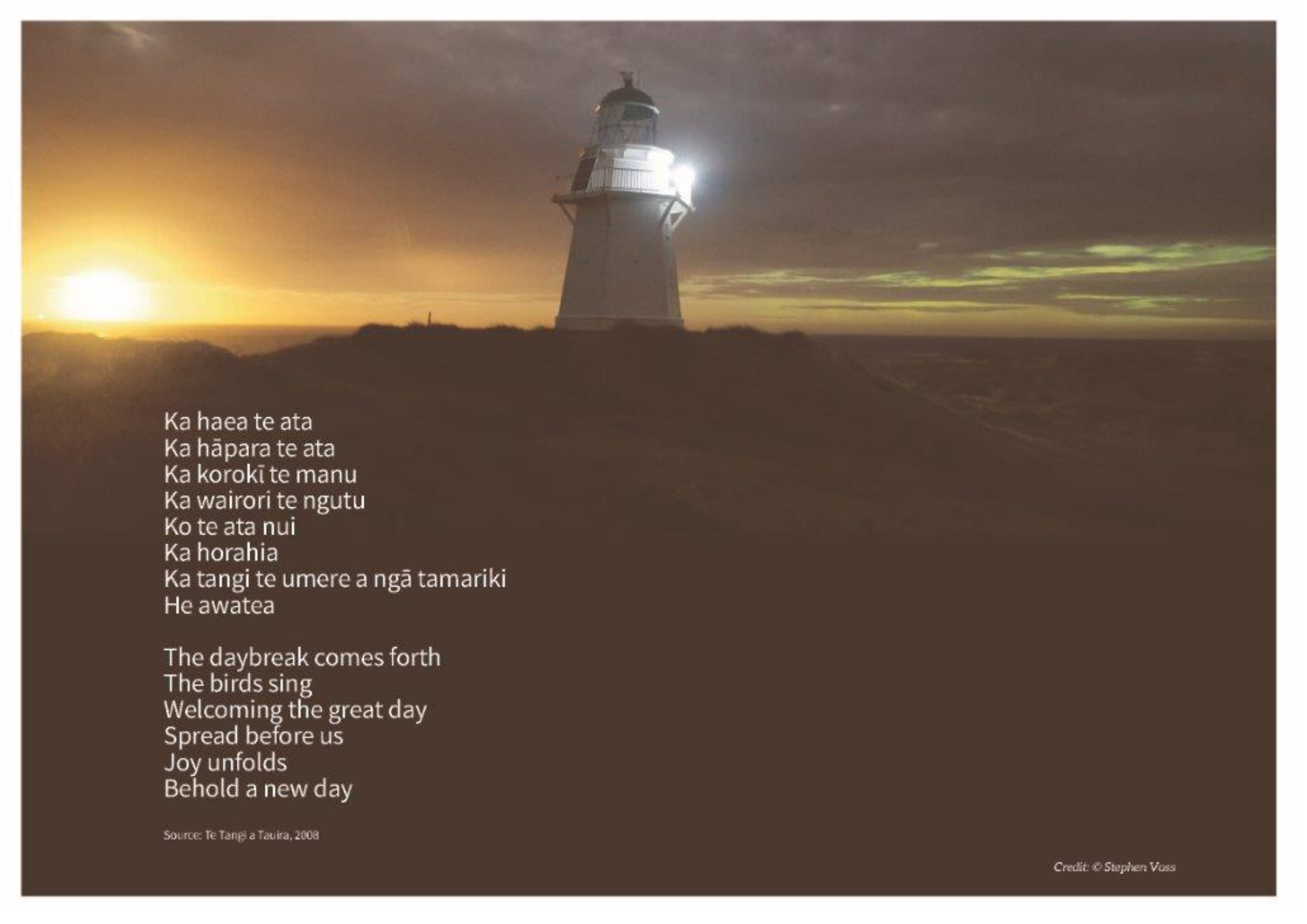


Annual Plan

Tahua ā-tau

2017/18





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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Message from the Chairman & Chief Executive



In the 2016 local body elections we welcomed four new councillors and had a change of chairman. Each councillor brings their own perspective, so there is plenty of frank discussion, which bodes well. A strong sense of team is developing and there's a firm commitment to achieving positive, sustainable outcomes for Southlanders.

The 2017/18 Annual Plan represents the third year of the Long-term Plan 2015-2025 (LTP). It outlines our budgets and work programmes, which are well aligned to the LTP and our *Big 3* priorities – water, air, biodiversity.

In setting the rates for the year, the Council was mindful of the challenging economic climate and also the significant demands being placed on it by central government, particularly in the freshwater space.

Prudent adjustments to work programmes and budgets have been made and a recently released South Port dividend has been utilised, as have other reserves and surpluses to reduce the rates impact.

Nicol Horrell
Chairman

The overall rates increase for the 2017/18 year is 5.9% (equating to \$873,857). This is below the forecast in the Long-term Plan of 6.64%.

Total expenditure for the 2017/18 year is \$32.29 million, which is an increase of \$865,000 on the previous year. This increase is due predominantly to science work being undertaken in the final year of our three-year programme, community engagement, and the statutory hearing process.

As there are no significant changes to the LTP and the Council is doing what it said it would do, we are not required to consult on this Annual Plan. However, councillors are always available and interested in people's views, so please make contact at any time, if there is something you'd like to discuss.

This coming year we are launching the *People Water and Land Strategy*, which recognises the importance of working with others. This means we will be working harder to engage with Southlanders, including individuals, organisations, industry groups and catchment groups. The aim is to develop a future-focused region-wide plan to improve water quality.

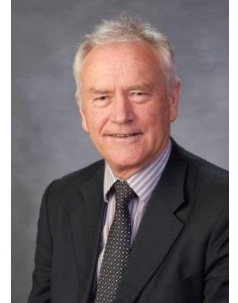
Rob Phillips
Chief Executive

Environment Southland has had a systematic approach, first undertaking science and economic research to help inform the water conversation. We have put in place the proposed Water and Land Plan, which aims to address activities we know have a negative impact on water quality. Next, we need to understand your aspirations for freshwater; and ensure you have the information you need to understand the pressures and opportunities that activities have on it.

The Government, through its National Policy Statement for Freshwater (NPS-FW), requires regional councils to maintain and improve water quality. Now, it is stepping up its expectations, for progressively getting initiatives in place.

The only way we are going to find successful solutions for Southland's water quality issues, is for us to do it together, as a community.

We are also preparing for our next Long-term Plan (2018-2028), which needs to consider the emerging issues related to climate change and how they will impact on our hazard management in Southland.



The Council will continue its involvement in the Regional Development Strategy (SoRDS), bringing our region-wide perspective to its governance.

We will maintain all of our core activities including river catchment management; environmental monitoring and research; outreach activities such as biosecurity, land sustainability and environmental education; plus compliance; consenting; policy planning; and community representation. Additionally, our air quality and biodiversity programmes will continue.

The Council remains committed to providing leadership for the sustainable management of the region's natural resources, so they remain in the best possible condition they can be for Southlanders to use and enjoy, now and for the future.

The 2017/18 Annual Plan was adopted by the Council on 17 May 2017.

Your constituent Councillors



Nicol Horrell,
Chair, Western
021 068 7167



Lloyd McCallum
Deputy Chair, Southern
027 268 4832



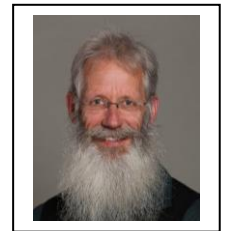
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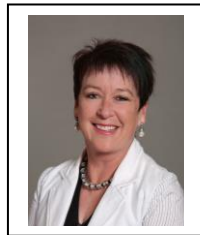
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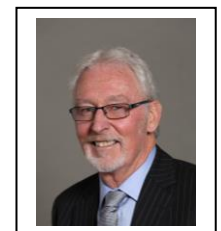
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2017/18 Annual Plan and how it differs to the 2015-2025 Long-term Plan

To determine how the Annual Plan might differ to the Long-term Plan, the Council, in conjunction with the executive staff, reviewed a list of project items for relevance, importance, and urgency.

The Council then tested those projects to decide whether the differences were “significant or material” from the content of the Long-term Plan for the 2017/18 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 2017/18 Annual Plan and year three 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 four broad headings in the next section.

There are some other areas where changes are being contemplated by Government on air quality criteria, resource management processes, and natural hazards management. Council is unable to cater for those matters at the outset of this Annual Plan as there are no definite outcomes to aim for at the moment. That will obviously change during the course of the 2017/18 year, and the Council will have to be ready to adapt its programmes accordingly.

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 and challenges 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.

For example, the changing demographic profile across the region indicates that the population is ageing, which is in line with the trend nationally. Medium level projections out to 2043 from Statistics NZ indicate that trend will continue in Southland, with the total population remaining relatively

steady at around 99,000 (that is without any increase from the SoRDS projects). That figure is no surprise, but the implications for local government and the challenges being placed before it mean that there will have to be an investigation into the options for alternative funding sources over time.

Risk management/community resilience and health and safety are two matters that have been brought higher in awareness

through the various natural hazard events around the country and through specific legislation. While these aspects have always been incorporated into our daily business, a higher level of focus is now being applied, which means more deliberate planning and reporting is required to the Council and the community.

Changes that have been considered or incorporated into the 2017/18 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 planned rate increase adopted for Year 3 in the Long-term Plan (2017/18) was 6.64%.

In light of the challenging economic climate and the significant demands being placed on the Council by central government, the Council has applied 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 2017/18 year will be reduced, down from the

predicted 6.64% to 5.90% (that equates to \$873,857).

Biosecurity

The 2015-2025 Long-term Plan proposed an increase in the Biosecurity rate of 2.61% for the 2017/18 year. The actual Biosecurity rate proposed for the 2017/18 year is 11.71% (that equates to \$238,265). This increase is primarily for the

additional High Value Area (HVA) project work associated with the biodiversity programme. The Council has made less use of any Biosecurity reserves to reduce rate impact than in previous years, which means the overall Biosecurity rate increases this year.

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.

As indicated in the 2016/17 Annual Plan, the Council's contribution to the overall project is \$248,380. This level of figure does not trigger the Council's public consultation requirements.

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.

Council's contribution comes due in July 2017.

Regional development strategy

In late 2014 the Mayoral Forum (made up of the four Southland councils) commissioned the

Southland Regional Development Strategy (SoRDS) project.

The Southland Regional Development Strategy was launched in October 2015.

Work is continuing on the strategy to boost Southland's industry, economy and population. The SoRDS action plan was launched in late November 2016, and a new organisation is being formed to implement it. The strategy has received \$2.4 million in central government funding to boost education, the primary sector, aquaculture and tourism. The aim is to increase Southland's

population by 10,000 people by 2025.

There will likely be implications for some of the Council's programmes from the SoRDS actions e.g. changes required to Regional Coastal Plan relating to aquaculture development.

The governance structure for delivering on the SoRDS Action Plan is likely to change during 2017/18 as will Environment Southland's role and contribution to the implementation of the Plan. Those arrangements will be monitored during the next few months and the situation will be addressed during the development of the 2018-2028 Long-term Plan.

