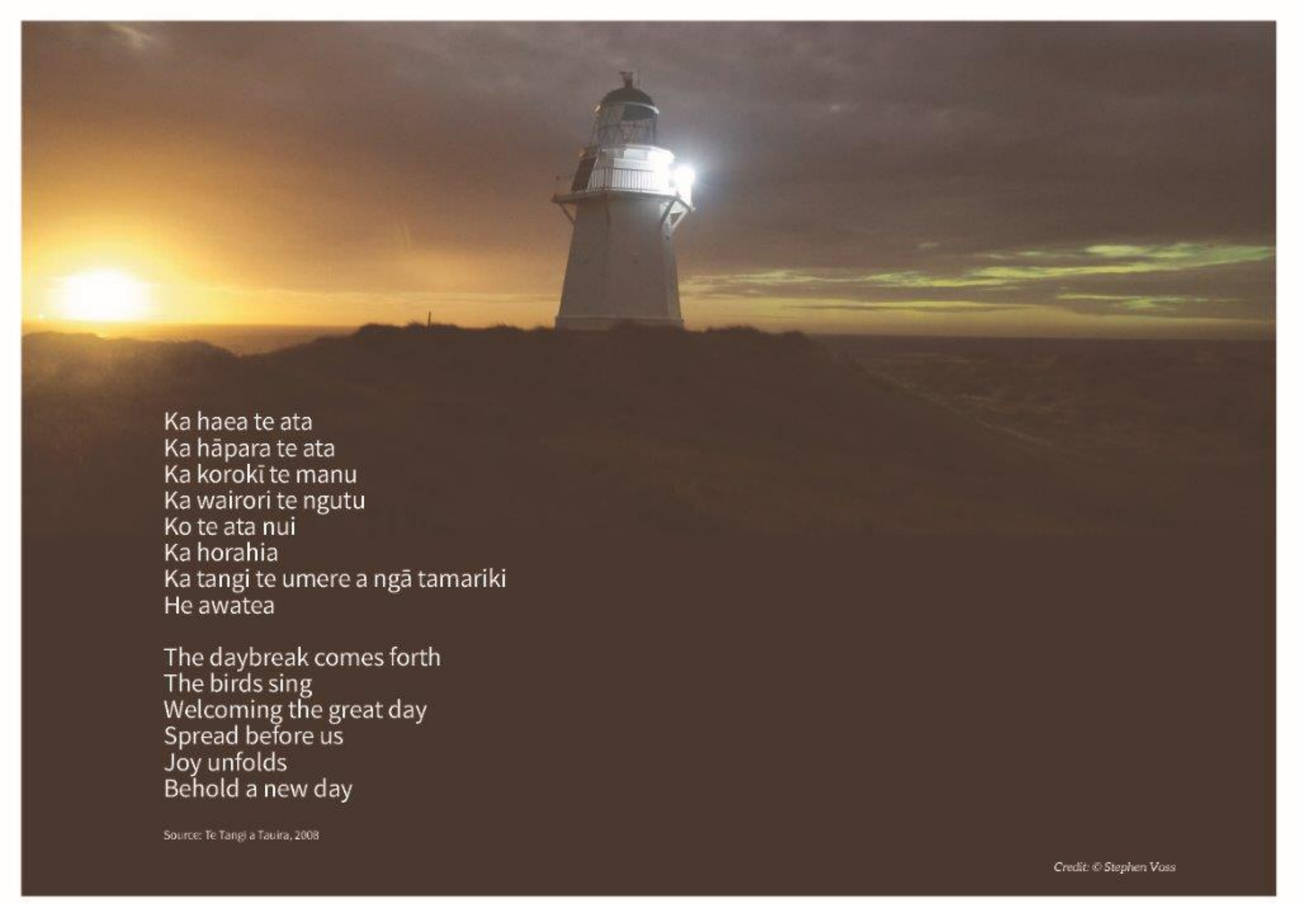


Annual Plan 2016/17



A photograph of a white lighthouse with a dark top section, situated on a dark, silhouetted hill. The sun is rising on the left side of the frame, creating a bright orange and yellow glow that illuminates the sky and the lighthouse's lantern room. The sky is filled with soft, wispy clouds. The overall scene is serene and captures the transition from night to day.

Ka haea te ata
Ka hāpara te ata
Ka korokī te manu
Ka wairori te ngutu
Ko te ata nui
Ka horahia
Ka tangi te umere a ngā tamariki
He awatea

The daybreak comes forth
The birds sing
Welcoming the great day
Spread before us
Joy unfolds
Behold a new day

Source: Te Tangi a Tauria, 2008

Credit: © Stephen Voss

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Introduction



The 2016/17 Annual Plan represents the second year of the Long-term Plan 2015-2025. Pleasingly, we have reduced the rate increase and it is now much lower than was projected.

In preparing this Annual Plan the Council stayed true to its *Big 3* priorities – water, air, biodiversity – as consulted on for the Long-term Plan, while bearing in mind the challenging economic times Southland now faces.

The main purpose of the Annual Plan is to present the 2016/17 budget and any differences to the 2015-2025 Long-term Plan.

There are no surprises. We are doing what we said we were going to do. Any changes are minor and are explained in the following pages.

Ali Timms
Chairman

The 2016/17 Annual Plan aligns with the programmes and budgets outlined in the Long-term Plan and its consultation document, *Southland's Big 3*, which was delivered to all Southland mailboxes.

Recent changes to the Local Government Act mean public consultation on an annual plan is no longer required where, such as this 2016/17 Annual Plan, there are no significant changes. However, people are always welcome to get in touch with councillors on any matter of concern or interest to them at any time.

Environment Southland is taking a proactive, topic-by-topic approach to community engagement. We have engaged on the Air Plan, the Water and Land Plan, the Regional Pest Management Plan and the Fiordland Marine Pathway Plan.

Rob Phillips
Chief Executive

In the future we will continue to engage on the limit setting process, required under the National Policy Statement for Freshwater Management (NPS-FM), and any other significant topics that arise.

As was outlined in *Southland's Big 3*, the first three years of the Long-term Plan are characterised by increased activity and much work is already underway.

There will be an increase in expenditure of \$1,171,000 in 2016/17 on the 2015/16 year. This will be funded by a mix of reserves, surpluses, investment returns, plus \$192,885 from rate increases.

Consequently, the projected overall rate rise in the Long-term Plan of 5.40% has been significantly reduced to 1.32% for 2016/17.

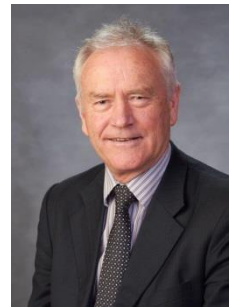
The 2016/17 Annual Plan addresses our responsibilities to

sustainably manage Southland's natural resources, and to maintain our core activities such as drainage and floodbank schemes, and biodiversity programmes.

The Council's strategic plan recognises that Southlanders want a region that is rewarding and prosperous. Rules alone will not achieve this. It's also about providing sound leadership and all of us working together so that Southland's natural resources will continue to underpin our regional economy and quality of life for generations to come.

The 2016/17 Annual Plan was adopted by the Council on 18 May 2016.

There is much work ahead and we look forward to an engaging and productive year.



Your constituent Councillors



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Nicol Horrell,
Deputy Chair, Western
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Fiordland
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Annual Plan process this time around ...

Under the Local Government Act 2002, the Council is required to produce a Long-term Plan every three years, covering the next 10-year period. The Council is also required to prepare an Annual Plan for each financial year that it does not prepare a Long-term Plan – in our case for 2016/17, and 2017/18. The annual plans prepared in the years after the Long-term Plan will only contain budget, funding and financial statements for that year in support of the Long-term Plan.

This is the first Annual Plan produced by the Council under its 2015-2025 Long-term Plan. The purpose of the Annual Plan is to provide an update by exception against the Long-term Plan, which remains the substantive reference document. Most of the material in the Long-term Plan, e.g. explaining why we do what we do, remains current.

This Annual Plan includes financial information for our programmes in this year. The changes from what we had expected to happen in 2016/17 are relatively minor. Those

changes are noted and explained within the next section.

The 2015-2025 Long-term Plan is important as it presents the Council's strategic directions and programmes for the next decade.

The Long-term Plan is put together by the Council with input from the community. In it you will find a description of the activities the Council will be engaged in over the next 10 years, the objectives of those activities and their costs – as accurately as can be forecast over this period.

In addition, the Long-term Plan describes how the Council, through its various activities and programmes will contribute to achieving the long-term outcomes for the community. Many activities focus on ensuring Southland's natural environment and physical resources are sustainably managed for the long-term benefit of the community.

The Long-term Plan also describes how the Council, with the help of the community and other organisations, will work

together to achieve these community outcomes.

There are a number of other more specific documents, plans and strategies that the Council has in place to help it carry out its work. Those were also prepared and reviewed in consultation with the community. The 2015-2025 Long-term Plan brings all the parts together in a single business planning process and document.

The emphasis in preparing this Annual Plan has been to produce a straight-forward document. This has been aided by the Local Government Act 2002, which requires the Council to present only the financial information and deviations from the adopted Long-term Plan.

The other change to the Local Government Act and the role of Annual Plans relates to letting the community know about any adjustments to the second year of the Long-term Plan. If adjustments are relatively minor, the Council does not have to consult with the community. Instead the Council is able to

inform the community of the adjustments. This situation applies for the 2016/17 Annual Plan.

The Council has a Significance and Engagement Policy, which guides its evaluation of the significance of changes and adjustments.

Another aspect that is different to the Long-term Plan process is that there is no requirement to have the 2016/17 Annual Plan audited.

Except where noted, the plans, strategies, programmes and targets established in the 2015-2025 Long-term Plan apply to this Annual Plan and the 2016/17 operations of the Council. Therefore it is important that the Long-term Plan is read in conjunction with this Annual Plan.

Copies of the Long-term Plan are available from Environment Southland or the Council's website (www.es.govt.nz).

2016/17 Annual Plan and how it differs to the 2015-2025 Long-term Plan

To determine how the Annual Plan might differ to the Long-term Plan an internal survey was undertaken.

Councillors and executive staff reviewed the resulting list of items and reduced it on the basis of relevance, importance, and urgency.

Those short-listed items of identified differences were then tested by the Council to decide

whether the differences were “significant or material” from the content of the Long-term Plan for the 2016/17 year (*Section 95, Local Government Act 2002*).

The significance tests included the threshold tests contained in the *Significance and Engagement Policy* and specifically related to expenditure and project financial criteria and associated impact on levels of service. Materiality tests revolved around any changes to

the financial strategy or funding impact statement.

If the tests showed that any proposed changes were minor or relatively minor, the Council has the option of not formally consulting the public any further than it did for the Long-term Plan.

From our process, the Council did not identify any significant or material differences between the proposed Annual Plan and the

content of the 2015-2025 Long-term Plan.

Accordingly, the Council has chosen to use the informing option from its *Significance and Engagement Policy*.

A number of other aspects of the Long-term Plan have changed usually for the better, and we have set these matters out for your information under three broad headings in the next section.

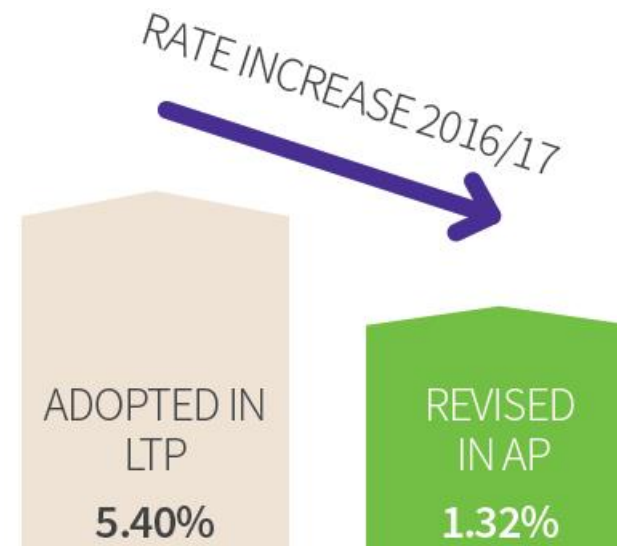
What has changed?

The 2015-2025 Long-term Plan projects, programmes and budgets were prepared towards the end of 2014 and finalised in early 2015.

As can be expected in any business and financial planning scenario, change is inevitable. Some of the changes are sourced from within the organisation as it responds to demand from the community, while other changes

are sourced from external agencies such as the Government. The combination of these factors means that we need to adjust the projects, programmes and budgets in order to respond to those changes.

The changes that have been considered or incorporated into the 2016/17 Annual Plan are set out in the following pages.



Variations to, or departures from, the financial statements and Funding Impact Statement

(see the following two chapters for the financial details)

Rates movement

The Council embarked on an ambitious but critically important 10-year programme with the first three years creating the highest levels of proposed rating impact.

The rate increase adopted in the Long-term Plan for Year 2 (2016/17) was 5.40% (equates to \$789,000).

In light of the challenging economic climate, the Council has made prudent adjustments to the programmes and budgets and utilised a recently released South Port dividend, plus other reserves and surpluses to reduce the rate impact. That means the projected rate increase for the 2016/17 year will be significantly reduced, down

from 5.40% to 1.32% (equates to \$192,885).

Biosecurity

The 2015-2025 Long-term Plan proposed an increase in the Biosecurity rate of 8.30%. The Council has transferred \$100,000 from biosecurity surpluses to

reduce the rates requirement down to 3.67% for the 2016/17 year. This prudent use of biosecurity surpluses assists in reducing the impact while retaining a viable balance of surpluses to assist in future years.

Changes to Proposed Spending or Intended New Spending

Southland airborne geophysical survey

In the 2015-2025 Long-term Plan (pg 47), the Council raised the matter of a proposed airborne geophysical survey to be undertaken by the Ministry of Business, Innovation and Employment across Southland over the next two years.

