

**Committee Members**

Cr Lyndal Ludlow (Chair)  
Cr Allan Baird  
Cr Neville Cook  
Cr Lloyd McCallum

Cr Jeremy McPhail  
Bruce Robertson (*R Bruce Robertson Ltd, Consultant*)  
Chairman Nicol Horrell (*ex officio*)



## Organisational Performance and Audit Committee (*Arataki Mahi me Tātaki Kauta*)

9.00 am

13 November 2019

### A G E N D A (*Rarangi Take*)

1. Welcome (*Haere mai*)
2. Apologies (*Nga pa pouri*)
3. Declarations of Interest
4. Public Forum, Petitions and Deputations (*He Huinga tuku korero*)
5. Confirmation of Minutes (*Whakau korero*) – 4 September 2019  
– 30 September 2019
6. Notification of Extraordinary and Urgent Business (*He Panui Autaia hei Totoia Pakihi*)
  - 6.1 Supplementary Reports
  - 6.2 Other
7. Questions (*Patai*)
8. Chairman and Councillors' Reports (*Nga Purongo-a-Tumuaki me nga Kaunihera*)
9. Election of Deputy Chair of the Committee



10. Director of Corporate Services Report – 19/OPAC/95

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Regional Software Holdings Limited

11. Extraordinary and Urgent Business (*Panui Autaia hei Totoia Pakihi*)

12 Public Excluded Business (*He hui Pakihi e hara mo te iwi*)

- Confirmation of Minutes – 4 September 2019
  - Bad Debts
  - Managed Funds Portfolio
  - Southland Warm Homes Trust
  - Divisional Update
  - Overview Governance Level Risk Management
- Confirmation of Minutes – 30 September 2019
  - Deloitte Management Letter

Director of Corporate Services Report – 19/OPAC/95

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N C Selman  
**Director of Corporate Services**

RECOMMENDATIONS IN COUNCIL REPORTS ARE NOT TO BE CONSTRUED  
AS COUNCIL POLICY UNTIL ADOPTED BY COUNCIL



## **Terms of Reference Organisational Performance and Audit Committee**

Council assigns to the Committee responsibilities from time-to-time, and the Committee provides advice and reports back to Council on:

1. oversight of tasks associated with the development of organisational strategic plan;
2. governance input into the development of output plans and budgets together with associated financial policies which support the delivery of the strategic plans, especially Long-term Plans and Annual Plans;
3. governance oversight of performance reporting to Council regularly, including making recommendations as required, relating to Local Government Act annual reporting and audit by:
  - reviewing periodic high level output reporting against targets and investigating areas of significant non-performance;
  - reviewing related financial performance against budget and investigating areas of significant non-performance;
  - monitoring overall financial wellbeing against budget;
  - monitoring investment performance and receiving periodic briefings from fund managers;
  - providing governance oversight to the completion of external audits including consideration of internal controls;
4. governance oversight to the maintenance and development of corporate disciplines and infrastructure, including facilities, systems and risk management procedures;
5. governance oversight to delegations of authority and associated internal organisational policy development.



## Confirmation of Minutes

- **Organisational Performance and Audit Committee Meeting – 4 September 2019**
- **Organisational Performance and Audit Committee Meeting – 30 September 2019**

**Minutes of the Organisational Performance and Audit Committee (*Arataki Mahi me Tātaki Kauta*) Meeting of the Southland Regional Council, held in Regional House, corner North Road and Price Street, Invercargill, on Thursday, 4 September 2019 at 1.30 pm.**



**Present:** Cr M Rodway (Chair)  
Cr NMG Cook [until 3.20 pm]  
Chairman N Horrell  
Cr G Hubber  
Cr L McCallum  
Cr J McPhail  
Mr B Robertson

**Also Present:** Cr D Stevens [until 3.20 pm]

**In Attendance:** Mr R A Phillips (Chief Executive)  
Mr N Selman (Director, Corporate Services)  
Mr K Swinney (Acting Director, Science & Information)  
Mrs T Hawkins (Finance Manager)  
Ms T McCann (Communications Co-ordinator)  
Ms L Frampton (Communications Co-ordinator)  
Mrs J M Brown (Executive Assistant)  
Mrs M Weston (PA)

**1 Welcome (*Haere mai*)**

The Chairman welcomed members to the Organisational Performance and Audit Committee meeting for September 2019.

**2 Apologies (*Nga Pa Pouri*)**

As all members were present, no apologies were recorded.

**3 Declarations of Interest**

There were no declarations of interests raised at the meeting.

**4 Public Forum, Petitions and Deputations (*He Huinga tuku korero*)**

There was no public forum, petitions or deputations presented at the meeting.

## **5 Confirmation of Minutes (*Whakau korero*) – 24 July 2019**

### ***Resolved:***

Moved Cr McCallum, seconded Chairman Horrell, that the minutes of the Organisational Performance and Audit Committee meeting held on 24 July 2019 be confirmed as a true and correct record.

Carried

## **6 Notification of Extraordinary and Urgent Business (*He Panui Autaia hei Totoia Pakihi*)**

### **6.1 Supplementary Reports**

There were no supplementary reports tabled for inclusion in the agenda.

### **6.2 Other**

There were no other items raised by Councillors for inclusion in the agenda.

## **7 Questions (*Patai*)**

There were no questions asked by the meeting.

## **8 Chairman and Councillors' Reports (*Nga Purongo-a-Tumuaki me nga Kaunihera*)**

Neither the Chairman nor any Councillors presented reports to the meeting.

## **9 Director of Corporate Services Report – 19/OPAC/71**

### **⇒ Item 1 – Draft Financial Report to 30 June 2019**

Mrs Hawkins spoke to the financial report included in the Agenda. This report covered the 12 month period from 1 July to 30 June 2019.

The operating result for the year ended 30 June 2019 was \$691,000 better than budget. Income was below budget by \$470,000, plus there was a \$1.16 million worth of operational costs for projects not completed. The \$1.16 million was further explained to the Committee.

Income from Investments was \$986,000; more than budget due to a stronger end to the year, however there remains significant market volatility.

Council had budgeted for a \$487,000 loss for the financial year and the May forecast was for an estimated final surplus of \$844,000.

Cr McCallum questioned whether it was possible to have more timely information of the financial year. Mr Selman reminded the meeting that Council staff were currently

focused on completing the Annual Report – the draft of which would be considered by OPAC at its 30 September 2019 workshop, and then formally reported through to Council on 9 October 2019.

In response to questions posed, Mr Robertson noted that some Councils provide quarterly reporting, but in doing so they provide large reports where there is a full analysis of the performance of the organisation and preliminary forecasting. Council's six weekly meeting cycle did not provide for ease of reporting. Mr Selman suggested that with the new triennium there would be an opportunity for Council to workshop this issue and pose questions around quarterly reporting and information provision. This was supported by the meeting.

The meeting also briefly discussed:

- the handling of debtors, and the move to a debt management company to manage that aspect (and finalising that process in-house);
- the Council's terms around fees and charges that have been put in place
- the recent issuing of invoices to all consent holders with supporting information.
- reviewing how consent processes can be charged for/customers billed during the process to avoid one large account at the end.
- the audit timetable

***Resolved:***

**Moved Cr McCallum, seconded Chairman Horrell, that Council resolve to note the financial report to 30 June 2019.**

**Carried**

⇒ **Item 2 – Investment Report to 31 July 2019**

This item reported on the investment situation of Council to 31 July 2019. At that date the total of Council's management fund investments amounted to \$34,479,540 an increase of \$533,528 from 30 June 2019. Total investment surplus for the period to 31 July 2019 of \$533,528 was favourable to budget by \$421,028.

***Resolved:***

**Moved Cr Cook, seconded Cr McPhail, that Council note the investment report.**

**Carried**

⇒ **Item 3 – Annual Vehicle Report for 2019/20**

Under the vehicle policy it is a requirement to report annually to the Committee on the vehicles. An annual vehicle report was included and proposed the replacement programme for the forthcoming year. In speaking to the report Mr Swinney noted that CO2 emissions and fuel usage were taken into account when considering replacement vehicles.

Mr Selman spoke to the item and the reasoning behind moving to a lease arrangement with the hybrid vehicles. The Toyota Hybrid was selected due to the latest technology, safety ratings and fuel usage. The cost of vehicles was also balanced against the need to lead by example with the vehicle fleet – hence the move to leasing at this time. With the move to hybrid vehicles it was felt the significantly less running costs would prove advantageous.

Council was asked to approve the vehicle replacement programme of up to 11 vehicles for the 2019/20 financial year. In response to comment from the meeting it was noted that although a request was to purchase up to 11 vehicles – decisions were yet to be taken as to whether all 11 would ultimately be purchased. The meeting was also reminded that over recent years the number of vehicles within the fleet had reduced, whilst at the same time staff numbers had increased.

Mr Selman also noted the Fleet and Vehicle Management system that was being introduced, which would provide significant intelligence on the fleet for future reporting, and would assist with improved utilisation of vehicles within the fleet. Ultimately this may also lead to a greater diversity of vehicle provision within the organisation. The procurement process that was being undertaken was outlined to the meeting.

***Resolved:***

**Moved Cr Hubber, seconded Cr McCallum, that Council receive the annual vehicle report and:**

- (1) approve the Chief Executive undertaking a vehicle replacement programme of up to 11 vehicles in the 2019/20 financial year; and**
- (2) note the other vehicle fleet management changes being proposed.**

**Carried**

**⇒ Item 4 – Productivity Commission’s Draft Report on Local Government funding and financing**

This item provided Council with a recommendation, to note that a submission has been lodged on identified aspects of the Productivity Commission’s draft report on Local Government Funding and Financing, as appended to the agenda.

***Resolved:***

**Moved by Cr Cook, seconded by Cr McCallum, noting that a further submission has been lodged on identified aspects of the Productivity Commission’s draft report on *Local Government Funding and Financing*.**

**Carried**

**⇒ Item 5 – Information Management Steering Group Update**

The information Management Programme is a cross-divisional programme that seeks to improve the capability of Information Management (IM) and information use through systems, communication and innovation (in conjunction with other divisional initiatives and projects). An external programme manager, (Mr Phil Baskerville) from the



Consultancy group Effectus, was engaged to initiate the programme management of the IM Strategy implementation.

Mr Baskerville spoke to this item noting that the initial IM Governance Group had met and further stated that the role is about cementing the strategic approach to information management and aligning all the resources so that staff are concentrating on the right projects and how they are progressing.

Mr Baskerville confirmed that the aspirational goal to get the organisation to a score of 3.01 from 2.06 out of a total of 5 was not likely to be achieved within the set timeframe and would need to be reviewed; but a great deal had still been achieved. Policy was in place, Data Stewards were in place and had a clear understanding of the importance of their work, and the messaging going out to staff about Information Management was what will drive good decision making in the future.

The meeting discussed this report at length, covering:

- whether or not there was a need to “go faster” with this work
- discussions occurring at the Data Stewardship meetings, ensuring consistency of approach
- progress made at the Governance Group meeting to ensure resources are directed appropriately
- ensuring the hand-over between roles when resignations occur was a key aspect to address and identifying risk areas
- ensuring understanding of consistency and correctness of data and processes
- LEAN approach being taken within the consents department
- the difficulty a change in sponsor of the programme has caused, and the new arrangements put in place re governance
- the optimistic approach that was taken to the targets that were set.

***Resolved:***

**Moved Cr McCallum, seconded, Cr Cook, Council note progress on the Information Management Programme**

**Carried**

**⇒ Item 6 – Long-term Plan Progress Report**

This item reported on the end of year Long-term plan activity report for the 2018/19 year and Mr Swinney spoke to this item, noting that some of the information presented here would transfer directly into the Annual Report, possibly with further explanation. He noted that of the 18 total targets for the year, 15 were achieved.

The meeting discussed the report in detail, and Councillors outlined areas where they felt greater detail/clarity around the messaging or amendments were required.

***Resolved:***

**Moved Cr Horrell, seconded by Cr Cook, that Council note the end-of-year Long-term Plan activity report for the 2018/19 year.**

Carried

### ⇒ Item 7 – Annual Activity Plan

Mr Selman spoke to this item and highlighted for the next meeting a representative from RSHL will be presenting to the Committee on IRIS and where it is headed. Mr Selman highlighted the changes that had been made to this plan since the last meeting.

Cr McCallum noted the Mayoral Forum was pushing hard to have the Triennial Agreement in place as soon as possible, and staff advised that the Chief Executives had seen a “first draft”, and it was being adjusted as a result of that feedback. It was noted the main changes will be in providing a legal mandate for the Mayoral Forum and setting up processes and procedures around its operation.

#### **Resolved:**

**Moved Chairman Horrell, seconded by Cr McPhail, that Council note the Annual Activity Plan.**

Carried

### 10. Extraordinary and Urgent Business (Panui Autaia hei Totoia Pakihi)

There was no extraordinary or urgent business presented to the meeting.

### 11. Public Excluded Business (He hui Pakihi e hara mo te iwi)

#### **Resolved:**

**Moved Cr Cook, seconded Cr McCallum, that the public be excluded from the following part of the proceedings of this meeting.**

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

<i>General Subject Matter</i>	<i>Reason for Passing the Resolution</i>	<i>Grounds under S. 48(1)</i>
⇒ Confirmation of Minutes – 25 July 2019	To prevent the disclosure or use of information for improper gain or advantage.	S.7(2)(j)
⇒ Item 8 – Bad Debts	To protect the privacy of natural persons.	S.7(2)(a)
⇒ Item 9 – Managed Funds Portfolio	To allow Council to carry out commercial activities	S.7(2)(i)

	(including commercial and industrial) without prejudice or disadvantage.	
⇒ <b>Item 10 – Southland Warm Homes Trust</b>	To prevent the disclosure of information for improper gain or advantage.	S.7(2)(J)
⇒ <b>Item 11 – Divisional update</b>		
⇒ <b>Item 12 Overview Governance Level Risk Risk Management</b>		

It is further moved that staff present together with Tom Phillips, Bruce K Robertson and Phil Borkin from JBWere for Item 9, and Allan Beck (STWH) and Jason Harrison (Awarua Synergy) for Item 10 be permitted to remain at this meeting after the public has been excluded.

Carried

**Resumed in Open Meeting**

**Termination**

There being no further business, the meeting closed at 5.41 pm.

**Minutes of the Organisational Performance and Audit Committee (*Arataki Mahi me Tātaki Kauta*) Meeting of the Southland Regional Council, held in Regional House, corner North Road and Price Street, Invercargill, on Monday, 30 September 2019 at 9.45 am.**

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**Present:** Cr M Rodway (Chair)  
Cr NMG Cook  
Chairman N Horrell  
Cr G Hubber  
Cr L McCallum  
Cr J McPhail

**Also Present:** Cr D Stevens  
Cr E Roy  
Cr L Ludlow  
Mr M Hawken (Partner – Assurance & Advisory, Deloitte)  
Ms Johnston (Manager – Assurance & Advisory, Deloitte)

<b>In Attendance:</b>	Mr R A Phillips	(Chief Executive)
	Mr N Selman	(Director, Corporate Services)
	Mr K Swinney	(Acting Director, Science & Information)
	Mrs T Hawkins	(Finance Manager)
	Mrs G Jeffries	(Communications and Engagement Manager)
	Ms T McCann	(Communications Co-ordinator)
	Ms L Frampton	(Communications Co-ordinator)
	Mrs M Weston	(PA)

## **1 Welcome (*Haere mai*)**

The Chairman welcomed members to the Organisational Performance and Audit Committee meeting for September 2019.

In opening the meeting the process for dealing with the Audit Management Letter was explained. The Audit Management Letter would be dealt with in the public excluded section of the meeting, following which the meeting would adjourn to allow the Auditor to meet with Councillors without staff. Following that, the meeting would resume.

## **2 Apologies (*Nga Pa Pouri*)**

**Resolved:**

**Moved Cr Cook seconded Cr Hubber, that an apology for absence be recorded on behalf of Mr Robertson.**

Carried

### **3 Declarations of Interest**

There were no declarations of interest raised at the meeting.

### **4 Public Forum, Petitions and Deputations (*He Huinga tuku korero*)**

There was no public forum, petitions or deputations presented at the meeting.

### **5 Notification of Extraordinary and Urgent Business (*He Panui Autaia hei Totoia Pakihi*)**

#### **5.1 Supplementary Reports**

There were no supplementary reports tabled for inclusion in the agenda.

#### **5.2 Other**

There were no other items raised by Councillors for inclusion in the agenda.

### **6 Questions (*Patai*)**

There were no questions asked by the meeting.

### **7 Chairman and Councillors' Reports (*Nga Purongo-a-Tumuaki me nga Kaunihera*)**

Neither the Chairman nor any Councillors presented reports to the meeting.

### **8 Director of Corporate Services Report – 19/OPAC/90**

#### **⇒ Item 1 – Draft 2018/19 Annual Report and Summary**

This item was presented to Council to review the draft 2018/2019 Annual Report and Summary, and consider if the document could be forwarded to Council for formal adoption on 9 October 2019.

Council were advised that Deloitte had audited the financial information and the statement of measures, and were comfortable with the information presented. Mr Swinney and Tanea Hawkins spoke to this item.

Mr Swinney asked Council if there were any questions which needed to be addressed and encouraged them to focus on the messages and wording of the Annual Report and Summary.

Councillors then highlighted matters as follows:

**Annual Report**

- Council agreed to change some of the colours in the graphs presented in the Annual Report, to make them clearer to read.
- Mr Selman spoke to this item of the summaries on the SSP report. Agreement was reached to add a detailed comment, and to articulate clearly with the correct narrative or abbreviation (achieved, not achieved or not applicable).

Tanea Hawkins spoke to the Financial Section of the Annual Report (pg 36) and items highlighted by the Council included:

- it is a statutory requirement that graphs be included in the annual report; recommendation was made to add a narrative with the graph for future reports and to address the colour issues.
- the term “Group revenue” referred to the Consolidated Income and Expenditures of both Environment Southland and South Port.

A tribute of thanks was paid to Tanea Hawkins and the Finance Team, noting the time constraint this year in presenting this information prior to the local government elections.

**Resolved:**

**Moved Chairman Horrell, seconded Councillor Hubber that Committee having reviewed the information provided and resolved the following:**

- (1) make the agreed changes to the information presented as discussed and,
- (2) note that it does not require any additional information to be provided and,
- (3) forward the draft documents to Council with the agenda for the Council meeting on 9 October 2019, subject to any final changes required to both documents by the Council and/or the Audit team

**Carried**

<b>9</b>	<b>Extraordinary and Urgent Business (Panui Autaia hei Totoia Pakihi)</b>
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There were no items discussed.

<b>10</b>	<b>Public Excluded Business (He hui Pakihi e hara mo te iwi)</b>
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**Resolved:**

**Moved Cr McPhail, seconded Cr McCallum, that the public be excluded from the following part of the proceedings of this meeting.**

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

<i>General Subject Matter</i>	<i>Reason for Passing the Resolution</i>	<i>Grounds under S. 48(1)</i>
⇒ <b>Item 2 – Deloitte Management Letter</b>	<p>To prevent the disclosure or use of information for improper gain or advantage.</p> <p>To allow Council to carry out commercial activities (including commercial and industrial) without prejudice or disadvantage.</p>	<p>S.7(2)(j)</p> <p>S.7(2)(h)</p>

**Carried**

**Resumed in Open Meeting**

**Termination**

There being no further business, the meeting closed at 11.08 am.



## **9. Election of Deputy Chair of the Committee**

Councillors will recall at the Inaugural meeting (held on 29 October 2019) that it was resolved that each of the Principal Standing Committees would elect its own Deputy Chair, in the event that the Chair was unable to attend and/or participate in a meeting. This item is submitted to allow that election to occur.

At the same meeting, Council delegated to each of the Principal Standing Committees the authority that, in the event of either the appointed Chair or Deputy Chair of the Committees being absent from the meetings, the Committee may elect another Councillor to Chair that particular meeting from amongst those members that are present at the time.

### **Recommendation**

**It is recommended that the Organisational Performance and Audit Committee appoint Cr XX as the Deputy Chair of the Committee.**





## Item 1 Financial Report to 30 September 2019

<b>MORF ID:</b> A517657	<b>Strategic Direction:</b>
<b>Report by:</b> Tanea Hawkins, Finance Manager and Jody Lloyd, Management Accountant	<b>Approved by:</b> Neil Selman, Director of Corporate Services
<b>Executive Approval:</b> Neil Selman, Director of Corporate Services	

### Purpose

For Council to note the financial report to 30 September 2019.

### Summary

This report covers the three month period from 1 July 2019 to 30 September 2019.

The result for the period ended 30 September 2019 is \$1,853,044 better than budget. Expenses are \$550,294 below budget; income is \$303,532 above budget while income from investments is \$999,219 above budget.

The schedule of reporting for the next three-month period is:

Date of Meeting	Council/Committee	Financial Report End Date
13 November 2019	Organisational Performance & Audit Committee	30 September 2019
11 December 2019	Ordinary Meeting of Council	31 October 2019

### Recommendation

It is recommended that Council resolve to note the financial report to 30 September 2019.