People, Water and Land Strategy

The NPS-FM requires Council to manage water in an integrated and sustainable way, within set water quality and quantity limits. In accordance with the requirements of Policy E1 of the NPS-FM, Council has approved its Progressive Implementation Programme, which identifies when Environment Southland plans to commence working with the community to identify freshwater values and objectives for each of Southland's five Freshwater Management Units (FMUs). In line with the NPS-FM, Council has committed to setting limits in each of the five FMUs by December 2025.

To assist with the response to the NPS-FM, Council, in partnership with TAMI, is developing the People, Water and Land Strategy. The aim of developing the Strategy is to work with the community in the development of the Strategy, to achieve community ownership of the objectives and outcomes for freshwater in Southland.

To date, the development of the Strategy has involved a number of conversations with Council, stakeholders and identified groups of community leaders.

The goal of the Strategy is to enable people to do the right thing with respect to managing freshwater. The Strategy has two workstreams - Implementation Delivery and Social Context.

These workstreams build on the Southland Science and Economic Projects, and the proposed Southland Water and Land Plan, which have undertaken considerable work developing relationships with sector groups and Ngāi Tahu, as well as building an understanding of what Te Mana o Te Wai means.

A Programme Manager is to be engaged, with a budget of \$140,000 to be provided in the 2017/18 Annual Plan for the resource.

Support for the project has also been provided by the Government providing \$300,000 over two years (\$150,000 in 2016/17 and \$150,000 in 2017/18).

Deferred projects

Air Quality Plan Changes

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. Phase 1 of the review has been completed. The Government is currently reviewing the NES – Air Quality (see “*A way forward for national direction – 2016*”). The

Government's review intends to address the provisions relating to particulate matter (change from PM10 to PM2.5) to reflect the costs of compliance and current science on health impacts. This review is due to be completed in 2017. Until that work is completed, it is prudent to defer any further changes to our Air Plan.

The situation will continue to be monitored and reported in the Annual Report but in the meantime any 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.

Coastal Plan Review

A review of the Regional Coastal Plan for Southland was commenced in March 2017 assessing provisions which have not been subject to change within the past 10 years. A staged

approach to the review is proposed. An initial scoping assessment of the Coastal Plan will inform the review process. This will be followed by Stage 1 which will identify and address outdated, underused or overused provisions with drafting for

notification likely to occur between 2017 and 2019.

Stage 2 will focus on incorporating the New Zealand Coastal Policy Statement 2010 provisions and is likely to occur between 2019 and 2021. Stage 3

will be a wrap-up and include any subsequent ministerial direction (i.e. aquaculture reform).

External Changes and Influences

Local government as a business has to be adaptable and able to respond to external changes and influences, Government guidance and its expectation that we proceed at a greater pace, especially when it comes to water management.

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

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. That process was delayed and is now being progressed through the Select Committee with the Government's aim being that the amendments become law before the 2017 national elections.

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, incorporating natural hazard management, mechanisms to provide for iwi partnership in local authority decision-making, and 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 reforms. The key themes from the submissions focussed on:

- freshwater and our environment;
- economic use of freshwater;
- Iwi rights and interest in freshwater;
- freshwater funding.

As part of the ongoing freshwater reforms, the Government has released (February 2017) its “Clean Water” reform proposals for consultation. Those reform proposals seek to have 90% of rivers and lakes swimmable by 2040.

The Council’s Water and Land 2020 & Beyond Project and the People, Water and Land Strategy encompass 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.

The costs associated with any changes to the NPS-FM are difficult to identify, but it is likely that any impacts that may arise during the 2017/18 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.

The coastal permits that allow marine farms to operate nationally have to be renewed by the end of 2024. Council has been working with the Ministry for Primary Industries and others to research and advise the Minister on permit renewal options. Resolution of that issue will likely be implemented by the Government during the 2017/18 year.

Council has also been working alongside the aquaculture industry, Ministry for Primary Industries, Iwi and other interested parties to investigate potential location options for growth of the aquaculture industry in Southland. This work has been recognised by SoRDS as a major potential development opportunity for the Southland region.

Finding ideal new water space and enhancing the use of existing water space are two aspects being investigated. The Government, following the release of the SoRDS Action Plan in 2016, has indicated financial support to

complete the investigation phase of the identified locations. The Government’s funding package totalled \$950,000. That work includes landscape assessment, cultural impact assessment, phase 2 science research, economic viability analysis, ecological surveys and site specific farm design options.

Implications for the Council’s Regional Coastal Plan may be that changes to the provisions of *Chapter 15 – Marine Farming* will be required.

The costs of undertaking any work on the Coastal Plan due to ministerial direction or other changes cannot be identified at this stage.

Managing the effects of climate change and natural hazards

Currently, we take our lead from central government on responding to the effects of 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 programmes into the future. The cost of implementing any changes are also unknown at this point.

Projections of climate change impacts 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.

Council needs to keep up with the science and predictions for likely effects of climate change within the region. The range of effects can be grouped under a natural hazards heading, with those potential effects including:

- **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.

In addition to the effects from climate change or as an extension of them in some cases, the region is also exposed to other natural hazards such as earthquakes, tsunamis, floods in the main river systems, and snow events (e.g. the Southland Stadium collapse from snow). Hazards can also extend to pest plant incursions (velvetleaf, *Undaria*) or disease

responses that may impact human or animal health and the region's economy. Some hazards have higher risk consequences than others for people, communities and businesses but being prepared, able to respond, and getting back to normal as soon as possible are the usual expectations from the community.

Management of the effects of natural hazards or events usually falls to civil defence and emergency management arrangements in the first instance. Southland has the advantage of a shared service through Emergency Management Southland, which takes the lead on behalf of the four Councils. However, being able to respond adequately means having an organisation that has the capability and capacity to apply the 4Rs of reduction, readiness, response and recovery. There will be an ongoing quest for more information in order to understand the hazards in terms of their nature and effect. Additional information and data (e.g. LIDAR¹ to assess tsunami

¹ LIDAR is a surveying method that measures distance to a target by

run-up zones) will be needed to assist in understanding the effects and the locations that will be impacted. That increased level of understanding will provide the basis for ensuring long-term planning and development takes hazard effects into account.

Government is currently making changes to local government's responsibilities for managing the effects of natural hazards. Changes are being proposed to the Resource Management Act and the Civil Defence and Emergency Management Act to clarify and reinforce the expected local government roles and responsibilities managing the significant risks from natural hazards. With the effects of climate change becoming more apparent, local government will be expected to pick up significant responsibilities for keeping their communities and businesses safe.

illuminating that target with a laser light to make high-resolution maps.

Our infrastructure – Protecting Communities

Southland has big river systems, regular rainfall, low-lying plains and a mosaic of underground aquifers.

Over time, we have built urban areas alongside the rivers, developed agriculture on flood plains, drained wetlands and reduced native vegetation on the hills; creating an environment where flooding is always a risk.

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 minimum 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 2015-2025 Long-term Plan 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.

There are some stopbanks in Gore and Invercargill that are owned by the local councils. They protect the community and significant structural assets such as the Invercargill airport. We work with those councils on an ongoing basis, providing technical and operational expertise.

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



Photo: Les Ladbrook

due to development and human settlement, which has resulted in changes to waterways. More recent land use intensification, together with ageing stormwater 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.

Looking ahead, our People, Water and Land work programme will focus on people and engagement with communities.

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 we know can have a negative impact on water quality (e.g. wintering of livestock).

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, landowners 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 May 2016 and may change again due to input from submissions, which will be considered by commissioners during hearings from mid-2017.

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.

Environment Southland recognises that good air quality contributes to healthy communities and an enjoyable lifestyle.

As a regional council, we are also 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 in local



newspapers and via
www.BreatheEasySouthland.co.nz

We have been engaging with the
community and stakeholders on

Southland's Air Plan review through the Breathe Easy campaign since 2012.

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.

We listened to all the feedback, which resulted in changes to the draft Air Plan. It was formally adopted in October 2016 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 that community is closer to achieving improved air quality.

In the 2015-2025 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.

Environment Southland committed a further \$140,000 per year for three years in the Long-term Plan for people in the Gore airshed. The Clean Air loans scheme for Gore was launched in February 2017, with support from the Gore District Council to administer the loans.

Additionally, we have initiated a Good Wood scheme, which identifies vendors who actively seek to supply dry firewood.

The Council is taking an education-first approach to compliance with the air plan rules for home heating. 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.

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 have 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 2015-2025 Long-term Plan we flagged an increased focus on

biodiversity. It is still early days, but we are expecting to continue increasing our activities in this area over the year.

We have employed a biodiversity programme leader to focus our work and build on relationships with other groups and organisations working to improve biodiversity in the community.

The Council has developed a pathway plan to help prevent marine pests (like *Undaria*) from being transported (predominately on boat hulls) into the pristine waters of Fiordland.

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

vector programme withdraws from the region.

We also lead a strong High Value Area (HVA) programme that utilises ecological surveys undertaken by local ecologists, and provides valuable information to landowners about their remnants of native flora that can assist with overall land management.

In the future, the key to making progress will be in working together across the region with landholders and others who have responsibilities 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 is 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 2017/18

Prospective Statement of Comprehensive Revenue & Expense (By Groups of Activities) for the Year ended 30 June 2018

2016/17 \$000	2017/18 \$000	LTP 2017/18 \$000
Revenue		
7,320 General Rates	7,708	8,466
7,269 Separate Rates	7,746	7,731
223 Southern Pest Eradication Society Rate	231	234
1,019 Levies and Contributions	681	663
482 Local Contributions	510	406
815 Rental Income	818	797
7,060 External Recoveries	6,569	7,308
1,850 Investment Income	1,829	1,670
3,837 Dividend from South Port	4,535	3,488
29,874 Total Revenue	30,627	30,763
Less Cost of Services and Expenses		
14,309 Providing for management of Southland's sustainability	14,855	14,933
2,787 Enablement of resource use by communities, industries and individuals	2,694	2,807
1,999 Emergency response and preparedness	2,138	2,004
3,546 Services	3,756	3,529
5,577 Services - flood protection and control works	5,721	5,857
3,208 Community representation and communication **	3,127	2,718
31,427 Total Expenditure	32,292	31,848
(1,553) Net Forecast Operating Surplus / (Deficit)	(1,665)	(1,085)

Prospective Statement of Changes in Net Assets/Equity for the period ended 30 June 2018

73,892 Total Equity at beginning of year	76,018	70,500
(1,553) Net Surplus / (Deficit)	(1,665)	(1,085)
74,339 Total Equity at end of year	74,354	69,415

** Community Representation is made up of two activities - Council Members and Communications.

Communications expenditure is \$1.161 million and Council Members expenditure is \$1.966 million, of which \$250,000 is for a one off Aeromagnetic Survey.