This survey would supply clear, relevant data and information about Southland's geological structures that would be of direct benefit to Environment Southland's water science programme, and to increasing our understanding of natural hazards in the region.

The Government's multi-million dollar project was for a large area of Southland (and parts of Otago and Marlborough) to be flown but there was a 4,567 km² area that was not part of the Government's planned survey programme.

Venture Southland investigated the feasibility of that area being included in the survey provided the funds were found. The estimated cost at that time for this part of the project was \$686,000.

The Council was asked by Venture Southland to make a commitment to contribute

\$363,000 (50%) as its share of the total costs. The remainder of the funding would be sought from the Southland District Council, Invercargill City Council and Gore District Council.

At the time, the level of contribution sought exceeded the amount set out in the Council's Significance and Engagement Policy. As there was not enough time to consult on this matter for the Long-term Plan it was deferred.

The costs have since been revised and the amount requested of the

Council reduced to \$248,380, which does not trigger the policy's public consultation requirement.

After considerable research and due diligence the Council approved a contribution of up to \$250,000 on 30 September 2015, to be funded from investment fund generated surpluses.

With all funding secured for the project to proceed, work on the data capture commenced in February 2016.

Deferred projects

Mataura catchment rating options

The 2015-2025 Long-term Plan (pg 21) mentions that a request from the Mataura catchment riverside landowners to change the Mataura catchment rating is currently under review and will be consulted on in the 2016/17 Annual Plan. It has since been agreed with the community that the investigation into possible rating options will be dealt with through the 2018 Long-term Plan.

Air Quality Plan Changes – Phase 2

The issues around air quality within the two main urban areas of Invercargill and Gore remains one of the *Big 3* issues the Council is tackling. Those areas are specifically addressed in the Long-term Plan and continue to have funding resources made available to assist them in terms of improving insulation and replacement of home heating appliances with clean burning models.

The Long-term Plan (pp 4 and 21) also mentions the review of the Regional Air Quality Plan, in terms of a second series of changes to the plan to address industrial discharges into the air. Further investigation and monitoring work has been undertaken and it appears that there are insufficient issues or levels of concern being identified to warrant the second phase review at this stage. In addition to that, the Government is intending to review the National Environmental Standard for Air Quality so it is prudent to defer further changes until those

matters become clear and the associated costs can be identified. The situation will continue to be monitored but in the meantime the proposed second phase review will be deferred for this Annual Plan and will be considered again in the development of the 2018-2028 Long-term Plan. The costs that had been allowed for in the Long-term Plan for this project will be carried forward from the 2016/17 year into the 2017/18 year.

External Changes and Influences

Local government as a business has to be adaptable and able to respond to external changes and influences.

There are matters pending that the Council will be engaging with over the next 12–18 months and beyond. Five of those are listed below, but other matters are likely to arise during that time that Council will need to engage with.

Regional Development Strategy

In late 2014 the Mayoral Forum (made up of the four Southland councils) commissioned the Southland Regional Development Strategy project.

The Forum quite specifically stated that it was looking for a high-level integrated strategy that would harnesses regional levers for economic and social development. It wanted a clear

statement of the problems and sustainable solutions.

The Forum was aware that much work had been done in the past on plans and strategies to move the region forward, but none, in its view, had focused sufficiently on a unified effort across all sectors (public, private and community), plus economic and social aspects as parallel goals. The project has action teams, whose members are drawn from

across the community, have the mandate to investigate and provide action within a defined time to a Governance Group. Each team has a focus: vibrant urban centres; ease of doing business; welcome Southland; destination attraction; business extension; innovation; inclusive communities and tourism. There may be implications for one or two of the Council's programmes as a result of the outcomes of the investigations.

The costs associated with the Council’s involvement in this jointly delivered Mayoral Forum project are difficult to identify fully, but includes some office support, and a \$25,000 contribution in the 2016/17 budget.

Ongoing Reform of the Resource Management Act

Towards the end of 2015, Government introduced the second phase of reform of the Resource Management Act. An amendment Bill was put out for

consultation and the Select Committee process, with an expectation that the Bill would return to the House for consideration in about mid-2016.

The reform package comprises around 40 individual proposals aimed at delivering substantive, system-wide improvements to the resource management system. Those proposals include improving national consistency and direction, creating a responsive planning process, simplifying the consenting system, recognising the importance of affordable housing, better

alignment with other Acts and better use of technology.

The implications for the Council’s programmes are currently unclear but the expectation is that there will be changes required to the Council’s systems in order to implement the amended legislation.

Review of the National Policy Statement for Freshwater Management (NPS-FM)

On 20 February 2016 the Government released its next steps for the management of the

country’s freshwater resources for consultation.

The Council’s *Water and Land 2020 & Beyond* project encompasses all of its work programmes and projects related to our water quality and water quality responsibilities. It is geared towards the Government’s existing NPS-FM requirements, therefore, further changes and additions to those projects and programmes are likely.

A summary of the key proposals in the Government’s NPS-FM next steps are set out below:

Freshwater and our environment

Amend the NPS-FM to improve direction on:

- exceptions to national bottom lines for catchments with significant infrastructure;
- using the Macroinvertebrate Community Index as a mandatory monitoring method;
- applying water quality attributes to intermittently closing and opening lakes and lagoons;
- what it means to “maintain or improve overall water quality”.

Exclude stock from water bodies through regulation.

Economic use of freshwater

Require more efficient use of freshwater and good management practice.

Iwi rights and interests in freshwater

- Strengthen Te Mana o te Wai as the underpinning platform for community discussions on freshwater.
- Improve iwi/hapū participation in freshwater governance and management.
- Better integrate water conservation orders (WCOs) with regional water planning and allow for increased iwi participation and decision-making on WCOs.

Freshwater funding

Set up the ‘Next Steps for Freshwater Improvement Fund’.

The costs associated with any changes to the NPS-FM are difficult to identify, but it is likely that any impacts that may arise in the 2016/17 year can be accommodated from within existing budgets.

Aquaculture planning

Southland currently has 44 marine farms (total of 285 ha) primarily located in Big Glory Bay at Stewart Island and in Bluff Harbour. The main farmed species in Southland are salmon and mussels, which are processed in factories at Bluff. Thirty-two per cent of New Zealand's salmon

production comes from Stewart Island, and 3% of New Zealand's mussel production.

In addition to the investigation work being undertaken by the Regional Development Strategy team, the Council has been working for some time alongside the aquaculture industry, Ministry of Primary Industries, Iwi and other interested parties to investigate location options for growth of the aquaculture industry in Southland. There may be implications for the Council's Regional Coastal Plan as a result. The costs of undertaking any work on the Coastal Plan due to



ministerial direction or other changes cannot be identified at this stage.

Adapting to Climate Change

Currently, we take our lead from central government on climate change. However, predictions for Southland indicate that the region's climate is likely to change which will have implications both for the region and the Council's programme into the future. The costs of implementing any changes are also unknown at this point. Projections of climate change depend on future greenhouse gas emissions, which

are uncertain. Also, global climate models used to predict future climate vary in their sensitivity to these emissions. The combination of these factors means that projections of future climate are usually expressed as a range of likely values. This information is mostly from "middle of the range" climate change projections.

The following table summarises the possible climate change implications that may affect Southland:

	<p>0.9 °C warmer by 2040 and 2.1 °C warmer by 2090.</p>
	<p>Invercargill is expected to have 4 per cent more annual rainfall by 2040 and 7 per cent more by 2090.</p> <p>Winter rainfall is likely to increase by 10 per cent by 2040 and 18 per cent by 2090.</p>

Source: Ministry for the Environment¹

¹ <http://www.mfc.govt.nz/climate-change/how-climate-change-affects-nz/how-might-climate-change-affect-my-region/southland>

There are a range of other aspects that are likely to affect Southland and the Council's business. These could include:

- **sea level rise** - plan for future sea-level rise of at least 0.5 m, along with consideration of the consequences of a mean sea-level rise of at least 0.8 m (relative to the 1980–1999 average) by the 2090s;
- **storms** - the number of storms to the south of the South Island is expected to increase in winter and decrease in summer, by the end of the century. The intensity of these storms is also likely to increase in winter and decrease in summer;

- **wind** - the frequency of extreme winds over this century is likely to increase by between 2 and 5 per cent in almost all regions of New Zealand in winter and decrease by a similar amount in summer;
- **flooding** – climate change is expected to increase the risk of flooding, landslides and erosion in Southland. The capacity of stormwater systems may be exceeded more frequently due to heavy rainfall events, which could lead to surface flooding, damage to infrastructure and road closures;
- **water availability** – water security is most likely to be an

issue in parts of Southland where drought is already a major constraint. In other areas, such as around Invercargill, drought severity and irrigation demand may decrease slightly as average annual rainfall increases;

- **coastal hazards** – coastal roads and infrastructure will face increased risk from coastal erosion and inundation, increased storminess and sea-level rise;
- **biosecurity** – warmer temperatures, particularly with milder winters, could increase the spread of pests and weeds;
- **agriculture** – warmer temperatures, a longer growing season and significantly fewer

frosts could provide opportunities to grow new crops. Farmers might benefit from faster growth of pasture and potentially better growing conditions. However, these benefits may be limited by negative effects of climate change such as increased flood risk or greater frequency and intensity of storms. The Ministry for Primary Industries has more information on the regional impacts of climate change on agriculture.

Our infrastructure – Protecting Communities

Big river systems, reliable and unpredictable rainfall, low-lying plains and a mosaic of underground aquifers mean flooding is an ever present risk in many parts of Southland.

The Council's key infrastructure responsibilities are the drainage and stopbank flood protection schemes designed to protect property, lives and livelihoods in urban and rural areas.

In many places Environment Southland's stopbanks provide recreational opportunities, some with tracks and native plantings for walkers and cyclists to enjoy. Many join up with other infrastructure such as recreational walking tracks and flood protection schemes, for example, the Invercargill City Council's New River Estuary stopbank and estuary boardwalk.

Our infrastructure strategy takes a 30-year perspective. It provides options on how we might deal with and pay for potential issues such as the impacts of climate change, e.g. increased rainfall and



rising seas, as well as ongoing maintenance.

In our Long-term Plan 2015-25 consultation document *Southland's Big 3* we said our stopbanks were in good order and that the Council was in maintenance mode for the next 10 years with only a few possible capital expenditure projects on the horizon.

In light of storm conditions during March 2016, where water

breached a couple of areas, Council staff are working with the owners of those stopbanks. The aim is to improve the level of protection and while also giving our hazard mitigation responsibilities additional consideration.

With the increasing risks associated with climate change our drainage and stopbank protection infrastructure gains even greater significance. Ensuring it is at the

community-agreed standard and remains well maintained is an essential part of our core business.

That our stopbank infrastructure also provides thousands of Southlanders with access to our waterways for walking, cycling and other recreational purposes is a bonus.

Our story: Water

Southland has diverse river catchments with many tributaries, pristine lakes, and a mosaic of underground aquifers, which are fed and recharged by reliable rainfall and alpine snowmelt.

Water is the natural resource that underpins the Southland economy and our lifestyle.

As a regional council we have a responsibility to ensure the region's natural resources are sustainably managed so that they are available for future generations to use and enjoy.

Managing Southland's water quality and quantity issues is our biggest challenge and first priority.

Environment Southland's scientific monitoring shows that we have a measurable decline in water quality in some areas. Solutions to address it will affect not only the agricultural industry, but all Southlanders in some way.

Southland's land use has intensified over the past 150 years due to development and human



Photo: Les Ladbrook

settlement, which has resulted in changes to waterways. More recent land use intensification, together with ageing storm water and sewerage systems is putting pressure on water quality.

The problem is that nutrients flow and seep into our waterways and collect in our estuaries – nitrogen (from fertiliser and animal urine) and phosphorous (from erosion and industrial discharges), together with bacteria (e-coli from animals and human sewage), and sediment (from erosion and surface runoff). This can have implications for cultural and recreational activities.

There is also increasing demand for irrigation and other water supplies.

Environment Southland, in partnership with Ngai Tahu Ki Murihiku is responding to Southland's water quality issues and the Government's National

Policy Statement for Fresh Water Management, and incorporating Te Mana o te Wai, through our *Water and Land 2020 & Beyond* project.

We have been engaging with the community and stakeholders on the *Water and Land 2020 & Beyond* project since 2008. During that time we have canvassed and discussed many options with the community, made changes, set a direction and created a process that is now well underway.

In an effort to secure Southland-specific solutions Environment Southland is investing in science, economic, social and cultural work programmes that will inform the community and our decision making particularly around the impacts of potential policies.

The science programme has been stepped up for a three-year period (from 2015). The leading-edge physiographic zones workstream

to understand Southland's unique physical geography and hydrology, has just been completed in partnership with some of the best scientists in the country. It has been a key tool for understanding our physical environment and developing Southland's proposed Water and Land Plan.

The Plan aims to better manage ongoing land intensification and be proactive around activities like wintering, which we know can have a negative impact on water quality.

The key focus is on shifting all land users towards good management practices in ways that will give the best gains for maintaining water quality. By adopting good management practices, land owners will be putting themselves in the best possible position for the limit setting (for discharges to and extractions from) process, scheduled to begin at the end of

2016 on a catchment by catchment basis.

We did a lot of community engagement in the development of the plan and considered or incorporated people's ideas. It was notified in June and may change again following public consultation.

While rules will always form part of the solutions to our region's water quality and quantity issues, the real gains will come from everyone working together and taking responsibility for the decisions they make.

It means taking a long-term view, well beyond our current plans and the limit setting process, so that Southland's water resource is managed sustainably for future generations to use and enjoy.

Our story: Air

Southland is a land of big skies and big spaces. Air is intrinsic to our landscapes and to life. We all have the right to breathe clean air, but in some places, at some times, our air quality is not good.

