been programmed for February 2026 and no date has yet been identified for the footpath survey. In addition, the target for the proportion of the sealed local road network that is resurfaced is also yet to be measured (target 6.7%). Given the reduction in NZTA funding, the total that can be achieved this year is likely to be around 6.1%.

22   **Environmental services** has ten KPIs with eight on or near target, one off target and one yet to be measured. The off target KPI is one managed externally by Emergency Management Southland (EMS) relating to review of the 26 community board plans. It has been identified that there is currently a difference of expectation around the number of plans be reviewed. Council's LTP had a target of eight for the district, however EMS have a target of completing four reviews for the region. To date EMS have completed one plan review with work on three others underway. Given the difference in plan completion numbers, the target of eight is not likely to be achieved at year end.

23   The near target results for environmental services relate to the percentage of building and code of compliance certificates processed within statutory timeframes with 95% of consents meeting the target (up from 94% in the prior year) and 95% of certificates meeting requirements (down slightly from 96% in the prior year). It only takes one application in the year for Council not to meet this standard.

Attachments

A   Interim performance report period one 1 July 2025 to 31 October 2025 ⇩

Interim Performance Report 2025/2026

Reporting Period One – 1 July 2025 to 31 October 2025

Contents

Community leadership

Performance measure	Target	Result	Status
Community Leadership – Level of Service 1: Make decisions in an open, transparent manner and support collaborative partnerships with the community and key agencies/stakeholders in the district and region			
1.0.1 – All agendas are out on time	**100%**	**100%**	**On track**
This KPI is demonstrates transparency by getting the agendas out in the appropriate statutory time allowing giving opportunity to be read ahead of the meeting			
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.	**>=80%**	**71%**	**Off target**
This KPI demonstrates transparency by giving timeframes around the release of (where appropriate) sensitive information contained in report			
Of the 31 reports in public excluded, 22 included the appropriate resolution. Recently staff have updated software, so an example resolution automatically appears when a confidential report is made. This will help to achieve improved performance going forward. Staff will also remind report authors who have missed including the resolution this quarter, to do so going forward.			
1.0.3 – Proportion of agenda items held in an open meeting	**>=90%**	**81%**	**Off target**
This KPI demonstrates transparency by showing the number of public-excluded items on an agenda compared with the number of open items on an agenda			
There were 159 reports presented from July to October 2025, 128 of these were on an open agenda. There were themes to the reports that were confidential, such as reports on property matters, procurement, audit actions and reports to the Executive Committee.			
1.1.1 – Percentage of the community partnership fund and district initiatives fund granted are utilised for the approved purpose	**100%**	**100%**	**On target**
This KPI measures the use of the funding grants within the community			
Recipients are required to provide accountability reports within 12 months of receiving their grant, outlining how the funds were used in relation to the approved purpose. As accountability reports are achieved throughout the year, data is updated on a rolling basis. Of the 88 District Initiatives Fund and Community Partnership Fund grants given out in the 2024/25 budget year, 35 have returned accountability (40%). Of those that have returned accountability, 100% have used the funds for the purpose stated in their original application. 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.			
1.1.2 – Percentage of the community partnership fund and district initiatives fund granted to organisations to achieve the outcomes proposed in the funding application	**>=95%**	**0%**	**Yet to be measured**
This KPI measures the impact of the grants have on community wellbeing			

Performance measure	Target	Result	Status
As part of Council's 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 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 start to become available in the second quarter of the 2025/2026 year.			
1.1.3 – Percentage of Community Board meetings where residents and ratepayers are in attendance to address the Board	**>=50%**	**53%**	**On target**
This KPI relates to developing supporting collaborative relationships as the community board develops effective relationships with their local and district community, key stakeholders and local, regional and national organisations			
Positive numbers of public participation have continued at community board meetings in the July-October 2025 period. A total of 13 meetings were held across this period and elections were held for the new triennium. The August round of meetings were well attended across the boards with public attending to discuss matters relating to local halls in Northern and Wallace Takitimu board areas. Regular attendees were at Ōraka Aparima and Stewart Island Rakiura Community Boards updating members on current and ongoing projects, while Tuatapere Te Waewae Community Boards had public attend to present a petition to Council relating to heritage funding. Of the four meetings held during the September and October meetings half of the meetings had public participation with regular attendance at Ōraka Aparima Community Board with the Progress League, and an update from the community pool chair at Northern community Board meeting.			

Community resources

Performance measure	Target	Result	Status
Community Facilities - Level of service 2: Council provides facilities and venues for community activities and events			
2.1 – Council owned halls are fit for purpose. Scale of 1-5. fit for purpose =3 and above (1 no, 2 maybe, 3 yes ok, 4 yes good, 5 yes great). Ease of booking, cleanliness of kitchen and toilets, would book again	**100%** Baseline +20% (24/25 100%)	**100%**	**On target**
This KPI measuring Council owned halls are fit for the purposes required by the public, Council is looking to collect data on the usage of halls including feedback from those who booked			
For those halls using the new online booking system, the total number of bookings for the four months of July to October have jumped by 40% from 146 (2024) to 204 (2025). For the period four reviews were received all rated 5 star, these were for the Colac Bay Community Centre and the Winton RSA facility.			
Community Services - Level of Service 3: Facilities are fit for purpose, to enable healthy grieving and memorialisation for the community			
3.1 – To meet family expectations that the burial plots are prepared by the time required	**100%**	**96.00%**	**Near target**
This KPI measures the timeliness of the service to ensure family expectations are met, the expectation is that contractors confirm the plot is ready no less than 2 hours before it is required			
46 of the 48 interments to the end of October were notified in time. The two that were not, both happened in July, they were the result of a misread notification time and a human error of forgetting the notification time requirement. In both cases these were picked up and there were not any issues for the families.			
Community Services - Level of Service 4: Facilities are fit for purpose, in the appropriate locations and cater for future needs			
4.1 – Community housing occupancy rate	**>=87%**	**90%**	**On target**
This KPI measures the occupancy rate. A high occupancy rates shows that housing is being used effectively in accordance with the Community Housing policy			
The occupancy rates of the flats have improved as the flats being readied for new tenants are being freed up for tenanting. There are still three flats in the portfolio that require long-term repairs and maintenance and are not likely to be ready for new tenants until near to, or during the 2026/2027 financial year.			
4.2 – Percentage of people who meet priority criteria	**>=85%**	**95%**	**On target**
The KPI relates to community housing being fit for purpose. The current community housing policy states that persons that are 60 years of age and older and who are in need of community housing will be considered for vacancies			
The community housing flats are targeted at those people who need housing in the district with priority to those over 60. The occupancy rate of priority persons reflects that this target group are the primary users of the activity.			
Library Services - Level of Service 5: Council provides a library service for the district including a mobile service			
5.1 – The library network will increase the digital proportion of lending year on year	**12.6%** Baseline + 5% (24/25, 12%)	**13%**	**On target**

Performance measure	Target	Result	Status
This KPI is monitoring the level of digital lending with a focus on reaching a wider audience, providing increased diversity of lending material and the possibility or reducing the purchase of physical lending materials			
This represents an 18% increase from the same period in 2024, when e-book lending comprised 11% of total lending.			
5.2 – The library and service network will increase programme participation numbers year on year (baseline then + 5% each yr)	**8,153** Baseline + 5% (24/25 7,765 participants)	**3,461**	**On target**
This KPI is measuring the increase in community connectedness by seeing the libraries as a place to socialise and participate in ongoing learning			
This is an annual target. The result to date represents a 55% increase from the same period in 2024, when there were 2,231 programme attendees.			
Open Spaces - Level of Service 6: The Council provides safe, well maintained open spaces for the community to enjoy sports and leisure activities			
6.1 – percentage of SDC playgrounds that meet NZ standards over the next 3 years	**>=85%**	**0%**	**Yet to be measured**
This KPI measures the maintenance and standard of the playgrounds in the southland district with a focus on all playground meeting the NZ standards over the next 3 years			
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 the new year 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 Otautau, Tuatapere, Tokanui and Wyndham.			
6.2 – Open spaces requests for services are completed within specified timeframes	**95%**	**99%**	**On target**
This KPI measures the maintenance of the service by monitoring whether requests for service are completed within the specified timeframe (dependent on the type or RFS 2,5 or 10 days)			
There was a total of 205 requests for service received with 203 actioned within the specified timeframe.			
6.3 – Council collaborated in partnerships with a minimum of three community groups in the biodiversity/ecological or environmental space	**3**	**3**	**On target**
This KPI measures council engagement with community groups with a focus on empowering our communities			
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. Working to formulate an MOU with Kowhai Reach.			