Prospective Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2018

2016/17	2017/18	LTP 2017/18
\$000	\$000	\$000
Revenue		
14,811 Rates Revenue	15,685	16,430
5,687 Interest and Dividends	6,364	5,159
- Other Gains / (Losses)	-	-
9,375 Other Revenue	8,578	9,174
29,874 Total Income	30,627	30,763
Expenditure		
15,097 Employee benefits expense	15,496	15,028
856 Depreciation expense	946	920
80 Financial Costs	65	60
15,394 Other expenses	15,785	15,841
31,427 Total Operating Expenditure	32,292	31,848
(1,553) Forecast Operating Surplus / (Deficit)	(1,665)	(1,085)
- Share of Associate Surplus / Deficit	-	-
(1,553) Forecast Surplus / (Deficit) before Tax	(1,665)	(1,085)
Other Comprehensive Revenue		
- Property, Plant and Equipment Revaluation Gain / (Loss)	-	-
- Less Taxation Expense	-	-
(1,553) Total Forecast Comprehensive Revenue & Expense after Taxation	(1,665)	(1,085)

**Prospective Statement of Changes In Net Assets/Equity
for the Year Ended 30 June 2018**

2016/17 \$000		2017/18 \$000	LTP \$000
73,892	Total Equity at beginning of year	76,018	70,500
(1,553)	Total Comprehensive Revenue Surplus / (Deficit)	(1,665)	(1,085)
(1,553)	Total Recognised Revenue & Expenses	(1,665)	(1,085)
74,339	Total Equity at End Of Year	74,354	69,415

Components Of Equity

50,592	Accumulated comprehensive revenue & expense at 1 July	51,976	48,296
(1,553)	Net Surplus / (Deficit) for the year	(1,665)	(1,085)
2,226	Transfers (to) / from restricted reserves	(302)	(100)
51,266	Accumulated comprehensive revenue & expense at 30 June	50,009	47,110
16,108	Restricted Special Reserves at 1 July	15,977	15,321
(419)	Transfers (to) / from reserves	282	(97)
15,690	Restricted Special Reserves at 30 June	16,260	15,224
3,856	Restricted Lease Area Reserves at 1 July	4,079	3,951
243	Transfers (to) / from reserves	88	231
4,099	Restricted Lease Area Reserves at 30 June	4,166	4,181
3,335	Restricted Rating District Reserves at 1 July	3,987	2,933
(50)	Transfers (to) / from reserves	(68)	(33)
3,284	Restricted Rating District Reserves at 30 June	3,919	2,899
74,339	Total Components of Equity	74,354	69,415

Prospective Statement of Financial Position
as at 30 June 2018

2016/17		2017/18	LTP 2017/18
\$000		\$000	\$000
Current Assets			
(615)	Cash and Cash Equivalents	(1,707)	(1,133)
135	Inventories	121	200
176	Prepayments	239	80
1,500	Receivables	1,061	1,496
733	Rates Outstanding	715	427
28,992	Managed Funds	30,281	25,281
30,921		30,710	26,351
Non-Current Assets			
37,405	Property, Plant and Equipment	37,312	35,277
798	Investment in Related Party	807	691
280	Loan to Gore District Council	280	420
1,000	Loan to Invercargill City Council	1,100	1,500
8,721	Shares in Subsidiaries	8,721	8,721
48,204		48,220	46,608
79,125	Total Assets	78,930	72,959
Current Liabilities			
1,305	Employee Entitlements	1,511	1,124
3,457	Creditors & Accruals	3,034	2,390
4,762		4,544	3,514
Non-Current Liabilities			
25	Employee Entitlements	32	30
25		32	30
4,787	Total Liabilities	4,576	3,544
74,339	Net Assets	74,354	69,415
Equity			
51,266	Accumulated Comprehensive Revenue and Expense	50,009	47,110
15,690	Special Reserves	16,260	15,224
4,099	Lease Area Balances	4,166	4,181
3,284	Rating District Balances	3,919	2,899
74,339	Total Equity	74,354	69,415

Prospective Statement of Cash Flows for the year ended
30 June 2018

2016/17		2017/18	LTP 2017/18
\$000	Account	\$000	\$000
Cash flows from operating activities			
24,672	Receipts from Customers	24,263	25,606
60	Interest Received	60	60
3,837	Dividends Received	4,535	3,488
(28,630)	Payments to Suppliers and Employees	(31,383)	(30,972)
(80)	Finance Costs	(65)	(60)
0	Income Tax Paid	0	0
(140)	Net Cash Inflow / (Outflow) from Operating Activities	(2,590)	(1,878)
Cash flows from investing activities			
0	Proceeds from sale of other financial assets	0	0
2,699	Reduction of Term Investment	1,640	2,357
136	Proceeds from sale of property, plant and equipment	102	102
0	Foreign Exchange gains/(losses)	0	0
(640)	Acquisition of shares/investments	(640)	(640)
0	Purchase of intangible assets	0	0
(564)	Purchase of property, plant and equipment	(474)	(407)
1,631	Net Cash Inflow / (Outflow) from Investing Activities	628	1,412
1,491	Increase / (Decrease) in cash held	(1,962)	(465)
(2,106)	Add opening cash brought forward	256	(668)
(615)	Ending cash carried forward	(1,707)	(1,133)

**Prospective Statement of Comprehensive Revenue and Expense
for the period ended 30 June 2018**

2016/17 \$000	2017/18 \$000	LTP \$000	Variance \$000	Variance %	Note
7,320 General Rates	7,708	8,466	(758)	-8.9%	1
7,269 Separate Rates	7,746	7,731	15	0.2%	
223 Southern Pest Eradication Society Rate	231	234	(3)	-1.2%	
1,019 Levies and Contributions	681	663	18	2.8%	
482 Local Contributions	510	406	104	25.7%	2
815 Rental Income	818	797	21	2.6%	
7,060 External Recoveries	6,569	7,308	(739)	-10.1%	3
1,850 Investment Income	1,829	1,670	159	9.5%	4
3,837 Dividend from South Port	4,535	3,488	1,046	30.0%	5
29,874 Total Revenue	30,627	30,763	(136)	-0.4%	
2,443 Biosecurity	2,588	2,515	73	2.9%	
433 Civil Defence	433	412	22	5.2%	
5,869 Catchment Management	6,072	6,185	(113)	-1.8%	6
2,053 Consent Processing	1,944	2,114	(170)	-8.0%	7
3,208 Community Representation	3,127	2,718	409	15.0%	8
2,420 Environmental Compliance	2,403	2,484	(81)	-3.3%	
1,975 Environmental Information	1,993	1,893	101	5.3%	9
671 Emergency Management Southland	764	677	87	12.9%	
2,919 Land and Water Services	3,012	3,002	10	0.3%	
794 Property Management	830	695	135	19.4%	10
3,838 Policy & Planning	4,323	3,924	399	10.2%	11
4,580 Science	4,571	4,994	(424)	-8.5%	12
223 Southern Pest Eradication Society	231	234	(3)	-1.2%	
31,427 Total Expenditure	32,292	31,848	444	1.4%	
(1,553) Net Surplus / (Deficit)	(1,665)	(1,085)	(579)	53.4%	

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

- 1) General rates are down mainly due to the increase in the South Port dividend income.
- 2) Local Contributions are up due to budgeting for the recovery of rates costs in Lease Areas and is reflected in increased expenditure below.
- 3) External Recoveries are down mainly due to a reduction in Science recoveries, which is reflected in reduced Science expenditure below.
- 4) Investment income is up due to an expected increase in managed funds investment returns.
- 5) Dividend income is up due to increasing the budgeted amount to \$0.26 cents per share.
- 6) Catchment management costs are down due to a reduction in River Works costs.
- 7) Consent Processing is down, mainly due to operating with less staff than forecasted in the LTP.
- 8) Community Representation costs are up, mainly due to a one off \$250,000 Aeromagnetic Survey and a new Science Communications staff member.
- 9) Environmental Information costs are up due to increased corporate support costs.
- 10) Property Management costs are up due to budgeting for rates expenses that were not in the LTP. These costs are offset by increased Local Contributions income above.
- 11) Policy and Planning costs are up due to a greater focus on Water Management and anticipated Hearing expenses.
- 12) Science costs are down due to a reduction in Contractor and Laboratory costs, and is reflected in reduced Science External Recoveries above.

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

2016/17	2017/18	LTP 2017/18
\$000 Sources of Funding	\$000	\$000
7,450 General rates, uniform annual charges, rates penalties	7,858	8,602
7,492 Targeted rates	7,977	7,965
0 Subsidies and grants for operating purposes	0	0
8,430 Fees and charges	7,610	8,240
3,897 Interest and Dividends from investments	4,595	3,548
815 Local authorities fuel tax, fines, infringement fees and other receipts	818	797
28,083 Total Operating Funding	28,858	29,153
Applications of Operating Funding		
23,345 Payments to staff and suppliers	23,936	24,411
80 Financing Costs	65	60
7,146 Other operating funding applications	7,345	6,457
30,571 Total Applications of Operating Funding	31,346	30,928
(2,488) Surplus/(deficit) of operating funding	(2,488)	(1,776)
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
136 Gross proceeds from the sale of assets	102	102
0 Lump sum contributions	0	0
136 Total sources of capital funding	102	102
Applications of capital funding		
Capital expenditure		
8 - to meet additional demand	40	8
4 - to improve the level of service	20	20
552 - to replace existing assets	414	378
(857) Increase/(decrease) in Reserves	(1,860)	(363)
(2,059) Increase/(decrease) in Investments	(1,000)	(1,717)
(2,352) Total applications of capital funding	(2,386)	(1,674)
2,488	2,488	1,776
(0) Funding Balance	(0)	(0)

Reconciliation of Funding Impact Statement to Statement of Comprehensive Revenue & Expense For the year ended 30 June 2018

(2,488) Surplus / (deficit) of Operating Funding in Funding Impact Statement	(2,488)	(1,776)
Add / (deduct)		
1,790 Increase / (decrease) in fair value of investment portfolio	1,769	1,610
0 Profit / (loss) on disposal of assets	0	0
(856) Depreciation	(946)	(920)
0 (Increase) / decrease in provision for doubtful debts	0	0
(1,553) Surplus / (deficit) in Statement of Comprehensive Revenue & Expense	(1,665)	(1,085)

Total rates to be collected in 2017/18 amount to \$15,684,991, as detailed in the following table. All amounts are GST exclusive except the per rating unit UAGC charge, as identified by shaded box in the table:

Rating Forecasts Compares Annual Plan 2017/18 to Annual Plan 2016/17	Annual Plan Forecast 2017/18	Annual Plan Forecast 2016/17	Rating Level Changes	%
Total rates for ES needs	15,453,847	14,588,573	865,274	5.93%
Rates on behalf of Southern Pest Eradication Society	231,144	222,561	8,583	3.86%
Total rates	15,684,991	14,811,134	873,857	5.90%
Rates for ES needs are:				
Catchment	3,656,393	3,519,512	136,881	3.89%
Land Sustainability	1,815,919	1,714,387	101,532	5.92%
Biosecurity - excluding bovine TB	2,273,339	2,035,074	238,265	11.71%
TB Free New Zealand	-	-	-	0.00%
Total targeted land value based rates	7,745,651	7,268,973	476,678	6.56%
General rate UAGC	3,113,168	2,960,470	152,697	5.16%
General rate - based on capital value	3,598,720	3,298,153	300,566	9.11%
General rate - dairy differential	100,000	120,948	(20,948)	-17.32%
General rate - capital value rate on dairy properties	896,309	940,029	(43,720)	-4.65%
	15,453,847	14,588,573	865,274	5.93%
UAGC	\$ 78.70	\$ 74.37	\$ 4.33	5.82%

This compares favourably with the rating proposals for the 2017/18 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 2017/18 to LTP 2017/18	Annual Plan Forecast 2017/18	LTP Forecast 2017/18	Rating Level Changes	%
Total rates for ES needs	15,453,847	16,196,459	(742,612)	-4.59%
Rates on behalf of Southern Pest Eradication Society	231,144	233,912	(2,768)	-1.18%
Total rates	15,684,991	16,430,370	(745,379)	-4.54%
Rates for ES needs are:				
Catchment	3,656,393	3,775,108	(118,715)	-3.14%
Land Sustainability	1,815,919	1,774,279	41,640	2.35%
Biosecurity - excluding bovine TB	2,273,339	2,181,507	91,832	4.21%
TB Free New Zealand	-	-	-	0.00%
Total targeted land value based rates	7,745,651	7,730,894	14,757	0.19%
General rate UAGC	3,113,168	3,375,438	(262,271)	-7.77%
General rate - based on capital value	3,598,720	4,066,377	(467,657)	-11.50%
General rate - dairy differential	100,000	100,000	-	0.00%
General rate - capital value rate on dairy properties	896,309	923,750	(27,441)	-2.97%
	15,453,847	16,196,459	(742,612)	-4.59%
UAGC	\$ 78.70	\$ 83.78	-\$ 5.09	-6.07%

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 (\$78.70).