### Report



## Statement of Financial Performance

### For the period ended 30 September 2019

	Month			Year to Date			Year Ended	
	Actual	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
<b>Income</b>								
Rates	1,514,121	1,513,420	1,415,698	4,540,959	4,540,259	4,247,093	18,161,026	16,988,373
Other Income	662,425	801,892	444,726	3,416,231	3,113,399	4,526,110	11,929,906	11,629,709
<b>Operating Income</b>	<b>2,176,546</b>	<b>2,315,312</b>	<b>1,860,424</b>	<b>7,957,190</b>	<b>7,653,658</b>	<b>8,773,203</b>	<b>30,090,932</b>	<b>28,618,082</b>
<b>Expenses</b>								
People	1,450,111	1,405,315	1,240,332	4,053,211	4,154,499	3,690,988	18,074,014	15,806,860
Contractors/Consultants	501,235	527,608	368,541	1,446,634	1,320,640	701,928	6,506,105	6,820,336
Operational	765,063	1,074,229	812,942	2,242,754	2,788,534	2,100,159	10,407,658	10,992,599
	<b>2,775,718</b>	<b>3,076,576</b>	<b>2,485,268</b>	<b>7,921,652</b>	<b>8,471,945</b>	<b>6,683,435</b>	<b>35,820,865</b>	<b>34,349,250</b>
<b>Operating Surplus (Deficit)</b>	<b>(599,172)</b>	<b>(761,264)</b>	<b>(624,844)</b>	<b>35,538</b>	<b>(818,287)</b>	<b>2,089,768</b>	<b>(5,729,933)</b>	<b>(5,731,168)</b>
<b>Investment Income</b>								
Dividends	0	0	0	8,372	0	0	4,534,809	4,534,809
Income from Investments	380,227	110,146	(2,568)	1,323,227	332,380	898,837	1,382,467	2,383,188
	<b>380,227</b>	<b>110,146</b>	<b>(2,568)</b>	<b>1,331,600</b>	<b>332,380</b>	<b>898,837</b>	<b>5,917,276</b>	<b>6,917,997</b>
<b>Total Surplus (Deficit)</b>	<b>(218,945)</b>	<b>(651,118)</b>	<b>(627,412)</b>	<b>1,367,138</b>	<b>(485,907)</b>	<b>2,988,605</b>	<b>187,343</b>	<b>1,186,829</b>



**Variances to Budget**  
for the period ending 30 September 2019

	Month	YTD
<b>Income</b>		
Rates	701 F	700 F
Other Income	(139,467) U	302,832 F
<b>Expenses</b>		
People	(44,796) U	101,288 F
Contractors & Consultants	26,373 F	(125,994) U
Operational	309,166 F	545,780 F
Depreciation	10,115 F	29,219 F
<b>Operating Variance</b>	162,092 F	853,825 F
<b>Investment Income</b>		
Dividend from Southport	0 U	8,372 F
Income from investments	270,081 F	990,847 F
<b>Total Variance</b>	432,173 F	1,853,044 F

	Month	YTD
Other Income		Consent fees ahead of budget, \$200k . Other contributions received earlier than budgeted. YTD less than last year due to timing of MPI funds.
People		Slightly under budget, expected to be close end of October.
Contractors & Consultants		Consent consultants \$237k over budget, balance of expenditure being underbudget due to budget timing.
Operational	Variances in timing of expenditure of grants.	Variances in timing of expenditure of grants and catchment expenses.
Income from investments	Strong capital gains over the month.	Strong capital gains over the quarter.



## Statement of Financial Position

As at 30 September 2019

	This Year	Last Year
<b>Current Assets</b>		
Cash and Deposits	(6,426,060)	(4,103,886)
Trade and Other Receivables	23,219,443	22,249,472
Inventories	110,149	120,849
Prepayments	35,000	58,675
Managed Funds	35,219,758	32,652,063
Total Current Assets	52,158,290	50,977,172
<b>Non Current Assets</b>		
Shares In South Port NZ	8,720,787	8,720,787
Other Financial Assets	169,673	160,721
Investment In Related Party	798,118	798,118
Property Plant & Equipment	37,596,012	37,763,542
Total Non Current Assets	47,284,589	47,443,168
<b>Total Assets</b>	<b>99,442,879</b>	<b>98,420,340</b>
<b>Current Liabilities</b>		
Trade and Other Payables	5,855,446	5,141,512
Employee Entitlements	1,079,691	1,222,257
Rates Received in Advance	13,627,088	13,172,786
Total Current Liabilities	20,562,225	19,536,555
<b>Net Assets</b>	<b>78,880,654</b>	<b>78,883,785</b>



## Statement of Cashflows

### For the period ended 30 September 2019

	This Year	Last Year
<b>Cash flows from operating activities</b>		
Cash was provided by / (applied to):		
Receipts from customers	1,104,124	1,343,356
Interest received	20	0
Dividends received	8,372	-
Payments to suppliers and employees	(7,612,827)	(4,906,969)
Finance costs	(35,719)	(31,422)
<b>Net cash flow from operating activities</b>	<b>(6,536,030)</b>	<b>(3,595,034)</b>
<b>Cash flows from investing activities</b>		
Cash was provided by / (applied to):		
Reduction of Managed Funds	-	2,000,000
Purchase of property, plant and equipment	(31,936)	(24,851)
<b>Net increase/(decrease) in Cash</b>	<b>(6,567,966)</b>	<b>(1,619,884)</b>
Cash at the beginning of the financial year	141,906	(2,484,002)
<b>Cash at the end of the period</b>	<b>(6,426,060)</b>	<b>(4,103,886)</b>

**Debtors as at 30 September 2019**

AGED DEBTORS/RATES - 30 SEPTEMBER 2019						
	Current	1 mth	2 mths	3 mths	> 3 mths	Total
Rates	20,794,688	-			794,275	21,588,963
Debtors	493,592	325,827	32,728	157,207	301,635	1,310,989
Prosecutions	-	-	-	-	156,896	156,896
	21,288,280	325,827	32,728	157,207	1,252,806	23,056,848
LESS: Provision for Doubtful Debts						(260,866)
<b>TOTAL Receivables per Statement of Financial Position</b>						<b>22,795,982</b>

**Views of affected parties**

There are no matters in this report which require consideration under this heading.

**Compliance with Significance and Engagement Policy**

There are no issues within this report which trigger matters in this policy.

**Considerations****Legal implications**

This report is prepared taking into account the prudential requirements of Part 6 of the Local Government Act.

## Item 2 Investment Report to 30 September 2019

<b>MORF ID:</b> A513967	<b>Strategic Direction:</b> Council Policy
<b>Report by:</b> Tanea Hawkins, Finance Manager	<b>Approved by:</b> Neil Selman, Director of Corporate Services
<b>Executive Approval:</b> Neil Selman, Director of Corporate Services	

### Purpose

For Council to note the investment report to 30 September 2019.

### Summary

At 30 September 2019, the total of Council's managed fund investments amounted to \$35,219,758, an increase of \$330,766 from 31 August 2019.

Total investment surplus for the year to 30 September 2019 of \$1,323,227 is favourable to budget by \$990,847.

### Recommendation

It is recommended that Council resolve to note the investment report.

### Report

#### Investment Results

##### Summary of Performance

	Current Month - SEPTEMBER			YTD		
	EQUITY	INTEREST	TOTAL	EQUITY	INTEREST	TOTAL
<b><u>JBWere</u></b>						
Gross Income	73,762	68,811	142,573	105,929	73,440	179,369
Realised/Unrealised Gain/(Loss)	324,927	(79,864)	245,063	849,298	312,076	1,161,374
LESS Tax (Coupon/Dividend)		(7,409)	(7,409)		(17,535)	(17,535)
<b>Total JB Were before Fees</b>	398,689	(18,462)	380,227	955,227	367,980	1,323,207
<b><u>Other Income</u></b>						
ANZ Call Account Interest		-	-		0	0
IRD Interest		-	-		20	20
<b>Total Income (per Statement of Financial Performance)</b>	398,689	(18,462)	380,227	955,227	368,000	1,323,227
LESS Quarterly Mgmt Fees		(49,460)	(49,460)		(49,460)	(49,460)
<b>Total Return</b>	\$ 398,689	\$ (67,922)	\$ 330,767	\$ 955,227	\$ 318,540	\$ 1,273,767
<b>Net Investment Income</b>			\$ 330,767			\$ 1,273,767

**Statement of Position**

Cash and portfolio investments held by Council at 30 September 2019 (excluding South Port) are:

	AUGUST	SEPTEMBER	INC/(DEC)	% HOLDING	% SIPO
<b>Cash and Deposits</b>					
ANZ - Cheque Account	(5,764,829)	(6,426,810)	(661,981)		
Petty Cash	750	750	-		
ANZ - Call Account	-	-	-		
Westpac - Call Account	-	-	-		
<b>Total Cash and Deposits</b>	<b>\$ (5,764,079)</b>	<b>\$ (6,426,060)</b>	<b>\$ (661,981)</b>		
<b>Portfolio Investments</b>					
<b>Growth Assets:</b>					
NZ Equities	2,525,700	2,557,757	32,057	7%	4% - 12%
AUS Equities	2,297,005	2,365,356	68,351	7%	4% - 12%
Offshore Equities	9,415,476	9,630,444	214,968	27%	20% - 40%
Property	2,189,039	2,229,051	40,012	6%	2.5% - 7.5%
<b>Income Assets:</b>					
Global Bonds	3,687,917	3,665,892	(22,025)	10%	5% - 20%
NZ Bonds	12,148,285	12,297,485	149,200	35%	25% - 45%
Cash	2,625,568	2,473,773	(151,795)	7%	1% - 20%
<b>Total JBWere Portfolio</b>	<b>\$ 34,888,992</b>	<b>\$ 35,219,758</b>	<b>\$ 330,767</b>	<b>100%</b>	

At 31 October 2019, the bank balance was \$8,701,803 overdrawn. The on-call account is currently Nil.

**Actual Performance v Benchmark**

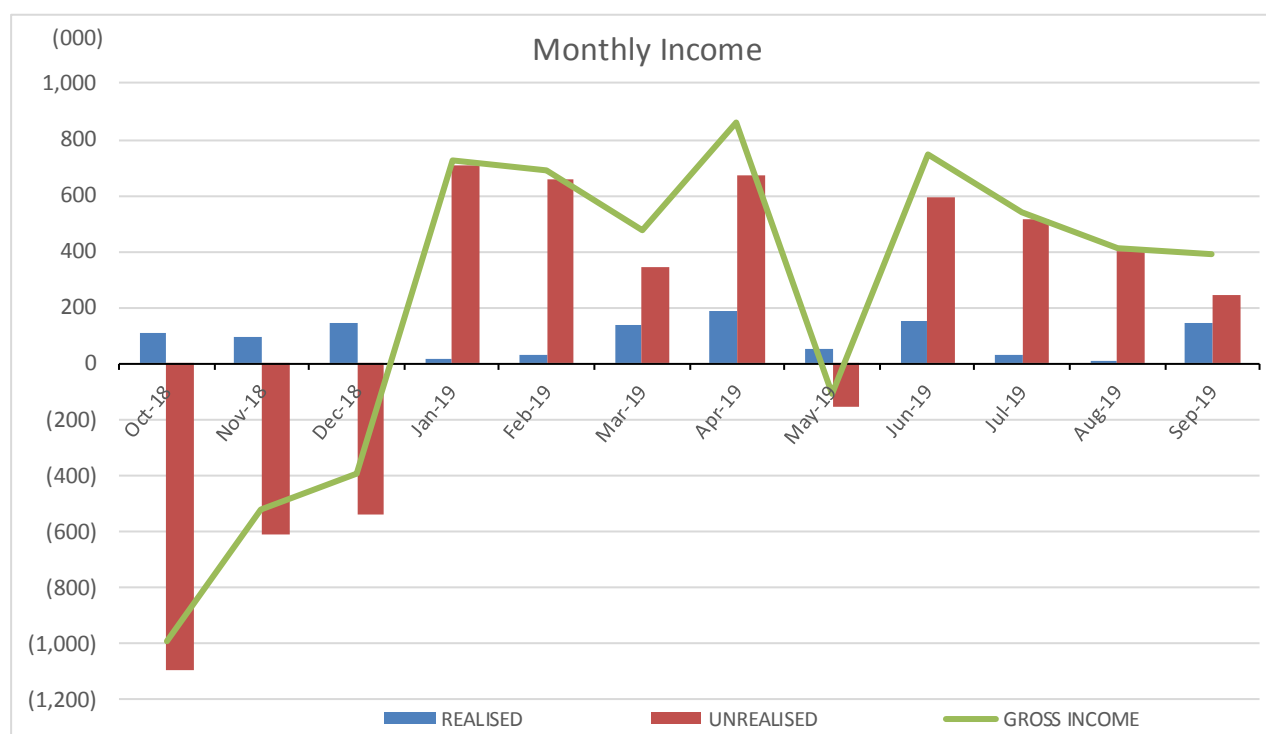
	NZ EQUITIES		AUS EQUITIES		OFFSHORE EQUITIES		N Z BONDS		OFFSHORE BONDS		PROPERTY		TOTAL
	Act	B/Mark	Act	B/Mark	Act	B/Mark	Act	B/Mark	Act	B/Mark	Act	B/Mark	
Holding:	7%		7%		27%		35%		10%		6%		
Oct-18	-5.83%	-6.40%	-7.28%	-6.57%	-7.40%	-6.06%	0.43%	0.42%			-3.29%	-3.41%	-3.03%
Nov-18	-1.67%	0.81%	-4.74%	-4.21%	-4.17%	-3.50%	-0.28%	-0.09%			3.21%	3.85%	-1.64%
Dec-18	0.94%	-0.14%	-2.02%	-1.36%	-7.08%	-4.74%	1.18%	0.89%			2.80%	1.68%	-1.26%
Jan-19	2.24%	1.98%	3.26%	4.00%	6.02%	4.34%	0.57%	0.56%			1.53%	1.80%	2.36%
Feb-19	3.99%	3.78%	5.29%	5.24%	5.01%	4.54%	0.21%	0.55%			1.58%	1.59%	2.19%
Mar-19	5.65%	5.58%	0.15%	0.50%	-0.10%	1.25%	1.53%	1.16%			5.23%	4.92%	1.49%
Apr-19	2.79%	1.72%	4.61%	3.73%	7.28%	5.77%	0.16%	-0.06%			1.90%	1.76%	2.64%
May-19	1.86%	1.04%	1.62%	2.43%	-4.32%	-3.67%	1.01%	1.23%	0.84%	1.41%	0.84%	1.41%	-0.32%
Jun-19	3.82%	3.79%	2.27%	1.94%	3.39%	3.45%	1.14%	0.64%	1.50%	1.30%	6.20%	5.95%	2.25%
Jul-19	3.12%	3.40%	1.98%	2.89%	2.47%	2.10%	0.91%	0.77%	0.56%	0.73%	2.95%	3.29%	1.59%
Aug-19	-1.67%	-0.93%	-1.13%	-0.12%	1.65%	2.21%	1.49%	1.51%	1.53%	2.30%	3.12%	3.18%	1.19%
Sep-19	2.04%	1.57%	3.26%	2.54%	2.44%	2.74%	-0.01%	-0.06%	-0.55%	-0.55%	1.97%	1.91%	1.11%
Rolling Return (From 1 October 2018)	18.09%	16.84%	6.67%	10.84%	3.86%	7.78%	8.65%	7.78%	3.93%	9.96%	35.40%	34.70%	8.71%

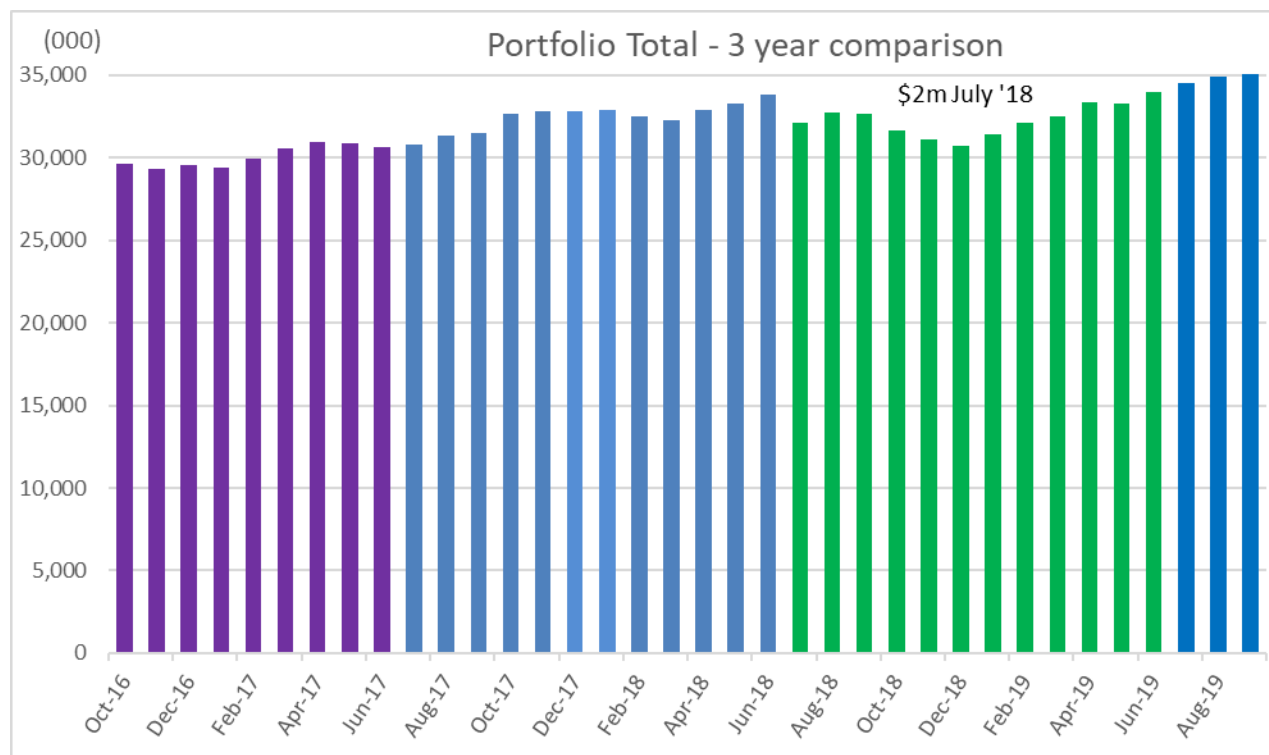




### Portfolio Earnings before Imputation Credits and Expenses

	REALISED	%	UNREALISED	%	GROSS INCOME	%
Oct-18	106,844	0.33%	(1,097,554)	-3.36%	(990,710)	-3.03%
Nov-18	93,077	0.29%	(611,817)	-1.87%	(518,740)	-1.59%
Dec-18	145,797	0.45%	(538,467)	-1.65%	(392,669)	-1.20%
Jan-19	17,141	0.05%	705,825	2.16%	722,966	2.21%
Feb-19	31,557	0.10%	655,616	2.01%	687,173	2.10%
Mar-19	134,738	0.41%	344,409	1.05%	479,147	1.47%
Apr-19	185,882	0.57%	672,310	2.06%	858,192	2.63%
May-19	50,664	0.16%	(155,887)	-0.48%	(105,223)	-0.32%
Jun-19	155,141	0.48%	593,239	1.82%	748,380	2.29%
Jul-19	27,842	0.09%	513,545	1.57%	541,387	1.66%
Aug-19	8,955	0.03%	402,765	1.23%	411,720	1.26%
Sep-19	142,573	0.44%	245,063	0.75%	387,636	1.19%
<b>Total Income</b>	<b>1,100,211</b>	<b>3.37%</b>	<b>1,729,048</b>	<b>5.30%</b>	<b>2,829,259</b>	<b>8.66%</b>





#### Views of Affected Parties

There are no matters in this report which require consideration under this heading.

#### Compliance with Significance and Engagement Policy

There are no issues within this report which trigger matters in this policy.

#### Legal Compliance

This report is prepared taking into account the prudential requirements of Part 6 of the Local Government Act.

#### Consistency with Council's LTP/Annual Plan/Policy/Strategy

This report is consistent with reporting financial results against Council's Long-term Plan for the 2019/20 year.

#### Financial and Resource Implications

This investment report covers the three months ending 30 September 2019.

Total investment surplus to 30 September 2019 of \$1,323,227 has a favourable variance of \$990,847 against a budgeted surplus of \$332,380.



### Item 3 Reserves Report at 30 June 2019

<b>MORF ID:</b> A520784	<b>Strategic Direction:</b> Council Policy
<b>Report by:</b> Tanea Hawkins, Finance Manager	<b>Approved by:</b> Neil Selman, Director of Corporate Services
<b>Executive Approval:</b> Neil Selman, Director of Corporate Services	

#### Purpose

For Council to note the Reserves Report at 30 June 2019.

#### Summary

This report details Council's reserves at 30 June 2019. It forms part of the Organisational Performance and Audit Committee's 2019/20 Annual Activity Plan. It describes the various reserves that Council holds and details their potential use and forecasts balances through the 10-year term of the 2018-2028 Long-term Plan.

#### Recommendation

**It is recommended that Council resolve to note the Reserves Report at 30 June 2019.**

#### Report

##### Background

Reserves are an accounting approach to categorise (groups of) surpluses set aside by Council.

Council's Revenue and Financing Policy states:

##### ***Any other source - Reserves***

*A significant part of the business of Council is to provide and maintain assets and services for the long-term benefit of the Southland community. Expenditure on long-term services often occurs on an irregular basis with some years of very high expenditure followed by many years of lower expenditure. Council has a long-term view of service provision, so funds service through regular annual amounts. Funding in the long term has a lower cost to the community and provides greater certainty of rates levels. Services funded on a long-term basis have reserves established and are separately reported. All reserves are invested.*

*Those reserves established from targeted rates are used for the purpose the rate is collected. If a targeted rate is set for a service and not used on that service in the year, the remaining funds are treated as reserves and invested. When major expenditure is incurred, and there is more expenditure than the targeted rate revenue, funds will be withdrawn from the reserve and corresponding investment.*



It is important to note:

- that the actual funds are held within the Council's investment portfolio (hence using a reserve means spending the investment portfolio);
- there are different types of reserves (as presented in this report and detailed below);
- the reserve balances have been updated to reflect the results for the year ended 30 June 2020.