Performance measure	Target	Result	Status
SIESA – Level of Service 7: Council provides a reliable, sustainable electricity supply to Stewart Island that meets current and future needs			
7.1 – Number of unplanned point of consumer supply interruptions to Stewart Island electricity supply	**<=6**	**3**	**On target**
This KPI measures the reliability of the network. Any unplanned consumer supply interruptions can indicate issues with the network			
From the reported information power was out for a maximum of 15 minutes.			
Waste Services – Level of Service 8: Provide convenient and reliable rubbish and recycling services that minimise the amount of waste going to landfill			
8.1 – The amount of waste diverted from landfill (tonnes) as a percentage of total waste	**>=40%**	**34%**	**Off target**
The KPI measures waste minimisation. The more waste diverted from landfill and recycled the better			
A lot of proactive work is taking place with the Wastenet Community engagement and education officer undertaking education programmes with Industry, schools etc. As well as regular inspection of recycling bins occurring. As a result, the amount of waste diverted to the landfill is reducing, so we expect improvements over the coming year.			
8.2 – The maximum amount of waste per property disposed of to landfill (kilograms)	**<=650 kilograms**	184.25kg per bin to landfill	**On target**
The KPI measures waste minimisation. The least amount of waste going to landfill the better			

Environmental services

Performance measure	Target	Result	Status
Environmental services – Level of Service 9: Enhance the health, safety and wellbeing of the community and environment, through the effective implementation of a range of legislation			
9.1 – Percentage of non-notified resource consents processed within statutory timeframes	**100%**	**100%**	**On target**
The KPI measures processing efficiency. The statutory timeframe is twenty working days but there are some circumstances where extensions are granted. If consents are out of timeframe, then a discount must be given to the applicant. The Resource Management Act (RMA) requires that non notified resource consents are processed within statutory timeframes which is 20 working days. Council can extend these statutory timeframes under specific circumstances. However, if Council goes over the statutory working days it must provide a discount to the costs of processing the resource consent decisions which is 1% deduction per day it is late up to a maximum of 50%			
Statutory timeframe compliance for Q1 is currently sitting at 100%. for non-notified consents.			
9.2 – Percentage of building consent applications processed within statutory timeframes	**100%**	**95%**	**Near target**
The KPI measures processing efficiency. The statutory timeframe is twenty working days			
Along with running at 95% we are processing and granting within 12 days through this 4-month period. 334 Consents in total were processed, a small percentage went over the statutory 20 days due to complexity or processors needing upskilled which has been done.			
9.3 – Percentage of code compliance certificate (CCC) applications processed within statutory timeframes	**100%**	**95%**	**Near target**
The KPI measures processing efficiency. The statutory timeframe is twenty working days including a final inspection visit (a code of compliance is a formal statement issued under section 95 of the Building Act 2004, that building work carried out under a building consent complies with that building consent)			
Remaining steady on a solid result based on 333 code of compliance's in July - October.			
9.4 – Number of serious injuries to the public from dog attacks	**0**	**0**	**On target**
This KPI measures the number of dog attacks to protect the public from harm. It excludes incidents within the home environment			
Nil injury attacks on persons this quarter.			
9.5 – Percentage of non-working dogs subject to the responsible owner category (annual average)	**>=90%**	**87.47%**	**Near target**
This KPI aims to encourage owners to be a responsible dog owner by providing discounts to registration fees and monitoring of the number of non-working dogs			
The reason for not reaching the target this quarter is due to the number of infringements issues the responsible status is removed. This stays for two years so we do not expect to meet this target until after that time.			
9.6 – Percentage of new food and alcohol applications processed and issued within 30 working days	**70%**	**80%**	**On target**
This KPI measures Council's service – processing new food and alcohol applications within the 30-day period			

Performance measure	Target	Result	Status
Applications for food and alcohol are above the percentage for this quarter.			
9.7 – On site Building Warrant of Fitness audits completed in the community.	**>-20%**	**6%**	**On target**
This KPI monitors public safety by completing regular audits. A building warrant of fitness (BWoF) is a building owner's annual statement confirming the specified systems in the compliance schedule for their building have been maintained and checked for the previous 12 months, in accordance with the compliance schedule. It is displayed to show people who are using the building know that all the systems are functional and working without any risk to their health and safety			
This is an annual target. Currently a strong result given some staffing shortages and a large volume of training. With 779 buildings in this section the 48 audits completed represent 6%, given the team racked up the highest number in October they are on track for a strong result end of year.			
9.8 – Number of incidents of foodborne illness believed to be caused by food sold at a Council-verified business	**0**	**0**	**On target**
This KPI is monitors the effectiveness of processes to reduce any harm to public health through foodborne illness at businesses			
There are no incidents of foodbourne incidents during this quarter.			
Emergency Management – Level of service 10: Build community resilience to emergency events			
10.1 – There are 26 community plans, eight of those will be enhanced and reviewed on an annual basis	**>=8**	**1**	**Off target**
This KPI measures the resilience, readiness and preparation of communities to response to any events			
This is an annual Council target. This target will not be met again this year as EMS are working to deliver four plans a year. With staff changes there is a lack of clarity on the process followed for agreeing Council KPIs with EMS. To date EMS have completed one plan and work on three others is underway.			
10.2 – Percentage of surveyed households that have an emergency plan (written or verbal) from 55%-60%	**>=60%**	**0%**	**Yet to be measured**
This KPI measures the resilience, readiness and preparation of communities to response to any events			
Survey is done once a year around the end of the financial year.			

Sewerage

Performance measure	Target	Result	Status
Wastewater (sewerage) – Level of service 14: Provide reliable wastewater (sewerage) collection and treatment services that protects public health and the environment			
14.1* – System and adequacy - The number of dry weather wastewater (sewerage) overflows from the territorial authority's wastewater (sewerage) system, expressed per 1000 wastewater (sewerage) connections to that wastewater (sewerage) system	**<=1**	0	**On target**
This KPI measures the effectiveness of the system in providing the appropriate level of service and how well it is being managed to minimise harm to the community. Dry Weather" is defined as a period of 24 hours prior to an event of no catchment rainfall. An overflow means sewage that escapes a territorial authority's sewerage system and enters the environment. It includes blockages and chokes			
During the reporting period, there were no overflow service requests identified as dry weather overflows. The calculation for the number of dry weather overflows per 1,000 connections is as follows: (0/10,092) * 1,000 = 0. Therefore, there were zero dry weather wastewater overflows during this reporting period.			
14.2a* – 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 measured: (a) Attendance time: from the time of notification to the time when service personnel reach the site	**<=1 hour**	0.42	**On target**
14.2 a and b - These KPI's measures the responsiveness to issues. Measuring the response time is a way of gauging whether Council is listening to its customers and providing solutions			
There is a total of one service request for the reporting period. The median resolution time for notifications during this period is 25 minutes, which is within the expected resolution time of one hour.			
14.2b* – 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 measured: (b) Resolution time: from the time of notification to the time that service personal confirm resolution of the blockage or other fault	**<= 6 hours**	0.8	**On target**
14.2 a and b - These KPI's measures the responsiveness to issues. Measuring the response time is a way of gauging whether Council is listening to its customers and providing solutions			
There is a total of one service request for the reporting period. The median resolution time for notifications during this period is 48 minutes, which is within the expected resolution time of six hours.			
14.3* – Customer satisfaction - The total number of wastewater-sewerage system complaints about odour, system faults, system blockages and the Council's response to issues with its wastewater (sewerage) system, expressed per 1000 connections to the Council wastewater (sewerage) system.	**<=8 per 1000**	1.39	**On target**

