

# Annual Plan

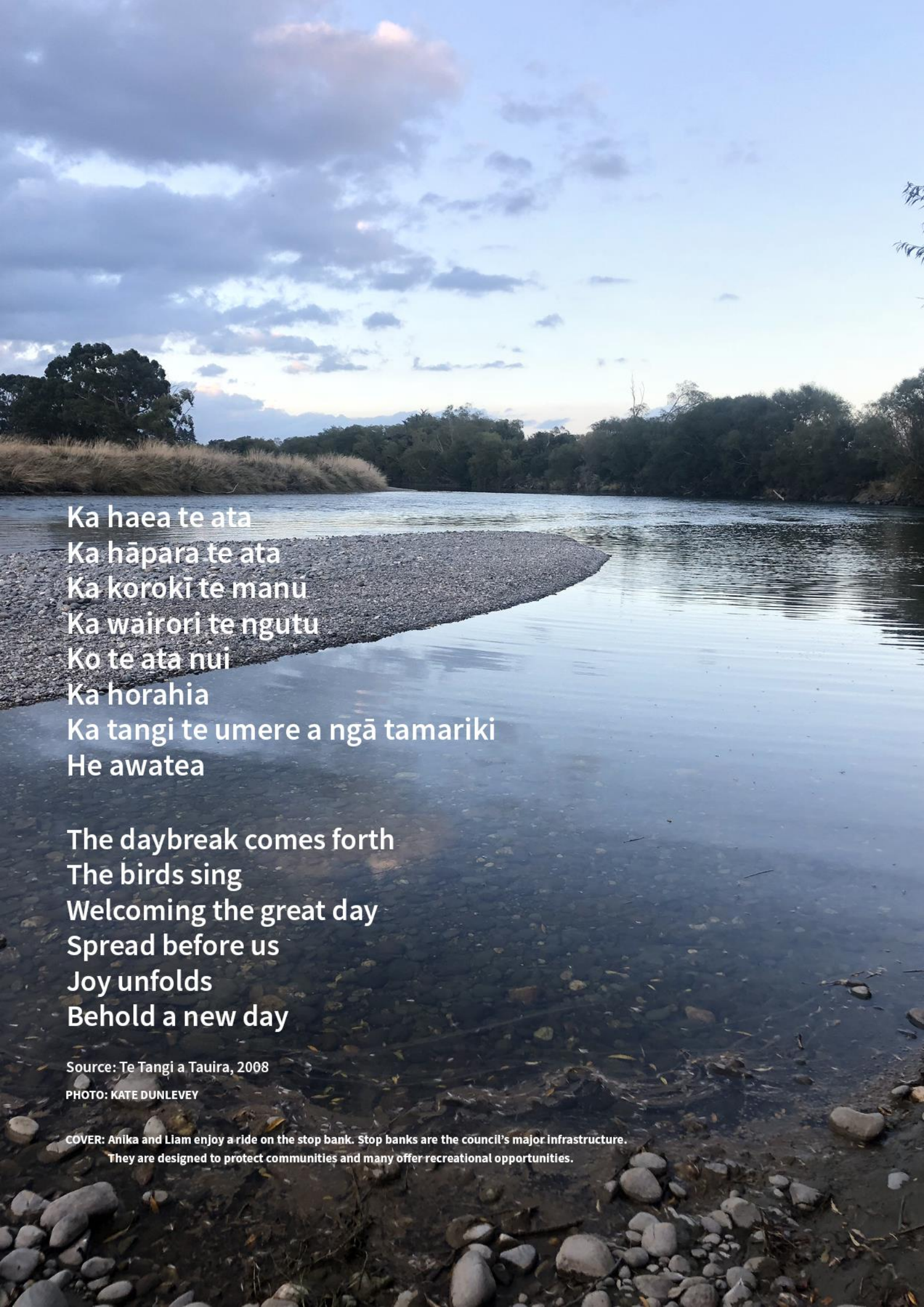
Tahua ā-tau

**2019/20**



environment  
**SOUTHLAND**  
REGIONAL COUNCIL

Te Taiāo Tonga



Ka haea te ata  
Ka hāpara te ata  
Ka korokī te manū  
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 Taurira, 2008

PHOTO: KATE DUNLEVEY

COVER: Anika and Liam enjoy a ride on the stop bank. Stop banks are the council's major infrastructure. They are designed to protect communities and many offer recreational opportunities.

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## Message from the Chairman and Chief Executive

The 2019/20 Annual Plan represents the second year of the 2018-2028 Long-term Plan (LTP).

It outlines our budgets and work programmes which are aligned to the LTP and our significant long-term plan issues - water quality and quantity; community resilience and investing in Southland.

The past year has been all about “getting things done” and building momentum in our work programmes.

Our biggest work priority is water quality and quantity and our major work programmes reflect this.

We are continuing to build on the solid research gathered from our four-year Southland science and economic projects. The data and information gathered gives us a strong platform for our community conversations about water, and for the decisions we need to make as a community.

All of that knowledge underpins the People, Water and Land Programme (*Te Mana o te Tangata, te Wai, te Whenua*), which commenced in late 2018 and has three workstreams. The first is to engage closely with Southland’s communities around their values and objectives or aspirations for water.

Effective engagement with the wider community is always a hugely important part of our work, but this has been a significant focus over the past year as we listen to our communities to shape the future for Southland’s water. We will continue to engage with Southlanders, including individuals, organisations, industry groups and catchment groups to understand more about their aspirations for freshwater, and to make sure they have the information they need to be involved and understand the pressures and opportunities that activities have on it. The only way we are going to find successful solutions for Southland’s water quality and quantity issues, is for us to do it together.

The other two workstreams are action on the ground—catchment management activities that improve our land and water environment and help to build resilient communities—and the work of a regional forum. This is a community-based group that is now underway and will advise the Council on methods to achieve the community’s aspirations for freshwater, which includes setting limits.

As with most councils, there are funding challenges and an expectation of “doing more with less”. We need our staff to be well-equipped to meet the demands and challenges of the increasingly complex contexts that we work in. To meet this need, this year we have begun rolling out the ES Way, an internal programme which aims to build capacity and improve the way we work together in the most efficient and effective way, so that we can best deliver on our organisational vision and outcomes for the Southland community.

One way the Council is meeting its funding challenges is by continuing to invest in and make greater use of technology. Over the coming decade, local government organisations will need to find other funding sources alongside land-based rate funding. These issues are currently being investigated by the Government’s Productivity Commission.

In setting the rates for the year, the Council has been mindful of the challenging economic climate and the need to maintain levels of service even though there are uncertainties.

These uncertainties include the increasing demands of central government, the impact that sea level and weather pattern changes may have on flood protection, and the impact new farming and commercial practices may have on land and waterways. We expect there will be further national direction around pressing matters such as water and climate change over the coming year. In the meantime, we continue to take a region-wide approach to climate change through the Mayoral Forum, to co-ordinate investigations, studies, and potential options to discuss with the wider community.

Prudent adjustments to work programmes and budgets have been made and a recently released South Port dividend has been used, alongside limited reserves and prior year surpluses, to reduce the rates impact on Southlanders.

The overall average rates increase for the 2019/20 year is 6.9% equating to an extra \$1,172,747. This is below the 7.7% increase that was forecast in the Long-term Plan. Individual rates will vary significantly, and this is in large part due to recent QV revaluations which have been undertaken within the Southland District and have resulted in movements in property values.

Total expenditure for the 2019/20 year is \$36.195 million, which is an increase of \$698,000 on the previous year.

Our core activities continue as 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 are ongoing.

In the LTP we said we would consult with the community on a proposed water improvement rate to fund on-ground initiatives to improve water quality. However, as central government is currently looking at future funding options for local councils, this consultation is not going ahead for now.

As there are no significant changes to the LTP, we will not be consulting 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 would like to discuss.

This year there is a local body election. This will create great opportunities to talk with Councillors and candidates about what we have achieved, and the Council's aspirations for the upcoming term.

Environment Southland's role as the regional council is to lead the sustainable management of the region's natural resources. Managing these resources well is critical to building a thriving Southland. By collaborating and working in partnership with our communities, together we can look after the things we value and meet the challenges we face with shared knowledge, insight and action.

The 2019/20 Annual Plan was adopted by the Council on 22 May 2019.



Nicol Horrell  
**Chairman**



Rob Phillips  
**Chief Executive**

## Your constituent Councillors



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Chair, Western  
021 068 7167



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Deputy Chair, Southern  
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Fiordland  
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Robert Guyton  
Invercargill/Rakiura  
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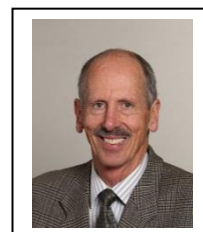
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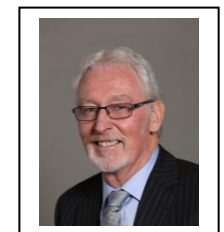
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## 2019/20 Annual Plan and how it differs to the 2018-2028 Long-term Plan

To determine how the Annual Plan might differ to the Long-term Plan, Councillors and staff reviewed a list of proposed project items for relevance, importance, and urgency. Some of these projects were new and some were forecast in the Long-term Plan.

Those projects were then tested to determine whether the differences were “significant or material” from the content of the Long-term Plan for the 2019/20 year (*Section 95, Local Government Act 2002*).

The significance tests included the threshold tests contained in the *Significance and Engagement Policy* and specifically relates to expenditure and project financial criteria and the associated impact on levels of service. Materiality tests revolve around any changes to the Financial Strategy or Funding Impact Statement.

If the tests show that any proposed changes or additions are more than minor, then Council would be required to use the formal consultation process, as set out in its *Significance and Engagement Policy*.

From our process, Councillors identified no significant or material differences between the proposed 2019/20 Annual Plan and year two of the 2018-2028 Long-term Plan. Accordingly, Council has decided not to formally consult on this Annual Plan, but to inform the community about the progress and changes.

A number of other aspects of the Long-term Plan have changed, been adjusted or added.

There are some other areas where changes are being contemplated by Government on updates to the National Policy Statement for Freshwater Management, and adaptation to climate change impacts. We are unable to provide for these matters at the outset of this Annual Plan as there are currently no definite outcomes to aim for. That may change during the 2019/20 year, and we will need to be ready to adapt its programmes and potentially finances accordingly.

### What has changed?

The 2018-2028 Long-term Plan projects, programmes and budgets were prepared towards the end of 2017 and finalised in early 2018.

Some of the changes and challenges are sourced from within the organisation as it responds to demands 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 and adapt the projects, programmes and budgets in order to respond to those changes. The main headline changes are detailed over the following sections but can be summarised as follows:

- in the Long-term Plan, we talked about the introduction of the **People, Water and Land Programme - *Te Mana o te Tangata, te Wai, te Whenua*** as our answer to working with the community on setting water quality and quantity limits within the various catchments across



the region. That programme has progressed to the point of implementing a Regional Forum, which has produced some costs;

- the ongoing development of the **proposed Southland Water and Land Plan** is at the point where appeals have been lodged to the Council's decisions. The costs of participating in these appeals are now being realised. Those costs had not been budgeted for previously as there was a high level of uncertainty as to the extent of the appeals, and therefore the likely costs in responding to the appeals in either the mediation or the Environment Court processes;
- **risk management/community resilience** and health and safety are matters where there is now a greater awareness due to 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;
- the Council was asked to join with the Invercargill City Council and South Port New Zealand Limited to investigate the **upgrading of the Bluff boat ramp**, a regionally important community facility, which is situated beside the Bluff Maritime Museum, and requires a refurbishment for the benefit of the local and wider regional community. Council was able to join the other parties, so that the funding arrangements could be shared rather than left solely to the community, or to one party to try and fund. This is a new cost - 50% was included in the 2018/19 year and the remainder will be in the 2020/21 year;
- in conjunction with the upgrade of the Bluff boat ramp, the Council is investigating the design and construction of a **vessel haul-out and hull cleaning facility**. This would be sited in proximity to the head of the upgraded boat ramp. Such a facility is needed to assist boat owners in meeting the requirements of obtaining a Clean Vessel Pass from the Council prior to entering the internal waters of Fiordland. This is a new budget requirement;
- our organisational improvement programme called the **ES Way** has commenced with the goal of improving management, leadership skills and accountability within the organisation, in order to ensure that we work in the most effective and efficient way. This is a new budget requirement;
- supporting the regional development goals from the **Southland Regional Development Strategy** continues, specifically assisting the Mayoral Forum and the Southland Aquaculture Working Group's aquaculture investigations. The Mayoral Forum applied for and was granted funding from the Provincial Growth Fund for a business feasibility investigation into the development of a new state-of-the-art freshwater fish hatchery in Southland.

Details of the changes that have been considered or incorporated into the 2019/20 Annual Plan are set out on the following pages.

