

Annual Plan **2014-15**

www.es.govt.nz



Contact us

Environment Southland

Cnr North Road and Price Street
Private Bag 90116
Invercargill 9840

Telephone

03 211 5115
0800 76 88 45 (Southland callers only)

Fax

03 211 5252

Email

service@es.govt.nz

www.es.govt.nz

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2014/15 Annual Plan

Thank you for taking an interest in Environment Southland's programmes and activities for 2014/15.

The main purpose of the Annual Plan is to present the 2014/15 budget and work programmes. In preparing and adopting the 2012-2022 Long-term Plan, the Council undertook a very comprehensive public consultation process in developing the programmes and budgets. This 2014/15 Annual Plan is strongly aligned with these programmes and budgets and is therefore delivering on this strategic direction.

We are tasked with sustainably managing our region's natural resources while recognising the importance of economic growth. In order to do this, we need to be as efficient and effective as possible, and we need to be working in partnership with the community, landowners, industry and others.

Our response is not just a policy one, but includes work being done on the ground by our new Land and Water Services Division. This division has been formed by combining the Land Sustainability, Environmental Education and Pollution Prevention teams. We recognise that working actively with landowners and consent holders to adopt good management practices is a critical way of meeting Council's objectives.

Water quality is not solely a Southland issue. The Government has developed a number of proposals for safeguarding the quality of freshwater through amendments to its National Policy Statement for Freshwater. This requires councils to maintain and improve water quality by setting objectives, including limits, on the level of nutrients and sediment allowed in water. Work on meeting these requirements is underway through the Council's Water and Land 2020 & Beyond project, which will continue through this Annual Plan and Long-term Plans into the future.

A number of our programmes are targeted at working co-operatively with farmers and farming industries. But we are also working with other councils to improve the quality of stormwater and sewage discharges, we have a pollution prevention programme for manufacturers and industrial sites, and we aim to increase understanding among urban residents and businesses that they too should act to improve the quality of water. We will, however, continue to put a priority on all consent holders to comply with their resource consent conditions and, where necessary, we will take enforcement action.

Southland has a strong tradition of shared services, and we see this as a very effective way to continue making efficiency gains. By working together, Southland councils can achieve a higher level of service than we would have done alone. We have already had a number of successes in this area, including Emergency Management Southland, Our Way Southland regional outcomes project and gains in Information Technology services. We will continue to look for opportunities to share services with our territorial counterparts. Shared services also have a national flavour. We have combined with five other regional councils to successfully introduce new software called IRIS – Integrated Regional Information System.

Our core business activities are an essential part of what we do. We are committed to maintaining the flood protection works which safeguard urban and rural communities; expanding our Possum Control Areas programme to support farmers with keeping possum numbers down; and sustainably managing our riverbeds through the new riverbed management concept plan. More details are contained in this plan.

Air quality will become a significant programme as we work towards meeting the Government's goals for improving it. This will have important implications, particularly for home heating in the urban airsheds of Invercargill and Gore and managing farm waste.

Our Long-term Plan provides the baseline for preparation of each year's Annual Plan and budget. The Long-term Plan was adopted in 2012 and it forecasts our work programmes and costs over the subsequent three year period. This year is the third year of that plan.

The Long-term Plan forecasts the rates income portion as \$15.049 million for the 2014/15 year, but using prior years' surpluses and reserves means that this has decreased to \$13.730 million. However, this is an increase of \$865,837 on the current 2013/14 year, or 6.73%. We have illustrated how this will affect rates in the sample property information contained in the Funding Impact Statement section of this plan. In those illustrations (pages 84-86), urban properties have increases of between \$4 and \$13 per annum, and rural properties have increases ranging from \$63 to \$135 per annum (depending on their valuations).

The draft Annual Plan 2014/15 attracted 36 submissions. As a result of considering these submissions and other matters during the consultation process, additional costs of \$352,000 have been added to the 2014/15 budgets. Most of these additional costs are being financed from surpluses or reserves.

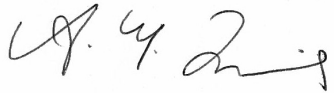
When calling for submissions we asked you, the public, to let us know whether you wanted us to make an unbudgeted contribution of \$100,000 to the Coastguard Bluff, which they had requested to go towards the purchase of a replacement rescue vessel. Councillors noted that the Coastguard's public fundraising campaign had strong public support and that most submissions were in favour of it. Accordingly, the \$100,000 for the Coastguard was approved as an additional cost that will come from the 2014 South Port dividend, which exceeds the budget by \$610,000.

It is prudent to use past surpluses generated by rates and we will continue to do so when we can. In the upcoming development of the Long-term Plan 2015–2025 we will look at the way we respond to community needs and how we fund these responses.

Recognising the wider focus of Water and Land 2020 & Beyond, the costs allocated to the dairy differential rate have been reduced from \$1,238,500 in 2013/14 to \$970,375 in 2014/15. In 2013/14, the rate was reduced by \$261,000 from reserves to \$977,500. As a result of the reduction in cost and there being additional dairy properties, the rate per property has reduced.

All rates continue to be less than what they otherwise might be because of the use of all the South Port dividends we receive and the use of other investment returns. We are forecasting the use of \$3.488 million of South Port dividend and \$1.366 million of other investment earnings to offset rates. In addition, we are proposing the use of \$2.44 million of surpluses/reserves.

Thank you for your interest and input into this plan. There is much work to be done and now that the strategic work programmes and budgets are set, we look forward to a very productive year.



Ali Timms
Chairman



Rob Phillips
Chief Executive

Your constituent Councillors



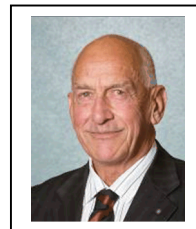
Ali Timms, Chair
Eastern/Dome
03 248 7222



Nicol Horrell,
Deputy Chair, Western
03 226 6627



Ross Cockburn
Fiordland
03 249 7082



Neville Cook
Invercargill/Rakiura
03 218 4500



Rowly Currie
Invercargill/Rakiura
03 215 6176



Robert Guyton
Invercargill/Rakiura
03 234 8249



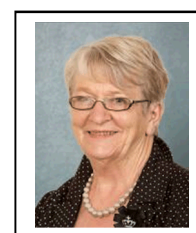
Grant Hubber
Hokonui
03 235 2851



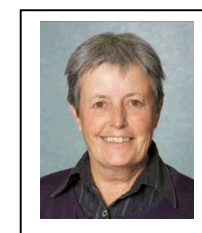
Peter Jones
Eastern/Dome
03 208 4667



Lloyd McCallum
Southern
03 221 7297



Marion Miller
Invercargill/Rakiura
03 214 3164



Jan Riddell
Invercargill/Rakiura
03 236 4191



Maurice Rodway
Invercargill/Rakiura
03 213 0900

Financial Strategy Summary

The financial strategy operating in this plan is based on the following five statements:

1. Use funds accumulated in the past to reduce the reliance on rates income;
2. Apply income from the equity and bond portfolio to reduce rate requirements;
3. Maintain community investment of South Port New Zealand Limited and offset all of the dividend returns to reduce rate requirements;
4. Apply the principles, as outlined in the Revenue and Financing Policy, in sourcing external funding applying a “user pays” approach wherever possible with the remainder funded through rates;
5. Make no use of long-term debt but continue to use short-term overdraft to fund operational cash requirements prior to the inflow of funds from the annual rates collection in November each year.

The full financial strategy is detailed in the 2012-2022 Long-term Plan.

The financial projections contained in this plan have been prepared using this strategy and the resulting revenues and operating expenses. Changes in financial position are set out in the document. The Council considers the projections are financially prudent.

Activities for reporting purposes

what to expect from us

Set out on the following pages are programmes and associated financial forecasts in detail for the year ending 30 June 2015.

Groups of Activities, Levels of Service and Performance measures

Within this document we report on our proposed outputs under groups of activities, which we believe summarise the key issues we need to address, or the key activities we undertake. The groups of activities are:

1. Addressing adverse effects of non-point source discharges to water from intensive farming practices;
2. Enablement of resource use by communities, industries and individuals;
3. Protection from the adverse environmental effects of resource use;
4. Emergency response and preparedness;
- 5(a). Services;
- 5(b). Services – flood protection and control works;
6. Community representation and communication.

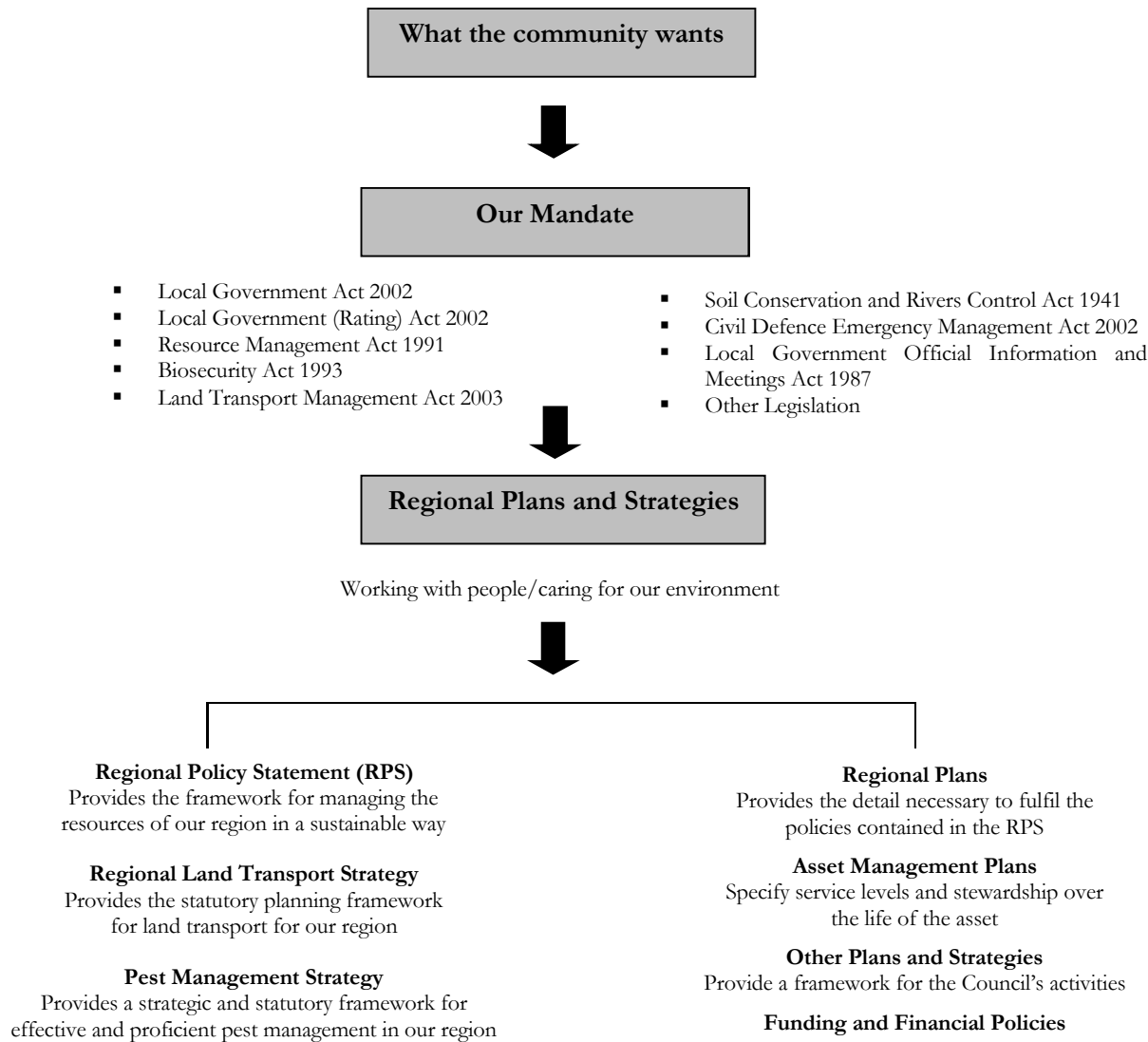
These activities, which were first introduced in the 2012-2022 Long-term Plan reflect the importance we are placing on water quality issues in the region and because we think the groups describe what we deliver for the regional community.

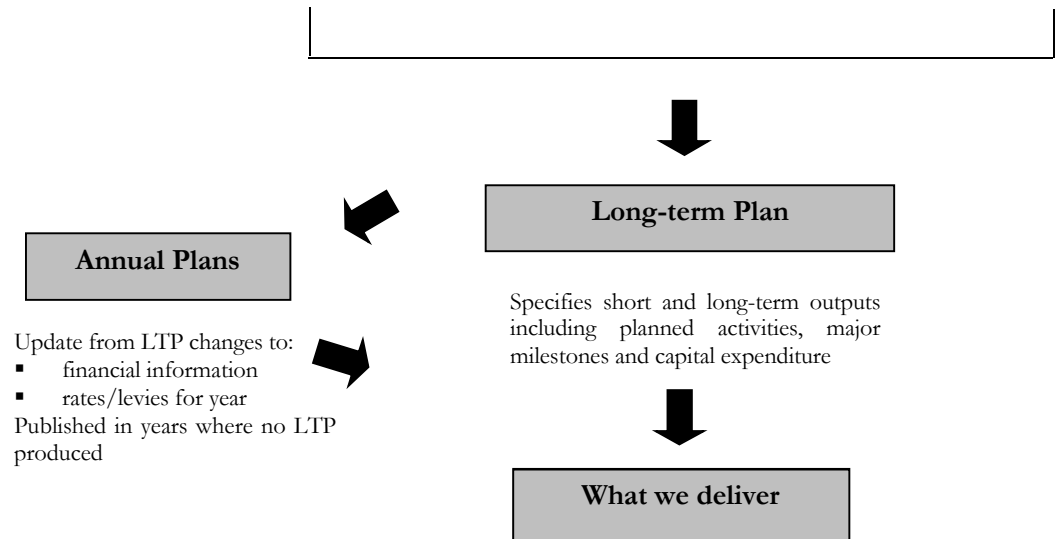
We manage our work in activities (detailed below) and these activities aggregate up to our divisional management structure. Each programme area contains a statement which shows which of our activities delivers the programmes, the cost thereof, and the combined funding sources involved.

The following table details the present activities and their home:

Groups of Activities	Activity	Division
1, 2, 3, 4	Environmental Monitoring	Environmental Information
1, 2, 3, 5(b) 1 & 3 4 4	Regional Planning Council Policy & Planning Hazard Mitigation (including Civil Defence) Oil Spills	Policy & Planning
5(b) 5(b) 5(b)	Catchment Planning River Works Land Drainage	Catchment Management
1, 2, 3 1 & 3 1 & 3	Environmental Education Land Sustainability Pollution Prevention	Land and Water Services
5(a)	Pest Strategy	Biosecurity
2	Consent Processing	Consents
1, 2, 3	Compliance	Environmental Compliance
5(a)	Property Management	Property Management
1, 2, 3, 6	Community Representation	Community Representation

Planning Processes for Environment Southland





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

Addressing adverse effects of non-point source discharges to water from intensive farming practices is the biggest problem facing the region. This issue, and in particular nutrients, is the highest priority for the Council. The Council's aims in this section are specific for addressing adverse effects of non-point source discharges to water from intensive farming practices, and build on the day-to-day functions of the Council outlined in section 2 (enablement of resource use by communities, industries and individuals) and section 3 (protection from the adverse environment effects of resource use). **This section needs to be read in conjunction with sections 2 and 3, not in isolation.**

What do we seek?

Commonly we hear that New Zealanders want to know that:

"The water is safe to drink"

"It is safe to gather and eat the fish"

"The water is safe to swim and play in"

Environment Southland's outcomes are:

- instream values and fish and wildlife habitats are protected at levels which should be expected, given the underlying natural physical conditions of the catchment;
- the community can be sure that uses of water, including discharges into water, land, coastal water and discharges to air do not contravene agreed standards that seek to minimise adverse effects;
- the community takes an active role in and responsibility for water resources.

In addition, the following are outcomes in the Regional Water Plan:

- the water quality of all surface water bodies in the region will be suitable for contact recreation, trout and native fish (including all life stages the water body naturally contains habitat for), stock drinking water and Ngai Tahu cultural values, including mahinga kai;
- to see an improvement in the water quality and in particular:
 - a minimum 10 percent reduction in levels of microbiological contaminants, nitrate and phosphorous; and
 - a minimum 10 percent improvement in water clarity will be achieved in hill, lowland and spring-fed surface water bodies; over 10 years from January 2010.

What is the key issue?

Environment Southland needs to deliver an improved regime, which leads to a reduction in contaminants from non-point discharges reaching fresh and estuarine water. Indicators are showing deterioration in water quality from the standards agreed by the community and that deterioration is caused by the intensification of land and resource use.

Why is it a key issue for Southland?

Southland's rich farmland is made viable by regular rainfall onto our land, which is predominately flat or rolling country. At times, the Southland soils are too wet for optimum agricultural activity so the developers of the land have installed efficient drainage systems to assist the natural delivery of water to creeks, streams and rivers.

The recent intensification of agricultural activity and of settlement means too many nutrients and too much sediment are being carried off the land. The negative effects which result have now reached a level where more action needs to be taken to reduce the known and increasing risks to freshwater quality.

What we want to achieve

Level of Service	Measures	Baseline Measure (2010/11)	Performance Targets 2012-22
An improvement in surface water quality.	Levels of: <ul style="list-style-type: none"> • microbiological contaminants; • nitrate; and • phosphorous levels. Water clarity in the following surface	For the purpose of measuring against the target the following parameters have been used: <ul style="list-style-type: none"> • Nitrate-nitrite-nitrogen (NNN); • Dissolved reactive phosphorus (DRP); • faecal coliform; and • water clarity. 	All monitoring to show an improvement in the water quality, and in particular <ul style="list-style-type: none"> • a minimum 10 percent reduction in levels of microbiological contaminants, nitrate and phosphorous levels; and • a minimum of 10 percent improvement in

Level of Service	Measures	Baseline Measure (2010/11)	Performance Targets 2012-22										
	water bodies: <ul style="list-style-type: none"> • hill; • lowland; and • spring-fed. 	<table border="1" data-bbox="954 268 1572 488"> <thead> <tr> <th data-bbox="954 268 1263 331">Water quality variable</th> <th data-bbox="1263 268 1572 331">Sites on Track to meet Target (%)*</th> </tr> </thead> <tbody> <tr> <td data-bbox="954 331 1263 363">Nitrate-nitrite-nitrogen</td> <td data-bbox="1263 331 1572 363">5%</td> </tr> <tr> <td data-bbox="954 363 1263 427">Dissolved reactive phosphorous</td> <td data-bbox="1263 363 1572 427">29%</td> </tr> <tr> <td data-bbox="954 427 1263 459">Faecal coliform</td> <td data-bbox="1263 427 1572 459">13%</td> </tr> <tr> <td data-bbox="954 459 1263 488">Water clarity</td> <td data-bbox="1263 459 1572 488">11%</td> </tr> </tbody> </table> <p data-bbox="954 488 1572 552">* Based on current trend direction reported in Water 2010: Our Ecosystem over period 2000-2010</p>	Water quality variable	Sites on Track to meet Target (%)*	Nitrate-nitrite-nitrogen	5%	Dissolved reactive phosphorous	29%	Faecal coliform	13%	Water clarity	11%	<p data-bbox="1594 236 2119 331">water clarity, will be achieved in hill, lowland and spring-fed surface waterbodies by 31 January 2020.</p> <p data-bbox="1594 331 2119 363"><i>(Outcome 5 of the Regional Water Plan)</i></p> <p data-bbox="1594 395 2119 600">State of water quality recorded and reported annually to show no deterioration in indicative compliance with standards for nitrate-nitrite-nitrogen, dissolved reactive phosphorus, faecal coliform and water clarity, and SOE report at five yearly intervals (next due 2015) to show improvements in water quality trends.</p>
Water quality variable	Sites on Track to meet Target (%)*												
Nitrate-nitrite-nitrogen	5%												
Dissolved reactive phosphorous	29%												
Faecal coliform	13%												
Water clarity	11%												
<p data-bbox="98 600 472 695">A reduction in pollution arising from unauthorised non-point source discharges to water.</p> <p data-bbox="98 727 472 842"><i>Note: Reported pollution incidents regarding dairy consent holders are included under the reported pollution incidents part of section 3.</i></p>	<p data-bbox="472 600 943 663">Compliance with legislation, regional rules, particularly those with permitted activities.</p>	<p data-bbox="943 600 1583 727">New measure There is no baseline measure because previous permitted activities data cannot be separated out from other pollution incidents.</p>	<p data-bbox="1583 600 2130 663">100% compliance with legislation, regional rules, particularly those with permitted activities.</p>										
<p data-bbox="98 842 472 970">Respond to all reported pollution incidents that could have a negative effect on water within Council's specified timeframes.</p>	<p data-bbox="472 842 943 1002">Percentage of high priority reported pollution incidents are physically responded to within either 1, 4 or 24 hours according to required response timeframe.</p> <p data-bbox="472 1034 943 1177">Percentage of medium priority reported pollution incidents are physically responded to within either 2 days, 1 week or 2 weeks according to required response timeframe.</p> <p data-bbox="472 1209 943 1323"><i>Note: High priority responses are those where the incident may have an immediate effect on the community and/or the evidence may disappear quickly.</i></p>	<p data-bbox="943 874 1583 906">High: 39%</p> <p data-bbox="943 1002 1583 1034">Medium: 55%</p>	<p data-bbox="1583 874 2130 906">100%</p> <p data-bbox="1583 1002 2130 1034">100%</p> <p data-bbox="1583 1066 2130 1145">Target to be reached by response concentrating on high priority reported pollution incidents, followed by medium priority incidents.</p>										

Notes:

1. The performance target for the improvement in water quality has a time horizon of 31 January 2020. Progress will be measured and reported annually.
2. The performance targets elsewhere in the performance management framework are for each year of the Long-term Plan.

How we will achieve it (our activities)

Objective: Implement nutrient limits and sediment loading for each catchment in accordance with the National Policy Statement for Freshwater Management regime that result in clear water quality trigger levels/indicators to ensure the Council acts in a timely manner to issues as they arise. (*Regional response of Water and Land 2020*)

Activities	2014/15
Implement nutrient limits and sediment loading for each catchment, in accordance with the National Policy Statement for Freshwater Management.	Fully implement programme by 31 December 2023. <i>Note: National Policy Statement for Freshwater Management provides for the programme to be fully implemented by 31 December 2030.</i>
Incorporate provisions into the Regional Water Plan to account for addressing adverse effects of non-point source discharges to water from intensive farming practices. <i>Note: The Regional Water Plan is to be renamed the Regional Water and Land Plan.</i> <i>*Note: Projects reprioritised due to release of the National Policy Statement on Freshwater Management 2011.</i>	See note in activities* 1. <i>Intensive Winter Grazing (includes feedlots), Overland Flow and Riparian Management decisions released by 30 September 2015.</i> 2. <i>Nutrient Management and Hill Country development decisions released by 30 September 2015.</i>

Objective: To ensure that the state of Southland's surface water bodies is known.

