

Annual Report Summary **2014-15**

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Photo: Les Ladbrook

Our 2014/15 Annual Report Highlights ...

Thank you for taking an interest in the Annual Report for 2014/15. It has been a full-on year with lots of work programmes on the go. We're progressing the decision-making needed to improve Southland's air quality and have advanced the difficult issues for maintaining and improving water quality, which are critical for meeting our responsibilities to sustainably manage Southland's natural resources.

The Annual Plan explains the progress on the projects and programmes the Council has committed to in the Long-term Plan 2012–2022 (LTP). The LTP was cast as “a Reality Check – More Must be Done”, and we are pleased to report that a great deal has been achieved. It is now through its third year with work streams having become increasingly integrated, and many either underway or completed.

The full Annual Report is available online at www.es.govt.nz or you can contact the Council for a printed copy. Please also talk to your Councillors or our staff – we are always keen to get feedback and to hear your views.

Addressing water quality issues continued to be Environment Southland's top priority. Our *Water and Land 2020 & Beyond* project is the Council's response to both the Government's requirements in the National Policy Statement for Freshwater Management (NPS) and the community's concerns about Southland's declining water quality.

The *Water and Land 2020 & Beyond* project is a joint initiative with Te Ao Marama Inc. It has been informed by a wide range of farming, environmental and community groups and interests, and will be seeking greater community participation in the coming years as we move into the catchment limit setting process (for discharges and abstractions to and from waterways).

A great deal of preparation has been underway for the catchment limit setting process with a range of stakeholders (government and industry). This process and any decisions on policies for improving water quality will be informed by sound economic, social, cultural advice, work streams and robust environmental science, which will require a great deal of monitoring, research and modelling work.

A big piece of science work – physiographic zones – was largely completed in the past year and will inform the draft Water and Land Plan currently being developed. The zones are categorised according to particular land and water characteristics and clearly identify the issues that need to be addressed in those specific areas.

Environment Southland has a strong tradition of working with others. The recent securing of relationships and funding with external economic and scientific partner organisations will be of substantial benefit and value to all stages of the *Water and Land 2020 & Beyond* project.

The proposed Regional Policy Statement (RPS), which was originally notified in 2012, reached a milestone this past year with decisions released in June following a lengthy hearing process. It is now subject to an appeal period. During the same period a variation to the RPS biodiversity chapter was developed as a result of public feedback. It was subsequently notified and submissions closed in June.

Compliance staff use a range of techniques including aerial and on-farm inspections and the approach is seeing significant improvements in perception and relationship building. Particularly pleasing is the decrease in significant non-compliance by dairy farmers with discharge consents, down to 4.5% this year compared with 6% last year.

The Consents Division faced a significantly increased workload during the year. It has also had a focus on ensuring processes are efficient and effective to help address the increase in resource consent applications. A number of process improvements have resulted in improved performance throughout the year, including improvements in meeting processing timeframes and clearing the consent application backlog.

The review of the Regional Air Plan for Southland continued, with hundreds of submissions received on the draft plan. These were heard by a panel led by an independent commissioner and we are awaiting its decisions. Plans for a loans assistance package were progressed and an education approach has been maintained, with a focus on residents in the urban airsheds of Invercargill and Gore. These airsheds have not been meeting the Government's National Environmental Standards (NES) and open fires and the burning of coal are the primary cause of poor air quality.

Environment Southland's Possum Control Area (PCA) programme continues to expand. In this programme, adjacent landowners are encouraged to work together to keep possum numbers down. In the past year there were five new PCAs (over 32,500 ha) added. This brings the total number of PCAs to 34, covering 221,000 ha.

Biosecurity staff continued to offer advice for both animal and plant pests, carried out investigations and responded to complaints.

The Council's flood protection infrastructure is in good shape and performing well. It includes 1,400 kilometres of land drainage schemes and 458 kilometres of stopbanks, some with walkways/cycleways. The maintenance programme successfully covered those scheduled for inspection and any damage was remedied as required. The Council via its Concept Plan is ensuring we are looking at better ways of managing woody weeds in our riverbeds.

The Council's net financial result for the 2014/15 year was a surplus of \$2.128 million, which was \$3.953 million better than budget, largely driven by investment returns. This is an excellent result that bodes well as we transition to the new 2015-2025 Long-term Plan and its challenges.