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

### ***Funding and rates***

Through the 2018-2028 Long-term Plan, we adopted funding policies to provide predictability and certainty about sources and levels of funding. We indicated that we were mindful of the need to maintain levels of service even though factors impacting on our services are uncertain and have the potential to impact on our work programmes. Those main uncertainties include:

- the increasing and changing requirements of central government;
- predicted rising sea levels which may have an impact on flood protection;
- changes in weather patterns creating more extreme weather events which may have an impact on flood protection;
- new farming and commercial practices and the impact they may have on land and waterways.

The planned rate increase adopted for Year 2 in the Long-term Plan (2019/20) was 7.7%.

Funding these potential impacts and our existing programmes remains a significant challenge. The Government's Productivity Commission investigation into local government funding and financing is indicating that other funding sources will be needed by local government over the next decade. Land-based rate funding will not be sustainable on its own.

We will continue to work with Local Government New Zealand and central government on the range of potential funding options as we move towards developing the 2021-2031 Long-term Plan.

In the 2018-2028 Long-term Plan (page 45), we indicated that we would investigate the possible development and introduction of a new rate that would seek to align the cost of water related work with the people and properties that directly benefit. The timing of the Government's Productivity Commission's investigation into local government funding and financing means that it would be inappropriate timing to proceed with any funding reviews until there is clarity on the Government's direction. Any changes to the Financial Strategy and other supporting information will need to be held over until the 2021-2031 Long-term Plan.

The above factors apply pressure on Council's funding requirements and, in particular, put upward pressure on its rate increases. However, Council must balance these funding requirements against the current economic climate and the pressures on the community. Taking this into consideration Council has reduced the projected 2019/20 rate increase from 7.7%, as projected in the 2018-2028 Long-term Plan, to 6.9%. At this level the Council will be operating in a deficit situation, which in the long-term is untenable. Future funding solutions will need to be found or programmes will need to be cut.

## Changes to Proposed Spending or Intended New Spending

The following table identifies the proposed spending and/or, intended new spending planned for the 2019/20 year. These items were not incorporated into the 2018-2028 Long-term Plan, as information was either not available at the time or they are new proposals.

Proposed Item	Indicative cost in 2019/20	Continue into subsequent years?
Riskpool contribution	\$26,037.73	No
People, Water and Land programme and Regional Forum	\$500,000	Yes. Forecasting \$500,000 in 2020/21 and \$500,000 in 2021/22.
Contribution to regional LiDAR project	Nil	Yes. Contributions to be paid in 2020/21 and 2021/22. Figures not available at time of printing. Reliant on co-funding from others.
Bluff boat ramp upgrade	Nil (\$200,000 contribution paid in 2018/19)	Yes. Forecasting a further \$200,000 in 2020/21.
Biosecurity hull cleaning facility	\$300,000 (costs and design yet to be finalised)	Funding for biosecurity hull cleaning facility may have to be carried forward from 2019/20 into 2020/21 depending on progress.
ES Way – across 7 projects	\$200,000	Yes. Forecasting \$55,000 in 2020/21 and \$20,000 in 2021/22.
Water and Land Plan Appeals	\$300,000	No

### ***Riskpool contribution***

Riskpool provided public liability and professional indemnity insurance cover for local government agencies across New Zealand for 20 years. It no longer operates its mutual liability insurance fund and is now processing final claims. As part of this, an additional contribution is required from Environment Southland for \$26,037.73, payable on 1 July 2019. There is also likely to be a final call for contributions in 2022 or 2023 as Riskpool winds up its operations.

### ***People, Water and Land Programme - Te Mana o te Tangata, te Wai, te Whenua***

The People, Water and Land Programme is Council's integrated approach to freshwater management in Southland. The programme is a partnership between Environment Southland and Te Ao Marama Inc (as the resource management arm of Ngai Tahu), with a vision to "inspire change to improve Southland's water and land". It recognises that we will need to adapt our activities to reduce the adverse effects that land use practices have on the environment, and enable our economy and communities to thrive. Taking this step is critical if Southland is to be more resilient and sustainable in the future.

The programme will contribute to Environment Southland's management of freshwater resources and ensure that we meet the regulatory requirements of the National Policy Statement for Freshwater Management (NPS-FM). It builds on the Southland science and economic projects, and the proposed Southland Water and Land Plan.

The programme consists of three main workstreams to ensure integrated management. *Action on the Ground* focuses on catchment management activities and actions that improve our land and

water, and help build resilient communities. The other workstreams are *Values and Objectives* and a *Regional Forum*. The *Values and Objectives* workstream precedes and will inform the *Regional Forum* workstream and both will guide *Action on the Ground*. It is recognised that there are dependencies within each of the workstreams to ensure effective water and land management.

These workstreams work towards identifying and implementing regulatory and non-regulatory methods to achieve the community's values and objectives. A change to the proposed Southland Water and Land Plan will be required and notified in order to meet the NPS-FM requirement of setting limits by 2025. The NPS-FM gives national direction for freshwater management, recognising it as a matter of national importance and that Te Mana o te Wai is integral.

During 2018 considerable planning of the programme was undertaken and the programme is now up and running. Community engagement on values and objectives or aspirations for water began in December 2018 and runs through to July 2019 when the information will be shared with the Regional Forum, a community-based group that will advise Council on options to achieve community objectives for freshwater (including setting limits). The establishment of the Regional Forum began in December 2018, with initial forum meetings held in April 2019. The forum will be fully operational in the 2019/20 year and run through until 2022.

To implement the programme in 2019/20, resources are required to manage and facilitate the forum, and to provide for technical advice and support.

#### ***Bluff boat ramp upgrade and biosecurity haul-out facility***

Late in 2018, the chief executives of South Port New Zealand Limited, Invercargill City Council and Environment Southland put together a working group of three senior staff to investigate and report back on options for upgrading the existing Bluff Yacht Club boat ramp, located alongside the Bluff Maritime Museum.

The upgrade of the existing boat ramp had been estimated at \$1.8 million. There were additional costs beyond the ramp costs relating to car and trailer parking and toilets, which the Invercargill City Council will take sole responsibility for.

South Port New Zealand Limited offered the land and a lump sum of \$300,000; Invercargill City Council offered \$850,000 plus arranging for a loan of \$250,000; and Environment Southland offered \$400,000. Environment Southland's contribution would be sourced from the cruise ship revenue. The Invercargill City Council will have ongoing administrative and management responsibility for the boat ramp. There will be a charge for using the upgraded ramp.

The main reason that Environment Southland is interested in being party to this agreement is that an upgraded boat ramp will provide access to a proposed vessel hull wash-down facility that it is planned to be constructed adjacent to the boat ramp. This facility would primarily be used to ensure that vessels heading into Fiordland waters are free of organisms that may pose a risk to this pristine environment as required by the Regional Fiordland Marine Regional Pathway Management Plan. An added benefit is that the facility can be used by all vessel owners, and this would encourage a clean hull regime. There will be a charge for using the facility. The estimated cost to construct the facility is approximately \$300,000, which will also come from the cruise ship revenue.

## **ES Way**

ES Way is an internal programme, which aims to build capacity and improve the way we work together in the most efficient and effective way, so that we can best deliver on our organisational vision and outcomes for the Southland community.

We are facing increasing demands and challenges in an ever more complex political, social, technological and environmental context. To deliver on the outcomes described in our strategy we know that change is needed in how we do things.

As an organisation, we need to be innovative. We need to be willing to use a different lens to look at what we do and how we do it, and we need to be ready for the changes coming at us.

The ES Way involves looking at how we make the connections between our work and the work of others; how we build relationships; the systems and processes we use and how we use them; and how we access and share information.

It is about making a difference internally, so we can make a difference externally.



## ***Proposed Southland Water and Land Plan appeals***

The Resource Management Act 1991 (RMA) prescribes the process in which a plan is developed. That process includes the right to lodge submissions, and appeal decisions to the Environment Court on matters of merit and the High Court on points of law. Rights of appeals to higher courts also exist.

The proposed Southland Water and Land Plan seeks to manage the effects of land use on water quality and quantity. It gives effect to the Southland Regional Policy Statement, the National Policy Statement for Freshwater Management and the Resource Management Act in particular. A number of parties have appealed decisions on the proposed plan. Those appeals are before the Environment Court where the merits of the plan's content is being considered and determined.

The Environment Court has implemented a new case management methodology, which is intended to fast track the appeals. The Court has appointed two Judges to preside over the appeals process and make decisions. The Court will hear evidence on the primary objectives and policies of the proposed plan in mid-2019, and afterwards provide direction to all parties on how mediation may occur.

There is significant uncertainty on the timing, cost and likely outcomes of the appeal process.

## Deferred projects

### ***Regional Air Plan changes***

Improving air quality within the urban areas of Invercargill and Gore remains a high priority for the Council. Funding resources continue to be made available to enable ongoing monitoring of emissions and to assist residents to better manage their home heating, improve insulation and replace home heating appliances with approved clean burning models.

The Long-term Plan 2018-2028 (page 24) identifies milestones for achieving compliance of the Regional Air Plan 2016 with National Environmental Standards – Air Quality (NESAQ). Details of the amendments to the NESAQ, including provisions relating to particulate matter (the change from PM<sub>10</sub> to PM<sub>2.5</sub>) are expected to be known publicly later in 2019.

Phase two of the review of the Regional Air Plan 2016 will address issues that include discharges from industrial and trade premises, odour and matters arising from the NESAQ amendments. Preliminary project planning and relevant studies have been funded and are underway.

The situation will continue to be monitored and reported in the Annual Report. The timing of the second phase review of the Regional Air Plan 2016 is intended to align with the adoption of amendments to the NESAQ.

### ***Contribution to Southland LiDAR Project***

Funding for this project is proposed to be deferred by a year to the 2020/21 and 2021/22 financial years.

Light Detection and Ranging (LiDAR) is an airborne remote sensing method that uses pulsed laser to measure variable distances to the earth, generating a precise, three-dimensional layer of the earth's surface and features. This method provides a critical information base, which can be used for modelling and mapping the effects of sea level rise, coastal processes, flood plain identification, geological changes (for example the effects from faulting), maintenance of infrastructure including roading, three waters, stopbanks, civil defence emergency management planning and response, and the management and planning of various agricultural activities (such as the identification of critical source areas, waterways, slope and topography) including forestry. This open source data set will also be available for community and industry use.

Environment Southland and the city and district councils of Southland are required by the Resource Management Act and various national policy statements to manage the effects of climate change, to ensure that inappropriate subdivision, use and development does not occur, and to provide hazard advice and infrastructure to protect life and property.

LiDAR is the most cost-effective method for collecting accurate, at scale elevation data. Without accurate data (as exists today) decisions may be made that are unnecessarily constraining or that enable activities in locations that are inappropriate and subject to local government's control and subsequent management.

Land Information New Zealand (LINZ) has successfully sought funding through the Provincial Growth Fund to implement a national LiDAR programme. Eight regional councils, in partnership with the territorial authorities and others, will receive \$14 million of co-funding from the first round of

applications. Environment Southland has led the development of a cost share proposal for LINZ's consideration with the city and district councils of Southland. The councils will share the total cost for the flying and interpreting the data, including the development of a digital elevation model.

Further negotiations and project timing discussions are underway with the district and city councils to confirm funding and its timing.

## External Changes and Influences

Local government needs to be adaptable and ready to respond to external changes and influences, including the Government's guidance and expectation that we proceed at a greater pace, especially when it comes to water management.

There are national matters pending that we will be engaging on over the next 12–18 months and beyond into the next Long-term Plan. Some of these are listed below, but there will also be other matters that we will need to engage with over this time.

### ***Funding and financing of Local Government***

The Government asked the New Zealand Productivity Commission to examine the adequacy and efficiency of the current framework for funding and financing local government.

The Inquiry's terms of reference note that the costs and pressures facing local government have increased in recent years, particularly for fast-growing councils, those with declining population bases, and councils with high levels of tourism. The Commission is investigating the different drivers of costs for local authorities across the country, examining the scope for councils to manage cost pressures under existing funding and financing arrangements, and exploring new models and tools for funding and financing.

As part of the Inquiry, the Productivity Commission released an issues paper on 6 November 2018, which contained 49 questions. The Commission asked for feedback on the questions or on any issues considered relevant to the terms of reference to help inform the policy recommendations it will make to Government. Submissions on the issues paper closed on 15 February 2019.

The issues paper was the first stage of the Commission's Inquiry. The Commission will publish a draft report for public comment in June 2019 (with submissions due in August 2019). The Commission's final report is due with Government by 30 November 2019.

It is unknown at this point what the findings from the Inquiry will mean for local government generally or for Environment Southland specifically. It can only be assumed that whatever implications arise will need to be addressed through the development of the 2021-2031 Long-term Plan.