### Reserve definitions

Prior year surplus	Prior year surpluses available to support general funds.
Revenue	Funds that have been set aside and available as general funds.
Targeted rates	Balances arising from targeted rates, biosecurity and land sustainability.
Catchment – river	Balances arising from targeted catchment rates for river works.
Catchment – drainage	Balances arising from targeted rates for drainage works.
Leasehold	Balances arising from surpluses generated on leasehold property.
Special	Funds that have specific conditions on their use.
Replenishing	Funds that are used for cyclical expenses or asset renewals.
Disaster	Funds held to cover disaster events not covered by insurance.

The ability to access and use reserves varies depending on the purpose and origin of the reserve is as follows:

1. available for general funds and thus able to support expenditure in the "General rate" area:
  - prior year surpluses;
  - revenue reserves;
2. arising specifically from targeted rates where spending has been less than the rating income over time:
  - **targeted rates** – biosecurity and land sustainability rates. Use of these reserves is determined by Council;
  - **catchment (river and drainage) rates** – use of these reserves is agreed in conjunction with the various liaison committees;
3. arising from surpluses in Council activities and have been specifically set aside. Funds can be used to support activities that "qualify":
  - **leasehold** - surpluses arising from revenue earned on leasehold land;
  - **special** - surpluses arising from coastal activities, specifically the marine fee, coastal rentals (DoC), plus the EMS joint venture and lastly, the transfer of assets to ES (pest disposals);
  - **replenishing** - asset purchases are "funded" or at least "partially funded" by the amounts set aside in these reserves. Funds for cyclical expenditure can also be set aside as a replenishing reserve;
  - **disaster reserves** – funds specifically set aside for disaster events only;
4. arising from transactions of a capital nature, for example the transfer of assets to Council. These funds are not available for distribution.

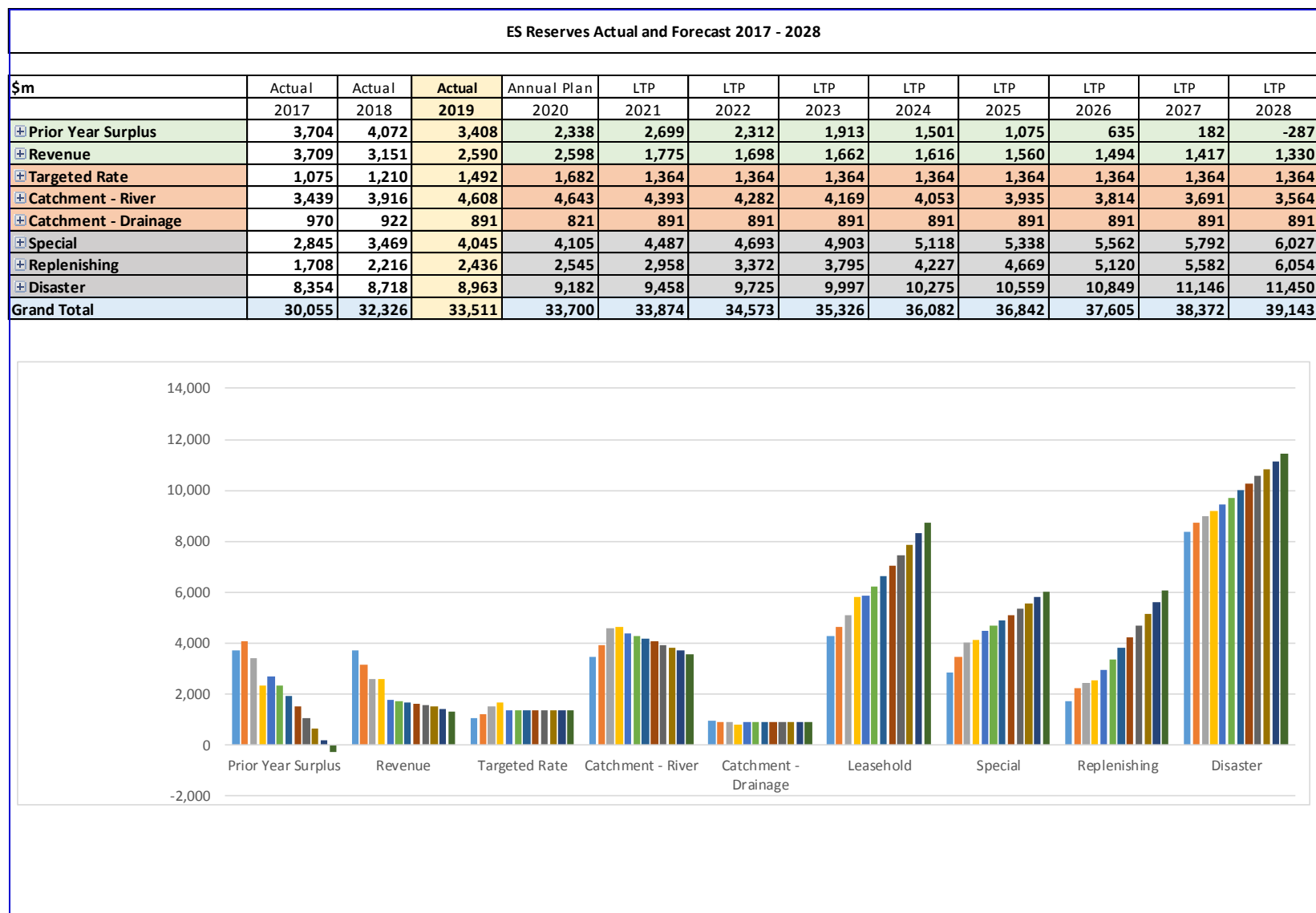
While Council has forecast modest surpluses throughout the LTP, reserves available for distribution and support of the general rate (Prior Year Surplus and Revenue Reserves) are forecast to reduce through to 2028. These reserves have been allocated through the Long-term Plan process to support Council spending and will reduce from \$7.4 million in 2017 to \$1 million at the end of 2028.



Conversely, leasehold, special, replenishing and disaster reserves continue to build.

It is important that all non-capital reserves i.e. those detailed in this report, remain backed by “cash or investments”.

In total, reserves comprise the Council’s “equity”, funds held on behalf of ratepayers. Prudent governance suggests that Council have reserves to ensure resilience to economic and climate related events.



ES Reserves Actual and Forecast 2017 - 2028												
\$m	Actual	Actual	Actual	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Prior Year Surplus</b>	<b>3,704</b>	<b>4,072</b>	<b>3,408</b>	<b>2,338</b>	<b>2,699</b>	<b>2,312</b>	<b>1,913</b>	<b>1,501</b>	<b>1,075</b>	<b>635</b>	<b>182</b>	<b>-287</b>
General Funds	3,704	4,072	3,408	2,338	2,699	2,312	1,913	1,501	1,075	635	182	-287
<b>Revenue</b>	<b>3,709</b>	<b>3,151</b>	<b>2,590</b>	<b>2,598</b>	<b>1,775</b>	<b>1,698</b>	<b>1,662</b>	<b>1,616</b>	<b>1,560</b>	<b>1,494</b>	<b>1,417</b>	<b>1,330</b>
Aerial Photography	49	49	49	49	49	49	49	49	49	49	49	49
Regional Assistance to Projects	6	6	6	6	6	6	6	6	6	6	6	6
SPNZ Buy Back	2,985	2,427	1,866	1,874	1,052	974	938	892	836	770	694	606
SPNZ Special Dividend	669	669	669	669	669	669	669	669	669	669	669	669
<b>Targeted Rate</b>	<b>1,075</b>	<b>1,210</b>	<b>1,492</b>	<b>1,682</b>	<b>1,364</b>	<b>1,364</b>	<b>1,364</b>	<b>1,364</b>	<b>1,364</b>	<b>1,364</b>	<b>1,364</b>	<b>1,364</b>
Land Sustainability Accum Surpl	548	617	614	628	486	486	486	486	486	486	486	486
Pest Accumulated Surplus	527	594	878	1,054	878	878	878	878	878	878	878	878
<b>Catchment - River</b>	<b>3,439</b>	<b>3,916</b>	<b>4,608</b>	<b>4,643</b>	<b>4,393</b>	<b>4,282</b>	<b>4,169</b>	<b>4,053</b>	<b>3,935</b>	<b>3,814</b>	<b>3,691</b>	<b>3,564</b>
Aparima Rating District	525	548	598	233	598	598	598	598	598	598	598	598
Gravel Account Accum Surpl	53	47	119	113	119	119	119	119	119	119	119	119
Invercargill Rating District	85	83	136	134	136	136	136	136	136	136	136	136
Makarewa Rating District	265	336	224	295	224	224	224	224	224	224	224	224
Makarewa Special Fund			115	115	115	115	115	115	115	115	115	115
Mataura Rating District	248	362	650	764	650	650	650	650	650	650	650	650
Oreti Rating District	492	573	687	748	621	587	552	517	481	443	406	367
Te Anau Basin	583	706	740	846	643	592	541	489	435	380	325	267
Waiau Rating District	583	562	596	583	596	596	596	596	596	596	596	596
Waiau Special Projects	605	699	742	812	691	664	637	609	580	551	521	491
<b>Catchment - Drainage</b>	<b>970</b>	<b>922</b>	<b>891</b>	<b>821</b>	<b>891</b>	<b>891</b>	<b>891</b>	<b>891</b>	<b>891</b>	<b>891</b>	<b>891</b>	<b>891</b>
Clifton Drainage	9	14	18	23	18	18	18	18	18	18	18	18
Duck Creek Drainage	41	38	41	38	41	41	41	41	41	41	41	41
Lake Hawkins Drainage	-43	-85	-89	-132	-89	-89	-89	-89	-89	-89	-89	-89
Lower Waikawa Drainage	11	14	12	14	12	12	12	12	12	12	12	12
Otepuni Creek Drainage	12	23	0	11	0	0	0	0	0	0	0	0
Upper Waihopai Drainage	17	33	51	68	51	51	51	51	51	51	51	51
Upper Waikawa Drainage	8	11	17	20	17	17	17	17	17	17	17	17
Upper Waikiwi Drainage	82	94	86	78	86	86	86	86	86	86	86	86
Waiau Boundary Creek Drainage	7	7	2	3	2	2	2	2	2	2	2	2
Waiau Fenham Drainage	105	117	124	136	124	124	124	124	124	124	124	124
Waiau Lillburn Drainage	336	381	373	417	373	373	373	373	373	373	373	373

\$m	Actual 2017	Actual 2018	Actual 2019	Annual Plan 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
Waiau Orauea Drainage	16	16	23	23	23	23	23	23	23	23	23	23
Waiau Sharpridge Drainage	36	47	56	67	56	56	56	56	56	56	56	56
Waiau Wairaki Drainage	42	40	32	30	32	32	32	32	32	32	32	32
Waihopai Drainage	15	35	60	81	60	60	60	60	60	60	60	60
Waimatuku Drainage	39	7	21	-11	21	21	21	21	21	21	21	21
Waituna Creek Drainage	237	130	63	-43	63	63	63	63	63	63	63	63
<b>Leasehold</b>	<b>4,251</b>	<b>4,652</b>	<b>5,080</b>	<b>5,786</b>	<b>5,849</b>	<b>6,237</b>	<b>6,633</b>	<b>7,038</b>	<b>7,452</b>	<b>7,875</b>	<b>8,308</b>	<b>8,750</b>
Lease Area Aparima	34	35	36	37	37	37	37	38	38	39	39	39
Lease Area Ferry Road	1,305	1,486	1,669	1,913	1,933	2,064	2,198	2,334	2,474	2,617	2,763	2,912
Lease Area Kingswell	27	30	31	33	34	35	37	38	40	42	44	46
Lease Area Mataura	2,024	2,171	2,297	2,612	2,575	2,714	2,856	3,002	3,151	3,302	3,458	3,617
Lease Area Oreti	379	426	511	600	695	791	890	990	1,093	1,198	1,306	1,416
Lease Area Otepunui	174	191	211	232	237	251	265	279	294	309	324	340
Lease Area Waihopai	122	135	144	155	152	156	160	164	168	172	176	181
Lease Area Winton	184	179	182	203	186	188	190	192	194	196	198	201
<b>Special</b>	<b>2,845</b>	<b>3,469</b>	<b>4,045</b>	<b>4,105</b>	<b>4,487</b>	<b>4,693</b>	<b>4,903</b>	<b>5,118</b>	<b>5,338</b>	<b>5,562</b>	<b>5,792</b>	<b>6,027</b>
Coastal Rentals	-13	5	84	106	120	134	148	162	177	192	208	224
Emergency Mgmt Southland	-4	157	208	322	208	208	208	208	208	208	208	208
Emergency Mgmt Sthld Capit	192	0	0	-192	0	0	0	0	0	0	0	0
Marine Fee	2,371	3,007	3,453	3,569	3,860	4,052	4,248	4,449	4,654	4,863	5,077	5,296
Pest Disposals	299	299	299	299	299	299	299	299	299	299	299	299
<b>Replenishing</b>	<b>1,708</b>	<b>2,216</b>	<b>2,436</b>	<b>2,545</b>	<b>2,958</b>	<b>3,372</b>	<b>3,795</b>	<b>4,227</b>	<b>4,669</b>	<b>5,120</b>	<b>5,582</b>	<b>6,054</b>
Building	40	123	227	343	265	305	346	388	430	474	518	564
Election Funding	16	46	76	14	46	79	111	145	179	214	250	286
Furniture	107	80	101	50	169	205	242	280	319	358	399	440
Infrastructural Assets	472	471	473	469	555	599	644	689	736	784	832	882
Lease Building	517	537	557	578	605	630	656	683	710	738	766	795
Pest Plant	64	67	70	73	70	70	70	70	70	70	70	70
Pest Property	300	309	319	334	335	344	352	361	370	379	388	397
Plant Replacement	61	156	101	-52	318	533	752	975	1,204	1,438	1,676	1,921
Vehicle Renewal	131	426	511	736	594	608	622	637	651	667	682	698



\$m	Actual	Actual	Actual	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Disaster</b>	<b>8,354</b>	<b>8,718</b>	<b>8,963</b>	<b>9,182</b>	<b>9,458</b>	<b>9,725</b>	<b>9,997</b>	<b>10,275</b>	<b>10,559</b>	<b>10,849</b>	<b>11,146</b>	<b>11,450</b>
Aparima Disaster	515	551	579	608	638	670	702	735	768	803	838	874
Disaster Damage	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Invercargill Disaster	774	869	953	1,039	1,132	1,226	1,323	1,422	1,523	1,626	1,732	1,839
Lake Hawkins Pumphouse	297	315	329	339	350	360	372	383	395	406	419	431
Makarewa Disaster	159	169	174	179	184	189	194	200	206	211	217	223
Mataura Disaster	1,216	1,271	1,306	1,317	1,379	1,418	1,458	1,500	1,542	1,585	1,629	1,673
Orauea Disaster Damage Re	8	9	9	9	9	10	10	10	10	11	11	11
Oreti Disaster	1,422	1,486	1,527	1,569	1,612	1,658	1,705	1,753	1,802	1,852	1,904	1,956
Te Anau Basin Damage	262	293	321	348	377	407	437	468	500	532	565	599
Waiau Disaster Damage	1,644	1,698	1,708	1,716	1,717	1,724	1,731	1,738	1,745	1,753	1,760	1,768
Waimatuku Stream Disaster	56	56	58	59	61	63	65	67	68	70	72	74
<b>Grand Total</b>	<b>30,055</b>	<b>32,326</b>	<b>33,511</b>	<b>33,700</b>	<b>33,874</b>	<b>34,573</b>	<b>35,326</b>	<b>36,082</b>	<b>36,842</b>	<b>37,605</b>	<b>38,372</b>	<b>39,143</b>



### **Views of affected parties**

There are no matters in this report which require consideration under this heading.

### **Compliance with Significance and Engagement Policy**

There are no issues within this report which trigger matters in this policy.

### **Considerations**

#### **Legal implications**

This report is prepared taking into account the prudential requirements of Part 6 of the Local Government Act.

### **Attachments**

None



## Item 4 Clean Air Loans Quarterly Report

<b>MORF ID:</b> A513024	<b>Strategic Direction:</b> Air Quality
<b>Report by:</b> Jody Lloyd, Management Accountant	<b>Approved by:</b> Neil Selman, Director of Corporate Services
<b>Executive Approval:</b> Neil Selman, Director of Corporate Services	

### Purpose

For Council to receive the Invercargill City Council and Gore District Council Clean Air Loan quarterly reports as at 30 September 2019.

### Summary

Environment Southland has a Memorandum of Understanding with both Invercargill City Council and Gore District Council for funding a joint clean heat and insulation package in the form of a loan scheme for qualified applicants for the airsheds of Invercargill and Gore respectively.

Invercargill City Council and Gore District Council provide Environment Southland with a quarterly report on the uptake of the loan scheme.

### Recommendation

**It is recommended that Council resolve to note the Invercargill City Council and Gore District Council Clean Air Loan quarterly reports as at 30 September 2019.**

### Report

#### Background

The Invercargill Clean Air Loans Scheme is jointly funded by Environment Southland and the Invercargill City Council, which have allocated \$500,000 each year for the first three years. Provision for the Council's \$1.5 million contribution has been made in the Long-term Plan. To date, only \$200,000 has been paid into the scheme by Environment Southland.

The Invercargill scheme is administered by the Invercargill City Council through its rates department.

Anybody who lives within the Invercargill airshed and has a non-compliant burner or open fire in their main living room can apply if they are an Invercargill City Council ratepayer and do not have any rates in arrears. They can borrow up to \$5,000, which will be paid back over a five-year period at a 3.95% interest rate.

The Gore Clean Air Loans Scheme is jointly funded by Environment Southland and the Gore District Council. Environment Southland has allocated \$140,000 each year for the first three years for the heating scheme and the Gore District Council \$50,000 for the insulation scheme. To date, only \$40,000 has been paid into the scheme by Environment Southland.

The Gore scheme is administered by the Gore District Council in conjunction with Awarua Synergy.

Gore residents who live within the designated airshed and have a non-compliant burner or open fire and have no rates in arrears will be able to apply for an interest free loan of up to \$5,000 to install approved clean heating options and insulate their homes.

### Current situation

As at 30 September 2019:

	<b>Gore</b>	<b>Invercargill</b>	<b>Total</b>
Approved	22	158	<b>180</b>
Declined	1	15	<b>16</b>
Withdrawn	1	0	<b>1</b>
<b>Total Applications</b>	<b>24</b>	<b>173</b>	<b>197</b>
<b>Loans in Default</b>		0	
<b>Default Amount</b>		\$0	
<b>Loans Approved</b>	\$104,181	\$672,454	\$776,635
<b>Loans Issued</b>	\$62,462	\$626,799	\$689,261
<b>Loan Balance Remaining</b>	\$43,060	\$297,894	\$340,954

### Views of affected parties

There are no matters in this report which require consideration under this heading.

### Compliance with Significance and Engagement Policy

There are no issues within this report which trigger matters in this policy.

### Considerations

#### *Financial implications*

This report highlights Council's ongoing obligations and uptake of the Clean Air Loans schemes for Invercargill and Gore.

#### *Legal implications*

This report and the associated recommendations comply with the appropriate statutory requirements placed upon the Council.

### Attachments

1. Invercargill City Council quarterly report.
2. Gore District Council quarterly report.



Quarterly report as at: 30 September 2019

#### Applications received:

Approved:	158	91%
Declined:	15	9%
	<u>173</u>	

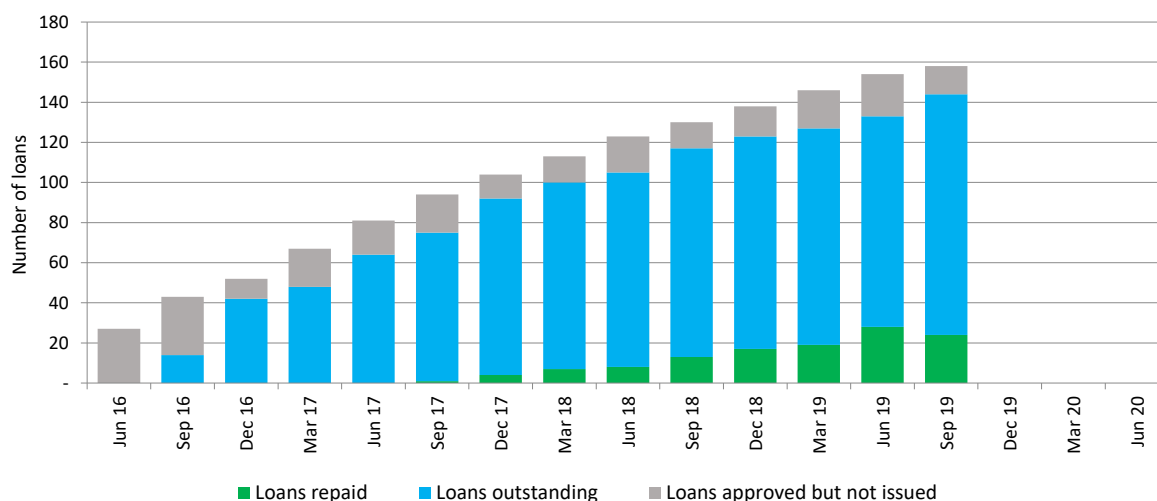
#### Funding

Available funds:	2,000,000.00
Less: Loan balance remaining:	297,893.58
Less: Loans approved but not issued:	45,655.11

**Funds still available for clean air loans: 1,656,451.31**

			<u># of loans</u>
Loans approved for Heating	494,277.73	74%	
Loans approved for Insulation	178,176.07	26%	
<b>TOTAL LOANS APPROVED</b>	<b>672,453.80</b>		<b>158</b>
 TOTAL LOANS ISSUED	 626,798.69		 144
Less Total loan repayments	(328,905.11)		37 (repaid)
<b>Total loan balance remaining</b>	<b>297,893.58</b>		<b>107</b>
 Invercargill City Council (ICC) share	 148,946.79		
Environment Southland (ES) share	148,946.79		
 ES payments into loan scheme	 200,000.00		
Balance <b>ES payable to ICC</b>	<b>NIL</b>		

ICC will invoice ES each quarter for any balance required.



