Notice is hereby given of the

Council Workshop – Long-term Plan – Policy & Strategy Review and Spatial Planning

Tuesday 10 November 2026 at 9:30 am

Environment Southland Council Chamber, 220 North Road, Invercargill
26/CW/91

Council Members

Chairman Jeremy McPhail	Cr Ewen Mathieson	Cr Maurice Rodway
Cr Alastair Gibson	Cr Geoffrey Young	Cr Paul Evans
Cr David Rose	Cr Jon Pemberton	Cr Phil Morrison
Cr Eric Roy	Cr Lyndal Ludlow	Cr Roger Hodson

Agenda

1 Reports 3

1.1 Policy & Strategy Review 3

1.2 Spatial Planning.....77

1 Reports

1.1 Policy & Strategy Review

Report by: Upul Karunarathne, Team Leader Strategy and Organisational Planning
Approved by: Hayley Fitchett
Report Date: General Manager Strategy & Regulation

Purpose

To seek Council direction on the key strategies and policies supporting the 2027–2037 Long-term Plan.

Summary

Subject matter experts have reviewed the key strategies and policies supporting the 2027–2037 Long-term Plan. The review has considered legislative changes, emerging LTP assumptions, implementation experience, affordability, infrastructure and climate risks, financial information, external funding uncertainty, and potential local government and resource management reforms.

The tracked-change documents identify the proposed amendments and matters requiring Council direction. The Asset Management Plans and Financial Strategy are being developed through separate workstreams and will be presented to Council separately.

The workshop enables Council to consider the key changes and their implications for Murihiku Southland before staff complete the next stage of drafting and financial modelling. Council's direction will inform the next drafts and the wider LTP package. Formal approval, consultation and adoption will occur through subsequent Council meetings in accordance with statutory requirements.

Background

Environment Southland is developing its 2027–2037 Long-term Plan, which will set Council's activities, levels of service, financial approach and planned expenditure for the next 10 years. The Infrastructure Strategy, Significance and Engagement Policy, and financial policies & strategies provide an integrated framework for these decisions.

The key documents perform different but connected functions:

- **Infrastructure Strategy**: identifies significant infrastructure issues, response options, expenditure and major decisions over at least 30 years, with a particular focus on the regional flood-protection network.
- **Significance and Engagement Policy:** guides how Council assesses significance and selects a proportionate engagement approach. It also identifies Council's strategic assets.
- **Financial policies**: guide how activities are funded and how Council manages rates relief, borrowing, investments, reserves, financial contributions and restricted marine-fee revenue

Subject Matter Experts have considered and reviewed whether the documents:

- meet current legislative requirements
- align with Council's emerging direction and LTP assumptions
- support affordable and cost-effective services
- clearly explain funding, benefits and financial risks
- provide proportionate and transparent engagement
- remain workable through legislative change
- identify matters requiring further evidence, modelling or Council direction.

The workshop will focus on material policy settings and strategic choices rather than detailed drafting. Council will be asked to consider the proposed direction, key assumptions, financial and distributional implications, engagement requirements, unresolved issues and any further information required.

The attached supporting material comprises:

- the workshop run sheet, including session timing, presenters and expected outputs
- the reviewed strategies and policies with tracked changes, including proposed amendments and matters requiring further consideration.

The draft strategies and policies have also been circulated to Te Ao Mārama Inc for review and feedback. Any feedback received will be considered alongside Council's workshop direction.

Following the workshop, staff will update the documents, complete legal and technical assurance, align them with the Asset Management Plans, Financial Strategy and LTP budgets, and determine any further engagement or consultation requirements. The revised material will return to Council through the formal LTP decision process.

Te Tiriti o Waitangi implications
The workshop seeks preliminary Council direction. The draft strategies and policies have been circulated to Te Ao Mārama Inc for feedback on mana whenua interests and implications.

Feedback will inform the next drafts and Council advice. Further engagement with Ngāi Tahu ki Murihiku will occur where required.

Attachments

1. Strat & Policy review Council WS-10 Nov-Run sheet [**1.1.1** - 2 pages]
2. Draft Appendix 1 - Financial Reserves Policy [**1.1.2** - 3 pages]
3. Draft Financial Contributions Policy [**1.1.3** - 5 pages]
4. Draft Financial Reserves Policy [**1.1.4** - 8 pages]
5. Draft Marine Fee Reserve Allocation Policy [**1.1.5** - 7 pages]
6. Draft Rates Remission & Postponement Policy [**1.1.6** - 8 pages]
7. Draft Revenue and Financing Policy [**1.1.7** - 10 pages]
8. Draft Significance & Engagement Policy (1) [**1.1.8** - 12 pages]
9. Draft Treasury Policy [**1.1.9** - 17 pages]

Council Workshop-Run Sheet

Date: 10 Nov 2026 -09.30- 12.30

Focus: Review of key strategies and policies supporting the 2027–2037 Long-term Plan
Total duration: 2.5 hours, including a 10-minute break and 5-minute close

Workshop purpose: Present the staff-reviewed documents, explain material amendments, test the updated strategic and financial settings, and obtain clear Council direction before final drafting.

Pre-circulate reading material: - Draft policies and strategies with track changes.

By the end of the workshop, Council should have:

- Understood why each strategy or policy has been reviewed
- Understood the material amendments proposed by staff
- Tested whether amendments reflect Environment Southland's current operating context
- Considered legislative changes and emerging LTP assumptions
- Identified any further options or information required
  Provided direction on draft policy settings
- Identified matters likely to require community or mana whenua engagement
- Agreed the next step and decision pathway for each document.

Time	Duration	Session	Lead presenters	Required outcome
9.30-9.50 am	20 min	Overview & Intro	Marcus Roy	Welcome, Shared understanding of the purpose, context, scope, dependencies and decisions required
09.50-10.20 am	30 min	Significance and Engagement Policy	Jane Brown, Gail J, Jody	Direction on significance criteria, strategic assets, engagement approach and any consultation implications
10.20-11.20 am	60 min	Finance policies	Jody, Patric	Direction on revised financial policy principles, material policy

				settings and further modelling required
11.20-11.30 pm	Break			
11.30-11.50 pm	20 min	Confirm directions and next steps	Marcus Roy	Confirm decisions, actions, owners, information gaps and reporting dates
White board /note support			Lindsay	

Policy – Financial Reserves

Appendix 1: List of Reserves & Retained Earnings as at 30 June 2026

Special Reserves	
9564. Building Reserve	(873,489)
9566. Lease Building Reserve	(580,135)
9574. Plant Replacement Reserve	(106,243)
9558. IT Transformation Reserve	(421,446)
9556. Vehicle Renewal Reserve	(962,172)
9580. Infrastructural Assets Reserve	(1,193,796)
9562. Disaster Damage Reserve	(2,000,000)
9592. Makarewa Disaster Reserve	(213,076)
9594. Oreti Disaster Reserve	(1,868,251)
9596. Mataura Disaster Reserve	(1,598,086)
9598. Aparima Disaster Reserve	(739,449)
9588. Orauea Disaster Damage Res	(10,724)
9606. Invercargill Disaster Reserve	(1,407,725)
9590. Waiau Disaster Damage Reserve	(1,564,032)
9578. Coastal Rentals Reserve	(828,782)
9618. Marine Fee Reserve	(1,666,221)
9608. Pest Property Reserve	(909,555)
9614. Pest Plant Reserve	(103,119)
9616. Pest Disposals Reserve	(299,131)
9620. Te Anau Basin Damage Reserve	(436,659)
9603. Waimatuku Stream Disaster Res	(70,959)
9604. Lake Hawkins Pumphouse Reserve	(9,842)
9582. Emergency Mgmt Southland Reserve	(462,571)
9583. AF8 Reserve	(126,503)
	(18,451,966)
Rating Districts	
Drainage Districts	
1745 - Aparima Rating District Total	(243,141)
1755 - Makarewa Rating District	(76,687)
1765 - Mataura Rating District	(96,114)
1770 - Oreti Rating District	(430,356)
1775 - Te Anau Rating District	(213,271)
1799 - Makarewa Special Fund	(131,884)
1801 - Waiau Special Projects	(1,148,063)
1805 - Waiau Sharpridge Drainage District Total	(79,910)

1810 - Waiau Orauea Drainage District	(33,108)
1815 - Waiau Wairaki Drainage District	(36,757)
1820 - Waiau Fenham Drainage District	(56,666)
1825 - Waiau Lillburn Drainage District Total	(367,289)
1830 - Waiau Boundary Creek Drainage District	446
1840 - Clifton Drainage District	(18,123)
1845 - Duck Creek Drainage District	(39,861)
1850 - Lake Hawkins Drainage District	12,060
1855 - Otepuni Creek Drainage District	(11,771)
1860 - Waituna Creek Drainage District	(51,340)
1865 - Waihopai Drainage District	(48,264)
1870 - Waimatuku Drainage District	(78,949)
1875 - Upper Waihopai Drainage District	(77,999)
1880 - Upper Waikiwi Drainage District	(109,436)
1885 - Lower Waikawa Drainage District	(8,355)
1890 - Upper Waikawa Drainage District	(40,525)
River Areas	
Aparima	(404,855)
Invercargill	(62,597)
Makarewa	(61,024)
Mataura	(143,070)
Oreti	(188,845)
Te Anau	(652,231)
Waiau	(56,867)
	(4,954,852)
Lease Areas	
Aparima	(38,802)
Ferry Road	(2,838,590)
Kingswell	(60,826)
Mataura	(3,268,443)
Oreti	(541,824)
Otepuni	(331,487)
Winton	(221,177)
Waihopai	(212,859)
Waituna	(50,830)
	(7,564,838)
Accumulated surpluses	
9622. Biosecurity accumulated Surplus	(595,750)
9623. Flood Infrastructure accumulated Surplus	(482,645)
9628. Land Sustainability accumulated Surplus	(2,015,135)
9630. Gravel Account accumulated Surplus	(236,228)
	(3,329,758)

Total reserves to be held as cash		(34,301,414)	
9625. Internal Loan against reserves	13,841,211		
Total special reserves		(20,460,203)	Cash
General reserves			
Council retained earnings	(51,064,758)		Non cash
Capital Reserve	(42,384,785)		Non cash
		(93,449,543)	
Total reserves and equity of council @ 30.06.2026		(113,909,746)	

1. ***Special Reserves*** – funds set aside for a particular purpose such as disasters, plant, building and computers etc.
2. ***Rating Districts – Drainage Reserves*** – reserve balances for each of the separate drainage districts in the region.
3. ***Rating Districts - River Areas Reserves*** – reserve balances for each of the river scheme areas in the region.
4. ***Lease Area Reserves*** – reserves accumulated through rental income from separate reserves across the region.
5. ***Accumulated surpluses*** - as a general principle, Council's income and expenditure relating to its activities should be gathered and spent in the financial year that it is budgeted in. This is the key objective of setting a balanced budget.
6. ***General Reserves*** – reserves made up of non-cash capital assets and surplus funds available for general use.

Policy – Financial Contributions

Ngā Takoha Ahumoni

This policy has been developed by Council, as required by Section 102(2)(d) of the Local Government Act 2002. Under the Resource Management Act Councils are able to charge financial contributions. Financial contributions are a regulatory mechanisms to address the effects of development and support the provision, protection and enhancement of environmental and community resources where authorised through planning instruments. Environment Southland has included in provisions for charging financial contributions in its Regional Coastal Plan and ~~its Regional Water Plan (including~~ the proposed Southland Water and Land Plan (pSWLP)~~), provisions for charging financial contributions~~. With the transition to a new planning system through the Planning Act 2026 and the Natural Environment Act 2026, the scope of financial contributions is expected to be narrower. The future treatment of financial contributions will be guided by the new statutory framework, national direction, and replacement planning instruments as they are progressively introduced. Accordingly, this policy should be read in the context of an evolving legislative environment and may require amendment to remain aligned with future regulatory requirements.

Commented [CJ1]: While there are some parts of the pSWLP still under appeal and therefore not fully operative, the financial contributions section of the pSWLP is not under appeal so the Regional Water Plan no longer applies to this policy.

1. Contents

1. Contents
2. Definitions
3. Policy
4. Regional Coastal Plan
5. ~~Regional Water Plan (including the~~P ~~p~~roposed Southland Water and Land Plan~~)~~
~~5.~~6. Administration, accountability and review

Policy No.	Policy Sponsor	Approval Date and Date of Next Scheduled Review	Approved By	MORF Reference	Related Standards
B10.4	Executive	**Approved** – 27 May 2004 **Reviewed** – 22 March 2006 **Reviewed** – 29 June 2018 **Reviewed** – 16 December 2020 **Reviewed** – 30 July 2021	Council	A33387	Local Government Act 2002; Resource Management Act 1991; Relevant Regional Plans



2. Definitions

The Council ~~has a discretion where it may charge~~may require financial contributions under Section 108 of the Resource Management Act 1991 (RMA) as a condition of a grant of resource consent. A "financial contribution" means:

"…a contribution of—

(a) money; or
(b) land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Māori Act 1993 that Act provides otherwise; or
(c) a combination of money and land."

3. Policy

No capital expenditure has been identified, as it related to increased demand for community facilities resulting from growth, in the Council's Long-term Plan. Nor will any other capital expenditure be funded ~~by~~from financial contributions under this policy.

Environment Southland has the power to recover financial contributions in both its Regional Coastal Plan and ~~Regional Water Plan (including the~~ pSWLP~~roposed Southland Water and Land Plan)~~ under the Resource Management Act 1991.

4. Regional Coastal Plan

The Regional Coastal Plan sets out the circumstances where financial contributions may be applied to offset the significant unavoidable adverse effects of certain activities on the coastal marine area.

Financial contributions will only be used to ~~offset the~~address adverse effects of ~~notified~~ controlled, discretionary or non-complying activities that are publicly notified after all means of avoiding, mitigating or remedying adverse effects have been addressed. Where practicable, financial contributions will be applied as close as possible to the site where the adverse effects occur; or if not practicable, used for positive environmental effects intended to benefit people or communities most directly affected by the adverse effects.

The requirement for, and quantum of, financial contributions will be assessed on a case-by-case basis.

Where financial contributions are required, Environment Southland shall have the following priorities:

- land including esplanade reserves or strips;
- money;
- a combination of money and land.



Money is the least preferred form of financial contribution, but may be an appropriate form of compensation to address the cumulative adverse effects of minor singular activities. Circumstances where financial contributions may be imposed are:

- where public access to or along the coast or across the coastal marine area will be limited or prevented;
- where the activity is likely to cause or contribute to:
  - adverse effects on existing recreational opportunities and/or amenities facilities in the coastal marine area;
  - destruction or damage of coastal vegetation, erosion of foreshore or dunes, or adversely affect visual amenities due to the removal of coastal vegetation;
  - adverse effects on visual amenities and/or involves land clearance or disturbance;
  - adverse visual effects on heritage features or conservation areas;
  - the erosion of the seabed or foreshore;
- where the activity will adversely affect an historic site or one of cultural or spiritual significance to the tangata whenua;
- where the activity is likely to cause an increase in litter in the coastal marine area;
- where the activity (including discharges) for which consent is granted is likely to cause or contribute to the destruction or damage of significant habitat of flora or fauna.