The total revenue received was \$31.278 million, which was \$4,586 million above budget. The dividend from Environment Southland's 66.48% shareholding in South Port (NZ) Limited was \$4.012 million, which was \$523,247 more than expected after the port company achieved its highest ever profit. South Port's ongoing good performance is to be commended. It is a strategic investment of this Council, held on behalf of Southlanders, and its dividends are used to offset rates.

The Council's managed investments returned \$3.9 million for the year, which was \$2.3 million above budget after a better than projected portfolio performance. In addition, revenue from levies and local contributions was ahead of budget by \$740,160, due to increased catchment workload in specific areas. Consent processing recoveries were also ahead of budget by \$321,094, but this was offset by additional consents expenditure of \$591,272 for specialist contractors who were used to address the increase in consent applications.

Total operating expenditure of \$29.15 million was \$634,000 over budget due to higher than expected staff costs of \$415,000, arising out of planned additional work in relation to the Council's increased work programme and extra operating expenditure of \$219,000. Pleasingly, the Council's balance sheet remains very strong, with no long-term debt.

During the past year we have achieved a great deal, much of it in conjunction with the community: from the river liaison committees that provide advice on flood control activities; to partnerships with iwi, organisations and agencies; and the feedback from the farming sector, community groups, individuals and others. Together we share the achievements.



Ali Timms
Chairman



Rob Phillips
Chief Executive

Addressing adverse effects of non-point source discharges to water from intensive farming practices

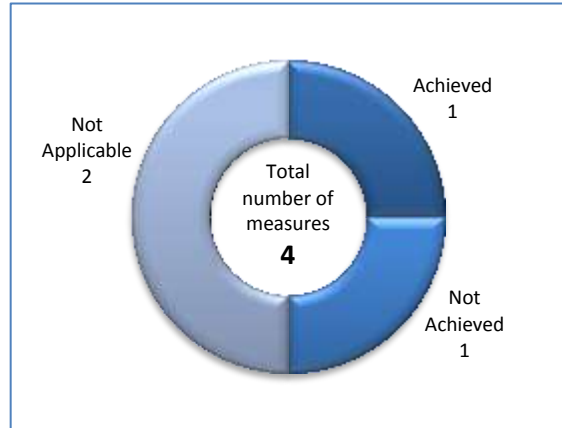
[see page 16 of Annual Report]

What we achieved

Monitoring and Reporting

Our monitoring programme on water quality improvement across the region continues by the Environmental Information team, however reporting on the results will not be possible until the next water quality SOE report, as annual trend analysis requires several years of data to be accurate.

There was no annual reporting on state of water quality undertaken in 2014/15 due to the diversion of resources to the NPS-FM Science Programme. However, a report card is in preparation to be released in September 2015.



Compliance Activity

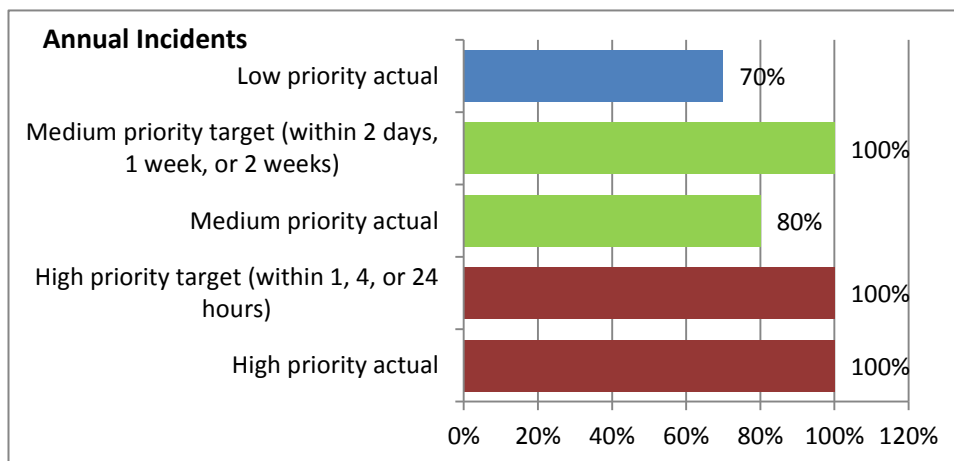
There has been a high percentage of compliance with legislation and regional rules. Non-compliant activities resulted in 26 formal warnings, 34 infringement notices and 19 charges laid.