Loan	Heating \$	Insulation \$	Approved Loan Amounts \$	Loan Term Yrs	Loan Issued	Loan Prinicple Repayments \$	Loan Balance Remaining \$	Cost Of Admin
CAL1	3,781.05	-	3,781.05	3 yrs	Repaid	\$3,781.05	\$ -	3.95%
CAL2	1,521.05	-	1,521.05	3 yrs	Repaid	\$1,521.05	\$ -	3.95%
CAL3	4,896.34	-	4,896.34	3 yrs	Repaid	\$4,896.34	\$ -	3.95%
CAL4	3,044.05	-	3,044.05	5 yrs	Repaid	\$3,044.05	\$ -	3.95%
CAL5	3,506.35	1,493.65	5,000.00	3 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL6	4,249.57	-	4,249.57	5 yrs	Yes	\$2,599.70	\$1,649.87	3.95%
CAL7	5,000.00	-	5,000.00	5 yrs	Yes	\$2,803.04	\$2,196.96	3.95%
CAL8	3,816.85	-	3,816.85	3 yrs	Repaid	\$3,816.85	\$ -	3.95%
CAL9	4,109.85	-	4,109.85	3 yrs	Repaid	\$4,109.85	\$ -	3.95%
CAL10	-	2,345.68	2,345.68	5 yrs	Yes	\$1,396.28	\$949.40	3.95%
CAL11	-	3,580.46	3,580.46	5 yrs	Yes	\$2,117.07	\$1,463.39	3.95%
CAL12	3,506.35	1,493.65	5,000.00	5 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL13	-	2,859.14	2,859.14	5 yrs	Repaid	\$2,859.14	\$ -	3.95%
CAL14	-	4,297.67	4,297.67	5 yrs	Yes	\$2,476.56	\$1,821.11	3.95%
CAL15	3,366.37	1,633.63	5,000.00	2 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL16	-	5,000.00	5,000.00	5 yrs	Yes	\$2,958.06	\$2,041.94	3.95%
CAL17	4,930.20	-	4,930.20	5 yrs	Yes	\$2,840.28	\$2,089.92	3.95%
CAL18	3,945.97	-	3,945.97	5 yrs	Repaid	\$3,945.97	\$ -	3.95%
CAL19	3,945.97	-	3,945.97	3 yrs	Repaid	\$3,945.97	\$ -	3.95%
CAL20	2,396.09	2,063.36	4,459.45	5 yrs	Yes	\$2,569.40	\$1,890.05	3.95%
CAL21	5,000.00	-	5,000.00	5 yrs	Yes	\$2,802.58	\$2,197.42	3.95%
CAL22	3,366.37	-	3,366.37	5 yrs	Repaid	\$3,366.37	\$ -	3.95%
CAL23	4,316.31	-	4,316.31	5 yrs	Yes	\$2,486.37	\$1,829.94	3.95%
CAL24	-	3,924.58	3,924.58	5 yrs	Repaid	\$3,924.58	\$ -	3.95%
CAL25	5,000.00	-	5,000.00	5 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL26	3,646.87	-	3,646.87	4 yrs	Yes	\$2,680.22	\$966.65	3.95%
CAL27	5,000.00	-	5,000.00	5 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL28	-	4,268.25	4,268.25	4 yrs	Yes	\$3,137.26	\$1,130.99	3.95%
CAL29	-	3,931.07	3,931.07	3 yrs	Repaid	\$3,931.07	\$ -	3.95%
CAL30	3,781.05	-	3,781.05	5 yrs	Yes	\$2,178.81	\$1,602.24	3.95%
CAL31	3,764.85	-	3,764.85	5 yrs	Yes	\$2,169.20	\$1,595.65	3.95%
CAL32	-	5,000.00	5,000.00	5 yrs	Yes	\$2,881.48	\$2,118.52	3.95%
CAL33	-	3,428.04	3,428.04	5 yrs	Yes	\$1,917.51	\$1,510.53	3.95%
CAL34	5,000.00	-	5,000.00	5 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL35	4,971.98	-	4,971.98	5 yrs	Repaid	\$4,971.98	\$ -	3.95%
CAL36	-	2,020.04	2,020.04	3 yrs	Repaid	\$2,020.04	\$ -	3.95%
CAL37	-	4,870.50	4,870.50	5 yrs	Repaid	\$4,870.50	\$ -	3.95%
CAL38	5,000.00	-	5,000.00	5 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL39	2,930.20	2,013.70	4,943.90	5 yrs	Repaid	\$4,943.90	\$ -	3.95%
CAL40	5,000.00	-	5,000.00	3 yrs	Yes	\$4,291.96	\$708.04	3.95%
CAL41	3,021.05	1,978.95	5,000.00	5 yrs	Yes	\$2,712.47	\$2,287.53	3.95%
CAL42	3,021.05	-	3,021.05	2 yrs	Repaid	\$3,021.05	\$ -	3.95%
CAL43	-	-	-	0 yrs	No	\$ -	\$ -	.00%
CAL44	-	2,705.95	2,705.95	3 yrs	Yes	\$2,377.44	\$328.51	3.95%
CAL45	2,886.50	2,113.50	5,000.00	5 yrs	Yes	\$2,550.69	\$2,449.31	3.95%
CAL46	2,731.25	2,268.75	5,000.00	5 yrs	Yes	\$2,550.69	\$2,449.31	3.95%
CAL47	5,000.00	-	5,000.00	5 yrs	Yes	\$2,202.98	\$2,797.02	3.95%
CAL48	-	2,877.30	2,877.30	5 yrs	Yes	\$1,416.02	\$1,461.28	3.95%
CAL49	4,180.00	820.00	5,000.00	5 yrs	Yes	\$2,460.43	\$2,539.57	3.95%
CAL50	3,298.20	-	3,298.20	3 yrs	Yes	\$2,809.26	\$488.94	3.95%
CAL51	2,412.70	2,587.30	5,000.00	5 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL52	-	5,000.00	5,000.00	5 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL53	5,000.00	-	5,000.00	5 yrs	Yes	\$2,127.96	\$2,872.04	3.95%
CAL54	5,000.00	-	5,000.00	5 yrs	Yes	\$2,127.96	\$2,872.04	3.95%
CAL55	3,551.20	-	3,551.20	5 yrs	Yes	\$1,633.63	\$1,917.57	3.95%
CAL56	5,000.00	-	5,000.00	5 yrs	Yes	\$2,300.88	\$2,699.12	3.95%
CAL57	5,000.00	-	5,000.00	3 yrs	Yes	\$3,394.16	\$1,605.84	3.95%
CAL58	-	3,911.17	3,911.17	4 yrs	Yes	\$2,179.24	\$1,731.93	3.95%
CAL59	5,000.00	-	5,000.00	4 yrs	Yes	\$2,401.58	\$2,598.42	3.95%
CAL60	-	4,705.00	4,705.00	5 yrs	Yes	\$2,053.59	\$2,651.41	3.95%
CAL61	-	2,957.11	2,957.11	5 yrs	Yes	\$1,307.94	\$1,649.17	3.95%

CAL62	-	4,954.80	4,954.80	5 yrs	Repaid	\$4,954.80	\$ -	3.95%
CAL63	5,000.00	-	5,000.00	3 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL64	4,266.35	-	4,266.35	5 yrs	Repaid	\$4,266.35	\$ -	3.95%
CAL65	4,200.80	-	4,200.80	5 yrs	Yes	\$1,644.51	\$2,556.29	3.95%
CAL66	5,000.00	-	5,000.00	5 yrs	Yes	\$1,956.79	\$3,043.21	3.95%
CAL67	-	3,175.40	3,175.40	4 yrs	Repaid	\$3,175.40	\$ -	3.95%
CAL68	5,000.00	-	5,000.00	5 yrs	Yes	\$1,882.55	\$3,117.45	3.95%
CAL69	-	3,192.45	3,192.45	4 yrs	Yes	\$1,733.19	\$1,459.26	3.95%
CAL70	2,731.25	2,268.75	5,000.00	3 yrs	Yes	\$3,660.03	\$1,339.97	3.95%
CAL71	5,000.00	-	5,000.00	2 yrs	Yes	\$4,801.04	\$198.96	3.95%
CAL72	4,456.05	-	4,456.05	5 yrs	Yes	\$1,744.26	\$2,711.79	3.95%
CAL73	3,751.62	114.74	3,866.36	5 yrs	Yes	\$1,628.98	\$2,237.38	3.95%
CAL74	3,284.40	1,715.60	5,000.00	5 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL75	5,000.00	-	5,000.00	5 yrs	Yes	\$1,788.02	\$3,211.98	3.95%
CAL76	2,412.70	2,587.30	5,000.00	5 yrs	Yes	\$1,957.20	\$3,042.80	3.95%
CAL77	3,955.85	1,044.15	5,000.00	5 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL78	3,076.25	-	3,076.25	3 yrs	Yes	\$2,097.70	\$978.55	3.95%
CAL79	2,731.25	2,268.75	5,000.00	5 yrs	Yes	\$1,957.20	\$3,042.80	3.95%
CAL80	5,000.00	-	5,000.00	3 yrs	Yes	\$3,409.65	\$1,590.35	3.95%
CAL81	3,551.20	1,448.80	5,000.00	5 yrs	Yes	\$1,882.40	\$3,117.60	3.95%
CAL82	-	4,722.66	4,722.66	5 yrs	Yes	\$1,777.61	\$2,945.05	3.95%
CAL83	5,000.00	-	5,000.00	5 yrs	Yes	\$1,808.41	\$3,191.59	3.95%
CAL84	5,000.00	-	5,000.00	5 yrs	Yes	\$1,691.59	\$3,308.41	3.95%
CAL85	3,664.45	1,335.55	5,000.00	5 yrs	Yes	\$1,808.41	\$3,191.59	3.95%
CAL86	-	5,000.00	5,000.00	3 yrs	Yes	\$3,126.66	\$1,873.34	3.95%
CAL87	-	2,423.40	2,423.40	3 yrs	Yes	\$1,520.65	\$902.75	3.95%
CAL88	-	-	-	0 yrs	No	\$ -	\$ -	.00%
CAL89	-	2,700.89	2,700.89	3 yrs	Repaid	\$2,700.89	\$ -	3.95%
CAL90	-	5,000.00	5,000.00	5 yrs	Yes	\$1,808.02	\$3,191.98	3.95%
CAL91	3,485.65	1,514.35	5,000.00	5 yrs	Repaid	\$5,000.00	\$ -	3.95%
CAL92	3,284.40	1,715.60	5,000.00	5 yrs	Yes	\$1,691.59	\$3,308.41	3.95%
CAL93	2,412.70	2,587.30	5,000.00	5 yrs	Yes	\$1,470.31	\$3,529.69	3.95%
CAL94	3,596.37	-	3,596.37	5 yrs	Yes	\$1,216.83	\$2,379.54	3.95%
CAL95	-	3,464.08	3,464.08	5 yrs	Yes	\$1,069.75	\$2,394.33	3.95%
CAL96	3,485.65	1,514.35	5,000.00	5 yrs	Yes	\$1,544.15	\$3,455.85	3.95%
CAL97	4,479.57	-	4,479.57	5 yrs	Yes	\$1,317.28	\$3,162.29	3.95%
CAL98	4,750.73	-	4,750.73	5 yrs	Yes	\$1,627.73	\$3,123.00	3.95%
CAL99	5,000.00	-	5,000.00	5 yrs	Yes	\$1,544.52	\$3,455.48	3.95%
CAL100	-	4,109.04	4,109.04	5 yrs	Yes	\$1,281.52	\$2,827.52	3.95%
CAL101	4,954.80	-	4,954.80	5 yrs	Yes	\$985.31	\$3,969.49	3.95%
CAL102	-	4,464.07	4,464.07	5 yrs	Yes	\$1,312.50	\$3,151.57	3.95%
CAL103	3,533.95	1,466.05	5,000.00	3 yrs	Yes	\$2,553.45	\$2,446.55	3.95%
CAL104	5,000.00	-	5,000.00	5 yrs	Yes	\$1,247.51	\$3,752.49	3.95%
CAL105	5,000.00	-	5,000.00	5 yrs	Yes	\$1,318.40	\$3,681.60	3.95%
CAL106	4,249.57	750.43	5,000.00	5 yrs	Yes	\$1,324.59	\$3,675.41	3.95%
CAL107	5,000.00	-	5,000.00	5 yrs	Yes	\$1,159.30	\$3,840.70	3.95%
CAL108	5,000.00	-	5,000.00	5 yrs	Yes	\$1,230.91	\$3,769.09	3.95%
CAL109	5,000.00	-	5,000.00	5 yrs	Yes	\$1,230.91	\$3,769.09	3.95%
CAL110	3,298.20	-	3,298.20	5 yrs	Yes	\$750.25	\$2,547.95	3.95%
CAL111	5,000.00	-	5,000.00	4 yrs	Yes	\$1,268.64	\$3,731.36	3.95%
CAL112	5,000.00	-	5,000.00	5 yrs	Yes	\$994.20	\$4,005.80	3.95%
CAL113	4,249.57	750.43	5,000.00	5 yrs	Yes	\$1,137.47	\$3,862.53	3.95%
CAL114	-	3,591.16	3,591.16	5 yrs	Yes	\$832.33	\$2,758.83	3.95%
CAL115	5,000.00	-	5,000.00	5 yrs	Yes	\$386.64	\$4,613.36	3.95%
CAL116	-	2,351.11	2,351.11	2 yrs	Yes	\$1,333.22	\$1,017.89	3.95%
CAL117	5,000.00	-	5,000.00	5 yrs	Yes	\$922.26	\$4,077.74	3.95%
CAL118	-	4,957.42	4,957.42	5 yrs	Yes	\$1,071.07	\$3,886.35	3.95%
CAL119	-	-	-	0 yrs	No	\$ -	\$ -	3.95%
CAL120	4,635.57	364.43	5,000.00	3 yrs	Yes	\$1,726.05	\$3,273.95	3.95%
CAL121	-	4,081.21	4,081.21	5 yrs	Yes	\$811.59	\$3,269.62	3.95%
CAL122	3,950.10	-	3,950.10	4 yrs	Yes	\$929.73	\$3,020.37	3.95%
CAL123	-	4,833.40	4,833.40	3 yrs	Yes	\$1,548.08	\$3,285.32	3.95%
CAL124	5,000.00	-	5,000.00	3 yrs	Yes	\$1,284.57	\$3,715.43	3.95%
CAL125	-	1,316.13	1,316.13	3 yrs	Repaid	\$1,316.13	\$ -	3.95%
CAL126	3,711.37	-	3,711.37	5 yrs	Yes	\$684.86	\$3,026.51	3.95%
CAL127	4,249.57	-	4,249.57	5 yrs	Yes	\$627.26	\$3,622.31	3.95%
CAL128	5,000.00	-	5,000.00	5 yrs	Yes	\$456.32	\$4,543.68	3.95%

CAL129	4,369.64	-	4,369.64	5 yrs	Yes	\$337.82	\$4,031.82	3.95%
CAL130	3,945.97	-	3,945.97	5 yrs	Repaid	\$3,945.97	\$ -	3.95%
CAL131	3,810.46	-	3,810.46	2 yrs	Yes	\$924.38	\$2,886.08	3.95%
CAL132	4,249.57	-	4,249.57	2 yrs	Yes	\$1,353.85	\$2,895.72	3.95%
CAL133	4,275.16	-	4,275.16	5 yrs	Yes	\$390.26	\$3,884.90	3.95%
CAL134	4,505.62	-	4,505.62	5 yrs	Yes	\$204.40	\$4,301.22	3.95%
CAL135	3,700.00	-	3,700.00	3 yrs	Yes	\$768.31	\$2,931.69	3.95%
CAL136	4,618.87	-	4,618.87	3 yrs	Yes	\$619.25	\$3,999.62	3.95%
CAL137	4,419.99	-	4,419.99	3 yrs	Yes	\$106.01	\$4,313.98	3.95%
CAL138	-	3,646.65	3,646.65	3 yrs	Yes	\$666.99	\$2,979.66	3.95%
CAL139	5,000.00	-	5,000.00	5 yrs	No	\$ -	\$ -	3.95%
CAL140	4,253.95	-	4,253.95	5 yrs	No	\$ -	\$ -	3.95%
CAL141	4,119.99	-	4,119.99	3 yrs	Repaid	\$4,119.99	\$ -	3.95%
CAL142	4,196.51	-	4,196.51	5 yrs	No	\$ -	\$ -	3.95%
CAL143	5,000.00	-	5,000.00	5 yrs	Yes	\$68.66	\$4,931.34	3.95%
CAL144	4,419.99	-	4,419.99	5 yrs	Yes	\$60.69	\$4,359.30	3.95%
CAL145	5,000.00	-	5,000.00	5 yrs	Yes	\$75.73	\$4,924.27	3.95%
CAL146	4,419.99	284.68	4,704.67	5 yrs	Yes	\$64.60	\$4,640.07	3.95%
CAL147	4,249.57	-	4,249.57	5 yrs	Yes	\$116.42	\$4,133.15	3.95%
CAL148	4,249.57	-	4,249.57	5 yrs	No	\$ -	\$ -	3.95%
CAL149	4,249.57	312.49	4,562.06	5 yrs	Yes	\$69.10	\$4,492.96	3.95%
CAL150	3,298.20	-	3,298.20	5 yrs	Yes	\$90.37	\$3,207.83	3.95%
CAL151	3,664.45	-	3,664.45	5 yrs	Yes	\$50.32	\$3,614.13	3.95%
CAL152	5,000.00	-	5,000.00	5 yrs	No	\$ -	\$ -	3.95%
CAL153	-	-	-	0 yrs	No	\$ -	\$ -	.00%
CAL154	5,000.00	-	5,000.00	5 yrs	No	\$ -	\$ -	3.95%
CAL155	5,000.00	-	5,000.00	3 yrs	No	\$ -	\$ -	3.95%
CAL156	4,249.57	-	4,249.57	3 yrs	No	\$ -	\$ -	3.95%
CAL157	3,705.51	-	3,705.51	5 yrs	No	\$ -	\$ -	3.95%
CAL158	5,000.00	-	5,000.00	3 yrs	No	\$ -	\$ -	3.95%





Quarterly report as at  
30/9/19

<u>Applications received:</u>			<u>Funding</u>	<u>Total</u>	<u>Heating - ES</u>	<u>Insulation - GDC</u>
Approved:	22	92%	Available funds:	190,000.00	140,000.00	50,000.00
Declined:	1	4%				
Withdrawn	1	4%	Less: Loan balance remaining:	43,059.83	36,794.49	6,265.34
	<u>24</u>		Less: Loans approved but not issued:	41,719.30	41,719.30	-
<b>Funds still available for clean air loans:</b>				<b>105,220.87</b>	<b>61,486.21</b>	<b>43,734.66</b>

Loans approved for Heating	95,178.46	91%	Number of Loans in default	Nil
Loans approved for Insulation	9,002.80	9%		
<b>TOTAL LOANS APPROVED</b>	<b>104,181.26</b>		Amount in default	Nil

TOTAL LOANS ISSUED	62,461.96
Less Total loan repayments	(19,402.13)
<b>Total loan balance remaining</b>	<b>43,059.83</b>

Gore District Council (GDC) share	6,265.34
Environment Southland (ES) share	36,794.49

ES payments into loan scheme	40,000.00
Balance <b>GDC payable to ES</b>	<b>(3,205.51)</b>

GDC will invoice ES each quarter for any balance required.