The amount of the financial contribution will be determined in each of the above circumstances, generally, as follows: by calculating the fair and reasonable costs or full actual costs, where specified for:

- acquisition and vesting of land or interest in land;
- planting or maintenance of vegetation;
- landscaping or replanting;
- fencing or screening;
- protecting or restoring;
- erosion protection, sediment replenishment;
- provision of facilities or services;
- creation of habitat restoration area or pest management programme.

5. ~~Regional Water Plan (including prop~~Proposed Southland Water and Land Plan~~)~~

Where Environment Southland grants a resource consent under the ~~Regional Water Plan (including the~~ pSWLP~~roposed Southland Water and Land Plan – pSWLP)~~, it may impose a condition requiring that a financial contribution is made for specified purposes and under certain circumstances as set out in the pSWLP ~~Regional Water Plan (including pSWLP)~~. The "activity" referred to in the following circumstances is the activity for which consent is granted. The circumstances are:

- maintenance or improvement of public access to and along rivers where public access to or along rivers or lakes will be limited or prevented by the activity;
- protection, restoration or enhancement of river and lake beds where the activity is likely to cause or contribute to adverse effects on river and lake beds;
- protection, maintenance or restoration of heritage values and of places, areas, or features of importance to tangata whenua – where the activity will adversely affect places, areas, buildings,



or features of special historical, archaeological, architectural, scientific, ecological or intrinsic value (including trees or areas of vegetation with such values) and places, areas or features of importance to tangata whenua for spiritual, cultural or historical reasons;

- landscaping or planting – where the activity is likely to cause or contribute to adverse effects on visual amenities;
- fencing or screening – where the activity is likely to contribute to adverse effects on visual amenities, or conservation areas;
- general – mitigation works – where the activity will cause or contribute to adverse effects in the environment which will not be adequately mitigated by any types of contribution described elsewhere in the plan;
- general – environmental compensation – where the activity will have adverse effects which will not be adequately avoided, remedied or mitigated and those effects can be offset by positive effects elsewhere.

The amount of the financial contribution will be determined in each of the above circumstances, generally, as follows: by reference to matters set out in the Regional Water Plan (including pSWLP), but will be an amount (fair and reasonable or full actual costs) that will be sufficient to avoid, remedy or mitigate adverse effects.

6. Administration, accountability and review

Monetary contributions will be separately identifiable and used only for the purpose for which they were required, subject to any lawful variation, refund or other disposition.

Receipts, commitments, expenditure and unspent balances will be reported through Council's normal financial reporting and annual-report processes.

This policy will be reviewed as part of each Long-term Plan and earlier if there is a material change to legislation, relevant regional-plan provisions, the funding needs analysis, Council delegations or related financial policy.

Page

Policy – Financial Reserves

The purpose of this policy is to:

- establish guidelines for the effective and prudent management of Councils financial reserves;
- identify the financial reserves this policy applies to and the purpose for holding them;
- differentiate between cash and non-cash financial reserves;
- create a consistent, transparent, and accurate process for the management of Councils financial reserves.

1. Contents

1. Contents
2. Purpose of Financial Reserves
3. Principles and Objectives
4. Scope
5. Reserve Limits, Use and Replenishment of Cash Reserves
6. Reserve Structure
7. Relationship to Statement of Investment Policies and Objectives and other Polices
8. Policy Owner
9. Review

Policy No.	Policy Sponsor	Approval Date and Date of Next Scheduled Review	Approved By	MORF Reference	Related Standards
C	~~Chief Financial Officer~~GM Corporate Services	**Approved** –	Council	A1034433	• Local Government Act 2002 • Financial Strategy • Review & Financing Policy • Statement of Investment Policy & Objectives • Development & Financial Contributions Policy • Treasury Policy

2. Purpose of Financial Reserves

Financial reserves have two key purposes. Firstly, they provide the ability to separately account for the balance of funds or assets that relate to the purpose or activity the reserve was established for, and secondly, they provide opening and closing balances for the financial year that in turn provides transparency, accountability and the ability to manage reserve use and balances accurately to meet the demands of the activity.

3. Principles and Objectives

As a general principle, Council's income and expenditure relating to its activities should be gathered and spent in the financial year that it is budgeted in. ~~This is the key objective of setting a balanced budget.~~

There are however a range of reasons or circumstances that necessitate the establishment and operation of reserves. These include but are not limited to the following:

- management of inter-year surpluses or deficits in general or targeted activity areas.
- separation of activities where transparency and accountability for allocated funds is required.
- holding depreciation funds on specific assets or groups of assets for future use.
- provision of financial resilience to fund unplanned or unexpected events.
- identifying differing types of equity that make up the Council balance sheet.
- provide independent management of vested funds or assets.

Council will manage these reserves in a prudent and transparent manner. Establishment of reserves, use of reserve funds or transfers from and to reserves will be subject to a decision of Council, except for administrative transactions expressly authorised by an approved budget and delegation. Decisions will ~~and will~~ support the efficient and effective running of Council's operations. A restricted reserve may only be used for its authorised purpose unless a lawful decision, and any required consultation or third-party approval, permits otherwise.

Management principles and objectives will include:

- ensuring that known risks are adequately mitigated by the provision of appropriate financial buffers.
- ensuring sufficient funds are on hand to maintain the financial viability of the Council and support any unexpected or unplanned disruption.
- assist with the balancing of budgets across financial years.
- ensuring adequate funds are available for replacement of assets.
- being able to respond to unbudgeted opportunities that arise outside of the budget planning cycles.
- ensuring the management and use of reserves takes into account the funding principles of Section 101 of the Local Government Act 2002 including the principles associated with intergenerational equity.

~~The staff Treasury Oversight Committee will be responsible for advising Council and attending to the objectives of this Reserves Policy.~~

4. Scope

This policy covers all Council reserves as ~~L~~listed in the controlled Reserve Register ~~**Appendix 1. These reserves include cash and non-cash reserves.**~~ A reserve is an accounting balance or designation and does not necessarily represent separately held cash. Investment and liquidity arrangements are governed by the Treasury Policy and SIPO.

5. Reserve limits, use and replenishment of cash reserves.

All cash reserves, where the purpose of the reserve is more than providing a repository for year end and year opening surpluses or deficits, will have a ~~minimum balance~~Council approved target range or minimum balance supported by a documented methodology. Minimum balances will apply to those reserves that are established for disaster response, future planned commitments, and financial resilience.

If a reserve is depleted below its minimum balance Council will restore the reserve back to that minimum balance as soon as is practicable but within three financial years without further drawdown. If additional drawdowns are made in the intervening years the additional drawdown is to be replenished within three years or sooner depending on the reserve balance and the ability for the reserve to address issues that it was set up to do.

Reserves can go into deficit. If so, the deficit will be treated as internal borrowing and must comply with the Treasury Policy, approved delegations and a documented repayment plan. ~~policies may apply.~~

~~The staff Treasury Oversight Committee will be responsible for recommending to Council the setting of reserve minimum balances for those reserves that require it and, where required, a programme of funding to achieve these minimum balances.~~

~~More detail relating to each reserve is provided in **Appendix 1**. The figures shown will show the year end balances of the most recent financial year. Minimum balances will be inserted for those reserves requiring them.~~

6. Reserve Structure

Council's reserves are both cash and non-cash reserves. Cash reserves are aggregated together for investment purposes and the majority are invested through Council's Managed Fund. Council's Managed Fund is made up of a variety of investments that are exposed to market conditions, therefore there is not a direct correlation between the balance of the Managed Fund and the Reserves.

Council has five categories of special reserves as follows:

1. ***Special Reserves*** – funds set aside for a particular purpose such as disasters, plant, building and computers etc.
2. ***Rating Districts – Drainage Reserves*** – reserve balances for each of the separate drainage districts in the region.
3. ***Rating Districts - River Areas Reserves*** – reserve balances for each of the river scheme areas in the region.

4. ***Lease Area Reserves*** – reserves accumulated through rental income from separate reserves across the region.
5. ***Accumulated surpluses*** - as a general principle, Council's income and expenditure relating to its activities should be gathered and spent in the financial year that it is budgeted in. This is the key objective of setting a balanced budget.

And one General Reserve category as follows:

6. ***General Reserves*** – reserves made up of non-cash capital assets and surplus funds available for general use.

7. Relationship to ~~Statement of Investment Policies and Objectives and~~ other Policies

T~~he relationship between t~~his Financial Reserves Policy is to be read consistently with the Financial Strategy, Revenue and Financing Policy, Treasury Policy, ~~and~~ the Statement of Investment Policies and Objectives, accounting policies, delegations and adopted planning documents. ~~is that the Financial Reserves Policy identifies the reserves Council holds and sets policies regarding their management and use, whereas the Statement of Investment Policies and Objectives identifies the investment criteria and limits for the investment of those financial asset backed reserves the Council holds.~~

This Reserves Policy is subservient to other policies as its purpose is to identify the various reserves of Council and provide guidance as to their management and use. Where a law, deed, grant condition, targeted-rate purpose imposes a more specific restriction, that restriction prevails.

8. Policy Owner

The General Manager of Corporate Services ~~Chief Financial Officer~~ will be the policy owner for the purpose of ensuring it is maintained and is up to date. The policy will provide guidance to Council and be administered by the Investment ~~staff Treasury Oversight~~ Committee.

9. Review

This Policy will be reviewed every three years, following its adoption. This policy will be reviewed with each Long-term Plan and earlier following any material change to legislation, financial strategy, reserve purpose, investment arrangements or Council's risk settings.

~~Appendix 1~~

Commented [CJ1]: Proposal is to have this appendix saved as a separate document to be able to update it without revising the whole policy. Exec guidance sought.

~~Reserve / retained earnings~~	~~@ 30.06.2023~~
~~Special Reserves~~	
~~9564. Building Reserve~~	~~(703,650)~~
~~9566. Lease Building Reserve~~	~~(575,927)~~
~~9574. Plant Replacement Reserve~~	~~(348,381)~~
~~9558. Computer Reserve~~	~~(1,000,000)~~
~~9556. Vehicle Renewal Reserve~~	~~(846,407)~~
~~9580. Infrastructural Assets Reserve~~	~~(405,211)~~
~~9562. Disaster Damage Reserve~~	~~(2,000,000)~~
~~9592. Makarewa Disaster Reserve~~	~~(186,014)~~
~~9594. Oreti Disaster Reserve~~	~~(1,630,975)~~
~~9596. Mataura Disaster Reserve~~	~~(1,395,122)~~
~~9598. Aparima Disaster Reserve~~	~~(645,536)~~
~~9588. Orauea Disaster Damage Res~~	~~(9,362)~~
~~9606. Invercargill Disaster Reserve~~	~~(1,228,938)~~
~~9590. Waiau Disaster Damage Reserve~~	~~(1,471,868)~~
~~9578. Coastal Rentals Reserve~~	~~(487,100)~~
~~9618. Marine Fee Reserve~~	~~(1,347,748)~~
~~9608. Pest Property Reserve~~	~~(872,713)~~
~~9614. Pest Plant Reserve~~	~~(85,061)~~
~~9616. Pest Disposals Reserve~~	~~(299,131)~~
~~9620. Te Anau Basin Damage Reserve~~	~~(381,201)~~
~~9603. Waimatuku Stream Disaster Res~~	~~(61,947)~~
~~9604. Lake Hawkins Pumphouse Reserve~~	~~(3,225)~~
~~9582. Emergency Mgmt Southland Reserve~~	~~(316,946)~~
~~9583. AF8 Reserve~~	~~(11,516)~~
	~~(16,313,979)~~
~~Rating Districts~~	
~~Drainage Districts~~	
~~1745 - Aparima Rating District Total~~	~~(190,257)~~
~~1755 - Makarewa Rating District~~	~~(54,755)~~
~~1765 - Mataura Rating District~~	~~(286,784)~~
~~1770 - Oreti Rating District~~	~~(554,104)~~
~~1775 - Te Anau Rating District~~	~~(190,731)~~
~~1799 - Makarewa Special Fund~~	~~(115,321)~~
~~1801 - Waiau Special Projects~~	~~(930,263)~~
~~1805 - Waiau Sharpridge Drainage District Total~~	~~(51,082)~~
~~1810 - Waiau Orauea Drainage District~~	~~34,301~~
~~1815 - Waiau Wairaki Drainage District~~	~~(3,489)~~
~~1820 - Waiau Fenham Drainage District~~	~~(29,474)~~

1825 - Waiau Lillburn Drainage District Total	(317,016)	
1830 - Waiau Boundary Creek Drainage District	1,797	
1840 - Clifton Drainage District	(17,109)	
1845 - Duck Creek Drainage District	(66,816)	
1850 - Lake Hawkins Drainage District	109,850	
1855 - Otepuni Creek Drainage District	5,944	
1860 - Waituna Creek Drainage District	(49,546)	
1865 - Waihopai Drainage District	(47,061)	
1870 - Waimatuku Drainage District	(35,209)	
1875 - Upper Waihopai Drainage District	(62,783)	
1880 - Upper Waikiwi Drainage District	(87,715)	
1885 - Lower Waikawa Drainage District	(2,238)	
1890 - Upper Waikawa Drainage District	(20,047)	
River Areas		
Aparima	(596,029)	
Invercargill	(289,474)	
Makarewa	(106,190)	
Mataura	(319,816)	
Oreti	65,937	
Te Anau	(351,489)	
Waiau	7,255	
	(4,549,712)	
Lease Areas		
Aparima	(40,247)	
Ferry Road	(2,466,853)	
Kingswell	(43,821)	
Mataura	(2,871,237)	
Oreti	(881,766)	
Otepuni	(298,042)	
Winton	(205,726)	
Waihopai	(196,332)	
Waituna	(64,431)	
	(7,068,456)	
Accumulated surpluses		
9622. Targeted rate, Biosecurity accumulated Surplus	(1,195,194)	
9628. Targeted rate, Land Sustainability Accum Surplus	(1,553,354)	
9630. Gravel Account Accum Surplus	(255,028)	
	(3,003,576)	
Total reserves to be held as cash		(30,935,723)

~~9625. Internal Loan against reserves~~	~~3,000,000~~		
~~**Total special reserves**~~		~~(27,935,723)~~	~~Cash~~
~~**General reserves**~~			
~~9552. SPNZ Buy Back Reserve~~	~~(181,814)~~		~~Cash~~
~~Council retained earnings~~	~~(15,631,190)~~		~~Non cash~~
~~Capital Reserve~~	~~(48,022,851)~~		~~Non cash~~
		~~(63,835,855)~~	
~~Total reserves and equity of council @ 30.06.2023~~		~~(91,771,577)~~	

Environment Southland Marine Fee Reserve Allocation Policy

This policy has been adopted by Council and sits alongside the Deed of Agreement that Council has with the Cruise Ship Industry, to ensure there is clarity as to how funds held in its Marine Fee Reserve are to be allocated.