Improving air quality where it adversely affects people's health is a community challenge.

The urban areas of Invercargill and Gore are both gazetted airsheds with ongoing air quality problems during winter. We know from scientific investigations that the primary cause is the pollutant PM¹⁰ due to the smoke from home chimneys.

As a regional council, Environment Southland is required to meet the Government's health-inspired National Environmental Standards for Air Quality (NES). They allow for only one exceedance of the PM₁₀ standard per year.



Environment Southland's air quality monitoring is available on our website and the results are publicised during winter.

We have been engaging with the community and stakeholders on Southland's Air Plan review through the Breathe Easy campaign since 2012.

We listened to all the feedback, which resulted in changes to the draft Air Plan. It was notified in October 2015 and sets out an 18-year timetable for phasing out inefficient, non-compliant home

burners and open fires, while also addressing outdoor burning and agricultural spray practices. Gore has a longer phase out period for their older burners, as they are closer to meeting the NES.

In the 2015-25 Long-term Plan, Environment Southland and the Invercargill City Council committed \$500,000 each per year for three years for a Clean Air loans scheme.

This scheme was launched in early 2016 to help people in the Invercargill airshed transition to

clean home heating options, and is being delivered by Awarua Synergy on behalf of the Southland Warm Homes Trust.

A further \$140,000 per year for three years was earmarked in the Long-term Plan for people in the Gore airshed, and support is being sought from the Gore District Council to deliver assistance.

Environment Southland is taking an education-first approach to compliance with the rules. We have facilitated www.BreatheEasySouthland.co.nz a community-focused, one-stop-

website for air quality information and educational material.

Every person with a burner in their home can make a difference by burning hot, not dampening down their fire, and using only dry wood.

As a community we've found a way forward to address our air quality issues in the long term. If every person steps up and takes responsibility too, then we will achieve our aim more quickly.

Our story: Biodiversity

Biodiversity is the abundance and diversity of biological life – animals, plants, fungi, micro-organisms – in the natural environment. It is highly desirable because it adds to, and is a good indicator of, the health and resilience of our natural resources.

In Southland we have areas with particularly high biodiversity values like Fiordland, other pristine lakes, bush areas including remnants on public and private land, and much of Stewart Island. We also have areas where biodiversity is threatened, such as in our estuaries due to sediment build up and declining water quality.

Much of the work Environment Southland does has positive spinoffs for land, freshwater and coastal marine biodiversity, which is reflected in our policies and plans. Overall, about 32% of the work those activities undertake, directly or indirectly contributes to the maintenance or enhancement of biodiversity across the region.



We have a particularly strong and successful biosecurity programme for controlling certain pest animals (e.g. possums, ferrets, rabbits) and plants (e.g. gorse, broom, wilding trees). Our environmental education and land sustainability teams are out working on the ground with teachers, schools, farmers and community groups. We also have technical staff out monitoring and advising on species and habitat.

The 2016 outbreak of velvetleaf in Southland fodder beet crops is an example of why we need to be on our guard and ready to respond at

short notice to potentially devastating biosecurity threats.

In our 2015-25 Long-term Plan we flagged an increased focus on biodiversity. It is early days, but we are expecting to increase our activities in this area over the year.

We have developed a pathways plan to help prevent marine pests (like *Undaria*) from being transported (predominately on boat hulls) into the pristine Fiordland environment.

Our very successful Possum Control Area Programme is expanding rapidly as the TB-Free

programme vector programme withdraws from the region.

We are working towards aligning work programmes within Environment Southland and the region and partnering with landholders and organisations that have biodiversity responsibilities.

In the near future, we will develop and implement a protection and enhancement plan and resource the biosecurity team to lead, review, streamline and develop biodiversity programmes.

The key to making progress will be about working together with

others already in the biodiversity space like QEII, conservation trusts, community groups, the Department of Conservation and other councils.

Biodiversity is important from a natural resource management perspective, but it's also intrinsic; personal. It is the abundance of life in our streams and lakes and on the land – the fish we land the birdsong we hear, the layers of native plants we see on a bush walk – to name a few. It makes a significant contribution to the quality of life we enjoy.

Forecast Financial Statements for 2016/17

Prospective Statement of Comprehensive Revenue & Expense (By Groups of Activities) for the Year ended 30 June 2017

2015/16 \$000	2016/17 \$000	LTP 2016/17 \$000
Revenue		
7,524 General Rates	7,320	7,716
6,872 Separate Rates	7,269	7,463
223 Southern Pest Eradication Society Rate	223	228
636 Levies and Contributions	1,019	649
385 Local Contributions	482	394
814 Rental Income	815	838
6,885 External Recoveries	7,060	7,199
1,676 Investment Income	1,850	1,679
3,488 Dividend from South Port	3,837	3,488
28,502 Total Revenue	29,874	29,654
Less Cost of Services and Expenses		
14,035 Providing for management of Southland's sustainability	14,309	14,487
2,455 Enablement of resource use by communities, industries and individuals	2,787	2,821
1,921 Emergency response and preparedness	1,999	1,999
3,842 Services	3,546	3,507
5,413 Services - flood protection and control works	5,577	5,597
2,592 Community representation and communication	3,208	2,744
30,256 Total Expenditure	31,427	31,155
(1,755) Net Forecast Operating Surplus / Deficit	(1,553)	(1,500)

Prospective Statement of Changes in Net Assets / Equity for the period ended 30 June 2017

73,755 Total Equity at beginning of year	75,892	72,001
(1,755) Net Surplus / (Deficit)	(1,553)	(1,500)
72,001 Total Equity at end of year	74,339	70,500

Prospective Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2017

2015/16 \$000	LTP	
	2016/17 \$000	2016/17 \$000
Revenue		
14,618	14,811	15,407
5,164	5,687	5,168
-	-	-
8,719	9,375	9,079
28,502	29,874	29,654
Expenditure		
13,688	15,097	14,359
794	856	940
60	80	60
15,714	15,394	15,796
30,256	31,427	31,155
(1,755)	(1,553)	(1,500)
- Share of Associate Surplus / Deficit		
	-	-
(1,755)	(1,553)	(1,500)
Other Comprehensive Revenue		
-	-	-
-	-	-
(1,755)	(1,553)	(1,500)

**Prospective Statement of Changes In Net Assets/Equity
for the Year Ended 30 June 2017**

2015/16 \$000		2016/17 \$000	LTP \$000
73,755	Total Equity at beginning of year	75,892	72,001
<u>(1,755)</u>	Total Comprehensive Revenue Surplus / (Deficit)	<u>(1,553)</u>	<u>(1,500)</u>
(1,755)	Total Recognised Revenue & Expenses	(1,553)	(1,500)
<u>72,001</u>	Total Equity at End Of Year	<u>74,339</u>	<u>70,500</u>

Components Of Equity

50,980	Accumulated comprehensive revenue & expense at 1 July	52,784	49,577
(1,755)	Net Surplus / (Deficit) for the year	(1,553)	(1,500)
<u>352</u>	Transfers (to) / from restricted reserves	<u>227</u>	<u>219</u>
49,577	Accumulated comprehensive revenue & expense at 30 June	51,458	48,296
16,276	Restricted Special Reserves at 1 July	15,916	15,732
(544)	Transfers (to) / from reserves	(419)	(411)
15,732	Restricted Special Reserves at 30 June	15,498	15,321
3,502	Restricted Lease Area Reserves at 1 July	3,856	3,726
<u>224</u>	Transfers (to) / from reserves	<u>243</u>	<u>225</u>
3,726	Restricted Lease Area Reserves at 30 June	4,099	3,951
2,997	Restricted Rating District Reserves at 1 July	3,335	2,965
(32)	Transfers (to) / from reserves	(50)	(33)
2,965	Restricted Rating District Reserves at 30 June	3,284	2,933
<u>72,001</u>	Total Components of Equity	<u>74,339</u>	<u>70,500</u>

**Prospective Statement of Financial Position
as at 30 June 2017**

2015/16 \$000		2016/17 \$000	LTP 2016/17 \$000
Current Assets			
124	Cash and Cash Equivalents	(615)	(668)
200	Inventories	135	200
80	Prepayments	176	80
1,496	Receivables	1,500	1,496
427	Rates Outstanding	733	427
26,997	Managed Funds	28,992	26,028
29,324	Current Assets	30,921	27,563
Non-Current Assets			
36,169	Property, Plant and Equipment	37,405	35,790
691	Investment in Related Party	798	691
140	Loan to Gore District Council	280	280
500	Loan to Invercargill City Council	1,000	1,000
8,721	Shares in Subsidiaries	8,721	8,721
46,221	Non-Current Assets	48,204	46,482
75,545	Total Assets	79,125	74,044
Current Liabilities			
1,144	Employee Entitlements	1,305	1,134
2,390	Creditors & Accruals	3,457	2,390
3,534	Current Liabilities	4,762	3,524
Non-Current Liabilities			
10	Employee Entitlements	25	20
10	Non-Current Liabilities	25	20
3,544	Total Liabilities	4,787	3,544
72,001	Net Assets	74,339	70,500
Equity			
49,577	Accumulated Comprehensive Revenue and Expense	51,458	48,296
15,732	Special Reserves	15,498	15,321
3,726	Lease Area Balances	4,099	3,951
2,965	Rating District Balances	3,284	2,933
72,001	Total Equity	74,339	70,500

Prospective Statement of Cash Flows for the year ended
30 June 2017

2015/16		2016/17	LTP 2016/17
\$000	Account	\$000	\$000
Cash flows from operating activities			
23,340	Receipts from Customers	24,672	24,489
60	Interest Received	60	60
3,488	Dividends Received	3,837	3,488
(29,553)	Payments to Suppliers and Employees	(28,630)	(30,293)
(60)	Finance Costs	(80)	(60)
0	Income Tax Paid	0	0
(2,725)	Net Cash Inflow / (Outflow) from Operating Activities	(140)	(2,316)
Cash flows from investing activities			
0	Proceeds from sale of other financial assets	0	0
2,931	Reduction of Term Investment	2,699	2,589
149	Proceeds from sale of property, plant and equipment	136	136
0	Foreign Exchange gains/(losses)	0	0
(640)	Acquisition of shares/investments	(640)	(640)
0	Purchase of intangible assets	0	0
(971)	Purchase of property, plant and equipment	(564)	(560)
1,470	Net Cash Inflow / (Outflow) from Investing Activities	1,631	1,525
(1,255)	Increase / (Decrease) in cash held	1,491	(792)
1,379	Add opening cash brought forward	(2,106)	124
124	Ending cash carried forward	(615)	(668)

**Prospective Statement of Comprehensive Revenue and Expense
for the period ended 30 June 2017**

2015/16 \$000	2016/17 \$000	LTP \$000	Variance \$000	Variance %	Note
7,524 General Rates	7,320	7,716	(396)	-5.1%	1
6,872 Separate Rates	7,269	7,463	(194)	-2.6%	2
223 Southern Pest Eradication Society Rate	223	228	(6)	-2.4%	
636 Levies and Contributions	1,019	649	370	57.1%	3
385 Local Contributions	482	394	87	22.1%	
814 Rental Income	815	838	(23)	-2.7%	
6,885 External Recoveries	7,060	7,199	(139)	-1.9%	4
1,676 Investment Income	1,850	1,679	171	10.2%	5
3,488 Dividend from South Port	3,837	3,488	349	10.0%	6
28,502 Total Revenue	29,874	29,654	220	0.7%	
540 Animal Health Board	-	-	-	0.0%	
2,273 Biosecurity	2,443	2,449	(6)	-0.3%	
5,704 Catchment Management	5,869	5,900	(31)	-0.5%	
1,782 Consent Processing	2,053	2,069	(16)	-0.8%	
2,592 Community Representation	3,208	2,744	464	16.9%	7
2,342 Environmental Compliance	2,420	2,399	21	0.9%	
1,770 Environmental Information	1,975	1,877	99	5.3%	
644 Emergency Management Southland	671	671	(0)	0.0%	
2,800 Land and Water Services	2,919	2,932	(13)	-0.4%	
723 Property Management	794	742	52	7.0%	
3,978 Policy & Planning	4,272	4,112	160	3.9%	8
4,885 Science	4,580	5,033	(453)	-9.0%	9
223 Southern Pest Eradication Society	223	228	(6)	-2.4%	
30,256 Total Expenditure	31,427	31,155	272	0.9%	
(1,755) Net Surplus / (Deficit)	(1,553)	(1,500)	(52)	3.5%	

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

- 1) General rates are down because of the increase in the South Port dividend income.
- 2) Separate rates are down due to increased use of prior years' Biosecurity surpluses and Catchment surpluses.
- 3) Levies & Contributions are up due to expected contributions from other Councils and agencies for the new Southland Regional Development Strategy initiative.
- 4) External Recoveries are down due to a decrease in Science recoveries offset by an increase in Marine Fee income.
- 5) Investment Income is up due to an expected increase in managed funds investment returns.
- 6) Dividend income is up due to increasing the budgeted amount to \$0.22 cents per share.
- 7) Community Representation costs are up mainly due to the inclusion of the expenditure budget for the new Southland Regional Development Strategy, administered through Environment Southland.
- 8) Policy & Planning costs are up due to a greater focus on Water Management and Coastal Management projects.
- 9) Science costs are down due to a reduction in Contractor and Laboratory costs.

Funding Impact Statement

The following pages contain information required by Schedule 10 of the Local Government Act 2002 together with analysis of rating levels, calculation and dates. We also provide supplementary information on groups of activities and their funding sources and on input costs.

In addition, the last page updates our coastal occupation charges.