Activity	2014/15
Monitor and publicly report on the State of the Environment (SOE) for Water.	<i>Note: Monitoring and reporting activity is recorded under section 3. Refer to that section for details.</i>

Objective: Respond to all reported pollution incidents that have a negative effect on water and avoid repeat occurrences.

Activities	2014/15
Undertake monitoring and surveillance of permitted activities to ensure that the relevant criteria are met.	Programme inspections for high risk permitted activities are completed, with required re-inspections, and infringement notices or other enforcement action, completed as necessary.

Objective: To provide advice and information, and support, to resource users and the community to enable them to better understand legislation, regional rules and, where relevant, consent conditions, and to implement good practice.

Activities	2014/15
Provide farm advice, on request, through the Land Sustainability team and Dairy Liaison Officer.	All requests for advice met.
Provide advice and information, and support, on request, to the forestry companies and their contractors as they plan for and harvest forests.	All requests for advice, information and support met.
Land Sustainability team and Dairy Liaison Officer provide and respond to 80% requests for advice and assistance within 2 working days, with the remainder within 5 working days.	Requests for advice and assistance responded to within Council's specified timeframe.
Provide advice and information, and support, to all properties with waterways in "Living Streams" catchments.	All properties with waterways in "Living Streams" catchments provided advice and information, and supported.

Funding Impact Statement - Non point source discharges to water from intensive farming		
2013/14	2014/15	LTP 2014/15
\$000 Sources of Funding	\$000	\$000
1,337 General rates, uniform annual charges, rates penalties	1,428	1,350
801 Targeted rates (other than a targeted rate for water supply)	837	831
0 Subsidies and grants for operating purposes	0	0
630 Fees, charges and targeted rates for water supply	644	192
0 Internal Charges and overheads recovered	0	0
1008 Local authorities fuel tax, fines, infringement fees and other receipts	848	438
3,776 Total Operating Funding	3,757	2,811
Applications of operating funding		
3,394 Payments to staff and suppliers	3,645	2,176
10 Finance costs	8	6
1,029 Internal Charges and overheads recovered	1,037	593
0 Other operating funding applications	0	0
4,433 total applications of operating funding	4,690	2,775
(656) Surplus/(deficit) of operating funding	(933)	35
Sources of capital funding		
0 Subsidies and grants for capital expenditure	0	0
0 Development and financial contributions	0	0
0 Increase/(decrease) in debt	0	0
0 Gross proceeds from the sale of assets	0	0
0 Lump sum contributions	0	0
0 Total sources of capital funding	0	0
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
10 - to improve the level of service	12	90
6 - to replace existing assets	6	3
(418) Increase/(decrease) in reserves	(869)	42
(254) Increase/(decrease) in investments	(82)	(100)
(656) Total sources of capital funding	(933)	35
656 Surplus/(deficit) of capital funding	933	(35)
0 Funding Balance	(0)	0
6 Depreciation expense (not included in the above FIS)	6	6

2. Enablement of resource use by communities, industries and individuals

What do we seek?

- Southland's water resources are available for use in a way which protects cultural, aesthetic, recreational and natural values.
- Instream values and fish and wildlife habitats are protected at levels which should be expected, given the underlying natural physical conditions of the catchment.
- The short and long-term effects of resource use on the region's waters and associated ecosystems are understood and adverse effects are addressed in a timely manner.
- The community can be sure that uses of water, including discharges into water, land, coastal water and discharges to air do not contravene agreed standards that seek to minimise adverse effects.
- The community takes an active role in, and responsibility for, water resources.
- The community's requirement for gravel is met in the short and long-term with minimal environmental effects, and by enhancing, whenever possible, the recreational opportunities of the community.

What is the key issue?

Wealth creation using the natural capital of the region can be measured in terms of employment, business profitability, asset growth and debt reduction. Those are measures of private wealth. In addition to the contribution this makes to environmental wellbeing, the region needs to allow natural resource use in a sustainable manner so that social, cultural and environmental wellbeing of all the community is also maintained and enhanced. A fair and accountable process of allocation of the resources is required, which looks at the sustainability of the usage of resources and the management of any negative environmental effects that usage may incur so that wealth in all its senses is delivered, both today and to future generations.

Why is it an issue for the Southland region?

The Resource Management Act charges the regional council with the responsibility to manage the impact of natural resource use. Land and resource use intensification has increased demand for water. The economy in Southland has seen a major shift in agricultural activity into the dairy and dairy support. Use for agricultural washdown, stock drinking water and irrigation now competes with the retention of availability for urban and industrial purposes, particularly in extended dry periods.

Over application of fertilisers, forest harvesting and intensive farming can have an impact on the quality of soils causing erosion which then has a negative impact on our land (production of soils) and water quality.

That shift in addition to established patterns of economic activity and settlement has been accompanied by a reduction in quality of water and pressure on the availability of water.

What we want to achieve

Level of Service	Measures	Baseline Measure (2010/11)	Performance Targets 2012-22
Resource consent applications are processed within the statutory timeframes.	Percentage of applications processed within the Statutory timeframes	91%	100%
Provide adequate resources to halve the statutory timeframe required for processing non-notified resource consents applications.	Percentage of non-notified application decisions issued within 10 working days of receipt of all the information required to assess application.	68%	100%
Where applications are not processed within the agreed timeframes the applicant will receive a discount on the processing costs (in line with the Resource Management Discount on Administration Charges Regulations)	Number of applications that received a discount on the processing costs.	16 (\$360)	NIL
Undertake pre-hearing conflict resolution to minimise the number of hearings.	Number of notified applications that receive objections that do not require a hearing.	51%	>80%

Level of Service	Measures	Baseline Measure (2010/11)	Performance Targets 2012-22
Provision of effective regional plans	Number of decisions overruled in Environment Court as a result of a flaw or discrepancy in a regional plan.	None	None
Provision of advice relating to when a resource consent is necessary, how to apply for a resource consent, and how to avoid, remedy or mitigate the adverse effects of activities.	Respond to all information requests for information about the resource consent process within Council's specified timeframes.	98% 100%	80% within 2 working days 100% with 5 working days
Delivery of the requirements of the Land Transport Management Act.	Southland's existing and likely future transport needs are identified and addressed by production of a Regional Land Transport Programme.	Regional Land Transport Strategy was being reviewed every three years in accordance with the Land Transport Management Act.	Completion and review of a Regional Land Transport Programme.

How we will achieve it (activities)

Objective: Procurement of studies by the region's local authorities to identify and forecast the future transport needs as support for the road controlling authority (RCA) road funding programmes and Regional Land Transport Strategy.

Activities	2014/15
Undertake studies identified by the Regional Transport Committee (RTC).	<ol style="list-style-type: none"> 1. Complete studies identified by the Regional Transport Committee (RTC) within specified timeframes. 2. No studies identified for the 2014/15 period.

Funding Impact Statement - Enablement of resource use		LTP	
2013/14	2014/15	2014/15	
\$000 Sources of Funding	\$000	\$000	
426 General rates, uniform annual charges, rates penalties	541	762	
0 Targeted rates (other than a targeted rate for water supply)	0	0	
0 Subsidies and grants for operating purposes	0	0	
3,328 Fees, charges and targeted rates for water supply	2,823	3,498	
0 Internal Charges and overheads recovered	0	0	
298 Local authorities fuel tax, fines, infringement fees and other receipts	347	398	
4,052 Total Operating Funding	3,711	4,658	
Applications of operating funding			
2,912 Payments to staff and suppliers	2,658	3,233	
9 Finance costs	7	10	
1,133 Internal Charges and overheads recovered	1,054	1,314	
0 Other operating funding applications	0	0	
4,054 total applications of operating funding	3,718	4,557	
(2) Surplus/(deficit) of operating funding	(7)	101	
Sources of capital funding			
0 Subsidies and grants for capital expenditure	0	0	
0 Development and financial contributions	0	0	
0 Increase/(decrease) in debt	0	0	
12 Gross proceeds from the sale of assets	12	12	
0 Lump sum contributions	0	0	
12 Total sources of capital funding	12	12	
Applications of capital funding			
Capital expenditure			
0 - to meet additional demand	0	0	
0 - to improve the level of service	0	146	
42 - to replace existing assets	42	42	
201 Increase/(decrease) in reserves	28	90	
(233) Increase/(decrease) in investments	(65)	(164)	
10 Total sources of capital funding	5	114	
2 Surplus/(deficit) of capital funding	7	(101)	
0 Funding Balance	0	0	
10 Depreciation expense (not included in the above FIS)	10	9	

3. Protection from the adverse environmental effects of resource use

What do we seek?

- Southland's waters are safe to drink, safe to gather and eat fish from, and safe to swim and play in.
- Instream values and fish and wildlife habitats are protected at levels which should be expected given the underlying natural physical conditions of the catchment.
- The short and long-term effects of resource use on the region's waters and associated ecosystems are understood and adverse effects are addressed in a timely manner.
- The community can be sure that uses of water, including discharges into water, land, coastal water and discharges to air do not contravene agreed standards that seek to minimise adverse effects.
- The community takes an active role in, and responsibility for, water resources.
- The community is empowered and encouraged to make decisions about land use that protects their economic viability and minimises on-site and downstream effects on land and water resources.
- The community can be sure that uses of water, including discharges into water, land, coastal water and discharges to air do not contravene agreed standards that seek to minimise adverse effects.
- The short and long-term effects of resource use on the region's soils and associated ecosystems are understood and adverse effects are addressed in a timely manner.
- Risks to the built environment by natural hazards are minimised.
- The community better understands the region's soil resources and land users make management decisions taking into account risk to soil properties.
- The land transport system meets community needs, is safe and efficient, and minimises adverse effects on the environment.
- A Passenger Transport Transfer Agreement is in place to enable availability of a public transport system to assist everyone to fully partake in the community's activities.
- The community's expectation of being able to use the coastal environment for its livelihood and recreation, while protecting significant areas and/or minimising the environmental effects of activity, is met.
- The short and long-term effects of resource use on the region's coast and associated ecosystems are understood and adverse effects are addressed in a timely manner.
- The community is aware of and understands the long-term implications of coastal resources use and takes an active role and responsibility for protecting the coastal environment.
- The short and long-term effects of resource use on the region's air quality and ecosystems are understood and adverse effects are addressed in a timely manner.
- The community takes an active role and responsibility for protecting local air quality.
- Nuisance and offensive odours are minimised and repeat occurrences are avoided.

What is the key issue?

Resource use that is authorised under the Resource Management Act can occur, which can still have a negative effect on the environment. Examples are:

- inappropriate use of stormwater drainage discharges from factories and homes;
- discharge of contaminants to air via inefficient burning of solid fuel;
- coastal management/marine farms/cruise ships/navigational safety.

Why is environmental protection an issue for the Southland region?

- The economy in Southland is based on rural production and servicing, tourism, energy production and industrial processing. To be sustainable, the natural resources which underpin these activities need to be protected from negative effects.
- Because of our activities we are at threat.
- It has been established that health outcomes for vulnerable people are reduced by the discharge of particles into the air in winter in closely settled communities.
- We need to deal with both the cause and effect of any discharges. If discharges have an immediate negative effect on natural and/or human life a response is required immediately. Other cases can have an aggregate effect or compounding issues can arise after continuing episodes.

What we want to achieve

Level of Service	Measures	Baseline Measure (2010/11)	Performance Targets 2012-22
Protect community health from adverse environmental effects	Exceedances of National Bathing Guidelines (Marine and Freshwater) at established monitoring sites during summer (October to March).	No exceedances (Marine). Freshwater areas met the bathing guidelines in 63.9% of samples.	Nil exceedances. Water quality at established freshwater bathing monitoring sites during summer (October to March) meets the bathing guidelines in 90% of samples by 2022. <i>Note: Natural events preclude a target at 100% being achievable.</i> Targets to be reached by response concentrating on: <ul style="list-style-type: none"> • changing the policy framework addressing intensive land use and water quality standards; • undertaking compliance inspections and education concentrating on high risk areas; and • responding to reported pollution incidents by concentrating on high priority incidents, followed by medium priority incidents.
	Exceedances of National Shellfish Gathering Guidelines at monitored recreational shellfish harvesting sites.	6 of 8 monitored shellfish gathering sites exceeded guidelines.	Nil exceedances. Targets to be reached by response concentrating on: <ul style="list-style-type: none"> • changing the policy framework addressing intensive land use and water quality standards; • undertaking compliance inspections and education concentrating on high risk areas; and • responding to reported pollution incidents by concentrating on high priority incidents, followed by medium priority incidents.
	Exceedances of National Drinking Water Standards in groundwater (excluding aquifers where ambient water quality naturally exceeds guidelines).	10% of bores sampled had a nitrate-nitrogen concentration that exceeded the drinking water standards. 14% of bores sampled had bacteria levels which exceeded the drinking water standards.	Exceedances in less than 10% of bores sampled. Targets to be reached by response concentrating on: <ul style="list-style-type: none"> • changing the policy framework addressing intensive land use and water quality standards;

Level of Service	Measures	Baseline Measure (2010/11)	Performance Targets 2012-22
	Breaches of the National Environmental Standards (Air Quality) for levels of particulate matter (PM ₁₀) in specified locations.	In winter 2011 (1 May-31 August), there were a total of 13 exceedances reported in the Invercargill airshed.	<ul style="list-style-type: none"> • undertaking compliance inspections and education concentrating on high risk areas; and • responding to reported pollution incidents by concentrating on high priority incidents, followed by medium priority incidents. <p>The National Environmental Standards (Air Quality) require that there shall be no more than 3 exceedances for levels of particulate matter (PM₁₀) by 2016 and no more than 1 exceedance by 2020 for the Invercargill airshed.</p> <p>Target to be reached by response concentrating on:</p> <ul style="list-style-type: none"> • changing the policy framework addressing air quality; and • undertaking education concentrating on high risk areas.
		In winter 2011 (1 May-31 August), there were a total of 4 exceedances reported in the Gore airshed.	<p>The National Environmental Standards (Air Quality) require that there shall be no more than 1 exceedance for levels of particulate matter (PM₁₀) by 2016 for the Gore airshed.</p> <p>Target to be reached by response concentrating on:</p> <ul style="list-style-type: none"> • changing the policy framework addressing air quality; and • undertaking education concentrating on high risk areas.
Protect the environment from pollution arising from unauthorised discharges.	Compliance with legislation, regional rules and consent conditions, particularly those with permitted activity status.	<p>75% for consent holders There is no baseline measure for permitted activity inspections because previous permitted activities data cannot be separated out from other pollution incidents.</p> <p>14% for dairy discharge consents There is no baseline measure for other activity type including permitted activity re-inspections because data not collated.</p>	<p>100% compliance with legislation, regional rules and consent conditions, including those with permitted activity status.</p> <p>No re-inspections required for consented activities, and significant non-compliant permitted activities.</p> <p>Targets to be reached by response concentrating</p>

Level of Service	Measures	Baseline Measure (2010/11)	Performance Targets 2012-22
			on high risk areas.

How we will achieve it (activities)

Objective: Provide provisions in the Regional Policy Statement and regional plans to promote the sustainable management of Southland's natural and physical resources that also meet the requirements of National Policy Statements, National Environmental Standards and regulations.

Activities	2014/15
Update the Regional Policy Statement.	Second generation Regional Policy Statement decisions released by April-June 2015.
Incorporate and update provisions in the Regional Coastal Plan to account for legislative and plan changes to proactively reflect the needs of development and uses of the coastal marine area, in particular implementation of the New Zealand Coastal Policy Statement 2010.	Plan Change to give effect to New Zealand Coastal Policy Statement 2010 and second generation Southland Regional Policy Statement, and update provisions for identified issues, decision released by 31 March 2018.
Incorporate provisions into the Regional Water Plan to account for agricultural and solid waste discharges. <i>Note: The Regional Water Plan is to be renamed the Regional Water and Land Plan.</i> <i>*Note: Projects reprioritised due to release of the National Policy Statement on Freshwater Management 2011.</i>	See note in activities* <i>Decision released by 31 December 2015 for:</i> <ol style="list-style-type: none"> 1. Community Sewerage Schemes (combines land and water); 2. Manures and Slurries; and 3. Foulwater Systems (on-site wastewater disposal systems). <i>Decision released by 30 June 2016 for:</i> <ol style="list-style-type: none"> 1. Effluent from underpasses; 2. Human sludges and biosolids; and 3. Road oiling.
Revoke the Regional Effluent Land Application Plan and Regional Solid Waste Management Plan.	<i>Regional Effluent Land Application Plan and Regional Solid Waste Management Plan revoked by 30 June 2016.</i>
Revoke the Regional Transitional Plan.	<i>Regional Transitional Plan revoked by 31 December 2015.</i>
Review and update the Regional Air Quality Plan.	<i>Part I (domestic heating, outdoor burning, agricultural use and fertiliser use) of second generation Regional Air Quality Plan decision released by 30 September 2015.</i>
Develop a Biodiversity Plan for Southland to ensure maintenance, protection and enhancement of existing biodiversity including modification of wetlands, dune lands and areas of indigenous vegetation decision released by 30 June 2015. <i>Note: Dependent on the four councils confirming target in their respective LTPs before commencing - will need to reassess target if do not have buy-in from all four councils to complete.</i>	Biodiversity Plan/Strategy for Southland decision released by 30 June 2015.

Objective: Develop an annual implementation and monitoring strategy for operative plans and non-regulatory methods.

Activities	2014/15
Report Regional Policy Statement effectiveness and efficiency, in accordance with Section 35 of the Resource Management Act.	Develop strategy by 30 June 2015.

Objective: The state of Southland's environment is known. *Note: Programmes include surface water hydrology monitoring, surface water quality monitoring, baseline groundwater monitoring, air quality monitoring, soils and land investigations, lakes and wetlands monitoring, coastal and bathing monitoring, aquatic ecology monitoring, catchment science and management, lagoon science and management and living streams monitoring*

Activities	2014/15
<p>Monitor and publicly report the State of the Environment (SOE) Water, Soil, Coast, Air and Biodiversity every 10 years, progress reports every five years and annual reporting in all other years.</p> <p><i>*Note: The Soil Health and Land Use SOE due for completion in 2012/13 will now be completed in partnership with Te Ao Marama Inc in a Water and Land SOE to be published in 2015/16. The following technical reports are currently underway and will be published when complete:</i></p> <ul style="list-style-type: none"> • Land Use Change • Changes in Land Management Practices • Soil Health and Stability <p><i>**Note: At the Environmental Management Committee meeting on 5 March 2014 Council approved amending the Coast SOE Report 2014/15 to a "science-focused stocktake" to enable resources to be redirected into work associated with Water and Land 2020 & Beyond.</i></p>	<p><i>In 2012/13:</i></p> <ul style="list-style-type: none"> • Soil SOE report; (see note in activities*) <p>1. In 2014/15:</p> <ul style="list-style-type: none"> • Coast progress SOE report (see note in activities**); and • Soil, Air and Water annual reporting. <p>2. In 2015/16:</p> <ul style="list-style-type: none"> • Water and Land SOE

Objective: Reduce pollution arising from unauthorised discharges to the environment.

Activities	2014/15
Undertake monitoring and surveillance of consent conditions and permitted activities to ensure that the relevant criteria are met, and avoid repeat occurrences.	Programme inspections for high risk consent conditions and permitted activities are completed, with required re-inspections, and infringement notices or other enforcement action, completed as necessary.
Respond to all reported pollution incidents that could have a negative effect on water, land, coast and air within Council's specified timeframes.	<ol style="list-style-type: none"> 1. All high priority reported pollution incidents are physically responded to within either 1, 4 or 24 hours according to required response timeframe. 2. All medium priority reported pollution incidents are physically responded to within either 2 days, 1 week or 2 weeks according to required response timeframe. 3. All low priority reported pollution incidents are physically responded to when resources permit.

Objective: Provide advice and information, and support, to resource users and the community to enable them to better understand legislation, regional rules and, where relevant, consent conditions, and to implement good practice.

Activities	2014/15
Prepare and make available Pollution Prevention Guide action sheets when necessary in response to issues at the time.	Pollution Prevention Guide action sheets completed when necessary in response to issues at the time.
Prepare and make available contaminated land information sheets when necessary in response to issues at the time.	Contaminated land information sheets completed when necessary in response to issues at the time.
Maintain, and update as necessary, contaminated site information throughout the region to assist community awareness.	Contaminated site information database maintained and updated as necessary.
Report, during winter months, daily and weekly air quality information to ensure the public are aware of temperature fluctuations and to consider alternative forms of heating during times when there is potential for breaches of standards.	Public are informed about the air quality (PM ₁₀) concentrations in winter (1 May–31 August) through reporting in consecutive editions of local newspapers. Breaches of the NES are also notified to the public (via newspaper) and the Ministry of Environment.
Provide the Living Streams Project in at least two catchments in 2012/13, and in at least 3 catchments in 2013/14 and 2014/15, to engage those communities to understand and improve water quality.	In 2014/15, addition of a further catchment. <i>Note: If the focus activity farm plan pilot project is successful this will be replaced with the roll-out of 100 plans.</i>
Encourage all riparian management proposals (i.e. fencing and planting) within Living Streams Project catchments are completed.	All riparian management proposals (i.e. fencing and planting) within Living Streams Project catchments are completed.
Provision of "Stream Connections" water-based education programme to Southland Schools that is reflective of water quality issues and the changing environment, and aligned with the New Zealand curriculum.	3-5 schools participating in Stream Connections.
Provision of the Enviroschools Programme for participating schools.	2 new schools that had not participated in the Enviroschools Programme the previous year participate in the programme each year.

Activities	2014/15
Provision of education material to target audiences within Council's specified timeframes. <i>*Note: "Enviromoos" has been superseded by Water and Land 2020 & Beyond e-newsletter.</i>	<ol style="list-style-type: none"> 1. 4 "Enviroteach" (formerly "Squawk") newsletters completed per annum, of which one is promoting waterways. 2. 4 "Brucie's Buddies Club" newsletters completed per annum, of which one is promoting waterways. 3. 4 "EnviromooS" dairy consent holder publications completed per annum promoting water resource use, National Environmental Standards and the effects of discharges to water. (See note in activities*)

Objective: Minimise stock effluent spillage from trucks onto roads.

Activities	2014/15
Facilitate the installation and maintenance of a permanent stock effluent dump station in the Matura area.	Facilitate maintenance of the permanent stock effluent dump station in the Matura area.
Monitor effluent spillages from stock trucks onto roads where it may enter waterways.	Record complaints about effluent spillages from stock trucks and respond whenever significant adverse environmental effects are likely.