1. Contents

1. Contents
2. Purpose of the Marine Fee Reserve Allocation Policy
3. Funding source
4. Purpose of Marine Fee
5. Alignment criteria for allocation
6. Priorities for allocation of funds
   - 6.1 Allocation priority will be to natural environment legislation and Harbourmaster functions and obligations
   - ~~6.1 Allocation priority will be to Resource Management Act and Harbourmaster functions and obligations~~
   - 6.2 Allocation to Environment Southland's activities
   - 6.3 Programmes not nominated for annual allocation
   - 6.4 Allocation to community programmes and projects
   - 6.5 Expected level of annual expenditure against predicted income
   - 6.6 Retention of reserve balance
   - 6.7 Reporting
7. Review of policy

Policy No.	Policy Sponsor	Approval Date and Date of Next Scheduled Review	Approved By	MORF Reference	Related Standards
B14.45	Executive	**Approved** – 14 February 2015 **Reviewed** – 28 March 2018 **Reviewed** – 22 May 2019 **Reviewed** – 16 December 2020 **Reviewed** – March 2024	Council	A359694	Deed of Agreement with cruise ship operators; Financial Reserves Policy; Revenue and Financing Policy; Long-term Plan; Annual Plan;

Environment Southland is the brand name of the Southland Regional Council

					Annual Report; Regional Coastal Plan for Southland; current Delegations manual -

2. Purpose of the Marine Fee Reserve Allocation Policy

The Marine Fee Reserve Allocation Policy has been established to implement the Environment Southland Marine Fee (ESMF), which forms part of the Deed of Agreement between Environment Southland and cruise ship operators (the Deed). This policy outlines the source of the funds and the process for allocating these funds in accordance with the purposes set out in the Deed. The Deed is a regulatory tool provided for by the Regional Coastal Plan for Southland. While that plan was established under the ~~Regional coastal plans are required by the~~ Resource Management Act 1991, regulatory tools for managing the coastal environment will continue to be required through natural environment plans under the newly enacted Natural Environment Act 2026. The specifics of these requirements will become clearer throughout the transition to the new statutory framework, and may necessitate a review of this policy.

3. Funding source

The source of these funds is the ESMF. ~~This is a fee that e~~Each cruise ship operator~~,~~ that ~~who~~ is a signatory to the Deed~~,~~ must pay the fee for each visit to the Internal Waters of Fiordland and Stewart Island (the Internal Waters). The method for calculating this fee is outlined in clause 7 of the Deed. ~~This funding source is directly affected by the operation of~~ Revenue is affected by cruise ship schedules, cancellations and wider conditions affecting the cruise industry in New Zealand.

4. Purpose of Marine Fee

~~The ESMF is a means of the user paying or contributing to the upkeep of the environment that the user gains a direct benefit from, and, contributes adverse effects to.~~ The ESMF gives effect to the user-pays principle by requiring cruise ship operators to contribute to monitoring and managing the environmental effects of their activities and to maintaining or enhancing the coastal environment from which they benefit.

The funds generated from the ESMF are used to assist Environment Southland in managing the Southland coast. In accordance with Schedule 3 of the Deed, Environment Southland's coastal management activities include but are not limited to:

- ~~development and implementation of the RCP;~~development and implementation of the Regional Coastal Plan for Southland;
- administration;
- research;
- environmental education;
- information dissemination;
- coastal state of the environment monitoring;
- consent monitoring;
- coastal permit processing and monitoring;
- enforcement (including complaint response);
- regional level oil spill contingency planning and response;
- navigation and safety functions; and



- harbourmaster responsibilities.

As specified in the Deed, this does not include port dues or port charges such as costs of pilots, tugs, wharf infrastructure or cargo handling.

5. Alignment criteria for allocation

Funding allocations must align directly with the coastal management activities specified in Schedule 3 of the Deed and contribute to Council's coastal management functions and obligations under applicable natural environment legislation, including the Resource Management Act 1991, the New Zealand Coastal Policy Statement 2010, the Southland Regional Policy Statement 2017, the Regional Coastal Plan for Southland, and, as the reforms take effect, the Natural Environment Act 2026 and its subordinate regulatory instruments,~~.~~ as well as ~~the New Zealand Coastal Policy Statement 2010, the Southland Regional Policy Statement 2017, the Regional Coastal Plan for Southland,~~ the Biosecurity Act 1993, the Maritime Transport Act 1994 or Maritime Rules Part 91: Navigation Safety Rules. Allocations must also be consistent with Council's Long-term Plan or Annual Plan, Financial Reserves Policy, Revenue and Financing Policy and current Delegations Manual.

~~Funding allocation must align directly with the coastal management activities specified in Schedule 3 of the Deed, and must contribute to Council's coastal management functions and obligations under the Resource Management Act 1991, the New Zealand Coastal Policy Statement 2010, the Regional Policy Statement 2017, the Regional Coastal Plan, the Biosecurity Act 1993, the Maritime Transport Act 1994, or, the Maritime Rules Part 91: Navigation Safety Rules.~~

6. Priorities for allocation of funds

6.1 Allocation priority will be to natural environment legislation and Harbourmaster functions and obligations

~~**6.1 Allocation priority will be to Resource Management Act and Harbourmaster functions and obligations**~~

Allocations from the ESMF should not be the first or main source of funding for any activity that is managed by legislation other than applicable natural environment legislation, including the Resource Management Act 1991 and, as the reforms take effect, the Natural Environment Act 2026, or Harbourmaster/~~-~~navigation safety legislation.~~activities.~~ This especially applies where those other Acts provide a means of generating user-pays ~~pay~~ funds or charges.

6.2 Allocation to Environment Southland's activities

~~Environment Southland's nominated coastal or marine related programmes, projects and activities can have fixed annual allocations as contributions towards actual project costs. These may be permanent or of longer duration, and are uncontested as recipients of funds from the Reserve (set as a lump sum contribution towards the actual project costs), until the Council decides otherwise and changes the content of the ESMF Allocation Schedule (held separately to this Policy and published in the Long-term Plan).~~The Marine Fee Reserve (the Reserve) separately accounts for ESMF revenue not yet applied to eligible coastal management activities. Environment Southland's nominated coastal or marine-related programmes, projects and activities may receive fixed annual allocations as contributions towards actual project costs. Allocations must be included in the ESMF Allocation Schedule, which is held separately from this Policy and published through the Long-term Plan or Annual Plan. Staff will coordinate proposed allocations through the relevant budgeting process, supported by the responsible activity manager and finance staff. Council approval is required for the Schedule and any subsequent material change, unless the change is within an express delegation.

6.3 Programmes not nominated for annual allocation

~~Any programmes, projects and activities not already catered for in the ESMF Allocations~~

~~Schedule, must seek approval from the Council through the Long-term Plan or Annual Plan budgeting process for funds from the Reserve.~~Any programme, project or activity not provided for in the ESMF Allocation Schedule must be supported by a business case proportionate to the amount and risk of the proposal. The business case must identify alignment with section 5, expected outcomes, total cost, other funding sources, delivery timeframe, key risks and reporting arrangements. Approval must be obtained through the Long-term Plan or Annual Plan process, or through a separate Council decision where timing does not reasonably allow consideration through those processes.

6.4 Allocation to community programmes and projects

Community projects and activities that Environment Southland considers relevant can have:

- *fixed annual allocations* – these nominated community programmes, projects and activities are of a longer duration or permanent and are uncontested as recipients of funds from the Reserve until the Council decides otherwise and changes the content of the ESMF Allocations Schedule; or

- *one-off contributions* – requests for one-off funding contributions must be made with a business case and may be made at any time. This consideration process can only proceed if there are any funds remaining unallocated in the year they are to be received after Environment Southland allocations have been made.

Each request shall:

- be considered entirely at the Council's discretion;
- be assessed on the merits of each case; and
- must directly align with the allocation criteria.

The Council retains the discretion to decline any request for an allocation of project funds from the Reserve to any programme, project or activity.

6.5 Expected level of annual expenditure against predicted income

~~There is difficulty in estimating the expected income from cruise ship visits to the Internal Waters. Scheduling of cruise ship visits is undertaken on an ongoing basis, sometimes three years ahead of visit dates, with the actual number of visits varying season by season depending on market demand. Weather issues and mechanical difficulties can also result in cancellations, as can other international events such as the COVID-19 pandemic.~~Marine fee revenue is inherently variable. Cruise ship schedules may be prepared several years in advance, but the number of visits can change because of market demand, weather, mechanical issues, biosecurity requirements, geopolitical events or other disruptions. Revenue forecasts must therefore use the best information available and be reviewed through Council's normal budget monitoring and forecasting processes.

~~Attempting to plan expenditure when there is a significant level of uncertainty means that the Council's allocation of funds from the Reserve must be undertaken prudently. The funds are applied to Council income in lieu of rates income.~~Because revenue is uncertain, allocations from the Reserve must be made prudently and must not create an unsustainable reliance on marine fee revenue. Marine fee revenue may be applied to eligible activities in place of rates or other Council funding only where this is consistent with the Deed, this Policy and the adopted Long-term Plan or Annual Plan.

6.6 Retention of the reserve balance

The Marine Fee Reserve must be managed to provide resilience to ~~the~~ against fluctuations~~g~~ or interruptions in marine fee revenue.~~nature of the cruise industry and the associated income.~~ The Council will ~~– with~~use best endeavours~~–~~ to ~~retain at least one year's scheduled income in the Reserve at all times. Council acknowledges that the cruise sector will likely take some time to return to the pre-COVID-19 visit levels and as a result, the balance of the Reserve may be affected.~~The target will be reviewed annually through the Long-term Plan or Annual Plan process, taking account of forecast revenue, committed allocations, operating risks and the balance available.

~~Prudent management of the Reserve balance will enable the Council to plan and provide alternative funding sources for continuity of coastal and harbour management activities, should other interruptions to the industry occur.~~Where the forecast Reserve balance is below the target, the budget presented to Council must identify a reasonable replenishment approach. Council may approve use below the target where necessary to maintain priority coastal or harbour management functions, provided the decision records the financial implications, alternative funding options and proposed replenishment.

6.7 Reporting

~~Reporting on the use of annual allocations from the fund and the outcomes achieved, will be made to the Council and the community through the Annual Report process.~~At least annually, Council will receive reporting on marine fee revenue, allocations, actual expenditure, commitments, the opening and closing Reserve balance, performance against the minimum balance target, and the outcomes achieved. A summary will be included or clearly cross-referenced in the Annual Report.

~~Reporting to the cruise industry shall occur through the annual consultative meetings between ES, the New Zealand Cruise Association, Cruise Lines International Association, port agents and cruise ship operators who are signatories to the Deed. The matters to be included are outlined in clause 8 of the Deed.~~Environment Southland will report to the cruise industry through the annual consultative meetings between Environment Southland, the New Zealand Cruise Association, Cruise Lines International Association, port agents and cruise ship operators that are signatories to the Deed. Reporting will include the matters required by clause 8 of the Deed.

7. Review of policy

~~This Policy will be reviewed every three years within the Long-term Plan process unless the Council considers that there are extraordinary circumstances that require an earlier review.~~This Policy will be reviewed as part of each review of the Regional Coastal Plan for Southland, or earlier where there is a material change to the Deed, legislation, Council's financial policies or the funding arrangements. An administrative check will be completed at least once every three years to confirm that references, delegations and reporting arrangements remain current.

Policy - Rates Remission and Postponement - including Rates Remission and Postponement for Māori Freehold Land *Kaupapahere Murua me Whakatārewa*

The Local Government Act 2002 provides that the Council may adopt rates remissions and/or postponements policies. Council has developed policies for rates relief drawing on the principles that rate relief policies should be:

- effective in promoting the achievement of Environment Southland's strategic outcomes;
- just and equitable, considering individual circumstances;
- cost-effective, transparent and easy for the ratepayer to apply;
- lawful, consistent and supported by recorded reasons.

1. Contents

1. Contents
2. Overall remissions and postponement policy conditions and criteria
3. Recognition of Obligations to Māori
4. Remission for halls owned by clubs or societies
5. Remission for sports associations ~~without a liquor licence~~
6. Remission of penalties
7. Postponement Policy
8. Policy – Rates Remission and Postponement on Māori Freehold Land

Payment arrangements

Council can enter a payment arrangement at any time. This may be more suitable than a remission.

Payment arrangements allow ratepayers to catchup on rates. Ratepayers unable to pay a full instalment or have arrears should contact Council rates staff and see if a payment arrangement is appropriate. A payment arrangement does not itself remit or postpone rates unless a separate decision is made under this policy. Arrangement can include a remission under this policy if the arrangement is honoured.

Policy No.	Policy Sponsor	Approval Date and Date of Next Scheduled Review	Approved By	MORF Reference	Related Standards
B5.7	Executive	**Approved** – 23-24 July 2003 **Reviewed** –22 March 2006 **Reviewed** – 4 February 2015 **Reviewed** – 13 December 2017 **Reviewed** – 28 March 2018 **Reviewed** – April 2021 **Approved** – 30 July 2021 **Approved** – 17 July 2024	Council	A33382	Delegations Manual' Revenue and Financing Policy ~~(S.4.2.5)~~

2. Overall remissions and postponement policy conditions and criteria

1. Rate remissions are deducted from the rates account of the property on which the remission is granted. Remissions are not paid in cash to the ratepayer. Multi-year remissions are deducted from the rates assessment when the rates are assessed.
2. ~~All a~~Applications must be made in writing by the ratepayer or their authorised agent, identify the rating unit and relief sought and provide supporting information to Council's satisfaction to support consideration of the remission.
3. All personal information provided to Council will be treated as confidential.
4. All applications will be considered on their individual merits and on a case-by-case basis.
5. ~~5.~~ Council may, at any time and at its discretion, review a remission or postponement where it becomes aware of information indicating that a material change in circumstances may have occurred. Where Council determines that the eligibility criteria are no longer met, it may amend or withdraw the remission or postponement for future rating periods. The ratepayer will be advised of the outcome and may submit a new application if they subsequently meet the applicable eligibility criteria. ~~Changes of circumstance should be advised to Council. Should Council become aware of any change Council may undertake and investigation and will review the validity of any remission or postponement. The applicant will be advised of the review and its outcome.~~

3. Recognition of Obligations to Māori

The amendment of the Local Government Act 2002 (102(3A)) in the Local Government (Rating of Whenua Māori) Amendment Act 2021 requires that the Rates Remissions Policies must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

This policy supports the ~~matters~~ principles in the Preamble by giving effect to Council's statutory obligations under the Local Government Act 2002 and the Local Government (Rating) Act 2022 including the matters in the rates remissions policies, Local Government Act 2002 Schedule 11 and Local Government (Rating) Act 2002 Schedule 1.

All policies in the Rates Remission and Postponement Policy also apply to Māori freehold land unless stated otherwise.

4. Remission for Halls owned by clubs or societies

Objective

To support communities by providing rates remissions, so that rates are the same as if it were used by a council, to organisations which have halls or properties which are used and operated in a similar vein to those owned by councils, in that they provide a benefit to the community (e.g. scouts, guides, private museums).

Remission Period

Indefinitely – so long as the hall ownership is unchanged and remains available to the community.

Remission Value

100% of rates.



Conditions and Criteria

Land owned by a ratepayer, other than a council, and used in a non-profit fashion as a public hall, library, museum, art gallery or other similar institution.

5. Remission for sports associations ~~without a liquor licence~~

Objective

To support the community by remitting rates on land owned by sports associations, whether or not the land includes an area subject to ~~operating without~~ a liquor licence.

Remission Period

Indefinitely – so long as the land ownership is unchanged and the land is used for sport or other recreational and non-commercial purpose.

Remission Value

100% of rates where the land does not contain an area subject to a liquor licence, and 50% of rates where the land contains an area subject to a liquor licence.

Conditions and Criteria

1. The land must be owned by the sports association (note land owned or used by a local authority is non-rateable).
2. The land must not be used for horse or greyhound racing.
3. Where ~~T~~the land contains an ~~must not hold any~~ area subject to a liquor licence the remission value is 50% of the rates assessed on the rating unit.
~~3.~~4. Council may review continued eligibility periodically and where ownership, use or licencing changes.