### ***Ongoing reform of the Resource Management Act 1991 (RMA)***

The Resource Management Act is 28 years old, and its content and implementation are continuously reviewed and refined by the government of the day. That review and refinement includes changes to the statute itself and the development of national policy statements, national environmental standards and guidance material.

Environment Southland is directed by these documents to manage issues such as air quality, coastal activities and processes, plantation forestry, the maintenance and improvement of freshwater quality in particular ways. Central government also has an extensive forward work programme that seeks to manage issues of significance to New Zealand such as indigenous biodiversity and greenhouse gas emissions.

Depending on how the Government seeks to manage particular issues dictates whether regional policy and plans need to be developed or redeveloped, or changes in consent or compliance practices are required. The speed of any required changes is also directed by the Government.

In April 2019, the Government will release its decision on the formation of the National Planning Standard. This standard will direct councils to redevelop its existing policy statement and plans into a nationally prescribed template, and provide electronic search functionality. This is a significant shift from current practice.

Environment Southland will likely be required to reframe its Regional Policy Statement into the new template early, as all other regional and district plans must give effect to that document. Until the National Planning Standard is gazetted in April 2019 however, we will not know the extent and timing of the work programme ahead of us.

### ***Review of the National Policy Statement for Freshwater Management (NPS-FM) and proposed National Environmental Standard***

The National Policy Statement for Freshwater Management was gazetted in 2011 and amended in 2014 and 2017. Central government has signalled that further changes are being developed for consultation in 2019 that will likely clarify how sensitive downstream receiving environments should be managed, potentially introduce the requirement for farm plans, refresh the National Objectives Framework, and speed up the required introduction of freshwater quality and quantity limits.

Until the draft National Policy Statement for Freshwater Management is released for consultation, Environment Southland will not know how those changes may impact its future work programme, resourcing or budgets.

### ***Proposed National Policy Statement for Indigenous Biodiversity***

The Biodiversity Collaborative Group (BCG) is a stakeholder-led group established by the Minister for the Environment to develop national level policy for indigenous biodiversity (native plants and animals and their ecosystems in both the land, marine and freshwater domains) in the face of ongoing decline, and an urgent need for action to reverse this. Their report and the accompanying draft national policy statement were presented back to Government in October 2018, following a process that began in April 2017.

The BCG has developed a draft National Policy Statement on Indigenous Biodiversity (NPSIB) and recommendations to the Government on complementary and supporting measures to maintain indigenous biodiversity. To achieve this, the BCG drew on technical advice as well as input from government departments, tangata whenua, landholders, infrastructure providers, industry groups, environmental groups, academics and others, to ensure that the Government had a robust evidence-based approach to policy with outcomes that are inclusive, effective and enduring.



The next stage of the process will involve officials and ministers considering the report, including a cost-benefit analysis, followed by a full consultation process in accordance with the Resource Management Act 1991 before the national policy statement is considered by Government for final approval. It is uncertain as to when any such changes might take place, and what the implications of those changes might be for our budgets and plans.

### ***Aquaculture strategy and 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 need to be renewed by the end of 2024. Council has previously been part of a ministerial advisory panel that has proposed a National Environmental Standard for Marine Aquaculture (NESMA). The proposed NESMA seeks to:

- provide a more efficient and certain consent process for managing existing marine farms within environmental limits; and
- implement a nationally-consistent framework for biosecurity management on all marine farms.

The proposed NESMA and policy recommendations were referred to Cabinet in late 2018 but no decisions have been made by Government at this point, and therefore we are unable to take the potential workload implications into account.

In looking at other aquaculture opportunities for Southland and recognising the rapid advances in marine farming technology and developing operations in more off-shore locations, the Southland Aquaculture Working Group has been working alongside the aquaculture industry, Ministry for Primary Industries, Iwi and other interested parties to investigate potential location options for the growth of Southland's aquaculture industry. This work has been recognised by the Southland Regional Development Strategy (which led to the establishment of the Southland Regional Development Agency) as a major potential development opportunity for the Southland region.

Finding ideal new water space for marine farms and enhancing the use of existing water space are two aspects being investigated together with the potential for land-based aquaculture or aquaculture support industries. In that regard, the Southland Mayoral Forum approved the lodgement of an application to the Government's Provincial Growth Fund to prepare a feasibility study for the development of a commercial fish hatchery in Southland using the latest innovative technology. The application was approved and approximately \$430,000 has been granted for the feasibility study. The final report needs to be lodged with the Ministry of Business, Innovation and Enterprise by June 2019.

The implications of the proposal being commercially viable means a business opportunity would become available for commercial operators and investors to develop a facility to produce salmon smolt to supply the industry generally, and to supply the potential local demand if an increase in off-shore marine farms eventuates.

## ***Adapting to the impacts of climate change and natural hazards***

Currently, we take our lead from central government on responding to the effects of climate change. Predictions for Southland indicate that the region's climate is likely to change, which will have implications both for the region and our programmes into the future. The cost of implementing any changes or other adaptation solutions is unknown at this point.

Projections of climate change impacts depend on future greenhouse gas emissions, which are uncertain. 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 the likely effects of climate change within the region. The range of effects can include:

- **sea level rise** - plan for future sea-level rise of at least 0.5 m, along with consideration of the consequences of a mean sea level rise of at least 0.8 m (relative to the 1980–1999 average) by the 2090s;
- **storms** - the number of storms to the south of the South Island is expected to increase in winter and decrease in summer, by the end of the century. The intensity of these storms is also likely to increase in winter and decrease in summer;
- **wind** - the frequency of extreme winds over this century is likely to increase by between two and five 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 offset by negative effects of climate change such as an increased flood risk or the 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 (potentially from an event on the alpine fault), 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*, *M bovis*) 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.

Responding to 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 hazards in terms of their nature and effect. Additional information and data (e.g. LiDAR to assess tsunami run-up zones and accurate flood level data) will be needed to assist in understanding the effects and the locations that will be impacted. That increased level of understanding will help to ensure that long-term planning and adaption takes hazard effects into account.

The Government is currently making changes to local government's responsibilities for managing the effects of natural hazards. Changes are being proposed to various legislation to clarify and reinforce the expected local government roles and responsibilities in managing the significant risks from natural hazards. With the effects of climate change becoming more apparent, local government with Local Government NZ and the Society of Local Government Managers will be expected to pick up significant responsibilities for keeping their communities and businesses safe.

# Significant Long-term Plan Issue

## – Our water, our land, our future

**We all want a more resilient and sustainable Southland for the future—that’s why Southland’s water quality and quantity issues are our biggest challenge and top priority.**

The sustainable management of our freshwater is critical if Southland is to thrive. The decisions and actions we take together, as a community, will help shape our region now and for future generations. Rules and regulatory limits are only one part of the equation. The real gains come from everyone taking responsibility and playing their part.

Southland’s land use, both urban and rural, has changed during the past 150 years, with increased intensification in recent years. This underpins our economic prosperity but has also changed our waterways.

We know everything is connected—land, water, air, people. Our recently completed four-year *Southland science programme* has given us a better understanding of how contaminants move through land and water, and how our activities impact on our environment. Alongside this, the *Southland Economic Project* has examined how potential changes to land and water use could affect our lives, our environment and our businesses.

Our research is now focused on “outcomes, people and solutions”, building on existing knowledge and partnerships and exploring evolving areas such as social science and Mātauranga Māori.

Using this research as a base, our *People, Water and Land programme - Te Mana o te Tangata, te Wai, te Whenua* is taking the next steps. With a vision to “inspire change to improve Southland’s water and land”, the programme is a partnership between Environment Southland and Te Ao Marama Inc (as the resource management arm of Ngai Tahu ki Murihiku). It brings an integrated approach to freshwater management founded on the *Water and Land 2020 & Beyond* project before it.

The programme’s three main workstreams - Action on the Ground; Values and Objectives; and a Regional Forum – commenced in late 2018. All three contribute to an integrated approach and will enable Environment Southland to meet the regulatory requirements of the National Policy Statement for Freshwater Management, including setting limits by 2025.

Community conversations underpin the programme as we engage with Southlanders to understand more about their values and objectives, and aspirations for water.

The Regional Forum is a community-based group that will advise Council on the methods to achieve the communities’ values and objectives for freshwater.

The proposed Southland Water and Land Plan provides the regulatory foundation for the *People, Water and Land Programme*. It seeks to address activities that are known to have a significant effect on water quality. Appeals on the plan are currently before the Environment Court.

By acting collaboratively and through strong community partnerships, we can make the best gains to improve our water.

In a multi-agency programme with an integrated catchment approach, *Whakamana te Waituna* is working to improve ecosystem health in the Waituna Lagoon and catchment.

In another community action project, a group of community members and experts is cohesively managing the New River Estuary in Invercargill and developing a long-term action plan.

We recently launched the Water Story, an online space for sharing some of the information and science behind Southland's complex water system and its current state. The aim is to ensure that our information about water is accessible to all audiences so that people can join the conversation and make informed decisions about their own activities, including their land use, and understand what the possible implications are.

Working with Environment Southland, catchment groups across Southland are also mobilising to harness their collective knowledge and skills to positively impact on water quality. One example is the Aparima Community Environment (ACE) project, a collaborative project that is creating positive environmental change. Comprising six local catchment groups, ACE is encouraging farmers in its area to move towards improved land management practices to help build environmental and community resilience.

In a capacity-building project, we are also working closely with Southland's river liaison committees to look at how they can meet the wide-ranging future needs of communities facing river and water-related issues over the next 15 years. They have done a great job over the past 30 years but we are facing new challenges.

Finally, local councils have responsibilities in relation to "3 Waters" – drinking water, wastewater and stormwater. With growing community expectations around water quality, including for recreational use, we are emphasising the underlying importance of improving the quality of discharges into Southland's waterways and coast.

## Significant Long-term Plan Issue

### – Empowered, resilient communities

**Building community resilience is important for all Southlanders: we all want to feel secure in our homes and communities.**

Community resilience relates not only to environmental resiliency, but also social and economic resiliency.

Environment Southland advocates for collective leadership in Southland to acknowledge, plan and mitigate the potential impacts of climate change, while meeting our statutory obligations to deliver natural hazard planning and mitigation services.

Our activities relating to natural hazards include emergency management, flood warning, flood protection and drainage schemes, and hazard mitigation planning. Our Biosecurity & Biodiversity Operations Division works with central government and other agencies, often alongside Emergency Management Southland, to support communities facing biosecurity threats.

We host Emergency Management Southland on our Invercargill site and support it as a shared service amongst Southland's four councils. It engages with the community to help people prepare for, respond to and recover from civil defence emergencies.

In the past, nearly all declared civil defence emergencies in Southland have related to rainfall, predominantly flooding and storm damage. Flooding is an ever-present risk in Southland, aided by big river systems, high rainfall and increasingly erratic weather patterns.

While flood risk is mostly managed through flood protection schemes, Southland's four major rivers - the Waiau, Mataura, Oreti and the Aparima - and their tributaries remain a significant risk to several townships and surrounding areas. In some areas, coastal flooding is also a risk.

Invercargill has been relatively well protected since a major upgrade of flood protection works and non-structural flood alleviation measures were introduced after the big floods of 1984, although parts of the city are at risk of riverine and coastal flooding.

We provide a flood warning system by monitoring rainfall and the levels and flows of Southland's major rivers.

Maintaining and improving stopbank flood protection infrastructure is a critical part of our work. Through our comprehensive annual maintenance programme, we look after Southland's 458 kilometres of stopbanks that protect people, property and livelihoods.

An upgrade of the Lake Hawkins pump station is planned for 2021/22. It protects the Invercargill airport as well as local properties and businesses, draining 1,556 ha of reclaimed land.

Earthquakes have less public awareness in Southland. There is an estimated 50 per cent chance of a magnitude 8-plus earthquake occurring on the South Island's Alpine Fault in the next 50 years. In Southland it is predicted to be particularly noticeable in Fiordland and northern Southland.

Southland's other natural hazard risks include tsunami and snow events.

### ***Adapting to climate change***

Environment Southland has always taken its lead from central government on climate change matters, but managing local impacts also requires local knowledge and action. We champion a unified approach through the Southland Mayoral Forum.

The Mayoral Forum commissioned NIWA to undertake a detailed assessment of the impacts of climate change. Information in the regional Climate Change Impact Statement report forms a vital base on which decision-making and future plan development can be made.

Climate change predictions have implications for our region and for the Council's future programmes. We are committed to keeping up with the science, and the predicted likely effects of climate change and their potential social and economic impacts.

Environment Southland needs to be an example to the community, and provide leadership in this space. We have taken steps to reduce our own greenhouse gas emissions, and have implemented ways to reduce energy consumption in our offices, installed solar panels and invested in a boiler system that uses woodchips as fuel. We are also considering adding electric and hybrid-electric vehicles to the fleet when replacements come due.