Performance measure	Target	Result	Status
	connections		
This KPI measures the customer service satisfaction. It measures how satisfied customers are with the way in which Council responds to requests to fix problems			
There are a total of 14 service requests for the reporting period. To calculate the total number of sewerage system complaints, we use the following formula: (14/10,092) * 1000 = 1.39. Therefore, when rounded to the nearest whole number, the total number of sewerage system complaints for the reporting period is one.			
14.4a* – Discharge compliance - Compliance with resource consents for wastewater (sewerage) discharges, measured by the total number of: Abatement notices	**0**	**0**	**On target**
14.4 a to d – These KPI's measures discharge compliance in order to monitor the extent that resource requirements are being met to prevent harm to the environment. (the environmental impacts of the system). Non-compliance with consent conditions may indicate that Council is not managing its processes adequately or that the infrastructure is inadequate			
There have been no abatement notices in this quarter.			
14.4b* – Discharge compliance - Compliance with resource consents for wastewater (sewerage) discharges, measured by the total number of: infringement notices	**0**	**0**	**On target**
There have been no infringement notices in this quarter.			
14.4c* – Discharge compliance - Compliance with resource consents for wastewater (sewerage) discharges, measured by the total number of: enforcement orders	**0**	**0**	**On target**
There have been no enforcement orders in this quarter.			
14.4d* – Discharge compliance - Compliance with resource consents for wastewater (sewerage) discharges, measured by the total number of: convictions received in relation to the resource consents	**0**	**0**	**On target**
There have been no convictions in this quarter.			
14.5 – Percentage of monitoring results that show compliance with resource consent conditions	**100%**	**95%**	**Near target**
This KPI monitors resource consent conditions are being met. This is important to prevent environmental harm and is a legislative requirement of being issued with the consent			
Edendale-Wyndham BOD and TSS because of no bark chips. Nightcaps because of high faecal coliforms in the discharge. Stewart Island because of high nitrates. Tuatapere because of low pH in the Waiau River.			

Stormwater

Performance measure	Target	Result	Status
Stormwater - Level of Service 11: Provide a reliable stormwater system that protects public health and the environment			
11.1a* – System adequacy - Overflows resulting from the stormwater system that result in the flooding of a habitable floor - The number of flooding events that occur within the district	**<=5**	**0**	**On target**
11.1 a and b - These KPI's are designed to measure system adequacy - how effective a stormwater system is in providing an appropriate level of protection and how well it is being managed. A stormwater system means the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off from the point of connection to the point of discharge. A 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			
There were no flooding events that resulted in flooding of habitable floors in the reporting period of 1 July 2025 to 31 October 2025.			
11.1b* – System adequacy - Overflows resulting from the stormwater system that result in the flooding of a habitable floor - For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the council stormwater system)	**<=1**	**0**	**On target**
There were no flooding events that resulted in flooding of habitable floors in the reporting period of 1 July 2025 to 31 October 2025, so 0 properties per 1,000 storm water network connections were flooded.			
11.2a* – Discharge compliance - Compliance with the resource consents for discharge from the stormwater system, measured by the number of: abatement notices	**0**	**0**	**On target**
11.2 a to d – These KPI's measures discharge compliance in order to monitor the extent that resource requirements are being met to prevent harm to the environment. (the environmental impacts of its stormwater system). Non-compliance with consent conditions may indicate that SDC is not managing its processes adequately or that the infrastructure is no longer adequate			
11.2b* – Discharge compliance - Compliance with the resource consents for discharge from the stormwater system, measured by the number of: infringement notices	**0**	**0**	**On target**
11.2c* – Discharge compliance - Compliance with the resource consents for discharge from the stormwater system, measured by the number of: enforcement orders	**0**	**0**	**On target**
11.2d* – Discharge compliance - Compliance with the resource consents for discharge from the stormwater system, measured by the number of: successful prosecutions, received in relation to those resource consents	**0**	**0**	**On target**

Performance measure	Target	Result	Status
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	**<=2 hours**	**0**	**On target**
This KPI measures the response to stormwater issues. It is designed to measure responses to situations where water from a stormwater system gets into buildings			
There were no flooding events that resulted in flooding of habitable floors in the reporting period of 1st June 2025 to 31st October 2025.			
11.4* – Customer satisfaction - The number of complaints received about the performance of the Council's stormwater system, expressed per 1000 properties connected to the stormwater system	**<=15 per 1000 connections**	**1.25**	**On target**
This KPI measures customer service to determine the quality and responsiveness of the service. It provides information on issues with a stormwater system and on how satisfied customers are with the way in which a territorial authority responds to requests to fix problems			
Of the 27 Requests for Service (RFS) coded as THUSW (Transport Hazard Urban Storm Water) for the period of 1 July 2025 to 31 October 2025, our investigation has revealed that a significant portion of these were related to routine road maintenance issues. Specifically, only up to 12 of the 27 requests appear to be genuine stormwater network infrastructure-related concerns. The majority of the RFS investigated were found to be associated with either general operational and maintenance matters, issues concerning private property, or locations where no existing stormwater infrastructure was present. In summary, only 12 of the 27 RFS received indicated a failure of Council's stormwater infrastructure.			
11.5 – Percentage of monitoring results that show compliance with resource consent conditions	**100%**	**100%**	**On target**
This KPI monitors resource consent conditions are being met. This is important to prevent environmental harm and is a legislative requirement of being issued with the consent			

Transport

Performance measure	Target	Result	Status
Transport – Provision of roading and footpaths (including cycle trails, airport, water facilities and bridges) – Level of Service 12: Our transport network provides for safe, comfortable and efficient travel			
12.1* – Condition of the sealed road network - the average quality of ride on a sealed local road network measured by smooth travel exposure	**>=98%**	**0%**	Yet to be measured
This KPI monitors the condition of the sealed road network because this can impact on both the safety and comfort of road users as well as on vehicle operating and maintenance costs. It is a check of on whether the level of service to road users is being maintained			
This survey is yet to be carried out and is programmed for February 2026.			
12.2 – Percentage of gravel road tests where road roughness meets acceptable standards	**>=85%**	**87%**	**On target**
This KPI measures how well maintained the unsealed road network is			
12.3* – Maintenance of a sealed local road network - the percentage of sealed local road network that is resurfaced	**>=6.7%**	**0%**	Yet to be measured
This KPI measures how well maintained the sealed road network is compared to the renewal target set in the asset management plan			
Given the reduction in NZTA funding, the total that can be achieved this year is likely to be around 6.1%.			
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	**>=94%**	**97%**	**On target**
This KPI measures responsiveness to requests from the public			
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	**15** Reduction of 1 from prior year (24/25 = 16)	**0**	**On target**
This KPI focuses on road safety and is intended to provide information for members of the public on trends in road safety in their area. Improvements for this KPI include road safety education and initiatives relating to reducing the contributing factors of crashes such as alcohol, fatigue and speed			
12.6* – Footpath condition - 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	**>=90%**	**0%**	Yet to be measured