6. Remission of penalties

Objective

To be just and equitable in the imposition of penalties, by providing for remissions where late payment of rates resulted from circumstances affecting the ratepayer's ability to pay on time.

Remission Period

Current instalment only.

Remission Value

Up to 100% of penalties.

Conditions and Criteria

1. The applicant has a good record of on-time payments of all rate instalments and:
   (a) the ratepayer suffered due to a significant family disruption such as death, illness, accident of a family member or other 'one-off' event; or
   (b) the property was recently sold and the settlement date coincided with or was near the penalty dates; or
   (c) the rate assessment/invoice was not received before the penalty is incurred (on one occasion only); or
   (d) other reason for which it would be just and equitable to remit all or part of the penalty.

2. Where a ratepayer has been in default for greater than one year and has current and arrears penalties (greater than one year) the arrears penalties may be written-off as part of the settlement arrangements for the collection of all outstanding rates and an arrangement for the on-time payment of future rates.

3. The penalty remission only applies when the instalment has been paid, a direct debit authority lodged or the ratepayer enters a payment arrangement to pay overdue rates within a specified timeframe (up to one year).
4. Under an arrangement (including direct debit), penalties may not be applied while those arrangements are honoured.

7. Postponement or remission for unforeseen circumstances

Objective

To assist ratepayers experiencing financial circumstances and/or adversely impacted by natural disaster or other calamity (as determined by Council) which directly affects their ability to pay rates.

Postponement Period

Up to three years – at the discretion of Council.

Postponement Value

Up to 100% of rates.

Remission Period

Current instalment only.

Remission Value

Up to 100% of rates.

General Conditions and Criteria

1. Council must be satisfied that the ratepayer does not have financial capacity to pay their rates instalment when demanded or the payment of the rates instalment would create financial hardship for the ratepayer.

2. The land has become unusable or uneconomic because of severe erosion, land formation changes such as slips, natural disaster or calamity and directly as a result of this exceptional circumstances the ratepayer's ability to pay the rates is severely and temporarily impeded.

3. Evidence of financial circumstances must be submitted, along with advice from an approved budget advisor, lawyer or chartered accountant.

4. In the case of widespread events such as pandemic or natural disaster Council will decide on the level of response it is able to make.

5. A postponement will be made by way of a payment arrangement (for a period up to three years) that ensures future rates are able to be paid.

6. A remission will be at Council's discretion.

7. Where an arrangement is in place, (including direct debit), penalties will not be applied while those arrangements are honoured. Failure to meet the payment arrangement could result in the removal of postponement and penalties will then be charged.

8. Policy – Rates Remission and Postponement on Māori Freehold Land

The Rates Remissions and Postponement on Māori Freehold Land Policy supports the ~~matters~~ principles in the Preamble to Te Whenua Māori Act 1993 and considers the matters in the Local Government Act 2002 Schedule 11 and the categories of non-ratable land in the Local Government (Rating) Act 2002 Schedule 1.

1. Māori freehold land - nature of the land remission

Objective

To give effect to land (or part of the land) that may not meet the criteria of the Local Government (Rating) Act 2002 as non-rateable and where it is better the land's natural or cultural significance is preserved.

The extent of relief is at the discretion of the Council and may be cancelled or reduced at any time.

Remission Period

Indefinitely – so long as the land still qualifies under the policy.

Remission Value

Up to 100% of rates.

Conditions and Criteria

Rates may be remitted on land that meets any of the following criteria:

1. the land is occupied, and no income is derived from the use or occupation of that land;
2. the land is better set aside for non-use (whenua rāhui) because of its natural or cultural features or is unoccupied, and no income is derived from the use or occupation of that land;
3. the land is inaccessible and is unoccupied;
4. only a portion of the land is occupied;
5. other purposes.

Examples of "other purposes" are remissions on dwellings and commercial zones, contiguous (not in same ownership but in common usage, and rating units that are used for residential purposes that include separately inhabited part occupied by dependant family members.

Owners or trustees making application should include the following information in their applications:

(a) details of the property;
(b) the objectives that will be achieved by providing the remission;
(c) documentation that proves the land that is the subject of the application is Māori freehold land.

2. Māori freehold land - economic incentives remissions

Objective

The purpose of this section is to facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners consistent with s114A of the Local Government (Rating) Act 2002.

Remission Period

Up to five years at the discretion of Council.

Remission Value

Up to 100% of rates.

Conditions and Criteria

1. The Council may remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land if the Council is satisfied that the development is likely to have any or all of the following benefits:

   (a) benefits to the district by creating new employment opportunities;
   (b) benefits to the district by creating new homes;
   (c) benefits to the council by increasing the council's rating base in the long term;
   (d) benefits to Māori in the district by providing support for marae in the district;
   (e) benefits to the owners by facilitating the occupation, development, and utilisation of the land.

2. A remission application must be made in writing.

3. The Council may remit all or part of the rates having considered the duration of the development and the stages of development, having regard to when the ratepayer is likely to generate income from the development or in the case of housing when the dwelling is likely to be used.

4. The Council may put conditions on a remission including consideration of commencement and completion of the development.

5. Eligibility for this remission will be reviewed once the remission period expires. The Council may provide rates remission for other purposes if these remissions ensure ratepayers are treated equitably by the Council.

3. Māori Freehold land postponement policy

The same policies apply to Māori Freehold land as they do to general land, as per section 7 of this policy. In addition, Council must consider the principles in the Preamble to Te Ture Whenua Maori Act 1993 and the relevant matters in Schedule 11 of the Local Government Act 2002. Any postponement decision must record the amount, term, conditions, costs, security if applicable, and effect on the owners of the land.

For information

The follow is a precis of the major matters for Māori freehold land as provided in local Government



legislation.

1. Local Government (Rating) Act 2002
   (a) The Act provides many clauses to address the nature of Māori Freehold Land. For example: trustee liability, multiple landowners, deceased owners, unproductive land, separation of land.
   (b) Provision for the chief executive of Council to write-off rates that cannot be recovered.
   (c) Provision of remissions on land under development.
   (d) Non-rateable land
      (i) Nga Whenua Rahui kawenata land under the reserves and conservation acts.
      (ii) Education land including:
         1. Wānanga
         2. Kura Kaupapa Māori
         3. Special programmes under the education and training act
      (iii) Urupa
      (iv) Māori customary land.
      (v) Marae or meeting place.
      (vi) Māori reservation held for the common use and benefit of the people of New Zealand.
      (vii) unused rating unit of Māori freehold land.

2. Local Government Act 2002
   (a) Consider the matters in schedule 11 in developing a Remission on Māori Freehold land Policy.
      (i) supporting land for traditional purposes;
      (ii) recognising the relationships with ancestral lands;
      (iii) avoiding further alienation of the land;
      (iv) facilitating development;
      (v) taking account of waahi tapu;
      (vi) recognising the importance of the land to Marae and papakainga;
      (vii) recognising the importance of the land for community goals;
      (viii) recognising the level of community services provided to the land recognising the physical accessibility to the land.

environment SOUTHLAND REGIONAL COUNCIL
Te Taiao Tonga

Policy – Revenue & Financing
Kaupapahere Moni whiwhi me te Pūtea

~~This policy outlines the choices made in deciding the appropriate sources of funding for operating and capital expenditure from those sources listed in the Local Government Act 2002 (LGA).~~ This policy describes the Council's approach to selecting appropriate funding sources for operating and capital expenditure in accordance with the funding options available under the Local Government Act 2002 (LGA). ~~—~~The requirements for a Revenue and Financing Policy are outlined in ~~the sections~~sections 102 and 103 of the LGA. Section 103 requires that the Revenue and Financing Policy must state its policies for:

- sources of funding for operating expenditure, and
- sources of funding for capital expenditure.

A local authority must manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a way that promotes the current and future interests of the community using the following criteria from the Acts:

Section 101(3) Local Government Act
"The funding needs of the local authority must be met from those sources that the local authority considers to be appropriate, following consideration of:

(a) in relation to each activity to be funded-
- *i. the community outcomes to which the activity primarily contributes; and*
- *ii. the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
- *iii. the period in or over which those benefits are expected to occur; and*
- *iv. the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
- *v. the costs and benefits, including consequences for transparency and accountability of the activity distinctly from other activities; and*

(b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

Section 100T(2) Biosecurity Act 1993
Regional pest management plan or regional pathway management plan.
A regional council must decide the extent to which it should fund the implementation of its regional pest management plan or its regional pathway management plan from a general rate, a targeted rate, or a combination of both, set and assessed under the Local Government (Rating) Act 2002.

(a) The extent to which the plan relates to the interests of the occupiers of the properties on which the rate would be levied:
(b) The extent to which the occupiers of the properties on which the rate would be levied will obtain direct or indirect benefits from the implementation of the plan:
(c) The collective benefits of the implementation of the plan to the occupiers of the properties on which the rate would be levied compared with the collective costs to them of the rate:
(d) For the regional pest management plan, the extent to which the characteristics of the properties on which the rate would be levied and the uses to which they are put contribute to the presence or prevalence of the pest or pests covered by it:
(e) For the regional pathway management plan, the extent to which the characteristics of the properties on which the rate would be levied and the uses to which they are put contribute

Commented [CJ1]: If the biosecurity act is to be mentioned here it should be introduced above as one of 'the Acts'. Are we comfortable that these are the only two that are relevant? Do we need to reproduce the sections in the policy, or would it be fine just to refer to them? Also, its the only reference in the policy to the Biosecurity Act as far as I can tell. Thoughts?

to the actual or potential risks associated with the pathway.

We have considered the above before establishing this policy. Table 1 sets out a summary of Council's funding sources for operating and capital expenditure by activity. The comprehensive Section 101(3) analysis is separately documented in the Funding Needs Analysis (A1103952).

1. Contents

1. Contents
2. Guiding funding Principles
3. Available funding sources
4. Capital expenditure funding sources
5. Consideration of overall effect of funding allocations
6. Summary of funding mechanisms used in Groups of Activities

Policy No.	Policy Sponsor	Approval Date and Date of Next Scheduled Review	Approved By	MORF Reference	Related Standards
B15.5	Executive	**Approved** – 23-24 July 2003 **Reviewed –**22 March 2006 **Reviewed –** 4 February 2015 **Reviewed** – 28 March 2018 **Reviewed –** 30 July 2021 **Adopted** – 17 July 2025	Council	A363045	Treasury Policy; Financial Contributions Policy; Financial Reserves Policy; Fees and Charges Schedule-

Commented [CJ2]: What's the difference between reviewed and adopted here?



2. Guiding Financial Principles

We have developed ~~some~~ principles to assist in making informed and consistent choices under the legal framework. The following principles have been developed and applied:

- we ensure the everyday costs for services to the region are met from everyday income, unless Council resolves that it is prudent not to do so after considering the matters in section 100(2) of the LGA.
- we ensure that where future ratepayers use assets created today, they will pay their share through our prudent use of debt.
- we maintain financial resilience by having funds, debt capacity and insurance, sufficient to fund unplanned or unforeseen events.
- we clearly define service levels and deliver them in an efficient and effective, customer focused manner, providing value for money.
- we charge on a cost recovery basis where we identify there is a private benefit and it is efficient to collect.
- we aim for rates to be affordable and equitable, with increases set to provide certainty to ratepayers.
- we manage our investment funds and other investments by taking a prudent approach to risk and return.
- we support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

Complying with these principles can be challenging and compromise between principles is often required.

3. Available funding sources

We have a number of funding source options[1] when considering the day-to-day funding of activities, programmes or projects. We use these funding sources, or a mix of them, to match each individual activity, programme or project on a discretionary basis. Table 1 sets out the general order of consideration starting with fees and user charges, with general funds being the last funding source to be considered.

Table 1

Funding Sources	Application by Environment Southland
Fees and user charges	User charges are applied to services where it is identified there is a benefit to an individual or group, or directly attributable cost. User charges are a broad group of fees charged directly to an individual or entity including, but not limited to: ▪ service charges ▪ hire ▪ permits ▪ regulatory charges ▪ fines and penalties ▪ private works. ▪ rent, lease, licenses for land and buildings ▪ planning and consent fees ▪ statutory charges ▪ retail sales ▪ landing fees The price of the service is based on many factors, including but not limited to: (a) the cost of providing the service;

[1] Funding options are set out in section 103(2), LGA

Page 4

Page 1

Funding Sources	Application by Environment Southland
	(b) the estimate of the users' private benefit from using the service; (c) the impact of cost to encourage/discourage behaviours; (d) the impact of cost on demand for the service; (e) market pricing, including comparability with other councils; (f) the impact of rates subsidies if competing with local businesses; (g) cost and efficiency of collection mechanisms; (h) the impact of affordability on users; (i) statutory limits; (j) other matters as determined by the Council. The ability to charge user charges is limited by various statutes and regulations. As a general rule, fees for statutory functions should be set at no more than the cost of providing the service. In some cases, legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (such as the Waste Minimisation Act 2008) fees may be set at greater than the cost of providing the service. It is appropriate to incorporate overhead costs when determining the cost of providing a service. Where goods or services are sold commercially, and taking into consideration legislative limitations, our preference is to charge a market price. This includes retail sales, leases, rents and licenses for land and buildings. Fees and charges may be set at any time and are reviewed annually. A list of current fees and charges is maintained on our website. Revenue from user charges is allocated to the activity which generates the revenue. Mechanisms selected to fund a particular activity are based on a regular assessment of the efficiency of imposing multiple small charges compared to funding from a larger funding source such as general funds. However, there is a preference for individuals benefiting and causing costs to pay for the costs they impose. This means that individuals can become more aware of the impact their resource use choices have on the sustainability of Council's activities.
General rates: Valuation base	Applied to activities delivering wider community benefits using capital value. Council considered the merits of both land value and capital value for the general rate. Having considered the overall impacts on all ratepayers it was concluded capital value is a better tool based on the taxation principles of equity/affordability and benefit/impact and is therefore the preferred method. Higher capital value properties are generally better able to bear the cost of a proportionally higher general rate. Further, Council considers that recovering the general rate on capital value creates a more resilient rates base better able to respond to rate changes. Council also considered that capital value better reflects the principles set out in the Preamble to Te Ture Whenua Māori Act 1993 than land value because land that is undeveloped will generally pay less than a developed property under capital value. Differential rates may be used. Full descriptions of categories for differential rating and the relationships between categories are contained in the Funding Impact Statement.
Uniform Annual General Charge	A Uniform Annual General Charge (UAGC) is a fixed rate per property. It is part of the total general rates and set at a level that we consider appropriate.