Loan	Heating \$	Insulation \$	Approved Loan Amounts \$	Loan Term Yrs	Loan Issued	Loan Principal Repayments \$	Loan Balance Remaining \$	Loan Matures	Arrears	Cost Of Admin
1	2,734.25	2,265.75	5,000.00	5 yrs	YES	\$ 1,961.46	\$ 3,038.54	12-10-22		0.00%
2	5,000.00	-	5,000.00	5 yrs	YES	\$ 1,923.00	\$ 3,077.00	26-10-22		0.00%
3	4,043.72	-	4,043.72	5 yrs	YES	\$ 1,617.60	\$ 2,426.12	20-09-22		0.00%
4	3,382.15	1,617.85	5,000.00	5 yrs	YES	\$ 346.14	\$ 4,653.86	22-05-24		0.00%
5	3,284.40	1,715.60	5,000.00	5 yrs	YES	\$ 1,961.46	\$ 3,038.54	12-10-22		0.00%
6	5,000.00	-	5,000.00	5 yrs	YES	\$ 1,999.92	\$ 3,000.08	20-09-22		0.00%
7	4,998.22	-	4,998.22	5 yrs	YES	\$ 1,730.25	\$ 3,267.97	04-01-23		0.00%
8	3,422.40	1,577.60	5,000.00	5 yrs	YES	\$ 1,538.40	\$ 3,461.60	15-03-23		0.00%
9	5,000.00	-	5,000.00	5 yrs	YES	\$ 1,499.94	\$ 3,500.06	20-03-23		0.00%
10	4,577.32	-	4,577.32	5 yrs	YES	\$ 1,391.19	\$ 3,186.13	29-03-23		0.00%
11	3,174.00	1,826.00	5,000.00	5 yrs	YES	\$ 1,583.27	\$ 3,416.73	20-02-23		0.00%
12	3,842.70	-	3,842.70	3 yrs	YES	\$ 1,330.29	\$ 2,512.41	15-09-21		0.00%
13	5,000.00	-	5,000.00	5 yrs	NO	\$ -	\$ -	20-11-24		0.00%
14	5,000.00	-	5,000.00	5 yrs	NO	\$ -	\$ -	20-11-24		0.00%
15	4,581.99	-	4,581.99	5 yrs	NO	\$ -	\$ -	20-11-24		0.00%
16	4,581.99	-	4,581.99	5 yrs	NO	\$ -	\$ -	20-11-24		0.00%
17	5,000.00	-	5,000.00	5 yrs	YES	\$ 519.21	\$ 4,480.79	20-03-24		0.00%
18	4,804.21	-	4,804.21	3 yrs	NO	\$ -	\$ -	23-11-22		0.00%
19	4,217.99	-	4,217.99	5 yrs	NO	\$ -	\$ -	20-11-24		0.00%
20	5,000.00	-	5,000.00	5 yrs	NO	\$ -	\$ -	20-11-24		0.00%
21	5,000.00	-	5,000.00	5 yrs	NO	\$ -	\$ -	20-11-24		0.00%
22	3,533.12	-	3,533.12	3 yrs	NO	\$ -	\$ -	23-11-22		0.00%
#VALUE!	-	-			NO	\$ -	\$ -			
#VALUE!	-	-			NO	\$ -	\$ -			
#VALUE!	-	-			NO	\$ -	\$ -			



## Item 5 Regional Software Holdings Limited – Annual Report to 30 June 2019

<b>MORF ID:</b> A503381	<b>Strategic Direction:</b> Management Policy
<b>Report by:</b> Mel Weston, PA	<b>Approved by:</b> Neil Selman, Director of Corporate Services
<b>Executive Approval:</b> Neil Selman, Director of Corporate Services	

### Purpose

For Council to receive the Regional Software Holdings Limited Annual Report for the financial year ended 30 June 2019.

### Summary

A copy of the Regional Software Holdings Limited Annual Report for the financial year ended 30 June 2019, which includes Audit New Zealand's Audit Report to the Board, is attached.

### Recommendation

**It is recommended that Council resolve to receive the Regional Software Holdings Limited's Annual Report for the year ended 30 June 2019.**

### Report

#### Background

Regional Software Holdings Limited is a council-controlled organisation of six regional councils (Northland, Waikato, Taranaki, Horizons, West Coast and Southland). The Council has a 15.5% shareholding in Regional Software Holdings Limited.

Regional Software Holdings Limited (RSHL) is responsible for maintaining and developing the IRIS (Integrated Regional Information System) software product. It is also charged with marketing the solution to other regional councils.

#### Implications/Risks

The finalising of this policy will provide greater certainty and a consistent approach for staff and contractors around how such matters are dealt with internally; and overall provide greater transparency for the public as to how such matters will be addressed.

#### Fit with strategic framework

There are no matters in this report which require consideration under this heading.

#### Compliance with Significance and Engagement Policy

There are no issues within this report which trigger matters in this policy.



## **Considerations**

### **Financial implications**

There are no financial implications created by the adoption of this policy.

### **Legal implications**

This report and the associated recommendations comply with the appropriate statutory requirements placed upon the Council.

## **Attachment**

1. Regional Software Holdings Limited Annual Report, including financial statements for the year ended 30 June 2019 and Audit New Zealand's Audit Report to the Board.

**Regional Software Holdings Limited**  
**Annual Report Including Financial**  
**Statements**

**For the Year Ended 30 June 2019**

**Regional Software Holdings Limited**  
**For the Year Ended 30 June 2019**

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## **Regional Software Holdings Limited**

### **Entity Information for the Year Ended 30 June 2019**

#### **Legal Name**

Regional Software Holdings Limited (RSHL)

#### **Type of Entity and Legal Basis**

RSHL is a Limited Liability Company incorporated and registered under the Companies Act 1993 and is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

#### **The Company's purpose or mission**

The primary objective is to provide a framework for collaboration between the shareholders. It supports the procurement or development of shared software resource products and services in a manner that provides a more cost effective alternative than individual councils can achieve on their own.

#### **Structure of the Company**

The Company comprises of a Board of seven directors. The Board oversee the governance of RSHL. In addition there is a general manager who is responsible for the day-to-day operations of RSHL and reporting to the Board. Each Shareholder is entitled to separately appoint one director each.

#### **Main sources of RSHL's cash and resources**

Funds are received by way of levies from each Council. These levies are set annually in the Statement of Intent. These are the primary source of funding to RSHL.

#### **Outputs**

Outputs are described in the statement of performance and reported upon as part of the Annual Report.

# **Regional Software Holdings Limited**

## **Directors' Report**

### **For the Year Ended 30 June 2019**

#### **Regional Software Holdings Limited's Director's Report**

On behalf of Regional Software Holdings Ltd, and the six regional council shareholders, it is our pleasure to present the Company's 2018/2019 Annual Report.

Regional Software Holdings Ltd is a major shared service undertaking by the Northland, Waikato, Taranaki, Horizons, West Coast and Southland regional councils. Hawke's Bay Regional Council is also a customer of Regional Software Holdings Ltd.

Regional Software Holdings Ltd is responsible for the long-term maintenance and development of the Integrated Regional Information System (IRIS) product as developed for and by the shareholding councils. Over the last few years, the six regional councils have developed a software solution (IRIS) for the regional council specific functions undertaken by those councils. The development project has been a remarkable success.

2018/2019 was a year of growth and development for Regional Software Holdings Ltd.

For the flagship IRIS product, the year was one of consolidation of the existing product and preparation for the next generation of IRIS development. Two releases of new functionality were delivered over the year with a total of four major enhancements and 29 minor enhancements. The focus during 2018/2019 was addressing design flaws affecting performance in the long term removing the dependency on Silverlight (mapping component).

As noted in last year's Annual Report, there is a need to undertake a reinvestment in the IRIS product to ensure the underlying technology remains current and fit for purpose. Regional Software Holdings Ltd has identified development of the roadmap for the next generation of IRIS (IRIS NG) as a key strategic priority. The objectives of this process are:

- To have selected a solution or solutions that meet the needs of Regional Software Holdings Ltd shareholders and customers for the long-term. Regional Software Holdings Ltd's philosophy is to develop only that software which is necessary deliver a complete solution for regional councils. With IRIS NG it is expected that commercial software will be a greater proportion of the solution than is the case with IRIS.
- Create a transition plan for existing IRIS councils from IRIS to IRIS NG.
- Develop long-term financial projections for Regional Software Holdings Ltd, shareholders and customers for the implementation of the next generation platform.

Regional Software Holdings Ltd has a number of opportunities going forward. In particular, the Company continues to look to grow the number of IRIS users in other regional councils. Regional Software Holdings Ltd has continued to work with other regional councils to attract them as either shareholders or customers. This year Regional Software Holdings Ltd has worked very closely and intensively with Hawke's Bay Regional Council (HBRC) in their implementation of IRIS. IRIS is now live and working well at HBRC. Regional Software Holdings Ltd has presented a proposal to one other regional council to bring them on as a customer and user of IRIS.

This time last year we noted that Regional Software Holdings Ltd was starting to work with the regional council sector to establish how the company vehicle can be used for the betterment of the regional council community. This has resulted in the Regional Council Collaboration (ReCoCo) initiative. ReCoCo facilitates unitary and regional councils entering into collaboration initiatives where there are overlapping or shared objectives, covering areas of common interest or joint responsibility. Regional Software Holdings Ltd is the delivery vehicle used to facilitate and administer ReCoCo. This year saw the implementation of ReCoCo commence with the first projects delivered to the benefit of the wider regional council community.

All of these initiatives put considerable pressure on the time commitments of our part time General Manager John Crane. Consequently, the Board decided to appoint and employ its first full time General Manager. The Board wishes to acknowledge and thank John for his contribution as General Manager. The work of John has placed Regional Software Holdings Ltd in an excellent position to move forward. The Board also welcomes Mark Donnelly as the new full-time General Manager. The ability to deliver the initiatives outlined above would not be possible without a full-time General Manager.

John's expertise and experience will not be lost to Regional Software Holdings Ltd as he has been appointed to represent Waikato Regional Council on the board. Mr Mike Garrett was Waikato's representative since the company's inception but has now retired. The Board wishes him well in his future endeavours and thanks him for his contribution to the successes of Regional Software Holdings Ltd.

We also farewell Regional Software Holdings Ltd.'s Company Secretary (Leanne MacDonald) and Accountant (Amanda Calman) as they advance their careers. Again we acknowledge and thank Leanne and Amanda for their contributions.

Financially, the company is in a sound position as planned. Regional Software Holdings Ltd.'s revenue comes from licence charges and fees from the shareholding councils. This funding is used for the maintenance and development of the IRIS product. Therefore, the company does not trade to make a profit. Rather, it charges to cover its planned level of expenditure. The continuing investment in the development and enhancement of IRIS ensures that the product maintains its value within the Company's balance sheet. The growth in the user base of IRIS allows the company to reduce the licence charges and fees. This is a real tangible financial benefit to the regional councils involved in IRIS.

The success of IRIS and Regional Software Holdings Ltd is due to the collaborative approach of the six regional councils. The success and richness of the IRIS product is a reflection of the contribution, expertise, and commitment of a team of well over 100 people from all the shareholding councils, in a variety of roles.

The outlook for Regional Software Holdings Ltd and the IRIS product is bright and there are significant opportunities to support the activities and achievements of New Zealand regional councils and unitary authorities.



## **Financial Statements**

The financial statements required by section 67 of the Local Government Act 2002 (LGA (2002)), together with the audit report required by section 69 of the LGA (2002), are attached.

## **Registered Office**

C/o Horizons Regional Council  
11-15 Victoria Avenue  
Palmerston North

## **Auditors**

Audit New Zealand on behalf of the Controller and Auditor General.

## Directors

The following directors were in office at the end of the year:

	2018-19		2017-18	
	Remuneration	Benefits	Remuneration	Benefits
Mike Neild (Chairman)	-	-	-	-
Malcolm Nicolson	-	-	-	-
Ged Shirley	-	-	-	-
Les Gibbs	-	-	-	-
Neil Selman	-	-	-	-
Mike Garrett (Retired Dec 2018)	-	-	-	-
John Crane (Appointed Dec 2018)	-	-	-	-
A Aakjaer (Independent Director)	30,000	-	17,500	-
<b>Total Remuneration</b>	<b>30,000</b>	<b>-</b>	<b>17,500</b>	<b>-</b>

Replacement Deputy Chair (position vacated by Mike Garrett) is yet to be appointed.

## Interest Register

All Directors listed their interests in the register on being appointed to the company. The following interests were registered:

Director	Organisation	Interest
MC Nicolson	Hawk Hill Estates Limited	Director
	The Masters Group Holdings Limited	Director
MJ Nield	Taranaki Stadium Trust	Trustee
L Gibbs		
N Selman	Mount Cook Alpine Salmon Limited	Shareholder
	Real estate financial Services Limited	Director & Shareholder
G Shirley	Left Brain Creations Limited	
A Aakjaer	Negotiate Limited	Director & Shareholder
	Aakjaer Trustee Company Ltd	Director & Shareholder
	Ice Bear Holdings Ltd	Director & Shareholder
	One Sheep at a Time Limited	Shareholder
	<i>Note: Negotiate Consulting may from time to time provide advisory services to Northland Regional Council and Waikato Regional Council</i>	
	J Crane	

**Additional Disclosure**

The Companies Act 1993 requires disclosure of the amount of donations, audit fees, fees for other services from the auditor, and the number of employees of the company who received remuneration and other benefits above \$100,000 per annum, in brackets of \$10,000. For this financial year, one employee was employed by RSHL however the remuneration was not over \$100,000. The audit fee for the period is expected to be \$5,289 (GST exclusive) paid to Audit New Zealand.

**Statement of Compliance**

The Board of Directors hereby confirm that all statutory requirements in relation to the annual report, as outlines in the Local Government Act 2002, have been complied with.

**Statement of Responsibility**

In terms of the Local Government Act 2002 and the Companies Act 1993, the Board of Directors is responsible for the preparation of Regional Software Holdings Limited's financial statements and to assist the company meet its objectives and any other requirements in its Statement of Intent (SOI).


The Board of Directors of Regional Software Holdings Limited has the responsibility for establishing, and has established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board of Director's opinion, these financial statements fairly reflect the financial position and operations of Regional Software Holdings Limited for the year ended 30 June 2019.

Signed on behalf of the Board of Directors:



MJ Nield – Chairman  
Date: 29 August 2019



Ged Shirley - Director  
Date: 30/8/19

**Regional Software Holdings Limited**  
**Statement of Financial Performance**  
**For the Year Ended 30 June 2019**

	Note	Actual 2018-19	Budget 2018-19	Actual 2017-18
<b>Revenue</b>				
Members Contributions	1	1,210,458	1,117,579	1,151,350
Interest Income		391	600	277
Regional Sector Share Services		51,059	500,000	-
Other Income	2	218,064	211,213	77,255
<b>Total Revenue</b>		<b>1,479,971</b>	<b>1,829,392</b>	<b>1,228,882</b>
<b>Expenses</b>				
Administration Costs	3	32,329	26,120	42,870
Audit and Legal Fees		5,250	11,100	5,250
Datacom Support Services		172,653	178,000	278,468
Technical Services		-	50,000	-
Environmental Charges		14,258	10,500	9,476
Implementation Costs		6,551	-	19,505
Promotional Costs			10,000	-
Travel and Meeting Costs		8,897	7,000	-
Management Fees		125,926	157,500	148,773
Personnel Costs		24,046	-	-
External Director Fees		30,000	30,000	18,627
Regional Sector Shared Services		41,595	500,000	-
Other Direct Software Expenses		207,097	62,750	68,041
Depreciation	7	817,721	786,423	740,460
<b>Total Expenses</b>		<b>1,486,323</b>	<b>1,829,392</b>	<b>1,331,470</b>
<b>Surplus/(Deficit) Before Tax</b>		<b>(6,351)</b>	<b>-</b>	<b>(102,588)</b>
<b>Income Tax Expense</b>	4	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(Deficit) After Tax</b>		<b>-</b>	<b>-</b>	<b>(102,588)</b>

Explanations of major variances against budget are provided in note 14  
The accompanying notes form part of these financial statements

**Regional Software Holdings Limited**  
**Statement of Financial Position**  
**As at 30 June 2019**

	Note	Actual 2018-19	Budget 2018-19	Actual 2017-18
<b>Assets</b>				
<b>Current Assets</b>				
Bank Accounts and Cash	5	282,355	137,932	305,693
Debtors and Prepayments	6	383,469	-	6,317
GST Receivable		-	-	33,237
Withholding Tax Paid		115	-	94
<b>Total Current Assets</b>		665,939	137,932	345,341
<b>Non Current Assets</b>				
Property, Plant and Equipment(PPE)	7	4,885,346	5,202,007	5,025,893
<b>Total Non Current Assets</b>		4,885,346	5,202,007	5,025,893
<b>Total Assets</b>		<b>5,551,286</b>	<b>5,339,939</b>	<b>5,371,234</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and Accrued Expenses	8	182,054	-	166,199
Revenue in Advance – ReCoco		161,441		
GST Payable		9,106	-	-
<b>Total Current Liabilities</b>		352,601	-	166,199
<b>Total Liabilities</b>		352,602	-	166,199
<b>Net Assets</b>	9	<b>5,198,684</b>	<b>5,339,939</b>	<b>5,205,035</b>
<b>Represented By:</b>				
<b>Equity</b>				
Contributed Capital	9	5,149,150	5,149,150	5,149,150
Accumulated Surpluses	9	49,534	190,790	55,885
<b>Total Equity</b>		<b>5,198,684</b>	<b>5,339,939</b>	<b>5,205,035</b>

Explanations of major variances against budget are provided in note 14  
The accompanying notes form part of these financial statements

**Regional Software Holdings Limited**  
**Statement of Cashflows for the year**  
**Ended 30 June 2019**

	Note	Actual 2018-19	Budget 2018-19	Actual 2017-18
<b>Cashflows from Operating Activities</b>				
<b>Cash was provided from:</b>				
Receipts from Members		919,615	711,213	1,148,084
Interest		391	600	277
Recoco Income		212,500		
Other Income		180,948	1,117,579	94,926
Tax Refunds Received		-	-	-
<b>Total Operating Receipts</b>		<b>1,313,454</b>	<b>1,829,392</b>	<b>1,243,288</b>
<b>Cash was applied to:</b>				
Payments to Suppliers		(589,313)	(1,042,970)	(503,931)
Net GST Movement		(7,346)		(26,111)
<b>Total Operating Payments</b>		<b>(596,659)</b>	<b>(1,042,970)</b>	<b>(530,042)</b>
<b>Net cash from operating</b>		<b>716,795</b>	<b>786,422</b>	<b>713,246</b>
<b>Cashflow from Investing Activities</b>				
<b>Cash was applied to:</b>				
Purchase of PPE/Intangible Assets		(740,133)	(785,248)	(760,628)
Term deposits		-	-	-
<b>Total Investment Payments</b>		<b>(740,133)</b>	<b>(785,248)</b>	<b>(760,628)</b>
<b>Net cash from investing</b>		<b>(740,133)</b>	<b>(785,248)</b>	<b>(760,628)</b>
<b>Net increase (decrease) in cashflow for the year</b>		<b>(23,338)</b>	<b>1,175</b>	<b>(47,382)</b>
Opening Cash Balance		305,693	136,758	353,075
<b>Closing Cash Balance</b>		<b>282,355</b>	<b>137,932</b>	<b>305,693</b>
<b>Made up of:</b>				
Westpac Current Account	5	102,261	25,000	141,786
Westpac Online Saver Account		180,095	112,932	163,907
		<b>282,355</b>	<b>137,932</b>	<b>305,693</b>

The GST (net) component of cash flows from operating activities reflects the net GST paid to and received from the Inland Revenue Departments. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent.

Explanations of major variances against budget are provided in note 14  
The accompanying notes form part of these financial statements

**Regional Software Holdings Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**STATEMENT OF ACCOUNTING POLICIES**

**Reporting Entity**

Regional Software Holdings Limited (RSHL) is a Council Controlled Organisation (CCO), owned by Waikato Regional Council (32.75%) Northland Regional Council (16.75%) Horizons Regional Council (15.50%) Taranaki Regional Council (15.50%) Southland Regional Council (15.50%) and West Coast Regional Council (4.00%.) RSHL was incorporated on 17 October 2012. RSHL was primarily incorporated for the purposes of managing the investment and development of IRIS Software, and has designated itself a Public Benefit Entity (PBE), in keeping with the designation of the shareholders.

The financial statements are those of RSHL, for the 12 months ended 30 June 2019, and were authorised for issue by the Board of Directors on 29 August 2019.

**Basis of Preparation of the Financial Statements**

RSHL qualifies for Public Benefit Simple Format Reporting – Accrual (PBE-SFR-A) on the basis that the Company does not have publicly accountable (as defined) and has total annual expenses of less than \$2 million.

The financial statements have been prepared in accordance with Tier 3 Public Benefit Entity (PBE) Standards.

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. The financial statements have been prepared on a historical cost basis.

All transactions in the financial statements are reported using the accrual basis of accounting.

**Presentation Currency and Rounding**

The financial statements have been prepared in New Zealand dollars and there will be rounding in the numbers in the financial statements, as the financial model used calculates to the cent but the annual report is rounded to the nearest dollar.

The functional currency of RSHL is New Zealand dollars.

## **Summary of Significant Accounting Policies**

### **Revenue**

Revenue is measured at the fair value of consideration received or receivable.

Members Contributions and Other forms of Revenue (excluding investment revenue), including fees, charges, and other revenues are recognised on a stage of completion basis at balance date as a percentage of total services to be provided.

Interest revenue is recorded as it is earned.

### **Expenditure**

Expenditure is recognised on as an expense when the service was provided, or the goods received.

Costs associated with maintaining the IRIS software suite are recognised as an expense when incurred.

### **Bank Accounts and Cash**

Cash and cash equivalents includes include cash on hand, on demand or call deposits, other short-term deposits with original maturities of three months or less, and bank overdrafts.

### **Debtors**

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

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

RSHL is registered for GST; these financial statements are presented exclusive of GST, except for receivables and payables which are inclusive of GST.

Commitments and contingencies are disclosed exclusive of GST.

### **Income Tax**

Income tax expenses calculated using the taxes payable method. As a result no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

### **Creditors and Accrued Expenses**

Creditors and accrued expenses are measured at the amount owed.

### **Employee-related costs**

Wages, salaries, and annual leave are recognised as an expense as staff provide services and become entitled to wages, salaries, and leave entitlements.

Performance payments are recognised when the employee is notified that the payment has been granted.

Superannuation contributions are recognised as an expense as staff provide services.

### **Property, Plant and Equipment**

Property, plant, and equipment are recorded at cost, less accumulated depreciation/amortisation and impairment losses

### *Software acquisition and development*



Costs that are directly associated with the development or acquisition of the IRIS software suite and E-learning are recognised as property, plant and equipment.