39 re-inspections were recorded and 3 of these re-inspections resulted in a further rating of significantly non-compliant

a decrease in reported incidents

Compliance practice is that all high priority incidents have an officer dispatched within an hour of notice.

A spot audit of the annual incidents was conducted. It revealed that the following percentages of incidents (high, medium, low priority incidents) were attended to within timeframes:



Notes: No target specified for low priority annual incidents.
 Not Applicable reflects the structural change undertaken during the year to move the National Policy Statement Freshwater science team from out of Environmental Information.

Enablement of resource use by communities, industries and individuals

[see page 23 of Annual Report]

What we achieved

The percentage of resource consent applications processed within the legal timeframes during 2014/15 achieved a 92% result against a target of 100%. While still below target, improvement was made in this area (84% in 2013/14).

For resource consent applications that do not need to be publicly notified, 40.5% of those applications were processed within 10 working days of being lodged. The target was 100% of such applications being processed within the 10 days.

For the 2014/15 year, 34 applications received discounts for not being processed within the required timeframes, amounting to a total of \$22,047. While still below target, improvement was made in this area (from 82 applications in 2013/14).



A total of 69% of notified resource consent applications that received objections did not require a formal hearing.

The target is to achieve more than 80% of such situations by using pre-hearing conflict resolution techniques to minimise the number of hearings and reduce process costs for applicants.

Responses to information requests about resource consent processes were responded to during the year - 69% of enquiries were responded to within 2 working days (target was 80%) and 82% of enquires were responded to within 5 working days (target was 100%).

No plan provisions or Council decisions challenged by the Environment Court

In the transport area, the development of a combined Otago/Southland Regional Land Transport Plan incorporating the Regional Land Transport Programme was adopted by Council on 29 April 2015. This collaborative project between the Otago Regional Council and Environment Southland is a first and has proven to be a successful and more strategic way of approaching inter-regional transport issues.



Protection from the adverse environmental effects of resource use

[see page 28 of Annual Report]

What we achieved

Water Quality

In our compliance work we found that 68 dairy farm inspections (4.5%) were rated as significantly non-compliant. In 2013/14, significant non-compliance was 6%.

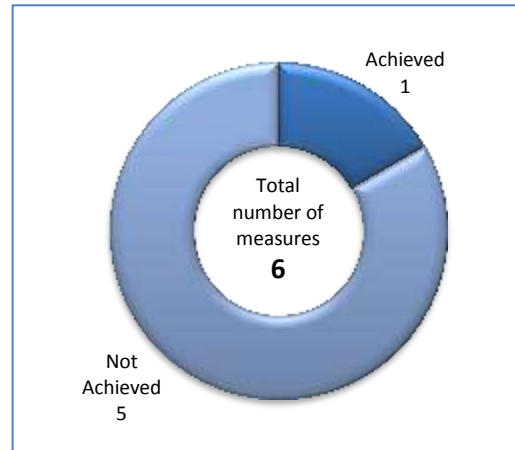
One water quality sample exceeded the standard on the lower Oreti River at New River Estuary (1 exceedance in 2013/14).

Freshwater areas met the bathing guidelines in 70% of samples (2012/13: 85.3%). The total number of breaches is up slightly on previous years.

At coastal shellfish gathering sites, 6 of 8 sites monitored exceeded guidelines. The worst sites were Jacobs River Estuary downstream of road bridge (67%) and Toetoes Harbour at Fortrose (65%).

The monitoring of water quality at water bores indicated:

- 11% of bores sampled exceeded drinking water NNN (Nitrate-Nitrogen) standards (10% in 2013/14).
- 18% of bores sampled exceeded bacteria levels of the drinking water standards (27% in 2013/14).



Air Quality

Monitoring is undertaken in the airshed to meet the requirements of the National Environmental Standards for Air Quality (NESAQ) and for reporting to the Ministry for the Environment and the community.

In winter 2014, (1 May to 31 August) 12 exceedances were reported in the Invercargill airshed. One further exceedance was recorded in September, outside of the winter period making a total of 13 (13 exceedances in 2013/14).



In winter 2014 (1 May to 31 August), 1 exceedance was reported in the Gore airshed. The Gore airshed complied with the National Environmental Standards for Air Quality (NESAQ) for 2014 (3 exceedances in 2013/14).