Page 5

Page

Funding Sources	Application by Environment Southland
	The Local Government (Rating) Act 2002[2] limits rates set on a uniform basis, including the UAGC and targeted rates, to a maximum of 30% of total revenue sought from all rates.
Targeted rates	These may be used for discrete activities benefit, or for transparency purposes to fund a specific service or activity. Targeted rates are not a substitute for a user charge but allow us to assist communities to fund services that can only be delivered with collective funding. Any reserve funded by a targeted rate ~~is available to be used as general reserves if the targeted rate ceases and the activity becomes general rate funded~~will remain identifiable and will be applied or transferred only following a lawful Council decision that considers the original purpose, any commitments to affected ratepayers, the Financial Reserves Policy and transparent disclosure. Differential rates may be used. Full descriptions of categories for differential rating and the relationships between categories are contained in the Funding Impact Statement.
Grants and subsidies **Investment income (interest and dividends)**	Council receives grants and contributions from other organisations, including government agencies and local authorities, to help fund some of the activities that may have national or local benefit. Where grants and subsidies are available, we will apply when it is considered beneficial to do so. Where funding applications are successful or where long- term contracts have grants and subsidies, the funds are used for that purpose. Our investments are managed and funds allocated as per our Treasury Policy and Statement of Investment Policy Objectives. The annual cash dividend received from South Port NZ Limited is generally used in part or full to reduce the general rate as planned in the Long-term Plan (LTP) or Annual Plans.
Borrowing	Council may borrow to fund operating costs when we consider it is prudent to do so, for: • working capital requirements and short-term funding gaps; • certain operating expenses or overall operating cash deficits as planned in the LTP and Annual Plans; • unplanned expenditure e.g. opportunities, weather events and emergencies. All borrowing is subject to the Financial Strategy, Treasury Policy, approved budgets and applicable debt and liquidity limits.
Proceeds from asset sales	Proceeds from asset sales are applied to the replacement of assets. Where assets are used for a particular purpose and will not be replaced in the year of sale, the proceeds are put into the reserve for that activity. Proceeds are accounted for as sale proceeds and as a transfer to reserves.
Lump sum and development contributions	Council do not use lump sum or development contributions as sources of revenue.
Financial contributions	Section 108(2)(a) of the Resource Management Act 1991 authorises us to include as a resource consent condition, a financial contribution for purposes as stated in a regional plan. These are provided for in the Regional Coastal Plan and~~,~~ the ~~Regional Water Plan, and the partially operative~~ proposed Southland Water and Land Plan and may be applied on a case-by-case basis. Note that the application of financial contributions is likely to change significantly through the transition to the newly enacted Planning Act 2026 and Natural Environment Act 2026.

[2] Section 21, Local Government (Rating) Act 2002

Page 6

Page 1

Funding Sources	Application by Environment Southland

4. Capital expenditure funding sources

Capital expenditure is money spent on ~~building~~ construction and significant renewal of assets, which have a long life and long-term benefits. The level of capital expenditure over the period of a LTP is relatively minor compared to operating expenses. We take a long-term view to funding services and assets on a sustainable basis.

New assets may be funded from external sources (e.g. government), borrowing, reserve funds or rates (general and targeted). The costs of finance and debt repayments would be funded in the same way as the operating costs of the activity. This choice may be modified where ~~should it be~~ appropriate having considered the requirements of s101(3)(a) and (b).

We plan to fund replacement and renewed assets such as plant and vehicles from rates (depreciation), asset sales and reserve funds.

We plan to fund new assets including flood protection infrastructure ~~investment~~ as determined through the applicable funding-needs assessment, ~~primarily~~ from external sources, ~~and~~ borrowing, reserves or rates, with intergenerational equity and affordability considered.

5. Consideration of overall effect of funding allocations

We are required by section 101(3)(b) of the LGA to consider "the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community". After undertaking this assessment, as a final measure, we may modify the overall mix of funding that would otherwise apply after the initial s101(3)(a) analysis for both operating and capital expenditure.

The following adjustments may be made:

(a) as the region covers three territorial councils rating valuations are equalised;
(b) the allocation of the rates liability between sectors of the rating base may be altered by the use of the UAGC. We may modify the amount of the UAGC during the term of the LTP to reflect a change in benefit or to achieve better community outcomes or wellbeing;
(c) the allocation of the rates liability between sectors of the rating base may be altered by the transfer of the rate revenue requirement between capital value and land value rates. This modification would generally be considered after the calculation of the rate revenue requirement for activities and in itself is not a reallocation of activity costs but an adjustment to achieve better community outcomes or wellbeing which include that ratepayers receive changes in rates consistent with others;
(d) we may waive or discount fees and charges where it is considered appropriate to do so within an approved delegation, and where the reasons are documented and applied consistently. Some matters we may consider in deciding whether it is appropriate to waive fees are for social reasons, the promotion of events and facilities, commercial reasons, poor service or to minimise risk;
(e) we may remit rates where it is required or considered appropriate to do so and as allowed for in the Rates Remissions and Postponements Policy (including Māori Freehold Land). These



policies address social, economic, environmental or cultural matters;

(f) we may use accounting provisions and reserve funds to spread the costs of activities over multiple years to smooth the cost to users and ratepayers;

(g) marine fee revenue has been a large source of external revenue. The funding from this supports part of Biosecurity, Science, Matauranga Māori and Marine Safety activities. We may make an adjustment to our preferred funding of operational costs for these activities and fund any shortfall from debt and/or general surpluses at any time it is considered appropriate;

(h) investment income is not directly allocated to activities and is held in general funds. We decide annually any portion that is allocated to activity reserves and whether a portion will be used to reduce the general rate.

~~Changes to Rates after Consultation and Transition Plans~~Current Rating Approach

As part of the 2024–2034 Long-term Plan, Council reviewed the allocation of rates for Catchment Planning, River Management, Flood Infrastructure Investment, Biosecurity and Land Sustainability. Following consultation and consideration of submissions, Council adopted the following funding arrangements:

- Catchment Planning is funded through the general rate;
- River Management, excluding the Waiau Catchment, is funded through a targeted rate based on capital value;
- Flood Infrastructure Investment is funded through a targeted rate based on capital value; and
- Biosecurity and Land Sustainability are funded through the general rate.

Separate rates and charges continue to apply to the Waiau Catchment and Drainage District to support the protection and maintenance of external revenue sources. Accordingly, Waiau River Management rates remain separate from those applying to other catchments.

These arrangements reflect the section 101(3)(b) assessment undertaken by Council when adopting the 2024–2034 Long-term Plan. Further information on the funding rationale for these activities is provided in the Funding Needs Analysis.

Council will review these funding arrangements as part of each future Long-term Plan cycle, or earlier if required, to ensure they remain appropriate and consistent with legislative requirements, Council's funding principles and the overall wellbeing of the community.

~~In developing the 2024-2034 Long-term Plan we proposed and consulted on changes to the allocation of rates for Flood Protection Infrastructure, River Management, Biosecurity and Land Sustainability. Following consultation and in response to submissions, changes have been made to the proposal.~~

~~The changes are:~~

- ~~the removal of the proposed Flood Protection Infrastructure rate;~~
- ~~moving the existing budgeted Catchment Planning activity to the general rate;~~
- ~~developing a new River Management targeted rate;~~
- ~~developing a new Flood Infrastructure Investment rate;~~
- ~~moving the existing Biosecurity and Land Sustainability budgets to 100% general rate.~~

~~More information on these activities is in the Funding Needs Analysis.~~

~~There is also a need to retain separate rates and charges for the Waiau Catchment and Drainage District to protect and maintain external revenue sources. To achieve this, the Waiau Catchment Planning charges and River Management rates will be separated from other catchments and will remain unchanged.~~

~~We have also decided to make a Section 101(3)(b) adjustment for the overall wellbeing of the community by transitioning these changes over two years. This allows for the impacts of change to be spread and gives more time for the community to consider the elements of the transition.~~

~~The transition of rates (and charges) is planned to be implemented as follows:~~

~~1. Catchment Planning charges (excluding Waiau)~~
~~(a) Year 1 – 100% general rate~~
~~(b) Year 2 – no change~~

~~2. River Management (excluding Waiau)~~
~~(a) Year 1 – 50% general rate, 50% remaining in existing catchments~~
~~(b) Year 2 – 100% targeted rate (capital value)~~

~~3. Flood Infrastructure Investment~~
~~(a) Year 1 - 100% targeted rate (capital value)~~
~~(b) Year 2 – no change~~

~~4. Biosecurity and Land Sustainability~~
~~(a) Year 1 – 50% targeted rate (land value), 50% general rate~~
~~(b) Year 2 – 100% general rate~~

6. Summary of funding mechanisms used in Groups of Activities

The above funding sources as described were considered when determining the funding required from general rates or targeted rates for each activity in the Funding Needs Analysis, as required by Section 101(3)(a).

Table 2 shows the degree (expressed as a range) to which each funding source is used to fund operating costs following the s101(3)(a) assessment. This s101(3)(a) assessment has been modified by the s101(3)(b) assessment.

The ranges in Table 2 are expressed as a percentage of the revenue budgeted to fund each activity and are indicative only. They may change over time because of changes in expenditure requirements. Actual funding sources may differ from the budgeted funding sources.

Table 2 - Summary of funding sources for operating expenditure

Group of Activities	Activity	General rate	Targeted rate	Fees and charges	Contributions and grants
Healthy Environment	Policy and Planning	100%			
	Regulatory	40 - 60%		40 - 60%	
	Science and Matauranga Maori	40 - 60%		20 - 40%	0 - 20%
	Engagement and Partnerships	80 -100%			0 - 20%
	Biosecurity	80 -100%	0 - 20%	0 - 20%	0 - 20%
	Land Sustainability	80 -100%			0 - 20%
Safe and Resilient Communities	Flood protection and Control		80 -100%		0 - 20%
	Catchment Planning	100%			
	River Management		80 -100%		0 - 20%
	Flood Infrastructure Investment		80 -100%		0 - 20%
	Land Drainage	0 - 20%	80 -100%		
	Natural Hazards and Climate Change	100%			
	Emergency Management and Response	0 - 100%		0 - 100%	
	Maintaining Safe and Navigable Waterways	0 -20%		80 -100%	
	Community Wellbeing	100%			
Thriving Region	Regional Strategic Planning	100%			
	Transport	0 - 50%			50 -100%
	Governance and Democracy	100%			
	Te Tiriti Relationships	40 - 60%			40 - 60%

Commented [JL3]: Will need to update the table for names etc. Suggest a reference to a separate table that can be maintained rather than specifically in the Policy.

Commented [CJ4R3]: Guidance from Exec required on approach.

The Revenue and Financing Policy and Funding Needs Analysis uses bands to show the range in which we are budgeting revenue. The final setting of rates is based on the Funding Impact Statements for the relevant year.

References

- The Funding Needs Analysis, required by Section 101(3), provides the background and analysis to explain the funding decisions we have made. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy.
- The Financial Contributions Policy explains why we have chosen to use financial contributions to fund activities.
- the Treasury Policy places restrictions on the use of debt and the proceeds from asset sales, investment income and capital.
- The Funding Impact Statement is included in each LTP and Annual Plan as required by LGA clauses 15 or 20 of schedule 10. This statement shows the results of the detailed rates calculation for each year.

Together the above documents form the necessary components to lawfully charge under the LGA for our revenue requirements. We must also comply with other legislation regarding the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.

Questions for Technical Experts:
Are you generally comfortable with the layout of the Strategy? Changes?
Are there any holes or errors in the content you can see?
Any updates/check all the references/statements of fact throughout the document?

Observations/comments:
A couple of minor clarity things, otherwise my initial thought is that the policy is in a really good place.

Policy – Significance & Engagement
Kaupapa Here Whai Putake me te Tuhonohono

This Policy has been developed to enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities. It will provide clarity about how and when communities can expect to be engaged in decisions made by Council, and informs Council, from the beginning of a decision-making process, about the extent, form and type of engagement required. Nothing in this strategy precludes Council from engaging with the community at any time, regardless of the significance criteria.

1. Contents | Te rārangi kaupapa

1. Contents
2. Definitions
3. Policy
4. Strategic Assets
5. Community Engagement Guide
6. Forms of Engagement
7. Engagement Tools and Techniques
8. Engagement with Māori
8.9. Monitoring and Review
9.10. References

Policy No.	Policy Sponsor	Approval Date and Date of Next Scheduled Review	Approved By	MORF Reference	Related Standards
B1.5	Executive	**Approved** – 12 November 2014 **Reviewed –**16 April 2015 **Reviewed –** 23 March 2016 **Reviewed** – 13 December 2017 **Reviewed –** 30 July 2021 **Reviewed** – 26 June 2024 **Adopted** – 17 July 2024	Council	A33378	-

2. Definitions | Ngā Whakamāratanga

Term	*Definition*
Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders, tangata whenua o Murihiku, and Māori.
Decisions	Refers to all decisions made by the Council. Management decisions made by officers under delegation during the implementation of Council decisions will not be deemed to be significant as the "significance" test will have already been addressed by the Council when making the initial decision.
Engagement	Is a term used to describe the process of seeking information from the community to inform and assist decision-making. There is a continuum of community involvement. DA ~~d~~iscretion remains for the Council to engage with ~~the~~ a community at any time irrespective of the significance criteria.
Financial Delegations	For the sake of clarity, operation of financial delegations is made in the following order: • by management as approved by Council in their Delegations Manual; by Council between management limit as approved by Council in their Delegations Manual and 10 percent of the annual budgeted Total Operating Expenditure not already provided for in budgets or not provided in existing delegations, policies or other legislation (e.g. disaster response or emergency works). Council may use its discretion to engage with the community if the matter is considered reasonably significant; • by the community through an engagement process where the expenditure is in excess of the 10 percent of the annual budgeted Total Operating Expenditure not already provided for in budgets or not provided in existing delegations, policies or other legislation (e.g. disaster response or emergency works).
Significance	As defined in Section 5 of the Local Government Act 2002 in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for: (a) the current and future social, economic, environmental, or cultural well-being of the district or region: (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter: (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

Term	*Definition*
Significant Activity	Any activity that: • affects all, or a large portion of the region; • affects all, or a large portion of the community; • will result in a substantial change or removal of a significant activity or service; • relates to a listed strategic asset; • will require or incur annual expenditure of more than 10 percent of the Total Operating Expenditure not already provided for in Annual Plan or LTP budgets or not provided in existing delegations, policies or other legislation (e.g. disaster response or emergency works). Expenditure funded by external funding is excluded from this definition.
Strategic assets	As defined in Section 5 of the Local Government Act 2002. See Section 4 – Strategic Assets. An asset or group of assets that Council needs to retain to maintain its capacity to achieve or promote an outcome important to current or future community well-being.
~~Strategic aspirations~~	~~Environment Southland Strategic Intent, 2020~~

Commented [cj1]: From Rachael Miller: suggest we take out the specific reference to the *Environment Southland Strategic Intent 2020*. Council sets its strategic priorities at the beginning of each triennium, but we haven't formally documented these through a standalone strategic plan for a few years. Given the rapidly evolving operating environment and the scale of reform underway, I think we're likely to want to retain flexibility and are unlikely to move back to having a separate strategic plan in the foreseeable future. I'd suggest referring more generally to Council's current strategic priorities, if we need a reference here at all.

3. Policy | Kaupapa Here

(a) Engaging with the community is needed to understand the views and preferences of people likely to be affected by, or interested in, a proposal or decision.

(b) An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision-making occurs and, if necessary, reconsidered as a proposal develops.

(c) The Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

- there is a legal requirement to engage with the community;
- the level of financial consequences of the proposal or decision;
- whether the proposal or decision will affect a large portion of the community;
- the likely impact on present and future interests of the community, recognising Māori cultural values and their relationship to land and water;
- whether the proposal affects the level of service of a significant activity;
- whether community interest is high;
- whether the likely consequences are controversial;
- whether community views are already known,
- ~~including~~ the community's preferences about the form of engagement;
- the form of engagement used in the past for similar proposals and decisions.