Funding Impact Statement - Protection from the adverse effects of resource use		
2013/14	2014/15	LTP 2014/15
\$000 Sources of Funding	\$000	\$000
2,396 General rates, uniform annual charges, rates penalties	2,506	3,082
15 Targeted rates (other than a targeted rate for water supply)	15	19
0 Subsidies and grants for operating purposes	0	0
503 Fees, charges and targeted rates for water supply	537	592
0 Internal Charges and overheads recovered	0	0
1,857 Local authorities fuel tax, fines, infringement fees and other receipts	1,759	1,833
4,771 Total Operating Funding	4,818	5,526
Applications of operating funding		
4,694 Payments to staff and suppliers	4,851	4,733
13 Finance costs	11	13
1,170 Internal Charges and overheads recovered	1,185	1,345
0 Other operating funding applications	0	0
5,877 total applications of operating funding	6,047	6,091
(1,106) Surplus/(deficit) of operating funding	(1,229)	(565)
Sources of capital funding		
0 Subsidies and grants for capital expenditure	0	0
0 Development and financial contributions	0	0
0 Increase/(decrease) in debt	0	0
36 Gross proceeds from the sale of assets	36	36
0 Lump sum contributions	0	0
36 Total sources of capital funding	36	36
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
81 - to improve the level of service	91	226
170 - to replace existing assets	175	174
(974) Increase/(decrease) in reserves	(1,352)	(707)
(346) Increase/(decrease) in investments	(107)	(222)
(1,070) Total sources of capital funding	(1,193)	(529)
1,106 Surplus/(deficit) of capital funding	1,229	565
0 Funding Balance	(0)	0
76 Depreciation expense (not included in the above FIS)	76	73

4. Emergency response and preparedness

What do we seek?

- The farming community, industry, urban and rural communities and other floodplain users take timely action to minimise the effects of flooding of their activities and reduce the threat to life and property, and the environment.
- To support provision of a regional emergency management framework.
- To develop and maintain policy direction within the provisions of the Resource Management Act (1991) and direction from Maritime NZ for the protection and minimisation of environmental effects from activities within the coastal environment and to provide for harbour safety.

What is the key issue?

When an emergency occurs, the usual pattern of life is disrupted and new challenges are created for personal safety and wellbeing, for property and for community functioning. The community will expect an organised, co-ordinated, effective and fit for purpose response in any lead up to, during and after an emergency.

Emergency may be defined as a condition of urgent need for action or assistance. Our preparedness is for natural emergencies, some of which if major, like earthquakes and tsunamis, can cause damage which if occurs so quickly that the response is more about the recovery after the event. In other natural emergencies, like the effects of prolonged or heavy rain causing flooding, the response is more about community coping during and immediately after the event.

In addition, we are the first responders to the environmental effects of any marine oil spills and are likely to be involved in any biosecurity emergency such as foot and mouth disease.

Why is emergency response and preparedness a key issue for the Southland region?

The nature of Southland's geography means that much of the urban settlement and farmland is at risk from flood or tidal inundation when extreme weather or seismic events occur while community-based flood protection schemes are designed to withstand historic levels of flooding and new sites in floodplains can have risk lessened by high enough building platforms, the prospect of any higher or faster flows than previous means all flood protection is at risk of failure.

The flood schemes maintained by Environment Southland protect lives and livelihoods. In urban areas they protect homes, businesses and infrastructure while the rural schemes protect the land and property outside the stopbanks. In addition, there is a need to forecast the likelihood of flooding so livestock (and stock feed stores like baleage) may be shifted out of the path of rising waters.

What we want to achieve

Level of Service	Measures	Baseline Measure (2010/11)	Performance Targets 2012-22
Southland is prepared for, and Environment Southland is ready to respond in, an effective and timely manner, to all emergencies and hazards.	Percentage of residents surveyed annually by Emergency Management Southland who have awareness of at least three major hazards.	24%	40% Target to be reached by increasing community awareness, understanding and preparedness and participation in Civil Defence Emergency Management.
	Number of staff trained to support Emergency Management Southland.	17	≥20
Delivery of the Port and Harbour Safety Code. <i>Note: The Safety code is designed to provide the public with a framework to use ports and harbours safely.</i>	Maritime New Zealand's annual audit of the Ports and Harbour Safety Code.	Bluff achieved a certificate of approval from Maritime New Zealand. New baseline measure for Fiordland.	To maintain a Safety Management System certificate of approval from Maritime New Zealand for Bluff, and to achieve a Safety Management System approval for Fiordland from 2013.
Ensure full compliance from boaters with the Regional Navigation Safety Bylaws.	Number of warning and infringement notices issued, or other enforcement actions taken.	Under the provisions of the Regional Navigation Safety Bylaws, 6 warning letters were issued. No infringement notices were issued or other enforcement action taken.	No warning letters, infringement notices issued or other enforcement action undertaken.

How we will achieve it (our activities)

Objective: Provide support to Emergency Management Southland and maintain staff response preparedness.

Activities	2014/15
Provide at all times the required number of staff to support an emergency response event.	Staff are made available during an emergency response event, as required.
At all times the Emergency Operations Centre is operational and able to be used for an emergency response.	Emergency Operations Centre is provided for Civil Defence Emergency Management Southland purposes.

Objective: Develop regulations, bylaws and safety plans to minimise the risk of maritime accidents and emergencies occurring.

Activities	2014/15
Review and update as required the Regional Navigation Safety Bylaws.	Updated Regional Navigation Safety Bylaws decision released by 30 June 2015.
Implement Safety Management System (SMS) operating procedures in all compulsory Southland pilotage areas.	Draft Harbour Safety Management System completed for each pilotage area within the region for Maritime New Zealand approval, in particular: - in 2014/15, Fiordland (other than Milford Sound), and Stewart Island.
Ensure all oil transfer sites have contingency plans in line with Maritime Rules.	All oil transfer sites have contingency plans in line with Maritime Rules.

Objective: Provide a ready regional response to marine oil spills that meets Maritime New Zealand requirements

Activities	2014/15
Train personnel to respond to an oil spill and hold oil spill training exercises each year.	Continuously operative oil spill response capability in the coastal marine area.
Update the Regional Marine Oil Spill Contingency Plan.	Maintain the currency of the Regional Marine Oil Spill Contingency Plan approved by Maritime New Zealand in July 2012.

Objective: Monitor compliance with relevant bylaws and respond to navigation safety incidents.

Activities	2014/15
Monitor and respond to all reported navigation safety incidents (<i>i.e. for Council staff to start investigations into the navigation safety incident</i>).	All monitored and reported navigation safety incidents, including complaints, responded to within seven days.

Objective: Provide a continuous flood warning network to minimise damage from flood events.

Activities	2014/15
Provision of a 24 hour flood warning, forecast and emergency service.	Publicly accessible river level and rainfall information 100% of the time via Environmental Southland website and environmental data information (EDI) phone-in system.
Publication of flood warning bulletins via “real time” web information and media outlets normally at two hourly intervals during daylight hours but on a 24 hour basis during the crucial stages of major floods.	Publication of warning information prior to and during potential or actual floods for the Mataura River and its main tributaries, the Makarewa River, Oreti River and Winton Detention Dam, Aparima River and Otautau Stream, Waiau River and three Invercargill flood schemes.
Expand the predictive rainfall/river runoff models in key catchments through the: 1. use of density rainfall gauge networks in catchment headwaters; and 2. development of a Makarewa rainfall runoff model.	Improve the ability to predict future flooding events through the provision of the predictive rainfall/river models in the Invercargill area, Upper Oreti, Upper Mataura, Upper Waikaia, Lower Waikaia, Mid Mataura and Aparima Rivers through the addition of: 1. in 2014/15, a density rainfall gauge network in the South Hokonui Hills catchment headwaters.
Provide up-to-date flood warning information booklets for Aparima, Invercargill, Mataura, Makarewa, Oreti, Pourakino and Waiau for the public.	Complete annual review, and update as required, the flood warning information booklets and have available for the public.

Objective: Provide natural hazard information and advice to territorial authorities and landowners on a site by site basis.

Activities	2014/15
Provide research information, historic event data and hazard avoidance advice.	Provide and respond to 80% of natural hazard enquiry requests within 4 working days, with the remainder within 10 working days.

Objective: Provide a framework for the management of water shortages in the Southland region and set out the procedures to be followed during such events.

Activities	2014/15
Continuously monitor the state of the water resources within the region to provide water shortage risk advice to landowners.	Continuously monitor the state of the water resources in the region and implement the Water Shortage Standard Operating Procedure when necessary.

Funding Impact Statement - Emergency response and preparedness		
		LTP
2013/14	2014/15	2014/15
\$000 Sources of Funding	\$000	\$000
418 General rates, uniform annual charges, rates penalties	481	751
0 Targeted rates (other than a targeted rate for water supply)	0	0
0 Subsidies and grants for operating purposes	0	0
2,485 Fees, charges and targeted rates for water supply	2,216	2,432
0 Internal Charges and overheads recovered	0	0
372 Local authorities fuel tax, fines, infringement fees and other receipts	383	386
3,275 Total Operating Funding	3,080	3,569
Applications of operating funding		
1,216 Payments to staff and suppliers	1,350	1,535
4 Finance costs	4	6
821 Internal Charges and overheads recovered	829	1,070
Other operating funding applications	0	0
2,041 total applications of operating funding	2,182	2,611
1,234 Surplus/(deficit) of operating funding	898	958
Sources of capital funding		
0 Subsidies and grants for capital expenditure	0	0
0 Development and financial contributions	0	0
0 Increase/(decrease) in debt	0	0
0 Gross proceeds from the sale of assets	0	0
0 Lump sum contributions	0	0
0 Total sources of capital funding	0	0
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
2 - to improve the level of service	2	84
39 - to replace existing assets	1	2
1,311 Increase/(decrease) in reserves	933	966
(119) Increase/(decrease) in investments	(38)	(94)
1,234 Total sources of capital funding	899	958
(1,234) Surplus/(deficit) of capital funding	(899)	(958)
0 Funding Balance	(0)	0
1 Depreciation expense (not included in the above FIS)	1	1

5(a). Services

What do we seek?

- Pest animals and plants that threaten the environment and economy in the region are identified and an appropriate management framework to minimise threats is in place.
- Landowners are protected from the spread, environmental and economic effects of specific pest animals and plants and new pest animals and plants do not become established.

What is the key issue?

We need to provide and maintain services to ensure potential risks to our community are avoided or minimised.

Such services include the:

- co-ordination of activity to reduce the impact of pests;
- encouragement of activities of community groups leading to the retention and enhancement of biological diversity;

Why is it an issue for the Southland region?

- Pests are no respecters of property boundaries.
- Individual land occupiers are assigned the responsibility, but there is a need to retain specialist knowledge for removal, inspection against Regional Pest Management Strategy responsibilities.
- Allowing pockets of infestation from which new infestations spring is to be avoided.
- Control of numbers means biodiversity is maintained and populations are unlikely to multiply rapidly.

What we want to achieve

Level of Service	Measures	Baseline Measure (2010/11)	Performance Targets 2012-22
Minimise the adverse impacts of pests plants and animals as identified in the Regional Pest Management Strategy.	Number of exclusion pest incursions.	None	No exclusion pests (i.e. pests which could cause serious adverse impacts on the Southland environment if they did arrive here) found within the region.
	Level of rabbit populations in rabbit prone areas.	One site was in excess of McLean Scale 3.	Achieve McLean Scale 3 or below for rabbit infestations. <i>Note: The McLean Scale is a relative measure of rabbit population based on observed amount of rabbit signs (pellet, scratching) at a site.</i>
	Level of possum populations in the former Tb vector management areas (possum control areas).	Five possum control areas established. Residual trap catches of 8-16% recorded in these areas before programmes commenced. <i>Note: Residual trap catch is a statistical method of measuring possum density.</i>	Working with landholders within possum control areas to get landowners to undertake possum control work to achieve a residual trap catch of 5%. <i>Note: Possum control work was historically completed for landowner within former Tb vector management areas. Council is aiming to retain results of historic possum control work through having landowners undertake the work.</i>
	Levels of plants found at known sites for the following: 1. Old Man's Beard 2. Gunnera 3. Darwin's barberry 4. Contorta pine 5. Urban gorse and broom 6. Nodding thistle 7. Ragwort	New baseline measure. <i>Note: 2012/13 will become the benchmark.</i>	100% of properties inspected show a decrease in the levels of pest plant infestation found, through control works undertaken by the land occupier and/or the Council: 1. Old Man's Beard 2. Gunnera 3. Darwin's barberry 4. Contorta pine 5. Urban gorse and broom 6. Nodding thistle 7. Ragwort

How we will achieve it (activities)

Objective: Retain a Regional Pest Management Strategy that identifies pest species that are of threat to the region and provides appropriate management controls.

Activities	2014/15
Review the Regional Pest Management Strategy.	<i>Regional Pest Management Review postponed due to Government delays with legislation. A collaborative approach for all South Island regional councils/unitary authorities is now underway, with the aim of notifying proposed plans by April 2016.</i>
Develop and implement a Pathways Risk Management Plan to prevent a spread of pests.	<i>A Regional Marine Pathways Plan is being investigated in conjunction with Department of Conservation and Ministry of Primary Industries. Subject to Council and partner approval, this may be developed to be implemented by February 2016.</i>
Define and monitor high risk sites for exclusion pest incursions.	Exclusion pests that are identified within the region are successfully eradicated.
Prevent the spread of containment marine pests within the region.	Prevent Undaria establishing in Fiordland and along other parts of Southland's coastline (except Paterson Inlet and Halfmoon Bay at Stewart Island/Rakiura, Bluff Harbour and Snares Island where it is already established).
Eradicate or decrease in density all known pest sites and areas of infestation.	<ol style="list-style-type: none"> 1. No rook nesting located in the region. 2. No Old Man's Beard found in the region. 3. No Gunnera on Stewart Island. 4. Eradicate Darwin's barberry at key sites and decrease the spread from containment areas. 5. Eradicate Contorta pine at Mid Dome and decrease the spread of Contorta pine outside of containment locations. 6. Reduce the number of infestations of urban gorse and broom, nodding thistle and ragwort.
Release, monitor and redistribute biocontrol agents for long-term, targeted pest plant control across the region.	<ol style="list-style-type: none"> 1. At least 30 biocontrol agent releases are undertaken. 2. At least 80 biocontrol sites are monitored.
Reduce the impact of possums implementing co-ordinated land holder self-help programme.	Develop 5 new possum control areas within region per annum. <i>Note: Landowners are responsible to achieve the Regional Pest Management Strategy residual trap catch of 5%, or 10%, depending on the area of the region their properties are located in.</i>
Undertake inspections at high risk locations to ensure compliance with Regional Pest Management Strategy and take enforcement action when necessary.	Undertake inspections at high risk locations and take enforcement action where there is failure to meet the obligations under the Regional Pest Management Strategy.

Objective: Encourage and support landowners in defined areas and community groups to protect indigenous biodiversity from pest impacts at key sites in the region.

Activities		2014/15		
Provide personnel to advise, support and assist landowners and community groups.	Landowners and community groups, including the following listed group, are provided advice, support and assistance:			
	Community groups supported	Assist monitoring biodiversity condition by undertaking		
		Rodent and mustelid monitoring using tracking tunnels	5 min bird count, vegetation condition surveys and other methods	Possum monitoring
		Aparima Pestbusters at More's Reserve	Biannually	3
Otatara Landcare Group at Bushy Point	Quarterly	3		
Bluff Hill/Motupohue Environmental Trust	Quarterly	3	3	
Survey high values areas to record the indigenous biodiversity at key sites in the region.	Increase number of high value areas surveyed per annum by 30-40. <i>Note: Dependent on available funding.</i>			
Provision of loan traps for self-control of pests.	Traps are loaned to ratepayers for magpies and other pests.			

Funding Impact Statement - Services		
2013/14	2014/15	LTP 2014/15
\$000 Sources of Funding	\$000	\$000
160 General rates, uniform annual charges, rates penalties	209	458
2,716 Targeted rates (other than a targeted rate for water supply)	2,722	2,849
0 Subsidies and grants for operating purposes	0	0
889 Fees, charges and targeted rates for water supply	914	894
0 Internal Charges and overheads recovered	0	0
(83) Local authorities fuel tax, fines, infringement fees and other receipts	117	253
3,681 Total Operating Funding	3,962	4,454
Applications of operating funding		
3,505 Payments to staff and suppliers	3,388	3,810
9 Finance costs	7	10
234 Internal Charges and overheads recovered	253	489
0 Other operating funding applications	0	0
3,748 total applications of operating funding	3,648	4,309
(67) Surplus/(deficit) of operating funding	314	145
Sources of capital funding		
0 Subsidies and grants for capital expenditure	0	0
0 Development and financial contributions	0	0
0 Increase/(decrease) in debt	0	0
48 Gross proceeds from the sale of assets	48	12
0 Lump sum contributions	0	0
48 Total sources of capital funding	48	12
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
0 - to improve the level of service	0	141
517 - to replace existing assets	1,788	227
(298) Increase/(decrease) in reserves	(1,352)	(52)
(238) Increase/(decrease) in investments	(74)	(159)
(19) Total sources of capital funding	362	157
67 Surplus/(deficit) of capital funding	(314)	(145)
0 Funding Balance	0	0
570 Depreciation expense (not included in the above FIS)	575	549

5(b). Services – flood protection and control works

What do we seek?

- The farming community, industry, urban and rural communities and other floodplain users:
 - are assured of the standard of protection received from flood protection schemes;
 - make informed decisions on floodplain development;
 - take timely action to minimise the effects of flooding of their activities and reduce the threat to life and property, and the environment.
- To enhance the network of walkways within the Southland region by working with other organisations to determine future coastal walkway construction.

What is the key issue?

We need to provide and maintain services to ensure potential risks to our community are avoided or minimised.

Such services include the:

- management of river protection works and sustainable gravel extraction;
- co-ordination of community drainage outfall maintenance schemes;
- provision of information to communities and individuals.

Why is it an issue for the Southland region?

- River management needs knowledge, skill and experience, and a whole-of-system management approach is required because of the interconnectedness of the catchment.
- Community has asked for a co-ordinated approach to drainage maintenance so efficient outfall is maintained.

What we want to achieve

Level of Service	Measures	Baseline Measure (2010/11)	Performance Targets 2012-22														
Reduce the flood risk to people and property by maintaining flood protection works to agreed standards.	Existing and new flood mitigation works perform to agreed standards.	No failures of flood mitigation schemes occurred.	No failures.														
	<table border="1"> <thead> <tr> <th data-bbox="488 456 712 496">Location</th> <th data-bbox="723 456 925 496">Agreed standard</th> </tr> </thead> <tbody> <tr> <td data-bbox="488 512 712 632">Garston Eyre Creek Athol Thornbury</td> <td data-bbox="723 512 925 632"><10 yr return period¹ with freeboard²</td> </tr> <tr> <td data-bbox="488 639 712 807">Gore Mataura Wyndham Yellow Bluffs (Otautau) Tuatapere</td> <td data-bbox="723 639 925 807">60 yr return period with freeboard</td> </tr> <tr> <td data-bbox="488 815 712 903">Cattle Flat Lower Mataura Wallacetown</td> <td data-bbox="723 815 925 903"><20 yr return period with freeboard</td> </tr> <tr> <td data-bbox="488 911 712 999">Waikaia</td> <td data-bbox="723 911 925 999"><5 yr return period with freeboard</td> </tr> <tr> <td data-bbox="488 1007 712 1094">Lumsden cableway</td> <td data-bbox="723 1007 925 1094">17 yr return period with freeboard</td> </tr> <tr> <td data-bbox="488 1102 712 1142">Invercargill Oreti Districts</td> <td data-bbox="723 1102 925 1142">To protect against a January</td> </tr> </tbody> </table>			Location	Agreed standard	Garston Eyre Creek Athol Thornbury	<10 yr return period ¹ with freeboard ²	Gore Mataura Wyndham Yellow Bluffs (Otautau) Tuatapere	60 yr return period with freeboard	Cattle Flat Lower Mataura Wallacetown	<20 yr return period with freeboard	Waikaia	<5 yr return period with freeboard	Lumsden cableway	17 yr return period with freeboard	Invercargill Oreti Districts	To protect against a January
	Location			Agreed standard													
	Garston Eyre Creek Athol Thornbury			<10 yr return period ¹ with freeboard ²													
	Gore Mataura Wyndham Yellow Bluffs (Otautau) Tuatapere			60 yr return period with freeboard													
	Cattle Flat Lower Mataura Wallacetown			<20 yr return period with freeboard													
	Waikaia			<5 yr return period with freeboard													
	Lumsden cableway			17 yr return period with freeboard													
Invercargill Oreti Districts	To protect against a January																

¹ “Return period” The probability that events such as floods, wind storms or tornadoes will occur is often expressed as a return period. The inverse of probability (generally expressed in %), it gives the estimated time interval between events of a similar size or intensity. For example, the return period of a flood might be 100 years; otherwise expressed as its probability of occurring being 1/100, or 1% in any one year.

² “Freeboard” is a term used to describe a factor of safety above a design flood level for flood mitigation works. Freeboard allows for the uncertainties in hydrological predictions, wave action, modelling accuracy, topographical accuracy, final flood defence levels and the quality of the digital elevation models. The increase in flood levels associated with climate change is *in addition* to freeboard, because the uncertainty freeboard incorporates remains in future climate scenarios. Therefore, freeboard should not contain the “core” component of climate change impacts, but it may be increased to account for climate change uncertainties.

Level of Service	Measures		Baseline Measure (2010/11)	Performance Targets 2012-22
	(between Wallacetown & Lumsden)	1984 size flood event		
Provide walkways/cycleways along Council's stopbanks and adjacent riparian areas, and coastal margins.	Existing and new walkways/cycleways perform to agreed safety standards.		No failures of walkways/cycleways safety standards occurred.	No failures.
Improve the productive capability of land by maintaining land drainage works to agreed standards.	Existing land drainage works perform to agreed standards.		No failures of drainage schemes occurred.	No failures.

How we will achieve it (activities)

Objective: Maintain flood protection schemes and community-agreed catchment river management programmes.

Activities	2014/15
Maintain stopbanks and detention dams to design standard	446 km of stopbanks and 7 detention dams operate as designed.
Minimise river bank erosion by planting trees on the river edges.	Over 20,000 trees annually planted on the river edges.

Objective: Maintain the major river corridors for the passage of floodwaters.

Activities	2014/15
Ensure all designated river corridors are clear to ensure flow and retain position of river.	All floodway and woody weed vegetation in identified control areas has been sprayed (these are identified in the annual inspection programme).
Investigate options for funding woody weed vegetation work within river corridors.	Part Concept Plan – Managing Unwanted Vegetation in Southland Rivers. Trial sites implemented by June 2015. Project Plan completed by December 2014 for inclusion in 2015-2025 Long-term Plan.

Objective: Provide a community-agreed standard of flood protection to specified rural and urban areas of Southland.

Activities	2014/15
Implement community-agreed standard of protection and funding that takes into account assessment of channel capacity, level of protection and risk assessment.	Continuous 10 year programme of reviewing the community-agreed standard of protection and funding commenced in 2009/10, in particular: 1. in 2014/15, complete Makarewa rural sections survey.

Objective: Provide an agreed level of maintenance for the protection of the Milford community flood protection works.

Activities	2014/15
Implement maintenance programme for the Cleddau River flood protection works resulting from consultation with the Milford community.	Undertake the Milford community-agreed maintenance programme.

Objective: Manage gravel extraction from Southland's watercourses to ensure minimal environmental effects, best practice and enhanced recreational opportunities.