We also:

- continued the *“Breathe Easy”* campaign;
- worked on review of the Regional Air Quality Plan for Southland;
- ran drop-in sessions in Invercargill and Gore;
- ran a source apportionment study in Invercargill;
- reviewed effectiveness of proposed management options for the airshed;
- released and distributed the Air Quality State of the Environment report.

Emergency response and preparedness

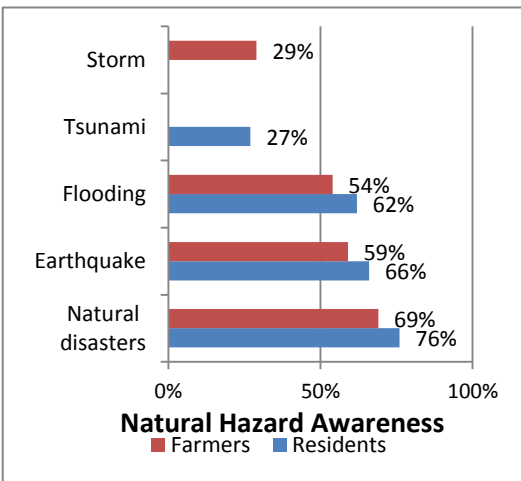
[see page 42 of Annual Report]

What we achieved

Natural Hazards

Communities are surveyed annually about their awareness and knowledge of at least three major hazards. This year, only 27% of residents could identify three major hazards that the Southland might face.

Overall, natural disasters and weather events are the main hazards in Southland that could affect residents and farmers. The



The overall level of concern for specific hazard types are shown in the adjoining graph.



Training of staff in emergency management tasks and responses has been a priority with 89 staff now trained for various responsibilities. The new EOC foundation course and function specific training for EOC roles has led to an increase in the number of staff trained. A further 40 staff took part in exercises.

Harbour Management



QE2 cruise ship in Milford Sound

The Bluff Harbour Safety Management System certificate of approval from Maritime New Zealand was maintained.

The Safety Management System (SMS) for Milford Sound was completed in February 2015. Approval from Maritime New Zealand is expected in August 2015.

A cruise ship SMS has been commenced and a SMS for shipping in other fiords will continue to be developed over the next 3 years until 2017/18.

The enforcement of the Navigation Safety Bylaws resulted in 12 warning letters and zero infringement notices being issued. No prosecutions were taken.

Services - biosecurity

[see page 48 of Annual Report]

What we achieved

There have been no occurrences of exclusion pests (animal and plant pests which could cause serious adverse impacts on the Southland environment if they did arrive here) being detected in the region over the past year.

In terms of rabbit control, only one site in the region has been detected in excess of target numbers. Control works were undertaken and the situation has since improved significantly at that site.

**Possum Control Areas
now cover 221,000 ha
of the region**

Control of possum levels in former Tb areas has increased with five new Possum Control Areas being added with an area of 32,500 ha. Those additions mean that a total of 34 Possum Control Areas have now been established across the region. These are maintaining possum levels at less

than 5% residual trap catch.



Pest plant management

Gunnera – 9 new sites found and 28 active sites recorded. 83 previously recorded sites where no live plants were found (54 in 2013/14).

Darwin's barberry – contractors continued control work in 4 blocks along the Manapouri foreshore. DOC continued eradication programme over 212 ha on Stewart Island.

Contorta pine – compliance inspections/liaison carried out on 6 properties east of Mataura. Low abundance recorded on 4 properties, 2 properties found with mature Contorta pine issues.



Old Man's Beard

- 5 new sites found, 21 active sites recorded
- 101 previously recorded sites with no live plants found (increase from 95 sites in 2013/14)

Nodding thistle – 290 properties inspected, with 190 classed as “No work required”. 11 complaints received and responded to, 9 requests for service received.



Urban Gorse and Broom

- 1,547 properties inspected; 838 where no work required
- 47 properties where notice of direction issued and 10 where work was undertaken

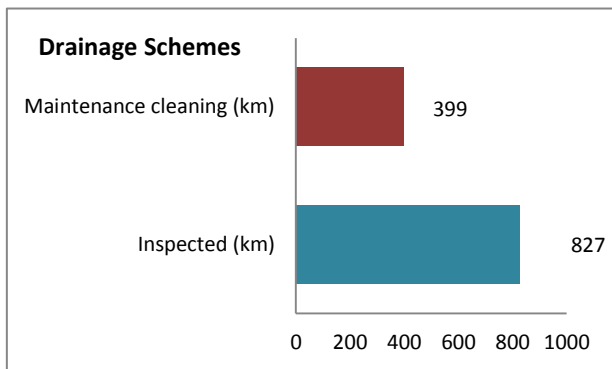
Ragwort – 365 properties inspected, with 148 recorded as “No work required”. 20 complaints received and responded to, 2 service requests received. One property where default action was taken.