Performance measure	Target	Result	Status
relevant document (e.g. annual plan, activity management plan, asset management plan, annual works program or long term plan)			
This KPI measures the condition of the footpath to ensure that they are well maintained for pedestrian's convenience and safety.			
12.7 – Around the Mountains cycle trail has "Great ride" status	**Retain accreditation**	**Yes**	**On target**
This KPI monitors any steps taken to continue to maintain the great ride status. The Great Rides of the New Zealand Cycle Trail network are predominantly off-road trails. They showcase the best of New Zealand's landscapes, environment, culture and heritage. The trails are located around the country from Northland to Southland			
12.8 – The Civil Aviation Authority (CAA) compliance requirements for Part 139 certification is maintained	**Retain compliance**	**Yes**	**On target**
This KPI monitors any steps taken to continue to maintain the certification. A part 139 certification is a requirement for an aerodrome operators' certificate. The certification is important because it allows an aerodrome serving an aeroplane having a certificated seating capacity of more than 30 passengers that is engaged in regular (more than 4 flights per month) air transport operations for the carriage of passengers			
Water facilities – 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			
13.1 – Water facilities requests for services are completed within specified timeframes	**>=80%**	**78%**	**Near target**
This KPI measuring requests for service (RFS) within timeframes demonstrate that the level of service is being met			
There was a total of 18 requests for service received, 14 were actioned within the specified timeframe. This was mainly due to timeframes around maintenance that were impacted by weather conditions.			

Water supply

Performance measure	Target	Result	Status
Water supply - Level of Service 15: Our water supply network provides safe, reliable and adequate supply of water			
15.1a* – Fault response times - Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: (a) attendance for urgent call-outs[1]: from the time Council receives notification to the time that service personnel reach the site	**<= 1 hour**	**2.24**	**Off target**
15.1a to 15.1d - These KPI's measures the responsiveness to issues. Measuring the response time is a way of gauging whether Council is listening to its customers and providing solutions			
The fault response time for urgent callouts during the reporting period is 2 hours and 14 minutes. This response time exceeded the KPI target of 1 hour.			
15.1b* – 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: resolution of urgent call-outs: (b) from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption	**<=6 hours**	**27.07**	**Off target**
The response time to resolve urgent callouts is 27 hours and 4 minutes for this reporting period. This response time exceeded the KPI target of 6 hour.			
15.1c* – 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: (c) attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site	**<=4 hours**	**2.52**	**On target**
The response time for non-urgent callouts is 2.52 hours, equivalent to 2 hours and 31 minutes during the reporting period. This response is within the KPI target of 4 hours.			
15.1d* – 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: (d) resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption	**<=24 hours**	**25.35**	**Off target**
The response time for resolving non-urgent callouts is 25.35 hours, which is equivalent to 25 hours and 21 minutes for the reporting period. This response exceeded the KPI target of 24 hours.			
15.3(c) 4.7.1 T2 Treatment Monitoring Rules	**100%**	**100%**	**On target**
T2.1 Water leaving a treatment plant must be monitored at least every month for the following: *(a) E. coli*			

Performance measure	Target	Result	Status
(b) total coliforms *(c) any chemical used in the treatment process* *Water leaving the treatment plant must be monitored at least 8 times per month for the following:* *(a) turbidity* *(b) FAC (not required for self-supplied buildings)* *(c) pH (not required for self-supplied buildings)* *(d) fluoride (only if added to the water)*			
Seven E. Coli and Total Coliforms samples were collected in July - October 2025 (1 sample per month). At least eight samples of turbidity, FAC, and pH per month were collected at the plant. There was a total coliform detects on 17 September 2025(sample date) in Eastern Bush water treatment plant, three consecutive days of re-sampling were done from 19 September to 21 September 2025. All results were clear for E. Coli and Total coliforms. Note: total coliform detect is **not** a non-compliance.			
15.3(d) 4.7.2 T2 Filtration Rules;	100%	0%	Yet to be measured
The 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 the near future (2026/2027).			
15.3(e) 4.7.3 T2 UV Rules;	100%	0%	Yet to be measured
The 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 the near future (2026/2027).			
15.3(f) 4.7.4 T2 Chlorine Rules;	100%	100%	On target
T2.18 (FAC of water leaving the TP must be monitored) *T2.19 (FAC at least 0.5mg/L)* *T2.20 (pH of water leaving the TP must be monitored)* *T2.21 (pH between 6.5-8)*			
1 out of 1 WTP - Eastern Bush WTP is following Level 2 DWQAR rules.			
15.3(g) 4.8 D2.1 Distribution System Rule;	100%	100%	On target
Eastern Bush, Otahu Flat, Manapouri, and Mossburn distribution zones Rule replaced on 29 November 2024 *D2.1 - Water in each distribution zone must be monitored at least every month for the following:* *(a) E. coli*			

Performance measure	Target	Result	Status
(b) total coliforms *D2.2 - Water in each distribution zone must be monitored at least 8 times every month for FAC*			
4 out 4 distribution zones. Four E. Coli and Total Coliform samples were collected from July - October 2025 on each scheme. And at least eight samples of turbidity, FAC, and pH per month were collected in the Eastern Bush, Otahu Flat, Manapouri and, Mossburn distribution zones. Annual plumbosolvent metals were collected in January 2025.			
15.3(h) 4.10.1 T3 Bacterial Rules;	**100%**	**100%**	**On target**
T3. Bacterial Rules (Edendale, Lumsden, Manapouri, Mossburn, Otautau, Riverton, Te Anau, Tuatapere, Winton) *T3.15 (All water passing through the treatment plant must pass through the UV reactor(s) and be within the reactor's certified flow range)* *T3.16 (A reduction equivalent dose (RED) of not less than 40 mJ/cm2 (or equivalent) must be achieved for not less than 95 % of each day)* *T3.17 (The RED UV dose must be not less than 40 mJ/cm2 for any consecutive 15-minute period)* *T3.18 (Turbidity must not exceed 5.0 NTU for the duration of any consecutive 15-minute period)* *Ohai/Nightcaps WTP* *T3.2 (Treated water must achieve a chlorine C.t value of at least 15 min.mg/L for at least 95 % of each day)* *T3.3 (Treated water must have a FACE of no less than 0.2 mg/L)* *T3.4 (T10 contact time of at least 5 minutes must be demonstrated)* *T3.5 (Turbidity of water leaving the treatment plant must be less than 1.0 NTU for at least 95% of each day)* *T3.6 (Turbidity must not exceed 2.0 NTU for the duration of any consecutive 15-minute period)*			
10 out of 10 WTPs - Following Level 3 DWQAR rules. All drinking water schemes met the bacterial compliance for the KPI period July-October 2025.			
15.3(i) 4.10.2 T3 Protozoal Rules; and	**100%**	**80%**	**Off target**
T3 Protozoal Rules (Edendale, Lumsden, Manapouri, Mossburn, Otautau, Riverton, Te Anau, Tuatapere, Winton UV disinfection Compliance) *T3.85 - % of the day flow rate within validated range* *T3.86 - % of day UV dose met log credit requirement* *T3.87 - # consecutive 15 min periods where UV dose < log credit requirement* *T3.88 - # consecutive 15 min periods where NTU exceeded 5.0* *T3.89 - % of day where UVT is ≥ 95% of lowest UVT validated* *T3.90 - # consecutive 15 min periods where UVT < 80% of lowest validated UVT* *Ohai/Nightcaps WTP Membrane Filtration Compliance* *T3.74 - Number of direct integrity tests performed* *T3.75 - Number of minutes the filter was in service after a failed direct integrity test*			