#### *Depreciation*

Depreciation begins when the asset is available for use and ceases at the date that the asset is derecognised. The depreciation charge for each period is recognised through the Statement of Financial Performance.

The carrying value is depreciated on a straight-line basis over its useful life. The following useful useful lives and associated depreciation rates apply to property, plant, and equipment

<b>Plant, property, equipment</b>	<b>Useful Life</b>	<b>Depreciation Rate</b>
IRIS software Intellectual property	10 years	10%
E-Learning software	10 years	10%
Computer Hardware	10 years	10%

#### *Impairment*

Where an item of property, plant, equipment asset is replaced, upgraded or determined by RSHL to be of no further operational benefit, a change in value will be recognised through the Statement of Financial Performance. This change in value will be the difference between the carrying value of the original item and its fair value.

If there is any indication that an impairment charge recorded in prior periods may no longer exist or has reduced, an impairment reversal is recognised. The reversal of impairment shall be all or part of the previous impairment charge. However, it must not result in the carrying amount of the asset (net of depreciation) being recorded at more than it would have been had the impairment not been recorded.

#### **Critical Accounting Estimates and Assumptions**

In preparing these financial statements, RSHL has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

#### **Budget Figures**

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing the financial statements.

#### **Changes in Accounting Policies**

Other than noted below, accounting have been applied consistently to all periods presented in these financial statements.

#### **Omnibus Amendments**

The 2018 Omnibus amendments to Tier 3 and Tier 4 PBE Accounting Requirements has been early adopted in preparing this set of financial statements. The adoption of the amendments has resulted in additional disclosures in the financial statements and clarification on the treatment of impairment reversals. This has not resulted in any changes in the accounting policies applied during the financial year and no impact on the reported amounts.

#### **Tier 2 PBE Accounting Standards applied**

RSHL has not applied any Tier 2 Accounting Standards in preparing its financial statements.

## Notes to the Financial Statements for the Year Ended 30 June 2019

### 1. Members Contributions

Statement of Intent set the member contributions to be \$1,117,579.

	2018-19	2017-18
Members Contributions as per SOI	1,117,578	1,098,534
Subsequently agreed contributions		
Capital Funding	52,435	
Shared Licence Funding	40,445	9,991
E-Learning Software Purchase		42,525
<b>Total Member Contributions</b>	<b>1,210,458</b>	<b>1,151,350</b>

### 2. Other Income

	2018-19	2017-18
Recovery of other direct software expenses	57,750	57,750
Hawkes Bay Regional Council Reimbursements	5,259	19,505
User Funding – Hawkes Bay Regional Council	155,055	-
<b>Total Other Income</b>	<b>218,064</b>	<b>77,255</b>

### 3. Administration Costs

	2018-19	2017-18
Administration Support	449	1,851
Accounting & Technical Support	29,756	35,667
Insurance	1,866	1,970
External Contractors	-	2,933
Legal Expenses	-	315
Bank Fees	259	134
<b>Total Administration Support</b>	<b>32,329</b>	<b>42,870</b>

### 4. Income Tax – to provide

	2018-19	2017-18
Current Tax	-	-
Adjustments to current tax in prior years		
<b>Income Tax Expense</b>	<b>-</b>	<b>-</b>
<b>Relationship between income tax expense and accounting surplus/(deficit)</b>		
Net surplus/(deficit) before tax	<b>(6,351)</b>	<b>(102,588)</b>
Tax at 28%	(1,778)	(28,725)
Plus/(Less) tax effects of:		
Temporary differences	55,040	36,587
Non-deductible expenses	-	-
Tax losses not recognised	(53,262)	(7,862)
<b>Income Tax Expense</b>	<b>-</b>	<b>-</b>

Unused tax losses of \$3,593,564 (2018; \$3,778,166) are available to carry forward and offset against future taxable income.

## 5. Bank Accounts and Cash

	2018-19	2017-18
Current Account	102,261	141,786
Savings Account	180,095	163,907
<b>Total Bank Accounts and Cash</b>	<b>282,355</b>	<b>305,693</b>

## 6. Debtors and Accrued Revenue

	2018-19	2017-18
Debtors	383,469	6,317
Prepayments	-	-
<b>Total Debtors &amp; Prepayments</b>	<b>383,469</b>	<b>6,317</b>

## 7. Property, Plant and Equipment

	E-learning Software	IRIS Software Intellectual Property	Computer Hardware	Total
Carrying amount as of 1 July 2017	5,198	5,097,160	-	5,102,358
Additions	37,327	707,440	-	744,767
Disposals (net of accumulated depreciation)	-	-	-	-
Depreciation Expense	(2,835)	(737,625)	-	(740,460)
Work in Progress written off/impaired	-	(80,772)	-	(80,772)
<b>Carrying amount as of 30 June 2018</b>	<b>39,690</b>	<b>4,986,203</b>	<b>-</b>	<b>5,025,893</b>
Carrying amount as of 1 July 2018	39,690	4,986,203	-	5,025,893
Additions	-	744,903	2,299	747,202
Disposals (net of accumulated depreciation)	-	-	-	-
Depreciation Expense	(4,252)	(813,341)	(128)	(817,721)
Work in Progress written off/impaired	-	(70,028)	-	70,028)
<b>Carrying amount as of June 2019</b>	<b>35,438</b>	<b>4,847,737</b>	<b>2,171</b>	<b>4,885,346</b>

At balance date the work in progress value of the IRIS Asset is \$350,375 (2018: \$352,572) with \$636,050 capitalised during the year (\$426,430). The work in progress written off/impaired has been included in other direct software expenses.

## 8. Creditors and Accrued Expenses

	2018-19	2017-18
Creditors	156,272	160,069
PAYE Payable	3,939	-
Employee Entitlements	7,408	
Accrued Expense - Audit New Zealand	5,250	5,250
Accrued Expense – Environment charge Feb 18	-	839
Accrued Expense – Xero Software subscription June 2018	-	41
Accrued Expense – ReCoCo Shared Services	9,185	-
<b>Total Creditors and Accrued Expenses</b>	<b>182,054</b>	<b>166,199</b>

## 9. Equity

	2018-19	2017-18
<b>Contributed Capital</b>		
Balance at 01 July	5,149,150	5,149,150
Capital Contribution	-	-
Balance at 30 June	<b>5,149,150</b>	<b>5,149,150</b>
<b>Retained Earnings</b>		
Balance at 01 July	55,885	158,472
Surplus/(Deficit) for the year	(6,351)	(102,588)
Balance at 30 June	49,534	55,884
<b>Total Equity</b>	<b>5,198,684</b>	<b>5,205,035</b>

There are 10,000 shares which have been fully called to the value of \$514.915. Share capital is currently \$5,149,150.

## 10. Commitments

There are the following commitments at balance date (2018: Major Enhancements \$92,931, Minor enhancements \$Nil).

	Balance Committed
Major Enhancement Commitments	
Eagle Technologies - Map Component	50,805
Datacom - MAJ043 – IRIS Tactical Technology Changes	7,614
Datacom - MAJ046 – Replace Expired Consents on Regimes	14,570
Datacom- HRC004 – IRIS Actions Menu Extension	6,572
Datacom - TRC023 – Regime Activity Timeline	12,896
Datacom - HRC005- Associate Management Site	<u>8,804</u>
<b>Total Commitments</b>	<b><u>101,261</u></b>

## 11. Contingencies

There are no contingent liabilities at balance date and no contingent assets at balance date, (previous year: Nil).

## 12. Related Party Transactions

Related party transaction disclosures have not been made for transactions with related parties that are within a normal supplier/client or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect RSHL would have adopted in dealing with the party at arm's length in the same circumstances.

*Related Party Transactions Significant to RSHL Requiring Disclosure:*

Shareholder	Share	2018/19 (Incl GST)	2017/18 (Incl GST)	Description of services
Waikato Regional Council	32.75%	151,010	166,317	Management fees
Waikato Regional Council	32.75%	2,643	-	Office equipment reimbursement
Waikato Regional Council	32.75%	5,998	17,850	IRIS Implementation Costs
Horizons Regional Council	15.50%	22,014	13,912	Accounting support costs
Horizons Regional Council	15.50%	955	-	Reimbursement of meeting travel
Horizons Regional Council	15.50%	-	197	IRIS Implementation Costs
Southland Regional Council	15.50%	-	42,795	Reimbursement of duplicate payment received
Taranaki Regional Council	15.50%	1,883	845	IRIS Implementation Costs
Taranaki Regional Council	15.50%	-	1,276	Reimbursement of Board Chair Travel and Parking
Northland Regional Council	16.75%	-	895	Reimbursement of Advisory Chair travel costs
Northland Regional Council	16.75%	-	3,540	IRIS Implementation Costs
Northland Regional Council	16.75%	694	-	Reimbursement of meeting travel

Total services purchased for IRIS implementation of \$7,881 (Inc GST) (2018: \$22,431 (Incl GST)) were on-charged to Hawkes Bay Regional Council (non-related party).

Revenue of \$1,210,458 was received from the shareholder councils as member contributions as outlined in note 1.

Funding for the regional shared services (Recoco) was received of \$212,500 from the member councils, costs of \$51,058.61 has been spent on Recoco projects as at 30 June 2019 and revenue in advance of \$161.441 has been recognised in relation to the unspent funds to be used on ongoing Recoco projects.

At 30 June 2019 \$ 383,469 (2018 \$6,317) was owed to RSHL by Member Councils and \$26,213 (2018 \$Nil) was payable by RSHL to member councils.

## 13. Events After Balance Date

There are no significant events after balance date.

## 14. Explanations on Major Variances

Explanations for major variances from RSHL's budgeted figures in the 30 June 2018 Statement of Intent are as follows:

Statement of Financial Performance	Actual	Budget	Variance	
<b>Members Contributions</b>	1,210,458	1,117,579	92,879	Contributions as per SOI on budget, additional revenue received due to agreed contributions for licencing and individual council funded capital work.
<b>Regional Sector Shared Services</b>	51,059	500,000	(488,941)	SOI based on estimate of agreement, actual agreement equated to \$212.5k which is \$287.5k less than budget. Revenue has been recognised for ReCoco project costs as at 30 June 2019. The balance of funding of \$161k, has been recognised as revenue in advance to fund ongoing and future ReCoco projects.
<b>Other Income</b>	218,064	211,213	6,851	Reimbursement of additional licence costs and implementation costs.
<b>Administration Costs</b>	32,329	26,120	(6,209)	Additional time incurred with reporting and ReCoco structure set up
<b>Audit and Legal Fees</b>	5,250	11,100	5,850	No legal costs incurred
<b>DATAKOM Support Services</b>	172,653	178,000	5,347	Minor variance to contract
<b>Technical Services</b>	-	50,000	50,000	Budget not required during the year
<b>Environmental Charges</b>	14,258	10,500	(3,758)	Additional environments were required to be built during the year to enable more adequate testing.
<b>Implementation Costs</b>	6,551	-	(6,551)	There are unbudgeted implementation costs which were subsequently offset in the "Other Revenue"
<b>Promotional Costs</b>	-	10,000	10,000	Not required during the year
<b>Travel and Meeting Costs</b>	8,897	7,000	(1,897)	Additional face to face meeting to introduce new General Manager.
<b>Management Fees</b>	125,926	157,500	31,574	Full time GM role budgeted to be outsourced, however role was directly recruited

	Actual	Budget	Variance	
<b>Personnel Costs</b>	24,046	-	(24,046)	Full time GM role budgeted to be outsourced, however role was directly recruited
<b>Independent Director</b>	30,000	30,000	-	This was for a independent director for RSHL.
<b>Regional Sector Shared Services</b>	41,595	500,000	467,590	Statement of Intent (SOI) was based on estimate of the agreement (which had not yet been established at the time the SOI had been adopted) The actual agreement was to \$212.5k. As at 30 June 2019 the revenue for this has not yet been earned and is currently stated as revenue in advance on the liability side of the balance sheet.
<b>Other Direct Software Expenses</b>	207,097	62,750	(144,347)	Additional write offs identified during year as enhancements that wouldn't progress, combined with cost of unexpected 'hot fix' which was related to a patch to correct a software error (or bug).
<b>Depreciation</b>	817,721	786,423	(31,298)	Higher level of capitalisations then expected during the year resulting in higher depreciation.
<b>Statement of Financial Position</b>				
<b>Bank Accounts and Cash</b>	282,355	137,932	144,423	ReCoCo funds unspent during the year resulting in higher cash levels
<b>Debtors and Accrued Revenue</b>	383,469		383,469	A contribution request was made at year end and in prior years these were made prior to 30 June.
<b>Property, Plant and Equipment</b>	4,885,346	5,202,007	(316,661)	As at balance date some WIP jobs were not completed and not capitalized and other WIP was considered to be operating expense.

Statement of Cash Flow	Actual	Budget	Variance	
<b>Total Operating Receipts</b>	1,313,454	1,829,392	(515,938)	There was anticipated income of \$500,000 from Regional Sector Share payments, the actual income from this was only \$51,059.
<b>Total Operating Payments</b>	\$596,165	1,042,970	446,805	Payments to suppliers were \$446,805 under budget due to Regional Shared Services costs being significantly less than budgeted.
<b>Total Investment Payments</b>	740,133	785,248	45,115	Purchase of PPE was lower than anticipated in the budget.



# 15. Statement of Performance Targets for 2018-19

Performance target	Level of Achievement		Comment
Non-Financial	2018-19	2017-18	
Undertake an annual survey of users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Baseline to be developed following the completion of the first survey.	In Progress	Not applicable or new measure in 2018/19	The Customer and Users Surveys are currently under way with results expected in August.
Develop, approve, communicate and refine the annual roadmap for RSHL major enhancement projects. Draft annual roadmap presented to the Board by 31 December of each year for the following year. Adoption by the Board by 30 June of each year.	Achieved	Not applicable or new measure in 2018/19	The major enhancements roadmap for 2018/19 was developed and approved by the Advisory Group, under the management of RSHL. The 2018/19 draft annual roadmap was presented to the Board at the 22 November board meeting. It was included in the General Managers report and adopted.
Major Enhancement projects identified on the Annual Roadmap are all completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	Achieved	Achieved	There were 9 enhancements on the roadmap for 2018/19.  Three were delivered in the 3.07 data release, and 4 will be delivered in 3.08 data release – scheduled for release in July. All are expected to come in under budget and as scheduled.  One additional developments in progress for a future release, having been reprioritized by the Advisory Group, and one other was closed after further evaluation.  3.05 was released in June 2018 and capitalized at the end of warranty in August. This is normal practice as bug fixes during the warranty period as included in the cost of the release.
Budgets for support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisory Group (AG).	Achieved	Achieved	The minor enhancements and support budgets were fully consumed under the direction of the AG.

Performance target	Level of Achievement		Comment
User Groups and business representatives are engaged in the development of the Major Enhancement Annual Roadmap.	Achieved	Not applicable or new measure in 2018/19	Users continue to collaborate and participate in RSHL through the User Groups.  Fortnightly user group meetings have continued and been well attended.  Different users from RSHL councils have participated in the development of Major initiatives on this years roadmap.
Financial	2018-19	2017-18	
RSHL will operate within 5% (plus or minus) of its overall annual budget.	Not Achieved	Not Achieved	The overall result was less than 6% variance from budget with a net deficit of \$(6,351) compared to a budgeted surplus/(deficit) of \$Nil. The balance sheet showed closing equity of \$5,198,684 compared to budget of \$5,339,939 a variance of \$(141,255) which is -2.64%.
Annual charges will be kept to a maximum of 2% increase year on year	Achieved	Achieved	The annual charges stated in the Statement of Intent has been achieved. (The Budget for 2017/18 \$1,098,534 2018/19 budget \$1,117,579 and the actual increase was 1.7%)
Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.	Achieved	Not applicable or new measure in 2018/19	In the past year RSHL won a competitive process to implement IRIS at Environment Canterbury, who subsequently chose not to proceed. Information was also provided to Gisborne District Council.
Consider, evaluate and, if appropriate, implement new service areas or areas outside of the current scope of IRIS	Achieved	Not applicable or new measure in 2018/19	ReCoCo is RSHLs main focus outside of the core IRIS platform and this continues to grow. ReCoCo is established as a delivery vehicle for collaborative initiatives involving regional and unitary councils. ReCoCo has MOUs in place with the Regional CEOs Group and councils. An advisory group has been established which is supported by the Corporate Services SIG. A regular reporting cycle has been put in place.

Performance target	Level of Achievement		Comment
Be a service delivery agent for wider regional council sector and related bodies information management projects (ReCoCo) and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the Regional Council Corporate Services SIG.	Achieved	Achieved	<p>RSHL has been established as the 'delivery vehicle' for collaborative and cross-sector projects as part of the Regional Council Collaboration initiative (ReCoCo).</p> <p>ReCoCo is established as a delivery vehicle for collaborative initiatives involving regional and unitary councils. ReCoCo has MOUs in place with the Regional CEOs Group and councils. An advisory group has been established which is supported by the Corporate Services SIG. Project management is in place for all projects. A regular reporting cycle has been put in place. 12 Projects are in the ReCoCo portfolio. All are operating within agreed budgets and timetables.</p>

## **Independent Auditor's Report**

### **To the readers of Regional Software Holdings Limited's financial statements and performance information for the year ended 30 June 2019**

The Auditor-General is the auditor of Regional Software Holdings Limited (the company). The Auditor-General has appointed me, Debbie Perera, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

### **Opinion**

We have audited:

- the financial statements of the company on pages 7 to 19, that comprise the statement of financial position as at 30 June 2019, the statement of financial performance, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 20 to 22.

In our opinion:

- the financial statements of the company on pages 7 to 19:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2019; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting –Accrual (Public sector) standard.
- the performance information of the company on pages 20 to 22 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2019.

Our audit was completed on 30 August 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

## **Basis for our opinion**

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

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

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

## **Responsibilities of the Board of Directors for the financial statements and the performance information**

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

## **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

## **Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 6, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

## **Independence**

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

Other than the audit, we have no relationship with, or interests in, the company.



Debbie Perera  
Audit New Zealand  
On behalf of the Auditor-General  
Palmerston North, New Zealand

## Item 6 Health, Safety and Wellbeing Management System Report

<b>MORF ID:</b>	<b>Strategic Direction:</b> Governance
<b>Report by:</b> Amy Kubrycht, HR Manager	<b>Approved by:</b> Neil Selman, Director of Corporate Services
<b>Executive Approval:</b> Rob Phillips, Chief Executive	

### Purpose

To provide a report on the operation of the Health, Safety and Wellbeing Management System.

### Summary

The Council operates an effective Health, Safety and Wellbeing Management System that is subject to continuous improvement and change management. The following summarises the activity of the last month to 30 September 2019.

### Recommendation

**It is recommended that the Executive resolve to receive the Health, Safety and Wellbeing Management Report for the month to 30 September 2019.**

### Report

#### Background

It is intended that the Executive receive updates on Council's health and safety obligations. These updates include a monthly governance report on the implementation, development and operation of the health, safety and wellbeing management system within the Council.

#### ***Health, Safety and Wellbeing (HSW) Operations Report for the month to 30 September 2019***

##### 1. Significant Item

The HR and Health and Safety Co-ordinator left Environment Southland mid-month. That role was responsible for health and safety at 0.5 FTE. This position is being replaced by a full-time Health, Safety and Wellness Business Partner whose focus will be to deliver Council's Health and Safety and Wellbeing Strategy and drive engagement in this area. The role reflects a change in emphasis externally from compliance to leadership and engagement.

Although we are actively recruiting for the above position, a replacement may not be secured for a couple of months. In the meantime, a consultant will be engaged to help continue to drive the application of policy and initiatives whilst recruiting for a replacement. Members of the HR team are undertaking training and self-directed learning to ensure the organisation is more resilient in its HSW knowledge and understanding.

##### 2. Health and Safety Risks

No new risks identified.





### 3. Continuous Improvement

A review of activities in relation to chemical storage was undertaken after questions were raised during our recent Building Warden training. The chemicals lists have been updated and new (compliant) signage has been ordered. Responsibility for the building housing chemicals was clarified and a review of storage activity is being undertaken.

### 4. Health and Wellbeing

ES attended the Westpac Southland Business Excellence Awards as one of the four finalists in the Healthy Families Workplace Wellbeing Award category. The ES nomination was focused not only on the array of wellbeing initiatives Environment Southland has as part of its standard day-to-day operation, but also on its move to being more responsive to staff needs. The award was won by Blue River Dairy, but a source advised that there was less than a point between all the finalists.

#### ***Staff on sick leave or returning to work on restricted duties***

##### **Return to work plan** (not ACC related):

- Employee undergoing treatment in the Science and Information Directorate on a gradual return to work programme. This is going well with contracted hours increasing. The employee expected to be back to full-time work by December 2019.

##### **On IPI:** recovering (gradual return to work)

- Science Strategy and Investigation Division** – ongoing recovery. Employee's return to work commenced in September and is very gradual. It is being revisited monthly with the Occupational Therapist and the employee's medical advisors.

##### **Health Issue Restricted Duties:** restricted duties – not an injury

- Science Informatics and Operations** – now resolved with medical clearance for driving and full duties given.