Activities	2014/15
Undertake annual gravel resource ground surveys to determine resource availability. <i>Note: Survey priorities determined by demand for the resource.</i>	Resource use and availability for gravel extraction is known.
Encourage establishment of wetlands, backwaters and bar gravel habitats in rivers.	Wetlands, backwaters and bar gravel habitats in rivers are encouraged to be established.

Objective: Provide opportunities for the use of the coastal marine area, waterways and reserves within specified areas.

Activities	2014/15
Completion and maintenance of walkways/cycleways.	Complete construction and maintain the Invercargill-Bluff walkway/cycleway to a safety standard fit for purpose, and in particular:
	1. in 2014/15, complete constructing Lake Street to Mokokoko Inlet. <i>Note: Targets are dependent on receiving third party funding which Environment Southland facilitates obtaining.</i>
	Maintain the Invercargill stopbanks walkways/cycle ways to a safety standard fit for purpose. Identified maintenance safety issues on the walkways/cycle ways are responded to within 2 working days and resolved within 10 working days.

Objective: Provide maintenance of community drainage outfall channels.

Activities	2014/15
Inspect and maintain drainage outfall channels by cleaning or ground spraying as per agreed schedule.	All channels identified through inspection programme as requiring cleaning, arising from weed and sediment build-up, is completed as per the publicly notified schedule notified in November each year, and in particular: 1. in 2014/15, inspect 542 km.

Funding Impact Statement - Flood Protection and Control		
2013/14	2014/15	LTP 2014/15
\$000 Sources of Funding	\$000	\$000
652 General rates, uniform annual charges, rates penalties	683	681
2,912 Targeted rates (other than a targeted rate for water supply)	3,083	2,971
0 Subsidies and grants for operating purposes	0	0
452 Fees, charges and targeted rates for water supply	494	661
0 Internal Charges and overheads recovered	0	0
314 Local authorities fuel tax, fines, infringement fees and other receipts	542	400
4,330 Total Operating Funding	4,802	4,713
Applications of operating funding		
4,565 Payments to staff and suppliers	4,695	4,449
10 Finance costs	9	10
180 Internal Charges and overheads recovered	175	88
0 Other operating funding applications	0	0
4,755 total applications of operating funding	4,878	4,547
(425) Surplus/(deficit) of operating funding	(77)	166
Sources of capital funding		
0 Subsidies and grants for capital expenditure	0	0
0 Development and financial contributions	0	0
0 Increase/(decrease) in debt	0	0
0 Gross proceeds from the sale of assets	0	0
0 Lump sum contributions	0	0
0 Total sources of capital funding	0	0
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
0 - to improve the level of service	0	145
0 - to replace existing assets	0	0
(153) Increase/(decrease) in reserves	9	185
(272) Increase/(decrease) in investments	(86)	(163)
(425) Total sources of capital funding	(77)	166
425 Surplus/(deficit) of capital funding	77	(166)
0 Funding Balance	0	0
0 Depreciation expense (not included in the above FIS)	0	0

6. Community representation and communication

What do we seek?

- The community is empowered and encouraged to make decisions about the use of natural capital and ecosystems to protect its economic viability and minimise on-site and downstream adverse effects on land and water resources.
- The community's interest is represented and individual constituents are assisted by sound decision-making.
- Quality stewardship of Environment Southland's reputation and assets.

What is the key issue?

The purpose of local government is:

- to enable democratic local decision-making and action by, and on behalf of, communities; and
- to promote the social, economic, environmental and cultural wellbeing of communities, in the present and in the future.

What is the key issue for Southland?

There are significant economic changes occurring in the use of natural resources within the Southland region. Intensification of land use is the catch all description for activity like dairy farming, dairy support (e.g. winter grazing, provision of feed), hill country development and other changing land uses arising, for example, from irrigation. There is also the prospect of industrial uses of lignite in the Maitava Valley. The changes are having environmental, social and cultural effects.

The work of the Council is mandated by the Local Government Act 2002. The following principles relating to local authorities are contained in Section 14 of the Act and the oversight of the business of the Council is delivered in accordance with the principles:

14 Principles relating to local authorities

- (1) In performing its role, a local authority must act in accordance with the following principles:
 - (a) a local authority should -
 - (i) conduct its business in an open, transparent, and democratically accountable manner; and
 - (ii) give effect to its identified priorities and desired outcomes in an efficient and effective manner;
 - (b) a local authority should make itself aware of, and should have regard to, the views of all its communities; and
 - (c) when making a decision, a local authority should take account of –
 - (i) the diversity of the community and the community's interests, within its district or region; and
 - (ii) the interests of future as well as current communities; and
 - (iii) the likely impact of any decision on the interests referred to in subparagraphs (i) and (ii);
 - (d) a local authority should provide opportunities for Maori to contribute to its decision-making processes;
 - (e) a local authority should collaborate and co-operate with other local authorities and bodies as it considers appropriate to promote or achieve its priorities and desired outcomes, and make efficient use of resources; and
 - (f) a local authority should undertake any commercial transactions in accordance with sound business practices; and
 - (fa) a local authority should periodically –
 - (i) assess the expected returns to the authority from investing in, or undertaking, a commercial activity; and
 - (ii) satisfy itself that the expected returns are likely to outweigh the risks inherent in the investment or activity; and
 - (g) a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region; and
 - (h) in taking a sustainable development approach, a local authority should take into account –
 - (i) the social, economic, and cultural interests of people and communities; and
 - (ii) the need to maintain and enhance the quality of the environment; and
 - (iii) the reasonably foreseeable needs of future generations.
- (2) If any of these principles are in conflict in any particular case, the local authority should resolve the conflict in accordance with the principle in subsection (1)(a)(i).

What we want to achieve

Level of Service	Measures	Baseline Measure (2010/11)	Performance Targets 2012-22
We will provide quality stewardship of Environment Southland's functions through robust decision-making and public awareness.	Percentage of respondents who name Environment Southland as the authority responsible for managing Southland's natural resources.	76%	75%
	Percentage of respondents who believe Environment Southland is managing water quality issues well or very well.	27%	35% <i>Note: This figure is low due to the biggest problem facing the region is addressing adverse effects of non-point source discharges to water from intensive farming practices. The level of service outlined in section 1 will work towards improving this figure.</i>
	Percentage of respondents agreed or strongly agreed that Environment Southland was effectively managing pressing environmental issues.	57%	60%

How we will achieve it (activities)

Objective: Measure our decision-making, communication and activity performance by surveying public attitudes and awareness to the environment and Environment Southland's activities.

Activities	2014/15
Complete and report to the community results of an annual survey of public attitudes and awareness.	Survey of public attitudes and awareness of Environment Southland's responsibilities and environmental issues is prepared and undertaken annually.

Funding Impact Statement - Community Representation		
2013/14	2014/15	LTP 2014/15
\$000 Sources of Funding	\$000	\$000
1,166 General rates, uniform annual charges, rates penalties	1,354	1,434
0 Targeted rates (other than a targeted rate for water supply)	0	0
0 Subsidies and grants for operating purposes	0	0
119 Fees, charges and targeted rates for water supply	80	370
0 Internal Charges and overheads recovered	0	0
1,058 Local authorities fuel tax, fines, infringement fees and other receipts	1,128	1,059
2343 Total Operating Funding	2,561	2,862
Applications of operating funding		
1,586 Payments to staff and suppliers	1,699	1,733
5 Finance costs	5	6
832 Internal Charges and overheads recovered	971	992
0 Other operating funding applications	0	0
2,423 total applications of operating funding	2,675	2,731
(80) Surplus/(deficit) of operating funding	(114)	131
Sources of capital funding		
0 Subsidies and grants for capital expenditure	0	0
0 Development and financial contributions	0	0
0 Increase/(decrease) in debt	0	0
0 Gross proceeds from the sale of assets	12	12
0 Lump sum contributions	0	0
0 Total sources of capital funding	12	12
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
0 - to improve the level of service	0	0
0 - to replace existing assets	42	42
58 Increase/(decrease) in reserves	(97)	198
(138) Increase/(decrease) in investments	(47)	(97)
(80) Total sources of capital funding	(102)	143
80 Surplus/(deficit) of capital funding	114	(131)
0 Funding Balance	0	0
10 Depreciation expense (not included in the above FIS)	10	9

Building Maori Capacity

The purpose of the Local Government Act 2002 is to provide democratic and effective leadership. Persons exercising powers and functions under the Act are required to:

- recognise and respect the Crown's responsibility to take account of the principles of the Treaty of Waitangi;
- maintain and improve opportunities for Māori to contribute to local government decision making processes (Section 81); and
- in the course of the decision making process, take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wahi tapu, valued flora and fauna and other taonga (Section 77).

Environment Southland is an active participant and signatory to a Charter of Understanding – *He Huaraki mō Ngā Uri Whakatupu* in place between the four Southland councils and four Southland/Murihiku papatipu rūnanga. The charter sets out the basis and conduct of the councils and rūnanga in the context of the Local Government Act 2002 and Resource Management Act 1991. Otago Regional Council (by a separate arrangement with Te Ao Marama Inc), Queenstown Lakes District Council and Clutha District Council have also joined the relationship structure over recent times.

The charter provides the basis for an ongoing relationship between relevant local authorities and tangata whenua of Southland/Murihiku to assist in developing the capacity of Māori to contribute to the decision-making processes. It further provides principles and opportunities, is a foundation for consultation on a wide range of local government issues including Long-term and Annual Plans and assists councils through Te Ao Mārama Inc (Iwi liaison entity representing Southland rūnanga for resource management issues), to consult with all Māori, those that hold manawhenua and matawaka (other tribal groups) living in Southland.

Te Rōopū Taiao, a political arm, sits between Te Ao Mārama Inc and the four councils and gives effect to the Charter of Understanding and the obligations of the parties to the charter. This political arm meets quarterly to negotiate funding and adoption of protocols for Iwi input into plans, policies and consents.

Environment Southland has identified that maintaining sound relationships and continually building trust with all Māori through established mechanisms enables all Māori to have the opportunity to be involved. This includes increased knowledge, sharing information, increased capacity to participate, to be consulted more extensively and to develop existing relationships in new directions. During the period of this LTP Environment Southland will therefore:

- fulfil its obligations in the Charter of Understanding – *He Huaraki mō Ngā Uri Whakatupu* to those who hold manawhenua and to matawaka living in Murihiku;
- continue to be actively involved in Te Rōopū Taiao;
- create awareness of Māori electoral opportunities;
- make appointments to specialist working parties, committees and hearing panels, where appropriate;
- assist capacity building of Te Ao Mārama Inc employees;
- support implementation, use and understanding of *Te Tangi a Taurira – The Cry of the People* Ngāi Tahu ki Murihiku Resource and Environmental Management Plan 2008;
- support projects initiated by Maori that involve direct management of the region's natural resources.

With the release of the National Policy Statement for Freshwater Management in 2011, there are emerging opportunities for Environment Southland and tangata whenua to enhance the existing relationship up to partnership status. That level of recognition of the relationship would provide significant advantages to both parties as the responses to developing and implementing the Water and Land 2020 & Beyond programmes are progressed over future years.

The amounts below relate to agreed levels of 2014/15 contributions from each council participating in the Charter of Understanding for Murihiku. The amounts contribute to support projects through both Te Roopu Taiao and Kaupapa Taiao, through Te Ao Marama Inc:

	\$
Southland District Council	39,359
Gore District Council	12,992
Invercargill City Council	39,359
Queenstown Lakes District Council	39,359
Environment Southland	41,391
Clutha District Council	<u>12,992</u>
	<u>\$185,454</u>

For 2014/15, Environment Southland has budgeted for \$41,391 for its contribution to building Maori capacity.

Our Way Southland – “The Community’s Blueprint for the Future”

Our Way Southland is a shared service between Southland’s councils to assist with efficient and focused strategic regional decision-making and action by a combination of consultation, monitoring and reporting, and the promotion of collaboration and collective action. The current and future needs of Southland’s communities are canvassed triennially by a regional outcomes monitoring report and a regional quality of life survey, while key strategic issues for the region are identified by the triennial Our Way Southland Leaders’ Forum. Our Way Southland also provides an effective local government interface between communities and the central government, business and community sectors, promoting the efficient and cost-effective delivery of good-quality local community infrastructure and local public services.

In 2014/15, Our Way Southland will continue to promote three collaborative regional projects with the common purpose of enhancing community infrastructure and resilience throughout Southland. Each of these projects addresses one of the four key themes and regional issues for Southland’s communities identified at the September 2012 Our Way Southland Leaders’ Forum:

1. **Economy, Employment and Youth** – training and opportunities
2. **Education and Parenting** – especially the first 1,000 days (0-3 years)
3. **Leadership** – particularly amongst those who stay in Southland
4. **Support for Families** – especially for those under stress.

The Strengthening Parenting project has been a collaboration with central and local government and the business and community sectors to better support parents and families within their communities. The project clearly identified the strengths and benefits for Southland of the collective impact model of regional parenting support, detailed in Dr Michael Gaffney & Associate Professor Nicola Taylor *The Strength in Our Parents: Towards a Regional Parenting Strategy 2013* Centre for Research on Children and Families, University of Otago, July 2013. Our Way Southland will continue to provide a regular forum at which central and local government agencies and the community and business sectors will examine collective action for parent support projects in Southland. The Parenting Portal, an on-line database of parent support services, facilities and agencies, will be developed by Our Way Southland in conjunction with the Southland Early Childhood Focus Group and Parent Support Agencies, and with technical support from Environment Southland.

The Leadership project enables communities to identify, promote and mentor current and future leaders, while enhancing community infrastructure and community resilience. In 2014/15, a series of leadership incubator courses will be held in eastern and western Southland. The incubator short course enables participants to learn about the basics of leadership, and develop confidence in dealing with leadership challenges including governance and conflict management.

Youth and their parents/caregivers remain a separate workstream in the Strengthening Parenting in Southland project, while Our Way Southland works with existing youth-related initiatives across Southland to promote positive career and life outcomes for Southland’s young adults through community involvement and action.

The monitoring work for 2014/15 will promote opportunities for the effective alignment of survey work in the region, particularly between local and central government agencies, to minimise duplication of effort and the over-surveying of communities. Our Way Southland is well experienced in regional survey work and can therefore co-ordinate research initiatives across Southland and investigate time and cost-effective methods of data collection and analysis.

Following the withdrawal of the Invercargill City Council from the project (effective 1 July 2013), Our Way Southland continues to liaise with the Council on matters of common interest. Our Way Southland will also continue to liaise with a number of regional community projects, including the Southland Building and Heritage Preservation Trust and the restoration of Kohi Kohi's Cottage, Riverton; South Alive (South Invercargill Urban Rejuvenation Project); Volunteer South; the Eastern Southland Social Sector Alliance and the Multisector Youth Trials Project, and Kindergartens South.

A separate regional community project, which is being developed by Our Way Southland in collaboration with Venture Southland, is the co-ordination of commemorations of Southland's involvement in the First World War, commencing in August 2014 with the centenary of the enlistment in Invercargill of Southland's main body volunteers. Centennial commemorations of key First World War events will continue through to November 2018, with local Southland initiatives being connected with significant regional and national projects. Further information is available on the Our Way Southland website: www.ourwaysouthland.org.nz.

Prospective Financial Statements

**Prospective Statement of Financial Performance (By Groups of Activities)
for Year Ended 30 June 2015**

2013/14		2014/15	LTP 2014/15
\$000		\$000	\$000
	Revenue		
6,419	General Rates	7,072	8,379
6,232	Separate Rates	6,445	6,457
213	Southern Pest Eradication Society Rate	213	213
664	Levies and Contributions	647	674
574	Local Contributions	579	592
698	Rental Income	704	697
6,742	External Recoveries	5,907	6,807
1,554	Investment Income	1,637	1,634
3,139	Dividend from South Port	3,488	3,139
26,234	Total Revenue	26,692	28,592
	Less Cost of Services and Expenses		
4,446	Non-point source discharges to water from intensive farming practices	4,696	2,823
4,081	Enablement of resource use by communities, industries and individuals	3,728	4,648
6,064	Protection from the adverse environmental effects of resource use	6,123	6,280
2,077	Emergency Response and Preparedness	2,183	2,655
4,158	Services	4,223	4,493
4,755	Flood protection and control	4,878	4,622
2,424	Community representation	2,685	2,747
28,005	Total Expenditure	28,516	28,269
(1,771)	Net Forecast Operating Surplus / (Deficit)	(1,825)	323

**Prospective Statement of Comprehensive Income
for Year Ended 30 June 2015**

2013/14		2014/15	LTP 2014/15
\$000		\$000	\$000
	Revenue		
12,864	Rates Revenue	13,729	15,049
8,678	Other Revenue	7,837	8,770
4,693	Interest and Dividends	5,125	4,773
-	Other Gains / (Losses)	-	-
26,234	Total Income	26,692	28,592
	Expenditure		
11,990	Employee Benefits Expense	12,487	12,855
673	Depreciation Expense	678	648
60	Finance costs	50	60
15,283	Other Expenses	15,301	14,706
28,005	Total Operating Expenditure	28,516	28,269
(1,771)	Forecast Operating Surplus / (Deficit)	(1,825)	323
-	Share of Associate Surplus / (Deficit)	-	-
(1,771)	Forecast Surplus / (Deficit) before Tax	(1,825)	323
	Other Comprehensive Income		
-	Property, Plant and Equipment Revaluation Gain/(Loss)	-	-
-	Less Taxation Expense	-	-
(1,771)	Total Forecast Comprehensive Income after Taxation	(1,825)	323

**Prospective Statement of Changes in Equity
for Year Ended 30 June 2015**

			LTP
2013/14		2014/15	2014/15
\$000		\$000	\$000
73,986	Total Equity At Beginning Of Year	72,215	72,071
(1,771)	Total Comprehensive Income / (Deficit)	(1,825)	323
(1,771)	Total Recognised Income & Expenses	(1,825)	323
72,215	Total Equity At End Of Year	70,390	72,394
Components Of Equity			
52,020	Retained Earnings at 1 July	50,030	50,744
(1,771)	Net Surplus / (Deficit) for the year	(1,825)	323
(219)	Transfers (to)/from restricted reserves	272	(1,130)
50,030	Retained Earnings at 30 June	48,477	49,937
16,439	Restricted Special Reserves at 1 July	15,866	15,110
(573)	Transfers (to)/from reserves	(479)	688
15,866	Restricted Special Reserves at 30 June	15,387	15,798
3,210	Restricted Lease Area Reserves at 1 July	3,437	3,500
227	Transfers (to)/from reserves	206	361
3,437	Restricted Lease Area Reserves at 30 June	3,643	3,861
2,882	Restricted Rating District Reserves at 1 July	2,882	2,717
0	Transfers (to)/from reserves	0	81
2,882	Restricted Rating District Reserves at 30 June	2,882	2,798
72,215	Total Components of Equity	70,390	72,394

Prospective Statement of Financial Position
as at 30 June 2015

2013/14		2014/15	LTP 2014/15
\$000		\$000	\$000
	Current Assets		
159	Cash and cash equivalents	(4,087)	177
1,470	Receivables	1,496	1,602
420	Rates Outstanding	427	458
200	Inventories	200	200
29,346	Term Investment	30,423	28,809
80	Prepayments	80	80
31,675		28,539	31,325
	Non-Current Assets		
8,721	Shares in Subsidiary	8,721	8,721
691	Investment in Related Party	691	0
34,618	Property, Plant and Equipment	35,993	35,878
44,030		45,405	44,599
75,705	Total Assets	73,944	75,925
	Current Liabilities		
2,348	Creditors & Accruals	2,390	2,371
1,133	Employee Entitlements	1,154	1,144
3,481		3,544	3,515
	Non-Current Liabilities		
9	Employee Entitlements	10	18
9		10	18
3,490	Total Liabilities	3,554	3,533
72,215	Net Assets	70,390	72,394
	Equity		
50,030	Retained Earnings	48,477	49,937
15,866	Restricted Special Reserves	15,387	15,798
3,437	Restricted Lease Area Reserves	3,643	3,861
2,882	Restricted Rating District Reserves	2,882	2,798
72,215	Total Equity	70,390	72,394

**Prospective Statement of Cash Flows
for the year ended 30 June 2015**

2013/14		2014/15	LTP 2014/15
\$000		\$000	\$000
	Cash flows from operating activities		
21,500	Receipts from landowners, customers and government	21,533	23,714
80	Interest received	60	80
3,139	Dividends received	3,488	3,139
(27,188)	Payments to suppliers and employees	(27,724)	(27,515)
(60)	Interest paid	(50)	(60)
(2,529)	Net cash inflow / (outflow) from operating activities	(2,693)	(642)
	Cash flows from investing activities		
96	Sale of assets (predominantly vehicles)	108	72
1,600	Reduction of Term Investment	500	1,000
(866)	Purchase of other assets (predominantly vehicles)	(2,161)	(1,321)
-	(Increase)/Decrease of Term Investment	-	-
830	Net cash inflow / (outflow) from investing activities	(1,553)	(249)
(1,699)	Increase/(Decrease) in cash held	(4,246)	(891)
1,857	Add opening cash brought forward	159	1,068
159	Ending cash carried forward	(4,087)	177

Supplementary Financial Reports

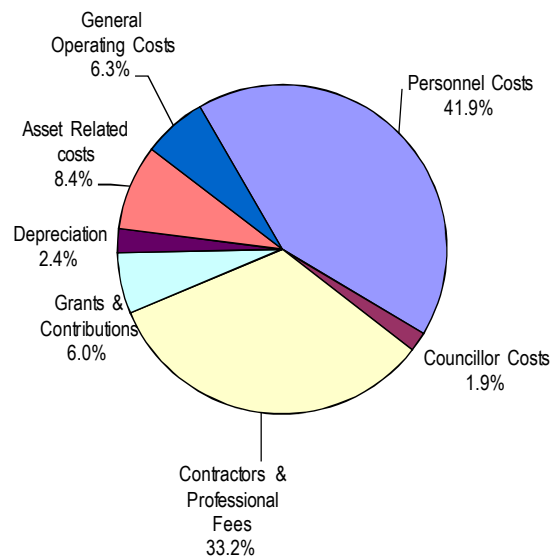
What makes up the surplus / (deficit)

2013/14		2014/15	LTP 2014/15
\$000		\$000	\$000
	Used from Previous Years and Reserves		
(55)	Land Sustainability accumulated surpluses	(321)	(21)
(162)	Biosecurity Operating Surpluses and Reserves	(114)	(64)
(580)	2011/2012 dividend surplus	-	-
(90)	General Reserve to Fund cost of election over time	-	-
(300)	2010/11 surplus	-	-
(2,354)	Marine Fee Reserve	(2,427)	(1,923)
(683)	Prior Years Surpluses	(1,078)	(227)
(45)	Southland Emergency Management	(10)	-
(138)	Coastal Rentals Fund	(164)	(136)
(4,406)	Total Deficit	(4,113)	(2,371)
	Reduced by		
	Surpluses Generated		
217	- By Lease Areas	196	361
294	- To Provide Interest on Nominated Reserves	271	310
30	- To Recoup cost of Council election over Council term	30	30
1,900	- By Marine Fee	1,600	1,807
70	- By coastal rentals	73	65
124	- Transfers among Catchment interests	118	120
2,635		2,288	2,693
(1,771)	Forecast Surplus / (Deficit)	(1,825)	322