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 2017/18 is \$3,113,168 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 2017/18 is \$4,495,029, disclosed in the statement as being made up of General rate - based on capital value \$3,598,720, and General rate – capital value on dairy properties \$896,309.

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 2017/18 is \$100,000 and contributes to 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 2017/18 is \$2,273,339.

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 2017/18 is \$231,144 and the rate is \$2.70 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 2017/18 is \$1,815,919.

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 2016/17 rates assessment and will be on the future assessment too. More information on the categories within each scheme and the rates levies for the 2017/18 year is provided at the end of this Funding Impact Statement. Catchment Rates follow on the next page.

Annual Forecast 2016/17 (excl GST)	Scheme Name	Rating Base	No of Categories	Annual Forecast 2017/18 (excl GST)
284,491	Aparima Rating District	Land Value	14	279,204
3,689	Clifton Drainage District	Land Area	2	5,001
56,469	Duck Creek Drainage District	Land Area	6	60,327
401,395	Invercargill Rating District	Land Value	4	426,332
103,307	Lake Hawkins Drainage District	Land Value	3	118,648
203,564	Makarewa Rating District			201,442
	- Land within Southland District	Land Value	15	
	- Land within Gore District	Land Value	3	
	- Land within Invercargill District	Land Value	1	
1,067,328	Mataura Rating District			1,139,905
	- Land within Southland District	Land Value	21	
	- Land within Gore District	Land Value	14	
16,416	Otepunu Creek Drainage Dist	Land Area	6	16,310
853,929	Oreti Rating District			858,652
	- Land within Southland District	Land Value	19	
	- Land within Invercargill District	Land Value	10	
203,297	Te Anau Rating District	Land Value	11	203,297
131,676	Waituna Creek Drainage Dist	Land Area	6	133,394
29,257	Waihopai Drainage District			32,345
	- Land within Southland District	Land Value	6	
	- Land within Invercargill District	Land Value	6	
73,153	Waiau Rating District	Land Value	9	77,580
49,372	Waimatuku Drainage District	Land Value	7	57,735
17,091	Upper Waihopai Drainage Dist	Land Area	6	19,786
14,279	Upper Waikiwi Drainage Dist	Land Area	8	15,472
2,649	Lower Waikawa Drainage Dist	Mtce Charge	1	2,492
8,148	Upper Waikawa Drainage Dist	Land Area	6	8,471
<u>3,519,510</u>				<u>3,656,393</u>

Rating Valuation Information

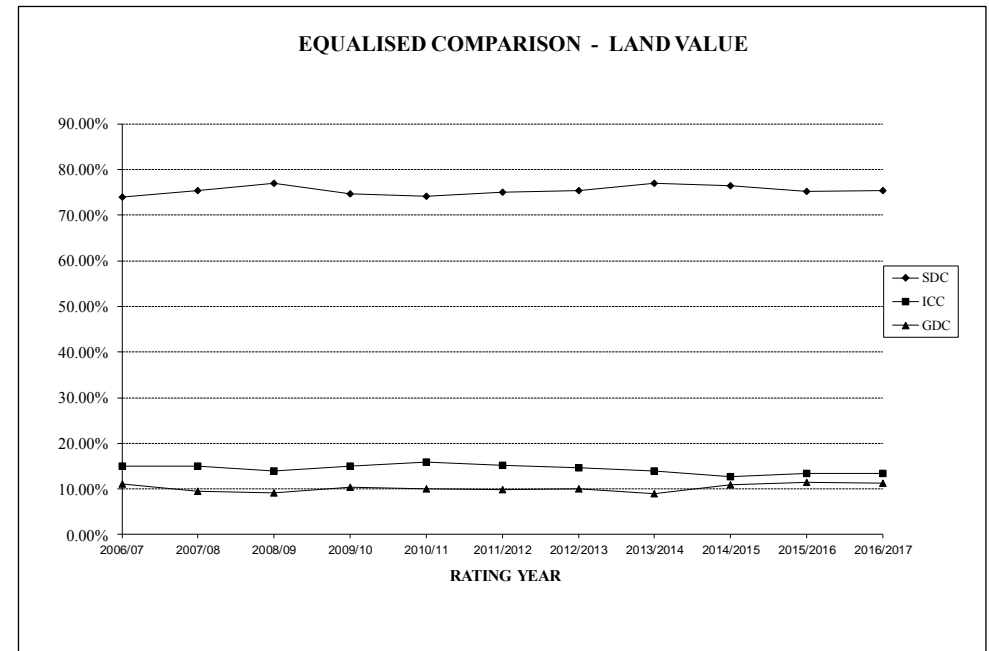
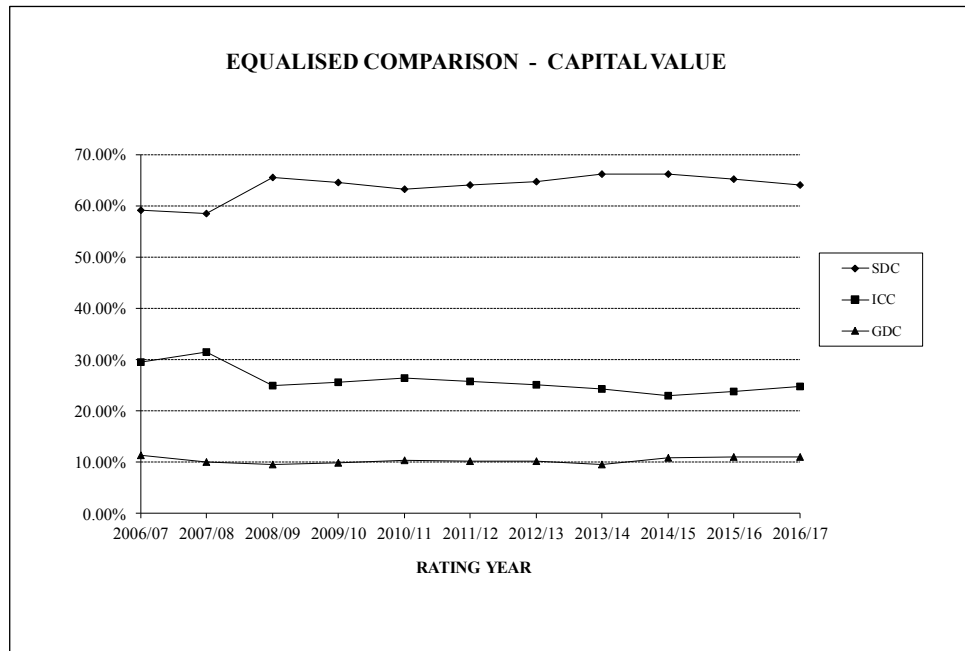
As each territorial authority in Southland completes their general revaluation for their rating database in a different year, we engage a valuation provider to undertake an annual estimate of projected valuation process which applies the trends in the latest general revaluation to the totals of the two 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 Gore District Council area effective from 1 August 2016. Overall movements in valuation were as set out in the following table:

	Number of Properties	Capital Value Change	Land Value Change
Business	578	+4.1%	+23.5%
Farming	795	+13.0%	+13.9%
Lifestyle	662	+10.4%	+13.6%
Residential	4,538	+6.3%	+11.2%
Other	362	+4.0%	+8.0%
Total	6,935	+10.0%	+11.2%

Territorial Authority	Land Value		Capital Value	
	Last Year	This Year	Last Year	This Year
	%	%	%	%
Southland District Council	75.14%	75.32%	65.24%	64.12%
Invercargill City Council	13.49%	13.43%	23.75%	24.82%
Gore District Council	11.37%	11.25%	11.01%	11.06%
	\$000s	\$000s	\$000s	\$000s
Southland District Council	14,255,849	14,136,379	20,211,073	19,975,048
Invercargill City Council	2,560,321	2,520,225	7,359,255	7,731,003
Gore District Council	2,157,252	2,110,745	3,410,566	3,445,398
	18,973,422	18,767,349	30,980,894	31,151,449

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



Why isn't my rates increase in line with the overall increase in rates of 5.9%?