### 5. Operational

- Reports** - operational activity is shown in the following table:

**Table 1: Health and Safety Activity**

Activity		
Item	Descriptor	Frequency
Committee Meetings	Meetings held monthly, agenda, minutes and action plan available to all staff on the Intranet.	Monthly - Next due: 17 October 2019
HS Policy Statement	Identifies ES commitment to health and safety, common to and agreed by all Southland councils. Displayed in reception and staff café.	Biennially Due for review end of December 2019.
Contractor Group and SiteWise	Reviewing contractors on SiteWise for current insurance, assessments & ES documents	Three monthly Next due: September 2019
Electrical Tag and Test	Annual check of ES equipment, computers and cords to ensure new or replacement items are compliant.	Annually Next due: October 2019

Activity		
Item	Descriptor	Frequency
Hazardous Substances Register	All chemicals on-site checked against chemical register and material data sheets.	Annually Next due: October 2019
Hazards and Risk ID	Full ES hazard register review	Annually - December
Self-assessment – Internal Divisional Audit	Internal divisional audits quarterly – looking for compliance evidence	Annual internal Audit completed Next due: December 2019. Reported: January 2020
Compliance – External Audit	SafePlus external audit	Biennially Next due: February 2020.
Vehicle First Aid Fire/ Extinguisher Checks	This is a review of all extinguishers and first aid kits for the ES fleet vehicles.	Annually Next due: June 2020

## 6. Safety incident report

**Chart 1: Safety Incidents 2017-2019 up to 30 September 2019**

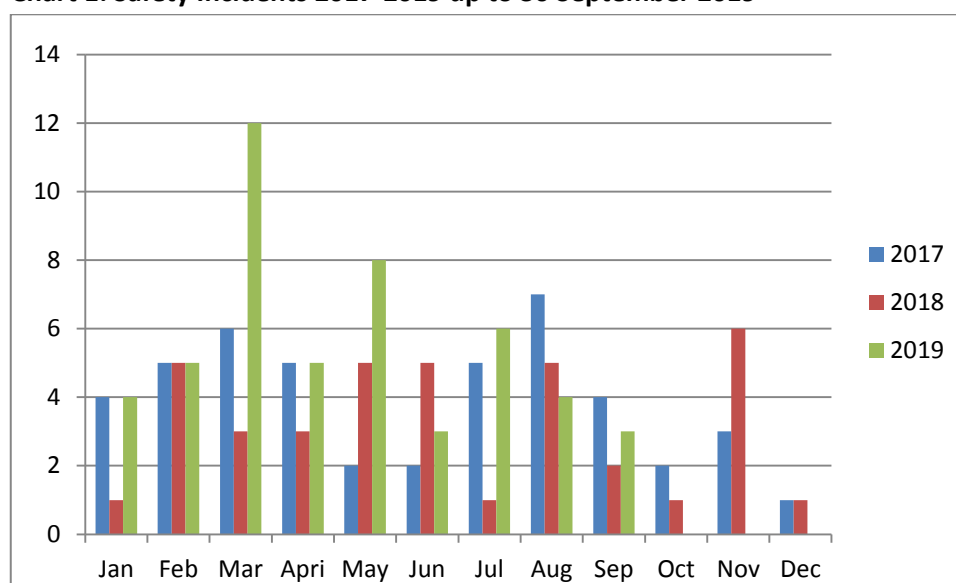
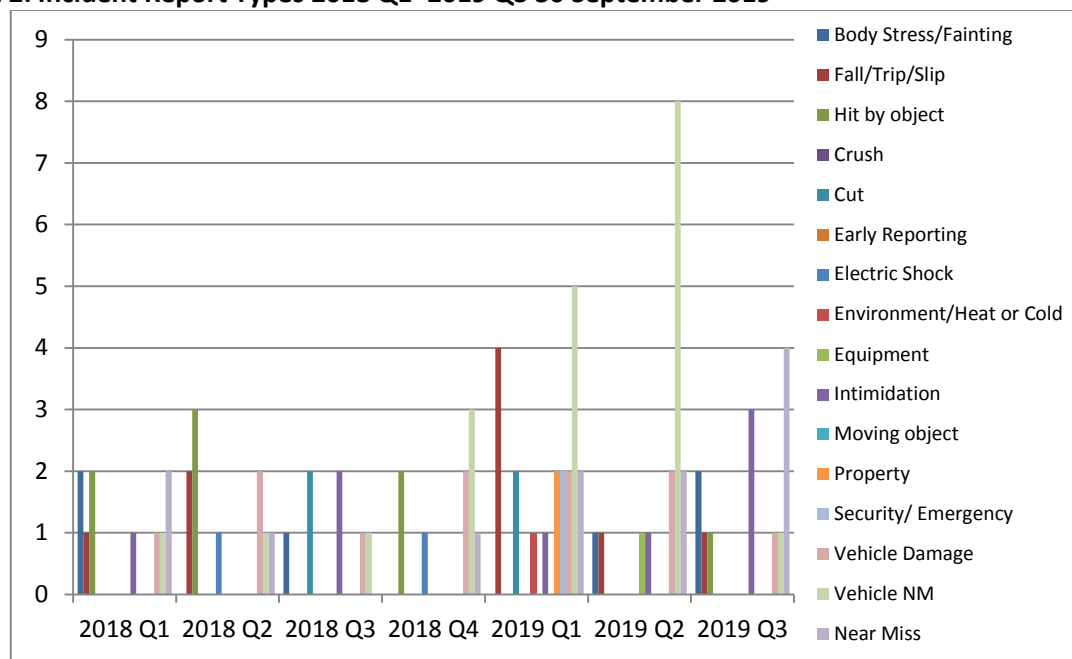


Chart 1 shows a decrease in incidents reported.

**Chart 2: Incident Report Types 2018 Q1–2019 Q3 30 September 2019**

The three incidents reported for the month of September are as follows:

- **1 vehicle damage** – staff member backed out of a public car-park and hit a low pole not visible in any mirror;
- **1 near miss (physical threat)** – owner let loose large dog when employees visited the property (dog was not aggressive but caused concern at the time);
- **1 near miss** – employee opened a septic breather pipe with a cut on their hand (thinking it was a stormwater observation point). This was a lost-time incident with the employee having to visit the hospital to assess the risk of infection.

## 7. Risk and Hazard Summary

No new risks were identified in September 2019.

**Table 3: Hazard Register Summary as at 30 September 2019**

Hazard Register Summary										
Hazard Type	Extreme		High		Moderate		Low		Hazard Totals	Risk Score
Vehicle	6	60	8	40	1	6	3	10	18	116
Environment - Field	3	30	5	28	6	30	2	3	16	91
Environment –Water	3	30	4	24	0	0	0	0	7	54
People	1	10	1	5	2	9	1	3	5	27
Biological	0	0	2	9	5	21	0	0	7	30
Equipment/Mechanical	0	0	6	19	6	27	7	16	19	62
Chemicals	0	0	4	20	2	6	0	0	6	26
Environment –Office/ES	0	0	3	23	2	6	6	10	11	39
	13	130	33	168	24	105	19	42	89	445



### **Views of Affected Parties**

There are no matters in this report which require consideration under this heading.

### **Compliance with Significance and Engagement Policy**

There are no issues within this report which trigger matters in this policy.

### **Consideration**

#### *Financial Implications*

There are no additional financial or resource implications.

#### *Legal Implications*

This report and the associated recommendations comply with the appropriate statutory requirements placed upon the Council.

### **Consistency with Council's LTP/Annual Plan/Policy/Strategy**

Items reported on in this report have been addressed within budgets and approaches taken are consistent with Council's planning documents.

### **Attachments**

1. Safety Incident or Injury Cause/Severity definition sheet.
2. Risk Matrix and Information.



## **Appendix 1: Safety Incident or Injury Cause**

**Body Stressing** - Stress or pressure applied to the body by a movement or activity, resulting in body tissue being pulled stretched, compressed or crushed.

**Cut/bruise, minor superficial** – an injury that requires minor treatment, e.g. first aid

**Early Reporting** – A report of pain or discomfort, this does not necessarily mean there is an injury. Pain or discomfort is often the first sign of body stressing.

**Electric Shock** – A shock received by touching an electric source, most common hazard involves electric fences.

**Equipment Failure** – Any situation where equipment has failed, it may/may not have caused injury.

**Fall/Slip/Trip** – falls, slips and trips are our most common ES incidents, often causing injury that does not usually result in loss time, but often does involve treatment, usually physiotherapy.

**Hit by Moving Objects** – a person being hit by a moving object, not a usual occurrence however it does happen, the other part of this is the body hitting an object.

**Intimidation** – covers both verbal aggression and verbal threats

**Material Substances** – covers chemicals and objects in eyes such as seeds from grasses

**Near Miss** – A near miss is any safety situation that had the potential to cause harm but did not.

**Property damage** – Property belonging to ES or public, damaged in any way excluding vehicles

**Vehicle** - relates to any vehicle, car, truck, Ute, motorbikes

### **Safety Incident or Injury Severity**

**No Injuries** – an incident occurred but no injury has been sustained, often related to a near miss

**No Treatment** – minor injury or damage has occurred and no treatment or repair required

**Repaired** – a Vehicle or property has required to be repaired, often will involve insurance

**EAP / Support** – support available to staff where there might be a situation where they may be distressed in some way. There are varying levels of support depending on the situation

**First Aid** – immediate treatment that requires no further intervention from a health professional

**Loss Time Injury (LTI)** – An injury that has required time away from work or reduced working hours

**Medical Treatment** – Second highest level of severity, this incident may require to be notified to WorkSafe. Treatment is given by a health professional, and can often lead to loss time from work.

**Permanent Disability/Fatality** – Highest level of severity, this incident will often require to be notified to WorkSafe.

## Appendix 2

**Table 5: Risk Analysis Matrix**

Risk Analysis Matrix		CONSEQUENCES				
		Insignificant	Minor	Moderate	Major	Catastrophic
		<i>No injuries</i>	<i>First Aid Treatment</i>	<i>Medical Treatment Injury</i>	<i>Permanent Disability</i>	<i>Fatality</i>
LIKELIHOOD	<b>Almost Certain</b> expected to -daily	5-H	10-H	15-E	20-E	25-E
	<b>Likely</b> probably will -weekly	4-M	8-H	12-H	16-E	20-E
	<b>Possible</b> might occur -monthly	3-L	6-M	9-H	12-E	15-E
	<b>Unlikely</b> Could -6-12 mths	2-L	4-L	6-M	8-H	10-E
	<b>Rare</b> may occur -1-5 years	1-L	2-L	3-M	4-H	5-H

**Table 6: Risk Level and Management Criteria**

Score	Outcome	Actions
<b>E Extreme Risk</b>	Immediate action required	Consider alternatives, avoid hazard or use a safer method. If not possible then apply approved SOP to ensure controls are appropriate. Monitor controls for effectiveness.
<b>H High Risk</b>	Senior management attention needed	Ensure controls in place are effective and understood by all team members, need for SOP is considered and PPE is appropriate. Monitor controls for effectiveness.
<b>M Moderate Risk</b>	Management responsibility must be specified	Ensure controls in place are effective and understood by all team members, PPE is appropriate and all necessary steps have been taken. Monitor controls for effectiveness.
<b>L – Low Risk</b>	Manage by routine procedures	Ensure controls are in place, PPE is appropriate, and risks to others have been considered. Monitor controls for effectiveness.



## **Item 7 Long-term Plan Progress Report**

<b>MORF ID:</b>	<b>Strategic Direction:</b> Council Policy
<b>Report by:</b> Ken Swinney, Strategy & Corporate Planning Manager	<b>Approved by:</b> Neil Selman, Director of Corporate Services
<b>Executive Approval:</b> Neil Selman, Director of Corporate Services	

### **Purpose**

For Council to note the Long-term Plan three monthly progress report.

### **Summary**

Every three months Council receives a progress report on the status of the work programmes set out in the Long-term Plan.

The three monthly report for the 2018/19 year is shown on the following pages. The responsible reporting divisions are identified against each Level of Service.

### **Recommendation**

**It is recommended that Council note the three monthly Long-term Plan activity progress report for the 2018/19 year.**



# **Long-term Plan 2018-2028**

## **(quarterly report ending 30 September 2019)**

**Our Vision – a thriving Southland – te taurikura o Murihiku**

**Our Mission - Working with our communities to improve Southland's environment**



## Overall Achievement on LTP Levels of Service Targets

Achievement by Community Outcomes								
LTP Groups	Community Outcomes				Total Targets	On Track	Off Track	No Data
	Managed access to quality natural resources	More empowered and resilient communities	Diverse opportunities to make a living	Communities expressing their diversity				
Regional Leadership	●	●	●	●	1	1		
Environmental Stewardship	●	●	●	●	10	7	3	
Whakahoki Te Mana	●	●	●	●	4	2	1	1
Community Resilience	●	●			3	3		
<b>Totals</b>					18	13	4	1

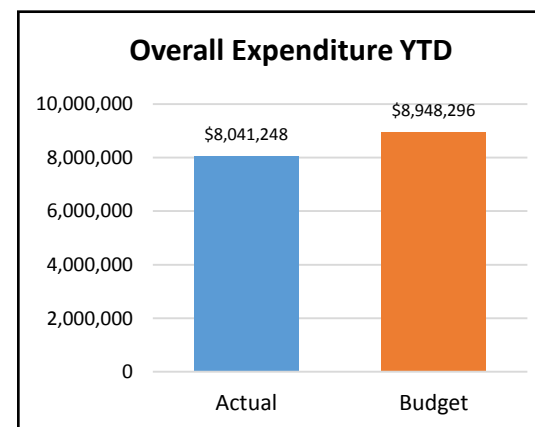
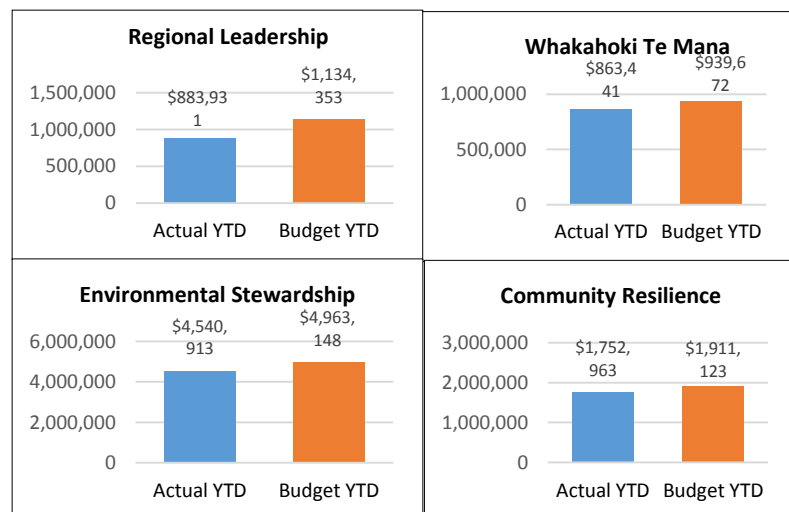
Achievement by Division				
Divisions	Total Targets	On Track	Off Track	No Data
Biosecurity & Biodiversity	2	1	1	
Catchment Management	1	1		
Community Rep – Communications	1	1		
Consent Processing	1		1	
Emergency Management	1	1		
Environmental Compliance	1	1		
Land & Water Services (includes Waituna project)	2	2		
Policy and Planning	4	4		
Science Strategy & Investigations	5	2	2	1
<b>Totals</b>	18	13	4	1

## Off Track Targets

<div> <div>● On Track</div> <div>● Off Track</div> <div>● No Data</div> </div>			
Activity	Total number of targets for this activity	% achievement of targets	Detail
Consent processing	1		<p><b>Consents</b></p> <p>Two of 79 decisions made over the period were outside statutory timeframes (overall 97.5% on time).</p> <p>No decisions were overturned in court.</p>
Biodiversity	1		<p><b>Biosecurity/Biodiversity</b></p> <p>Great progress has been made with all stakeholders and a large piece of the Biodiversity Strategy is being locked in. However, as a result of recent discussions with Biodiversity Southland members there will be more added to the document which will mean that it will not be published in full by 30 June 2019 as proposed.</p>
Science (including People Water and Land)	5		<p><b>Science Strategy and Investigations</b></p> <p>Two of the five targets are not on target and a third (People Water and Land) has no data at this stage as it's too early for reporting.</p>


## Overall Financial Position at 30 September 2019

	Actual				Budget				Variation	
	Regional Leadership	Environmental Stewardship	Whakahoki Te Mana	Community Resilience	Regional Leadership	Environmental Stewardship	Whakahoki Te Mana	Community Resilience	Budget v Actual	Low <10% High >30%
Biosecurity	0	488,504	0	0	0	664,015	0	0	175,511	26.4%
Catchment Management	0	0	8,252	1,273,678	0	0	5,460	1,420,550	144,080	10.1%
Civil Defence	0	0	0	100,807	0	0	0	100,807	0	0.0%
Consent Processing	0	910,217	346	0	0	644,485	0	0	(265,732)	-41.2%
Community Representation	793,613	0	0	0	1,073,264	0	0	0	279,651	26.1%
Environmental Compliance	0	659,792	0	0	0	617,418	0	0	(42,374)	-6.9%
Science Informatics & Operations	0	674,766	0	37,309	0	636,318	0	66,361	(9,396)	-1.3%
Emergency Management Southland	0	0	0	213,389	0	0	0	228,642	15,253	6.7%
Land and Water Services	0	596,188	97,469	0	0	738,386	100,378	0	145,107	17.3%
Property Management	0	107,880	0	0	0	143,614	0	0	35,734	24.9%
Policy & Planning	90,318	860,173	16,978	127,780	61,089	1,054,575	0	94,764	115,179	9.5%
Science Strategy & Investigations	0	243,836	740,396	0	0	464,337	833,834	0	313,939	24.2%
Southern Pest Eradication Society	0	(441)	0	0	0	0	0	0	(441)	#DIV/0!
<b>Total Issues Expenditure</b>	<b>883,931</b>	<b>4,540,913</b>	<b>863,441</b>	<b>1,752,963</b>	<b>1,134,353</b>	<b>4,963,148</b>	<b>939,672</b>	<b>1,911,123</b>		
									Low <10%	10%
									Med 10-30%	30%
									High >30%	31%

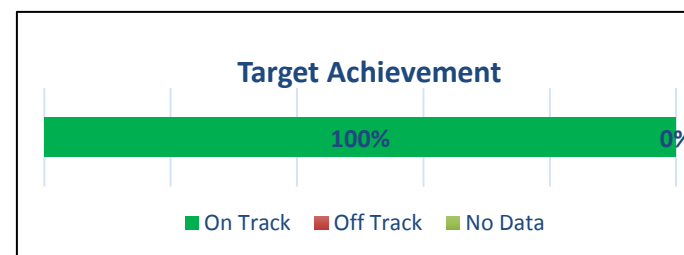


## Regional Leadership

### What we want to achieve – how are we doing?






Level of Service	Measure	Performance Targets (Years 1-10)	How are we doing?	LTP Comment
Engage with Southlanders by sharing information that is compelling, relevant and timely.	From annual survey, percentage of respondents who name Environment Southland as the authority responsible for managing Southland's natural resources.  Activity 6	≥90%	Sept 2019 	<b>Communications</b>  The perceptions survey is carried out in July/August each year.  <b>2018/19 results</b> Prompted: <ul style="list-style-type: none"> <li>Residents - 98%</li> <li>Farmers - 100%</li> </ul> Unprompted: <ul style="list-style-type: none"> <li>Residents - 78%</li> <li>Farmers - 94%</li> </ul> (Average: 92.5%)
			Dec 2019	
			March 2020	
			June 2020	


These Activities contribute to the following Council strategic outcomes	
<b>Community Outcomes</b>	Managed access to quality natural resources; Communities empowered and resilient; Communities expressing their diversity; Diverse opportunities to make a living.
<b>Activity 6</b>	Communication and Engagement











## Environmental Stewardship

### What we want to achieve – how are we doing?

Level of Service	 On Track	 Off Track	 No Data	LTP Comment
	Measures	Performance Targets (Years 1-10)	How are we doing?	
Process and determine resource consent applications in accordance with statutory requirements.	Timeliness of resource consent processing.	98% timeframe compliance.	Sept 2019 	<b>Consents</b>  Timeframe compliance during the 1 July to 30 September period was 93% owing to 6 late decisions out of 117 decisions made. No appeals or objections to decisions were received over the period.
	Rates of appeals upheld in Court.	No resource consents decisions are overturned in Court unless the application is amended through that process.	Dec 2019	
	Activity 8		March 2020	
			June 2020	
Deliver a risk-based compliance monitoring programme for consented and permitted activities and provide 24 hour incident response to achieve compliance through encouragement, enabling, educating, and enforcing legislation.	Ensuring that the people, companies, consent holders and industries that utilise resources meet the expected behaviours outlined in the legislation, regional plans, National Environmental Standards and resource consents.	Environmental incidents requiring enforcement will be actioned within six months of the Council being made aware of the incident.  A Compliance Monitoring Report for the previous financial year will be completed for the Southland community annually by December.	Sept 2019 	<b>Compliance</b>  All environmental incidents to date have been actioned within six months (1 Letter of Direction, 10 Formal Warnings, 6 Abatement Notices, 3 infringements, 6 enforcement decision group meetings completed and 1 prosecution commenced).  The compliance division is completing all enforcement actions within the six month of becoming aware of the incident.
			Dec 2019	
			March 2020	
			June 2020	
	Activity 13			






Level of Service	Measures	Performance Targets (Years 1-10)	How are we doing?	LTP Comment
Allocation of natural resources.	The development of a plan change to the Water and Land Plan to set freshwater limits that comply with the National Policy Statement for Freshwater Management 2014 (amended 2017).  Activity 15	Freshwater values, objectives and targets for the community are identified by June 2019.  A plan change to the Water and Land Plan to set NPSFM limits then being developed through a series of stages as per proposed project plan from June 2019.	Sept 2019 	<b>Policy and Planning</b>  The communities' values were identified and gathered through the 'Share your Wai' campaign which was completed by June 2019. These values were used to inform the development of draft freshwater objectives which were considered by the Regional Forum in September. The next step is to translate these draft freshwater objectives to determine the communities' targets for freshwater.  The plan change to the Southland Water and Land Plan, which must include targets, limits and methods, will be notified by the end of 2023.
			Dec 2019	
			March 2020	
			June 2020	