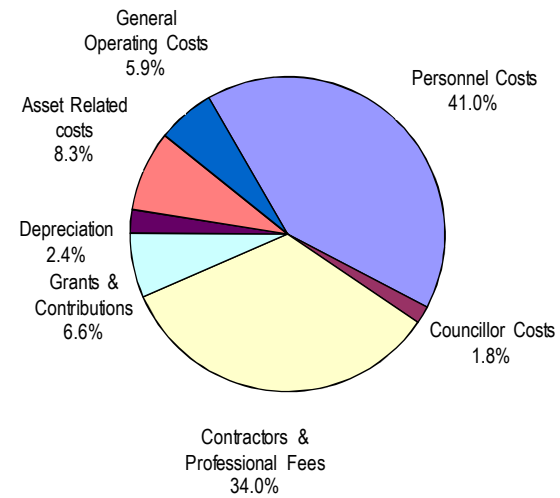
Input Costs

Year Ended		Year Ended	LTP
2013/14		2014/15	2014/15
\$000		\$000	\$000
11,479	Personnel Costs	11,940	12,353
512	Councillor Costs	549	502
9,521	Contractors & Professional Fees	9,474	8,811
1,854	Grants & Contributions	1,701	1,707
673	Depreciation	678	648
2,317	Asset Related costs	2,390	2,429
1,650	General Operating Costs	1,784	1,819
28,005		28,516	28,269

2014/15



2013/14



Please note: This statement discloses costs in our divisional view

**Prospective Statement of Financial Performance
for Year Ended 30 June 2015**

2013/14		2014/15	LTP 2014/15
\$000		\$000	\$000
	Revenue		
6,419	General Rates	7,072	8,379
6,232	Separate Rates	6,445	6,457
213	Southern Pest Eradication Society Rate	213	213
664	Levies and Contributions	647	674
574	Local Contributions	579	592
698	Rental Income	704	697
6,741	External Recoveries	5,907	6,807
1,554	Investment Income	1,637	1,634
3,139	Dividend from South Port	3,488	3,139
26,234	Total Revenue	26,692	28,592
	Less Cost of Services and Expenses		
5,564	Environmental Information	5,255	5,528
4,297	Policy & Planning	3,934	4,137
914	Emergency Management Southland	931	944
-	Land and Water Services	2,461	-
6,767	Catchment Management	5,677	6,408
2,799	Biosecurity	2,781	2,783
1,225	Consent Processing	1,411	1,270
3,069	Environmental Compliance	2,433	3,971
732	Property Management	736	621
2,425	Community Representation	2,685	2,395
213	Southern Pest Eradication Society	213	213
28,005	Total Expenditure	28,516	28,269
(1,771)	Net Forecast Operating Surplus / (Deficit)	(1,825)	322

Please note: This statement discloses major changes from the LTP

Prospective Statement of Financial Performance for Year Ended 30 June 2015

	LTP 2014/15 \$000	Budget 2014/15 \$000	Variance \$000	Variance %	Note
Revenue					
General Rates	8,379	7,072	(1,307)	-15.6%	1
Separate Rates	6,457	6,445	(12)	-0.2%	
Southern Pest Eradication Society Rate	213	213	(0)	-0.2%	
Levies and Contributions	674	647	(27)	-3.9%	
Local Contributions	592	579	(13)	-2.2%	
Rental Income	697	704	7	1.1%	
External Recoveries	6,807	5,907	(900)	-13.2%	2
Investment Income	1,634	1,637	3	0.2%	
Dividend from South Port	3,139	3,488	349	11.1%	3
Total Revenue	28,592	26,692	(1,900)	-6.6%	
Less Cost of Services and Expenses					
Environmental Information	5,528	5,255	(273)	-4.9%	4
Policy & Planning	4,137	3,934	(203)	-4.9%	5
Emergency Management Southland	944	931	(13)	0.0%	
Land and Water Services	-	2,461	2,461	0.0%	6
Catchment Management	6,408	5,677	(731)	-11.4%	7
Biosecurity	2,783	2,781	(2)	-0.1%	
Consent Processing	1,270	1,411	141	11.1%	8
Environmental Compliance	3,971	2,433	(1,538)	-38.7%	9
Property Management	621	736	115	18.5%	10
Community Representation	2,395	2,685	290	12.1%	11
Southern Pest Eradication Society	213	213	(0)	0.0%	
Total Expenditure	28,269	28,516	247	0.9%	
Net Operating Surplus / (Deficit)	323	(1,825)	(2,148)	-664.9%	

Variances over \$100,000 from the LTP are discussed below:

- 1) General rates are down due to use of prior year surpluses and increased dividend income.
- 2) External Recoveries are down due to reduced Compliance income and reduced Regional Planning Transport projects income.
- 3) Dividend income is forecasted to increase from 0.18 cps to 0.20 cps.
- 4) Environmental Information costs are down due to transferring Environmental Education to the Land & Water Services division, but is offset by expanded programmes.
- 5) Policy and Planning costs are down due to reduced labour costs for Transport projects (including the Invercargill - Bluff cycle way).
- 6) Land & Water Services is a new division, made up of the Land Sustainability, Environmental Education and Pollution Prevention activities.
- 7) Catchment Management works costs have increased but are offset by transferring the Land Sustainability activity to the Land & Water Services division.
- 8) Consents costs are up due to increased staff required to meet increases in demand for consents.
- 9) Environmental Compliance costs have decreased due to not employing the extra staff provided for in the Long Term Plan and due to transferring the Pollution Prevention activity to the new Land & Water Services division.
- 10) Property Management costs are up due to increased cost of works in Lease areas.
- 11) Community Representation costs are up due to increased staff to meet existing commitments.

Funding of Activities 2014/15

The following table describes the proposed cost of activities and their funding sources for the year covered by this plan ending 30 June 2015

Expenditure \$000							Total Expenditure	Funding Sources \$000												
Issue 1	Issue 2	Issue 3	Issue 4	Issue 5(a)	Issue 5(b)	Issue 6	Activity	\$000	Separate Rates	SPES Rate	General Rate on CV	Gen Rate Dairy Diff	UAGC Rate	Investments & Reserves *	Levies & Contributions	Rental Income	Other Income	Interest on Reserves	Reserves /Surpluses	Total Funding
598	-	4,534	122	-	-	-	Environmental Monitoring	5,255	-	-	(1,190)	(731)	(370)	(1,559)	-	-	(428)	-	(977)	(5,255)
95	95	95	95	95	-	-	Environmental Education	477	-	-	-	-	(247)	(208)	-	-	(23)	-	-	(477)
1,145	565	523	116	116	-	-	Regional Planning	2,464	-	-	(399)	(205)	(213)	(597)	-	-	(373)	-	(677)	(2,464)
102	102	182	102	102	-	-	Council Policy & Planning	590	-	-	-	-	(164)	(138)	-	-	(184)	-	(104)	(590)
-	-	-	1,159	-	-	-	Hazard Mitigation	1,159	-	-	(131)	(32)	(109)	(229)	-	-	(1,604)	-	945	(1,159)
16	16	16	16	16	-	-	Oil Spills	79	-	-	-	-	-	-	-	-	(79)	-	-	(79)
-	-	-	573	-	-	-	Emergency Mgmt Southland	573	-	-	-	-	-	-	(563)	-	-	-	(10)	(573)
510	257	-	-	32	168	-	Catchment Planning	967	-	-	(72)	(18)	(8)	(82)	-	-	(511)	-	(276)	(967)
-	-	-	-	-	3,523	-	River Works	3,523	(2,215)	-	(413)	(101)	-	(433)	-	-	(419)	(122)	180	(3,523)
-	-	-	-	-	1,187	-	Land Drainage	1,187	(868)	-	(43)	(10)	-	(45)	-	-	(76)	(82)	(63)	(1,187)
1,429	-	20	-	132	-	-	Land Sustainability	1,581	(951)	-	-	(309)	-	-	-	-	-	-	(321)	(1,581)
-	219	184	-	-	-	-	Pollution Prevention	403	-	-	(141)	(34)	(44)	(184)	-	-	-	-	-	(403)
-	-	-	-	2,994	-	-	Biosecurity (incl SPES)	2,994	(2,411)	(213)	-	-	-	-	(5)	(15)	(63)	-	(287)	(2,994)
-	1,411	-	-	-	-	-	Consent Admin	1,411	-	-	(105)	(138)	-	(110)	-	-	(1,131)	-	73	(1,411)
801	1,063	568	-	-	-	-	Environmental Compliance	2,433	-	-	(325)	(79)	(101)	(425)	-	-	(1,373)	-	(129)	(2,433)
-	-	-	-	-	-	2,685	Community Representation	2,685	-	-	-	-	(1,341)	(1,130)	(80)	-	-	-	(135)	(2,685)
-	-	-	-	736	-	-	Property Management	736	-	-	-	-	-	-	-	(689)	(92)	(161)	206	(736)
4,696	3,728	6,123	2,183	4,223	4,878	2,685		28,516	(6,445)	(213)	(2,818)	(1,658)	(2,595)	(5,140)	(647)	(704)	(6,355)	(365)	(1,575)	(28,516)

* Investments & Reserves Comprise:

Dividend from South Port	3,488
Investment Income	1,637
Penalty Income	130
Use of Prior Year Surpluses	521
Less Interest allocated to Rating/Lease Districts	(365)
Less interest allocated to reserves	(271)
	<u>5,140</u>

Funding of Activities 2013/14

The following table describes the proposed cost of activities and their funding sources for the year ending 30 June 2014

Expenditure \$000							Activity	Total Funding Sources \$000												
Issue 1	Issue 2	Issue 3	Issue 4	Issue 5 (a)	Issue 5 (b)	Issue 6		Expenditure \$000	Separate Rates	SPES Rate	General Rate on CV	Gen Rate Dairy Diff	UAGC Rate	Investments & Reserves *	Levies & Contributions	Rental Income	Other Income	Interest on Reserves	Reserves /Surpluses	Total Funding
565	-	4,454	108	-	-	-	5,126	-	-	(1,131)	(673)	(345)	(1,579)	-	-	(423)	-	(975)	(5,126)	
88	88	88	88	88	-	-	439	-	-	-	-	(217)	(199)	-	-	(23)	-	-	(439)	
1,157	1,060	419	45	45	-	-	2,727	-	-	(269)	(189)	(140)	(690)	-	-	(919)	-	(520)	(2,727)	
127	127	200	127	127	-	-	709	-	-	-	-	(160)	(146)	-	-	(216)	-	(187)	(709)	
-	-	-	1,120	-	-	-	1,120	-	-	(128)	(28)	(104)	(239)	-	-	(1,904)	-	1,283	(1,120)	
16	16	16	16	16	-	-	82	-	-	-	-	-	-	-	-	(82)	-	-	(82)	
-	-	-	572	-	-	-	572	-	-	-	-	-	-	(527)	-	-	-	(45)	(572)	
510	214	-	-	12	235	-	971	-	-	(77)	(17)	(8)	(95)	-	-	(469)	-	(305)	(971)	
-	-	-	-	-	3,372	-	3,373	(2,085)	-	(385)	(84)	-	(430)	-	-	(414)	(163)	188	(3,373)	
-	-	-	-	-	1,148	-	1,148	(827)	-	(41)	(9)	-	(44)	-	-	(76)	(87)	(64)	(1,148)	
1,131	-	20	-	125	-	-	1,276	(909)	-	-	(312)	-	-	-	-	-	-	(55)	(1,276)	
-	-	-	-	3,012	-	-	3,012	(2,411)	(213)	-	-	-	-	(5)	(7)	(66)	-	(310)	(3,012)	
-	1,225	-	-	-	-	-	1,225	-	-	(84)	(127)	-	(96)	-	-	(988)	-	70	(1,225)	
852	1,349	868	-	-	-	-	3,069	-	-	(485)	(103)	(147)	(673)	-	-	(1,509)	-	(152)	(3,069)	
-	-	-	-	-	-	2,424	2,424	-	-	-	-	(1,154)	(1,059)	(131)	-	-	-	(80)	(2,424)	
-	-	-	-	732	-	-	732	-	-	-	-	-	-	-	(690)	(92)	(177)	227	(732)	
4,447	4,081	6,065	2,076	4,157	4,755	2,424	28,005	(6,232)	(213)	(2,600)	(1,542)	(2,275)	(5,251)	(663)	(698)	(7,181)	(427)	(924)	(28,005)	

* Investments & Reserves Comprise:

Dividend from South Port	3,139
Investment Income	1,554
Penalty Income	136
2010/11 General Rate Surplus	300
2011/12 Dividend Surplus	580
2012/13 Anticipated Surplus use for Dairy rate	261
Less Interest allocated to Rating/Lease Districts	(425)
Less interest allocated to reserves	(294)
	<u>5,251</u>

Statement of Accounting Policies

Reporting Entity

Southland Regional Council is a regional council governed by the Local Government Act 2002.

The entity being reported on is the Southland Regional Council. Environment Southland (“the Council”) is the brand name of the Southland Regional Council. The financial statements do not include the consolidated prospective financial statements of South Port New Zealand Limited, because the information is unavailable from this listed public company.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Statement of Compliance

The prospective financial statements have been prepared in accordance with Section 111 of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The prospective financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for public benefit entities, including FRS 42, Prospective Financial Statements.

All available public benefit entity reporting exemptions under NZ IFRS have been adopted.

The following accounting policies which materially affect the measurement of results and financial position have been applied.

Basis of Preparation

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods if the revision affects both current and future periods.

The prospective financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

The prospective financial statements are presented in thousands of New Zealand dollars, which is the Council's functional currency.

Significant Accounting Policies

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents receivables for goods and services provided in the normal course of business, net of discounts and GST.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

Rates Revenue

Rates revenue is recognised when it is levied.

Other Revenue

Revenue from services rendered is recognised when it is probable that the economic benefits associated with the transaction will flow to the Council. The stage of completion at balance date is assessed based on the value of services performed to date as a percentage of the total services to be performed.

Government grants are recognised as income when eligibility has been established with the grantor agency. The Council receives central government contributions, as follows:

For	From
Regional Civil Defence	Ministry of Civil Defence
Land Transport	NZ Transport Agency
Marine Oil Spills	Maritime New Zealand

Grants and bequests are recognised when control over the asset is obtained.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividends are recognised when the entitlement to the dividends is established.

Other Gains and Losses

Net gains or losses on the sale of investment property, property plant and equipment, property intended for sale and financial assets are recognised when an unconditional contract is in place and it is probable that the Council will receive the consideration due.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when a qualifying application has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(a) **Council as Lessor**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

(b) **Council as Lessee**

Rentals payable under operating leases are charged to the Prospective Statement of Financial Performance on a basis representative of the pattern of benefits to be derived from the leased asset.

Taxation

The Council is exempt from income tax in accordance with the Income Tax Act 2007, Section CW 39, but has other tax obligations with regard to Goods and Services Tax, Fringe Benefit Tax, Pay as you Earn Tax (PAYE) and Withholding Tax.

Goods and Services Tax

Prospective revenues, expenses, assets and liabilities are recognised net of the amount of Goods and Services Tax (GST), except for receivables and payables which are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and other short-term highly liquid investments that are readily convertible to a known amount of cash.

Financial Instruments

Financial assets and financial liabilities are recognised on the Council's Prospective Statement of Financial Position when the Council becomes a party to contractual provisions of the instrument.

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss which are initially valued at fair value.

(i) Financial Assets

Financial Assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity" investments, "available-for-sale" financial assets, and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method referred to below, is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- has been acquired principally for the purpose of selling in the near future;
- is a part of an identified portfolio of financial instruments that the Council manages and has a recent actual pattern of short-term profit-taking; or
- is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in the Prospective Statement of Financial Performance. The net gain or loss is recognised in the Prospective Statement of Financial Performance and incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described later in this note.

The Council has classified its managed funds, held currently with Forsyth Barr and OnePath, as financial assets at fair value through profit or loss. These funds include cash, bonds and equities. Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the Prospective Statement of Financial Performance.

Held-to-Maturity Investments

Investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

The Council does not hold any financial assets in this category.

Available-for-Sale Financial Assets

Certain equity investments held are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described later in this note. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, with the exception of interest calculated using the effective interest method and impairment losses which are recognised directly in the Prospective Statement of Financial Performance. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the Prospective Statement of Financial Performance for the period.

Dividends on available-for-sale equity instruments are recognised in the Prospective Statement of Financial Performance when the Council's right to receive payments is established.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable future receipts that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is expensed in the Prospective Statement of Financial Performance.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Prospective Statement of Financial Performance.

(ii) **Financial Liabilities**

Trade and Other Payables

Trade payables and other accounts payable are recognised when the Council becomes obliged to make future payments resulting from the purchase of goods and services.

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.

Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Prospective Statement of Financial Performance over the period of the borrowing using the effective interest method.

(iii) **Derivative Financial Instruments**

The Council does not hold derivative financial instruments.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis with an appropriate allowance for obsolescence and deterioration.

Property, Plant and Equipment

The Council has the following classes of property, plant and equipment.

(a) **Operational Assets**

Operational assets include Council owned land, buildings, rental land, rental buildings, motor vehicles and other plant and equipment.

(b) **Infrastructural Assets**

Infrastructural Assets are those fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function:

- stopbanks and earthworks;
- bridges;
- large culverts;
- tidegate structures.

Cost

Property, plant and equipment is recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition. When significant, interest costs incurred during the period required to construct an item of property, plant and equipment are capitalised as part of the asset's total cost.

Depreciation

Operational and infrastructural assets with the exception of land, are depreciated on either a straight-line (SL) or diminishing value (DV) basis depending on the class of asset. Depreciation rates are calculated to allocate the cost depending on the class less estimated residual value over their estimated useful life.

The nature of infrastructural stopbanks and earthworks assets is considered equivalent to land improvements and as such they do not incur a loss of service potential over time. Accordingly, stopbanks and earthworks assets are not depreciated. Other infrastructural assets are depreciated on a straight-line basis to write off the cost of the asset to its estimated residual values over its estimated useful life.

Expenditure incurred to maintain these assets at full operating capability is charged to the Prospective Statement of Financial Performance in the year incurred.

The following estimated useful lives are used in the calculation of depreciation in the Prospective Statement of Financial Performance:

Asset	Life
Operational Assets	
Land	Unlimited
Buildings	2%-10% DV
Rental land	Unlimited
Rental buildings	2% - 10% DV
Other plant and equipment	2.5% - 10% DV/SL
Motor vehicles	15% SL
Infrastructural Assets	
Stopbanks and Earthworks	Unlimited
Bridges	1% SL
Large Culverts	1% - 2.5% SL
Tidegate Structures	1% - 2.5% SL

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Disposal

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Prospective Statement of Financial Performance in the period the asset is derecognised.

Impairment

The carrying amount of the non-current assets is reviewed at each balance date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Prospective Statement of Financial Performance.

Impairment of Non-Financial Assets

At each reporting date, the Council reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

In assessing value in use for cash-generating assets, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Council in respect of services provided by employees up to reporting date.

Superannuation Schemes

Defined Contribution Schemes

Contributions to defined contribution superannuation schemes are expensed when incurred.

Provisions

Provisions are recognised when the Council has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity consists of a number of reserves to enable clearer identification of the specified uses that the Council makes of its accumulated surpluses.

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

The components of equity are:

- lease area balances;
- special reserves;
- rating district balances; and
- retained earnings.

Restricted and Council Created Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council 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.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Foreign Currency

Foreign Currency Transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in the Statement of Financial Performance in the period in which they arise.

Cash Flow Statement

Cash means cash balances on hand, held in bank accounts and demand deposits the Council invests in as part of its day to day cash management.

Operating activities include cash received from all income sources of Council and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the Council.

Allocation of Overheads

Where possible costs are charged or allocated directly to the beneficiary of the service. The remaining costs have been allocated on the following basis:

Corporate Management	- per staff member
Information Technology	- per computer
Council Servicing/Secretarial	- allocated according to estimated use of services
Administration	- per staff member
Finance	- per staff member

Critical accounting estimates and assumptions

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

Some of the columns and tables in the financial sections of the Annual Plan have not been corrected for minor arithmetic errors resulting from rounding to the nearest thousand dollars.

Funding Impact Statement for 2014/15

This plan covers the third year of information forecast in the Long-term Plan (LTP) 2012-2022. Comparisons are made to budget figures for the current financial year (2013/14) and to what the forecast figures were in year 3 of the LTP (headed LTP 2014/15).

For many, the primary interest is the rates requirement, which flows from the proposed expenditure and funding sources associated with each individual activity.

Annual Plan 2013/14 \$000s		Annual Plan 2014/15 \$000s	LTP 2014/15 \$000s
28,005	Proposed expenditure	28,516	28,269
12,863	Proposed rates	13,729	15,047
45.93%	Proportion rates of expenditure	48.14%	53.23%

The individual rate situation is detailed later in this statement.

Set out below is a Statement of Sources of Funds to be used to fund the proposed expenditure.

Annual Plan 2013/14	Sources of Funds	Annual Plan 2014/15	LTP 2014/15
\$000		\$000	\$000
4,144	General rates - capital value	4,477	5,526
2,275	General rates - UAGC	2,595	2,851
6,232	Targeted rates - land value	6,445	6,457
213	Southern Pest Eradication Society	213	213
8,678	Direct charges revenue	7,837	8,770
1,554	Investment income	1,637	1,634
3,139	Dividends	3,488	3,139
4,406	Transfers from reserves	4,113	2,371
(2,636)	Transfers to reserves	(2,288)	(2,693)
28,005	Total funding	28,516	28,268

Note: Please allow for minor rounding differences when calculating the percentage shift as these numbers have been rounded, for presentational purposes, to the nearest \$1,000.

The funding sources comply with the five strategic objectives in the Financial Strategy adopted in the 2012-2022 Long-term Plan. These objectives are:

1. use of funds accumulated in the past (\$1.991 million for 2014/15 compared with \$0.499 million forecast in the LTP for the same year);
2. apply income from equity and bond portfolio to discount future rate requirements (\$1.637 million for 2014/15);
3. maintain community investment of South Port New Zealand Limited and offset dividend returns to discount future rate requirements (all the forecast South Port dividend is applied - amounts to \$3.488 million for 2014/15);
4. apply the principles, as outlined in the Revenue and Financing Policy, in sourcing external funding, applying a “user pays” approach wherever possible, with the remainder funding through rates (\$7.969 million for 2014/15);
5. make no use of long-term debt but use overdraft facilities prior to annual rate take in October/November.

Forecast expenditure has not been increased significantly, in fact costs were reduced before accounting for increased staffing proposed in Land and Water Services (2.5 FTE) and Policy and Planning (1.0 FTE). The Council continues to apply past surpluses to keep rates below the level they might otherwise be to fund the level of activity needed to meet the Council’s responsibilities. That means the rates proposed for 2014/15, at \$13.695 million, increase by \$0.832 million on 2013/14 but are less than proposed in the LTP by \$1.351 million.