Consolidated Funding Impact Statement

2015/16	2016/17	LTP 2016/17
\$000 Sources of Funding	\$000	\$000
7,654 General rates, uniform annual charges, rates penalties	7,450	7,849
7,094 Targeted rates	7,492	7,691
0 Subsidies and grants for operating purposes	0	0
7,775 Fees and charges	8,430	8,108
3,548 Interest and Dividends from investments	3,897	3,548
814 Local authorities fuel tax, fines, infringement fees and other receipts	815	838
26,886 Total Operating Funding	28,083	28,035
Applications of Operating Funding		
23,396 Payments to staff and suppliers	23,345	23,858
60 Financing Costs	80	60
6,006 Other operating funding applications	7,146	6,297
29,462 Total Applications of Operating Funding	30,571	30,215
(2,576) Surplus/(deficit) of operating funding	(2,488)	(2,180)
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 Other dedicated capital funding	0	0
149 Gross proceeds from the sale of assets	136	136
0 Lump sum contributions	0	0
149 Total sources of capital funding	136	136
Applications of capital funding		
Capital expenditure		
263 - to meet additional demand	8	8
203 - to improve the level of service	4	0
504 - to replace existing assets	552	552
(1,106) Increase/(decrease) in Reserves	(857)	(656)
(2,291) Increase/(decrease) in Investments	(2,059)	(1,949)
(2,427) Total applications of capital funding	(2,352)	(2,044)
2,576	2,488	2,180
0 Funding Balance	(0)	0
<i>(794) Depreciation expense (not included in the above)</i>	<i>856</i>	<i>(940)</i>

Reconciliation of Funding Impact Statement to Statement of Comprehensive Revenue & Expense For the year ended 30 June 2017

(2,576) Surplus / (deficit) of Operating Funding in Funding Impact Statement	(2,488)	(2,180)
Add / (deduct)		
1,616 Increase / (decrease) in fair value of investment portfolio	1,790	1,619
0 Profit / (loss) on disposal of assets	0	0
(794) Depreciation	(856)	(940)
0 (Increase) / decrease in provision for doubtful debts	0	0
(1,755) Surplus / (deficit) in Statement of Comprehensive Revenue & Expense	(1,553)	(1,500)

Total rates to be collected in 2016/17 amount to \$14,811,134, as detailed in the following table. All amounts are GST exclusive except the per rating unit UAGC charge, as identified by shaded box at the bottom of the table:

Rating Forecasts Compares Annual Plan 2016/17 to Annual Plan 2015/16	Annual Plan Forecast 2016/17	Annual Plan Forecast 2015/16	Rating Level Changes	%
Total rates for ES needs	14,588,573	14,395,689	192,885	1.34%
Rates on behalf of Southern Pest Eradication Society	222,561	222,561	-	0.00%
Total rates	14,811,134	14,618,250	192,885	1.32%
Rates for ES needs are:				
Catchment	3,519,512	3,430,442	89,070	2.60%
Land Sustainability	1,714,387	1,478,293	236,094	15.97%
Biosecurity - excluding bovine TB	2,035,074	1,963,106	71,968	3.67%
TB Free New Zealand	-	-	-	0.00%
Total targeted land value based rates	7,268,973	6,871,841	397,132	5.78%
General rate UAGC	2,960,470	2,966,664	(6,194)	-0.21%
General rate - based on capital value	3,298,153	3,436,045	(137,892)	-4.01%
General rate - dairy differential	120,948	270,700	(149,752)	-55.32%
General rate - capital value rate on dairy properties	940,029	850,438	89,590	10.53%
	14,588,573	14,395,689	192,885	1.34%
UAGC	\$ 74.37	\$ 73.64	\$ 0.73	1.00%

This compares favourably with the rating proposals for the 2016/17 forecast in the Long-term Plan.

Council uses a mix of rating matters and factors when determining its rating funding sources as per the following table:

Funding Sources Per Section 103(2)	Application by Environment Southland
General rates, including: - choice of valuation system - differential rating - Uniform Annual General Charge	Applied to activities delivering wider community benefits using capital value base (under the criteria detailed later in this policy). Applied to dairy properties but to be phased out over a three year period, ending June 2018. Applied to significant activities delivering wider community benefits (under the criteria detailed later in this policy).
Targeted rates	Applied to Biosecurity, Land Sustainability and Catchment activities. Catchment rates apply a classification system which assesses relative benefits.

Rating Forecasts Compares Annual Plan 2016/17 to LTP 2016/17	Annual Plan Forecast 2016/17	LTP Forecast 2016/17	Rating Level Changes	%
Total rates for ES needs	14,588,573	15,178,964	(590,391)	-3.89%
Rates on behalf of Southern Pest Eradication Society	222,561	228,125	(5,564)	-2.44%
Total rates	14,811,134	15,407,089	(595,955)	-3.87%
Rates for ES needs are:				
Catchment	3,519,512	3,605,983	(86,471)	-2.40%
Land Sustainability	1,714,387	1,731,300	(16,913)	-0.98%
Biosecurity - excluding bovine TB	2,035,074	2,126,000	(90,926)	-4.28%
TB Free New Zealand	-	-	-	0.00%
Total targeted land value based rates	7,268,973	7,463,283	(194,310)	-2.60%
General rate UAGC	2,960,470	3,090,398	(129,927)	-4.20%
General rate - based on capital value	3,298,153	3,641,707	(343,554)	-9.43%
General rate - dairy differential	120,948	120,948	-	0.00%
General rate - capital value rate on dairy properties	940,029	862,629	77,400	8.97%
	14,588,573	15,178,964	(590,391)	-3.89%
UAGC	\$ 74.37	\$ 76.71	-\$ 2.34	-3.05%

Criteria used to Allocate Funding between a Capital Value Based General Rate and Uniform Annual General Charge

Capital value based general rate criteria

- Able to identify that benefits are linked to capital value.
- Activity is based on resource use and may change environmental balance.
- Public good/public benefit.
- Capital use has potential link to contributor status.
- Capital investment links to economic activity, typically for use based on natural resource.

Uniform Annual General Charge

- Public good (greatest good for greatest number).
- People rather than resource focus.
- Inability to identify direct beneficiary.
- Cost independent of number of users.
- Benefits widespread – whole community.

Apart from the Uniform Annual General Charge (UAGC), rates are calculated on property values set under the Rating Valuations Act 1998. The following information forms part of the Funding Impact Statement and refers to the amounts of rates contained in the rating forecast tables above. The amounts in those tables exclude GST, except for the per property UAGC amount which includes GST. The indicated unit value of the UAGC will be rounded to the nearest 10 cents (\$74.40).

General Rates

The UAGC is calculated by dividing the amount to be funded by the number of rating units in the region (adjusted for rating units in common ownership as per Section 20 of the Local Government (Rating) Act 2002). The amount forecast to be set for the UAGC for 2016/17 is \$2,960,470 excluding GST. The UAGC is set on the basis of a fixed charge per rating unit.

Details of the activities funded by UAGC are contained in the Revenue and Financing Policy, but in summary, the 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)

General rates are calculated on the capital value of properties. The amount forecast to be set for general rates on capital value for 2016/17 is \$4,237,755, disclosed in the statement as General rate - based on capital value \$3,298,153, and General rate – capital value on dairy properties \$940,029.

Note: Recognising that dairy properties pay both the general rate and the additional amount from the dairy differential we detail both in the rating forecasts. They are described as the General Rate (capital value rate on dairy properties) and Dairy Rate (dairy differential).

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

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

Dairy Differential

In addition, we charge a differential general rate on the capital value of dairy properties. The amount forecast to be set for 2016/17 is \$120,948 and takes account of the scope and scale of dairy farming in the region, and thereafter for environmental monitoring and regional planning.

The amounts collected by the differential rate provide for part funding of activities of the Council as follows:

Activity	2015/16	2016/17	2017/18
Environmental Information	100,000	100,000	100,000
Regional Planning	20,700	20,948	-
Land Sustainability	150,000	-	-
Total	\$270,700	\$120,948	\$100,000

The dairy differential is applied to properties as follows:

Dairy Differential (on capital value general rate) Provisions	Legislative Base
The General Rate be set on a differential basis: <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. 	Section 13(2)(b), Local Government (Rating) Act 2002
The rateable value of the land to be used is - capital value of the land.	Section 13(3)(a)(ii), Local Government (Rating) Act 2002
The category for setting the General Rate differentially is - the use to which the land is put.	Schedule 2 Clause 1, Local Government (Rating) Act 2002 as provided in Section 14(b) of the same Act
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.	Rating Valuation Rules, Rating Valuations Act 1998

Targeted Rates

We have four targeted rates. They are the Biosecurity Rate, the rate collected for the Southern Pest Eradication Society, the Land Sustainability Rate and Catchment Rate. None of the targeted rates require a lump sum contribution.

The Biosecurity Rate is used to fund the residual cost of pest strategy activity and is calculated on land value basis. The amount forecast to be set for the Biosecurity Rate in 2016/17 is \$2,035,074.

The rate collected for the Southern Pest Eradication Society is assessed on all land area on rating units greater than or equal to 4 hectares contained in the part of the Southland region which is south of the Mimiha Stream and east of the Mataura River. The amount forecast for collection in 2016/17 is \$222,561 and the rate is \$2.60 per hectare.

The Land Sustainability Rate is used to fund the residual cost of land sustainability activity and is calculated on land value basis. The amount forecast to be set in 2016/17 is \$1,714,387.

The Catchment Rate is used to fund part of the river works activity and the land drainage co-ordination activity. The rate is largely based on land value but there are minor exceptions for some older drainage schemes which are rated on land area. The rating base of each scheme is detailed within the table below. The catchment rate contains a number of categories. The categories within the schemes allocate costs according to agreed benefit classifications based on soil type, land contour and location, type of work undertaken and catchment boundaries. Categories associated with your land were detailed on your 2015/16 rates assessment and will be on the future assessment too. More information on the categories within each scheme and the rates levies for the 2016/17 year is provided at the end of this Funding Impact Statement. Catchment Rates follow on the next page.

Annual Forecast 2015/16 (excl GST)	Scheme Name	Rating Base	No of Categories	Annual Forecast 2016/17 (excl GST)
275,760	Aparima Rating District	Land Value	14	284,491
3,686	Clifton Drainage District	Land Area	2	3,689
53,876	Duck Creek Drainage District	Land Area	6	56,469
388,143	Invercargill Rating District	Land Value	4	401,395
100,207	Lake Hawkins Drainage District	Land Value	3	103,307
196,572	Makarewa Rating District			203,564
	- Land within Southland District	Land Value	15	
	- Land within Gore District	Land Value	3	
	- Land within Invercargill District	Land Value	1	
1,028,968	Mataura Rating District			1,067,328
	- Land within Southland District	Land Value	21	
	- Land within Gore District	Land Value	14	
15,037	Otepunu Creek Drainage Dist	Land Area	6	16,416
846,257	Oreti Rating District			853,929
	- Land within Southland District	Land Value	19	
	- Land within Invercargill District	Land Value	10	
203,009	Te Anau Rating District	Land Value	11	203,297
127,964	Waituna Creek Drainage Dist	Land Area	6	131,676
28,906	Waihopai Drainage District			29,257
	- Land within Southland District	Land Value	6	
	- Land within Invercargill District	Land Value	6	
73,114	Waiau Rating District	Land Value	9	73,153
47,106	Waimatuku Drainage District	Land Value	7	49,372
17,219	Upper Waihopai Drainage Dist	Land Area	6	17,091
14,184	Upper Waikiwi Drainage Dist	Land Area	8	14,279
2,425	Lower Waikawa Drainage Dist	Mtce Charge	1	2,649
8,007	Upper Waikawa Drainage Dist	Land Area	6	8,148
<u>3,430,440</u>				<u>3,519,510</u>