Services - flood protection and control works

[see page 54 of Annual Report]

What we achieved

All flood protection and control works performed to agreed standards. No failures were identified in the flood mitigation schemes across the region. Any damage identified through the formal inspection programme was remedied during the year.



No failures of the drainage schemes across the region were identified. Inspection programme covered 827 km of drainage networks with 399 km requiring maintenance cleaning.

The existing and new walkways and cycleways performed to agreed standards with no failures occurring. No issues were identified or reported during the year.



Community representation and communication

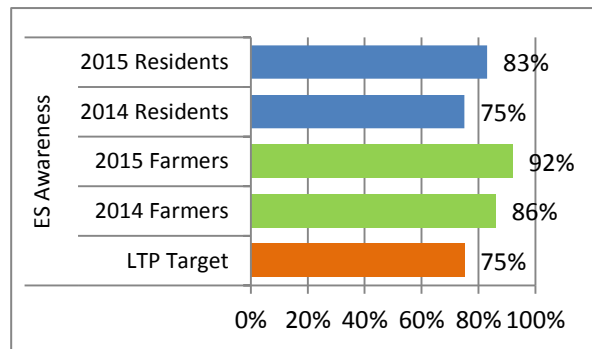
[see page 61 of Annual Report]

What we achieved

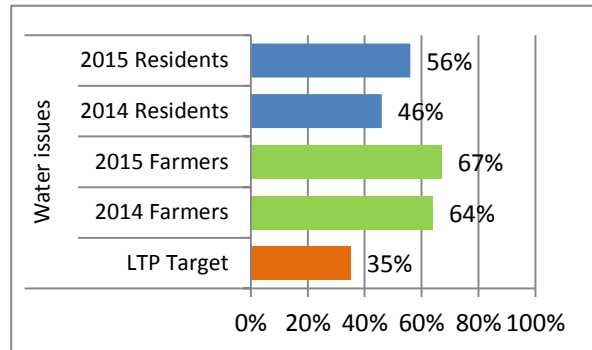
The annual awareness survey checks the community's level of awareness of Environment Southland and what it achieves.



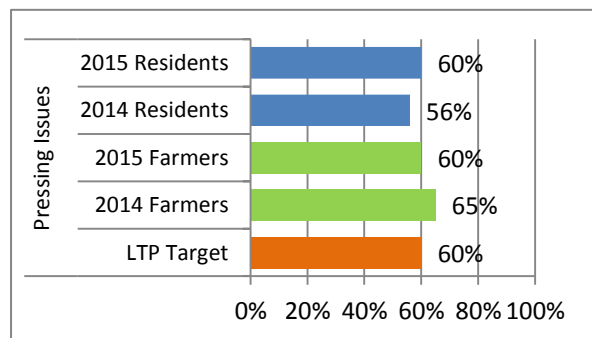
The latest survey results (compared against the 2014 survey results) show three main aspects, the first being the percentage of respondents (residents and farmers) who could name Environment Southland as the authority responsible for managing Southland's natural resources. The Long-term Plan target is also shown.



The second result relates to the percentage of respondents who believe Environment Southland is managing water quality issues well or very well.



The third result asks about the percentage of respondents who agreed or strongly agreed that Environment Southland was effectively managing pressing environmental issues.



Awareness of the *Water and Land 2020 and Beyond* project varies between residents and farmers, with farmers (78%) more likely to be aware of the project than residents (46%).

Understanding of the project varies between residents and farmers. Generally, residents mention that the project is about water (38%), future planning (18%) and farming (13%). In terms of farmers' perceptions of the project, farmers mention that the project is about water (26%), farming (24%) and future planning (12%).

Our Finances

Set out below is a summary of the financial statements for the 2015 financial year. The amounts reported under the consolidated heading are the combined figures for Environment Southland (Council) and South Port New Zealand Limited. All amounts are presented in New Zealand dollars.

Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2015

	Council			Group	
	2015 \$000	Annual Plan \$000	2014 \$000	2015 \$000	2014 \$000
Revenue					
Rates Revenue	13,725	13,730	12,860	13,725	12,860
Other Revenue	12,812	10,738	11,363	43,375	39,039
Government Grants	845	647	735	845	735
Other gains/ (losses)	3,896	1,577	1,279	3,906	1,294
Total Revenue	31,278	26,692	26,237	61,851	53,928
Expenditure					
Employee benefits expense	(12,904)	(12,489)	(11,738)	(21,810)	(19,543)
Depreciation expense	(710)	(678)	(679)	(3,399)	(3,157)
Finance costs	(75)	(50)	(59)	(1,000)	(620)
Other expenses	(15,461)	(15,299)	(14,482)	(26,744)	(25,740)
Total Operating Expenditure	(29,150)	(28,516)	(26,958)	(52,953)	(49,060)
Surplus/(Deficit) before income tax	2,128	(1,825)	(721)	8,898	4,868
Income tax expense	-	-	-	(3,044)	(2,658)
Surplus/(Deficit) for the period	2,128	(1,825)	(721)	5,854	2,210
Items that may be reclassified to Surplus / (Deficit)					
Derivatives	-	-	-	203	(203)
Total Comprehensive Revenue and Expense for the period	2,128	(1,825)	(721)	6,057	2,007
Total Comprehensive Revenue and Expense attributable to:					
Council	2,128	(1,825)	(721)	3,395	(164)
Minority interest	-	-	-	2,661	2,171
	2,128	(1,825)	(721)	6,057	2,007

Explanations for Statement of Comprehensive Revenue and Expense Variances:

The operating surplus of \$2.128 million was \$3.953 million better than budget for the year ended 30 June 2015. The major components of this favourable result are explained below.

Total Revenue received for the year is \$4.586 million better than budget. The major items contributing to this were:

- an increase of \$523,000 in the expected dividend from South Port NZ Ltd who achieved the highest profit in the port's history.
- higher than expected investment income of \$2.295 million as a result of a better portfolio performance than forecast.
- levies and local contributions ahead of budget by \$740,160 due to increased catchment workload in specific areas.
- consent processing recoveries ahead of budget by \$321,000 due to the clearance of a number of outstanding consents.
- Compliance cost recoveries, prosecutions and monitoring fees ahead of budget by \$483,369.

Operating expenditure was \$634,000 over budget due to:

- employee benefits that were over budget by \$415,000 due to an increase in staff numbers arising out of planned additional work.
- other expenses were over budget by \$219,000.

**Statement of Changes in Net Assets / Equity
for the Year Ended 30 June 2015**

	Council			Group	
	2015 \$000	Annual Plan \$000	2014 \$000	2015 \$000	2014 \$000
Opening Equity	73,830	72,215	74,551	96,517	96,401
	-	-	-		
<i>Total Comprehensive Revenue and Expense attributable to:</i>					
Council	2,128	(1,825)	(721)	3,395	(164)
Minority interest	-	-	-	2,661	2,171
Dividend distribution - Minority interest	-	-	-	(2,023)	(1,891)
Closing Equity	75,958	70,390	73,830	100,551	96,517

**Statement of Financial Position
as at 30 June 2015**

	Council			Group	
	2015 \$000	Annual Plan \$000	2014 \$000	2015 \$000	2014 \$000
Council	75,958	70,390	73,830	89,791	86,397
Minority interest	-	-	-	10,760	10,121
Total Equity	75,958	70,390	73,830	100,551	96,517
Current assets	35,806	32,626	31,910	42,332	42,896
Non-current assets	47,215	45,405	46,045	79,121	72,065
Current liabilities	7,038	7,631	4,116	12,088	18,066
Non-Current liabilities	25	10	9	8,814	378
Net Assets	75,958	70,390	73,830	100,551	96,517

Explanations for Statement of Financial Position Variances:

- a. four years of favourable investment returns and better than expected operational results highlight a favourable equity position of \$75.958 million which is \$5.568 million higher than what was originally budgeted for.
- b. current assets are at \$35.806 million compared with a budget of \$32.626 million due mainly to better than forecast investment returns.
- c. non current assets are at \$47.215 million against a budget of \$45.405 million due mainly to an extension of the Council's office building.
- d. current liabilities are \$593,000 net under budget with less than expected bank overdraft required, off-set by an increase in accounts payable.