Performance measure	Target	Result	Status
T3.76 - # consecutive 15 min periods where filtrate turbidity > feed turbidity *T3.77 - % of day where filtrate turbidity was < 1.0 NTU* *Riverton WTP Filtration Compliance* *T3.39 - % of day where turbidity was < 0.3 NTU* *T3.40 - # consecutive 15 min periods where turbidity was > 0.5 NTU* *T3.43 - % of day where turbidity was < 0.3 NTU* *T3.44 - # consecutive 15 min periods where turbidity was > 0.5 NTU* *T3.47 - % of day where turbidity was < 0.3 NTU* *T3.48 - # consecutive 15 min periods where turbidity was > 0.5 NTU*			
8 out of 10 WTP - Following Level 3 DWQAR rules. 1) Ohai Water Treatment Plant - The scheduled integrity test was not performed on the 17 August 2025 because the setting for this function was accidentally turned off after a manual test on 16 August. There were no SCADA alerts to show it was off, so the issue wasn't noticed. 2) Tuatapere Water Treatment Plant - The plant is a technical non-compliant for protozoa due to a cartridge filtration issue. The filter is being used, which provides an additional two 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 four log credits. A new four log credit UV system will be installed this November 2025.			
15.3(j) 4.11.5 D3.29 Microbiological Monitoring Rule.	**100%**	**58%**	**Off target**
D3.29 (E. coli and total coliforms must be monitored in each zone of the distribution system - one sample per week)			
7 out of 12 distribution zones - Following Level 3 DWQAR rules. 1) Balfour, Nightcaps, Ohai, Tuatapere, and Wairio - On 24 October 2025, no E. coli and total coliform sample was collected due to a severe high wind weather event that occurred on 23 October 2025 and caused widespread power outages across several drinking water schemes. Insufficient water was available for sampling and fallen trees blocking roads prevented the operator from accessing some sites. This is a technical non-compliance.			
15.2* – Customer satisfaction - The total number of complaints received by Council about any of the following: drinking water clarity, taste, odour, pressure or flow, continuity of supply or the way Council responds to these issues, expressed per 1000 connections to Council's networked reticulation system.	**<= 10 per 1000**	**6.91**	**On target**
This KPI measures the customer service satisfaction. It measures how satisfied customers are with the way in which Council responds to requests to fix problems			
During the reporting period, there were 58 total service requests. The calculation for the total number of water system complaints is (58/8,385) * 1000 = 6.9171. Therefore, there are 6.91 drinking water complaints per 1,000 connections for the reporting period.			

Performance measure	Target	Result	Status
15.4* – Maintenance of the reticulated network - The percentage of water lost from the Council's networked reticulation system	**<= 25%**	26%	**Near target**
The KPI measures the maintenance of the reticulated network. It provides information on the state and operation of Council's water reticulation network infrastructure. High levels may indicate the network is on poor condition or is being operated inefficiently. The water loss calculation is the weighted averaged percentage loss reduction per urban drinking water supply. Currently there is a lack of district wide metering with only 4% metered. The water schemes associated with this KPI have is 464.9 kilometres of main with 96% of connections not metered			
In strictest reporting terms 18.2% could be reported because Edendale Wyndham and Manapouri are reporting negative losses (which effectively means they are making water). When these schemes are effectively "zeroed" a more believable KPI would be 25.5% which has been quoted.			
15.5* – Demand management - The average consumption of drinking water per day, per resident within the territorial authority district	**<= 850 litres**	691 litres	**On target**
The KPI measures demand management. It provides information on whether the water supply system is being managed to ensure demand does not outstrip capacity. The calculation is based on the total treated water network water supplied from all plants and sources in litres per year and the normal population serviced. The small population within the district can skew the results			
As per the DIA requirements the calculation is based on 11 "Urban Drinking Water Schemes" and Statistics NZ Census Populations. As such the consumption figures exclude Lumsden-Balfour, Eastern Bush Otahu Flat and Orawia schemes as these include supply of water for stock.			

SOUTHLAND
DISTRICT COUNCIL

Quarterly update on progress for the Environmental Services Business Improvement plan - 17a review

Record no: R/25/12/58786
Author: Jane Johnston, Customer and business continuous improvement lead
Approved by: Anne Robson, Group manager finance and assurance
Report type: Decision

Staff recommendations

That the Finance and Assurance Committee:

a)   notes the information contained in the report.

b)   notes that the matter or decision in this report is assessed as some importance based on Council's Significance and Engagement Policy.

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 the closure of the remaining action points 15a, 15b, 30 and 35, based on work completed since March 2025 and discussions included in this report.

Purpose

1   To receive an update and approve the closure of all remaining Environmental Services Business Improvement Plan action points based on the work undertaken and discussions included in this report.

Executive summary

2   The Environmental Services Business Improvement Plan arose out of the independent 17A review of the three teams within Environmental Services which was conducted earlier in 2023. It is based on the five key themes identified in that report – quality systems, consistency and transparency, balancing compliance and customer service, availability of information online, and internal Council communication.

3   Since the last report, further progress has been made on the outstanding actions points, to the point that we are recommending to the committee that they all be closed.

4   A discussion around each point is provided below.

Item 15a – Customer relationship partner

5   Given the significant volume of proposed legislative changes in regulatory and planning areas much of which is still yet to be understood, the proposed role as envisaged will not be recruited at this time. However, since the review, staff within these areas have been actively reviewing and enhancing systems and processes to deliver an improved customer experience. This work will remain a key priority and will be further supported by the training outlined in point 35. On this basis, staff recommend that this action be closed.

Item 15b – Improving handling of customer requests

6   As noted above, significant improvements have been made to systems and process that enhance the customer experience when interacting with Council. Efforts to strengthen cross-team collaboration remains a priority to improve the seamless handling of customer requests. In addition, training for customer-facing roles across the organisation is scheduled for February, which will further support these improvements. On this basis, staff recommend that this action be closed.

Item 30 – Property information is stored in a single location in a single system

7   Staff have completed a comprehensive review of where records are stored that relate to consents.

8   Principally records are stored in Councils document management system CM10 and older records, primarily pre-amalgamation are stored in archives as paper records. Additionally, it has been identified that a number of records have been stored on Councils computer drives.

9   In working to ensure all records are stored in CM10, the LTP 2024-34 included a project to digitise records held at archives. Staff are currently undertaking a process to identify the quantity of records that could be digitised. As part of this, priority is being given to the environmental services records held. This work is planned to be started in 2026

10   On finding records were being held on Councils computer drives, a sizeable project was undertaken by staff to quantify and identify them, then work to move them onto CM10. Following discussions with managers/team leads across all business units, significant cleansing of the data has been completed. Additionally, processes have also been improved to ensure that records will go into CM10 directly moving forward. To ensure these processes are working, there is planned six monthly checks of the drives. The first review was recently completed, with a notable improvement being observed. It is important to note that although the review identified a number of records related to consents, the number of files stored in these locations means some records may have been missed, as these are identified they will be moved.

11   As a result of the work completed, the ongoing reviews and the work planned to digitise archives, staff are recommending that this action be closed.

Item 35 – Customer Service Training

12   Two providers have been sourced to provide additional customer service training. As well as regulatory and customer service staff attending, other staff across the organisation will be invited to attend, especially those working with external customers. Overall, the content of the training programme has been agreed, with staff now just working with team leaders over the timing, which is planned for February 2026.

13   Staff are recommending that this action point now be closed.

Context

14   Morrison Low (ML), independent Wellington based consultants, were commissioned to review the three teams within environmental services (environmental management, building solutions, and environmental health/animal control) in accordance with the requirements of Section 17A of the Local Government Act 2002.