The following table gives a breakdown of each rate:

Rating Comparisons

Rating Forecasts Compares Prior years budget to Annual Plan 2014/15	Annual Plan Forecast 2014/15	Annual Plan Forecast 2013/14	Rating Level Changes	%
Total rates for ES needs	13,516,449	12,650,612	865,837	6.84%
Rates on behalf of Southern Pest Eradication Society	212,669	212,669	0	0.00%
Total rates	13,729,118	12,863,281	865,837	6.73%
Rates for ES needs are				
Catchment	3,083,034	2,911,859	171,175	5.88%
Land Sustainability	950,977	909,184	41,793	4.60%
Biosecurity - excluding bovine TB	1,870,572	1,870,572	0	0.00%
TB Free New Zealand	540,000	540,000	0	0.00%
Total targeted land value based rates	6,444,583	6,231,615	212,968	3.42%
General rate UAGC	2,595,163	2,275,052	320,111	14.07%
General rate - based on capital value	2,818,387	2,601,551	216,836	8.33%
General rate - dairy differential	970,375	977,500	-7,125	-0.73%
General rate - capital value rate on dairy properties	687,942	564,894	123,048	21.78%
	13,516,449	12,650,612	865,837	6.84%
UAGC	\$64.60	\$56.60	\$8.00	14.13%

Rating Forecasts Compares Annual Plan 2014/15 to LTP 2014/15	Annual Plan Forecast 2014/15	LTP Forecast 2014/15	Rating Level Changes	%
Total rates for ES needs	13,516,449	14,834,291	-1,317,842	-8.88%
Rates on behalf of Southern Pest Eradication Society	212,669	212,669	0	0.00%
Total rates	13,729,118	15,046,960	-1,317,842	-8.76%
Rates for ES needs are				
Catchment	3,083,034	2,971,069	111,965	3.77%
Land Sustainability	950,977	965,980	-15,003	-1.55%
Biosecurity - excluding bovine TB	1,870,572	1,944,904	-74,332	-3.82%
TB Free New Zealand	540,000	575,113	-35,113	-6.11%
Total targeted land value based rates	6,444,583	6,457,066	-12,483	-0.19%
General rate UAGC	2,595,163	2,850,974	-255,811	-8.97%
General rate - based on capital value	2,818,387	3,592,507	-774,120	-21.55%
General rate - dairy differential	970,375	1,212,825	-242,450	-19.99%
General rate - capital value rate on dairy properties	687,942	720,919	-32,977	-4.57%
	13,516,449	14,834,291	-1,317,842	-8.88%
UAGC	\$64.60	\$71.00	-\$6.40	-9.01%

The amount of general rates proposed is based on the Revenue and Financing Policy and its application to each activity.

The General Rate on UAGC (\$2,595,163) is more than 2013/14 (by \$320,111). It is calculated by dividing the amount to be funded by the number of rating units in the region (46,202, compared with 46,224 last year). The charge per rating unit is \$64.60 in 2014/15, up by \$8.00 from last year and down \$6.40 on the forecast in the LTP.

Details of the activities funded by UAGC are contained in the Revenue and Financing Policy, but in summary, the proposed UAGC amount funds:

- 100% of the residual cost of community representation;
- 100% of the residual cost of environmental education;
- 100% of the residual cost of Council policy and planning;
- 40% of the residual cost of hazard mitigation;
- 30% of the residual cost of regional planning;
- 20% of the residual cost of environmental monitoring;
- 20% of the residual cost of compliance;
- 5% of the residual cost of catchment planning.

(residual cost means after fees, charges, investment income, differential on the general rate and any reserve transfers)

The general rate on capital value for non-dairy properties is forecast at \$2,818,387, up \$216,836 on 2013/14, but down by \$774,120 on the forecast in the LTP.

Details of the activities funded by UAGC are contained in the Revenue and Financing Policy, but in summary, the proposed general rate funds:

- 60% of the residual cost of hazard mitigation;
- 70% of the residual cost of regional planning;
- 80% of the residual cost of environmental monitoring;
- 25% of the residual cost of consent processing;
- 80% of the residual cost of compliance;
- 55% of the residual cost of catchment planning;
- 30% of the residual cost of river works;
- 10% of the residual cost of land drainage.

(residual cost means after fees, charges, investment income, differential on the general rate and any reserve transfers)

General rates on dairy properties are shown as the general rates on capital value that these properties pay and at \$687,942 they increase by \$123,048. The increase arises largely because of the increased proportion that dairy properties make up of the total rating base and an increase in the number of dairy properties. The dairy differential decreases by \$7,125 to \$970,375.

The dairy differential is applied as follows:

Differential	Legislative Base
<p>The General Rate be set on a differential basis:</p> <ul style="list-style-type: none"> - dairy properties to fund rates presently set out as dairy differential; - all properties to fund the remainder of capital value based general rates set out in this statement. 	<p>Section 13(2)(b), Local Government (Rating) Act 2002</p>
<p>The rateable value of the land to be used is capital value of the land.</p>	<p>Section 13(3)(a)(ii), Local Government (Rating) Act 2002</p>
<p>The category for setting the General Rate differentially is the use to which the land is put.</p>	<p>Schedule 2 Clause 1, Local Government (Rating) Act 2002 as provided in Section 14(b) of the same Act</p>
<p>The differential on the capital value of dairy land, based on the use to which the land is put, will be assigned to the land by the land use data (Rural Industry Dairy) in the district valuation roll (DVR) of each of the three territorial authorities in the Southland region (Southland District Council, Gore District Council and Invercargill City Council). The land identified by use of this categorisation will be cross-checked to Environment Southland farm dairy effluent consent database to ensure that it is accurate. The land classification used will be that applying on 1 July each year being the commencement of the rating year. It will remain in place for that entire rating year. Any change in circumstances that results in a change of differential classification during a rating year will apply from 1 July of the following rating year.</p>	<p>Rating Valuation Rules, Rating Valuations Act 1998</p>

How are my rates calculated?

1. The Basis

Apart from the UAGC discussed earlier in this statement, rates are calculated on property values set under the Rating Valuations Act 1998.

In general, rates for an individual property are worked out by:

- calculating the proportion the individual property represents of the total capital or land value of all properties in the region;
- applying that proportion to the total rates required.

There are minor exceptions for some older drainage schemes which are rated on land area.

The following table outlines the rating bases used by us to calculate individual property proportions and so the rates applying to properties. This total amount of each rate is listed in the rating comparisons page on page 76 and are GST exclusive

Rates	Base	
General Rates	┌	Capital Value
Targeted Rates:		
Biosecurity Rate	┌	Land Value The rate funds the net cost of our Biosecurity activity
TbFree New Zealand Rate	┌	Land Value The rate funds the cost of provision of funding to the TbFree activity
Land Sustainability Rate	┌	Land Value The rate funds the net cost of our Land Sustainability activity.
Catchment Rates as follows:		

Annual Forecast 2013/14 (excl GST)	Scheme Name	Rating Base	No of Categories	Annual Forecast 2014/15 (excl GST)	LTP Forecast 2014/15 (excl GST)
235,881	Aparima Rating District	Land Value	14	254,320	236,245
3,286	Clifton Drainage District	Land Area	2	3,346	3,436
53,164	Duck Creek Drainage District	Land Area	6	53,702	55,265
364,505	Invercargill Rating District	Land Value	4	381,992	372,211
94,759	Lake Hawkins Drainage District	Land Value	3	100,033	97,268
178,046	Makarewa Rating District			187,104	177,320
	- Land within Southland District	Land Value	15		
	- Land within Gore District	Land Value	3		
	- Land within Invercargill District	Land Value	1		
862,507	Mataura Rating District			927,257	882,093
	- Land within Southland District	Land Value	21		
	- Land within Gore District	Land Value	14		
14,637	Otepunui Creek Drainage Dist	Land Area	6	15,287	15,579
699,414	Oreti Rating District			728,787	712,268
	- Land within Southland District	Land Value	19		
	- Land within Invercargill District	Land Value	10		
188,279	Te Anau Rating District	Land Value	11	205,755	197,999
37,940	Waituna Creek Drainage Dist	Land Area	6	42,179	36,911
28,758	Waihopai Drainage District			28,464	28,844
	- Land within Southland District	Land Value	6		
	- Land within Invercargill District	Land Value	6		
71,739	Waiau Rating District	Land Value	9	71,740	73,729
41,325	Waimatuku Drainage District	Land Value	7	43,597	42,589
14,087	Upper Waihopai Drainage Dist	Land Area	6	16,730	12,680
13,418	Upper Waikwi Drainage Dist	Land Area	8	12,857	16,764
2,497	Lower Waikawa Drainage Dist	Mtcs Charge	1	2,178	2,408
7,616	Upper Waikawa Drainage Dist	Land Area	6	7,705	7,461
<u>2,911,858</u>				<u>3,083,034</u>	<u>2,971,069</u>

The categories within schemes allocate costs according to agreed benefit classifications based on soil type, land contour and location, type of work undertaken and catchment boundaries. A breakdown of the classes of rates is appended to this plan. The classification schemes for rates established under classification schemes established under S40-41 or S92(i) Rating Powers Act 1988 and saved under S146 Local Government (Rating) Act 2002 were transferred in the LTP to be targeted rates set under S16-18 of the Local Government Rating Act 2002. Categories associated with your land were detailed on your 2013/14 rates assessment and will be on the 2014/15 assessment too. For further information, please contact us.

In the LTP, provision was made for the use of an internal loan within Catchment funds, to enable the extension of the Waituna rating district funding to the local share for works within the catchment should this be agreed. No finality has been reached with the extension of the Waituna rating district.

2. Property Revaluation Process

Property values in the Southland region are revised on a three yearly cycle, but the revaluations are done in a different year for each of the three Southland territorial authorities. The Gore District Council was the latest territorial to be revalued as at 1 September 2013 and the following table shows the overall changes in valuations by sector for the Gore District Council since the last general revaluation, which was completed in 2010:

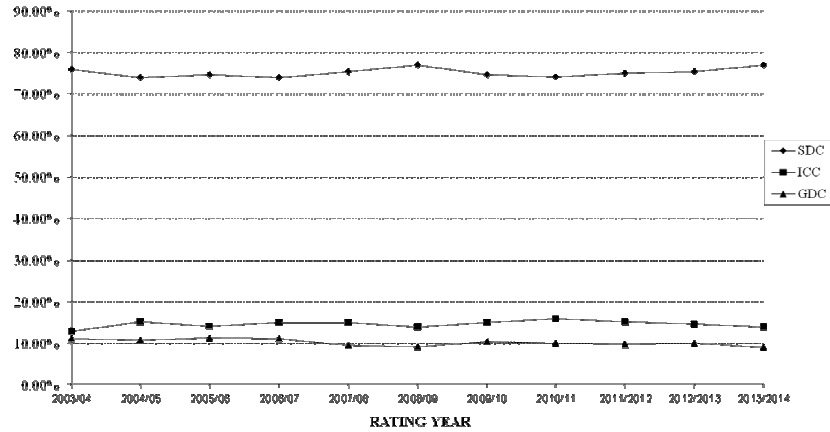
Sector	Average increase in Capital Value	Average increase in Land Value	Average Capital Value
Commercial	0.70%	2.30%	\$466,000
Industrial	0.40%	12.60%	\$559,000
Rural - Dairy	18.30%	18.80%	\$2,950,000
- Pastoral	18.40%	20.10%	\$1,530,000
Lifestyle	7.80%	13.50%	\$435,000
Residential (area dependent)	-11.0% to +17.80%	-64.70% to +17.80%	\$81,000 to \$220,000

As each territorial authority in Southland revalues in a different year, we engage a valuation provider to undertake an annual “estimate of projected valuation” process which applies the trends in the latest general revaluation of Southland District to the totals of the two other councils which were valued earlier. The results of the 2014 projected valuation show changes in the share of Council rates apportioned to each of the territorial local authorities.

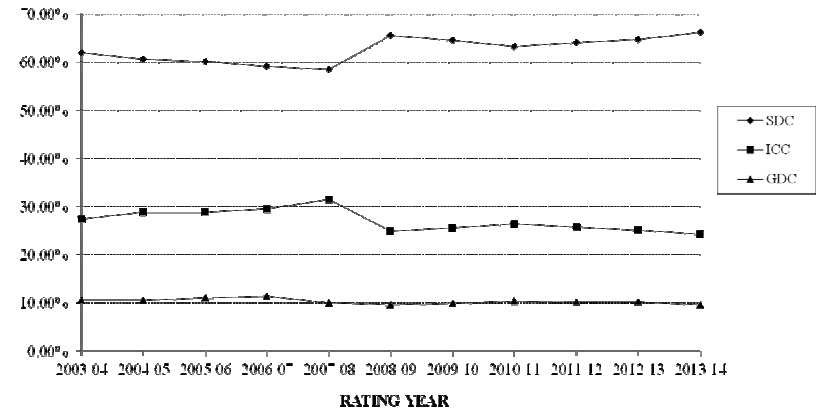
Territorial Local Authority	Land Value		Capital Value	
	Last Year	This Year	Last Year	This Year
	%	%	%	%
Southland District Council	75.42%	76.99%	64.66%	66.18%
Invercargill City Council	14.57%	14.02%	25.05%	24.25%
Gore District Council	10.00%	8.98%	10.29%	9.57%
	\$000s	\$000s	\$000s	\$000s
Southland District Council	12,615,620	13,406,619	17,999,230	18,980,768
Invercargill City Council	2,437,363	2,441,970	6,972,585	6,956,186
Gore District Council	1,673,128	1,563,879	2,865,706	2,745,104
	16,726,111	17,412,468	27,837,521	28,682,058

The following shows the pattern of equalisation over the past 10 years:

EQUALISED COMPARISON - LAND VALUE



EQUALISED COMPARISON - CAPITAL VALUE



3. Do my rates change in line with the overall changes in rates?

Not necessarily. Even if the total rate collected doesn't change, the allocation of rates to individual properties can be affected by changes in the value of a property relative to all other properties. The impact of these changes are less since the introduction of the UAGC but changes in valuation relativities are likely to affect many properties.

Changes in rates allocated to properties may occur within the Southland District. Contrary to many people's fears, that overall increase does not apply to rates on their properties as the arithmetic is to take the new value of the property and divide it over the total new value of the district. However, in cases where the property valuation has changed by more or less than the average overall change, an increase or decrease in the rate on the property will result. The estimate of projected valuation process may also lead to changes in properties in the Gore District and Invercargill City. If the revaluation causes you concern, use the self-calculation indicator levies set out after the rating samples below to enable a comparison to your 2013/14 rates assessment.

The rates on your property may therefore be affected in a number of ways. The following examples show indicative rating effects on sample properties for this year's General Rate, UAGC, Biosecurity Rate and Land Sustainability Rate for the previous four years. Figures are GST inclusive.

The figures do not include samples of the catchment rates, as it is not possible to generalise because the budgets and classification schemes are specific to each catchment.

Location and Details		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Diff from last Year
Invercargill Commercial 1011 m2	Capital Value	\$2,250,000	\$3,000,000	\$3,000,000	\$3,000,000	\$2,475,000	\$2,475,000	\$2,475,000	
	General rate	\$421.81	\$361.59	\$363.99	\$406.53	\$333.32	\$329.28	\$344.50	\$15.22
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$235,000	\$400,000	\$400,000	\$400,000	\$360,000	\$360,000	\$360,000	
	Biosecurity	\$54.11	\$36.48	\$45.25	\$47.57	\$57.08	\$59.79	\$56.93	-\$2.86
	Land Sustainability	\$18.16	\$13.47	\$19.85	\$25.32	\$19.41	\$22.55	\$22.46	-\$0.09
		\$545.57	\$467.94	\$484.49	\$534.62	\$466.52	\$468.22	\$488.49	\$20.27
Invercargill Housing 923 m2	Capital Value	\$233,000	\$285,000	\$285,000	\$285,000	\$340,000	\$340,000	\$340,000	
	General rate	\$43.68	\$34.35	\$34.58	\$38.62	\$45.79	\$45.23	\$47.32	\$2.09
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$98,000	\$195,000	\$195,000	\$195,000	\$185,000	\$185,000	\$185,000	
	Biosecurity	\$22.56	\$17.78	\$22.06	\$23.19	\$29.33	\$30.73	\$29.26	-\$1.47
	Land Sustainability	\$7.57	\$6.57	\$9.68	\$12.34	\$9.98	\$11.59	\$11.54	-\$0.05
		\$125.32	\$115.10	\$121.71	\$129.35	\$141.80	\$144.15	\$152.72	\$8.57
Winton Housing 508 m2	Capital Value	\$200,000	\$200,000	\$235,000	\$235,000	\$235,000	\$235,000	\$235,000	
	General rate	\$27.49	\$35.82	\$29.07	\$31.16	\$32.40	\$30.89	\$34.83	\$3.94
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$78,000	\$78,000	\$94,000	\$94,000	\$94,000	\$89,000	\$89,000	
	Biosecurity	\$14.21	\$12.39	\$10.96	\$10.92	\$15.47	\$14.81	\$15.10	\$0.29
	Land Sustainability	\$4.77	\$4.57	\$4.81	\$5.81	\$5.26	\$5.58	\$5.96	\$0.38
		\$97.96	\$109.18	\$100.24	\$103.10	\$109.84	\$107.88	\$120.49	\$12.61
Gore Housing 852 m2	Capital Value	\$225,000	\$225,000	\$225,000	\$250,000	\$250,000	\$250,000	\$250,000	
	General rate	\$27.79	\$31.05	\$31.62	\$34.37	\$34.61	\$33.75	\$31.48	-\$2.27
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$38,000	\$38,000	\$38,000	\$57,000	\$57,000	\$57,000	\$67,000	
	Biosecurity	\$5.75	\$4.75	\$6.30	\$7.09	\$9.84	\$10.11	\$9.02	-\$1.09
	Land Sustainability	\$1.93	\$1.75	\$2.76	\$3.77	\$3.35	\$3.81	\$3.56	-\$0.25
		\$86.98	\$93.95	\$96.08	\$100.42	\$104.50	\$104.27	\$108.66	\$4.39
Te Anau Housing 830 m2	Capital Value	\$275,000	\$275,000	\$290,000	\$290,000	\$290,000	\$270,000	\$270,000	
	General rate	\$37.80	\$49.26	\$35.87	\$38.45	\$39.99	\$35.49	\$40.02	\$4.53
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$102,000	\$102,000	\$92,000	\$92,000	\$92,000	\$83,000	\$83,000	
	Biosecurity	\$18.58	\$16.20	\$10.73	\$10.69	\$15.14	\$13.81	\$14.08	\$0.27
	Land Sustainability	\$6.23	\$5.98	\$4.71	\$5.69	\$5.15	\$5.21	\$5.56	\$0.35
		\$114.11	\$127.84	\$106.71	\$110.04	\$116.98	\$111.10	\$124.26	\$13.15

Winton Dairy 169 ha	Capital Value	\$3,500,000	\$3,500,000	\$5,460,000	\$5,460,000	\$5,460,000	\$5,800,000	\$5,800,000	
	General rate	\$477.68	\$621.14	\$674.83	\$721.14	\$747.53	\$762.27	\$859.64	\$97.37
	General rate Dairy	\$0.00	\$357.39	\$344.85	\$537.26	\$667.49	\$1,263.17	\$1,212.73	-\$50.44
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$2,900,000	\$2,900,000	\$4,800,000	\$4,800,000	\$4,800,000	\$5,000,000	\$5,000,000	
	Biosecurity	\$426.79	\$459.30	\$561.27	\$557.71	\$788.16	\$831.78	\$848.32	\$16.54
	Land Sustainability	\$176.78	\$169.59	\$243.19	\$296.83	\$268.03	\$313.72	\$334.66	\$20.94
		\$1,132.75	\$1,663.82	\$1,879.54	\$2,168.14	\$2,527.91	\$3,227.55	\$3,319.95	\$92.41
Otaitai Bush dairy 262 ha	Capital Value	\$3,500,000	\$3,500,000	\$5,800,000	\$5,800,000	\$5,800,000	\$6,900,000	\$6,900,000	
	General rate	\$477.67	\$621.14	\$717.46	\$769.08	\$799.76	\$906.84	\$1,022.68	\$115.84
	General rate Dairy	\$0.00	\$357.39	\$383.32	\$571.36	\$748.84	\$1,502.74	\$1,442.73	-\$60.01
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$2,550,000	\$2,550,000	\$4,700,000	\$4,700,000	\$4,700,000	\$5,600,000	\$5,600,000	
	Biosecurity	\$463.21	\$403.87	\$548.16	\$546.19	\$773.63	\$931.59	\$950.11	\$18.52
	Land Sustainability	\$155.45	\$149.12	\$240.45	\$290.74	\$263.08	\$351.37	\$374.82	\$23.45
		\$1,147.83	\$1,587.92	\$1,944.80	\$2,232.57	\$2,642.00	\$3,749.14	\$3,854.95	\$105.81
Centre Bush dairy 245 ha	Capital Value	\$4,050,000	\$4,800,000	\$8,725,000	\$8,725,000	\$8,725,000	\$9,100,000	\$9,100,000	
	General rate	\$552.66	\$851.89	\$1,079.28	\$1,156.94	\$1,203.08	\$1,195.98	\$1,348.75	\$152.77
	General rate Dairy	\$0.00	\$490.13	\$576.64	\$859.50	\$1,126.49	\$1,981.87	\$1,902.74	-\$79.13
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$3,400,000	\$3,500,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,100,000	\$7,100,000	
	Biosecurity	\$617.62	\$554.33	\$816.41	\$813.47	\$1,152.21	\$1,181.13	\$1,204.61	\$23.48
	Land Sustainability	\$207.26	\$204.68	\$358.12	\$433.02	\$391.82	\$445.48	\$475.22	\$29.74
		\$1,429.04	\$2,157.43	\$2,885.85	\$3,318.12	\$3,930.30	\$4,861.06	\$4,995.92	\$134.86
In'gill Dairy farm 178 ha	Capital Value	\$1,300,000	\$3,775,000	\$3,775,000	\$3,775,000	\$3,775,000	\$3,720,000	\$3,720,000	
	General rate	\$239.51	\$448.55	\$458.02	\$511.55	\$514.87	\$494.91	\$517.79	\$22.88
	General rate Dairy	\$0.00	\$258.06	\$244.70	\$380.03	\$455.98	\$820.13	\$730.46	-\$89.67
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$900,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$2,800,000	\$2,800,000	
	Biosecurity	\$205.74	\$270.66	\$339.36	\$356.76	\$380.64	\$465.07	\$442.80	-\$22.27
	Land Sustainability	\$69.05	\$99.93	\$148.86	\$189.90	\$167.10	\$175.41	\$174.69	-\$0.72
		\$565.80	\$1,133.60	\$1,246.34	\$1,493.44	\$1,575.29	\$2,012.11	\$1,930.34	-\$81.78
Edendale Dairy 117 ha	Capital Value	\$2,700,000	\$2,720,000	\$4,150,000	\$4,150,000	\$4,150,000	\$5,650,000	\$5,650,000	
	General rate	\$371.09	\$482.72	\$513.36	\$550.29	\$572.24	\$742.57	\$837.41	\$94.84
	General rate Dairy	\$0.00	\$277.74	\$274.27	\$408.82	\$535.81	\$1,230.51	\$1,181.37	-\$49.14
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$2,150,000	\$2,150,000	\$3,450,000	\$3,450,000	\$3,450,000	\$3,625,000	\$3,625,000	
	Biosecurity	\$391.56	\$341.51	\$402.37	\$400.92	\$567.87	\$603.04	\$615.03	\$11.99
	Land Sustainability	\$131.41	\$126.10	\$176.50	\$213.42	\$193.11	\$227.45	\$242.63	\$15.18
		\$945.56	\$1,284.47	\$1,421.90	\$1,628.65	\$1,925.73	\$2,860.17	\$2,941.04	\$80.87