**Statement of Cash Flows
for the Year Ended 30 June 2015**

	Council			Group	
	2015 \$000	Annual Plan \$000	2014 \$000	2015 \$000	2014 \$000
Net cash flow from operating activities	(1,375)	(2,693)	(1,786)	6,604	3,223
Net cash flow from investing activities	(1,903)	(1,553)	1,279	(8,585)	(2,083)
Net cash flow from financing activities	-	-	-	(4,124)	2,209
Increase/(decrease) in cash held	(3,278)	(4,246)	(507)	(6,105)	3,349
Add opening cash bought forward	888	159	1,395	5,868	2,722
Net foreign exchange differences	-	-	-	-	(203)
Ending cash carried forward	(2,390)	(4,086)	888	(237)	5,868

Explanations for Statement of Cash Flows Variances:

- a. While there was negative cash position at year end of \$2.390 million this was better than forecast by \$1.697 million

Notes

1. Section 98(4)(b) Local Government Act 2002 requires Council to make publicly available a summary of the information contained in its Annual Report.
2. The specific disclosures included in the summary financial report have been extracted from the full financial report adopted by Council on 28 October 2015. This summary financial report was approved and adopted by Council at the same time.
3. The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report. The full financial report dated on 28 October 2015 has received an unqualified audit report. A full copy of the financial report may be obtained from Council's offices or on its website www.es.govt.nz.
4. The Council's full financial report has complied with NZ GAAP and stated explicitly that they comply with Tier 1 Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS). This is the first financial year that these new PBE standards have been applied. Refer to the Summary of Accounting Policies in the Annual Report for more information on the effect that this first time adoption of PBE standards has had on accounting policies and disclosures.
The financial statements include disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014.
5. The summary financial report complies with FRS 43 - Summary Financial Statements

Subsequent Events

The following subsequent events are disclosed in line with NZIAS 10:

Council

Council had no significant events after balance date

Group (South Port New Zealand Limited)

On 21 July 2015 the Group entered into an agreement to purchase a second-hand tug 'Te Matua' from Port of Tauranga. The cost of this purchase will be approximately \$2.5 million

On 20 August 2015, the Board declared a final dividend for the year to 30 June 2015 of 17.0 cents per share amounting to \$4.460 million. (2014: final dividend declared of 16 cents per share amounting to \$4.066 million.)

There were no other significant events after balance date.

Capital Expenditure Commitments

Council

As at 30 June 2015, the Council had funds committed by way of contract for the building extension \$255,796 (2014 boiler replacement and building extension work \$1.435 million)

Group (South Port New Zealand Limited)

As at 30 June 2015, South Port New Zealand Limited had entered into a capital expenditure commitment to complete modifications to Shed 3 amounting to \$400,000 (2014 a Liebherr Mobile Harbour Crane and a Hyster heavy-lift container forklift, total cost \$6.3 million.)

Contingent Liabilities and Contingent Assets

Council & Group

There are no other known contingent liabilities for the Group at 30 June 2015 (30 June 2014 \$Nil)

Related Party Disclosures

Environment Southland is the ultimate parent of the Group and controls one entity, being South Port New Zealand Limited (66.48% ownership) including its subsidiaries.

Transactions with Related Parties

During the year the following receipts/(payments) were received from /(paid to) related parties:-

	Council	
	2015	2014
	\$000	\$000
South Port New Zealand Limited		
Dividend payment made to Council	4,012	3,750
Rates paid to Council as per normal terms of business	6	6

Regional Software Holdings Limited

The transactions between the Council and Regional Software Holdings Limited (refer Note 11) were:-

	Council	
	2015	2014
	\$000	\$000
Share call	-	107
Admin fees and support	158	-

Regional Software Holdings Limited has no subsidiaries

Other Transactions Involving Related Parties

During the year South Port New Zealand Limited provided cold storage facilities and leased warehousing, land and wharf facilities to Sanford Limited for \$670,000 (2014: \$572,000). Sanford Limited debtors balance at 30 June 2015 was \$66,000 (2014: \$38,000). Mr T M Foggo, a Director of South Port New Zealand Limited is the Salmon & Aquaculture Manager of Sanford Limited. All of these transactions were conducted on an arms length basis at market rates.

All balances owing by Sanford are due by the 20th of the month following invoice and all overdue invoices are subject to interest on arrears. During the year ended 30 June 2015 no amounts invoiced to Sanford were written off as bad debts or included in the doubtful debts provision at balance date (2014: Nil).