15   The review considered the current operating environment, rules and legislation. It also considered external factors including reforms and potential legislation changes, skills shortages, and geography.

16   Overall, the review recommended an enhanced status quo for each of the three environmental services which incorporated common themes as follows:

   i.   quality systems - continuing the path of implementing a full quality-based system, using a modern approach to quality to improve processes for efficiency and consistency

   ii.   consistency and transparency

   iii. ensuring consistency between internal and external application processes and timeframes

   iv.   spot checking of externally processed applications for consistency, but not to the extent the application is processed twice

   v.   establishing strong communication channels with industry so that changes can be signalled, and common issues can be addressed, giving industry the time to adjust and improve the overall quality of applications received

   vi.   balancing compliance and customer service

   vii. using a risk-based approach to prioritise outcomes to be achieved or avoided and focus available resources on these outcomes

   viii. ensuring that all staff are trained and aware of the relative risks in the applications they are involved with and that a consistent approach to risk management is used by all staff

   ix.   implementing regular customer surveys to seek feedback on their experience of the process, and a key performance indicator (KPI)around customer satisfaction so that reporting reflects customer service as a priority. Note that any KPI should be objective and not related to the decisions made by the teams. For example, average time to respond to request for service (RFS)

   x.   availability of information online

   xi.   ensuring all existing website information is current and correct

   xii. testing website layout with actual users to ensure that information can be found in intuitive locations

   xiii. examining RFS' for common questions that could be added to the online content

   xiv. potential development of simple guides that explain the process for common activities/questions. e.g. "How do I…"

   xv.   internal Council communication

   xvi. improving processes around handling customer requests that involve multiple parts of Council, with clear communication around what is expected of the customer.

17   The result was a report to Council with a series of action points for Council to consider. As a result of this Council supported the development of a Council team to deliver the action points. Over the past two years, staff have worked hard to undertake plans to support the actions. Their achievements have seen the majority of the action points completed. The last four are noted in this report and as noted above recommended for closure based on the work completed or planned.

Discussion

18   Since the last report, further progress has been made on the outstanding actions points, to the point that we are recommending to the committee that they all be closed. A discussion around each point is provided below.

Item 15a – Customer relationship partner

19   Given the significant volume of proposed legislative changes in regulatory and planning areas much of which is still yet to be understood, the proposed role as envisaged will not be recruited at this time. However, since the review, staff within these areas have been actively reviewing and enhancing systems and processes to deliver an improved customer experience. This work will remain a key priority and will be further supported by the training outlined in point 35. On this basis, staff recommend that this action be closed.

Item 15b – Improving handling of customer requests

20   As noted above, significant improvements have been made to systems and process that enhance the customer experience when interacting with Council. Efforts to strengthen cross-team collaboration remains a priority to improve the seamless handling of customer requests. In addition, training for customer-facing roles across the organisation is scheduled for February, which will further support these improvements. On this basis, staff recommend that this action be closed.

Item 30 – Property information is stored in a single location in a single system

21   Staff have completed a comprehensive review of where records are stored that relate to consents.

22   Principally records are stored in Councils document management system CM10 and older records, primarily pre-amalgamation are stored in archives as paper records. Additionally, it has been identified that a number of records have been stored on Councils computer drives.

23   In working to ensure all records are stored in CM10, the LTP 2024-34 included a project to digitise records held at archives. Staff are currently undertaking a process to identify the quantity of records that could be digitised. As part of this, priority is being given to the environmental services records held. This work is planned to be started in 2026

24   On finding records were being held on Councils computer drives, a sizeable project was undertaken by staff to quantify and identify them, then work to move them onto CM10. Following discussions with managers/team leads across all business units, significant cleansing of the data has been completed. Additionally, processes have also been improved to ensure that records will go into CM10 directly moving forward. To ensure these processes are working, there is planned six monthly checks of the drives. The first review was recently completed, with a notable improvement being observed. It is important to note that although the review identified a number of records related to consents, the number of files stored in these locations means some records may have been missed, as these are identified they will be moved.

25   As a result of the work completed, the ongoing reviews and the work planned to digitise archives, staff are recommending that this action be closed.

Item 35 – Customer Service Training

26   Two providers have been sourced to provide additional customer service training. As well as regulatory and customer service staff attending, other staff across the organisation will be invited to attend, especially those working with external customers. Overall, the content of the training

programme has been agreed, with staff now just working with team leaders over the timing, which is planned for February 2026.

27   Staff are recommending that this action point now be closed.

Options

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

Option 1 – Agree to the closure of the remaining four action items, based on the discussions in this report, including any amendments

Option 2 – Decline the closure of the remaining four action items, based on the discussions in this report

Recommended option:

29   Option 1– Agree to the closure of the remaining four action items, based on the discussions in this report, including any amendments

Option 1 **–** Agree to the closure of the remaining four action items, based on the discussions in this report, including any amendments

Advantages	Disadvantages
• The team can continue to progress the actions in the planning stage	• If the committee disagrees, the reasons wont be known and further changes wont potentially be undertaken

Option 2 **–** Decline the closure of the remaining four action items, based on the discussions in this report

Advantages	Disadvantages
• The committee, in declining, will provide the reasoning so that staff can develop a plan to action.	• It may take additional time to complete the requests. This may not necessarily be a disadvantage.

Legal considerations

30   As stated in the context section above, a 17a review is a requirement of the Local Government Act 2002. The resulting actions have been supported by Council, ELT and the relevant teams.

31   Consideration will be given to the Public Records Act 2005 when staff undertake the digitisation and disposal of archive records.

Strategic alignment

Strategic direction

32   The work undertaken as part of this project supports Councils key strategic priority, ensuring the ease of doing business with Council. This has been achieved by making improvements to

Councils systems and processes, along with ensuring a focus on improving the customer experience through the improvement of communications and the development of staff skills.

33 **Policy and plan consistency**

34 There are no policy implications.

Financial considerations

35 There will be ongoing costs for staff training and to digitise information currently held in archives. Training costs will be managed within existing operational budgets for 2025/2026. The digitisation costs will be completed under the archives project that is included in the LTP 24-34.

Significance assessment

36 Based on the review of Councils significance and engagement policy, no further consultation is required.

37 The work identified to be undertaken as part of this project, was supported in part from discussions with external customers. This plan requires the action points identified to improve customer service to be actioned. As such no further consultation has been identified as needed.

Level	Likelihood of engagement
Some importance or administrative	Council is not likely to carry out any engagement.
Moderate importance	Council may choose whether it carries out engagement, which may be targeted to directly affected individuals or groups.
Significant	Council will engage with directly affected individuals and groups and wider community engagement is likely, unless there are reasons under policy not to.
Critical	Council will engage with directly affected individuals and groups and wider community engagement is highly likely, unless there are reasons under policy not to.

Community views

38 The most recent customer survey indicates that improvements are being noticed. For example, building team members advertise when they are in the various offices across Southland should people seek some clarity on their build. There has been increased collaboration between building and main industry contacts. Environmental Health have improved their website and processes for managing the workflow through this team, with more improvements on the horizon for the website.

Climate change considerations

39 There are no climate change considerations relevant to this matter or decision.

Risk and mitigations

40 This project had a separate risk register that was monitored on a regular basis. This is included in attachment B. The mitigations identified and put in place continue to occur and be reviewed on a regular basis. As such the ongoing risks continue to be actively managed.

Next steps

41   Going forward there will continue to be for a period of time, six monthly checks of the records held in Councils computer drives to ensure no final records relating to consents are being stored there. Any identification of records will result in further changes to processes and systems.

42   Staff will continue to develop the archives digitisation project that is planned for 2026.

43   Dates to deliver the customer service training will be confirmed and the delivery of the programme will be completed in 2026.