Rating Valuation Information

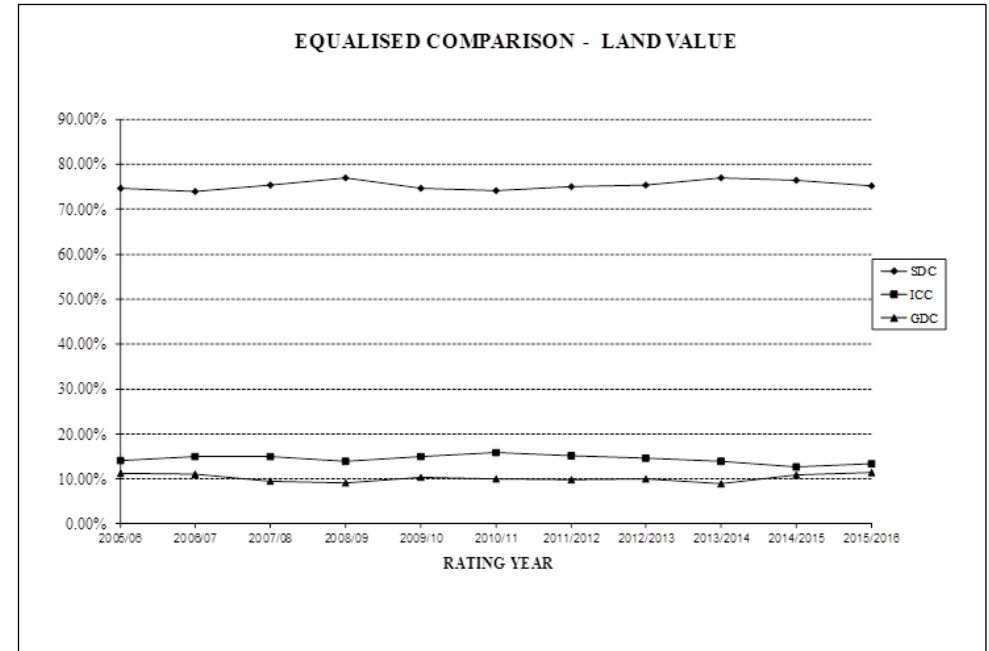
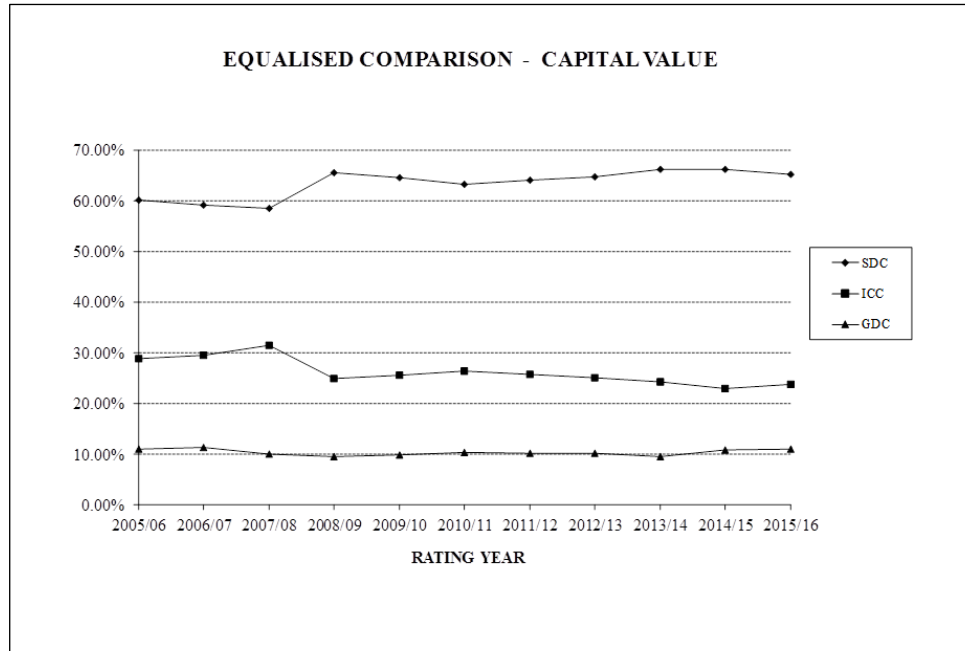
As each territorial authority in Southland completes their general revaluation for their rating database in a different year, we engage a valuation provider to undertake an annual estimate of projected valuation process which applies the trends in the latest general revaluation to the totals of the two other councils which were valued earlier. The results of the 2016 projected valuation show changes in the share of Council rates apportioned to each of the territorial authorities.

The most recent general revaluation for rating values was completed for properties in the Southland District Council area effective from 1 September 2015. Overall movements in valuation were as set out in the following table:

	Number of Properties	Capital Value Change	Land Value Change
Business	1,001	-1.0%	-4.9%
Farming	5,207	+14.0%	+14.8%
Lifestyle	3,120	-1.5%	-3.6%
Residential	9,260	-2.4%	-7.1%
Other	1,540	+7.0%	+9.3%
Total	20,128	+10.5%	+12.5%

Territorial Authority	Land Value		Capital Value	
	Last Year	This Year	Last Year	This Year
	%	%	%	%
Southland District Council	76.40%	75.14%	66.14%	65.24%
Invercargill City Council	12.75%	13.49%	23.03%	23.75%
Gore District Council	10.85%	11.37%	10.84%	11.01%
	\$000s	\$000s	\$000s	\$000s
Southland District Council	15,075,413	14,255,849	20,505,687	20,211,073
Invercargill City Council	2,514,987	2,560,321	7,138,936	7,359,255
Gore District Council	2,140,711	2,157,252	3,359,322	3,410,566
	19,731,111	18,973,422	31,003,945	30,980,894

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



Even if the total rate collected does not 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 is lessened to a degree by the UAGC but changes in valuation relativities are likely to affect many properties.

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 the next three years for General Rate, UAGC, Biosecurity Rate and Land Sustainability Rate and comparisons for six years. These 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, but information provided elsewhere in this Funding Impact Statement allows calculations for individual properties.

Location and Details		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Diff from last Year	% change Valuation	Rates
Invercargill Commercial 1011 m2	Capital Value	\$3,000,000	\$3,000,000	\$2,475,000	\$2,475,000	\$2,475,000	\$2,500,000	\$2,500,000	\$0		
	General rate	\$363.99	\$406.53	\$333.32	\$329.28	\$344.50	\$402.47	\$408.00	\$5.54		
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10		
	Land Value	\$400,000	\$400,000	\$360,000	\$360,000	\$360,000	\$395,000	\$395,000	\$0		
	Biosecurity	\$45.25	\$47.57	\$57.08	\$59.79	\$56.93	\$45.42	\$50.08	\$4.67		
	Land Sustainability	\$19.85	\$25.32	\$19.41	\$22.55	\$22.46	\$34.20	\$42.19	\$7.99		
		\$484.49	\$534.62	\$466.52	\$468.22	\$488.49	\$556.59	\$574.68	\$18.09		3.25%
Gore Commercial 939 m2	Capital Value	\$890,000	\$1,125,000	\$1,170,000	\$1,170,000	\$1,030,000	\$1,030,000	\$1,030,000	\$0		
	General rate	\$124.23	\$153.64	\$160.51	\$156.85	\$127.51	\$175.62	\$175.64	\$0.02		
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10		
	Land Value	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$0		
	Biosecurity	\$67.92	\$50.97	\$70.74	\$72.50	\$55.13	\$54.17	\$58.66	\$4.49		
	Land Sustainability	\$29.79	\$27.13	\$24.06	\$27.35	\$21.75	\$40.79	\$49.42	\$8.63		
		\$277.34	\$286.94	\$312.01	\$313.30	\$268.99	\$345.08	\$358.11	\$13.03		3.78%
Invercargill Housing 923 m2	Capital Value	\$285,000	\$285,000	\$340,000	\$340,000	\$340,000	\$350,000	\$350,000	\$0		
	General rate	\$34.58	\$38.62	\$45.79	\$45.23	\$47.32	\$56.35	\$57.12	\$0.77		
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10		
	Land Value	\$195,000	\$195,000	\$185,000	\$185,000	\$185,000	\$185,000	\$185,000	\$0		
	Biosecurity	\$22.06	\$23.19	\$29.33	\$30.73	\$29.26	\$21.27	\$23.46	\$2.19		
	Land Sustainability	\$9.68	\$12.34	\$9.98	\$11.59	\$11.54	\$16.02	\$19.76	\$3.74		
		\$121.71	\$129.35	\$141.80	\$144.15	\$152.72	\$168.14	\$174.74	\$6.60		3.93%
Winton Housing 508 m2	Capital Value	\$235,000	\$235,000	\$235,000	\$235,000	\$235,000	\$235,000	\$230,000	-\$5,000	-2.13%	
	General rate	\$29.07	\$31.16	\$32.40	\$30.89	\$34.83	\$42.36	\$36.34	-\$6.02		
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10		
	Land Value	\$94,000	\$94,000	\$94,000	\$89,000	\$89,000	\$89,000	\$89,000	\$0		
	Biosecurity	\$10.96	\$10.92	\$15.47	\$14.81	\$15.10	\$12.19	\$11.01	-\$1.18		
	Land Sustainability	\$4.81	\$5.81	\$5.26	\$5.58	\$5.96	\$9.18	\$9.27	\$0.10		
		\$100.24	\$103.10	\$109.84	\$107.88	\$120.49	\$138.22	\$131.03	-\$7.20		-5.21%
Gore Housing 852 m2	Capital Value	\$225,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$0		
	General rate	\$31.62	\$34.37	\$34.61	\$33.75	\$31.48	\$42.69	\$42.63	-\$0.06		
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10		
	Land Value	\$38,000	\$57,000	\$57,000	\$57,000	\$67,000	\$67,000	\$67,000	\$0		
	Biosecurity	\$6.30	\$7.09	\$9.84	\$10.11	\$9.02	\$8.86	\$9.59	\$0.73		
	Land Sustainability	\$2.76	\$3.77	\$3.35	\$3.81	\$3.56	\$6.67	\$8.08	\$1.41		
		\$96.08	\$100.42	\$104.50	\$104.27	\$108.66	\$132.72	\$134.69	\$1.97		1.49%
Te Anau Housing 830 m2	Capital Value	\$290,000	\$290,000	\$290,000	\$270,000	\$270,000	\$270,000	\$255,000	-\$15,000	-5.56%	
	General rate	\$35.87	\$38.45	\$39.99	\$35.49	\$40.02	\$48.67	\$40.29	-\$8.38		
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10		
	Land Value	\$92,000	\$92,000	\$92,000	\$83,000	\$83,000	\$83,000	\$71,000	-\$12,000	-14.46%	
	Biosecurity	\$10.73	\$10.69	\$15.14	\$13.81	\$14.08	\$11.36	\$8.78	-\$2.58		
	Land Sustainability	\$4.71	\$5.69	\$5.15	\$5.21	\$5.56	\$8.56	\$7.40	-\$1.16		
		\$106.71	\$110.04	\$116.98	\$111.10	\$124.26	\$143.09	\$130.88	-\$12.22		-8.54%

Winton Dairy 152 ha	Capital Value	\$4,150,000	\$4,150,000	\$4,150,000	\$4,450,000	\$4,450,000	\$4,450,000	\$4,730,000	\$280,000	6.29%	
	General rate	\$512.89	\$548.08	\$568.16	\$582.68	\$657.71	\$799.75	\$747.42	-\$52.33		
	General rate Dairy	\$262.11	\$408.36	\$507.34	\$969.48	\$960.13	\$250.49	\$104.59	-\$145.90		
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10		
	Land Value	\$3,100,000	\$3,100,000	\$3,100,000	\$3,250,000	\$3,250,000	\$3,250,000	\$3,410,000	\$160,000	4.92%	
	Biosecurity	\$362.48	\$360.19	\$509.02	\$540.22	\$550.94	\$445.15	\$421.81	-\$23.34		
	Land Sustainability	\$159.00	\$191.70	\$173.10	\$203.74	\$217.36	\$335.21	\$355.34	\$20.13		
	\$1,351.88	\$1,563.53	\$1,814.32	\$2,352.72	\$2,450.74	\$1,905.10	\$1,703.57	-\$201.53		-10.58%	
Otaitai Bush Dairy 262 ha	Capital Value	\$5,800,000	\$5,800,000	\$5,800,000	\$6,900,000	\$6,900,000	\$6,900,000	\$7,600,000	\$700,000	10.14%	
	General rate	\$717.46	\$769.08	\$799.76	\$906.84	\$1,022.68	\$1,243.79	\$1,200.93	-\$42.87		
	General rate Dairy	\$383.32	\$571.36	\$748.84	\$1,502.74	\$1,442.73	\$391.64	\$168.05	-\$223.59		
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10		
	Land Value	\$4,700,000	\$4,700,000	\$4,700,000	\$5,600,000	\$5,600,000	\$5,600,000	\$6,150,000	\$550,000	9.82%	
	Biosecurity	\$548.16	\$546.19	\$773.63	\$931.59	\$950.11	\$766.77	\$760.75	-\$6.02		
	Land Sustainability	\$240.45	\$290.74	\$263.08	\$351.37	\$374.82	\$577.41	\$640.87	\$63.46		
	\$1,944.80	\$2,232.57	\$2,642.00	\$3,749.14	\$3,854.95	\$3,054.11	\$2,844.99	-\$209.12		-6.85%	
Hedgehope Dairy 248 ha	Capital Value	\$6,150,000	\$6,150,000	\$6,150,000	\$6,650,000	\$7,450,000	\$7,450,000	\$8,690,000	\$1,240,000	16.64%	
	General rate	\$760.12	\$812.29	\$842.06	\$870.75	\$1,101.11	\$1,338.91	\$1,373.16	\$34.25		
	General rate Dairy	\$388.43	\$605.16	\$751.84	\$1,448.77	\$1,607.41	\$419.36	\$192.16	-\$227.20		
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10		
	Land Value	\$4,700,000	\$4,700,000	\$4,700,000	\$4,925,000	\$5,700,000	\$5,700,000	\$6,750,000	\$1,050,000	18.42%	
	Biosecurity	\$549.57	\$546.10	\$771.74	\$818.64	\$966.27	\$780.73	\$834.97	\$54.24		
	Land Sustainability	\$241.06	\$290.65	\$262.45	\$308.75	\$381.22	\$587.90	\$703.39	\$115.49		
	\$1,994.58	\$2,309.40	\$2,684.79	\$3,503.51	\$4,120.61	\$3,201.40	\$3,178.08	-\$23.32		-0.73%	
In'gill Dairy farm 178 ha	Capital Value	\$3,775,000	\$3,775,000	\$3,775,000	\$3,720,000	\$3,720,000	\$4,370,000	\$4,370,000	\$0		
	General rate	\$458.02	\$511.55	\$514.87	\$494.91	\$517.79	\$703.52	\$713.19	\$9.68		
	General rate Dairy	\$244.70	\$380.03	\$455.98	\$820.13	\$730.46	\$221.52	\$99.80	-\$121.72		
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10		
	Land Value	\$3,000,000	\$3,000,000	\$3,000,000	\$2,800,000	\$2,800,000	\$3,360,000	\$3,360,000	\$0		
	Biosecurity	\$339.36	\$356.76	\$380.64	\$465.07	\$442.80	\$386.33	\$426.04	\$39.71		
	Land Sustainability	\$148.86	\$189.90	\$167.10	\$175.41	\$174.69	\$290.92	\$358.90	\$67.98		
	\$1,246.34	\$1,493.44	\$1,575.29	\$2,012.11	\$1,930.34	\$1,676.79	\$1,672.34	-\$4.46		-0.27%	
Edendale Dairy 117 ha	Capital Value	\$4,150,000	\$4,150,000	\$4,150,000	\$5,650,000	\$5,650,000	\$5,650,000	\$6,020,000	\$370,000	6.55%	
	General rate	\$513.36	\$550.29	\$572.24	\$742.57	\$837.41	\$1,018.47	\$951.26	-\$67.21		
	General rate Dairy	\$274.27	\$408.82	\$535.81	\$1,230.51	\$1,181.37	\$320.69	\$133.12	-\$187.58		
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10		
	Land Value	\$3,450,000	\$3,450,000	\$3,450,000	\$3,625,000	\$3,625,000	\$3,625,000	\$3,810,000	\$185,000	5.10%	
	Biosecurity	\$402.37	\$400.92	\$567.87	\$603.04	\$615.03	\$496.35	\$471.29	-\$25.05		
	Land Sustainability	\$176.50	\$213.42	\$193.11	\$227.45	\$242.63	\$373.77	\$397.03	\$23.26		
	\$1,421.90	\$1,628.65	\$1,925.73	\$2,860.17	\$2,941.04	\$2,283.77	\$2,027.09	-\$256.68		-11.24%	
Gore Dairy 178 ha	Capital Value	\$2,900,000	\$3,650,000	\$3,760,000	\$3,760,000	\$4,530,000	\$4,530,000	\$4,530,000	\$0		
	General rate	\$404.98	\$498.47	\$515.94	\$504.07	\$560.81	\$772.37	\$772.46	\$0.09		
	General rate Dairy	\$206.97	\$371.35	\$460.71	\$838.63	\$818.71	\$241.90	\$108.10	-\$133.80		
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10		
	Land Value	\$2,150,000	\$2,775,000	\$2,775,000	\$2,775,000	\$3,330,000	\$3,330,000	\$3,330,000	\$0		
	Biosecurity	\$356.17	\$345.02	\$478.83	\$490.76	\$447.75	\$439.96	\$476.42	\$36.46		
	Land Sustainability	\$156.22	\$183.62	\$162.84	\$185.09	\$176.66	\$331.30	\$401.35	\$70.05		
	\$1,179.74	\$1,453.66	\$1,675.02	\$2,075.15	\$2,068.53	\$1,860.03	\$1,832.72	-\$27.31		-1.47%	