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 2017/18 year 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	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Diff from last Year	% change Valuation	Rates
Invercargill Commercial 1011 m2	Capital Value	\$3,000,000	\$2,475,000	\$2,475,000	\$2,475,000	\$2,500,000	\$2,500,000	\$2,500,000	\$0	
	General rate	\$406.53	\$333.32	\$329.28	\$344.50	\$402.47	\$404.85	\$448.60	\$43.75	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$400,000	\$360,000	\$360,000	\$360,000	\$395,000	\$395,000	\$395,000	\$0	
	Biosecurity	\$47.57	\$57.08	\$59.79	\$56.93	\$45.42	\$49.94	\$55.52	\$5.58	
	Land Sustainability	\$25.32	\$19.41	\$22.55	\$22.46	\$34.20	\$42.08	\$44.35	\$2.27	
		\$534.62	\$466.52	\$468.22	\$488.49	\$556.59	\$571.87	\$627.17	\$55.30	
Gore Commercial 939 m2	Capital Value	\$1,125,000	\$1,170,000	\$1,170,000	\$1,030,000	\$1,030,000	\$1,030,000	\$1,030,000	\$0	
	General rate	\$153.64	\$160.51	\$156.85	\$127.51	\$175.62	\$175.66	\$165.75	-\$9.91	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000	\$0	
	Biosecurity	\$50.97	\$70.74	\$72.50	\$55.13	\$54.17	\$58.77	\$55.49	-\$3.28	
	Land Sustainability	\$27.13	\$24.06	\$27.35	\$21.75	\$40.79	\$49.51	\$44.33	-\$5.18	
		\$286.94	\$312.01	\$313.30	\$268.99	\$345.08	\$358.94	\$344.27	-\$14.67	
Invercargill Housing 923 m2	Capital Value	\$285,000	\$340,000	\$340,000	\$340,000	\$350,000	\$350,000	\$350,000	\$0	
	General rate	\$38.62	\$45.79	\$45.23	\$47.32	\$56.35	\$56.68	\$62.80	\$6.12	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$195,000	\$185,000	\$185,000	\$185,000	\$185,000	\$185,000	\$185,000	\$0	
	Biosecurity	\$23.19	\$29.33	\$30.73	\$29.26	\$21.27	\$23.39	\$26.00	\$2.61	
	Land Sustainability	\$12.34	\$9.98	\$11.59	\$11.54	\$16.02	\$19.71	\$20.77	\$1.06	
		\$129.35	\$141.80	\$144.15	\$152.72	\$168.14	\$174.78	\$188.28	\$13.50	
Winton Housing 508 m2	Capital Value	\$235,000	\$235,000	\$235,000	\$235,000	\$235,000	\$230,000	\$230,000	\$0	
	General rate	\$31.16	\$32.40	\$30.89	\$34.83	\$42.36	\$36.30	\$37.77	\$1.47	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$94,000	\$94,000	\$89,000	\$89,000	\$89,000	\$89,000	\$89,000	\$0	
	Biosecurity	\$10.92	\$15.47	\$14.81	\$15.10	\$12.19	\$11.01	\$12.32	\$1.31	
	Land Sustainability	\$5.81	\$5.26	\$5.58	\$5.96	\$9.18	\$9.27	\$9.84	\$0.57	
		\$103.10	\$109.84	\$107.88	\$120.49	\$138.22	\$131.58	\$138.64	\$7.06	
Gore Housing 852 m2	Capital Value	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$290,000	\$40,000	16.00%
	General rate	\$34.37	\$34.61	\$33.75	\$31.48	\$42.69	\$42.64	\$46.67	\$4.03	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$57,000	\$57,000	\$57,000	\$67,000	\$67,000	\$67,000	\$74,000	\$7,000	10.45%
	Biosecurity	\$7.09	\$9.84	\$10.11	\$9.02	\$8.86	\$9.60	\$10.02	\$0.42	
	Land Sustainability	\$3.77	\$3.35	\$3.81	\$3.56	\$6.67	\$8.09	\$8.00	-\$0.09	
		\$100.42	\$104.50	\$104.27	\$108.66	\$132.72	\$135.33	\$143.38	\$8.05	
Te Anau Housing 830 m2	Capital Value	\$290,000	\$290,000	\$270,000	\$270,000	\$270,000	\$255,000	\$255,000	\$0	
	General rate	\$38.45	\$39.99	\$35.49	\$40.02	\$48.67	\$40.24	\$41.88	\$1.64	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$92,000	\$92,000	\$83,000	\$83,000	\$83,000	\$71,000	\$71,000	\$0	
	Biosecurity	\$10.69	\$15.14	\$13.81	\$14.08	\$11.36	\$8.78	\$9.83	\$1.05	
	Land Sustainability	\$5.69	\$5.15	\$5.21	\$5.56	\$8.56	\$7.40	\$7.85	\$0.45	
		\$110.04	\$116.98	\$111.10	\$124.26	\$143.09	\$131.42	\$138.26	\$6.84	

Winton Dairy 152 ha	Capital Value	\$4,150,000	\$4,150,000	\$4,450,000	\$4,450,000	\$4,450,000	\$4,730,000	\$4,730,000	\$0	
	General rate	\$548.08	\$568.16	\$582.68	\$657.71	\$799.75	\$746.49	\$776.83	\$30.34	
	General rate Dairy	\$408.36	\$507.34	\$969.48	\$960.13	\$250.49	\$104.34	\$86.66	-\$17.68	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$3,100,000	\$3,100,000	\$3,250,000	\$3,250,000	\$3,250,000	\$3,410,000	\$3,410,000	\$0	
	Biosecurity	\$360.19	\$509.02	\$540.22	\$550.94	\$445.15	\$421.78	\$472.10	\$50.32	
	Land Sustainability	\$191.70	\$173.10	\$203.74	\$217.36	\$335.21	\$355.32	\$377.11	\$21.79	
		\$1,563.53	\$1,814.32	\$2,352.72	\$2,450.74	\$1,905.10	\$1,702.93	\$1,791.40	\$88.47	5.20%
Otaitai Bush Dairy 262 ha	Capital Value	\$5,800,000	\$5,800,000	\$6,900,000	\$6,900,000	\$6,900,000	\$7,600,000	\$7,600,000	\$0	
	General rate	\$769.08	\$799.76	\$906.84	\$1,022.68	\$1,243.79	\$1,199.43	\$1,248.19	\$48.76	
	General rate Dairy	\$571.36	\$748.84	\$1,502.74	\$1,442.73	\$391.64	\$167.66	\$139.24	-\$28.42	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$4,700,000	\$4,700,000	\$5,600,000	\$5,600,000	\$5,600,000	\$6,150,000	\$6,150,000	\$0	
	Biosecurity	\$546.19	\$773.63	\$931.59	\$950.11	\$766.77	\$760.69	\$851.44	\$90.75	
	Land Sustainability	\$290.74	\$263.08	\$351.37	\$374.82	\$577.41	\$640.83	\$680.12	\$39.29	
		\$2,232.57	\$2,642.00	\$3,749.14	\$3,854.95	\$3,054.11	\$2,843.61	\$2,997.69	\$154.08	5.42%
Hedgehope Dairy 248 ha	Capital Value	\$6,150,000	\$6,150,000	\$6,650,000	\$7,450,000	\$7,450,000	\$8,690,000	\$8,690,000	\$0	
	General rate	\$812.29	\$842.06	\$870.75	\$1,101.11	\$1,338.91	\$1,371.46	\$1,427.20	\$55.74	
	General rate Dairy	\$605.16	\$751.84	\$1,448.77	\$1,607.41	\$419.36	\$191.70	\$159.21	-\$32.49	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$4,700,000	\$4,700,000	\$4,925,000	\$5,700,000	\$5,700,000	\$6,750,000	\$6,750,000	\$0	
	Biosecurity	\$546.10	\$771.74	\$818.64	\$966.27	\$780.73	\$834.91	\$934.51	\$99.60	
	Land Sustainability	\$290.65	\$262.45	\$308.75	\$381.22	\$587.90	\$703.35	\$746.48	\$43.13	
		\$2,309.40	\$2,684.79	\$3,503.51	\$4,120.61	\$3,201.40	\$3,176.42	\$3,346.10	\$169.68	5.34%
In'gill Dairy farm 178 ha	Capital Value	\$3,775,000	\$3,775,000	\$3,720,000	\$3,720,000	\$4,370,000	\$4,690,000	\$4,690,000	\$0	
	General rate	\$511.55	\$514.87	\$494.91	\$517.79	\$703.52	\$759.50	\$841.57	\$82.07	
	General rate Dairy	\$380.03	\$455.98	\$820.13	\$730.46	\$221.52	\$106.18	\$93.88	-\$12.30	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$3,000,000	\$3,000,000	\$2,800,000	\$2,800,000	\$3,360,000	\$3,360,000	\$3,360,000	\$0	
	Biosecurity	\$356.76	\$380.64	\$465.07	\$442.80	\$386.33	\$424.84	\$472.28	\$47.44	
	Land Sustainability	\$189.90	\$167.10	\$175.41	\$174.69	\$290.92	\$357.91	\$377.25	\$19.34	
		\$1,493.44	\$1,575.29	\$2,012.11	\$1,930.34	\$1,676.79	\$1,723.43	\$1,863.68	\$140.25	8.14%
Edendale Dairy 117 ha	Capital Value	\$4,150,000	\$4,150,000	\$5,650,000	\$5,650,000	\$5,650,000	\$6,020,000	\$6,050,000	\$30,000	0.50%
	General rate	\$550.29	\$572.24	\$742.57	\$837.41	\$1,018.47	\$954.81	\$993.62	\$38.81	
	General rate Dairy	\$408.82	\$535.81	\$1,230.51	\$1,181.37	\$320.69	\$133.46	\$110.84	-\$22.62	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$3,450,000	\$3,450,000	\$3,625,000	\$3,625,000	\$3,625,000	\$3,810,000	\$3,810,000	\$0	0.00%
	Biosecurity	\$400.92	\$567.87	\$603.04	\$615.03	\$496.35	\$471.26	\$527.48	\$56.22	
	Land Sustainability	\$213.42	\$193.11	\$227.45	\$242.63	\$373.77	\$397.00	\$421.35	\$24.35	
		\$1,628.65	\$1,925.73	\$2,860.17	\$2,941.04	\$2,283.77	\$2,031.53	\$2,131.99	\$100.46	4.94%
Gore Dairy 178 ha	Capital Value	\$3,250,000	\$3,250,000	\$3,250,000	\$3,860,000	\$3,860,000	\$3,860,000	\$4,400,000	\$540,000	13.99%
	General rate	\$443.80	\$445.97	\$435.70	\$477.87	\$658.13	\$658.28	\$708.06	\$49.78	
	General rate Dairy	\$330.66	\$398.22	\$724.88	\$697.62	\$206.12	\$92.02	\$78.98	-\$13.04	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$2,375,000	\$2,375,000	\$2,375,000	\$2,860,000	\$2,860,000	\$2,860,000	\$3,290,000	\$430,000	15.03%
	Biosecurity	\$295.29	\$409.80	\$420.02	\$384.55	\$377.86	\$409.98	\$445.30	\$35.32	
	Land Sustainability	\$157.15	\$139.37	\$158.41	\$151.72	\$284.54	\$345.37	\$355.70	\$10.33	
		\$1,282.10	\$1,450.06	\$1,795.61	\$1,776.36	\$1,601.15	\$1,580.65	\$1,666.74	\$86.09	5.45%