Transactions Eliminated on Consolidation

Related party transactions and outstanding balances with other entities in a group are disclosed in an entity's financial statements. Intra-group related party transactions and outstanding balances are eliminated in the preparation of consolidated financial statements of the Group.

Joint Venture - Emergency Management Southland

The Council is a member of the joint venture known as Emergency Management Southland, which delivers the civil defence and emergency management responsibilities of the four councils in the Southland region, namely Environment Southland, Invercargill City Council, Gore District Council, and Southland District Council. Governance of the operation is provided by the Southland Civil Defence and Emergency Management Group, a joint standing committee of the four Councils.

Contributions to revenue and expenditure of the venture by Councils are as follows:

	%
Environment Southland	39.52
Gore District Council	8.64
Invercargill City Council	25.92
Southland District Council	25.92

Environment Southland's interests in the venture are as follows:

	2015	2014
	\$000	\$000
Current Assets	219	217
Revenue	366	354
Expenses	364	371

Council Directory

Chairman

Ali Timms

Councillors

Ross Cockburn
Neville Cook
Rowly Currie
Robert Guyton
Nicol Horrell (Deputy Chairman)
Grant Hubber
Peter Jones
Lloyd McCallum
Marion Miller
Jan Riddell
Maurice Rodway

Executive Staff

Chief Executive
Director of Operations &
Environmental Information
Director of Corporate Services
Director of Policy, Planning &
Regulatory Services

Rob Phillips
Warren Tuckey

Graham Alswailer
Vin Smith

Divisional Managers

Policy and Planning Manager
Strategy & Corporate Planning Manager
Acting Policy and Planning Manager
Policy and Planning Manager
Environmental Information Manager
Catchment Manager
Biosecurity Manager
Land & Water Services Manager
Compliance Manager
Consents Manager
Consents Manager
Finance Manager
Information Systems Manager
Communications & Stakeholder
Engagement Manager
Emergency Management Southland
Manager

Ken Swinney (to 1 August 2014)
Ken Swinney (from 2 August 2014)
Russell Hawkes (from 2 August to 28 September 2014)
Anita Dawe (from 29 September 2014)
John Prince
Noel Hinton
Richard Bowman
Nikki Tarbutt
Simon Mapp
Stephen West (to 5 October 2014)
Hilary Lennox (from 6 October 2014)
Phil Culling
Jane Carroll
Gail Jefferies

Neil Cruickshank

Bankers

ANZ Banking
Kelvin Street, Invercargill 9810

Auditor

Deloitte on behalf of the Controller and
Auditor General
Wellington

Solicitors

AWS Legal Barry Slowley
Spey Street Spey Street
Invercargill 9810 Invercargill 9810

Other legal firms used during year (subject
dependant):
Anderson Lloyd, Dunedin
Ross Dowling Marquet Griffin, Dunedin
Simpson Grierson, Wellington
Wynn Williams, Christchurch

Postal Address

Environment Southland
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Location

Corner of Price Street & North Road
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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ENVIRONMENT SOUTHLAND AND GROUP'S SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

The summary annual report was derived from the annual report of Environment Southland (the Regional Council) and group for the year ended 30 June 2015. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 4 to 16:

- the summary statement of financial position as at 30 June 2015;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/equity and cash flow statement for the year ended 30 June 2015;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as Group Activities) of the Regional Council and group.

We expressed an unmodified audit opinion on the Regional Council and group's full audited statements in our report dated 28 October 2015.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with FRS-43 (PBE): *Summary Financial Statements*.

Basis of Opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 28 October 2015 on the full audited statements.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the Regional Council and group.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS-43 (PBE): *Summary Financial Statements*.



The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): *Summary Financial Statements*.

In addition to this audit, which includes our report on the *Other Requirements*, we have carried out other assurance services and assignments in the areas of conducting an audit of the Regional Council's 2015-2025 Long Term Plan and other assurance and advisory services which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the Regional Council or any of its subsidiaries.

B E Tomkins
Deloitte
On behalf of the Auditor-General
Dunedin, New Zealand
28 October 2015

**You can view the full Annual Report on
Environment Southland's website
www.es.govt.nz**

The Annual Report Summary report does not provide as complete an understanding of Environment Southland's activities as provided by the full Annual Report.

If you would like a copy of the 2014/15 Annual Report please visit our website es.govt.nz or call 0800 76 88 45 for a printed copy.

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