Gore Rural 180 ha	Capital Value	\$2,175,000	\$2,635,000	\$2,635,000	\$2,635,000	\$2,900,000	\$2,900,000	\$2,900,000	\$0	
	General rate	\$305.63	\$362.21	\$364.81	\$355.76	\$365.16	\$495.24	\$494.51	-\$0.73	
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10	
	Land Value	\$1,725,000	\$2,175,000	\$2,175,000	\$2,175,000	\$2,400,000	\$2,400,000	\$2,400,000	\$0	
	Biosecurity	\$286.06	\$270.42	\$375.60	\$385.62	\$323.16	\$317.24	\$343.37	\$26.13	
	Land Sustainability	\$125.48	\$143.94	\$127.73	\$145.44	\$127.49	\$238.89	\$289.26	\$50.37	
		\$772.56	\$831.77	\$924.84	\$943.42	\$880.41	\$1,125.87	\$1,201.54	\$75.66	6.72%
Gore Rural 2,299 ha	Capital Value	\$7,750,000	\$9,400,000	\$9,400,000	\$9,400,000	\$10,930,000	\$8,100,000	\$8,100,000	\$0	
	General rate	\$1,082.34	\$1,283.67	\$1,290.03	\$1,260.16	\$1,353.13	\$1,381.05	\$1,381.21	\$0.16	
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10	
	Land Value	\$4,800,000	\$6,050,000	\$6,050,000	\$6,050,000	\$7,250,000	\$6,725,000	\$6,725,000	\$0	
	Biosecurity	\$795.16	\$752.20	\$1,043.92	\$1,069.94	\$974.84	\$888.51	\$962.14	\$73.63	
	Land Sustainability	\$348.77	\$400.33	\$355.01	\$403.54	\$384.61	\$669.07	\$810.53	\$141.46	
		\$2,281.67	\$2,491.40	\$2,745.66	\$2,790.24	\$2,777.18	\$3,013.13	\$3,228.29	\$215.16	7.14%
Mossburn Rural 264 ha	Capital Value	\$4,650,000	\$4,650,000	\$4,650,000	\$4,650,000	\$4,650,000	\$4,650,000	\$5,500,000	\$850,000	18.28%
	General rate	\$575.21	\$616.59	\$641.18	\$611.13	\$689.20	\$838.21	\$869.09	\$30.88	
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10	
	Land Value	\$3,900,000	\$3,900,000	\$3,900,000	\$3,875,000	\$3,875,000	\$3,875,000	\$4,650,000	\$775,000	20.00%
	Biosecurity	\$454.86	\$453.22	\$641.94	\$644.63	\$657.44	\$530.58	\$575.20	\$44.62	
	Land Sustainability	\$199.52	\$241.25	\$218.30	\$243.13	\$259.36	\$399.54	\$484.56	\$85.01	
		\$1,284.99	\$1,366.26	\$1,558.13	\$1,555.49	\$1,670.61	\$1,842.83	\$2,003.25	\$160.42	8.71%
Lumsden sheep farm 142 ha	Capital Value	\$2,450,000	\$2,450,000	\$2,450,000	\$2,475,000	\$2,475,000	\$2,475,000	\$2,710,000	\$235,000	9.49%
	General rate	\$302.82	\$323.58	\$335.39	\$324.08	\$365.81	\$446.14	\$428.22	-\$17.92	
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10	
	Land Value	\$2,230,000	\$2,230,000	\$2,230,000	\$2,225,000	\$2,225,000	\$2,225,000	\$2,450,000	\$225,000	10.11%
	Biosecurity	\$260.76	\$259.11	\$366.16	\$369.84	\$377.18	\$304.65	\$303.06	-\$1.59	
	Land Sustainability	\$114.38	\$137.90	\$124.52	\$139.49	\$148.81	\$229.42	\$255.31	\$25.89	
		\$733.36	\$775.79	\$882.77	\$890.01	\$956.40	\$1,054.71	\$1,060.99	\$6.28	0.60%
Invercargill Lifestyle 4 ha	Capital Value	\$590,000	\$590,000	\$570,000	\$570,000	\$570,000	\$560,000	\$560,000	\$0	
	General rate	\$71.58	\$79.95	\$76.76	\$75.83	\$79.34	\$90.15	\$91.39	\$1.24	
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10	
	Land Value	\$320,000	\$320,000	\$305,000	\$305,000	\$305,000	\$305,000	\$305,000	\$0	
	Biosecurity	\$36.20	\$38.05	\$48.36	\$50.66	\$48.23	\$35.07	\$38.67	\$3.60	
	Land Sustainability	\$15.88	\$20.26	\$16.45	\$19.11	\$19.03	\$26.41	\$32.58	\$6.17	
		\$179.06	\$193.46	\$198.27	\$202.20	\$211.20	\$226.13	\$237.05	\$10.91	4.83%
Nightcaps Housing 1012 m2	Capital Value	\$33,000	\$33,000	\$33,000	\$43,000	\$43,000	\$43,000	\$37,000	-\$6,000	-13.95%
	General rate	\$4.08	\$4.38	\$4.55	\$5.65	\$6.37	\$7.75	\$5.85	-\$1.90	
	Uniform Charge	\$55.40	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$74.40	-\$0.10	
	Land Value	\$9,000	\$9,000	\$9,000	\$11,000	\$11,000	\$11,000	\$11,000	\$0	
	Biosecurity	\$1.05	\$1.05	\$1.48	\$1.83	\$1.87	\$1.51	\$1.36	-\$0.15	
	Land Sustainability	\$0.46	\$0.56	\$0.50	\$0.69	\$0.74	\$1.13	\$1.15	\$0.01	
		\$60.99	\$61.18	\$63.24	\$64.77	\$73.58	\$84.89	\$82.75	-\$2.14	-2.52%

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 UAGC, the Biosecurity and Land Sustainability rates. From that, you may wish to calculate an indication of these 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 2016/17 Capital Value based Rate
Southland District	0.00015802				
Gore District	0.00017052				
Invercargill City	0.00016320				
Southland District Dairy	0.00002211				
Gore District Dairy	0.00002386				
Invercargill City Dairy	0.00002284				
Add UAGC					<u>\$74.40</u>
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 2016/17 Land Value based Rate
Southland District	0.00012370				
Gore District	0.00014307				
Invercargill City	0.00012680				
For Land Sustainability Rate - Land Value					
Select your Territorial Authority	Indicative rates levy estimate	times	The Land Value of your property	equals	Indicative 2016/17 Land Value based Rate
Southland District	0.00010421				
Gore District	0.00012052				
Invercargill City	0.00010682				

To calculate an indication of the 2016/17 catchment rates you can apply the catchment rate details (class) of your property and determine the calculation basis (e.g. land value or land area) and levy amounts applicable from the catchment rating tables provided at the end of this Funding Impact Statement.

Rating dates

It is proposed that all rates be payable in one instalment by Friday, 25 November 2016 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 2016/17 rates, the following dates will apply:

- rates due 25 November 2016;
- penalties to be applied:
 - 10% on any current rates unpaid at 5.00 pm, 25 November 2016;
 - 10% on all rates in arrears as at 1 July 2016 remaining unpaid at 1 January 2017;
 - 10% on all rates in arrears at 1 July 2017.

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.

Proposed Catchment Rates 2016/17

- a breakdown of the classes of rates, including GST

Catchment rates disclosed here are based on the total rate to be collected, and the number, size and value of properties in the region at the time of the forecast. This information provides indicative rates per hectare or per dollar of capital or land value. Actual rates per hectare or per dollar of capital value or land value will depend on the number, size and value of properties at the time of the rates strike and is likely to differ from indicative amounts shown below.

“Ratio” in the following tables is a multiplier for each specific land class, from the baseline rate per hectare. For example in Duck Creek, Class F has ratio of 1 and a rate per hectare of \$1.52335541. To calculate the rate per hectare for Class B, multiply \$1.52335541 by ratio of 20 to get a rate per hectare of \$30,467,108.16.

Scheme 424 - Duck Creek - Works rates on land area to raise \$64,939 for drainage maintenance

Class	Ratio	Rate per Hectare
A	24	\$36.56052979
B	20	\$30.46710816
C	8	\$12.18684326
D	4	\$6.09342163
E	2	\$3.04671082
F	1	\$1.52335541

Scheme 436 - Otepunui Creek - Works rates on land area to raise \$18,878 for drainage maintenance

Class	Ratio	Rate per Hectare
A	6	\$11.05571463
B	5	\$9.21309553
C	4	\$7.37047642
D	3	\$5.52785732
E	2	\$3.68523821
F	1	\$1.84261911

Scheme 441 - Upper Waihopai River - Works rates on land area to raise \$19,655 for drainage maintenance

Class	Ratio	Rate per Hectare
A	6	\$10.52712897
B	5	\$8.77260747
C	4	\$7.01808598
D	3	\$5.26356448
E	2	\$3.50904299
F	1	\$1.75452149

Scheme 442 - Upper Waikawa River - Works rates on land area to raise \$9,370 for stream bank protection

Class	Ratio	Rate per Hectare
A	15	\$11.09368897
B	10	\$7.39579264
C	9	\$6.65621338
D	6	\$4.43747559
F	3	\$2.2187377

Scheme 443 - Upper Waikiwi River - Works rates on land area to raise \$16,421 for drainage maintenance

Class	Ratio	Rate per Hectare
A	22	\$20.14777183
B	12	\$10.98969372
C	8	\$7.32646248
D	6	\$5.49484686
E	2	\$1.83161562
F	1	\$0.91580781
U1	20	\$18.31615621
U2	10	\$9.15807810

Scheme 448 - Waituna Creek - Works rates on land area to raise \$151,427 for drainage maintenance

Class	Ratio	Rate per Hectare
A	8	\$9.00330712
B	7	\$7.87789373
C	6	\$6.75248034
D	5	\$5.62706695
E	3	\$3.37624017
F	1	\$1.12541339
BCL	1	\$6.63927051
BCM	1	\$3.76014558

Scheme 978 - Clifton Drainage - Works rates on land area to raise \$4,242 for drainage maintenance

Class	Ratio	Rate per Hectare
A	20	\$16.80952794
B	15	\$12.60714596

Scheme 428 - Invercargill Flood Control - Works rates on land value to raise \$461,604 for maintenance of flood control structures

Class	%	Rate per Dollar
M1	16	\$0.00047332
M2	8	\$0.00061964
M3	1	\$0.00145341
M4	75	\$0.00023442

Scheme 434 – Waiau Rating District - Works rates on land value to raise \$84,126 for flood control, willow control and drainage maintenance

Class	Ratio	Rate per Dollar
C4	1	\$0.00170007
D1	600	\$0.00903142
D2	125	\$0.00188155
E1	10	\$0.00003688
E2	60	\$0.00022131
E3	700	\$0.00258191
F1	1	\$0.00000092
F2	4	\$0.00000368
F3	35	\$0.00003218

Scheme 435 - Lake Hawkins - Works rates on land value to raise \$109,893 for drainage maintenance, pumping operations and pump replacement reserves

Class	Ratio	Rate per Dollar
A	5	\$0.00407412
B	4	\$0.00325929
C	1	\$0.00081482

Scheme 440 - Oreti Rating District - Works rates on land value to raise \$982,018 for flood control and drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A1	3	\$0.00105958
A2	2	\$0.00070639
A3	2	\$0.00070639
A4	1.5	\$0.00052979
A6	1	\$0.00035319
A7	2	\$0.00070639
B1	7	\$0.00086891
B2	7	\$0.00086891
B3	7	\$0.00086891
B4	3	\$0.00037239

Class	Ratio	Rate per Dollar
B5	3	\$0.00037239
B6	1	\$0.00012413
B7	0.75	\$0.00009310
C1	3	\$0.00080678
C2	2	\$0.00053785
C3	1	\$0.00026893
C4	0.80	\$0.00021514
C5	0.75	\$0.00020170
E2	1	\$0.00065085
F1	8	\$0.00064124
F2	2	\$0.00016031
F3	2.10	\$0.00016832
F4	0.28	\$0.00002244