(d) If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance. The general approach will be to propose significant proposals or decisions in the context of the Long-term Plan (LTP) via the Consultation Document, to identify the Council's priorities over the medium to long-term.

(e) In general, the more significant an issue, the greater the need for community engagement.

(f) The Council will apply a consistent and transparent approach to engagement.

(g) Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002, or to carry out consultation in accordance with ~~or giving effect to~~ Section 82 of the Local Government Act 2002 on certain matters (regardless of whether they are considered significant as part of this policy).

(h) For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case-by-case basis in accordance with this policy.

(i) The Community Engagement Guide (see Section 5) identifies the form of engagement Council will use to respond to some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision-making process.

(j) When engaging with Māori, the Charter of Understanding, Memorandum of Understanding He huarahi mō Ngā Uri Whakatupu, authorised Iwi Management Plan, or any other similar high-level agreements will be considered as a starting point.

(k) ~~When~~ If Council makes a decision that is significantly inconsistent with this policy, the rationale will be clearly identified as required by ~~steps identified in~~ Section 80 of the Local Government Act 2002 ~~will be undertaken~~.

4. Strategic Assets | Rawa Rautaki

Section 5 of the Local Government Act 2002 defines a strategic asset as

> "an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community, and includes:
>
> (a) any asset or group of assets listed in accordance with section 76AA(3) Local Government Act 2002 by the local authority; and
> (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
> (c) any equity securities held by the local authority in —
>
> (i) a port company within the meaning of the Port Companies Act 1988
> (ii) an airport company within the meaning of the Airport Authorities Act 1966."

The following is a list of assets or group of assets that the Council needs to retain to meet its community well-being obligations:

Activity	*Asset*
Investments	A majority shareholding in South Port New Zealand Limited. The value of proceeds from any sale of shares in South Port will be held as

Activity	*Asset*
	a strategic investment asset. This will provide Council both annual income and inflation proofing of those proceeds, for current and future generations of ratepayers.
Flood protection	The flood protection asset group, including floodbanks~~Stopbanks~~, dams, ~~and~~ culverts and floodway land required to maintain flood protection capability.
Regional Emergency Response	A well-equipped, purpose-built Emergency Co-ordination Centre (ECC) maintained at immediate response capability for any event.

5. Engaging with the Community | Aratakinga tūhonohono hapori

Community engagement is a process that involves all or some of the public and is focussed on understanding impact and considering alternatives, but ultimately decision-making remains the responsibility of the Councillors.

The model of community engagement below is adapted from the International Association for Public Participation (IAP2) Public Participation Spectrum to demonstrate the possible types of engagement with the community. This model also shows the increasing level of public impact as you progress through the spectrum from left to right – "inform" through to "empower".



Level	Inform	Consult	Involve	Collaborate	Empower
Purpose	Provide balanced, objective, accurate and timely information to assist understanding of the issue, alternatives, opportunities or decision	Obtain feedback on analysis, alternatives or proposals	Work directly with participants throughout the process so their concerns and aspirations are consistently understood and considered	Partner with participants in developing alternatives and identifying preferred solutions	Enable participants to make a decision, or determine an agreed recommendation, within lawful and clearly defined authority
Typical use	Low significance decisions and	Draft policies, rates or service proposals	Complex issues where local knowledge	High-impact matters suited	Elections, polls or expressly

	implementation updates		improves the decision	to co-design or partnership	delegated processes

It will not always be appropriate or practicable to conduct processes at the "collaborate" or "empower" end of the spectrum. Many minor issues will not warrant such an involved approach. Time and money may also limit what is possible on some occasions. At times, Councillors will be required to make decisions that not all in the community agree with.

In general, the more significant an issue, the greater the need for community engagement.

6. Forms of engagement | Ngā momo mahitahi

The Council will use the Special Consultative Procedure (as set out in Section 83 of the LGA 2002) where required to do so by law, including for the following issues requiring input:

- the adoption or amendment of a Long-term Plan (in accordance with Section 93A of the LGA 2002);
- the adoption, amendment, or revocation of consents fees and charges if required under Section 36 of the RMA 1991, or applicable provisions of the Planning Act 2026 and the Natural Environment Act 2026;

Unless already explicitly provided for in the Long-term Plan, the Council will seek to amend its Long-term Plan, and therefore use the Special Consultative Procedure, when it proposes to:

- alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- transfer the ownership or control of strategic assets, as listed in Schedule 1.

The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of, Section 82 of the LGA 2002 where required to do so by law, including for the following specific issues requiring decisions:

- adopting or amending the Long-term Plan if required under Section 935 of the LGA 2002;
- transferring responsibilities to another local authority under Section 17 of the LGA 2002;
- establishing or becoming a shareholder in a council-controlled organisation;
- adopting or amending any revenue and financing policy, financial contributions policy, rates remission and postponement policy, or a policy on the remission or postponement of rate on Māori freehold land.

Commented [CJ2]: S95 is the Annual Plan requirements, 93 is the LTP.

For such consultation, Council will develop information fulfilling the requirements of Section 82A of the LGA 2002, will make this available to the public, allow written submissions for a period of up to four weeks, and will consider all submissions prior to making decisions. For all other issues, the following table provides **an example** of the differing levels of engagement (as adapted from the IAP2 Participation Spectrum) that might be considered appropriate, the types of tools associated with each level and the timing generally associated with these types of decisions/levels of engagement:

Level	Inform	Consult	Involve	Collaborate	Empower
What does it involve	**We will keep you informed about what is happening.** One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	**We will listen to you and make our decisions.** Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making.	**We will involve you in the decision-making process. We will ultimately decide.** Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	**We will discuss and decide together.** Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	**Public or community will decide. They may choose to discuss with us.** The final recommendation to Council is in the hands of the public. Under the LGA 2002, the Councillors are elected to make the final decisions on behalf of their constituents.
Types of issues that we might use this for	Water Shortage Directions	Rates review First Schedule RMA processes	"Front loading" Regional Plan development processes, including water management First Schedule RMA processes	Water management planning under the NPS-FM First Schedule RMA processes	Election voting systems (MMP, STV or first past the post)
Tools Council might use	Websites Social media Information flyer Public notices	Formal submissions and hearings, focus groups, phone surveys, surveys, virtual meetings/hui.	Workshops/wānanga Focus groups Citizens Panel Virtual meetings/hui	External working groups (involving community experts)	Binding referendum Local body elections
When the community can expect to be involved	Council would generally advise the community once a decision is made	Council would advise the community once a draft decision is made Council and would generally provide the community with up to 4 weeks to participate and respond.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process.	Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process. e.g. typically a month or more.
Engagement with Māori		Council would use the relationship based on the Charter of Understanding He huarahi mō Ngā Uri Whakatupu, any partnership arrangements, and the legislative requirements of the Local Government Act 2002 and the Resource Management Act 1991, to utilise any or all of the engagement techniques depending on the topic and interests. See section 8 below.			

7. Engagement tools and techniques | Kete mahitahi

Ahead of making a decision, the Council may use a variety of engagement techniques on any issue or proposal based on a range of other factors, including history and public awareness of the issue, online engagement, stakeholder involvement, and timing related to other events and budgets. Council will also take into consideration that the community can feel 'over consulted'. Each situation will be assessed on a case-by-case basis.

Engagement information must be balanced, clear and timely, identify the reasonably practicable options and consequences, explain what is open to influence, and state how and when the decision will be made.

The Council has an *Environment Southland Engagement Practice Strategy Framework* that will provide the direction, techniques and tools to enable and assist engagement capabilities across the organisation, and to implement this Policy.

8. Engagement with Māori | He ritenga mahitahi

The LGA recognises and respects the Crown's obligations under the Te Tiriti o Waitangi by placing some specific obligations on councils. These obligations are intended to facilitate participation by Māori in local authorities' decision-making processes (Sections 4, 81 and 82(2), LGA). The Act includes requirements for councils to:

- ensure they provide opportunities for Māori to contribute to decision-making processes;
- establish and maintain processes for Māori to contribute to decision-making;
- consider ways in which they can foster the development of Māori capacity to contribute to decision-making processes;
- provide relevant information to Māori;
- take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.

The Council will establish and maintain engagement processes that identify and provide opportunities for Māori to contribute to decision-making. In addition to the engagement principles and practices set out in this policy, Council will:

(a) acknowledge Ngāi Tahu ki Murihiku as the first point of contact for all engagement processes;
(b) strengthen and improve ongoing relationships and partnerships with mana whenua in the Murihiku rohe (Southland region) including, but not limited to, ongoing support for Te Ao Marama Inc;
(c) consider the impact on Māori of specific decisions, proposals or matters, in particular recognising the special connection of tangata whenua and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga;
(d) recognise legal obligations for engagement with Māori under various legislation including, but not limited to, the Local Government Act 2002 and Resource Management Act 1991;
(e) recognise the Charter of Understanding He huarahi mō Ngā Uri Whakatupu ~~and other agreements (Mana Whakahono ā Rohe or Joint Management Agreements)~~ iwi participation agreements and any other relevant relationship or partnership arrangements developed with Māori as they relate to decision-making processes;
(f) consider appropriate use of tikanga (cultural protocols) and te reo Māori (Māori language) in our daily business and engagement tools and practices;
(g) provide for mana whenua positions on Council's standing committees to ensure direct Māori involvement in decision-making;
(h) to advocate for and promote the principles of Te Mana o Te Wai and Ki uta, ki tai through the

Commented [CJ3]: From Rachael Miller: The Charter of Understanding was reviewed last year, with the revised Charter approved and signed by all parties in 2025, so the Charter itself is current. There are no formal Mana Whakahono ā Rohe agreements in place, so I don't think we should specifically reference these in the policy. The new planning legislation introduces iwi participation agreements, and there is already discussion through Te Rōpū Taiao about whether and how the recently updated Charter should be adapted or supplemented in light of the new legislation. Options for this are due to go to the 4 December Te Rōpū Taiao hui. Given that, I wonder if we should future-proof the wording by referring to the Charter of Understanding, iwi participation agreements and any other relevant relationship or partnership arrangements, rather than listing specific mechanisms that may change.

Council's business and programmes.

Māori Engagement Spectrum[1]

It is important to note that as the level of engagement increases:

- Māori participation and decision-making power increases;
- the importance to iwi increases – therefore the more important the outcomes of a project are to iwi, the higher the level of engagement should be;
- the complexity of the decision-making process increases;
- the effort required by all parties' increases;
- the length of time required for engagement processes increases;
- the investment (time, resources and relationship) required from all parties' increases;
- the Council's decision-making power and control over outcomes decreases;
- decisions are more likely.

The Council's approach to the differing levels of iwi engagement is summarised as follows:

[1] Adapted from Waikato Regional Council, Māori Engagement Framework, accessed July 2020.

Inform	Consult	Involve	Collaborate	Empower
• Provide information • The council will keep iwi informed about what is happening.	• Obtain community feedback • The council will listen to iwi - the council will make an informed decision	• Work directly with the community • The council will involve iwi in the decision-making process. The council will ultimately make the decisions.	• Partner with iwi • Iwi and the council will discuss and decide together on as much as possible	• Iwi make decisions • Iwi may choose to discuss with us.
Information-giving is the most basic form of engagement as there is no participatory element. Providing information underpins all other levels of engagement because it enables Māori to be informed of activities that may impact them. It is essential that Māori are provided with the appropriate information, such as council reports, project plans, resource consent applications, research, maps and photos.	At this level of engagement, the objective is to seek the views and opinions of Māori on proposals, analyses, alternatives and/or decisions. This is not about putting ideas into action. Consultation can be done face-to-face at hui. Sufficient time needs to be provided to enable iwi or hapū to undertake follow-up discussion and wider consultation amongst themselves before providing a response back to council.	The aim at this level is to have Māori more involved in the decision-making process. Iwi or hapū representatives can be elected or appointed to committees, focus groups or working parties in an advisory capacity. Council retains the decision-making authority.	The goal of this level is to have processes that allow for sharing and acting together and to have all parties holding equal power. Both parties make the decisions as much as possible. Collaboration is more demanding of resources for all involved, needs significant lead-in time and planning, and can only be established by council resolution.	This level is the most ambitious, aiming to maximise empowerment of Māori and, at its farthest reach, will see Māori having complete decision-making power across various roles.

9. Decision documentation, monitoring and review

Reports seeking decisions must address significance and engagement in proportion to the matter. For moderate or high-significance matters, the report should record the overall assessment, affected and interested communities, Māori interests, statutory requirements, engagement undertaken or proposed, key views, how feedback influenced the analysis, constraints or reasons for not engaging, and reassessment triggers.

Council will monitor implementation through report quality assurance, engagement evaluation, complaints and feedback, and lessons from major planning processes. Evaluation should consider whether the selected engagement level was appropriate, whether Council fulfilled the stated commitment to participants, whether affected communities had reasonable opportunities to participate, and how participant input influenced the process or decision. This Policy will be reviewed at least once every six years, following material legislative or governance change, when the strategic asset list changes materially, or where monitoring identifies a need.

Following each LTP consultation, Council should evaluate whether the Policy and engagement practice produced clear, inclusive and useful participation.

109. References | Ngā tohutoro

~~Environment Southland Perceptions Survey 2019~~
Environment Southland Engagement Practice Strategy Framework
ES Engagement Practice Strategy Framework (A489290)
IAP2 Australasia's Public Participation Spectrum[2]
Local Government Act 2002, including sections 4, 5, 76 to 83, 93A, 97 and Schedule 10
Resource Management Act 1991, where applicable

[2] ~~https://www.iap2.org.au/About-Us/About-IAP2-Australasia-/Spectrum~~

Policy - Treasury

This Treasury Policy (Policy) is applicable to the operations of Environment Southland. Environment Southland is the brand name of the Southland Regional Council ('**Council**').

The purpose of this Policy is to outline Council's approach and practices for its treasury activities. The formalisation of such policies and procedures will enable treasury risks within Council and any Group entities to be prudently managed to help give effect to the Councils financial strategy and the objectives and outcomes of the Long-term Plan (LTP).

This document identifies the policies that support the approach and practices of Council in respect of treasury management activities. The scope includes Council's **Investment Policy** as well as the **Liability Management Policy**, as required by the Local Government Act (2002) (LGA).

This Policy can be updated at any time by Council resolution.

The Policy sets Council's policies on investment, borrowing and debt management risks and policies to support the delivery of the LTP, financial strategy and revenue and financing policy.

Contents

1. Financial management principles
2. Policy setting and management
3. Foreign currency
4. Investment Polices
   - 4.1. Overview of approach
   - 4.2. Investment risk approach
   - 4.3. Equity investments
   - 4.4 Property investments
   - 4.5 Forestry investments
   - 4.6 Financial investments
   - 4.7 Acquisition and disposal of investments
5. Liability management policies
   - 5.1 Overview of approach
   - 5.2 Debt ratios and limits
   - 5.3 Financing mechanisms
   - 5.4 NZ Local Government Funding Agency Limited
   - 5.5 Security
   - 5.6 Guarantees and other financial arrangements
   - 5.7 Liquidity (short-term borrowing)
   - 5.8 Finance leases
   - 5.9 Reserves funds and internal borrowing
6. Risk management and reporting
   - 6.1 Risk management
7. Reporting/Accountability
8. Definitions

Appendix 1 - Authorised Investment Criteria (not covered by the managed fund)

Policy No.	Policy Sponsor	Approval Date and Date of Next Scheduled Review	Approved By	MORF Reference	Related Standards
CP B21.2	Executive	**Approved** – 30 July 2021 **Reviewed** - February 2024 **Adopted** - 17 July 2024	Council	A677777	Financial Strategy; Revenue and Financing Policy; SIPO;

					Financial Reserves Policy; Delegations Manual-

1. Financial Management Principles

1.1 Council developed ~~some~~ principles to assist in making informed and consistent choices within the statutory and general objectives listed in this policy:

- everyday costs for services to the region are met from everyday revenues;
- where future ratepayers use assets created today, they will pay their share through the prudent use of debt;
- financial resilience will be maintained by having funds, debt capacity and insurance sufficient to fund unplanned or unforeseen events;
- service levels are clearly defined and are delivered in an efficient and effective, customer focused manner, providing value for money;
- cost recovery will be undertaken where there is a private benefit, and it is efficient to collect;
- Rate increases will consider principles of affordability and equity, with increases set to provide certainty to ratepayers;
- investment funds and other investments will be managed by taking a prudent approach to risk and return.