Gore Rural 180 ha	Capital Value	\$2,175,000	\$2,175,000	\$2,175,000	\$2,635,000	\$2,635,000	\$2,635,000	\$2,900,000	
	General rate	\$268.68	\$300.17	\$305.63	\$362.21	\$364.81	\$355.76	\$365.16	\$9.40
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$1,725,000	\$1,725,000	\$1,725,000	\$2,175,000	\$2,175,000	\$2,175,000	\$2,400,000	
	Biosecurity	\$261.20	\$215.73	\$286.06	\$270.42	\$375.60	\$385.62	\$323.16	-\$62.46
	Land Sustainability	\$87.66	\$79.66	\$125.48	\$143.94	\$127.73	\$145.44	\$127.49	-\$17.95
		\$669.04	\$651.96	\$772.56	\$831.77	\$924.84	\$943.42	\$880.41	-\$63.01
Mossburn Rural 264 ha	Capital Value	\$2,600,000	\$2,600,000	\$4,650,000	\$4,650,000	\$4,650,000	\$4,650,000	\$4,650,000	
	General rate	\$357.34	\$465.71	\$575.21	\$616.59	\$641.18	\$611.13	\$689.20	\$78.07
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$1,950,000	\$1,950,000	\$3,900,000	\$3,900,000	\$3,900,000	\$3,875,000	\$3,875,000	
	Biosecurity	\$355.13	\$309.74	\$454.86	\$453.22	\$641.94	\$644.63	\$657.44	\$12.81
	Land Sustainability	\$119.18	\$114.37	\$199.52	\$241.25	\$218.30	\$243.13	\$259.36	\$16.23
		\$883.15	\$946.22	\$1,284.99	\$1,366.26	\$1,558.13	\$1,555.49	\$1,670.61	\$115.12
Lumsden sheep farm 142 ha	Capital Value	\$1,875,000	\$1,875,000	\$1,875,000	\$2,400,000	\$2,400,000	\$2,425,000	\$2,425,000	
	General rate	\$255.85	\$332.73	\$377.29	\$318.24	\$330.93	\$318.71	\$359.42	\$40.71
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$1,550,000	\$1,550,000	\$1,550,000	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000	
	Biosecurity	\$281.56	\$245.49	\$309.07	\$244.04	\$345.66	\$349.35	\$356.29	\$6.94
	Land Sustainability	\$94.49	\$90.64	\$135.57	\$129.91	\$117.55	\$131.76	\$140.56	\$8.80
		\$683.40	\$725.26	\$877.33	\$747.39	\$850.84	\$856.42	\$920.87	\$64.45
Invercargill Lifestyle 4 ha	Capital Value	\$460,000	\$590,000	\$590,000	\$590,000	\$570,000	\$570,000	\$570,000	
	General rate	\$86.24	\$71.11	\$71.58	\$79.95	\$76.76	\$75.83	\$79.34	\$3.51
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$215,000	\$320,000	\$320,000	\$320,000	\$305,000	\$305,000	\$305,000	
	Biosecurity	\$49.50	\$29.18	\$36.20	\$38.05	\$48.36	\$50.66	\$48.23	-\$2.43
	Land Sustainability	\$16.61	\$10.77	\$15.88	\$20.26	\$16.45	\$19.11	\$19.03	-\$0.08
		\$203.85	\$167.46	\$179.06	\$193.46	\$198.27	\$202.20	\$211.20	\$9.00
Nightcaps Housing 1012 m2	Capital Value	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$43,000	\$43,000	
	General rate	\$4.54	\$5.91	\$4.08	\$4.38	\$4.55	\$5.65	\$6.37	\$0.72
	Uniform Charge	\$51.50	\$56.40	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$8.00
	Land Value	\$2,000	\$2,000	\$9,000	\$9,000	\$9,000	\$11,000	\$11,000	
	Biosecurity	\$0.36	\$0.32	\$1.05	\$1.05	\$1.48	\$1.83	\$1.87	\$0.04
	Land Sustainability	\$0.12	\$0.12	\$0.46	\$0.56	\$0.50	\$0.69	\$0.74	\$0.05
		\$56.52	\$62.75	\$60.99	\$61.18	\$63.24	\$64.77	\$73.58	\$8.81

4. **What are my rates likely to be?**

The following table sets out the indicative rates levy amounts for the general rate on Capital Value, including the dairy differential, if applicable, the Uniform Annual General Charge, the Biosecurity and Land Sustainability rates. From that, you may wish to calculate an indication of these rates (remember they exclude our catchment rates) for your property for the coming year. Here is the method. You need to know your latest rating valuation and to select the levy for the territorial authority area containing your property. This will give a GST inclusive amount.

For General Rate - Capital Value					
Select your Territorial Authority	Indicative rates levy estimate	times	The Capital Value of your property	equals	Indicative 2014/15 Capital Value based Rate
Southland District	0.00014821				
Gore District	0.00012592				
Invercargill City	0.00013919				
Southland District Dairy	0.00020909				
Gore District Dairy	0.00017764				
Invercargill City Dairy	0.00019636				
Add UAGC					\$64.60
Total General Rate					
For Biosecurity Rate - Land Value					
Select your Territorial Authority	Indicative rates levy estimate	times	The Land Value of your property	equals	Indicative 2014/15 Land Value based Rate
Southland District	0.00016966				
Gore District	0.00013465				
Invercargill City	0.00015814				
For Land Sustainability Rate - Land Value					
Select your Territorial Authority	Indicative rates levy estimate	times	The Land Value of your property	equals	Indicative 2014/15 Land Value based Rate
Southland District	0.00006693				
Gore District	0.00005312				
Invercargill City	0.00006239				

5. Rating dates

It is proposed that all rates be payable in one instalment by 28 November 2014 and that no discount be provided for early payment. It is further proposed that a 10% penalty will be imposed:

- (i) on any current rates due but not paid by 5.00 pm on the due date;
- (ii) on all rates in arrears as at 1 July that year remaining unpaid on 1 January the following year (this penalty excludes current rates); and
- (iii) on all rates in arrears as at 1 July each year.

For the 2014/15 rates, the following dates will apply:

- rates due 28 November 2014;
- penalties to be applied:
 - 10% on any current rates unpaid at 5.00 pm 28 November 2014;
 - 10% on all rates in arrears as at 1 July 2014 remaining unpaid at 1 January 2015;
 - 10% on all rates in arrears at 1 July 2015.

We recognise that the ratepayers of Gore District Council, Southland District Council and Invercargill City Council are also ratepayers of Environment Southland. We are careful to avoid duplication of effort or funding and to work together with those councils where efficiencies are possible. The aim is that ratepayers are not asked to pay for the same thing twice. We are aware that this practice is not well understood in the community and as a result there is some frustration of community initiatives because the proponents of these initiatives, other funders and councils perceive that Environment Southland somehow accesses ratepayers different from their own.

Consolidated Funding Impact Statement

		LTP
2013/14	2014/15	2014/15
\$000 Sources of Funding	\$000	\$000
6,555 General rates, uniform annual charges, rates penalties	7,202	8,517
6,444 Targeted rates (other than a targeted rate for water supply)	6,657	6,670
0 Subsidies and grants for operating purposes	0	0
8,410 Fees, charges and targeted rates for water supply	7,707	8,639
4,825 Interest and dividends from investments	5,125	4,767
Local authorities fuel tax, fines, infringement fees and other		
0 receipts	0	0
26,234 Total Operating Funding	26,692	28,593
Applications of operating funding		
27,272 Payments to staff and suppliers	27,788	27,561
60 Finance costs	50	61
0 Other operating funding applications	0	0
27,332 total applications of operating funding	27,838	27,622
(1,098) Surplus/(deficit) of operating funding	(1,147)	971
Sources of capital funding		
0 Subsidies and grants for capital expenditure	0	0
0 Development and financial contributions	0	0
0 Increase/(decrease) in debt	0	0
96 Gross proceeds from the sale of assets	108	72
0 Lump sum contributions	0	0
96 Total sources of capital funding	108	72
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
93 - to improve the level of service	106	832
773 - to replace existing assets	2,055	489
(268) Increase/(decrease) in reserves	(2,700)	722
(1,600) Increase/(decrease) in investments	(500)	(1,000)
(1,002) Total sources of capital funding	(1,039)	1,043
1,098 Surplus/(deficit) of capital funding	1,147	(971)
0 Funding Balance	0	0
673 Depreciation expense (not included in the above FIS)	678	648

**Reconciliation between Prospective Funding Impact Statements
and the Prospective Statement of Comprehensive Income**

		LTP
2013/14	2014/15	2014/15
\$000	\$000	\$000
(1,098) Surplus (Deficit) of operating funding from Funding Impact Statement	(1,147)	971
(673) Depreciation	(678)	(648)
(1,771) Net Surplus / (Deficit) before tax in Prospective Income Statement	(1,825)	323

Reserve Funds

Below is a list of council's forecasted reserves for the year 2014/15. It specifies their purpose, activities to which the fund relates and their expected balance at the beginning and end of the financial year with the expected deposits and withdrawals.

Reserve Activity	Forecasted opening balance	Transfers in	Transfers from	Expected closing balance	Purpose of the fund
	\$000	\$000	\$000	\$000	
Office Building Reserve	(63)	86	(85)	(62)	To fund asset replacement
Lease Building Reserves	459	29	0	487	To fund asset replacement
Furniture and Equipment Reserve	83	35	0	118	To fund asset replacement
Plant Replacement Reserve	(348)	123	(163)	(388)	To fund asset replacement
Infrastructure Reserve	399	44	(50)	393	To fund asset replacement
Computer Reserve	(300)	0	0	(300)	To fund asset replacement
Vehicle Renewal Reserve	250	305	(303)	252	To fund asset replacement
Disaster Damage General Reserve	2,000	0	0	2,000	To fund disaster damage
Makarewa Disaster Damage Reserve	141	9	(7)	143	To fund disaster damage in this catchment
Oreti Disaster Damage Reserve	1,297	153	(32)	1,418	To fund disaster damage in this catchment
Mataura Disaster Damage Reserve	1,034	79	0	1,113	To fund disaster damage in this catchment
Aparima Disaster Damage Reserve	406	31	(9)	428	To fund disaster damage in this catchment
Upukerora Disaster Damage Reserve	30	1	0	31	To fund disaster damage in this catchment
Whitestone Disaster Damage Reserve	60	3	0	63	To fund disaster damage in this catchment

Invercargill Disaster Damage Reserve	545	50	0	595	To fund disaster damage in this catchment
Orauea Disaster Damage Reserve	7	0	0	7	To fund disaster damage in this catchment
Te Anau Basin Damage Reserve	35	16	0	51	To fund disaster damage in this catchment
Lower Mararoa Disaster Damage Reserve	51	0	0	51	To fund disaster damage in this catchment
Upper Mararoa Disaster Damage Reserve	15	0	0	15	To fund disaster damage in this catchment
Waiiau Disaster Damage Reserve	1,492	138	(73)	1,556	To fund disaster damage in this catchment
Gratuity Reserve	72	4	0	76	To fund future gratuity payments
Regional Assistance to Projects	6	0	0	6	To assist community projects
Coastal Rentals Fund	253	73	(179)	148	In 2012 used to fund Regional Pest Management Strategy - a one off cost
South Port Special Dividend Reserve	2,028	0	0	2,028	Not yet determined
South Port Share Buy Back Reserve	2,985	0	0	2,985	Not yet determined
Marine Fee Reserve	2,051	1,600	(2,412)	1,239	To fund activities in the Coastal Marine Area
Election Funding Reserve	0	30	0	30	Used to hold funding for events over time (eg election costs over 3 yrs)
Pest Property Reserve Fund	247	16	(18)	245	Biosecurity asset replacement
Pest Plant Reserve	18	0	0	18	Biosecurity asset replacement
Pest Disposal	299	0	0	299	Biosecurity asset replacement. Is proceeds from surplus asset sales.
Waimatuku Stream Disaster Reserve	66	12	(3)	75	Operating balance attributable to old Waimatuku Rating District
Lake Hawkins Pumphouse	246	16	0	263	To fund replacement of Lake Hawkins pumphouse
Total	15,866	2,854	(3,333)	15,387	

The Council has opted to hold investments with fund managers, which can be converted to cash should use of any of these reserves require it. Where interest is provided to reserve funds, it is calculated at 5% per annum (in 2013/14 and prior - 6%).

User Charges

Section 36 of the Resource Management Act 1991

Discount policy for applications processed in excess of statutory timeframes

The Resource Management (Discount on Administrative Charges) Regulations 2010 apply to applications for resource consents processed by Environment Southland and provide for a discount if the application takes longer to process than is allowed under the timeframes specified in the Resource Management Act. No separate discount policy has been adopted by the Council.

User Charges

The Council's user charges are fixed under Section 36 of the Resource Management Act 1991. Regardless of the fixed fee that must be paid on lodgement of an application, the Council only charges actual costs as required by the Act. Refunds are given, or additional fees are charged, whichever is appropriate.

These charges, which include GST, come into effect from 1 July 2014.

Note: The charges below must be read in conjunction with the notes that follow each schedule.

Schedule 1 - Fixed charges payable by the applicant for processing applications for resource consents and related activities

Note : ALL charges are inclusive of GST

Step	Amount	Description
1.1	\$0	Applications for consents for minor activities and facilities that Council has determined no fee should be charged e.g. riparian planting, wildlife habitat enhancement, public jetties and boat ramps (for further details, a copy of the Council's policy on this matter can be provided).
1.2	\$65	Applications for very minor consents where the potential adverse effects are assessed as less than minor, and that require very little assessment or review work by Council staff. Such applications must be processed as non-notified applications, and are granted by a Council Officer under delegated authority. Examples may include whitebait stands and bores.

Step	Amount	Description
		Application for a Certificate of Compliance.
1.3	\$500	<p>Applications for resource consents where the potential adverse effects are assessed as minor, and that require very little assessment or review work by Council staff. Such applications must be processed as non-notified applications, and granted by a Council Officer under delegated authority. Examples may include minor activities that, in some minor way, fail to meet a permitted activity criteria, like a bridge, culvert or septic tank discharge, and some land use consents that do not require any written approvals.</p> <p>Applications to amend resource consents that are processed as non-notified applications, and granted by a Council Officer under delegated authority.</p>
1.4	\$1,000	<p>Applications for resource consents and amendments for resource consents for any activities where the potential adverse effects are assessed as minor, but require a higher degree of review and assessment by Council staff. Such applications must be processed as non-notified applications, and granted by either an officer under delegated authority or the Consents Committee. Examples may include applications for consents for the disposal of farm dairy effluent, medium sized water takes, and small industrial and local body activities.</p> <p>Applications to transfer an activity from one site to another.</p>
1.5	\$1,500	Applications for a resource consent and any resource consent process, such as an amendment or a transfer from one site to another, that requires notification, or limited notification.
1.6	\$2,000	Applications that are notified and receive one or more submissions in opposition and/or that provide conditional support. This fee is in addition to that required in step 1.5, and is payable after the period for submissions has closed. If the application requires a hearing and a fee is payable under Schedule 2, the amount due will be offset by the amount of the fee required under step 1.6.
1.7	\$5,000	Applications that require the commissioning of a report to review and assess the information provided and, where necessary, the effects of the proposed activity. The fixed charge is either \$5,000 or the amount established for the cost of the report, whichever is the lesser.
1.8	\$50	Transfer of a resource consent from one person to another.

Step	Amount	Description
1.9	\$10	Minimum charge for providing copies of plans and information associated with a resource consent (payable by the person requesting the information).
1.10	\$265	Receipt and assessment of investigative reports relating to investigations and earthworks on potentially contaminated land. If time required exceeds 2 hours, additional costs may be imposed as per paragraph 3 below.

Notes to Schedule 1

- 1 The fixed charges are payable when the application is lodged. Applications will not be processed until the Council receives the appropriate amount.
- 2 In accordance with Section 36(5) of the Act, the Council may, in any particular case and at its absolute discretion, remit all or any part of the fees which would otherwise be payable under this Schedule.
Note – where the actual cost of processing the application is less than the fixed charge outlined above, the difference is refunded to the applicant.
- 3 Where the charge is inadequate to recover the Council’s reasonable and actual costs, under Section 36(3) it may also require an additional charge to be paid. This additional charge is subject to the objection and appeal provisions of the Act.

Charges for major consent applications may be significantly in excess of the prescribed amounts. Wherever possible, applicants will be informed of extra costs in advance.

Consent processing costs include staff time, disbursements, legal charges, Iwi consultation fees, consultant(s) fees, and, if applicable, hearing commissioner fees. Before using consultants and commissioners to process resource consent applications and/or audit assessments of environmental effects, staff shall consult with the applicant and advise of the likely cost.

Staff time is charged out at an hourly rate as calculated by the following formula:

$$\frac{\text{Salary} \times 2.5}{1500} + \text{GST}$$

Where an application is for a restricted coastal activity, additional costs are payable to the Minister of Conservation pursuant to the Resource Management (Transitional, Fees, Rents and Royalties) Regulations 1991 and amendments.

- 4 Disbursements may include vehicle and travel costs, public notification under Section 93, typing, photocopying, photography, postage and any other incidental expenses attributable to the matter for which a charge is being levied.

Schedule 2 - Hearing Charges, which includes all processing costs incurred up to the release of the decision by the Hearing Committee

Note: ALL hearing charges are inclusive of GST

Step	Amount	Description
2.1	\$5,000	Fees for hearings assessed as requiring up to one day to be heard and that do not require the Council to engage consultants or appoint a Hearing Commissioner.
2.2	\$10,000	Fees for hearings assessed as requiring up to one day to be heard, and the attendance of one or more external advisors relevant to the activity for which consent is sought. An external advisor may be used to provide legal counsel or relevant expert advice. This fee is also the minimum charge if a Hearing Commissioner is required.
2.3	\$20,000	Fee for hearings assessed as requiring more than one day to be heard, and/or the attendance of one or more external advisors relevant to the activity for which consent is sought, and/or the appointment of a Hearing Commissioner. An external advisor may be used to provide legal counsel or relevant expert advice.
2.4	\$40,000	Fee for significant hearings that require the appointment of one or more Hearing Commissioner(s), or the use of more than one external advisor by the Council for auditing of information, provision of a report and/or attendance at the hearing. Such hearings would generally require more than three working days to be heard.
2.5	\$100,000	Fee for major hearings normally involving a suite of consents that require an external audit, separate legal advice for the Council, and involvement by a number of staff officers. It may also involve the use of Hearing commissioners. This category would generally apply to a proposal for a significant new industry, or a major expansion for an existing one. Such hearings would generally take more than five working days to be heard.

Notes to Schedule 2

- 1 The charges must be paid before the application goes to hearing. Notice of the hearing will not be issued until the Council receives the appropriate amount.
- 2 In accordance with Section 36(5) of the Act, the Council may, in any particular case and at its absolute discretion, remit all or any part of the fees which would otherwise be payable under this Schedule.

Note – where the actual cost of the hearing is less than the fixed charge outlined above, the difference is refunded to the applicant.

- 3 Where the charge is inadequate to recover the Council’s reasonable and actual costs, under Section 36(3), it may also require an additional charge to be paid (this additional charge is subject to the objection and appeal provisions of the Act).

Charges for major consent applications may be significantly in excess of the prescribed amounts.

Wherever possible, applicants will be informed of extra costs in advance.

Consent processing and hearing costs include staff time, disbursements, legal charges, Iwi consultation fees, consultants’ fees, and if applicable, hearing commissioner fees. Before using consultants and commissioners to process resource consents applications and/or audit assessments of environmental effects, staff shall consult with the applicant and advise of the likely cost.

Staff time is charged out at an hourly rate as calculated by the following formula:

$$\frac{\text{Salary} \times 2.5}{1500} + GST$$

- 4 Hearing costs include:-
- (i) Councillors’ meeting expenses and allowances. Where a Hearing Commissioner(s) is used, the Commissioner’s costs are charged;
 - (ii) Council’s legal expenses, including the attendance of counsel at a hearing, if deemed to be necessary; and
 - (iii) cost of investigations and preparation of reports by Council staff and external agencies, where this is deemed necessary to properly consider an application.

Schedule 3 - Annual Administration Charges

Note: ALL administration charges are inclusive of GST

Step	Amount	Description
3.1	\$20	Whitebait stands; minor consents that are granted for a period of less than one year.
3.2	\$45	Minor consents that are granted for more than one year and require minimal administration and record-keeping. Examples are minor water takes, discharges onto land (excluding dairy effluent and industrial wastewater discharges) and structures on lakes and river beds.
3.3	\$100	Common consents that require regular record-keeping and maintenance of the consents database, possibly including the provision for a review of conditions. This category will include activities that are still minor, but require a higher level of administration.
3.4	\$175	Consents that require a higher level of administration, and infrequent contact with the consent holder. The activities authorised may involve consents staff dealing with issues relating to that activity on a regional scale. Examples are marine farming and dairy effluent disposal.
3.5	\$575	Significant consents that require a high level of administration. They also involve consents staff in wider management issues associated with the activity either individually or as a group.
3.6	\$1,150	Major consents that have a significant administrative requirement and necessitate a high level of contact with the consent holder. This category generally only applies to a large industry holding multiple consents.

Notes to Schedule 3

- 1 Administration charges are fixed in order to recover Council costs that are associated with providing a consents processing service and which cannot be charged to an individual user. These costs are incurred through activities such as maintenance of a consents database, provision of expiry notices, responding to requests for information on consents generally, and meeting with consent holders to discuss matters relating their consents.
- 2 Applicants will be advised when lodging an application what the administration charge for that consent will be.