(Land within Invercargill City Council)

Class	Ratio	Rate per Dollar
A1	3	\$0.00101978
A2	2	\$0.00067986
A3	2	\$0.00067986
A4	1.5	\$0.00050989
A6	1	\$0.00033993
A7	2	\$0.00067986
B1	7	\$0.00083627
B2	7	\$0.00083627
B3	7	\$0.00083627
B4	3	\$0.00035840
B5	3	\$0.00035840
B6	1	\$0.00011947
B7	0.75	\$0.00008960
C1	3	\$0.00077648
C2	2	\$0.00051765
C3	1	\$0.00025883
C4	0.80	\$0.00020706
C5	0.75	\$0.00019412
E2	1	\$0.00062641
F1	8	\$0.00061716

Class	Ratio	Rate per Dollar
F2	2	\$0.00015429
F3	2.1	\$0.0001620
F4	0.28	\$0.00002160

Scheme 445 - Waihopai River - Works rates on land value to raise \$33,646 for drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A	9	\$0.00088752
B	6	\$0.00059168
C	4	\$0.00039445
D	3	\$0.00029584
E	2	\$0.00019723
F	1	\$0.00009861

(Land within Invercargill City Council)

Class	Ratio	Rate per Dollar
A	9	\$0.00090975
B	6	\$0.00060650
C	4	\$0.00040433
D	3	\$0.00030325
E	2	\$0.00020217
F	1	\$0.00010108

Scheme 1080 - Makarewa Rating District - Works rates on land value to raise \$234,099 for flood control and drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A2	3	\$0.00077243
A3	2	\$0.00051495
A4	1	\$0.00025748
B1	6	\$0.00047277
B2	5	\$0.00039398
B3	5	\$0.00039398
B4	6	\$0.00047277
B5	5	\$0.00039398
B6	5	\$0.00039398
B7	6	\$0.00047277
B8	35	\$0.00275784
C2	3	\$0.00089485
C3	2	\$0.00059657
C4	1	\$0.00029828
F1	1	\$0.00006375

(Land within Gore District Council)

Class	Ratio	Rate per Dollar
A4	1	\$0.00028637
B3	5	\$0.00043819
F1	1	\$0.00007090

(Land within Invercargill City)

Class	Ratio	Rate per Dollar
F1	1	\$0.00004027

Scheme 1101 - Mataura Rating District - Works rates on land value to raise \$1,227,428 for flood control and drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A1	1	\$0.00123549
A2	1	\$0.00123549
B1	25	\$0.00185342
B5	15	\$0.00111205
B6	5	\$0.00037068
B7	5	\$0.00037068
B8	5	\$0.00037068
C1	5	\$0.00083494
C2	3	\$0.00050097
C3	2	\$0.00033398
C4	1	\$0.00016699
C5	5	\$0.00083494
D1	1	\$0.00111493
D2	1	\$0.00111493
E1	3	\$0.00070168
E2	2	\$0.00046779
E5	1	\$0.00023389
E6	1	\$0.00023389
E7	1	\$0.00023389
F1	1	\$0.00010009
F5	0.25	\$0.00002502

(Land within Gore District Council)

Class	Ratio	Rate per Dollar
A3	2	\$0.00285793
B2	25	\$0.00214367
B3	10	\$0.00085747
C1	5	\$0.00096569
C2	3	\$0.00057942
C3	2	\$0.00038628
C4	1	\$0.00019314
E1	3	\$0.00081156

Class	Ratio	Rate per Dollar
E2	2	\$0.00054104
E4	3	\$0.00081156
F1	1	\$0.00011577
F2	3	\$0.00034730
F3	3	\$0.00034730
F4	3	\$0.00034730

Scheme 1140 - Aparima Rating District - Works rates on land value to raise \$327,165 for flood control and drainage maintenance

Class	Ratio	Rate per Dollar
A1	4	\$0.00047949
A2	3	\$0.00035962
A3	20	\$0.00239746
B2	5	\$0.00093409
B3	4	\$0.00074727
B4	2	\$0.00037364
C1	3	\$0.00070654
C2	2	\$0.00047103
C3	1	\$0.00023551
E2	1	\$0.00044319
F1	5	\$0.00031725
F2	1	\$0.00006345
F3	0.75	\$0.00004759
F4	2	\$0.00012690

Scheme 584 - Waimatuku Rating District - Works rates on land value to raise \$56,778 for drainage maintenance

Class	Ratio	Rate per Dollar
C1	3	\$0.00035619
C2	2	\$0.00023746
C4	1.25	\$0.00014841
F1	1	\$0.00004111
F2	1.20	\$0.00004933
F3	1.10	\$0.00004522

Scheme 450 – Te Anau Basin Rating District - Works rates on land value to raise \$233,792 for flood control and drainage maintenance

Class	Ratio	Rate per Dollar
B1	200	\$0.000529539
C4	10	\$1.6499 per ha
D1	15	\$0.000273519
D3	16	\$0.000291753
E1	150	\$0.001912914
E3	750	\$0.009564569
E4	300	\$0.003825828
E5	750	\$0.009564569
F1	5	\$0.000089354
F2	10	\$0.000178707
F3	10	\$0.000178707

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 \$3,046 for willow control maintenance

Southern Pest Eradication Society

For collecting revenue for the Southern Pest Eradication Society (SPES) in the year commencing 1 July 2016 and ending on 30 June 2017 as authorised by Section 16 of the Local Government (Rating) Act 2002, to set and assess the following rates to raise \$255,945.

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 \$2.60 per hectare.

Rating base information as at 30 June 2016

Clause 20.A, Part 2, Schedule 10

The following table shows the anticipated number of rating units within the Southland region, as broken down by territorial authority area for each year of the 2015-2025 Long-term Plan.

Year	Gore District	Southland District	Invercargill City	Environment Southland
30/06/2016	6,042	21,080	25,210	52,374
30/06/2017	6,059	21,185	25,403	52,647
30/06/2018	6,077	21,290	25,596	52,963
30/06/2019	6,094	21,396	25,790	53,280
30/06/2020	6,111	21,503	25,983	53,597
30/06/2021	6,128	21,610	26,176	53,914
30/06/2022	6,145	21,718	26,369	54,232
30/06/2023	6,162	21,826	26,562	54,550
30/06/2024	6,180	21,935	26,756	54,871
30/06/2025	6,197	22,044	26,949	55,190

Schedule of Reserve Fund Movement

Below is a list of council's forecasted reserves for the year 2016/17. It specifies their purpose, activities to which the fund relates and their expected balance at the end of the financial year with the expected deposits and withdrawals.

Reserve Funds

Below is a list of council's forecasted reserves for the year 2016/17. It specifies their purpose, activities to which the fund relates and their expected balance at the end of the financial year with the expected deposits and withdrawals.

Name of Reserve	Forecasted opening balance \$000	Transfers in \$000	Transfers from \$000	Estimated balance \$000	
Lease Area Balances	3,856	42	201	4,099	
Rating District Balances	3,335	-	(50)	3,284	
Retained Earnings	52,784	-	(1,327)	51,458	
SPNZ Buy Back Reserve	2,985	-	-	2,985	Not yet determined
SPNZ Special Dividend Reserve	1,227	-	(956)	271	Not yet determined
Vehicle Renewal Reserve	237	353	(325)	264	To fund asset replacement
Computer Reserve	(311)	-	-	(311)	To fund asset replacement
Aerial Photography Reserve	49	-	-	49	
Furniture Reserve	113	40	-	153	To fund asset replacement
Disaster Damage Reserve	2,000	-	-	2,000	To fund disaster damage
Building Reserve	78	93	(160)	12	To fund asset replacement
Lease Building Reserve	498	24	-	522	To fund asset replacement
Gratuities Reserve	79	4	-	83	To fund future gratuity payments
Regional Assistance to Projects Res	6	-	-	6	To assist community projects
Election Funding Reserve	60	30	(90)	-	Used to hold funding for events over time (eg election costs over 3yrs)
Plant Replacement Reserve	(531)	293	(79)	(316)	To fund asset replacement
Coastal Rentals Reserve	57	70	(132)	(5)	In 2012 used to fund Regional Pest Management Strategy - a one off cost
Infrastructural Assets Reserve	486	44	-	530	To fund asset replacement
Emergency Mgmt Southland Reserve	27	-	-	27	To fund asset replacement
Lower Mararoa Disaster Damage Reserve	60	3	-	62	Combined with Te Anau Disaster reserve per Noel H
Upper Mararoa Disaster Damage Res	17	1	-	18	Combined with Te Anau Disaster reserve per Noel H
Orauea Disaster Damage Res	8	0	-	8	To fund disaster damage in this catchment
Waiiau Disaster Damage Reserve	1,621	122	(67)	1,676	To fund disaster damage in this catchment
Makarewa Disaster Reserve	150	10	-	160	To fund disaster damage in this catchment
Oreti Disaster Reserve	1,362	63	-	1,424	To fund disaster damage in this catchment
Mataura Disaster Reserve	1,165	54	-	1,218	To fund disaster damage in this catchment
Aparima Disaster Reserve	481	35	-	516	To fund disaster damage in this catchment
Upukerora Disaster Reserve	29	1	-	31	To fund disaster damage in this catchment
Whitestone Disaster Reserve	59	3	-	61	To fund disaster damage in this catchment
Waimatuku Stream Disaster Res	57	3	-	60	Operating balance attributable to old Waimatuku Rating District
Lake Hawkins Pumphouse Reserve	280	18	-	298	To fund replacement of Lake Hawkins pumphouse
Invercargill Disaster Reserve	684	91	-	775	To fund disaster damage in this catchment
Pest Property Reserve	277	31	(31)	276	Biosecurity asset replacement
Pest Plant Reserve	58	-	-	58	Biosecurity asset replacement
Pest Disposals Reserve	299	-	-	299	Biosecurity asset replacement
Marine Fee Reserve	2,165	2,000	(1,985)	2,180	To fund activities in the Coastal Marine Area
Te Anau Basin Damage Reserve	83	24	-	106	To fund disaster damage in this catchment
Special Reserves	15,916	3,407	(3,826)	15,498	
Total Reserves	75,892	3,449	(5,002)	74,339	

Additional Information on Groups of Activities and their Funding Sources

Funding of Activities 2016/17

This report describes the proposed cost of activities and their funding sources for the year covered by this plan ending 30 June 17

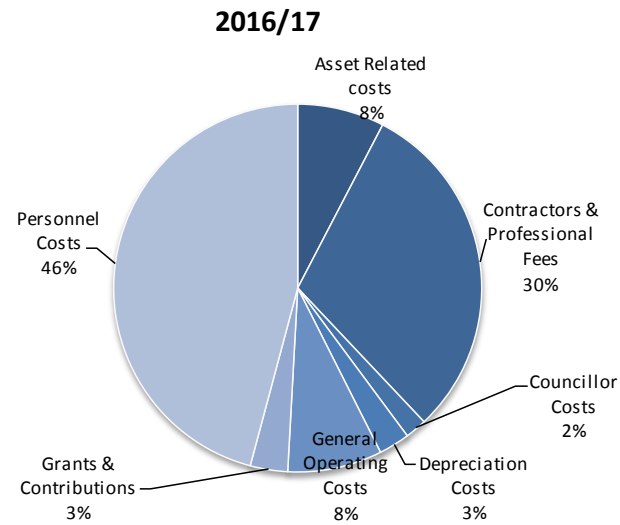
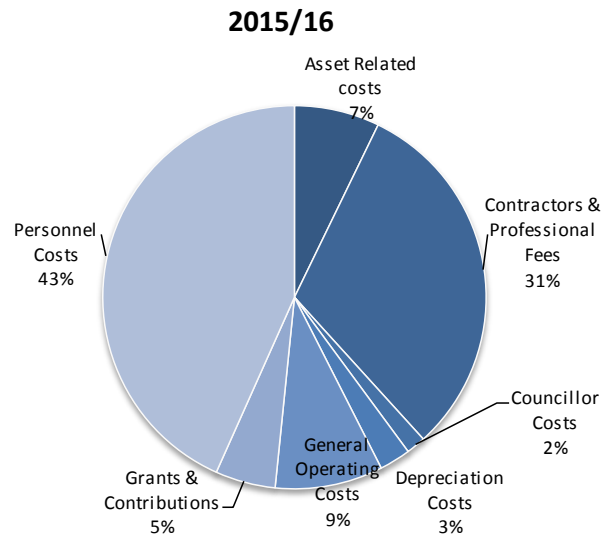
Expenditure \$000						Master	Funding Sources \$000											
Issue 1	Issue 2	Issue 3	Issue 4a	Issue 4b	Issue 5	Total Expenditure	Separate Rates	SPES Rate	General Rate on CV	Gen Rate Dairy Diff	UAGC Rate	Investments and Reserves*	Levies & Contributions	Rental Income	Other Income	Interest on Reserves	Reserves / Surpluses	Total Income
4,580	-	-	-	-	- Science	4,580	-	-	(695)	(198)	(223)	(799)	-	-	(808)	-	(1,857)	(4,580)
1,975	-	-	-	-	- Environmental Monitoring	1,975	-	-	(653)	(286)	(210)	(751)	-	-	(75)	-	-	(1,975)
519	-	-	-	-	- Environmental Education	519	-	-	-	-	(289)	(207)	-	-	(23)	-	-	(519)
2,241	355	-	-	-	- Regional Planning	2,595	-	-	(443)	(147)	(244)	(582)	-	-	(316)	-	(863)	(2,595)
145	73	73	73	-	- Council Planning	363	-	-	-	-	(94)	(67)	-	-	(146)	-	(55)	(363)
-	-	1,241	-	-	- Hazard Mitigation	1,241	-	-	(161)	(46)	(138)	(246)	-	-	(2,000)	-	1,350	(1,241)
29	15	15	15	-	- Oil Spills	73	-	-	-	-	-	-	-	-	(73)	-	-	(73)
-	-	671	-	-	- Emergency Management Southland	671	-	-	-	-	-	-	-	(600)	-	-	(72)	(671)
-	292	-	-	160	- Catchment Planning	451	-	-	(67)	(19)	(7)	(67)	-	-	(292)	-	-	(451)
-	-	-	-	4,090	- River Works	4,090	(2,528)	-	(490)	(140)	-	(450)	-	-	(426)	(152)	95	(4,090)
-	-	-	-	1,327	- Land Drainage	1,327	(991)	-	(48)	(14)	-	(44)	-	-	(78)	(88)	(64)	(1,327)
1,964	-	-	-	-	- Land Sustainability	1,964	(1,714)	-	-	-	-	-	-	-	-	-	(250)	(1,964)
436	-	-	-	-	- Pollution Prevention	436	-	-	(158)	(45)	(51)	(182)	-	-	-	-	-	(436)
-	-	-	2,665	-	- Biosecurity	2,665	(2,035)	(223)	-	-	-	0	(20)	(15)	(21)	-	(351)	(2,665)
-	2,053	-	-	-	- Environmental Consents	2,053	-	-	-	-	(299)	(214)	-	-	(1,610)	-	70	(2,053)
2,420	-	-	-	-	- Environmental Compliance	2,420	-	-	(351)	(100)	(113)	(404)	-	-	(1,452)	-	-	(2,420)
-	-	-	-	-	3,208 Governance/Community Representati	3,208	-	-	-	-	(1,591)	(1,138)	(399)	-	-	-	(80)	(3,208)
-	-	-	794	-	- Property Management	794	-	-	-	-	-	-	-	(800)	(92)	(144)	243	(794)
14,309	2,787	1,999	3,546	5,577	3,208 Total	31,427	(7,269)	(223)	(3,065)	(995)	(3,260)	(5,151)	(1,019)	(815)	(7,412)	(384)	(1,835)	(31,427)