1.2 Complying with these principles can be challenging and compromise between principles is often required.

2. Policy Setting and Management

2.1 Council approves by resolution policy parameters and all matters not delegated.

2.2 The Chief Executive, under delegation, has overall financial management responsibility for borrowing and other investments.

3. Foreign Currency

3.1 Council has foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment.

3.2 Generally, all ~~significant~~ material commitments for foreign exchange are hedged using foreign exchange contracts once expenditure is approved. Both spot and forward foreign exchange contracts can be used.

3.3 Council does not borrow or enter incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency.

4. Investment Policies

4.1 Overview of Approach

4.1.1 Council's key investments and the reasons for holding these investments are:

(a) ***South Port NZ Limited shares*** - primarily to contribute to the economic wellbeing of the region through secure majority ownership of this significant asset and secondly to enhance the diversity of Councils revenue sources.

(b) ***Investment of Reserves in Financial Investments*** - to collectively invest the various reserve



balances to maximise the efficiency of investment and maintain the buying power of the funds held for future spending or strategic purposes. Reserves are held in a variety of activity or rating accounts to provide for unforeseen circumstances, provide for future investments and to manage the inter-year funding variances that occur. Investment of Financial Investments is in accord with Councils Statement of Investment Policy and Objectives (SIPO).

4.1.2 The approach taken to managing the South Port NZ Limited share investment includes:

(a) the use of independent experts, in review and monitoring of Council shareholding in South Port NZ Limited,
(b) proactive influence as a majority shareholder,
(c) periodic review of the level of ownership of the shares,
(d) periodic review of the regional and economic development achieved by Council shareholding.
(e) determining the level of shareholdings required by Council as a Strategic Asset. Council has determined that a majority (51%) is strategic. Council retains a 52% majority shareholding. Any proposal to reduce the holding below 51% must follow the applicable significance, engagement and statutory decision-making requirements.
~~(e)~~(f) Proceeds from any strategic-asset transaction will be held and reinvested through authorised instruments and mandates. Council will receive reporting on the transition of proceeds, costs, realised returns, portfolio concentration and compliance with the SIPO.~~may elect to sell down its stake in South Port NZ Limited to 51% where consultation on such a sale has occurred in accordance with the LGA.~~

4.1.3 The approach taken to managing the Investment of Reserves in Financial Investments includes:

(a) the use of independent experts, in review and monitoring the Investment of Reserves in Financial Investments,
(b) the regular review and adoption by Council of a SIPO governing Council risk and return expectations,
(c) regular engagement between Council, and Investment Managers of movements in Reserves.

4.1.4 Additional investments may be held from time to time:

(a) equity investments;
(b) property investments;
(c) forestry investments;
(d) financial investments.

4.2 Investment Risk Approach

4.2.1 Council holds a mix of investments and take a different risk approach to each investment.

4.2.2 Council achieves a prudent approach to risk and return by:

(a) diversifying investments to spread exposure across investment types, sectors and investment advisors,
(b) taking a long-term approach to investing and regularly reviewing investments,
(c) minimising exposure to adverse interest rate movements,
(d) maintaining prudent liquidity and managing cash flows to meet known and reasonable unforeseen funding requirements, and/or
(e) minimising exposure to credit risk by dealing with and investing in credit worthy counterparties.

4.2.3 Council takes a mix of risk to provide some protection to investment capital while achieving higher returns on other parts of the portfolio. This approach provides some security for current stakeholders while creating opportunity for future stakeholders.

4.2.4 Councils mixed risk approach to investments is reflected in the table below:

Investment Type	Risk Category
Equity Investment	Low to High
Property Investments	
Held for operational purposes	Low
Held for community purposes	Low
Forestry Investments	Medium to High
Financial Investments	
Restricted Reserve Funds	Low
Council Created Reserve Funds	
Asset Replacement Reserve Funds – (Depreciation)	Medium
Other Reserve Funds and Managed Funds	Low to High
Liquidity Funds	Low

4.2.5 Risk Categories:

(a) Low - Not willing to risk erosion in investment value.
(b) Medium - Conservative mix of capital growth and investment return.
(c) High - Willingness to accept higher returns across longer timeframes with volatility of investment value.

4.2.6 Council's primary objective when investing is the long-term protection of its investment capital, which requires a prudent approach to risk/return within the confines of this Policy.

4.3 Equity Investments

4.3.1 Equity investments are shares or interests held in Council Controlled Organisation (CCO)/Council Controlled Trading Organisation (CCTO) and other shareholdings which fulfil various strategic, economic development and financial objectives as outlined in the LTP. Council maintains equity investments and other minor shareholdings including:

- South Port NZ Limited,
- Regional Software Holdings Limited.

4.3.2 South Port NZ Limited as an equity investment is addressed under section 4.1 of this Policy.

4.3.3 Council seeks to achieve an acceptable rate of return (which may well be $nil) on each equity investment consistent with the nature of the investment and their stated philosophy on investments. Forecast returns are shown in the Financial Strategy.

New Zealand Local Government Funding Agency Limited Investment

4.3.4 Local Government Funding Agency (LGFA) is a CCTO. Council may invest in shares and other financial instruments of the LGFA. The objective in making any such investment would be to:

- obtain a return on the investment, and
- ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding.

4.3.5 Because of these dual objectives, Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. In connection with an investment, Council may also subscribe for uncalled capital in the LGFA and be a Guarantor.

4.4 Property Investments

4.4.1 Council own property that is necessary to achieve its strategic objectives.

4.4.2 The majority of property is held by Council is for operational purposes. Some of this property can be leased and continue to meet operational purposes. Where property becomes surplus to operational requirements it may be disposed of or kept for commercial or economic development purposes.

Property held for operational purposes	Policy
Flood schemes/floodway management/sustainable land management/biodiversity objectives	These properties were purchased to enable flood protection works/floodway management, or because it was more cost effective to purchase them than to protect them from flooding. Properties can be leased with the objective of maximising return being balanced with the need for good stewardship for floodway management. The properties that form part of a flood scheme ~~and~~ cannot be sold. However, if the property is no longer requiredfor a flood scheme or floodway management, it is deemed surplus to requirements, and Council may ~~be~~ disposed~~d~~ of it.
General operational purposes	Council can own or lease premises for its own operating purpose, or for the purpose of obtaining rental income.

4.5 Forestry Investments

4.5.1 Forestry assets are currently small and incidental to land ownership. Council may increase its investment in forestry on land already owned. An investment would further diversify the investment portfolio and could provide operational benefits to erosion and water quality and earn carbon income.

4.6 Financial Investments

4.6.1 Council maintains a portfolio of financial market investments to create a blended risk/return profile. This may include reserves for resilience for unexpected or unplanned events, new assets and asset renewal, operating costs and rates.

4.6.2 Financial investments are to be managed in accordance with the SIPO. The SIPO includes Councils approach to Responsible Investment.

4.6.3 Where a conflict exists between the SIPO and the Treasury Policy regarding the management of Financial Investments, the SIPO shall take priority.

Restricted Reserve Funds

4.6.4 Restricted Reserve Funds are those funds subject to specific conditions accepted as binding and which Council cannot change without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

4.6.5 These funds are generally held as low~~-~~risk liquid investments. Restricted reserve dependent, these funds will be invested in low-risk liquid investments or be invested in accordance with the Council SIPO.

Asset Replacement Reserves

4.6.6 Asset replacement reserves are council created reserves for the purpose of setting depreciation funds aside for long-term asset renewal. The 30-year Infrastructure Strategy provides good information on long-term asset investment.

4.6.7 Asset Replacement Reserves are to be invested according to the SIPO.

Other Reserves and Managed Funds

4.6.8 The principal reason for the managed fund is to maintain the buying power of funds held for future spending.

4.6.9 These funds contain a mix of investments with different risk/return profiles. Council receives independent external advice on the management of the fund and on the risk/return profiles. These are regularly monitored.

4.6.10 Other Reserves are to be invested according to the SIPO.

Cash Reserves and Liquidity

Maintaining cashflow through available cash reserves is a key component of prudent financial management.

"Cash Reserve" in this context is a "float" and represents the cash at bank that is held in a current account and immediately available to meet the day-to-day funding needs of Council. The day-to-day funding needs should not be exposed to the conditional requirements that lender facilities such as overdrafts and loans have.

Access to debt will provide liquidity for events or circumstances where additional funding is required to meet unforeseen events or opportunities and that require purposeful funding. The purpose of maintaining a cash reserve is to ensure that the variable day to day and month to month financial commitments of Council can be met.

Events that could contribute to variations in forecasted cashflows include, natural disasters, delays in receipt of budgeted revenues such as rates, grants or loans and unforeseen spikes in monthly operational costs incurred from contractors, consultants, and employees.

As a minimum the cash at bank cashflow cash reserve should not fall below the total of 3 months of the average operating expenditure. This level of cashflow reserve currently does not exist and presents a financial resilience risk. Building this reserve back will be achieved over the coming 10 years and will be reported on annually through the Financial Reserves Policy. Until the specified level is achieved the risk of not having a cashflow reserve will be mitigated by funding available from the accumulation of unspent year end cash, use of debt not used and identified cash investment in the Managed Fund.

4.6.11 The Cash Reserve may be invested with New Zealand registered banks for terms less than one year.

4.6.12 Interest income from financial investments is credited to general funds.

Local Government Funding Agency Borrower Notes

4.6.13 Council can borrow from the LGFA, it is required to contribute part of that borrowing back as equity in the form of "Borrower Notes". A Borrower Note is a written, unconditional declaration

by a borrower (in this instance the LGFA) to pay a sum of money to a specific party (in this instance the Council) at a future date (in this instance upon the maturity of the loan). A return is paid on the Borrower Notes and can take the form of a dividend if the Borrower Notes are converted to redeemable preference shares.

4.7 Acquisition and Disposal of Investments

4.7.1 With the exception of financial investments, new investments are acquired if an opportunity arises, and Council resolves to do so. Before approving any new investment, due consideration is given to:

(a) the contribution the investment will make in fulfilling strategic objectives, and

(b) the financial risks of owning the investment.

4.7.2 Proceeds from the sale of assets or investments will in the first instance be used to repay debt associated with the investment. Any surplus after this repayment would be placed in the appropriate reserve fund unless otherwise resolved. If assets are subject to legislative restrictions, the proceeds are used in accordance with the provisions of the appropriate legislation.

5. Liability Management Policies

5.1 Overview of Approach

5.1.1 Liabilities comprise debt and various other liabilities in Councils Statement of Financial Position. Borrowing is the act of obtaining debt.

5.1.2 Council debt limits set in the Financial Strategy should maintain borrowing capacity for future generations and financial resilience in the event of unexpected events. Changes in debt limits are approved by the Council, generally in adopting the LTP or an Annual Plan.

5.1.3 Council borrows in order to fund:

(a) working capital requirements and short-term funding gaps.
(b) investments in infrastructure and other assets where there is a medium to long-term intergenerational benefit.
(c) certain capital projects and operating expenses or overall operating cash deficits as planned in the LTP and Annual Plans.
(d) unplanned expenditure e.g., weather events, opportunities, and emergencies.
(e) for long-term Council amenities, for example, Corporate Facilities.

5.1.4 Council manages debt:

(a) on a net cash basis;
(b) use externally borrowed funds when it is commercially prudent to do so;
(c) use an internal borrowing approach to ensure reserve funds can be cash funded, when required;
(d) ensures that the cost of debt is minimised by actively managing fixed and floating rate exposure and the term lengths of loans.

5.1.5 Council repays debt as it falls due in accordance with the applicable loan agreement. A loan may



be rolled over or re-negotiated as and when appropriate.

5.1.6 Councils' initial response to funding unexpected expenditure requirements is met firstly through liquidity. Where this is not possible, then committed debt facilities may be used.

5.2 Debt Ratios and Limits

5.2.1 These are the prudential limits, recognised by Councils lenders as being the maximum limits within which it is prudent to operate.

5.2.2 The Financial Strategy sets limits on debt in the context of the long-term planning assumptions, budgets and the impacts on residents. The financial strategy limits could be equal to or less than these prudential limits. Subject to extenuating circumstances, Council will operate within the limits as adopted in the LTP.

5.2.3 The following prudential limits are maximums, which cannot be exceeded and are based on the LGFA ratios.

Ratio	Policy Limits
Net debt as a percentage of total revenue	<17%
Net Interest as a percentage of total revenue	<20%
Net Interest as a percentage of annual rates income	<25%
Liquidity	>11%

5.2.4 Definitions for interpreting these limits:

- Total Revenue is defined as operating revenue less non-government capital contributions (for example, financial contributions and vested assets);
- Net Debt is defined as total debt less liquid financial assets and investments;
- Net Interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period;
- Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided (and for which the other local authorities rate);
- Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

5.3 Financing Mechanisms

5.3.1 Council can acquire debt from a variety of mechanisms including:

(a) Commercial Paper (CP);
(b) Committed bank facilities;
(c) LGFA borrowing;
(d) Accessing the debt capital markets directly;
(e) Finance lease; or
(f) Internal borrowing from reserve funds.

5.3.2 Councils access to cost effective borrowing is largely driven by its ability to assess rates, maintain a strong financial standing and manage relationships with investors, LGFA and financial institutions/brokers.

5.4 NZ Local Government Funding Agency Limited

5.4.1 Council may borrow from the LGFA and, in connection with that borrowing, may enter the following related transactions to the extent considered necessary or desirable:

(a) contribute a portion of borrowing back to the LGFA as an equity contribution to the LGFA (e.g., borrower notes);
(b) provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
(c) commit to contributing additional equity (or subordinated debt) to the LGFA, if required;
(d) Secure borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over Councils rates and rates revenue;
(e) subscribe for shares and uncalled capital in the LGFA.

5.5 Security

5.5.1 Council approach to security is:

(a) debt is generally secured by way of a charge over rates and rates revenue. The details of this are contained in a Debenture Trust Deed ("DTD"), or similar;
(b) Council can offer deemed rates as security for general borrowing programs. From time to time, by resolution, security may be offered by providing a charge over one or more assets;
(c) physical assets will be charged only where:
    (i) there is a direct relationship between the debt and the purchase or construction of the asset, which it funds e.g., an operating lease, a building, project finance;
    (ii) Council considers a charge over physical assets to be appropriate;
    (iii) any pledging of physical assets must comply with the terms and conditions contained within the DTD.