Gore Rural 180 ha	Capital Value	\$2,635,000	\$2,635,000	\$2,635,000	\$2,900,000	\$2,900,000	\$2,900,000	\$3,310,000	\$410,000	14.14%
	General rate	\$362.21	\$364.81	\$355.76	\$365.16	\$495.24	\$494.57	\$532.65	\$38.08	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$2,175,000	\$2,175,000	\$2,175,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,760,000	\$360,000	15.00%
	Biosecurity	\$270.42	\$375.60	\$385.62	\$323.16	\$317.24	\$344.04	\$373.56	\$29.52	
	Land Sustainability	\$143.94	\$127.73	\$145.44	\$127.49	\$238.89	\$289.82	\$298.40	\$8.58	
	\$831.77	\$924.84	\$943.42	\$880.41	\$1,125.87	\$1,203.43	\$1,283.31	\$79.88	6.64%	
Mosburn Rural 264 ha	Capital Value	\$4,650,000	\$4,650,000	\$4,650,000	\$4,650,000	\$4,650,000	\$5,500,000	\$5,500,000	\$0	
	General rate	\$616.59	\$641.18	\$611.13	\$689.20	\$838.21	\$868.01	\$903.29	\$35.28	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$3,900,000	\$3,900,000	\$3,875,000	\$3,875,000	\$3,875,000	\$4,650,000	\$4,650,000	\$0	
	Biosecurity	\$453.22	\$641.94	\$644.63	\$657.44	\$530.58	\$575.16	\$643.77	\$68.61	
	Land Sustainability	\$241.25	\$218.30	\$243.13	\$259.36	\$399.54	\$484.53	\$514.24	\$29.71	
	\$1,366.26	\$1,558.13	\$1,555.49	\$1,670.61	\$1,842.83	\$2,002.70	\$2,140.01	\$137.31	6.86%	
Lumsden sheep farm 142 ha	Capital Value	\$2,450,000	\$2,450,000	\$2,475,000	\$2,475,000	\$2,475,000	\$2,710,000	\$2,710,000	\$0	
	General rate	\$323.58	\$335.39	\$324.08	\$365.81	\$446.14	\$427.69	\$445.08	\$17.39	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$2,230,000	\$2,230,000	\$2,225,000	\$2,225,000	\$2,225,000	\$2,450,000	\$2,450,000	\$0	
	Biosecurity	\$259.11	\$366.16	\$369.84	\$377.18	\$304.65	\$303.04	\$339.19	\$36.15	
	Land Sustainability	\$137.90	\$124.52	\$139.49	\$148.81	\$229.42	\$255.29	\$270.94	\$15.65	
	\$775.79	\$882.77	\$890.01	\$956.40	\$1,054.71	\$1,061.02	\$1,133.91	\$72.89	6.87%	
Invercargill Lifestyle 4 ha	Capital Value	\$590,000	\$570,000	\$570,000	\$570,000	\$560,000	\$560,000	\$560,000	\$0	
	General rate	\$79.95	\$76.76	\$75.83	\$79.34	\$90.15	\$90.69	\$100.49	\$9.80	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$320,000	\$305,000	\$305,000	\$305,000	\$305,000	\$305,000	\$305,000	\$0	
	Biosecurity	\$38.05	\$48.36	\$50.66	\$48.23	\$35.07	\$38.56	\$42.87	\$4.31	
	Land Sustainability	\$20.26	\$16.45	\$19.11	\$19.03	\$26.41	\$32.49	\$34.24	\$1.75	
	\$193.46	\$198.27	\$202.20	\$211.20	\$226.13	\$236.74	\$256.30	\$19.56	8.26%	
Nightcaps Housing 1012 m2	Capital Value	\$33,000	\$33,000	\$43,000	\$43,000	\$43,000	\$37,000	\$37,000	\$0	
	General rate	\$4.38	\$4.55	\$5.65	\$6.37	\$7.75	\$5.84	\$6.08	\$0.24	
	Uniform Charge	\$55.20	\$56.70	\$56.60	\$64.60	\$74.50	\$75.00	\$78.70	\$3.70	
	Land Value	\$9,000	\$9,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$0	
	Biosecurity	\$1.05	\$1.48	\$1.83	\$1.87	\$1.51	\$1.36	\$1.52	\$0.16	
	Land Sustainability	\$0.56	\$0.50	\$0.69	\$0.74	\$1.13	\$1.15	\$1.22	\$0.07	
	\$61.18	\$63.24	\$64.77	\$73.58	\$84.89	\$83.35	\$87.52	\$4.17	5.00%	

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 2017/18 Capital Value based Rate
Southland District	0.00016424				
Gore District	0.00016092				
Invercargill City	0.00017944				
Southland District Dairy	0.00001832				
Gore District Dairy	0.00001795				
Invercargill City Dairy	0.00002002				
Add UAGC					<u>\$78.70</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 2017/18 Land Value based Rate
Southland District	0.00013845				
Gore District	0.00013535				
Invercargill City	0.00014056				
For Land Sustainability Rate - Land Value					
Select your Territorial Authority	Indicative rates levy estimate	times	The Land Value of your property	equals	Indicative 2017/18 Land Value based Rate
Southland District	0.00011059				
Gore District	0.00010812				
Invercargill City	0.00011228				

To calculate an indication of the 2017/18 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, 24 November 2017 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 2017/18 rates, the following dates will apply:

- rates due 24 November 2017;
- penalties to be applied:
 - 10% on any current rates unpaid at 5.00 pm, 24 November 2017;
 - 10% on all rates in arrears as at 1 July 2017 and remaining unpaid at 1 January 2018 (excludes current rates and penalty);
 - 10% on all rates in arrears at 1 July 2018.

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 2017/18

- 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 \$1.62720763. To calculate the rate per hectare for Class B, multiply \$1.62720763 by ratio of 20 to get a rate per hectare of \$32.54415251.

Scheme 424 - Duck Creek

Works rates on land area to raise \$69,376 for drainage maintenance

Class	Ratio	Rate per Hectare
A	24	\$39.05298301
B	20	\$32.54415251
C	8	\$13.01766100
D	4	\$ 6.50883050
E	2	\$ 3.25441525
F	1	\$ 1.62720763

Scheme 436 - Otepunui Creek

Works rates on land area to raise \$18,757 for drainage maintenance

Class	Ratio	Rate per Hectare
A	6	\$11.11901270
B	5	\$9.26584392
C	4	\$7.41267513
D	3	\$5.55950635
E	2	\$3.70633757
F	1	\$1.85316878

Scheme 441 - Upper Waihopai River

Works rates on land area to raise \$22,754 for drainage maintenance

Class	Ratio	Rate per Hectare
A	6	\$12.18637828
B	5	\$10.15531524
C	4	\$8.12425219
D	3	\$6.09318914
E	2	\$4.06212609
F	1	\$2.03106305

Scheme 442 - Upper Waikawa River

Works rates on land area to raise \$9,742 for stream bank protection

Class	Ratio	Rate per Hectare
A	15	\$11.53346088
B	10	\$7.68897392
C	9	\$6.92007653
D	6	\$4.61338435
F	3	\$2.30669218

Scheme 443 - Upper Waikiwi River

Works rates on land area to raise \$17,793 for drainage maintenance

Class	Ratio	Rate per Hectare
A	22	\$21.83110342
B	12	\$11.90787459
C	8	\$7.93858306
D	6	\$5.95393730
E	2	\$1.98464577
F	1	\$0.99232288
U1	20	\$19.84645765
U2	10	\$9.92322883

Scheme 448 - Waituna Creek

Works rates on land area to raise \$153,403 for drainage maintenance

Class	Ratio	Rate per Hectare
A	8	\$9.40191954
B	7	\$8.22667960
C	6	\$7.05143965
D	5	\$5.87619971
E	3	\$3.52571983
F	1	\$1.17523994
BCL	1	\$6.63503997
BCM	1	\$3.75774962

Scheme 978 - Clifton Drainage

Works rates on land area to raise \$5,751 for drainage maintenance

Class	Ratio	Rate per Hectare
A	20	\$22.78786913
B	15	\$17.09090185

Scheme 428 - Invercargill Flood Control

Works rates on land value to raise \$490,282 for maintenance of flood control structures

Class	%	Rate per Dollar
M1	16	\$0.00050277
M2	8	\$0.00065880
M3	1	\$0.00153165
M4	75	\$0.00024859

Scheme 434 – Waiau Rating District

Works rates on land value to raise \$89,217 for flood control, willow control and drainage maintenance

Class	Ratio	Rate per Dollar
C4	1	\$0.00151114
D1	600	\$0.00958786
D2	125	\$0.00199747

E1	10	\$0.00004208
E2	60	\$0.00025250
E3	700	\$0.00294580
F1	1	\$0.00000098
F2	4	\$0.00000392
F3	35	\$0.00003427

Scheme 435 - Lake Hawkins

Works rates on land value to raise \$126,212 for drainage maintenance, pumping operations and pump replacement reserves

Class	Ratio	Rate per Dollar
A	5	\$0.00467912
B	4	\$0.00374330
C	1	\$0.00093582

Scheme 440 - Oreti Rating District

Works rates on land value to raise \$987,450 for flood control and drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A1	3	\$0.00110080
A2	2	\$0.00073387
A3	2	\$0.00073387
A4	1.5	\$0.00055040
A6	1	\$0.00036693
A7	2	\$0.00073387
B1	7	\$0.00084229
B2	7	\$0.00084229
B3	7	\$0.00084229
B4	3	\$0.00036098
B5	3	\$0.00036098
B6	1	\$0.00012033
B7	0.75	\$0.00009025
C1	3	\$0.00088712
C2	2	\$0.00059141
C3	1	\$0.00029571

C4	0.80	\$0.00023657
C5	0.75	\$0.00022178
E2	1	\$0.00065323
F1	8	\$0.00064429
F2	2	\$0.00016107
F3	2.10	\$0.00016913
F4	0.28	\$0.00002255

(Land within Invercargill City Council)

A1	3	\$0.00105946
A2	2	\$0.00070630
A3	2	\$0.00070630
A4	1.5	\$0.00052973
A6	1	\$0.00035315
A7	2	\$0.00070630
B1	7	\$0.00081066
B2	7	\$0.00081066
B3	7	\$0.00081066
B4	3	\$0.00034742
B5	3	\$0.00034742
B6	1	\$0.00011581
B7	0.75	\$0.00008686
C1	3	\$0.00085380
C2	2	\$0.00056920
C3	1	\$0.00028460
C4	0.8	\$0.00022768
C5	0.75	\$0.00021345
E2	1	\$0.00062870
F1	8	\$0.00062009
F2	2	\$0.00015502
F3	2.1	\$0.00016277
F4	0.28	\$0.00002170

Scheme 445 - Waihopai River

Works rates on land value to raise \$37,197 for drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A	9	\$0.00098431
B	6	\$0.00065621
C	4	\$0.00043747
D	3	\$0.00032810
E	2	\$0.00021874
F	1	\$0.00010937

(Land within Invercargill City Council)

A	9	\$0.00099934
B	6	\$0.00066623
C	4	\$0.00044415
D	3	\$0.00033311
E	2	\$0.00022208
F	1	\$0.00011104

Scheme 1080 - Makarewa Rating District

Works rates on land value to raise \$231,657 for flood control and drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A2	3	\$0.00077994
A3	2	\$0.00051996
A4	1	\$0.00025998
B1	6	\$0.00045014
B2	5	\$0.00037512
B3	5	\$0.00037512
B4	6	\$0.00045014
B5	5	\$0.00037512
B6	5	\$0.00037512
B7	6	\$0.00045014
B8	35	\$0.00262584

C2	3	\$0.00093509
C3	2	\$0.00062339
C4	1	\$0.00031170
F1	1	\$0.00006267

(Land within Gore District Council)

A4	1	\$0.00028916
B3	5	\$0.00041722
F1	1	\$0.00006970

(Land within Invercargill City)

F1	1	\$0.00003958
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Scheme 1101 - Mataura Rating District

Works rates on land value to raise \$1,310,892 for flood control and drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A1	1	\$0.00136223
A2	1	\$0.00136223
B1	25	\$0.00188272
B5	15	\$0.00112963
B6	5	\$0.00037654
B7	5	\$0.00037654
B8	5	\$0.00037654
C1	5	\$0.00105719
C2	3	\$0.00063432
C3	2	\$0.00042288
C4	1	\$0.00021144
C5	5	\$0.00105719
D1	1	\$0.00115458
D2	1	\$0.00115458
E1	3	\$0.00072793
E2	2	\$0.00048529
E5	1	\$0.00024264
E6	1	\$0.00024264