Schedule 4 - Annual consent monitoring and inspection charges

Schedule 4.1 - Fixed charges for consent inspections/monitoring

Note : ALL fixed inspection/monitoring charges are inclusive of GST

Step	Amount	Description
4.1.1	\$60	Compliance monitoring charge for consents requiring reporting of commencement and/or completion of works, or for each single minor report due during the current financial year (e.g. CSWA logs, bore logs, pond construction reports, inactive water takes).
4.1.2	\$385	Discharge permits relating to the disposal of dairy and piggery effluent. The number of inspections are determined in accordance with the individual consents and the likelihood of significant adverse effects from the activity impacting on the environment. Consents with higher risk due to poor compliance history, large scale of operation or location relative to sensitive environments may incur more than one inspection a year. A minimum of one inspection per dairy effluent discharge permit per year should be expected for all farms. Any subsequent inspections may be completed by aerial survey. Where significant non-compliance is detected, farms may be re-inspected by ground inspection. Cost is per inspection undertaken.
4.1.3	\$385	Wintering Pads – inspection of operation of wintering pads. If the consent covers both wintering pad and dairy shed effluent, both require inspection in any year.
4.1.4	\$95	Whitebait stands other than the Hollyford and Awarua Rivers.
4.1.5	\$200	Whitebait stands on the Hollyford and Awarua Rivers.
4.1.6	\$0.51/m ³	For the supervision, inspection/monitoring and administration of all activities associated with gravel extraction in the beds of rivers. All charges associated with alluvial gravel extraction which are specified in any inspection/monitoring schedule are recovered via this fee.
4.1.7	\$1,000	Additional charge per occasion for following up the non-provision of data or inadequate provision of data by a consent holder in accordance with their consent. (This large increase accounts for the fact that it is more economical for the consent holder to be non-compliant than compliant.)
4.1.8	\$300	For the receipt and processing of irrigation water take information for large volume* consents. Charges will be applied per consent that requires water take volume data due during the current financial year.

Step	Amount	Description
4.1.9	\$55	For the receipt and processing of water take information for small to medium volume* consents. Charges will be applied per consent that requires water take volume data due during the current financial year.
4.1.10	\$25	From 2012/13, charge applicable to all current consents for Compliance Division database management.
4.1.11	\$90 plus individual laboratory fees	Surface water sampling result analysis when combined with a discharge permit inspection on the property. Excludes travel costs and field staff costs, as these are included in the discharge permit monitoring fee. However, recoveries are still necessary for preparation, database entries, sample result analysis and letter compilation, plus no samples with inspections.
4.1.12	\$240 plus individual laboratory fees**	Surface water sampling when not combined with an effluent discharge consent inspection on the property. This charge is per sampling occasion.
4.1.13	\$210 plus individual laboratory fees	Groundwater sampling costs with sample taken.
4.1.14	\$175	Groundwater sampling costs with no sample taken.

***Classification of Consents**

Groundwater and surface water takes are individually rated as large or small to medium based on consideration of the following factors:

1. water takes for dairy operation are considered medium to small;
2. size of extraction - if water taken is greater than 5 litres/second, it will be classified as large unless the annual consented volume of the take is below 100,000 m³.
3. Schedule 4.2 will apply to the processing, recording and compliance monitoring of information required by water take consents that are for industrial purposes.

**On occasions, either due to officer discretion or physical conditions, it is not possible to take a sample. In these circumstances, only the base fee will be charged.

Schedule 4.2 - Individual site charges

The funding policy requires that consent inspection/monitoring, or audit of self-monitoring, be undertaken at actual cost. The Council has assessed charges for individual site visits (which may include multiple consents), and will recover the reasonable actual cost using the following distance and time charges:

Vehicle: \$0.42 km + GST

Staff time: Time will be charged out at an hourly rate calculated by the following formula:

$$\frac{\text{Salary} \times 3.0}{1500} + \text{GST}$$

Sample analysis: Actual cost at IANZ accredited laboratory

Disbursements: Actual cost

Examples of when this formula is used include calculating of charges for bridge and culvert construction inspections.

Schedule 4.3 - Locality charges

In order to maximise efficiency, inspections of some groups of similar consents occur together. The total actual costs will be assessed using the following distance and time charges:

Vehicle: \$0.42 km + GST

Total staff time: Time will be charged out at an hourly rate calculated by the following formula:

$$\frac{\text{Salary} \times 3.0}{1500} + \text{GST}$$

Sample analysis: Actual cost at IANZ accredited laboratory

Disbursements: Actual cost

The total actual cost for each group of consents will be apportioned as follows:

Marine farms – Stewart Island

(Total actual cost/total ha marine farms) x number of ha of marine farming licence held by consent holder in this locality.

Marine farms – Bluff

(Total actual cost/total ha marine farms) x number of ha of marine farming licence held by consent holder in this locality.

CMA structures

The structure inspections are undertaken on a three yearly basis, with the costs spread over three years.

Stewart Island boatsheds and jetties

Annual cost = (total actual cost/number of consented structures) /3

Fiordland barges, fishing industry facilities, jetties and moorings (Yates Point to Puysegur Point)

Annual cost = (total actual cost/number of consented structures) /3

South Coast (remainder of Environment Southland controlled coastline)

Annual cost = (total actual cost/number of consented structures) /3

Water takes for irrigation

Inactive - Nil return - Step 4.1.1

(not used that season)

Active - Step 4.1.7, 4.1.8 or 4.1.9

Schedule 4.4 - Additional monitoring charges

Where the assessed charge is inadequate to recover the Council's reasonable and actual costs for inspecting/monitoring of consents, additional inspection/monitoring charges and re-inspection of consents charges pursuant to Section 36 Resource Management Act 1991 will be recovered using the formula set out in Schedule 4.2. These additional inspection/monitoring charges will also apply to additional inspections/monitoring (including the costs of investigation and mitigation) required as a result of complaints regarding consented activities.

Schedule 4.5 - Information and Documentation provision charges

Provision of information in respect of plans and resource consents (Section 36(1)(e) and (f)). The first half hour of staff time will not be charged, however, thereafter the reasonable actual costs will be charged to the person requesting the documents or information using the following standard formula for staff time:

$$\text{Total staff time: } \frac{\text{Salary} \times 3.0}{1500} + \text{GST}$$

Schedule 5 - Charges payable for the preparation of, or change to, the Regional Policy Statement or a regional plan

Note: ALL fixed processing charges are inclusive of GST

Step	Amount	Description
5.1	\$1,000	Preliminary fixed charge payable at the time of lodging applications or requests for preparation of or change to the Regional Policy Statement or any regional plan.
5.2	\$3,000	Should the request be accepted but not adopted by the Council.

Notes to Schedule 5

- 1 The charges are payable when the application is lodged. Applications will not be processed until the Council receives the appropriate amount.
- 2 Where the charge is inadequate to recover the Council's reasonable and actual costs, under Section 36(3) it may also require an additional charge to be paid (this additional charge is subject to the objection and appeal provisions of the Act).

Where charges may be significantly in excess of the prescribed amount, applicants will be informed of extra costs in advance.

Additional charges may include staff time, disbursements, legal charges, Iwi consultation fees, and consultant(s) fees. Before using consultants, staff shall consult with the applicant and advise of the likely cost.

Staff time is charged out at hourly rate as calculated by the following formula:

$$\frac{\text{Salary} \times 2.5}{1500} + \text{GST}$$

- 3 Disbursements may include vehicle and travel costs, public notification under Section 93, typing, photocopying, photography, postage and any other incidental expenses attributable to the matter for which a charge is being levied.

Schedule 6 - Annual Research and Monitoring Charges

Note: ALL research and monitoring charges are inclusive of GST

Schedule 6.1 Surface water takes

- A charge of \$1.76 per cubic metre authorised as a maximum daily take.
- Minimum of \$141, maximum of \$7,050, per consent.
- Municipal and stockwater charges reduced by 50%.

Schedule 6.2 Groundwater takes

- A charge of \$0.97 per cubic metre authorised as a maximum daily take.
- Minimum of \$194, maximum of \$1,940, per consent.
- Municipal and stockwater charges reduced by 50%.

Notes to Schedule 6

- 1 These charges reflect Council's policy to recover from resource consent holders 10% of the costs of research and monitoring related to surface water quality and quantity and 33% of the costs of research and monitoring related to groundwater quality and quantity.
- 2 Surface water and groundwater take resource consents granted prior to 31 March each year shall be liable for one-twelfth the annual charge for each month or part thereof. Resource consents granted after 31 March each year shall not incur a charge until the following year.

Incident Cost Recovery Charges

Local Government Act 2002

The following is the charging method that will be applied from 1 July 2014:

“Pursuant to Section 150 of the Local Government Act 2002 (hereafter referred to as “the Act”) the Southland Regional Council hereby gives notice that it has adopted the following schedules of charges for the recovery of the costs of inspections that are not otherwise recoverable pursuant to Section 36 of the Resource Management Act 1991.”

“Inspection” – the term inspection is defined as the action(s) taken by Council to form a judgment on whether there has been compliance with a consent, plan, national environmental standard or the Resource Management Act, 1991.

Investigation and Mitigation costs for non-consented activities

Vehicle: \$ 0.42 km + GST

Staff time: Time will be charged out at an hourly rate calculated by the following formula:

$$\frac{\text{Salary} \times 3.0}{1500} + \text{GST}$$

Sample analysis: Actual cost at IANZ accredited laboratory

Disbursements: Actual cost

Biosecurity Act 1993

The following is the charging method that will be applied from 1 July 2014:

“Pursuant to Section 128 of the Biosecurity Act (hereafter referred to as “the Biosecurity Act”) the Southland Regional Council hereby gives notice that it has adopted the following schedule of charges for the recovery of the costs of inspection, investigation, and cleaning up or remedying those incidents.”

Investigation and Enforcement costs to comply with Regional Pest Management Strategy Rules

1 General Costs and Expenses

Vehicle: \$ 0.42 km + GST

Staff time: Time will be charged out at an hourly rate calculated by the following formula:

$$\frac{\text{Salary} \times 2.5}{1500} + \text{GST}$$

Disbursements: Actual cost

2 Urban Properties

Properties within the urban area defined in the Regional Pest Management Strategy will incur a minimum administration charge of \$100 (incl GST) where compliance action is required. Where the cost of achieving compliance exceeds the fee, those additional costs will also be recovered in accordance with the Regional Pest Management Strategy rules.

3 Rural Properties

Properties within the rural area defined in the Regional Pest Management Strategy will incur a minimum administration charge of \$200 (incl GST) where compliance action is required. Where the cost of achieving compliance exceeds the fee, those additional costs will also be recovered in accordance with the Regional Pest Management Strategy rules.

General Cost Recovery Charges

Building Act 2004 – Section 243 Charges – Dam Safety & Building Control

The following charges will apply to the Dam Safety and Building Control activities.

Note: ALL processing charges are inclusive of GST

1 Project Information Memorandum for a Dam

Amount	Description
\$1,000	Preliminary fixed charge payable at the time of lodging an application for a Project Information Memorandum for a dam.
\$100	Fixed charge for the issue of a Resource Management Certificate under Section 37 of the Building Act 2004.

2 Notices to Fix (NTF)

2.1 *Issue of NTF*

Actual cost based on time and disbursements criteria below.

2.2 *Inspection(s) of building work under NTF*

Actual cost based on time and disbursements criteria in 4 below.

2.3 *Offence proceedings for failure to comply with NTF*

Actual cost based on time and disbursements criteria in 4 below.

3 Any other activity under the Building Act

Actual cost based on time and disbursements criteria in 4 below.

4 Additional costs and expenses

Vehicle: \$0.42/km + GST

Staff time: Time will be charged out at an hourly rate calculated by the following formula:

$$\frac{\text{Salary} \times 2.5}{1500} + \text{GST}$$

Disbursements: Actual cost

Southland Regional Council Navigation Safety Bylaws

Schedule 2 of the bylaws lists processing fees for various activities such as:

- ▲ Hot Work Permits;
- ▲ Requests for Shut Down of Motive Power;
- ▲ Speed Uplift.

Currently, there are no processing fees set for these activities. These fees may be set by Council resolution at any time.

Notes to General Cost Recovery Charges

- 1 The charges are payable when the application is lodged or notice is issued. Applications will not be processed until the Council receives the appropriate amount.
- 2 The Council may, in any particular case and at its absolute discretion, remit all or any part of the fees which would otherwise be payable under this section.
Note - where the actual cost of processing the application is less than the fixed charge outlined above, the difference is refunded to the applicant.
- 3 Where the charge is inadequate to recover the Council's reasonable and actual costs, it may also require under Section 33 of the Building Act 2004 an additional charge to be paid.

Staff time is charged out at an hourly rate as calculated by the above formula.
- 4 Disbursements may include vehicle and travel costs, typing, photocopying, photography, postage and any other incidental expenses attributable to the matter for which a charge is being levied.

Coastal Occupation Charges

Note: Charges are exclusive of GST

Policy 9.1.9 of the Regional Coastal Plan sets out the regime for establishing a coastal occupation charging regime to persons who occupy Crown land, to the full or partial exclusion of others, in the coastal marine area of Southland. The Council established these charges under Section 401(A)(3) of the Resource Management Act 1991 prior to 1 July 1999.

Rule 9.1.4 of the Regional Coastal Plan sets out the circumstances when the coastal occupation charge will be imposed; any exemptions from a charge; and an indication of how the money received will be used.

The charging rate is linked to the Consumer Price Index (CPI) so that the charging rates are altered each year as at 30 September and rounded to the nearest 10 cents. The charges, as at 30 September 2013, are as follows:

Activity	as at 2013
Commercial activities, excluding Riverton Harbour wharves	
1a - Any structure, marine farm, boat building/repair structure, boatshed or other commercial activity	\$601.61
1b - Boat storage facility on water (for more than 10 boats), including marinas, moorings, boat parks, or canal housing	\$601.61
per metre of berth pa	\$16.99
additional sum for every swing mooring	\$118.91
Non-commercial activities, excluding Riverton Harbour wharves	
2a - Structures up to and including 14 m ²	\$84.93
2b - Structures between 14 m ² and 28 m ²	\$162.79
2c - Structures between 28 m ² and 56 m ²	\$325.58
2d - Structures between 56 m ² and 84 m ²	\$410.51
2e - Structures exceeding 84 m ²	\$601.61
2f - Any boatshed	\$162.79

**Other activities (whether commercial or non-commercial),
including Riverton Harbour wharves**

3 - Any pipeline used solely for individual domestic purposes (including stormwater and water supply purposes)	\$84.93
3b - Any pipeline (other than above) or submarine or buried cable	\$120.32
Plus additional sum if longer than 30 m (per 30 m length pa)	\$21.23
Up to a maximum sum pa	\$601.61
3c - Any pile moorings	\$84.93
or per metre pa whichever is the higher sum	\$16.99
3d - Any swing mooring for which preferential or exclusive use is required (i.e. moorings that require a coastal permit under Rule 13.2.8)	\$118.91
3e - Any wharf in Riverton Harbour (per metre of length pa)	\$11.71

Proposed Catchment Rates 2014/15

– a breakdown of the classes of rates

Scheme 424 - Duck Creek

Works rates on land area to raise \$61,757 for drainage maintenance

Class	Ratio	Rate per Hectare
A	24	\$34.74302414
B	20	\$28.95252012
C	8	\$11.58100805
D	4	\$5.79050402
E	2	\$2.89525201
F	1	\$1.44762601

Scheme 436 - Otepuni Creek

Works rates on land area to raise \$17,580 for drainage maintenance

Class	Ratio	Rate per Hectare
A	6	\$10.25283738
B	5	\$8.54403115
C	4	\$6.83522492
D	3	\$5.12641869
E	2	\$3.41761246
F	1	\$1.70880623

Scheme 441 - Upper Waihopai River**Works rates on land area to raise \$19,240 for drainage maintenance**

Class	Ratio	Rate per Hectare
A	6	\$9.86798365
B	5	\$8.22331971
C	4	\$6.57865577
D	3	\$4.93399183
E	2	\$3.28932788
F	1	\$1.64466394

Scheme 442 - Upper Waikawa River**Works rates on land area to raise \$8,861 for stream bank protection**

Class	Ratio	Rate per Hectare
A	15	\$11.41141895
B	10	\$7.60761264
C	9	\$6.84685137
D	6	\$4.56456758
F	3	\$2.28228379

Scheme 443 - Upper Waikiwi River**Works rates on land area to raise \$14,786 for drainage maintenance**

Class	Ratio	Rate per Hectare
A	22	\$18.02188845
B	12	\$9.83012097
C	8	\$6.55341398
D	6	\$4.91506049
E	2	\$1.63835350
F	1	\$0.81917675
U1	20	\$16.38353496
U2	10	\$8.19176748

Scheme 448 - Waituna Creek

Works rates on land area to raise \$48,506 for drainage maintenance

Class	Ratio	Rate per Hectare
A	8	\$8.79989517
B	7	\$7.69990827
C	6	\$6.59992137
D	5	\$5.49993448
E	3	\$3.29996069
F	1	\$1.09998690

Scheme 978 - Clifton Drainage

Works rates on land area to raise \$3,848 for drainage maintenance

Class	Ratio	Rate per Hectare
A	20	\$15.24671655
B	15	\$11.43503741

Scheme 428 - Invercargill Flood Control

Works rates on land value to raise \$439,291 for maintenance of flood control structures

Class	%	Rate per Dollar
M1	16	\$0.00047089
M2	8	\$0.00056394
M3	1	\$0.00124692
M4	75	\$0.00022310

Scheme 434 – Waiiau Rating District

Works rates on land value to raise \$82,501 for flood control, willow control and drainage maintenance

Class	Ratio	Rate per Dollar
C4	1	\$0.00193592
D1	600	\$0.01120084
D2	125	\$0.00233351
E1	10	\$0.00003923
E2	60	\$0.00023540
E3	700	\$0.00274637
F1	1	\$0.00000109
F2	4	\$0.00000437
F3	35	\$0.00003823

Scheme 435 - Lake Hawkins

Works rates on land value to raise \$106,410 for drainage maintenance, pumping operations and pump replacement reserves

Class	Ratio	Rate per Dollar
A	5	\$0.00452133
B	4	\$0.00361707
C	1	\$0.00090427

Scheme 440 - Oreti Rating District

Works rates on land value to raise \$838,105 for flood control and drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A1	3	\$0.00109318
A2	2	\$0.00072878

A3	2	\$0.00072878
A4	1.50	\$0.00054659
A6	1	\$0.00036439
B1	7	\$0.00088006
B2	5	\$0.00062862
B3	11	\$0.00138295
B4	3	\$0.00037717
B6	1	\$0.00012572
C1	3	\$0.00084657
C2	2	\$0.00056438
C3	1	\$0.00028219
C4	0.80	\$0.00022575
C5	0.75	\$0.00021164
E2	1	\$0.00090959
F1	8	\$0.00060489
F2	2	\$0.00015122
F3	2.10	\$0.00015878

(Land within Invercargill City Council)

A2	2	\$0.00070141
A7	2	\$0.00070141
B2	5	\$0.00060501
B5	3	\$0.0003630
B7	0.75	\$0.00009075
C1	3	\$0.00081478
C2	2	\$0.00054319
E2	1	\$0.00087543
F2	2	\$0.00014554
F4	0.28	\$0.00002038

Scheme 445 - Waihopai River

Works rates on land value to raise \$32,734 for drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A	9	\$0.00095345
B	6	\$0.00063564
C	4	\$0.00042376
D	3	\$0.00031782
E	2	\$0.00021188
F	1	\$0.00010594

(Land within Invercargill City Council)

A	9	\$0.00088872
B	6	\$0.00059248
C	4	\$0.00039499
D	3	\$0.00029624
E	2	\$0.00019749
F	1	\$0.00009875

Scheme 1080 - Makarewa Rating District

Works rates on land value to raise \$215,172 for flood control and drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A2	3	\$0.00080461
A3	2	\$0.00053640
A4	1	\$0.00026820
B1	6	\$0.00054367
B2	5	\$0.00045306

B3	5	\$0.00045306
B4	6	\$0.00054367
B5	5	\$0.00045306
B6	5	\$0.00045306
B7	6	\$0.00054367
B8	35	\$0.00317143
C2	3	\$0.00096747
C3	2	\$0.00064498
C4	1	\$0.00032249
F1	1	\$0.00006634

(Land within Gore District Council)

A4	1	\$0.00029830
B3	5	\$0.00050390
F1	1	\$0.00007378

(Land within Invercargill City)

F1	1	\$0.00004190
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Scheme 1101 - Mataura Rating District

Works rates on land value to raise \$1,066,344 for flood control and drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A1	1	\$0.00136413
A2	1	\$0.00136413
B1	25	\$0.00188194
B5	15	\$0.00112917
B6	5	\$0.00037639
B7	5	\$0.00037639

B8	5	\$0.00037639
C1	5	\$0.00091422
C2	3	\$0.00054853
C3	2	\$0.00036569
C4	1	\$0.00018284
C5	5	\$0.00091422
D1	1	\$0.00139758
D2	1	\$0.00139758
E1	3	\$0.00072630
E2	2	\$0.00048420
E5	1	\$0.00024210
E6	1	\$0.00024210
E7	1	\$0.00024210
F1	1	\$0.00011258
F5	0.25	\$0.00002815

(Land within Gore District Council)

A3	2	\$0.00216523
B2	25	\$0.00149356
B3	10	\$0.00059743
C1	5	\$0.00072555
C2	3	\$0.00043533
C3	2	\$0.00029022
C4	1	\$0.00014511
E1	3	\$0.00057641
E2	2	\$0.00038428
E4	3	\$0.00057641
F1	1	\$0.00008935
F2	3	\$0.00026804
F3	3	\$0.00026804
F4	3	\$0.00026804

Scheme 1140 - Aparima Rating District

Works rates on land value to raise \$292,470 for flood control and drainage maintenance

Class	Ratio	Rate per Dollar
A1	4	\$0.00055714
A2	3	\$0.00041786
A3	20	\$0.00278570
B2	5	\$0.00084009
B3	4	\$0.00067207
B4	2	\$0.00033604
C1	3	\$0.00080607
C2	2	\$0.00053738
C3	1	\$0.00026869
E2	1	\$0.00047764
F1	5	\$0.00031306
F2	1	\$0.00006261
F3	0.75	\$0.00004696
F4	2	\$0.00012523

Scheme 584 - Waimatuku Rating District

Works rates on land value to raise \$50,137 for drainage maintenance

Class	Ratio	Rate per Dollar
C1	3	\$0.00036060
C2	2	\$0.00024040
C4	1.25	\$0.00015025
F1	1	\$0.00003705
F2	1.20	\$0.00004446
F3	1.10	\$0.00004076

Scheme 450 – Te Anau Basin Rating District **Works rates on land value to raise \$236,618 for flood control and drainage maintenance**

Class	Ratio	Rate per Dollar
B1	200	\$0.000606247
C4	10	\$1.6659 per ha
D1	15	\$0.000298067
D3	16	\$0.000317938
E1	150	\$0.001959815
E3	750	\$0.009799074
E4	300	\$0.003919630
E5	750	\$0.009799074
F1	5	\$0.000087733
F2	10	\$0.000175466
F3	10	\$0.000175466

District Rated by Annual Maintenance Charge

As authorised by Section 11 Soil Conservation and Rivers Control Amendment Act 1948

Scheme 653 – Lower Waikawa River **to raise \$2,505 for willow control maintenance**

Southern Pest Eradication Society

For collecting revenue for the Southern Pest Eradication Society (SPES) in the year commencing 1 July 2014 and ending on 30 June 2015 as authorised by Section 16 of the Local Government (Rating) Act 2002, to set and assess the following rates to raise \$244,569.

Rates will be assessed on all rating units greater than or equal to 4 hectares contained in the Southland region, south of the Mimihau Stream and east of the Mataura River. The rate will be \$2.48 per hectare.