Sea level rise and storm surge are emerging risk impacts of climate change that will affect our coastal communities, including parts of Invercargill and Riverton, in the coming decades.

High quality information is an important foundation for decision-making around climate change. LiDAR (an airborne, remote sensing method that provides critical information) is being implemented nationally. It will be used in Southland to provide high-quality data to support future decision-making around environmental changes.

We also want to improve the quality, type and accessibility of hazard information to the community. Acknowledging the challenges and planning for them, addressing the barriers and investing in our infrastructure is vital for Southland's future.

## Significant Long-term Plan Issue – Investing in Southland

**Tackling our water quality and quantity issues and building greater resilience in the face of climate change are important priorities for Southland. By investing in our communities and working in partnership, the region will be well placed to meet the challenges of the future.**

Partnerships and funding are key to making a real difference, both internally for Environment Southland and for the region. We need to be clear about what is important to our communities, to honestly evaluate the problems, work together on the solutions, seek mutually beneficial relationships, make efficiencies, and find the necessary funding.

Environment Southland has partnered with some of New Zealand's best science minds and industry researchers on its science and economic research for water quality, getting far greater value for money, and gaining more knowledge than if we had done this work alone. These projects are now completed, but we continue to share innovative thinking in ongoing research areas.

Southland councils have a legacy of shared services, which maximise efficiency and reduce costs for ratepayers. Emergency Management Southland is a shining example, amongst many. There are also other opportunities where there are advantages to sharing costs and benefits. Through a joint cost-sharing proposal with LINZ, Southland councils will fund the use of the LiDAR system to obtain high-quality information that will be a critical base for future decision-making around climate change.

The Southland Mayoral Forum addresses region-wide concerns. It initiated the Southland Regional Development Strategy, which led to the establishment of the Southland Regional Development Agency (SRDA).

The Mayoral Forum continues to have a leadership role, addressing some of the challenges ahead, such as how communities fund expensive upgrades to wastewater and stormwater infrastructure. We advocate for leadership on climate change through the Mayoral Forum because we need to be united and to connect with central government on something this big and important.

By joining with others in partnership, we can share costs and be better placed to successfully apply for funding from central government and other agencies.

We strive to put people and relationships at the heart of everything we do, from our work programmes to our internal processes. Relationships have always been important, but we recognise that tackling Southland's challenges in many cases requires a partnership approach or an all-of-Southland effort.

Through our People, Water and Land Programme we are partnering with Ngai Tahu ki Murihiku through Te Ao Marama Inc. to take an integrated approach to freshwater management designed to improve our water and land.

Internally, we will review internal processes and systems to create efficiencies and drive down costs.



### ***Finding more funding***

In reviewing our financial practices, we are vigilant about ensuring they align with our financial strategy and contribute to our organisational resiliency.

Funding for the Council's programmes remains a challenge. In the future, land-based rates funding will not be sustainable on its own, as we deal with issues such as 3 Waters and our communities' adaptation to the impacts of climate change. This is an area that the Government's Productivity Commission is looking into.

We want to ensure our financial reserves are well managed and available for emergency and appropriate strategic purposes, and that we have the appropriate mix of funding for the work we need to do.

We have also been considering how we deal with the rising costs of doing business, some of which stem from the need to meet central government's increasing legislative requirements.

Our financial strategy takes a user pays approach where possible. We overhauled our fees and charges in 2018, including applying a CPI adjustment and making minor simplifications. Fees and charges will be reviewed again in 2021 in tandem with the development of the 2021-2031 Long-term Plan.

# Forecast Financial Statements

**Prospective Statement of Comprehensive Revenue & Expense  
(By Groups of Activities)  
for the year ended 30 June 2020**

Budget 2018/19 \$000		Budget 2019/20 \$000	LTP 2019/20 \$000
<b>Revenue</b>			
8,686	General Rates	9,817	9,765
8,071	Separate Rates	8,113	8,300
231	Southern Pest Eradication Society Rate	231	236
2,483	Levies and Contributions	2,402	2,367
511	Local Contributions	624	523
834	Rental Income	852	852
7,912	External Recoveries	7,702	7,863
1,397	Investment Income	1,382	1,335
4,535	Dividend from South Port	4,535	4,535
350	Profit on Sale of Asset	350	-
<b>35,009</b>	<b>Total Revenue</b>	<b>36,008</b>	<b>35,775</b>
<b>Less Cost of Services and Expenses</b>			
3,444	Total Regional Leadership	3,839	3,844
20,406	Total Environmental Stewardship	20,604	20,491
3,203	Total Whakahoki Te Mana	3,742	3,299
8,443	Total Community Resilience	8,009	8,124
<b>35,497</b>	<b>Total Expenditure</b>	<b>36,195</b>	<b>35,758</b>
	<b>(487) Net Forecast Operating Surplus / (Deficit)</b>	<b>(187)</b>	<b>17</b>

**Prospective Statement of Changes in Net Assets/Equity  
for the period ended 30 June 2020**

73,924	Total Equity at beginning of year	73,812	73,436
(487)	Net Surplus / (Deficit)	(187)	17
<b>73,436</b>	<b>Total Equity at end of year</b>	<b>73,626</b>	<b>73,453</b>

Prospective Statement of Comprehensive Revenue and Expense  
for the year ended 30 June 2020

Budget 2018/19 \$000		Budget 2019/20 \$000	LTP 2019/20 \$000
<b>Revenue</b>			
16,988	Rates Revenue	18,161	18,301
5,932	Interest and Dividends	5,917	5,869
350	Other Gains / (Losses)	350	-
11,739	Other Revenue	11,580	11,604
<b>35,009</b>	<b>Total Income</b>	<b>36,008</b>	<b>35,775</b>
<b>Expenditure</b>			
16,777	Employee benefits expense	18,128	16,954
799	Depreciation expense	833	843
100	Financial Costs	75	100
17,820	Other expenses	17,158	17,861
<b>35,497</b>	<b>Total Operating Expenditure</b>	<b>36,195</b>	<b>35,758</b>
<b>(487)</b>	<b>Forecast Operating Surplus / (Deficit)</b>	<b>(187)</b>	<b>17</b>
	- Share of Associate Surplus / Deficit	-	-
<b>(487)</b>	<b>Forecast Surplus / (Deficit) before Tax</b>	<b>(187)</b>	<b>17</b>
<b>Other Comprehensive Revenue</b>			
	- Property, Plant and Equipment Revaluation Gain / (Loss)	-	-
	- Less Taxation Expense	-	-
<b>(487)</b>	<b>Total Forecast Comprehensive Revenue &amp; Expense after Taxation</b>	<b>(187)</b>	<b>17</b>

**Prospective Statement of Changes In Net Assets/Equity  
for the year ended 30 June 2020**

Budget 2018/19 \$000		Budget 2019/20 \$000	LTP 2019/20 \$000
73,924	Total Equity at beginning of year	73,812	73,436
<u>(487)</u>	Total Comprehensive Revenue Surplus / (Deficit)	<u>(187)</u>	17
<u>(487)</u>	Total Recognised Revenue & Expenses	<u>(187)</u>	17
<b><u>73,436</u></b>	<b>Total Equity at End Of Year</b>	<b><u>73,626</u></b>	<b><u>73,453</u></b>

**Components Of Equity**

48,018	<b>Accumulated comprehensive revenue &amp; expense at 1 July</b>	47,075	47,790
<u>(487)</u>	Net Surplus / (Deficit) for the year	<u>(187)</u>	17
<u>260</u>	Transfers (to) / from reserves	<u>15</u>	<u>(505)</u>
47,790	<b>Accumulated comprehensive revenue &amp; expense at 30 June</b>	46,904	47,302
16,898	<b>Restricted Special Reserves at 1 July</b>	17,218	16,563
<u>(335)</u>	Transfers (to) / from reserves	<u>(258)</u>	221
16,563	<b>Restricted Special Reserves at 30 June</b>	16,960	16,784
4,339	<b>Restricted Lease Area Reserves at 1 July</b>	4,882	4,568
<u>229</u>	Transfers (to) / from reserves	<u>392</u>	389
4,568	<b>Restricted Lease Area Reserves at 30 June</b>	5,274	4,957
4,670	<b>Restricted Rating District Reserves at 1 July</b>	4,637	4,516
<u>(154)</u>	Transfers (to) / from reserves	<u>(150)</u>	<u>(106)</u>
4,516	<b>Restricted Rating District Reserves at 30 June</b>	4,487	4,409
<b><u>73,436</u></b>	<b>Total Components of Equity</b>	<b><u>73,626</u></b>	<b><u>73,453</u></b>

Prospective Statement of Financial Position  
as at 30 June 2020

Budget 2018/19 \$000		Budget 2019/20 \$000	LTP 2019/20 \$000
<b>Current Assets</b>			
(4,962)	Cash and Cash Equivalents	(5,507)	(5,929)
120	Inventories	120	120
213	Prepayments	166	213
1,259	Receivables	1,251	1,259
670	Rates Outstanding	784	670
28,957	Managed Funds	30,322	29,401
<b>26,257</b>		<b>27,135</b>	<b>25,734</b>
<b>Non-Current Assets</b>			
41,283	Property, Plant and Equipment	41,728	41,823
807	Investment in Related Party	807	807
140	Loan to Gore District Council	25	140
700	Loan to Invercargill City Council	126	700
8,721	Shares in Subsidiaries	8,721	8,721
<b>51,651</b>		<b>51,408</b>	<b>52,191</b>
<b>77,908</b>	<b>Total Assets</b>	<b>78,543</b>	<b>77,925</b>
<b>Current Liabilities</b>			
1,951	Employee Entitlements	1,637	1,951
2,487	Creditors & Accruals	3,246	2,487
<b>4,438</b>		<b>4,884</b>	<b>4,438</b>
<b>Non-Current Liabilities</b>			
34	Employee Entitlements	34	34
<b>34</b>		<b>34</b>	<b>34</b>
<b>4,472</b>	<b>Total Liabilities</b>	<b>4,918</b>	<b>4,472</b>
<b>73,436</b>	<b>Net Assets</b>	<b>73,626</b>	<b>73,453</b>
<b>Equity</b>			
47,790	Accumulated Comprehensive Revenue and Expense	46,904	47,302
16,563	Special Reserves	16,960	16,784
4,568	Lease Area Balances	5,274	4,957
4,516	Rating District Balances	4,487	4,409
<b>73,436</b>	<b>Total Equity</b>	<b>73,626</b>	<b>73,453</b>

**Prospective Statement of Cash Flows**  
for the year ended 30 June 2020

Budget 2018/19 \$000		Budget 2019/20 \$000	LTP 2019/20 \$000
<b>Cash flows from operating activities</b>			
28,728	Receipts from Customers	29,741	29,905
40	Interest Received	40	40
4,535	Dividends Received	4,535	4,535
(34,597)	Payments to Suppliers and Employees	(35,287)	(34,815)
(100)	Finance Costs	(75)	(100)
0	Income Tax Paid	0	0
<b>(1,395)</b>	<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>(1,046)</b>	<b>(435)</b>
<b>Cash flows from investing activities</b>			
0	Proceeds from sale of other financial assets	0	0
5,000	Reduction of Term Investment	1,020	850
501	Proceeds from sale of property, plant and equipment	474	74
0	Foreign Exchange gains/(losses)	0	0
0	Acquisition of shares/investments	0	0
0	Purchase of intangible assets	0	0
(3,847)	Purchase of property, plant and equipment	(1,756)	(1,456)
<b>1,654</b>	<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(262)</b>	<b>(532)</b>
259	Increase / (Decrease) in cash held	(1,308)	(967)
(5,221)	Add opening cash brought forward	(4,198)	(4,962)
<b>(4,962)</b>	<b>Ending cash carried forward</b>	<b>(5,507)</b>	<b>(5,929)</b>