E7	1	\$0.00024264
F1	1	\$0.00010769
F5	0.25	\$0.00002692

(Land within Gore District Council)

A3	2	\$0.00266352
B2	25	\$0.00184061
B3	10	\$0.00073625
C1	5	\$0.00103355
C2	3	\$0.00062013
C3	2	\$0.00041342
C4	1	\$0.00020671
E1	3	\$0.00071165
E2	2	\$0.00047443
E4	3	\$0.00071165
F1	1	\$0.00010528
F2	3	\$0.00031584
F3	3	\$0.00031584
F4	3	\$0.00031584

Scheme 1140 - Aparima Rating District

Works rates on land value to raise \$321,083 for flood control and drainage maintenance

Class	Ratio	Rate per Dollar
A1	4	\$0.00049894
A2	3	\$0.00037420
A3	20	\$0.00249470
B2	5	\$0.00086393
B3	4	\$0.00069114
B4	2	\$0.00034557
C1	3	\$0.00080648
C2	2	\$0.00053766
C3	1	\$0.00026883
E2	1	\$0.00045231
F1	5	\$0.00031133
F2	1	\$0.00006227
F3	0.75	\$0.00004670
F4	2	\$0.00012453

Scheme 584 - Waimatuku Rating District

Works rates on land value to raise \$66,395 for drainage maintenance

Class	Ratio	Rate per Dollar
C1	3	\$0.00041561
C2	2	\$0.00027707
C4	1.25	\$0.00017317
F1	1	\$0.00004807
F2	1.20	\$0.00005768
F3	1.10	\$0.00005288

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	\$1.5826 per ha
D1	15	\$0.000274525
D3	16	\$0.000292826
E1	150	\$0.0018806
E3	750	\$0.009403002
E4	300	\$0.003761201
E5	750	\$0.009403002
F1	5	\$0.000089314
F2	10	\$0.000178628
F3	10	\$0.000178628

District Rated by Annual Maintenance Charge

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

Scheme 653 – Lower Waikawa River

to raise \$2,866 for willow control maintenance

Southern Pest Eradication Society

For collecting revenue for the Southern Pest Eradication Society (SPES) in the year commencing 1 July 2017 and ending on 30 June 2018, as authorised by Section 16 of the Local Government (Rating) Act 2002, to set and assess the following rates to raise \$265,815 (GST inclusive).

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 \$2.70 per hectare.

Rating base information as at 30 June 2017

Clause 20A, 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	6,047	18,954	25,196	50,197
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 10 of the Local Government Act states that an Annual Plan must show the projected number of rating units within the region at the end of the preceding financial year. The preceding financial year is the financial year ended 30 June 2017. The source for the number of rating units is from the respective territorial authorities in the Southland region - Gore District Council, Southland District Council and Invercargill City Council.

Schedule of Reserve Fund Movements

Reserve Funds

Below is a list of council's forecasted reserves for the year 2017/18. 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	4,079	42	46	4,166
Rating District Balances	3,987	-	(68)	3,919
Retained Earnings	51,976	-	(1,967)	50,009
SPNZ Buy Back Reserve	2,985	-	(1,054)	1,931 Not yet determined
SPNZ Special Dividend Reserve	271	-	-	271 Not yet determined
Vehicle Renewal Reserve	324	347	(219)	453 To fund asset replacement
Computer Reserve	(311)	-	-	(311) To fund asset replacement
Aerial Photography Reserve	49	-	-	49
Furniture Reserve	145	34	-	179 To fund asset replacement
Disaster Damage Reserve	2,000	-	-	2,000 To fund disaster damage
Building Reserve	(40)	94	(125)	(72) To fund asset replacement
Building Security and Parking Reserve	278	-	-	278 To fund asset replacement
Lease Building Reserve	520	24	-	544 To fund asset replacement
Regional Assistance to Projects Res	6	-	-	6 To assist community projects
Election Funding Reserve	-	30	-	30 Used to hold funding for events over time (eg election costs over 3 yrs)
Plant Replacement Reserve	(177)	395	(130)	88 To fund asset replacement
Coastal Rentals Reserve	(19)	78	(59)	0 To fund one off Coastal projects
Infrastructural Assets Reserve	530	44	-	574 To fund asset replacement
Emergency Mgmt Southland Reserve	20	-	-	20 To fund asset replacement
Orauea Disaster Damage Res	8	0	-	9 To fund disaster damage in this catchment
Waiau Disaster Damage Reserve	1,647	121	(67)	1,701 To fund disaster damage in this catchment
Makarewa Disaster Reserve	160	10	-	170 To fund disaster damage in this catchment
Oreti Disaster Reserve	1,423	64	-	1,487 To fund disaster damage in this catchment
Mataura Disaster Reserve	1,217	55	-	1,272 To fund disaster damage in this catchment
Aparima Disaster Reserve	516	36	-	552 To fund disaster damage in this catchment
Upukerora Disaster Reserve	31	1	-	32 To fund disaster damage in this catchment
Whitestone Disaster Reserve	61	3	-	64 To fund disaster damage in this catchment
Waimatuku Stream Disaster Res	59	3	(3)	59 Operating balance attributable to old Waimatuku Rating District
Lake Hawkins Pumphouse Reserve	297	18	-	316 To fund replacement of Lake Hawkins pumphouse
Invercargill Disaster Reserve	775	95	-	870 To fund disaster damage in this catchment
Pest Property Reserve	286	31	(31)	285 Biosecurity asset replacement
Pest Plant Reserve	62	-	-	62 Biosecurity asset replacement
Pest Disposals Reserve	299	-	-	299 Biosecurity asset replacement
Marine Fee Reserve	2,192	2,000	(1,539)	2,653 To fund activities in the Coastal Marine Area
Te Anau Basin Damage Reserve	171	27	-	198 To fund disaster damage in this catchment
Emergency Mgmt Sthld Capital Reserve	192	-	-	192
Special Reserves	15,977	3,509	(3,227)	16,260
Total Reserves	76,018	3,551	(5,216)	74,354

Additional Information on Groups of Activities and their Funding Sources

Funding of Activities 2017/18

This report describes the proposed cost of activities and their funding sources for the year covered by this plan ending 30 June 18

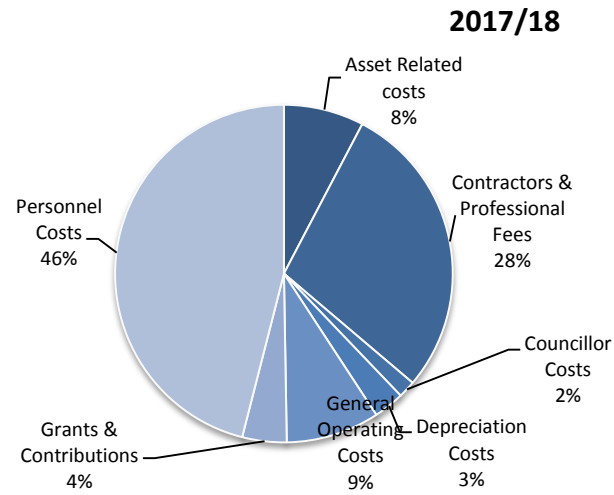
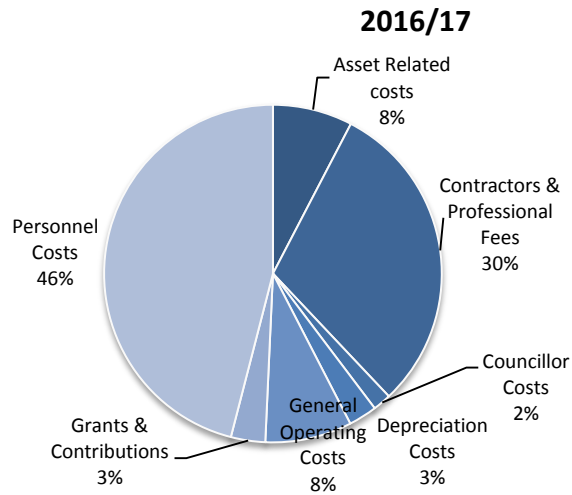
Expenditure \$000						Master	Funding Sources \$000												
Issue 1	Issue 2	Issue 3	Issue 4a	Issue 4b	Issue 5		Separate		General Rate	Gen Rate		Investments	Levies &	Rental	Other Income	Interest on	Reserves /	Total Income	
						Total Expenditure	Rates	SPES Rate	on CV	Dairy Diff	UAGC Rate	and Reserves*	Contributions	Income	Income	Reserves	Surpluses /		
4,571	-	-	-	-	-	Science	-	-	(877)	(219)	(274)	(1,077)	-	-	(418)	-	(1,705)	(4,571)	
1,993	-	-	-	-	-	Environmental Monitoring	-	-	(652)	(262)	(204)	(801)	-	-	(75)	-	-	(1,993)	
446	-	-	-	-	-	Environmental Education	-	-	-	-	(237)	(186)	-	-	(23)	-	-	(446)	
2,663	291	-	-	-	-	Regional Planning	-	-	(597)	(149)	(319)	(837)	-	-	(213)	-	(839)	(2,954)	
185	92	92	92	-	-	Council Planning	-	-	-	-	(168)	(132)	-	-	(151)	-	(10)	(462)	
-	-	1,267	-	-	-	Hazard Mitigation	-	-	(163)	(41)	(136)	(267)	-	-	(2,000)	-	1,340	(1,267)	
29	15	15	15	-	-	Oil Spills	-	-	-	-	-	-	-	-	(73)	-	-	(73)	
-	-	764	-	-	-	Emergency Management Southland	-	-	-	-	-	-	-	(600)	-	-	(164)	(764)	
-	351	-	-	144	-	Catchment Planning	-	-	(59)	(15)	(6)	(63)	-	-	(351)	-	-	(495)	
-	-	-	-	4,116	-	River Works	4,116	(2,550)	(474)	(118)	-	(465)	-	-	(428)	(157)	76	(4,116)	
-	-	-	-	1,460	-	Land Drainage	1,460	(1,106)	(53)	(13)	-	(52)	-	-	(82)	(88)	(66)	(1,460)	
2,116	-	-	-	-	-	Land Sustainability	2,116	(1,816)	-	-	-	-	-	-	-	-	(300)	(2,116)	
450	-	-	-	-	-	Pollution Prevention	450	-	(161)	(40)	(50)	(198)	-	-	-	-	-	(450)	
-	-	-	2,819	-	-	Biosecurity	2,819	(2,273)	(231)	-	-	0	(70)	(15)	(21)	-	(209)	(2,819)	
-	1,944	-	-	-	-	Environmental Consents	1,944	-	-	-	(272)	(214)	-	-	(1,536)	-	78	(1,944)	
2,403	-	-	-	-	-	Environmental Compliance	2,403	-	(344)	(86)	(108)	(423)	-	-	(1,442)	-	-	(2,403)	
-	-	-	-	-	3,127	Governance/Community Representati	3,127	-	-	-	(1,610)	(1,266)	(11)	-	-	-	(240)	(3,127)	
-	-	-	830	-	-	Property Management	830	-	-	-	-	-	-	(803)	(115)	-	88	(830)	
14,855	2,694	2,138	3,756	5,721	3,127	Total	32,292	(7,746)	(231)	(3,381)	(942)	(3,385)	(5,982)	(681)	(818)	(6,929)	(246)	(1,951)	(32,292)