44   Staff will continue to await the finalisation of the legislative changes to evaluate the impact on Council. At that time, consideration will be given to the skills and resources needed.

Attachments

A   Environmental Services Business Improvement Plan consolidated ⇓

B   ES-BIP-Risk Register - Updated 0211225 ⇓

C   ES-BIP Outcome Measurement and Reporting at 021225 ⇓

Attachment A: Environmental Services Business Improvement Plan consolidated action plan 17a

Priority	Opportunity Heading	Sub Actions	Action Some actions now split into 'sub actions' to show different activities UPDATE as at 02/12/25	When by	Method of measurement	Frequency	Progress indicator (traffic light) green = complete orange = in progress grey = not required			
							EP	BS	EH	LC
	Changes to action plan layout 05/09/24: Staff have reviewed the 'When By' dates and provided more accurate timeframes based on priority, capacity and size of the task. Actions completed since last F&A Committee meeting; 6 Dec are within priority order. Older actions are at the end of the action list Added 'Opportunity Heading', column 2 for clarity and quick understanding. Where an action contains distinct sub-actions, these are shown as #a; #b etc. Any description in **blue** is new. Post F&A meeting 04/09/24 All closed items were removed from this document and saved in CM10 (R/24/9/55565) version for audit purposes. Sorted into priority order Priority 1 (green) Priority 2 (amber) Priority 3 (grey), based on importance to customer and legislation									
35	Customer Service Training	35	Source appropriate customer services training and implement based on identified needs. E.g. to improve balance between compliance and customer service.	The Customer and Delivery Manager has taken the lead on the development and delivery of the customer service training. This is being written now (Mar 24) and will be based on both the needs of the customer and the needs and skills of the staff. Pilot completed 14/05/24, and results shared with ELT and roll out across Environmental Services commenced. Phase one of training was completed. 28/11/24, Currently sourcing a provider to complete the training. **Customer Service Training across the regulatory teams to give staff training, support and tools to be able to support our customers across the district. Two providers have been sourced and the programme agreed with training dates to be confirmed.**	Pilot by May 24 Request for extension to March 25 **Seek approval to close.**	Customer satisfaction survey	Ongoing	EP	BS	EH	LC

Priority	Opportunity Heading	Sub Actions	Action Some actions now split into 'sub actions' to show different activities	UPDATE as at 02/12/25	When by	Method of measurement	Frequency	Progress indicator (traffic light) green = complete orange = in progress grey = not required			
								EP	BS	EH	LC
				Likely to be held in February 2026							
30	Property Information stored in single location	30	Identify possible improvements to the process and/or IT systems required to ensure all information (including supplementary information) related to a consent is stored in a single location in a single system.	Significant work has been completed to check that consent records have been stored in appropriate system. Staff investigations have confirmed that records are generally stored in Councils Information Management system (CM10), or in paper format at Councils archives site. Further work was undertaken to quantify the archives records so that a digitisation process can occur. As part of preparing for the next phase of the document digitisation, analysis has been completed for evidence of any historic consent type information being missed in CM10. This identified multiple places for the storage of information; majority of files were in CM10, paper based in archives, and corporate / individual drives. Data extracts from the General (all staff) directory G:\ have identified some patterns for "potential" consent information being stored in this centralised drive as opposed to CM10. Note: The G:\ drive is available to staff for working documents only. Findings when comparing documents in G:\ and CM10 indicated that there are a number of documents that require investigation. By	Dec 2024 Request for extension to March 25		N/a	EP	BS	EH	LC

Priority	Opportunity Heading	Sub Actions	Action Some actions now split into 'sub actions' to show different activities	UPDATE as at 02/12/25	When by	Method of measurement	Frequency	Progress indicator (traffic light) green = complete orange = in progress grey = not required			
								EP	BS	EH	LC
				comparing the two system files with same document names, any documents not found in CM10 have been identified and will be discussed directly with the team they belong to. To develop and ensure this process is correct, analysis of one of the largest teams historical data has been completed, with minimal findings, however the process has informed this team on current/future IM practices to ensure no consents are missed. **This data extract process has been ongoing until all historic data had been checked. There have been two extracts completed during this year and data analysed to ensure compliance with the process. It should be noted that there have been a number of Information Management (IM) applications in place at SDC, so this process is vital to ensure accuracy of records kept prior to the digitisation project commencing. Note: Six monthly extracts will continue to be run to spot check all consents-based business units.**	September 25 Seek approval to close item by committee.						
15	Customer Relationship Partner &	15a	Investigate pros and cons of introducing a customer relationship partner/ co-	This new role exists and was created as part of the realignment of the leadership team in October 2023. It reports to the GM Strategy and Partnerships and sits in this group. The intended purpose of this role is to be a liaison/conduit for those customers (personal	September 25		N/A	EP	BS	EH	LC

Priority	Opportunity Heading	Sub Actions	Action Some actions now split into 'sub actions' to show different activities	UPDATE as at 02/12/25	When by	Method of measurement	Frequency	Progress indicator (traffic light) green = complete orange = in progress grey = not required			
								EP	BS	EH	LC
	Improving handling of customer requests		ordinator rather than using technical resources. This role could also support internal planners for increased efficiency.	not businesses) who need to deal with multiple areas of council on an issue and to facilitate their experience positively to work through complex requests e.g. an example of this might be someone wanting to build a windfarm. Discussions are occurring around this role. Details of this role are being worked through to ensure a whole of SDC approach to support the customer to navigate through processes for multi-faceted projects. It is intended to use the results of the RFS internal audit to further refine the role before progressing to confirm the role scope. **Given the high amount of legislative change in the regulatory and planning areas, this role as envisaged will not be recruited at this time. Based on this, staff are recommending that the action be treated as completed. In the meantime, staff will continue to work internally.**	**March 25** **September 25** **Seek approval to close by committee.**						
		15b	Improve processes around handling customer requests that involve multiple parts of Council, with clear communication	This item is related to operationalising the role identified in 15a. To support development of this service as well as meeting audit requirement a review of processes will be undertaken starting with the Request for Service (RFS)	**Dec 24** **Update March 25**			EP	BS	EH	LC

Priority	Opportunity Heading	Sub Actions	Action Some actions now split into 'sub actions' to show different activities UPDATE as at 02/12/25	When by	Method of measurement	Frequency	Progress indicator (traffic light) green = complete orange = in progress grey = not required			
							EP	BS	EH	LC
			around what is expected of the customer and Council.	Details of this role are being worked through to ensure a whole of SDC approach to support the customer to navigate through processes for multi-faceted projects. It is intended to use the results of the RFS internal audit to further refine the role before progressing to confirm the role scope. **Given the high amount of legislative change in the regulatory and planning areas, this role as envisaged will not be recruited at this time. Based on this, staff are recommending that the action be treated as completed. In the meantime, staff will continue to work internally.**	**September 25** **Seek approval to close by committee**						