Level of Service	 On Track	 Off Track	 No Data	LTP Comment
	Measures	Performance Targets (Years 1-10)	How are we doing?	
Allocation of natural resources.	The Regional Coastal Plan is operative and complies with the New Zealand Coastal Policy Statement.  Activity 16	A plan change to the Regional Coastal Plan then being developed through a series of stages as per proposed project plan from June 2019.	Sept 2019 	<b>Policy and Planning</b>  The Regional Coastal Plan is in the second part of his review process. Detailed discussion papers are being developed and workshops have been conducted and future ones scheduled with Council and TAMI board members to inform the drafting of provisions.
			Dec 2019	
			March 2020	
			June 2020	

Level of Service	 On Track	 Off Track	 No Data	LTP Comment
	Measures	Performance Targets (Years 1-10)	How are we doing?	
Allocation of natural resources.	The Regional Air Plan complies with the National Environmental Standards for Air Quality and is fully operative.  Activity 17	The pending Government regulations on the NES Air Quality are adopted by the Council by June 2019.  A plan change to the Regional Air Plan to set new air quality limits then being developed as per proposed project plan from June 2019.	Sept 2019 	<b>Policy and Planning</b>  A delay to the Government’s release of the NESAQ delayed one element of the Air Plan Review. Additional studies and research is currently underway to inform the gap between current state and required future state of the details of the Regional Air Plan.
			Dec 2019	
			March 2020	
			June 2020	

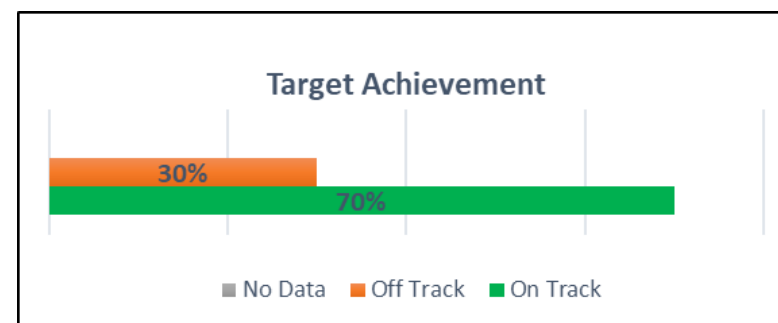
<div> <span>●</span> <b>On Track</b> <span>●</span> <b>Off Track</b> <span>●</span> <b>No Data</b> </div>				
Level of Service	Measure	Performance Targets Years 1-10	How are we doing?	LTP Comment
Provide land management advice and education for sustainability to rural and urban Southland.	Provide land management advice (including forestry advice) to agricultural and agri-business initiatives.  Activity 20	100,000 hectares per year, as per agreed Farm Plans.	Sept 2019 <span>●</span>	<b>Land and Water Services</b>  The division has received a range of requests over the past three months – most request are for farm environment plans, followed by riparian management, land use change, catchment specific project information and wintering. We are now also recording the community partnership meetings (e.g. catchment groups).
			Dec 2019	
			March 2020	
			June 2020	
To maintain and enhance indigenous biodiversity.	Projects in biodiversity management support the maintenance of indigenous biodiversity.  Activity 25	<b>Develop and publish by 30 June 2019, a Regional Biodiversity Strategy.</b>  100% of all high priority actions in the Regional Biodiversity Strategy's Action Plan are implemented and achieved, and reported on annually.	Sept 2019 <span>●</span>	<b>Biodiversity Management</b>  Collaborative partners have agreed to support the Vision, Objectives and Goals within the Regional Biodiversity Strategy but have not yet agreed to regional priority actions. We are continuing to work with them to develop a strategic action plan.
			Dec 2019	
			March 2020	
			June 2020	





<div>  <b>On Track</b>  <b>Off Track</b>  <b>No Data</b> </div>				
Level of Service	Measure	Performance Targets Years 1-10	How are we doing?	LTP Comment
To minimise the adverse effects of pests that disrupt the environment, economy and community.	Pest programmes are implemented according to best practice, which minimise the adverse effects of pests.  Activity 27	100% of all high priority actions in the Regional Biosecurity Strategy's Action Plan are implemented and achieved, and reported on annually.	Sept 2019 	<b>Biosecurity</b>  All biosecurity programmes are being updated and assessed to align with the new RPMP and Biosecurity strategy. Priority plans and actions are all on target for implementation this summer field season.
			Dec 2019	
			March 2020	
			June 2020	
To provide timely access to high quality environmental information through effective monitoring, analysis and reporting systems.	Environmental information is analysed and reported on to demonstrate compliance with national and regional standards/objectives (state) and show direction of travel (trend), as well as provide an understanding of the natural systems of the region and how best to manage these.  Activity 34	State and trend information is easily accessible and updated at least annually. Scientific information about the region's natural systems is also easily accessible.	Sept 2019 	<b>Science Strategy &amp; Investigations</b>  The state and trend of environmental data (water and air quality) is currently available on LAWA.
			Dec 2019	
			March 2020	
			June 2020	



Level of Service	On Track	Off Track	No Data	LTP Comment
	Measures	Performance Targets (Years 1-10)	How are we doing?	
To engage with research agencies and other knowledge holders to provide an integrated knowledge base for the region.	Environment Southland's environmental information is connected with the work of research agencies and other knowledge holders.  Activity 36	A multi-agency approach to fish monitoring, estuary science, coastal monitoring and mitigation effectiveness and farm system monitoring is fully operative from 30 June 2020.	Sept 2019 Off Track	<b>Science Strategy &amp; Investigations</b>  A workshop with stakeholders is currently in the planning stages to be held the end of November 2019. Gaining momentum in this area has been difficult with multiple competing projects.
			Dec 2019	
			March 2020	
			June 2020	




These Activities contribute to the following Council strategic outcomes	
<b>Community Outcomes</b>	Managed access to quality natural resources; Communities empowered and resilient; Communities expressing their diversity; Diverse opportunities to make a living.
<b>Activities 8, 13, 15-17</b> <b>Activity 20</b> <b>Activity 25</b> <b>Activity 27</b> <b>Activities 34, 36</b>	Resource management Community partnerships Biodiversity management Biosecurity Monitoring, data and information.



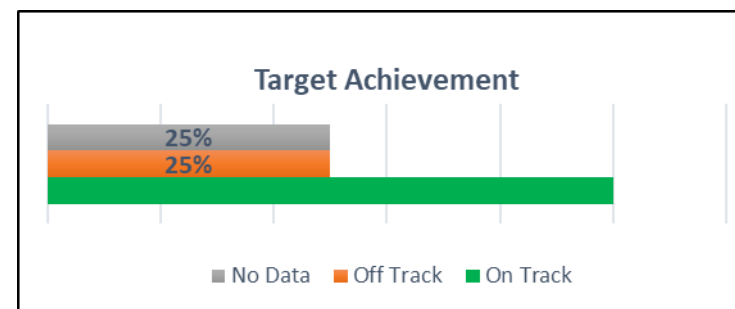
## What we want to achieve – how are we doing?

Level of Service	Measure	Performance Targets (Years 1-10)	How are we doing?	LTP Comment
To engage and partner with iwi, the community and others to meet the enduring goals for water on a Ki Uta, ki Tai (mountains to the sea) basis.	The community's values and objectives are established including the provision for compulsory values as set out in the National Policy Statement for Freshwater Management (NPS-FM). Evaluation framework is established.  Activity 39	Local and/or regional community engagement forum(s) are operational and reporting to Council at least quarterly by 30 June 2020.	Sept 2019 	<b>People, Water &amp; Land Programme (Science Strategy &amp; Investigations)</b>  The Regional Forum was established in March 2019 and will assess the most efficient, effective and appropriate methods to achieve the community's objectives for water which will include scenario testing. The Regional Forum will run through until 2022 and is reporting through the Strategy and Policy Committee.  The communities' values were identified and gathered through the 'Share your Wai' campaign which was completed by June 2019. These values were used to inform the development of draft freshwater objectives which were considered by the Regional Forum in September. The next step is to translate these draft freshwater objectives to determine the communities' targets for freshwater.
			Dec 2019	
			March 2020	
			June 2020	
	Methods (both regulatory and non-regulatory) are identified to achieve the community's values and objectives. Indicators are defined and established.  Activity 40	Local and/or regional community engagement forum(s) undertaken and completed by 30 June 2021, scenario testing to understand the implications of meeting the community's values, objectives and targets.  Recommend the methods (both regulatory and non-regulatory) to achieve the community's	Sept 2019 	<b>Not applicable until 2020/21</b> <b>People, Water &amp; Land Programme (Science Strategy &amp; Investigations)</b>  The Regional Forum will assess the most efficient, effective and appropriate methods to achieve the community's objectives for water which will include scenario testing.
			Dec 2019	
			March 2020	
			June 2020	

Level of Service	Measure	Performance Targets (Years 1-10)	How are we doing?	LTP Comment
		values, objectives and targets to Council by 30 June 2021.		
To measure the effectiveness of the organisation's approach to meeting the enduring goals for water.	Compliance with the National Objectives Framework (Human Health and Ecosystem Health) and the New Zealand Drinking Water Standards is reported on and used to assist in determining the effectiveness of the organisation's approach to meeting the enduring goals for water.  Activity 41	Year on year improving trend of baseline metrics.	Sept 2019 	<b>Science Strategy &amp; Investigations</b>  Data on this aspect of our monitoring programme is not available till the end of the year. We are, however, engaged in ensuring drinking water quality in our region.
			Dec 2019	
			March 2020	
			June 2020	
To partner in the Whakamana Te Waituna project to restore the mana, aquatic and ecosystem health to the Waituna catchment and lagoon.	Consistent progress towards achieving the outcomes and actions of the work programme of the Whakamana Te Waituna project.  Activity 42	Complete yearly actions as per the approved programme of works.	Sept 2019 	<b>Whakamana te Waituna (Land and Water Services)</b>  Overall the project is achieving its milestones and progressing. The early project phases comprised the gathering of information to enable detailed work planning and the focus on the establishment of a landward buffer.  Although about five months behind original planning, due primarily to protracted land purchase negotiations, the establishment of the landward buffer is now moving forward rapidly, sale and purchase agreements are now signed and are moving to an unconditional state. The sale and purchase agreements define a critical milestone achievement for the project as they provide certainty in regard to the land assets that the project has and set the ground for the implementation of a more suitable long-term hydrological regime for the lagoon at its disposal to realise.  Against the original project plan the project can be considered to be running behind schedule across a number of workstreams, it has been recognised that this is largely due to the fact that the first year of the project was actually
			Dec 2019	
			March 2020	
			June 2020	






Level of Service	<div>  <b>On Track</b>  <b>Off Track</b>  <b>No Data</b> </div>			LTP Comment
	Measure	Performance Targets (Years 1-10)	How are we doing?	
				<p>only three months in duration, largely related to delays in the receipt of the original grant from MfE, which has placed the project in a position of being behind schedule on a permanent and ongoing basis. This is to be addressed as part of our upcoming project planning session and in negotiation with MfE.</p> <p>A new project manager has been appointed, as at August 2019. As part of our ongoing project management a JOG will convene to undertake detailed project planning and reassessment of the Project Plan in November, this may result in a change request being submitted to address the issues identified around time to MfE.</p> <p>Year 2 finances where planned spending was not realised has been carried over into year 3; this was due to unanticipated delays across work streams where negotiations took longer than expected or the work was more complex than our original assessments predicted. This work will be completed in the current financial year. There are no reportable issues or concerns regarding project costs in this quarter, however it should be noted that there is an intention that project budgets will be reassessed and rationalised during the above noted JOG planning days.</p> <p>The new Project Manager has been in place for this quarter and has been reviewing the project documentation and process, this will feed into our regular project management reviews. The MfE auditors reviewed the project and a report is expected soon. As part of our standard review process a review of Governance, Roles, Responsibilities and Accountability is proposed.</p>

These Activities contribute to the following Council strategic outcomes	
<b>Community Outcomes</b>	Managed access to quality natural resources; Communities empowered and resilient; Communities expressing their diversity; Diverse opportunities to make a living.
<b>Activities 39-41</b>	People, water and land
<b>Activity 42</b>	Partnering in Waituna



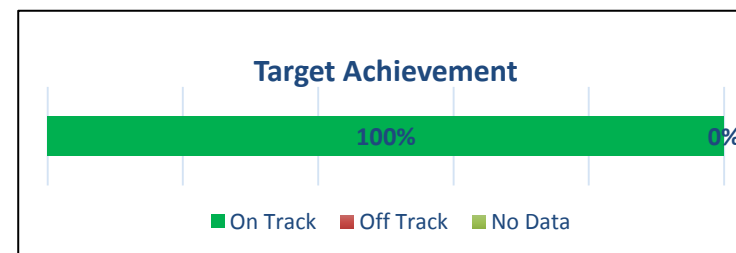
## Community Resilience

### What we want to achieve – how are we doing?

Level of Service	 On Track	 Off Track	 No Data	LTP Comment
	Measures	Performance Targets (Years 1-10)	How are we doing?	
To ensure the region is resilient and able (through the 4Rs of reduction, readiness, response and recovery) to cope with any civil defence emergency.	Number of Southland communities covered by a Community Response Plan.  Activity 43	To have developed 25 Community Response Plans in all areas of Southland by June 2021.	Sept 2019 	<b>Not applicable until 2020/21 Emergency Management Southland</b>  In the 2018/19 year 13 out of the proposed 25 community plans were produced.
			Dec 2019	
			March 2020	
			June 2020	
To reduce the flood risk to people and property by retaining system adequacy and maintenance of flood protection works to designed standards.	The major flood protection and control works are maintained, repaired and renewed to the key standards defined in the Council's asset management plans.  Activity 46	100% of schemes maintained through scheduled annual programmes to ensure that they provide protection to the designed standard and the scheme assets are maintained as established in the adopted asset management plans.	Sept 2019 	<b>Catchment Management</b>  Scheduled inspections completed for 330 km rural protection and 186.7 km urban protection.  Deficiencies identified scheduled for repair in calendar year.
			Dec 2019	
			March 2020	
			June 2020	

	● On Track	● Off Track	● No Data	
Level of Service	Measures	Performance Targets (Years 1-10)	How are we doing?	LTP Comment
To investigate and plan for the impacts of climate change on our communities and businesses.	An agreed collaborative research, investigation and reporting programme to understand the risks and response options.  Activity 49	Investigate via a collaborative reduction working group, the likely climate change impacts and response options for our communities from the impacts of climate change over time.  Reported through the Mayoral Forum annually.	Sept 2019 ●	<b>Policy and Planning</b>  Established a region wide planning group with members from all the councils and TAMI. The group reports to 2 <sup>nd</sup> Tier managers and upwards to the CE Forum. This has taken the role of the reduction working group which was established in 2017 and is responsible for determining the next steps following on from the completion of the Regional Climate Change Impact Assessment.
			Dec 2019	
			March 2020	
			June 2020	

These Activities contribute to the following Council strategic outcomes	
<b>Community Outcomes</b>	Managed access to quality natural resources; Communities empowered and resilient.
<b>Activity 43</b>	Emergency management
<b>Activity 46</b>	Flood protection and control works
<b>Activity 49</b>	Hazard mitigation







## **Item 8      Annual Activity Plan**

<b>MORF ID:</b>	<b>Strategic Direction:</b>
<b>Report by:</b> Neil Selman, Director of Corporate Services	<b>Approved by:</b>
<b>Executive Approval:</b> Rob Phillips, Chief Executive	

### **Purpose**

To present to the Organisational Performance and Audit Committee the annual plan of items to be delivered on by the Committee and to obtain ongoing input on the proposed plan.

### **Background**

The table (shown on the following pages) sets out the standard activity plan along with the future and to-be-developed items. The specific timing of the items is indicative and may vary to manage the size of the agenda. Staff seek Committee input to continually develop the plan and to ensure the optimal effectiveness of the Committee.

### **Recommendation**

**It is recommended that Council review the Annual Activity Plan, provide input and resolve to note it.**



### Organisational Performance and Audit Committee – Annual Activity Plan 2019/20

	2019			2020			
	Jul/Aug	Sep/Oct	Nov/Dec	Jan/Feb	Mar/Apr	May/Jun	In Future/To be developed
<b>Financial – Standard Items</b>	<ul style="list-style-type: none"> <li>Financial report</li> <li>Investment report</li> <li>Clean Air Loan report</li> </ul>	<ul style="list-style-type: none"> <li>Financial report</li> <li>Investment report</li> <li>Clean Air Loan report</li> <li>RSHL Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Financial report</li> <li>Investment report</li> <li>Audit Letter action</li> </ul>	<ul style="list-style-type: none"> <li>Financial report</li> <li>Investment report</li> <li>Clean Air Loan report</li> </ul>	<ul style="list-style-type: none"> <li>Financial report</li> <li>Investment report</li> <li>Audit Letter action</li> </ul>	<ul style="list-style-type: none"> <li>Financial report</li> <li>Investment report</li> <li>Clean Air Loan report</li> </ul>	<ul style="list-style-type: none"> <li>CCO/CO/Associated Entity report</li> </ul>
<b>Financial – Deep Dive</b>	<ul style="list-style-type: none"> <li>Cash flow projection</li> </ul>	<ul style="list-style-type: none"> <li>Council reserves review</li> </ul>	<ul style="list-style-type: none"> <li>Debtor review</li> </ul>	<ul style="list-style-type: none"> <li>Year-end forecast</li> <li><b>Sensitive Expenditure Policy</b></li> </ul>	<ul style="list-style-type: none"> <li>Year-end forecast</li> <li>Cash flow projection</li> <li>Debtor update</li> </ul>	<ul style="list-style-type: none"> <li>Year-end forecast</li> <li>Council reserves review</li> </ul>	<ul style="list-style-type: none"> <li>Internal audit</li> <li><b>Procurement review</b></li> <li>LTP Assumptions review</li> <li>Financial Policy review</li> <li><b>Sensitive Expenditure review</b></li> <li>Fixed Asset review</li> <li>Financial Delegations review</li> <li>4 Well beings reporting</li> <li>Asset Management Planning – financial implications</li> </ul>
<b>Statutory</b>		<ul style="list-style-type: none"> <li>Draft Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Iwi Contributions Review (2019)</li> </ul>	<ul style="list-style-type: none"> <li>Triennial Agreement (Mar 2020)</li> </ul>			<ul style="list-style-type: none"> <li><b>Annual Plan (2020)</b></li> <li>Triennial Agreement (Mar 2023)</li> <li>Iwi Contributions Adjustments (2020)</li> <li>LTP (due 2021)</li> </ul>



	2019			2020			
	Jul/Aug	Sep/Oct	Nov/Dec	Jan/Feb	Mar/Apr	May/June	In Future/To be developed
							<ul style="list-style-type: none"> <li>Iwi Charter of Understanding review (due 2021)</li> <li>S17A review (due 2023)</li> <li>Representation review (due 2024)</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Health &amp; safety report</li> <li>Risk Management report</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; safety report</li> <li>Risk Management report</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management report</li> <li>Conflict of Interest register</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; safety report</li> <li>Risk Management report</li> <li><b>Bribery and Corruption Policy</b></li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; safety report</li> <li>Risk Management report</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management report</li> </ul>	<ul style="list-style-type: none"> <li><b>Organisational Risk Register review</b></li> <li>Risk Management report</li> <li>Deep dive top risks</li> <li>Dross Removal report</li> </ul>
<b>Operational – Deep Dive</b>	<ul style="list-style-type: none"> <li>Divisional Managers reports</li> <li>Key Programme - ES Way report</li> <li>Fleet Replacement report</li> <li>LGOIMA report</li> </ul>	<ul style="list-style-type: none"> <li>Performance Management review</li> <li>Divisional Managers reports</li> <li>Key Programme - ES Way report</li> </ul>	<ul style="list-style-type: none"> <li>Divisional Managers reports</li> <li>Key Programme - IMMSG report</li> <li>SIPO 3 yearly review</li> <li>Fund Manager Review</li> </ul>	<ul style="list-style-type: none"> <li>Performance Management review</li> <li>Divisional Managers reports</li> <li>Key Programme - ES Way report</li> <li>Key Programme - IMMSG report</li> <li>LGOIMA report</li> </ul>	<ul style="list-style-type: none"> <li>Performance Management review</li> <li>Divisional Managers reports</li> <li>Key Programme - ES Way report</li> </ul>	<ul style="list-style-type: none"> <li>Divisional Managers reports</li> <li>Key Programme - IMMSG report</li> <li><b>Update SIPO Policy</b></li> <li><b>Develop Policy review programme</b></li> </ul>	<ul style="list-style-type: none"> <li>Benchmarking</li> <li><b>Fleet Management report</b></li> <li>SIPO 3 yearly review (next due Dec 2021)</li> </ul>
<b>External Expert Report</b>		<ul style="list-style-type: none"> <li>Fund Managers</li> <li>Audit Review &amp; Management Letter</li> <li>Southland</li> </ul>	<ul style="list-style-type: none"> <li>RSHL roadshow</li> </ul>			<ul style="list-style-type: none"> <li>External Audit (pre audit)</li> </ul>	



	2019			2020			
	Jul/Aug	Sep/Oct	Nov/Dec	Jan/Feb	Mar/Apr	May/Jun	In Future/To be developed
		Warm Homes Trust update <ul style="list-style-type: none"> <li>Insurance Advisors</li> </ul>					