**Prospective Statement of Comprehensive Revenue and Expense  
for the year ended 30 June 2020**

Budget 2018/19 \$000		Budget 2019/20 \$000	LTP 2019/20 \$000	Variance \$000	Variance %	Notes
8,686	General Rates	9,817	9,765	52	0.5%	
8,071	Separate Rates	8,113	8,300	(187)	-2.2%	1
231	Southern Pest Eradication Society Rate	231	236	(5)	-2.2%	
2,483	Levies and Contributions	2,402	2,367	36	1.5%	
511	Local Contributions	624	523	101	19.4%	2
834	Rental Income	852	852	(0)	0.0%	
7,912	External Recoveries	7,702	7,863	(161)	-2.0%	3
1,397	Investment Income	1,382	1,335	48	3.6%	
4,535	Dividend from South Port	4,535	4,535	-	0.0%	
350	Profit on Sale of Asset	350	-	350	0.0%	4
<b>35,009</b>	<b>Total Revenue</b>	<b>36,008</b>	<b>35,775</b>	<b>234</b>	<b>0.7%</b>	
3,716	Biosecurity	3,788	3,841	(52)	-1.4%	
403	Civil Defence	403	413	(9)	-2.2%	
6,466	Catchment Management	6,144	6,280	(136)	-2.2%	5
2,053	Consent Processing	2,439	2,109	330	15.7%	6
3,210	Community Representation	3,595	3,594	1	0.0%	
2,445	Environmental Compliance	2,408	2,506	(98)	-3.9%	7
2,977	Science Informatics & Operations	2,701	3,048	(347)	-11.4%	8
966	Emergency Management Southland	899	811	88	10.8%	
3,152	Land and Water Services	3,250	3,234	16	0.5%	
704	Property Management	569	571	(2)	-0.4%	
4,864	Policy & Planning	4,662	4,739	(77)	-1.6%	9
4,310	Science Strategy & Investigations	5,106	4,376	730	16.7%	10
231	Southern Pest Eradication Society	231	236	(5)	-2.2%	
<b>35,497</b>	<b>Total Expenditure</b>	<b>36,195</b>	<b>35,758</b>	<b>437</b>	<b>1.2%</b>	
<b>(487)</b>	<b>Net Surplus / (Deficit)</b>	<b>(187)</b>	<b>17</b>	<b>(204)</b>		

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

- 1) Budgeted increases of 0.52% compared with projected LTP increase of 2.83%.
- 2) Increase in Local Contributions largely for flood protection work in the Te Anau Rating District.
- 3) Budgeted reduction of Science recoveries, offset by gains in Marine Fee revenue and Consent recoveries.
- 4) Proposed sale of asset deferred from 2018/19.
- 5) Savings derived from new operating model being trialled.
- 6) Increased staff levels to manage anticipated increased activity from new and renewed consents. Costs partially offset by increased recoveries (per Note 3).
- 7) Budgeted reduction from improved cost management.
- 8) Costs down from reduced contractor spend. Also internal transfer of a staff member to Science Strategy reduced cost of this activity.
- 9) Budget reduction from improved cost management.
- 10) Includes new costs for the People, Water and Land programme plus internal transfer in from Science Informatics.



# 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.

**Consolidated Funding Impact Statement  
for the year ended 30 June 2020**

Budget 2018/19	Budget 2019/20	LTP 2019/20
\$000 Sources of Funding	\$000	\$000
8,841 General rates, uniform annual charges, rates penalties	9,972	9,923
8,302 Targeted rates	8,344	8,536
0 Subsidies and grants for operating purposes	0	0
10,469 Fees and charges	10,312	10,343
4,575 Interest and Dividends from investments	4,575	4,575
1,115 Local authorities fuel tax, fines, infringement fees and other receipts	1,113	1,103
<b>33,302 Total Operating Funding</b>	<b>34,316</b>	<b>34,480</b>
<b>Applications of Operating Funding</b>		
27,410 Payments to staff and suppliers	27,632	27,487
100 Financing Costs	75	100
7,187 Other operating funding applications	7,655	7,328
<b>34,697 Total Applications of Operating Funding</b>	<b>35,362</b>	<b>34,915</b>
<b>(1,395) Surplus/(deficit) of operating funding</b>	<b>(1,046)</b>	<b>(435)</b>
<b>Sources of capital funding</b>		
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
501 Gross proceeds from the sale of assets	474	74
0 Lump sum contributions	0	0
<b>501 Total sources of capital funding</b>	<b>474</b>	<b>74</b>
<b>Applications of capital funding</b>		
Capital expenditure		
14 - to meet additional demand	9	9
3,005 - to improve the level of service	310	10
829 - to replace existing assets	1,437	1,437
259 Increase/(decrease) in Reserves	(1,308)	(967)
(5,000) Increase/(decrease) in Investments	(1,020)	(850)
<b>(894) Total applications of capital funding</b>	<b>(572)</b>	<b>(361)</b>
<b>1,395</b>	<b>1,046</b>	<b>435</b>
<b>(0) Funding Balance</b>	<b>(0)</b>	<b>(0)</b>

**Reconciliation of Funding Impact Statement to Statement of Comprehensive Revenue & Expense  
for the year ended 30 June 2020**

<b>(1,395) Surplus / (deficit) of Operating Funding in Funding Impact Statement</b>	<b>(1,046)</b>	<b>(435)</b>
<b>Add / (deduct)</b>		
1,357 Increase / (decrease) in fair value of investment portfolio	1,342	1,295
350 Profit / (loss) on disposal of assets	350	0
(799) Depreciation	(833)	(843)
0 (Increase) / decrease in provision for doubtful debts	0	0
<b>(487) Surplus / (deficit) in Statement of Comprehensive Revenue &amp; Expense</b>	<b>(187)</b>	<b>17</b>

Total rates to be collected in 2019/20 amount to \$18,161,028, 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 2019/20 to Annual Plan 2018/19	Annual Plan Forecast 2019/20	Annual Plan Forecast 2018/19	Rating Level Changes	%
<b>Total rates for ES needs</b>	<b>17,929,884</b>	<b>16,757,137</b>	<b>1,172,747</b>	<b>7.00%</b>
Rates on behalf of Southern Pest Eradication Society	231,144	231,144	-	0.00%
<b>Total rates</b>	<b>18,161,028</b>	<b>16,988,281</b>	<b>1,172,747</b>	<b>6.90%</b>
<b>Rates for ES needs are:</b>				
Catchment	3,693,491	3,842,303	(148,813)	-3.87%
Land Sustainability	2,048,594	1,929,878	118,716	6.15%
Biosecurity - excluding bovine TB	2,371,126	2,298,843	72,283	3.14%
TB Free New Zealand	-	-	-	0.00%
<b>Total targeted land value based rates</b>	<b>8,113,211</b>	<b>8,071,024</b>	<b>42,186</b>	<b>0.52%</b>
General rate UAGC	4,015,631	3,756,106	259,525	6.91%
General rate - based on capital value	5,801,042	4,830,007	971,036	20.10%
General rate - dairy differential	-	100,000	(100,000)	-100.00%
General rate - capital value rate on dairy properties	-	-	-	0.00%
	<b>17,929,884</b>	<b>16,757,137</b>	<b>1,172,747</b>	<b>7.00%</b>

<b>UAGC</b>	<b>\$101.47</b>	<b>\$94.77</b>	<b>\$6.70</b>
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Rating Forecasts Compares Annual Plan 2019/20 to LTP 2019/20	Annual Plan Forecast 2019/20	LTP Forecast 2019/20	Rating Level Changes	%
<b>Total rates for ES needs</b>	<b>17,929,884</b>	<b>18,064,629</b>	<b>(134,745)</b>	<b>-0.75%</b>
Rates on behalf of Southern Pest Eradication Society	231,144	236,460	(5,316)	-2.25%
<b>Total rates</b>	<b>18,161,028</b>	<b>18,301,090</b>	<b>(140,061)</b>	<b>-0.77%</b>
<b>Rates for ES needs are:</b>				
Catchment	3,693,491	3,888,753	(195,262)	-5.02%
Land Sustainability	2,048,594	2,006,262	42,332	2.11%
Biosecurity - excluding bovine TB	2,371,126	2,404,941	(33,815)	-1.41%
TB Free New Zealand	-	-	-	0.00%
<b>Total targeted land value based rates</b>	<b>8,113,211</b>	<b>8,299,956</b>	<b>(186,745)</b>	<b>-2.25%</b>
General rate UAGC	4,015,631	3,609,003	406,628	11.27%
General rate - based on capital value	5,801,042	4,970,409	830,633	16.71%
<b>Total general rates</b>	<b>9,816,674</b>	<b>8,579,412</b>	<b>1,237,262</b>	<b>14.42%</b>
Potential water improvement rate	-	1,185,262	(1,185,262)	-100.00%
	<b>17,929,884</b>	<b>18,064,629</b>	<b>(134,745)</b>	<b>-0.75%</b>

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

Funding Sources	Application by Environment Southland
<p>General rates, including:</p> <ul style="list-style-type: none"> <li>- Usually based on capital value</li>   <li>- Uniform Annual General Charge</li> </ul>	<p>Applied to activities delivering wider community benefits using capital value base. The capital value rate is not set differentially and is applied on the same basis to all properties, after allowing for the equalisation of valuations. Valuations are equalised on an annual basis as the district Councils determine the valuation dates. Each year our Valuer provides information to allow Council to determine what the values would be if there were a common valuation date across all the Councils.</p> <p>A Uniform Annual General charge is a fixed charge per rating unit. It is part of the total general rate and set at a level that Council considers appropriate. The level of the charge is subject to some legal limitations which Council will not breach.</p>
<p>Targeted rates</p> <ul style="list-style-type: none"> <li>- Usually based on land value or land area</li> <li>- May be based on capital value or another basis that more appropriately aligns the rate with the benefit.</li> </ul>	<p>Targeted rates are used for services which have a specific area of benefit, which is not as wide as the entire region, or for transparency purposes to fund a specific service. Targeted rates are not a substitute for a user charge, but allow Council to assist communities to collectively fund services that can only be delivered with collective funding. They are applied to Biosecurity, Land Sustainability, water management and Catchment activities. Catchment rates apply a classification system which assesses relative benefits. A targeted rate will only be used for the purpose it was set. Any funds not used in a year will be transferred to reserves and invested.</p>

**General Rates**

General rates are calculated on the capital value of properties. The amount forecast to be set for general rates on capital value for 2019/20 is \$5,801,042, as disclosed in the statement.

The UAGC has been calculated by applying the 2019/20 average rate increase of 6.9% on the 2018/19 UAGC total. This maintains its percentage of total rate contribution of 22.11%, which remains under the 30% threshold. The amount forecast to be set for the UAGC for 2019/20 is \$4,015,631 excluding GST. The UAGC is set on the basis of a fixed charge per rating unit.

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

Activity/Projects	General Rates incl. UAGC and other General Funds
Environmental Information	100%
Environmental Education	100%
Regional Planning	100%
Pollution Prevention	100%
Biodiversity Management	100%
Consent Processing	25%
Compliance	40%
Science	80%
Relationship with Maori	18%
Regional Initiatives & Collaboration	100%
Communication & Engagement	100%
Council Members (Governance)	100%
Hazard Mitigation	100%
Catchment Planning	60%
River Works	30%
Land Drainage	10%
People Water and Land Programme	100%

### **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:

- Biosecurity Rate:** is used to fund the cost of Council's pest management activity and is calculated on land value basis on all rateable land in the region. The amount forecast to be set in 2019/20 is \$2,371,126.
- 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 2019/20 is \$231,144 and the rate is \$2.70 per hectare.
- Land Sustainability Rate:** is used to fund the cost of the land sustainability activity and is calculated on land value basis and assessed on all rateable land in the region. The amount forecast to be set in 2019/20 is \$2,048,594.
- 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 differential categories. The differential 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 individual ratepayers' land were detailed on their 2018/19 rates assessment and will be in future assessments. More information on the categories within each scheme and the rates levies for the 2019/20 year is provided at the end of this Funding Impact Statement.

<b>Annual Forecast 2018/19 (excl GST)</b>	<b>Scheme Name</b>	<b>Rating Base</b>	<b>No of Categories</b>	<b>Annual Forecast 2019/20 (excl GST)</b>
322,907	Aparima Rating District	Land Value	14	325,832
4,958	Clifton Drainage District	Land Area	2	4,830
61,551	Duck Creek Drainage District	Land Area	6	60,763
487,477	Invercargill Rating District	Land Value	4	486,550
122,097	Lake Hawkins Drainage District	Land Value	3	121,089
208,333	Makarewa Rating District			215,437
	- Land within Southland District	Land Value	15	
	- Land within Gore District	Land Value	3	
	- Land within Invercargill District	Land Value	1	
1,275,220	Mataura Rating District			1,132,839
	- Land within Southland District	Land Value	21	
	- Land within Gore District	Land Value	14	
17,592	Otepunu Creek Drainage Dist	Land Area	6	17,288
858,653	Oreti Rating District			874,151
	- Land within Southland District	Land Value	19	
	- Land within Invercargill District	Land Value	10	
210,947	Te Anau Rating District	Land Value	11	210,947
77,696	Waituna Creek Drainage Dist	Land Area	6	45,498
31,669	Waihopai Drainage District			31,463
	- Land within Southland District	Land Value	6	
	- Land within Invercargill District	Land Value	6	
63,542	Waiau Rating District	Land Value	9	63,555
53,512	Waimatuku Drainage District	Land Value	7	52,766
19,288	Upper Waihopai Drainage Dist	Land Area	6	22,182
15,674	Upper Waikiwi Drainage Dist	Land Area	8	17,128
2,697	Lower Waikawa Drainage Dist	Land Area	1	2,693
8,490	Upper Waikawa Drainage Dist	Land Area	6	8,480
<u>3,842,303</u>				<u>3,693,491</u>

### ***Rating Valuation Information***

Apart from the Uniform Annual General Charge (UAGC), catchment rates (on land value) and the Southern Pest Eradication rate (on land area), rates are calculated on property values set under the Rating Valuations Act (1988).