Environmental services business Improvement plan – Risk register – December 2025

	Event	Consequences	Impact	Likelihood	Mitigations	Person Responsible	Post Mitigation Likelihood	Update as 27 November 25
1	Non-compliance with timeframes specified by RMA/LGA legislation is not seen by customers to improve quickly enough	Council fail next audit and could lose accreditation. Negative impact on customers and Southland economy. Reputational risk to Council Reduced confidence in skills and staff expertise Impact on staff well-being – job satisfaction, retention, mental health			New requests actioned to time & in parallel with backlog. Weekly reports on meeting deadlines are available to all staff, and monthly reporting to GM Upskill of staff to understand and deliver services within statutory expectations. Utilise Contractors to provide additional resource if required. Communication on expected timeframes advised to Industry – Delivery Team Meeting. Establish and utilise 'Industry Advisory Panels' for Building Solutions and Resource Planning	Adrian	3	01 December 2025: Planning Team performance has improved to a level where reliance on external contractors for routine work is very rare. In Resource Consenting only one application was processed overtime since November 2024. The Building Team have averaged between 93% and 100% of consents being processed on time in the last 12 months. Despite continuing vacancies. The use of contractors in this team has also been very limited.
2	Queries from customers are not responded to in a timely manner	Increased contacts Negative impact on customers and Council reputation Reduced confidence in skills and staff expertise Staff turnover			Information is on the Website to answer the most common customer requests – also available to the Customer Services team. Keep customers informed with regular updates and meetings with client groups are popular. Request for Service (RFS) are regularly spot checked by the Customer Services team. Dashboards are also utilised to check new requests for action.	Adrian	3	Previous problems have been reduced by training , website improvements and stakeholder engagement. The building contractors on a feedback panel are fully conversant with our procedures and appropriately empowered. Feedback is taken and given in equal measure to improve performance. Outreach to all stakeholders is being reviewed and upgraded across the group. Formal and informal relationships are being strengthened.
3	External communications are not effective and lead to disillusionment in the community	Poor communications have negative impact on reputation of Council Customers lose trust in Council			Engagement with customer groups are working well. Additional information has been updated on the website and are regularly reviewed. We have established meetings with industry and receive feedback. 'Real Time' Informal surveys during customer calls, regional visits and other events on effectiveness Post call phone surveys to be implemented Cross functional work is underway to provide an enhanced customer experience.	Louise	3	Communications and Engagement Plan is complete and approved by ELT 'Real Time' feedback will be undertaken by Customer Services The Building team have regular catch ups with Focus Groups who are happy with the invested time with them. Dog control have successfully implemented a new process of texting dog owners for annual registrations and reminders if required.
4	Staff do not have capacity to support the plan	Deadlines that impact the implementation of change are not met			Teams have capacity to make good things happen.	Adrian	3	Actions prioritised, teams have new staff and are running at full strength. System changes have been made to Pathways to support better functionality for the team and better reporting. All actions on this plan are now completed.
5	Lack of capability/specialist resource to support the plan	Deadlines which impact the implementation of change not met			Contracts have been made for all perceivable specialists. These work well.	Adrian	3	Specialist resource provided significant improvements in Planning department from a systems and people perspective

	Event	Consequences	Impact	Likelihood	Mitigations	Person Responsible	Post Mitigation Likelihood	Update as 27 November 25
6	Consultant support to process applications is insufficient or inadequate to meet demand	Council fail next audit and lose accreditation. Negative impact on customers and Southland economy. Reputational risk to Council Reduced confidence in skills and staff expertise			A consultant panel has been effective in helping clear the backlog of consents. The increased capability in-house has meant that consultants are now rarely used.	Adrian	3	Contractor support is in place and has enabled teams to improve the processing of applications to timeframes. Plan is to be able to process most customer requests inhouse, and the usage of Contractor support is seldom required. Contractor use is now rare, Specialist consultants are available through "piecework contracts".
7	Additional spend is required to progress some actions	Budgets are overspent			Savings made through less use of consultants. Staff numbers have not increased, but vacant positions have been filled.	Anne/ Adrian	3	Over time, use of contractors has reduced significantly.
8	Lack of buy-in from staff across council	Some actions are not delivered, or delivery is sub-optimal			All staff are "on the bus" and have done great work.	ELT/ Adrian/ Anne	3	GM's have been involved in monitoring improvements and ensured that all staff understand the importance and their role in supporting the action plan. Turnover is low.
9	Internal communications are not effective and lead to disillusionment in the staff	Lack of buy in from affected staff leading to unwillingness to change			Staff own their roles and contribute to our success.	Louise/ Adrian	3	Engagement plan in place and delivery of this plan has been completed.
10	Unrealistic expectations about how quickly changes can be embedded	Council become disillusioned with the organisation's ability/appetite for change			We are functioning at a very high level and will always look for ways to improve.	ELT	3	Online information is being updated by all departments in liaison with the web team. With Pathways UX more online applications/lodgements are now able to be offered to customers.

Record R/23/12/60155: ES-BIP-Risk Register - Updated 241125

Environmental Services Business Improvement Plan - Outcome Measurement and Reporting – December 2025

	OUTCOME	ASSOCIATED THEME/S	MEASURED BY	FREQUENCY	PROGRESS	COMMENTS
1	Customer satisfaction with services reaches 80% within two years	Balancing compliance and customer service Consistency and transparency Availability of information online	Baseline customer survey Customer survey Internal survey Technical audit Technical spot checks	Sept 2023 Nov 23 then annually October 23 then annually Both June 2024 then quarterly	Improving	After a disappointing Customer Survey result in Dec 23, significant training programmes and contractor support, we are confident that the changes being introduced will have a positive impact. This will be shown in results such as meeting statutory timeframes. Reliance on external contractors has reduced. RFS audit has been approved at F&A plus November Customer Survey and has been noted by Council. 01 December 2025: Planning Team performance has improved to a level where reliance on external contractors for routine work is very rare. In Resource Consenting only one application was processed overtime since November 2024. The Building Team have averaged between 93% and 100% of consents being processed on time in the last 12 months. Despite continuing vacancies. The use of contractors in this team has also been very limited.
2	IANZ accreditation is maintained	Quality Systems	MBIE Requirements for accreditation are met	IANZ audit Feb 2025	Stable	All requirements to maintain accreditation are part of an action plan. The actions are on track to meet timeframes. Teams are

					(green)	working with contractor to confirm any issues and remediate. 1 December 2025: The IANZ accreditation was successful and the related report very positive. Accreditation is now not due until February 2027.
3	Customer satisfaction with how Council transacts its business is positive	Balancing compliance and customer service Consistency and transparency Availability of information online Internal Council communications	Baseline customer survey Customer survey Internal Surveys Technical audit	Sept 2023 Nov 23 then annually Oct 2023 then annually June 2024 then quarterly	Stable	Survey company has amalgamated 1 and 3 in their surveys. 01 December 2025: The IANZ accreditation was successful and the related report very positive. Accreditation is now not due until February 2027.
4	Council processes are consistent and transparent	Consistency and transparency Quality systems	Review of contractors' outputs to ensure they are consistent with internal practices	Annually from Apr 2024	Stable	Contractor training has been undertaken, and regular spot checking is in place. Where contractors are new, spot checks are completed on all, tapering off over three months. Competency records are created for new staff/contractors to ensure that staff are trained in all facets of the role. Regarding contractors, there is an annual review of their Service Delivery. 01 December 2025: The building contractors on "the panel" are fully conversant with our procedures and appropriately empowered. Feedback is taken and given in equal measure to improve performance.

					Outreach to all stakeholders is being reviewed and upgraded across the group. Formal and informal relationships are being strengthened.

KEY	
Declining	High Risk or major issues to address – requires action
Stable	Progressing
Improving	On track

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

Recommendation

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

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:

9.1   Follow up audit action points

9.2   Edendale-Wyndham wastewater treatment plant

9.3   People and culture update

9.4   Cyber security update - October 2025 to November 2025

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
Follow up audit action points	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage. 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.	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.
Edendale-Wyndham wastewater treatment plant	s7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health and safety of members of the public.	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.
People and culture update	s7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees and persons from improper pressure or harassment. Report contains sensitive and privileged information.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

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
Cyber security update - October 2025 to November 2025	s7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public. Disclosure of operational security information could lead to data breaches (financial, personal/public commercial information) or destruction of Council information technology systems and/or data.. s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage. Disclosure of operational security information could lead to data breaches (financial, personal/public commercial information) or destruction of Council information technology systems and/or data..	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.