***Investments & Reserves Comprise of:**

Dividend from South Port	3,837
Investment Income	1,850
Penalty Income	130
Less Interest allocated to Rating/Lease Districts	(384)
Less Interest allocated to reserves	(282)
	5,151

Input Costs

Budget 2015/16 \$000		Budget 2016/17 \$000	LTP 15-25 2016/17 \$000
2,177	Asset Related costs	2,401	2,241
9,400	Contractors & Professional Fees	9,527	9,819
494	Councillor Costs	594	504
794	Depreciation Costs	856	940
2,751	General Operating Costs	2,608	2,849
1,535	Grants & Contributions	1,034	1,039
13,105	Personnel Costs	14,406	13,764
30,256		31,427	31,155



Disclosure of Exchange and Non-exchange transactions

In accordance with PBE IPSAS 9: Exchange transactions and PBE IPSAS 23: Non-exchange transactions, income and current assets are disclosed below according to whether they are Exchange or Non-exchange transactions.

Year ended 30 June 2016 \$000		Year ended 30 June 2017 \$000
Revenue from Non-Exchange transactions		
7,524	General Rates	7,320
6,872	Separate Rates	7,269
223	Southern Pest Eradication Society Rate	223
636	Levies and Contributions	1,019
130	Rates Penalties	130
Revenue from Exchange transactions		
385	Local Contributions	482
814	Rental Income	815
6,755	External Recoveries	6,930
1,676	Investment Income	1,850
3,488	Dividend from South Port	3,837
28,502	Total Revenue	29,874
Current Assets		
427	Receivables from Non-exchange transactions (Rates)	733
1,496	Receivables from Exchange transactions	1,676

Funding Impact Statement - Enablement of resource use by communities, industries and individuals

2015/16	2016/17	LTP 2016/17
\$000 Sources of Funding	\$000	\$000
312 General rates, uniform annual charges, rates penalties	349	371
0 Targeted rates	0	0
0 Subsidies and grants for operating purposes	0	0
1,980 Fees and charges	2,221	2,257
0 Internal Charges and overheads recovered	0	0
129 Local authorities fuel tax, fines, infringement fees and other receipts	165	151
2,421 Total Operating Funding	2,735	2,778
Applications of Operating Funding		
1,539 Payments to staff and suppliers	1,789	1,883
5 Financing Costs	7	6
893 Internal Charges and overheads recovered	971	912
0 Other operating funding applications	0	0
2,437 Total Applications of Operating Funding	2,767	2,801
(16) Surplus/(deficit) of operating funding	(32)	(23)
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
22 Gross proceeds from the sale of assets	4	4
0 Lump sum contributions	0	0
22 Total sources of capital funding	4	4
Applications of capital funding		
Capital expenditure		
23 - to meet additional demand	0	0
3 - to improve the level of service	0	0
59 - to replace existing assets	25	25
41 Increase/(decrease) in Reserves	55	63
(120) Increase/(decrease) in Investments	(108)	(107)
6 Total applications of capital funding	(28)	(18)
16 Surplus/(deficit) of capital funding	32	23
(0) Funding Balance	0	(0)
18 Depreciation expense (not included in the above FIS)	20	20

Funding Impact Statement - Providing for management of Southland's sustainability

2015/16	2016/17	LTP 2016/17
\$000 Sources of Funding	\$000	\$000
4,481 General rates, uniform annual charges, rates penalties	4,276	4,531
1,478 Targeted rates	1,714	1,731
0 Subsidies and grants for operating purposes	0	0
2,650 Fees and charges	2,486	2,784
0 Internal Charges and overheads recovered	0	0
1,859 Local authorities fuel tax, fines, infringement fees and other receipts	2,016	1,830
10,469 Total Operating Funding	10,493	10,876
Applications of Operating Funding		
10,990 Payments to staff and suppliers	10,055	10,714
28 Financing Costs	36	28
2,560 Internal Charges and overheads recovered	3,707	3,148
0 Other operating funding applications	0	0
13,577 Total Applications of Operating Funding	13,798	13,890
(3,108) Surplus/(deficit) of operating funding	(3,305)	(3,013)
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
80 Gross proceeds from the sale of assets	97	96
0 Lump sum contributions	0	0
80 Total sources of capital funding	97	96
Applications of capital funding		
Capital expenditure		
200 - to meet additional demand	8	8
182 - to improve the level of service	4	0
303 - to replace existing assets	376	373
(2,456) Increase/(decrease) in Reserves	(2,447)	(2,212)
(1,256) Increase/(decrease) in Investments	(1,150)	(1,087)
(3,028) Total applications of capital funding	(3,208)	(2,917)
3,108 Surplus/(deficit) of capital funding	3,305	3,013
0 Funding Balance	(0)	0
458 Depreciation expense (not included in the above FIS)	512	597

Funding Impact Statement - Emergency response and preparedness

2015/16	2016/17	LTP 2016/17
\$000 Sources of Funding	\$000	\$000
388 General rates, uniform annual charges, rates penalties	372	408
0 Targeted rates	0	0
0 Subsidies and grants for operating purposes	0	0
2,544 Fees and charges	2,643	2,452
0 Internal Charges and overheads recovered	0	0
161 Local authorities fuel tax, fines, infringement fees and other receipts	175	164
3,094 Total Operating Funding	3,191	3,024
Applications of Operating Funding		
1,456 Payments to staff and suppliers	1,472	1,517
4 Financing Costs	5	4
390 Internal Charges and overheads recovered	450	406
0 Other operating funding applications	0	0
1,850 Total Applications of Operating Funding	1,927	1,927
1,244 Surplus/(deficit) of operating funding	1,263	1,097
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
16 Gross proceeds from the sale of assets	3	3
0 Lump sum contributions	0	0
16 Total sources of capital funding	3	3
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
3 - to improve the level of service	0	0
38 - to replace existing assets	19	17
1,344 Increase/(decrease) in Reserves	1,354	1,187
(124) Increase/(decrease) in Investments	(106)	(105)
1,260 Total applications of capital funding	1,267	1,100
(1,244) Surplus/(deficit) of capital funding	(1,263)	(1,097)
(0) Funding Balance	(0)	(0)
71 Depreciation expense (not included in the above FIS)	72	72

Funding Impact Statement - Services

2015/16	2016/17	LTP 2016/17
\$000 Sources of Funding	\$000	\$000
19 General rates, uniform annual charges, rates penalties	19	21
2,186 Targeted rates	2,258	2,354
0 Subsidies and grants for operating purposes	0	0
91 Fees and charges	177	93
0 Internal Charges and overheads recovered	0	0
970 Local authorities fuel tax, fines, infringement fees and other receipts	968	991
3,266 Total Operating Funding	3,422	3,459
Applications of Operating Funding		
3,251 Payments to staff and suppliers	2,829	2,854
8 Financing Costs	9	7
485 Internal Charges and overheads recovered	611	548
0 Other operating funding applications	0	0
3,743 Total Applications of Operating Funding	3,449	3,410
(477) Surplus/(deficit) of operating funding	(27)	50
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
15 Gross proceeds from the sale of assets	20	20
0 Lump sum contributions	0	0
15 Total sources of capital funding	20	20
Applications of capital funding		
Capital expenditure		
28 - to meet additional demand	0	0
5 - to improve the level of service	0	0
47 - to replace existing assets	60	61
(453) Increase/(decrease) in Reserves	(32)	50
(89) Increase/(decrease) in Investments	(35)	(41)
(462) Total applications of capital funding	(7)	70
477 Surplus/(deficit) of capital funding	27	(50)
0 Funding Balance	0	(0)
99 Depreciation expense (not included in the above FIS)	97	97

Funding Impact Statement - Services - flood protection and control works

2015/16	2016/17	LTP 2016/17
\$000 Sources of Funding	\$000	\$000
825 General rates, uniform annual charges, rates penalties	803	834
3,430 Targeted rates	3,520	3,606
0 Subsidies and grants for operating purposes	0	0
499 Fees and charges	504	511
0 Internal Charges and overheads recovered	0	0
567 Local authorities fuel tax, fines, infringement fees and other receipts	619	571
5,322 Total Operating Funding	5,445	5,523
Applications of Operating Funding		
5,101 Payments to staff and suppliers	5,181	5,240
11 Financing Costs	14	11
171 Internal Charges and overheads recovered	250	215
0 Other operating funding applications	0	0
5,283 Total Applications of Operating Funding	5,446	5,465
39 Surplus/(deficit) of operating funding	(0)	57
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
14 Gross proceeds from the sale of assets	8	8
0 Lump sum contributions	0	0
14 Total sources of capital funding	8	8
Applications of capital funding		
Capital expenditure		
12 - to meet additional demand	0	0
7 - to improve the level of service	0	0
46 - to replace existing assets	47	49
281 Increase/(decrease) in Reserves	201	247
(294) Increase/(decrease) in Investments	(241)	(230)
53 Total applications of capital funding	7	65
(39) Surplus/(deficit) of capital funding	0	(57)
(0) Funding Balance	0	0
130 Depreciation expense (not included in the above FIS)	131	132

Funding Impact Statement - Community representation and communication

2015/16	2016/17	LTP 2016/17
\$000 Sources of Funding	\$000	\$000
1,628 General rates, uniform annual charges, rates penalties	1,630	1,683
0 Targeted rates	0	0
0 Subsidies and grants for operating purposes	0	0
11 Fees and charges	399	11
0 Internal Charges and overheads recovered	0	0
676 Local authorities fuel tax, fines, infringement fees and other receipts	769	680
2,315 Total Operating Funding	2,798	2,374
Applications of Operating Funding		
1,877 Payments to staff and suppliers	2,381	2,011
5 Financing Costs	8	5
689 Internal Charges and overheads recovered	796	706
0 Other operating funding applications	0	0
2,572 Total Applications of Operating Funding	3,185	2,723
(257) Surplus/(deficit) of operating funding	(387)	(348)
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
2 Gross proceeds from the sale of assets	4	4
0 Lump sum contributions	0	0
2 Total sources of capital funding	4	4
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
3 - to improve the level of service	0	0
10 - to replace existing assets	25	24
132 Increase/(decrease) in Reserves	12	8
(401) Increase/(decrease) in Investments	(419)	(376)
(255) Total applications of capital funding	(382)	(344)
257 Surplus/(deficit) of capital funding	387	348
(0) Funding Balance	(0)	(0)
20 Depreciation expense (not included in the above FIS)	24	21

Coastal Occupation Charges

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 activity charges (exclusive of GST), as at 30 September 2015, are as follows:

Commercial activities, excluding Riverton Harbour wharves	
1a - Any structure, marine farm, boat building/repair structure, boatshed or other commercial activity	\$610.06
1b - Boat storage facility on water (for more than 10 boats), including marinas, moorings, boat parks, or canal housing	\$610.06
- per metre of berth per annum	\$17.23
- additional sum for every swing mooring	\$120.58
Non-commercial activities, excluding Riverton Harbour wharves	
2a - Structures up to and including 14 m ²	\$86.12
2b - Structures between 14 m ² and 28 m ²	\$165.08
2c - Structures between 28 m ² and 56 m ²	\$330.15
2d - Structures between 56 m ² and 84 m ²	\$416.27
2e - Structures exceeding 84 m ²	\$610.06
2f - Any boatshed	\$165.08
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)	\$86.12
3b - Any pipeline (other than above) or submarine or buried cable	\$122.01
- plus additional sum if longer than 30 m (per 30 m length per annum)	\$21.40
- up to a maximum sum per annum	\$610.06
3c - Any pile moorings	\$86.12
- or per metre per annum whichever is the higher sum	\$17.23
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)	\$120.58
3e - Any wharf in Riverton Harbour (per metre of length pa)	\$11.87



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