As the districts have different valuation dates, the Council obtains a certificate from the valuer so that it can equalise the values of the different districts in order to gain proportions of rates to all properties as if they were valued on the same date. This is a complex mechanism, which is undertaken so that properties pay a consistent share of the costs of the region's services.

The most recent general revaluation for rating values was completed for properties in the Southland District Council area effective from 1 August 2018. Overall movements in valuation were as set out in the following table:

	Number of Properties	Capital Value Change	Land Value Change
<b>Business</b>	1,282	-10.38%	+21.08%
<b>Farming</b>	4,316	-1.32%	-1.22%
<b>Lifestyle</b>	21	+27.29%	+35.93%
<b>Residential</b>	11,289	+27.68%	+41.83%
<b>Other</b>	1,351	+26.31%	+31.05%
<b>Total</b>	18,259	+1.98%	+2.46%

Territorial Authority	Land Value		Capital Value	
	Last Year	This Year	Last Year	This Year
	%	%	%	%
Southland District Council	75.32%	73.00%	64.12%	61.37%
Invercargill City Council	13.43%	16.05%	24.82%	27.80%
Gore District Council	11.25%	10.95%	11.06%	10.83%
	\$000s	\$000s	\$000s	\$000s
Southland District Council	14,136,379	14,615,142	19,975,048	21,141,371
Invercargill City Council	2,520,225	3,212,161	7,731,003	9,577,321
Gore District Council	2,110,745	2,192,387	3,445,398	3,731,988
	18,767,349	20,019,690	31,151,449	34,450,680

***Why isn't my rates increase in line with the overall increase in rates of 6.9%?***

The allocation of rates to individual properties is 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 2019/20 year. These figures are GST inclusive.

Location and Details	Rate	Actual Rates 2017/18	Actual Rates 2018/19	Forecast Rates 2019/20	Forecast Rates Increase \$ 2019/20	Forecast Rates Increase % 2019/20
Invercargill Commercial 1011 m2	Capital Value	\$2,500,000	\$2,580,000	\$2,580,000	\$0	
	General rate	\$443	\$438	\$571	\$133	
	Uniform Charge	\$79	\$95	\$101	\$7	
	Land Value	\$395,000	\$395,000	\$395,000	\$0	
	Biosecurity	\$56	\$53	\$60	\$7	
	Land Sustainability	\$44	\$45	\$52	\$7	
	Catchment	\$107	\$102	\$101	(\$0)	
		<b>\$728</b>	<b>\$733</b>	<b>\$886</b>	<b>\$153</b>	<b>20.9%</b>
Gore Commercial 939 m2	Capital Value	\$1,030,000	\$1,030,000	\$1,030,000	\$0	
	General rate	\$169	\$175	\$208	\$33	
	Uniform Charge	\$79	\$95	\$101	\$7	
	Land Value	\$410,000	\$410,000	\$410,000	\$0	
	Biosecurity	\$57	\$56	\$57	\$2	
	Land Sustainability	\$46	\$47	\$50	\$3	
	Catchment	\$305	\$331	\$293	(\$39)	
		<b>\$655</b>	<b>\$704</b>	<b>\$709</b>	<b>\$6</b>	<b>0.8%</b>
Invercargill Housing 923 m2	Capital Value	\$350,000	\$405,000	\$405,000	\$0	
	General rate	\$62	\$69	\$90	\$21	
	Uniform Charge	\$79	\$95	\$101	\$7	
	Land Value	\$185,000	\$220,000	\$220,000	\$0	
	Biosecurity	\$26	\$30	\$34	\$4	
	Land Sustainability	\$21	\$25	\$29	\$4	
	Catchment	\$50	\$57	\$57	(\$0)	
		<b>\$237</b>	<b>\$275</b>	<b>\$310</b>	<b>\$35</b>	<b>12.8%</b>
Winton Housing 508 m2	Capital Value	\$230,000	\$230,000	\$300,000	\$70,000	
	General rate	\$38	\$40	\$58	\$18	
	Uniform Charge	\$79	\$95	\$101	\$7	
	Land Value	\$89,000	\$89,000	\$85,000	(\$4,000)	
	Biosecurity	\$12	\$12	\$12	(\$1)	
	Land Sustainability	\$10	\$10	\$10	(\$0)	
	Catchment	\$15	\$15	\$14	(\$1)	
		<b>\$154</b>	<b>\$172</b>	<b>\$195</b>	<b>\$23</b>	<b>13.5%</b>
Gore Housing 852 m2	Capital Value	\$290,000	\$290,000	\$290,000	\$0	
	General rate	\$47	\$49	\$59	\$9	
	Uniform Charge	\$79	\$95	\$101	\$7	
	Land Value	\$74,000	\$74,000	\$74,000	\$0	
	Biosecurity	\$10	\$10	\$10	\$0	
	Land Sustainability	\$8	\$8	\$9	\$0	
	Catchment	\$24	\$26	\$24	(\$3)	
		<b>\$169</b>	<b>\$189</b>	<b>\$203</b>	<b>\$14</b>	<b>7.5%</b>
Te Anau Housing 830 m2	Capital Value	\$255,000	\$255,000	\$380,000	\$125,000	
	General rate	\$42	\$44	\$74	\$29	
	Uniform Charge	\$79	\$95	\$101	\$7	
	Land Value	\$71,000	\$71,000	\$165,000	\$94,000	
	Biosecurity	\$10	\$10	\$23	\$13	
	Land Sustainability	\$8	\$8	\$19	\$11	
	Catchment	\$13	\$13	\$21	\$7	
		<b>\$151</b>	<b>\$170</b>	<b>\$238</b>	<b>\$67</b>	<b>39.5%</b>



Location and Details	Rate	Actual Rates 2017/18	Actual Rates 2018/19	Forecast Rates 2019/20	Forecast Rates Increase \$ 2019/20	Forecast Rates Increase % 2019/20
Winton Dairy 152 ha	Capital Value	\$4,730,000	\$4,730,000	\$5,150,000	\$420,000	
	General rate	\$776	\$823	\$1,001	\$178	
	General rate Dairy	\$86	\$86	\$0	(\$86)	
	Uniform Charge	\$79	\$95	\$101	\$7	
	Land Value	\$3,410,000	\$3,410,000	\$3,925,000	\$515,000	
	Biosecurity	\$472	\$472	\$536	\$64	
	Land Sustainability	\$377	\$396	\$463	\$67	
	Catchment	\$549	\$532	\$616	\$84	
		<b>\$2,339</b>	<b>\$2,404</b>	<b>\$2,717</b>	<b>\$312</b>	<b>13.0%</b>
Otaitai Bush Dairy 262 ha	Capital Value	\$7,600,000	\$7,600,000	\$7,210,000	(\$390,000)	
	General rate	\$1,246	\$1,326	\$1,401	\$75	
	General rate Dairy	\$139	\$139	\$0	(\$139)	
	Uniform Charge	\$79	\$95	\$101	\$7	
	Land Value	\$6,150,000	\$6,150,000	\$5,850,000	(\$300,000)	
	Biosecurity	\$852	\$851	\$799	(\$53)	
	Land Sustainability	\$680	\$715	\$690	(\$25)	
	Catchment	\$2,453	\$2,259	\$2,211	(\$48)	
		<b>\$5,449</b>	<b>\$5,385</b>	<b>\$5,202</b>	<b>(\$183)</b>	<b>-3.4%</b>
Tussock Creek Dairy 283 ha	Capital Value	\$8,690,000	\$8,690,000	\$9,050,000	\$360,000	
	General rate	\$1,425	\$1,512	\$1,759	\$247	
	General rate Dairy	\$158	\$159	\$0	(\$159)	
	Uniform Charge	\$79	\$95	\$101	\$7	
	Land Value	\$6,750,000	\$6,750,000	\$7,200,000	\$450,000	
	Biosecurity	\$935	\$934	\$983	\$49	
	Land Sustainability	\$747	\$784	\$849	\$65	
	Catchment	\$1,707	\$1,757	\$1,964	\$207	
		<b>\$5,051</b>	<b>\$5,241</b>	<b>\$5,656</b>	<b>\$415</b>	<b>7.9%</b>
In'gill Dairy farm 226 ha	Capital Value	\$5,300,000	\$5,370,000	\$5,620,000	\$250,000	
	General rate	\$939	\$913	\$1,244	\$332	
	General rate Dairy	\$104	\$96	\$0	(\$96)	
	Uniform Charge	\$79	\$95	\$101	\$7	
	Land Value	\$3,930,000	\$4,000,000	\$4,250,000	\$250,000	
	Biosecurity	\$552	\$540	\$648	\$108	
	Land Sustainability	\$441	\$453	\$560	\$106	
	Catchment	\$0	\$0	\$0	\$0	
		<b>\$2,115</b>	<b>\$2,096</b>	<b>\$2,553</b>	<b>\$457</b>	<b>21.8%</b>
Edendale Dairy 117 ha	Capital Value	\$6,050,000	\$6,050,000	\$5,350,000	(\$700,000)	
	General rate	\$992	\$1,053	\$1,040	(\$13)	
	General rate Dairy	\$110	\$110	\$0	(\$110)	
	Uniform Charge	\$79	\$95	\$101	\$7	
	Land Value	\$3,810,000	\$3,810,000	\$3,620,000	(\$190,000)	
	Biosecurity	\$528	\$527	\$494	(\$33)	
	Land Sustainability	\$422	\$443	\$427	(\$16)	
	Catchment	\$781	\$805	\$747	(\$59)	
		<b>\$2,912</b>	<b>\$3,033</b>	<b>\$2,809</b>	<b>(\$224)</b>	<b>-7.4%</b>
Gore Dairy 178 ha	Capital Value	\$4,400,000	\$4,400,000	\$4,400,000	\$0	
	General rate	\$720	\$747	\$888	\$141	
	General rate Dairy	\$80	\$78	\$0	(\$78)	
	Uniform Charge	\$79	\$95	\$101	\$7	
	Land Value	\$3,290,000	\$3,290,000	\$3,290,000	\$0	
	Biosecurity	\$459	\$448	\$461	\$13	
	Land Sustainability	\$366	\$376	\$398	\$22	
	Catchment	\$356	\$393	\$355	(\$37)	
		<b>\$2,060</b>	<b>\$2,135</b>	<b>\$2,203</b>	<b>\$68</b>	<b>3.2%</b>

Location and Details	Rate	Actual Rates 2017/18	Actual Rates 2018/19	Forecast Rates 2019/20	Forecast Rates Increase \$ 2019/20	Forecast Rates Increase % 2019/20
Gore Rural 180 ha	<b>Capital Value</b>	\$3,310,000	\$3,310,000	\$3,310,000	\$0	
	General rate	\$542	\$562	\$668	\$106	
	Uniform Charge	\$79	\$95	\$101	\$7	
	<b>Land Value</b>	\$2,760,000	\$2,760,000	\$2,760,000	\$0	
	Biosecurity	\$385	\$376	\$386	\$11	
	Land Sustainability	\$307	\$315	\$334	\$19	
	Catchment	\$194	\$201	\$214	\$13	
		<b>\$1,507</b>	<b>\$1,548</b>	<b>\$1,704</b>	<b>\$156</b>	<b>10.1%</b>
Mossburn Rural 264 ha	<b>Capital Value</b>	\$5,500,000	\$5,500,000	\$5,950,000	\$450,000	
	General rate	\$902	\$957	\$1,156	\$199	
	Uniform Charge	\$79	\$95	\$101	\$7	
	<b>Land Value</b>	\$4,650,000	\$4,650,000	\$5,100,000	\$450,000	
	Biosecurity	\$644	\$644	\$696	\$53	
	Land Sustainability	\$514	\$540	\$601	\$61	
	Catchment	\$638	\$669	\$719	\$50	
		<b>\$2,777</b>	<b>\$2,905</b>	<b>\$3,275</b>	<b>\$370</b>	<b>12.7%</b>
Lumsden sheep farm 142 ha	<b>Capital Value</b>	\$2,710,000	\$2,710,000	\$2,955,000	\$245,000	
	General rate	\$444	\$472	\$574	\$103	
	Uniform Charge	\$79	\$95	\$101	\$7	
	<b>Land Value</b>	\$2,450,000	\$2,450,000	\$2,700,000	\$250,000	
	Biosecurity	\$339	\$339	\$369	\$29	
	Land Sustainability	\$271	\$285	\$318	\$34	
	Catchment	\$454	\$454	\$507	\$53	
		<b>\$1,588</b>	<b>\$1,644</b>	<b>\$1,870</b>	<b>\$226</b>	<b>13.7%</b>
Invercargill Lifestyle 4 ha	<b>Capital Value</b>	\$560,000	\$585,000	\$585,000	\$0	
	General rate	\$99	\$99	\$130	\$30	
	Uniform Charge	\$79	\$95	\$101	\$7	
	<b>Land Value</b>	\$305,000	\$305,000	\$305,000	\$0	
	Biosecurity	\$43	\$41	\$46	\$5	
	Land Sustainability	\$34	\$35	\$40	\$6	
	Catchment	\$48	\$48	\$52	\$4	
		<b>\$303</b>	<b>\$318</b>	<b>\$370</b>	<b>\$52</b>	<b>16.3%</b>
Nightcaps Housing 1012 m2	<b>Capital Value</b>	\$37,000	\$37,000	\$50,000	\$13,000	
	General rate	\$6	\$6	\$10	\$3	
	Uniform Charge	\$79	\$95	\$101	\$7	
	<b>Land Value</b>	\$11,000	\$11,000	\$22,000	\$11,000	
	Biosecurity	\$2	\$2	\$3	\$1	
	Land Sustainability	\$1	\$1	\$3	\$1	
	Catchment	\$1	\$1	\$2	\$1	
		<b>\$88</b>	<b>\$105</b>	<b>\$118</b>	<b>\$13</b>	<b>12.8%</b>