5.5.2 A DTD is an overarching security document under which all lenders share the same security (a charge over rates), with the way in which lenders share it dictated by the DTD. Without a DTD, a new security sharing arrangement would need to be entered into each time a new lender was added.

5.6 Guarantees and other Financial Arrangements

5.6.1 Financial arrangements may be made in exceptional circumstances. This includes appropriate due diligence and an established extraordinary need prior to making advances.

5.6.2 Appropriate accountability reporting, monitoring, and security (where possible) as determined by resolution.

5.6.3 Council may act as guarantor to financial institutions on loans or enter incidental arrangements for organisations, clubs, or trusts, when the purposes of the loan are in line with Councils strategic objectives.

5.6.4 Council cannot guarantee loans to CCTO's (LGA s.62) however, the Local Government Borrowing Act 2011 exempts the LGFA from this requirement meaning Council can provide guarantees on the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.

5.6.5 Council can on lend to subsidiaries of Council, where that subsidiary is 100% owned by Council, or 100% owned alongside other Council entities. Council cannot lend to subsidiaries that are not ~~a~~ 100% Council owned.

5.6.6 All guarantees will be legally documented with appropriate security and protection for the level of risk. This may include an expectation that Council would rate the guaranteed party to recover any losses. All guarantees and their conditions will be approved by resolution.

5.6.7 Council will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed. The sum of all guarantees will be limited to 10% of available borrowing capacity.

5.6.8 All guarantees and other financial arrangements are disclosed in the Annual Report.

5.7 Liquidity (Short-term Borrowing)

5.7.1 Council can use short-term borrowing using overdraft, committed bank facilities, or LGFA debt, to efficiently manage short-term liquidity. Liquidity is an important element of Councils financial resilience to respond to unplanned events.

5.7.2 Rates and the timing of collection of rates has the greatest impact on Council cash flow. Short-term borrowing provides liquidity essential for prudent financial management in managing cash flows. As part of Councils' cash management plan, Council typically borrows from April through to November, repaying the debt from rates income.

5.7.3 Council's Long-term Plan and subsequent Annual Plans~~The LTP 2024-2034~~ forecasts external debt to fund capital expenditure. This presents an opportunity to better manage both short- and long-term debt to meet a variety of needs. Debt management is part of Councils overall cashflow planning and management.

5.7.4 Borrowing for less than 90 days is considered debt for the purposes of the restrictions on lending provided in the LGA and security for short-term borrowing is subject to the DTD.

5.8 Finance Leases

5.8.1 Council will enter finance leases where a business case has been prepared considering the whole of life costs of the arrangement.

5.8.2 A resolution of Council is not required for hire purchase, credit, or deferred purchase of goods if:

(a) the period of indebtedness is less than 181 days (including rollovers); or
(b) the goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.

5.9 Reserves Funds and Internal Borrowing

5.9.1 Council maintains financial reserves as an essential part of its financial strategy. By collecting and holding cash in reserves, Council can manage intergenerational equity matters and smooth the impact of lumpy or unexpected cash flows. Reserve~~s~~ funds are recorded separately to maintain transparency and accountability.

5.9.2 Internal borrowing is used where surplus cash is available in reserve funds and where it is cost effective to use these funds to reduce potential external debt against the expected returns from retaining the funds for financial investments.

5.9.3 To maintain the real value of reserve funds for future spending, Council will ensure that:

(a) the cost of internal debt is weighted average borrowing cost of council's external debt (calculated quarterly);

(b) reserves that are used for internal or external investment are~~is~~ determined by resolution of Council.

6. Risk Management and Reporting

The Treasury Risk Management Policies cover matters applicable to both Investment Policies and Liability Management Policies.

6.1 Risk Management

6.1.1 Investment returns and borrowing costs are material to rates and funding Councils activities. These returns and costs can be volatile. Identifying and managing risks is critical to effective management of investments and liabilities.

6.1.2 The SIPO outlines Council's approach to Risk Management for Financial Investments.

6.1.3 The definition and recognition of interest rate, liquidity, funding, investment, counterparty credit, interest/market, operational and legal risk to Council is detailed below.

Interest Rate Risk (Income)

6.1.4 Interest rate risk (income) is the risk that investment returns from monies on deposit are lower than forecast, or lower than the current market interest rate due to duration. Council may also be exposed to this form of interest risk where it needs to break term deposits.

6.1.5 Council manages exposure to this risk by:

(a) matching term deposits to the timeframes for use of the cash;
(b) actively managing surplus cash; and
(c) limiting term deposit duration to 24 months.

Interest Rate Risk (Borrowing)

6.1.6 Interest rate risk (borrowing) is the risk that borrowing rates are higher than forecast.

6.1.7 Interest rate risk management has the objective of containing interest rate exposures to:

(a) give a sufficient level of certainty to funding costs while, at the same time, allowing Council to participate if interest rates and credit spreads move favourably;
(b) control variations in interest expense for the debt portfolio from year to year, taking into consideration any relevant budgetary assumptions;
(c) recognise exposure to the local and international economies and maintain sufficient flexibility in its interest rate risk management profile to enable us to respond when considered appropriate.

6.1.8 Council will maintain fixed interest rate cover of its core debt within the control limits detailed in the table below. Fixed rate debt is defined as all debt that has at least one more rate reset outstanding or has more than six months to maturity in the case of a fixed rate term loan. Compliance with these parameters only apply where external debt is greater than $10 million. For the purposes of interest rate hedging, core debt projections should be supported by budgetary analysis. Core debt is defined as the level of current and projected future debt as determined by the Corporate Services General Manager (CSM) in consultation with the Chief Executive.

of actual and forecastexternal debt	Fixed Rate Hedging Parameters	
	Minimum	Maximum
0 - 2 years	40%	100%
2 - 4 years	20%	80%
4 - 8 years	0%	60%

6.1.9 The implementation of fixed rate hedging parameters assumes dealing lines are available from Councils bank(s), but also recognises that fixed rate debt can be achieved by funding using Fixed Rate Bonds.

6.1.10 Council is permitted to enter an ISDA Master Agreement with its main bank to provide Council access to swaps, options, and agreements to manage its interest rate risk.

6.1.11 Council is not permitted to use swaps, options, or agreements to speculate on interest rates.

6.1.12 Risk management activity outside of policy parameters requires approval by resolution.

6.1.13 If more active management is deemed to be required, the following may be done:

6.1.14 to minimise exposure to interest rate risk greater than the market – roll over debt regularly, or to minimise exposure to interest rate fluctuations – use fixed interest borrowing or banking facilities such as interest swaps, options, and agreements.

Liquidity and Funding Risk Management

- Liquidity risk management has the objective of ensuring that adequate liquid assets and funding sources are always available to meet the short-term commitments of the Council in an orderly manner. Appropriate cash flow reporting mechanisms will be maintained to monitor the Council's estimated liquidity position over the next twelve months. To manage liquidity risk, the Council must maintain its liquidity level at a minimum of 110% of the projected peak debt level over the ensuing 12-month period. Liquidity is defined in Section 5.2.4~~4.2.3~~.

6.1.15 Funding risk is defined as an inability to secure access to external lines of credit sufficient to enable the Council to achieve its strategic short-term and long-term objectives where the financial requirements to achieve those goals exceed the funds being generated from operating activities. Funding risk covers both working capital requirements and core debt. In managing funding risk:

- the full Council must approve all new debt funding facilities and~~/or~~ any material revision to the parameters of existing debt funding facilities, except that the Chief Executive may, under delegated authority, approve an extension or renewal of an existing bank overdraft facility where this is required solely to manage short-term cash-flow requirements arising from Council's normal annual rates collection cycle, provided the facility remains within Council approved borrowing limits and all applicable policy and delegation requirements; and
- ensure that all the Council's debt is not exposed to excessive refinancing risk at any one time, where Council debt is greater than $10.0 million, no more than 40% of all debt facilities should mature within a rolling 12-month period; and
- the CSM must renegotiate/replace maturing bank funding facilities on a timely basis. Specifically, the CSM must obtain an indicative letter of offer no later than two months



before the maturity of any bank facility.

6.1.16 Investments and cash will be managed to ensure that sufficient funds are available to meet repayment or refinancing commitments, along with interest payments.

Counterparty Credit Risk

6.1.17 Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party. The credit risk in a default event will be weighted differently depending on the type of instrument entered.

6.1.18 To avoid undue concentration of exposures, financial instruments should not be concentrated with a single counterparty. Maturities should be well spread. The approval process must consider the liquidity of the market in which the instrument is traded and re-priced.

6.1.19 Credit risk will be regularly reviewed. Treasury related transactions are only entered into with organisations specifically approved by resolution.

6.1.20 Limits should be spread amongst several counterparties to avoid concentrations of credit exposure.

6.1.21 The matrix contained in Appendix 1 contains the investment criteria for money market and fixed interest investment activities not covered by the Managed Fund.

6.1.22 Financial investments are normally held to maturity date, although these could be liquidated prior to maturity.

7. Reporting/Accountability

~~*Treasury*~~ *Investment*~~*Oversight*~~ *Committee*

Council has established ~~will run~~ an Investment~~internal Treasury Oversight~~ Committee for the day-to-day management of the treasury function to ensure Council compliance with the Treasury Policy and where applicable minimising costs and maximising returns within the risk limitation set. ~~The committee will consist of the General Manager Business Support, the Chief Financial Officer, another General Manager and will be advised by Councils external treasury advisers.~~ The committee ~~will report to the Chief Executive and~~ may co-opt other members with required skills or experience as necessary including external treasury advisors. The terms of reference for the Committee are to manage the day-to-day treasury function of the council which includes investments (noting that Councils Managed Fund is managed independently), debt management, debtors, liquidity management, performance reporting, revenue monitoring, rates management and any other function of a treasury nature that is required.

Council will receive reports which:

(a) monitor compliance with this and other policies and plans, as it relates to debt and investments, including limits.
(b) monitor the market and evaluate the performance of debt and investments against themarket and assess appropriateness of policy implementation.
(c) report on treasury activities including changes to investment, borrowing and liquidity.

The table below outlines specific investment and reporting procedures for each of the investments.

Investment type	Investment Management procedures	Investment Reporting
South Port New Zealand Limited	The Finance and Performance Committee monitor and review its holding in SPNZ. Formal recommendation to Council on shareholding levels must occur at least every three years. This reflectsa desire to ensure that the Council has an appropriate mix of investments and is not unnecessarily exposed to any one investment.	Regular reporting on South Port from both the Finance and Performance Committee and South Port Governors and or Executive.
Property	Council undertakes an annual review of its property portfolio and consider the disposal ofany properties.	Use and revenue from the property portfolios is reported to Council ~~on a quarterly basis~~ and isincluded in the annual report of Council.
Liquidity	The holdings will be invested to maximize returns while maintaining adequate working capital to meet projected cash flow requirements.	A schedule of short-term funds is to be presented monthly to Council.
Southland Diversified Investment Portfolio (Managed Fund)	The SIPO must be reviewed and approved by Council at least every two years.	Reporting is in line with the expectations set out in Council SIPO.

8. Definitions

The following definitions are used within the policy:

- ***Borrowing:*** the act of acquiring debt, including bank finance, finance lease, hire purchase orcredit greater than 91 days.
- ***Borrowing arrangements:*** any arrangements to acquire debt or any incidental arrangements.It does not include amounts owing to creditors for purchases in the normal course of business.
- ***CCO:*** Council Controlled Organisation, as defined by the Local Government Act 2002.
- ***CCTO:*** Council Controlled Trading Organisation, as defined by the Local Government Act 2002.
- ***Debt:*** the total amount borrowed on Council balance sheet.
- ***DTD:*** Debenture Trust Deed, a contractual arrangement between Council and its debt funders to providesecurity.
- ***Incidental arrangements:*** includes various arrangements associated with debt, including risk management tools such as swaps, caps and guarantees.
- ***LGA:*** Local Government Act 2002.
- ***LTP:*** Long-term Plan as defined in the Local Government Act 2002.
- ***LGFA:*** Local Government Finding Agency, a Council Controlled Organisation established toprovide debt funding to local government in New Zealand.
- ***Operational assets*:** total assets of Council, excluding infrastructural assets.
- ***Prudence:*** financial prudence, a requirement of the Local Government Act 2002, is a judgement call Council must make on all financial dealings having regard to financial circumstance as well as the well-being of the community.

Appendix 1: Authorised Investment Criteria

(not covered by the managed fund)

* The combined holding of Corporates and Financials shall not exceed 70% of the total portfolio

Authorised Asset Classes	Overall Portfolio Limit as a Percentageof the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class $(M)
New Zealand Government	100%	Government Stock Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities	70%	Commercial Paper Bonds/MTNs/FRNs	Short term S&P rating of A1 or better Long term S&P rating of A- or betterLong term S&P rating of A+ or better Long term S&P rating of AA or better	$3.0 $2.0 $3.0 $5.0
New Zealand Registered Banks	100%	Call/Term Deposits/Bank Bills/CommercialPaper Bonds/MTNs/FRNs	Short term S&P rating of A1 or better Long term S&P rating of A- or betterLong term S&P rating of A+ or better	$10.0 $3.0 $5.0
State Owned Enterprises	50%	Commercial Paper Bonds/MTNs/FRNs	Short term S&P rating of A1 or better Long term S&P rating of BBB+ or better Long term S&P rating of A+ or better	$3.0 $1.0 $3.0
Corporates*	30%	Commercial Paper Bonds/MTNs/FRNs	Short term S&P rating of A1 or better Long term S&P rating of A- or betterLong term S&P rating of A+ or better Long term S&P rating of AA or better	$2.0 $1.0 $2.0 $3.0
Financials*	20%	Commercial Paper Bonds/MTNs/FRNs	Short term S&P rating of A1 or better Long term S&P rating of A- or betterLong term S&P rating of A+ or better Long term S&P rating of AA or better	$2.0 $1.0 $2.0 $3.0

The combined holding of Corporates and Financials shall not exceed 40% of the portfolio.

The combined holdings of entities rated BBB and/or BBB+ shall not exceed 25% of the portfolio.

Other relevant documents

Other relevant documents include:

- The Financial Strategy.
- Financial policies.
- Significance and Engagement Policy.
- Statement(s) of Investment Policy and Objectives (where available).

1.2 Spatial Planning

Report by: Claire Dooney, Principal Advisor - Strategy
Approved by: Hayley Fitchett
Report Date: General Manager Strategy & Regulation

Purpose

Briefly revisit what councillors have already raised, then focus on funding and the practical implications of the proposed arrangements. This workshop builds on September's discussion and Council's subsequent consideration. It is an opportunity to explore outstanding issues and prepare for the joint workshop. Views expressed today will inform further work; any decisions required will follow Council's formal processes.

Agenda

- **Purpose & programme update**
  - Overview of where we are at in the process, what we have learned.

- **Process agreement & how we get there**
  - Explain what the Joint Process Agreement (JPA) will cover, and the areas we are needing further direction/confirmation on, process for developing and approving the JPA.

- **Budgets, cost sharing & resourcing**
  - Explore possible bases for sharing costs: equal shares, population, land area, or a combination; include an option with a distinct regional council contribution if available.

- **Governance & working arrangements**
  - Briefly recap the positions considered in October: two members per council, an independent chair, consensus as the primary approach and ES as a possible secretariat host.

- **RSP principles**
  - Workshop the spatial plan principles, which will be finalised by the committee.
  - Mana whenua update

Attachments

Nil