***Investments & Reserves Comprise of:**

Dividend from South Port	4,535
Investment Income	1,829
Penalty Income	150
Less Interest allocated to Rating/Lease Districts	(246)
Less interest allocated to reserves	(286)
	5,982

Input Costs

Budget 2016/17 \$000		Budget 2017/18 \$000	LTP 15-25 2017/18 \$000
2,401	Asset Related costs	2,483	2,313
9,527	Contractors & Professional Fees	9,206	9,619
549	Councillor Costs	534	514
856	Depreciation Costs	946	920
2,608	General Operating Costs	2,890	2,994
1,034	Grants & Contributions	1,373	1,069
14,452	Personnel Costs	14,860	14,420
31,427		32,292	
		31,848	



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 2017 \$000		Year ended 30 June 2018 \$000
Revenue from Non-Exchange transactions		
7,320	General Rates	7,708
7,269	Separate Rates	7,746
223	Southern Pest Eradication Society Rate	231
1,019	Levies and Contributions	681
130	Rates Penalties	150
Revenue from Exchange transactions		
482	Local Contributions	510
815	Rental Income	818
6,930	External Recoveries	6,419
1,850	Investment Income	1,829
3,837	Dividend from South Port	4,535
29,874	Total Revenue	30,627
Current Assets		
733	Receivables from Non-exchange transactions (Rates)	715
1,676	Receivables from Exchange transactions	1,300

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

2016/17	2017/18	LTP 2017/18
\$000 Sources of Funding	\$000	\$000
4,276 General rates, uniform annual charges, rates penalties	4,674	5,060
1,714 Targeted rates	1,816	1,774
0 Subsidies and grants for operating purposes	0	0
2,486 Fees and charges	2,098	2,884
0 Internal Charges and overheads recovered	0	0
2,016 Local authorities fuel tax, fines, infringement fees and other receipts	2,587	1,859
10,493 Total Operating Funding	11,176	11,578
Applications of Operating Funding		
10,055 Payments to staff and suppliers	10,429	11,635
36 Financing Costs	30	28
3,707 Internal Charges and overheads recovered	3,785	2,685
0 Other operating funding applications	0	0
13,798 Total Applications of Operating Funding	14,243	14,348
(3,305) Surplus/(deficit) of operating funding	(3,067)	(2,771)
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
97 Gross proceeds from the sale of assets	53	53
0 Lump sum contributions	0	0
97 Total sources of capital funding	53	53
Applications of capital funding		
Capital expenditure		
8 - to meet additional demand	8	8
4 - to improve the level of service	10	9
376 - to replace existing assets	286	215
(2,447) Increase/(decrease) in Reserves	(2,620)	(1,953)
(1,150) Increase/(decrease) in Investments	(699)	(997)
(3,208) Total applications of capital funding	(3,014)	(2,718)
3,305 Surplus/(deficit) of capital funding	3,067	2,771
(0) Funding Balance	(0)	(0)
512 Depreciation expense (not included in the above FIS)	612	585

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

2016/17	2017/18	LTP 2017/18
\$000 Sources of Funding	\$000	\$000
349 General rates, uniform annual charges, rates penalties	359	401
0 Targeted rates	0	0
0 Subsidies and grants for operating purposes	0	0
2,221 Fees and charges	2,095	2,211
0 Internal Charges and overheads recovered	0	0
165 Local authorities fuel tax, fines, infringement fees and other receipts	198	149
2,735 Total Operating Funding	2,652	2,761
Applications of Operating Funding		
1,789 Payments to staff and suppliers	1,758	1,773
7 Financing Costs	6	5
971 Internal Charges and overheads recovered	912	1,009
0 Other operating funding applications	0	0
2,767 Total Applications of Operating Funding	2,675	2,787
(32) Surplus/(deficit) of operating funding	(23)	(26)
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
4 Gross proceeds from the sale of assets	1	20
0 Lump sum contributions	0	0
4 Total sources of capital funding	1	20
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
0 - to improve the level of service	2	2
25 - to replace existing assets	12	56
55 Increase/(decrease) in Reserves	(19)	22
(108) Increase/(decrease) in Investments	(17)	(85)
(28) Total applications of capital funding	(22)	(6)
32 Surplus/(deficit) of capital funding	23	26
0 Funding Balance	0	(0)
20 Depreciation expense (not included in the above FIS)	18	20

Funding Impact Statement - Emergency response and preparedness

2016/17	2017/18	LTP 2017/18
\$000 Sources of Funding	\$000	\$000
372 General rates, uniform annual charges, rates penalties	383	427
0 Targeted rates	0	0
0 Subsidies and grants for operating purposes	0	0
2,643 Fees and charges	2,644	2,511
0 Internal Charges and overheads recovered	0	0
175 Local authorities fuel tax, fines, infringement fees and other receipts	212	156
3,191 Total Operating Funding	3,240	3,094
Applications of Operating Funding		
1,472 Payments to staff and suppliers	1,597	1,523
5 Financing Costs	4	4
450 Internal Charges and overheads recovered	472	412
0 Other operating funding applications	0	0
1,927 Total Applications of Operating Funding	2,073	1,939
1,263 Surplus/(deficit) of operating funding	1,166	1,155
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
3 Gross proceeds from the sale of assets	1	1
0 Lump sum contributions	0	0
3 Total sources of capital funding	1	1
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
0 - to improve the level of service	2	1
19 - to replace existing assets	12	7
1,354 Increase/(decrease) in Reserves	1,189	1,233
(106) Increase/(decrease) in Investments	(35)	(86)
1,267 Total applications of capital funding	1,168	1,156
(1,263) Surplus/(deficit) of capital funding	(1,166)	(1,155)
(0) Funding Balance	0	(0)
72 Depreciation expense (not included in the above FIS)	65	65

Funding Impact Statement - Services

2016/17	2017/18	LTP 2017/18
\$000 Sources of Funding	\$000	\$000
19 General rates, uniform annual charges, rates penalties	35	23
2,258 Targeted rates	2,504	2,415
0 Subsidies and grants for operating purposes	0	0
177 Fees and charges	251	96
0 Internal Charges and overheads recovered	0	0
968 Local authorities fuel tax, fines, infringement fees and other receipts	837	950
3,422 Total Operating Funding	3,627	3,485
Applications of Operating Funding		
2,829 Payments to staff and suppliers	3,008	2,869
9 Financing Costs	8	7
611 Internal Charges and overheads recovered	644	557
0 Other operating funding applications	0	0
3,449 Total Applications of Operating Funding	3,659	3,433
(27) Surplus/(deficit) of operating funding	(32)	52
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
20 Gross proceeds from the sale of assets	1	1
0 Lump sum contributions	0	0
20 Total sources of capital funding	1	1
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
0 - to improve the level of service	2	2
60 - to replace existing assets	12	13
(32) Increase/(decrease) in Reserves	(126)	54
(35) Increase/(decrease) in Investments	82	(16)
(7) Total applications of capital funding	(31)	53
27 Surplus/(deficit) of capital funding	32	(52)
0 Funding Balance	0	0
97 Depreciation expense (not included in the above FIS)	97	97

Funding Impact Statement - Services - flood protection and control works

2016/17	2017/18	LTP 2017/18
\$000 Sources of Funding	\$000	\$000
803 General rates, uniform annual charges, rates penalties	757	904
3,520 Targeted rates	3,656	3,775
0 Subsidies and grants for operating purposes	0	0
504 Fees and charges	510	526
0 Internal Charges and overheads recovered	0	0
619 Local authorities fuel tax, fines, infringement fees and other receipts	664	576
5,445 Total Operating Funding	5,588	5,782
Applications of Operating Funding		
5,181 Payments to staff and suppliers	5,325	5,482
14 Financing Costs	12	11
250 Internal Charges and overheads recovered	254	231
0 Other operating funding applications	0	0
5,446 Total Applications of Operating Funding	5,590	5,724
(0) Surplus/(deficit) of operating funding	(2)	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
8 Gross proceeds from the sale of assets	44	26
0 Lump sum contributions	0	0
8 Total sources of capital funding	44	26
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	32	0
0 - to improve the level of service	2	4
47 - to replace existing assets	82	77
201 Increase/(decrease) in Reserves	(40)	190
(241) Increase/(decrease) in Investments	(34)	(188)
7 Total applications of capital funding	42	83
0 Surplus/(deficit) of capital funding	2	(57)
0 Funding Balance	0	(0)
131 Depreciation expense (not included in the above FIS)	130	133

Funding Impact Statement - Community representation and communication

2016/17	2017/18	LTP 2017/18
\$000 Sources of Funding	\$000	\$000
1,630 General rates, uniform annual charges, rates penalties	1,651	1,787
0 Targeted rates	0	0
0 Subsidies and grants for operating purposes	0	0
399 Fees and charges	11	12
0 Internal Charges and overheads recovered	0	0
769 Local authorities fuel tax, fines, infringement fees and other receipts	914	656
2,798 Total Operating Funding	2,575	2,454
Applications of Operating Funding		
2,381 Payments to staff and suppliers	2,239	1,985
8 Financing Costs	6	5
796 Internal Charges and overheads recovered	860	707
0 Other operating funding applications	0	0
3,185 Total Applications of Operating Funding	3,105	2,698
(387) Surplus/(deficit) of operating funding	(529)	(243)
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
4 Gross proceeds from the sale of assets	1	1
0 Lump sum contributions	0	0
4 Total sources of capital funding	1	1
Applications of capital funding		
Capital expenditure		
0 - to meet additional demand	0	0
0 - to improve the level of service	2	2
25 - to replace existing assets	12	10
12 Increase/(decrease) in Reserves	(245)	90
(419) Increase/(decrease) in Investments	(297)	(343)
(382) Total applications of capital funding	(528)	(242)
387 Surplus/(deficit) of capital funding	529	243
(0) Funding Balance	(0)	0
24 Depreciation expense (not included in the above FIS)	22	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 2016, are as follows:

Commercial activities, excluding Riverton Harbour wharves	
1a - Any structure, marine farm, boat building/repair structure, boatshed or other commercial activity	\$612.50
1b - Boat storage facility on water (for more than 10 boats), including marinas, moorings, boat parks, or canal housing	\$612.50
- per metre of berth per annum	\$17.30
- additional sum for every swing mooring	\$121.10
Non-commercial activities, excluding Riverton Harbour wharves	
2a - Structures up to and including 14 m ²	\$86.50
2b - Structures between 14 m ² and 28 m ²	\$165.70
2c - Structures between 28 m ² and 56 m ²	\$331.50
2d - Structures between 56 m ² and 84 m ²	\$417.90
2e - Structures exceeding 84 m ²	\$612.50
2f - Any boatshed	\$165.70
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)	\$86.50
3b - Any pipeline (other than above) or submarine or buried cable	\$122.50
- plus additional sum if longer than 30 m (per 30 m length per annum)	\$21.50
- up to a maximum sum per annum	\$612.50
3c - Any pile moorings	\$86.50
- or per metre per annum whichever is the higher sum	\$17.30
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)	\$121.10
3e - Any wharf in Riverton Harbour (per metre of length pa)	\$11.90