### What are my rates likely to be?

The following table sets out the indicative rates levy amounts for the General rate on Capital Value, 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. 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 rate payers in Southland District			
	Indicative Rate Levy		Total
General Rate - Capital Value	0.00019436	\$ _____ Capital Value of your property	\$ _____
Biosecurity Rate - Land Value	0.00013651	X \$ _____ Land Value of your property	= \$ _____
Land Sustainability Rate - Land Value	0.00011794	\$ _____ Land Value of your property	\$ _____
UAGC			\$ 101.50
Indicative total rate for 2019/20			\$ _____

For rate payers in Gore District			
	Indicative Rate Levy (equalised)		Total
General Rate - Capital Value	0.00020183	\$ _____ Capital Value of your property	\$ _____
Biosecurity Rate - Land Value	0.00013998	X \$ _____ Land Value of your property	= \$ _____
Land Sustainability Rate - Land Value	0.00012094	\$ _____ Land Value of your property	\$ _____
UAGC			\$ 101.50
Indicative total rate for 2019/20			\$ _____

For rate payers in Invercargill City			
	Indicative Rate Levy (equalised)		Total
General Rate - Capital Value	0.00022144	\$ _____ Capital Value of your property	\$ _____
Biosecurity Rate - Land Value	0.00015241	X \$ _____ Land Value of your property	= \$ _____
Land Sustainability Rate - Land Value	0.00013168	\$ _____ Land Value of your property	\$ _____
UAGC			\$ 101.50
Indicative total rate for 2019/20			\$ _____

To calculate an indication of the 2019/20 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, 29 November 2019 and that no discount be provided for early payment. It is further proposed that a 10% penalty will be applied:

- (i) on any current rates due but not paid by 5.00 pm on 29 November 2019;
- (ii) on all rates in arrears (including previously applied penalties) on 1 January 2020 (this penalty excludes current 2019/20 rates); and
- (iii) on all rates in arrears (including previously applied penalties) as at 1 July 2020.

## Catchment Rates 2019/20

### 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.

#### Scheme 424 - Duck Creek

Works rates on land area to raise \$69,877 for drainage maintenance

Class	Ratio	Rate per Hectare
A	24	\$40.00140575
B	20	\$33.33450479
C	8	\$13.33380192
D	4	\$ 6.66690096
E	2	\$ 3.33345048
F	1	\$ 1.66672524

#### Scheme 436 - Otepunui Creek

Works rates on land area to raise \$19,881 for drainage maintenance

Class	Ratio	Rate per Hectare
A	6	\$12.55710874
B	5	\$10.46425728
C	4	\$8.37140582
D	3	\$6.27855437
E	2	\$4.18570291
F	1	\$2.09285146

#### Scheme 441 - Upper Waihopai River

Works rates on land area to raise \$25,509 for drainage maintenance

Class	Ratio	Rate per Hectare
A	6	\$13.65578574
B	5	\$11.37982145
C	4	\$9.10385716
D	3	\$6.82789287
E	2	\$4.55192858
F	1	\$2.27596429

**Scheme 442 - Upper Waikawa River**

Works rates on land area to raise \$9,752 for stream bank protection

Class	Ratio	Rate per Hectare
A	15	\$11.20671017
B	10	\$7.47114012
C	9	\$6.72402610
D	6	\$4.48268407
F	3	\$2.24134203

**Scheme 443 - Upper Waikiwi River**

Works rates on land area to raise \$19,697 for drainage maintenance

Class	Ratio	Rate per Hectare
A	22	\$23.84969750
B	12	\$13.00892591
C	8	\$8.67261727
D	6	\$6.50446295
E	2	\$2.16815432
F	1	\$1.08407716
U1	20	\$21.68154318
U2	10	\$10.84077159

**Scheme 448 - Waituna Creek**

Works rates on land area to raise \$52,323 for drainage maintenance

Class	Ratio	Rate per Hectare
A	8	\$9.39228890
B	7	\$8.21825279
C	6	\$7.04421667
D	5	\$5.87018056
E	3	\$3.52210834
F	1	\$1.17403611
BCL	1	\$0.00
BCM	1	\$0.00

**Scheme 978 - Clifton Drainage**

Works rates on land area to raise \$5,554 for drainage maintenance

Class	Ratio	Rate per Hectare
A	20	\$22.05232748
B	15	\$16.53924561

**Scheme 428 - Invercargill Flood Control****Works rates on land value to raise \$559,533 for maintenance of flood control structures**

<b>Class</b>	<b>%</b>	<b>Rate per Dollar</b>
M1	16	\$0.00048657
M2	8	\$0.00071601
M3	1	\$0.00165346
M4	75	\$0.00023578

**Scheme 434 – Waiau Rating District****Works rates on land value to raise \$73,088 for flood control, willow control and drainage maintenance**

<b>Class</b>	<b>Ratio</b>	<b>Rate per Dollar</b>
C4	1	\$0.00156883
D1	600	\$0.00759998
D2	125	\$0.00158333
E1	10	\$0.00003981
E2	60	\$0.00023885
E3	700	\$0.00278654
F1	1	\$0.00000081
F2	4	\$0.00000323
F3	35	\$0.00002825

**Scheme 435 - Lake Hawkins****Works rates on land value to raise \$128,808 for drainage maintenance, pumping operations and pump replacement reserves**

<b>Class</b>	<b>Ratio</b>	<b>Rate per Dollar</b>
A	5	\$0.00410221
B	4	\$0.00328176
C	1	\$0.00082044

**Scheme 440 - Oreti Rating District****Works rates on land value to raise \$1,005,274 for flood control and drainage maintenance****(Land within Southland District Council)**

<b>Class</b>	<b>Ratio</b>	<b>Rate per Dollar</b>
A1	3	\$0.00108792
A2	2	\$0.00072528
A3	2	\$0.00072528
A4	1.5	\$0.00054396
A6	1	\$0.00036264
A7	2	\$0.00072528

B1	7	\$0.00083443
B2	7	\$0.00083443
B3	7	\$0.00083443
B4	3	\$0.00035761
B5	3	\$0.00035761
B6	1	\$0.00011920
B7	0.75	\$0.00008940
C1	3	\$0.00091746
C2	2	\$0.00061164
C3	1	\$0.00030582
C4	0.80	\$0.00024466
C5	0.75	\$0.00022937
E2	1	\$0.00058292
F1	8	\$0.00062752
F2	2	\$0.00015688
F3	2.10	\$0.00016473
F4	0.28	\$0.00002196

**(Land within Invercargill City Council)**

A1	3	\$0.00104706
A2	2	\$0.00069804
A3	2	\$0.00069804
A4	1.5	\$0.00052353
A6	1	\$0.00034902
A7	2	\$0.00069804
B1	7	\$0.00080310
B2	7	\$0.00080310
B3	7	\$0.00080310
B4	3	\$0.00034418
B5	3	\$0.00034418
B6	1	\$0.00011473
B7	0.75	\$0.00008605
C1	3	\$0.0008830
C2	2	\$0.00058867
C3	1	\$0.00029433
C4	0.8	\$0.00023547
C5	0.75	\$0.00022075
E2	1	\$0.00056103
F1	8	\$0.00060396
F2	2	\$0.00015099
F3	2.1	\$0.00015854
F4	0.28	\$0.00002114

**Scheme 445 - Waihopai River****Works rates on land value to raise \$36,182  
for drainage maintenance****(Land within Southland District Council)**

<b>Class</b>	<b>Ratio</b>	<b>Rate per Dollar</b>
A	9	\$0.00091274
B	6	\$0.00060849
C	4	\$0.00040566
D	3	\$0.00030425
E	2	\$0.00020283
F	1	\$0.00010142

**(Land within Invercargill City Council)**

A	9	\$0.00101902
B	6	\$0.00067935
C	4	\$0.00045290
D	3	\$0.00033967
E	2	\$0.00022645
F	1	\$0.00011322

**Scheme 1080 - Makarewa Rating District****Works rates on land value to raise \$247,754  
for flood control and drainage maintenance****(Land within Southland District Council)**

<b>Class</b>	<b>Ratio</b>	<b>Rate per Dollar</b>
A2	3	\$0.00089128
A3	2	\$0.00059418
A4	1	\$0.00029709
B1	6	\$0.00048794
B2	5	\$0.00040662
B3	5	\$0.00040662
B4	6	\$0.00048794
B5	5	\$0.00040662
B6	5	\$0.00040662
B7	6	\$0.00048794
B8	35	\$0.00284632
C2	3	\$0.00101258
C3	2	\$0.00067505
C4	1	\$0.00033753
F1	1	\$0.00006976

**(Land within Gore District Council)**

A4	1	\$0.00033043
B3	5	\$0.00045225
F1	1	\$0.00007759



(Land within Invercargill City)

F1	1	\$0.00004406
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Scheme 1101 - Maitara Rating District

Works rates on land value to raise \$1,302,765 for flood control and drainage maintenance

(Land within Southland District Council)

Class	Ratio	Rate per Dollar
A1	1	\$0.00134331
A2	1	\$0.00134331
B1	25	\$0.00174166
B5	15	\$0.00104500
B6	5	\$0.00034833
B7	5	\$0.00034833
B8	5	\$0.00034833
C1	5	\$0.00109427
C2	3	\$0.00065656
C3	2	\$0.00043771
C4	1	\$0.00021885
C5	5	\$0.00109427
D1	1	\$0.00117758
D2	1	\$0.00117758
E1	3	\$0.00069999
E2	2	\$0.00046666
E5	1	\$0.00023333
E6	1	\$0.00023333
E7	1	\$0.00023333
F1	1	\$0.00010530
F5	0.25	\$0.00002632

(Land within Gore District Council)

A3	2	\$0.00275489
B2	25	\$0.00178592
B3	10	\$0.00071437
C1	5	\$0.00112208
C2	3	\$0.00067325
C3	2	\$0.00044883
C4	1	\$0.00022442
E1	3	\$0.00071777
E2	2	\$0.00047851
E4	3	\$0.00071777
F1	1	\$0.00010798
F2	3	\$0.00032393
F3	3	\$0.00032393
F4	3	\$0.00032393

**Scheme 1140 - Aparima Rating District****Works rates on land value to raise \$374,706  
for flood control and drainage maintenance**

<b>Class</b>	<b>Ratio</b>	<b>Rate per Dollar</b>
A1	4	\$0.00047255
A2	3	\$0.00035441
A3	20	\$0.00236276
B2	5	\$0.00112396
B3	4	\$0.00089917
B4	2	\$0.00044958
C2	2	\$0.00049973
C3	1	\$0.00024987
E2	1	\$0.00045465
F1	5	\$0.00034122
F2	1	\$0.00006824
F3	0.75	\$0.00005118
F4	2	\$0.00013649

**Scheme 584 - Waimatuku Rating District****Works rates on land value to raise \$60,681  
for drainage maintenance**

<b>Class</b>	<b>Ratio</b>	<b>Rate per Dollar</b>
C1	3	\$0.00040247
C2	2	\$0.00026831
C4	1.25	\$0.00016769
F1	1	\$0.00004391
F2	1.20	\$0.00005269
F3	1.10	\$0.00004830

**Scheme 450 – Te Anau Basin Rating District****Works rates on land value to raise \$242,589  
for flood control and drainage maintenance**

<b>Class</b>	<b>Ratio</b>	<b>Rate per Dollar</b>
B1	200	\$0.000478498
C4	10	\$1.7257 per ha
D1	15	\$0.000247633
D3	16	\$0.000264142
E1	150	\$0.002361309
E3	750	\$0.011806544
E4	300	\$0.004722617
E5	750	\$0.011806544
F1	5	\$0.000062123
F2	10	\$0.000124246
F3	10	\$0.000124246

## District Rated by Annual Maintenance Charge

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

Scheme 653 - Lower Waikawa River

to raise \$3,097 (incl GST) for willow control maintenance

## Southern Pest Eradication Society

For collecting revenue for the Southern Pest Eradication Society (SPES) in the year commencing 1 July 2019 and ending on 30 June 2020 as authorised by Section 16 of the Local Government (Rating) Act 2002, to set and assess the following rates to raise \$265,815.

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.

## Additional Disclosure Information

### *Rating base information as at 30 June 2019*

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 2018-2028 Long-term Plan:

Year	Gore District	Southland District	Invercargill City	Environment Southland
30/06/2019	6,618	18,455	25,095	50,168
30/06/2020	6,635	18,274	25,136	50,045
30/06/2021	6,623	18,433	25,134	50,190
30/06/2022	6,630	18,451	25,159	50,240
30/06/2023	6,637	18,469	25,184	50,290
30/06/2024	6,644	18,487	25,209	50,340
30/06/2025	6,651	18,505	25,234	50,390
30/06/2026	6,658	18,524	25,259	50,441
30/06/2027	6,665	18,543	25,284	50,492
30/06/2028	6,672	18,562	25,309	50,543

# Schedule of Reserve Fund Movement

## Reserve Funds

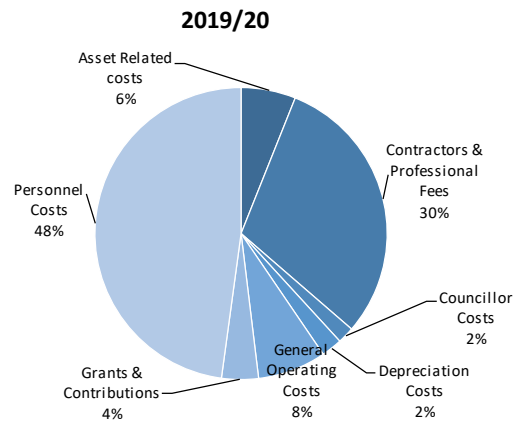
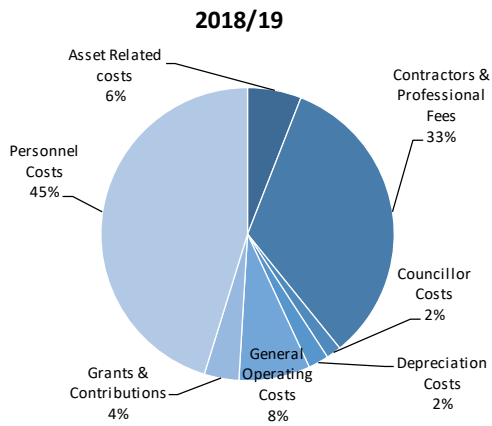
Below is a list of council's forecasted reserves for the year 2019/20. It specifies their expected balance at the end of the financial year with the expected deposits and withdrawals.

Name of Reserve	Forecasted opening balance \$000	Transfers in \$000	Transfers from \$000	Estimated balance \$000
<b>Lease Area Balances</b>	<b>4,882</b>	<b>32</b>	<b>361</b>	<b>5,274</b>
<b>Rating District Balances</b>	<b>4,637</b>	<b>-</b>	<b>(150)</b>	<b>4,487</b>
<b>Retained Earnings</b>	<b>47,075</b>	<b>-</b>	<b>(171)</b>	<b>46,904</b>
SPNZ Buy Back Reserve	1,568	-	(488)	1,081
SPNZ Special Dividend Reserve	669	-	-	669
Vehicle Renewal Reserve	440	270	(212)	498
Aerial Photography Reserve	49	-	-	49
Furniture Reserve	114	10	-	124
Disaster Damage Reserve	2,000	-	-	2,000
Building Reserve	84	136	(135)	84
Lease Building Reserve	561	24	-	585
Gratuities Reserve	(0)	(0)	-	(0)
Regional Assistance to Projects Res	6	-	-	6
Election Funding Reserve	76	30	(92)	14
Plant Replacement Reserve	174	277	(259)	192
Coastal Rentals Reserve	26	80	(57)	49
Infrastructural Assets Reserve	512	41	-	552
Emergency Mgmt Southland Reserve	157	-	(47)	110
Lower Mararoa Disaster Damage Reserve	(0)	(0)	-	(0)
Upper Mararoa Disaster Damage Res	(0)	(0)	-	(0)
Orauea Disaster Damage Res	9	0	-	9
Waiau Disaster Damage Reserve	1,708	75	(67)	1,716
Makarewa Disaster Reserve	174	5	-	179
Oreti Disaster Reserve	1,527	42	-	1,569
Mataura Disaster Reserve	1,306	36	(25)	1,317
Aparima Disaster Reserve	579	29	-	608
Upukerora Disaster Reserve	(0)	(0)	-	(0)
Whitestone Disaster Reserve	0	0	-	0
Waimatuku Stream Disaster Res	58	2	-	60
Lake Hawkins Pumphouse Reserve	179	10	-	189
Invercargill Disaster Reserve	953	86	-	1,039
Pest Property Reserve	317	15	(11)	321
Pest Plant Reserve	67	-	-	67
Pest Disposals Reserve	299	-	-	299
Marine Fee Reserve	3,285	2,846	(2,905)	3,226
Te Anau Basin Damage Reserve	321	27	-	348
<b>Special Reserves</b>	<b>17,218</b>	<b>4,040</b>	<b>(4,298)</b>	<b>16,960</b>
<b>Total Reserves</b>	<b>73,812</b>	<b>4,072</b>	<b>(4,259)</b>	<b>73,626</b>

# Additional Information on Groups of Activities and their Funding Sources

## Input Costs

Budget 2018/19 \$000		Budget 2019/20 \$000	LTP 18-28 2019/20 \$000
2,107	Asset Related costs	2,189	2,159
11,800	Contractors & Professional Fees	10,967	11,479
586	Councillor Costs	667	648
799	Depreciation Costs	833	843
2,791	General Operating Costs	2,745	2,965
1,357	Grants & Contributions	1,476	1,511
16,056	Personnel Costs	17,319	16,154
<b>35,497</b>		<b>36,195</b>	<b>35,758</b>



**Funding Impact Statement - Regional Leadership  
for the year ended 30 June 2020**

<b>Budget 2018/19</b>		<b>Budget 2019/20</b>	<b>LTP 2019/20</b>
<b>\$000</b>	<b>Sources of Funding</b>	<b>\$000</b>	<b>\$000</b>
1,795	General rates, uniform annual charges, rates penalties	2,174	2,225
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
200	Fees and charges	204	209
0	Internal Charges and overheads recovered	0	0
895	Local authorities fuel tax, fines, infringement fees and other receipts	961	988
<b>2,891</b>	<b>Total Operating Funding</b>	<b>3,339</b>	<b>3,422</b>
	<b>Applications of Operating Funding</b>		
2,515	Payments to staff and suppliers	2,863	2,883
10	Financing Costs	8	11
891	Internal Charges and overheads recovered	936	914
0	Other operating funding applications	0	0
<b>3,416</b>	<b>Total Applications of Operating Funding</b>	<b>3,807</b>	<b>3,808</b>
<b>(526)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>(468)</b>	<b>(386)</b>
	<b>Sources of capital funding</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase / (decrease) in debt	0	0
0	Gross proceeds from the sale of assets	0	0
0	Lump sum contributions	0	0
<b>0</b>	<b>Total sources of capital funding</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
19	- to replace existing assets	50	50
85	Increase/(decrease) in Reserves	(259)	(193)
(629)	Increase/(decrease) in Investments	(258)	(242)
<b>(526)</b>	<b>Total applications of capital funding</b>	<b>(468)</b>	<b>(386)</b>
<b>526</b>	<b>Surplus/(deficit) of capital funding</b>	<b>468</b>	<b>386</b>
<b>0</b>	<b>Funding Balance</b>	<b>0</b>	<b>(0)</b>
28	Depreciation expense (not included in the above FIS)	32	36

The Regional Leadership group of activities includes:

- Relationship with Maori;
- Regional initiatives and collaboration;
- Transport management;
- Governance;
- Communication and engagement.

## Funding Impact Statement - Environmental Stewardship for the year ended 30 June 2020

Budget 2018/19		Budget 2019/20	LTP 2019/20
\$000	Sources of Funding	\$000	\$000
4,443	General rates, uniform annual charges, rates penalties	4,903	5,093
4,242	Targeted rates	4,440	4,424
0	Subsidies and grants for operating purposes	0	0
8,031	Fees and charges	8,206	8,022
0	Internal Charges and overheads recovered	0	0
3,327	Local authorities fuel tax, fines, infringement fees and other receipts	3,277	3,362
<b>20,043</b>	<b>Total Operating Funding</b>	<b>20,826</b>	<b>20,901</b>
	<b>Applications of Operating Funding</b>		
18,594	Payments to staff and suppliers	18,815	18,662
57	Financing Costs	43	57
1,271	Internal Charges and overheads recovered	1,231	1,260
0	Other operating funding applications	0	0
<b>19,923</b>	<b>Total Applications of Operating Funding</b>	<b>20,088</b>	<b>19,979</b>
<b>120</b>	<b>Surplus/(deficit) of operating funding</b>	<b>738</b>	<b>921</b>
	<b>Sources of capital funding</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase / (decrease) in debt	0	0
501	Gross proceeds from the sale of assets	452	52
0	Lump sum contributions	0	0
<b>501</b>	<b>Total sources of capital funding</b>	<b>452</b>	<b>52</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
14	- to meet additional demand	9	9
5	- to improve the level of service	310	10
810	- to replace existing assets	1,239	1,239
2,569	Increase/(decrease) in Reserves	109	125
(2,776)	Increase/(decrease) in Investments	(477)	(410)
<b>621</b>	<b>Total applications of capital funding</b>	<b>1,190</b>	<b>973</b>
<b>(120)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(738)</b>	<b>(921)</b>
<b>0</b>	<b>Funding Balance</b>	<b>(0)</b>	<b>(0)</b>
484	Depreciation expense (not included in the above FIS)	516	511

The Environmental Stewardship group of activities include:

- Resource management;
- Community partnerships;
- Biodiversity management;
- Biosecurity;
- Harbour management;
- Marine oil spill;
- Monitoring, data and information.



Funding Impact Statement - Whakahoki Te Mana  
for the year ended 30 June 2020

Budget 2018/19	Budget 2019/20	LTP 2019/20
<b>\$000 Sources of Funding</b>	<b>\$000</b>	<b>\$000</b>
981 General rates, uniform annual charges, rates penalties	1,271	886
296 Targeted rates	256	304
0 Subsidies and grants for operating purposes	0	0
675 Fees and charges	455	691
0 Internal Charges and overheads recovered	0	0
497 Local authorities fuel tax, fines, infringement fees and other receipts	570	401
<b>2,449 Total Operating Funding</b>	<b>2,552</b>	<b>2,281</b>
<b>Applications of Operating Funding</b>		
1,563 Payments to staff and suppliers	1,652	1,560
9 Financing Costs	8	9
1,541 Internal Charges and overheads recovered	1,988	1,636
0 Other operating funding applications	0	0
<b>3,113 Total Applications of Operating Funding</b>	<b>3,648</b>	<b>3,205</b>
<b>(664) Surplus/(deficit) of operating funding</b>	<b>(1,097)</b>	<b>(923)</b>
<b>Sources of capital funding</b>		
0 Subsidies and grants for capital expenditure	0	0
0 Development and financial contributions	0	0
0 Increase / (decrease) in debt	0	0
0 Gross proceeds from the sale of assets	0	0
0 Lump sum contributions	0	0
<b>0 Total sources of capital funding</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>		
Capital expenditure		
0 - to meet additional demand	0	0
3,000 - to improve the level of service	0	0
0 - to replace existing assets	0	0
(3,185) Increase/(decrease) in Reserves	(959)	(849)
(479) Increase/(decrease) in Investments	(138)	(74)
<b>(664) Total applications of capital funding</b>	<b>(1,097)</b>	<b>(923)</b>
<b>664 Surplus/(deficit) of capital funding</b>	<b>1,097</b>	<b>923</b>
<b>(0) Funding Balance</b>	<b>(0)</b>	<b>0</b>
90 Depreciation expense (not included in the above FIS)	94	95

The Whakahoki Te Mana group of activities include:

- People, water and land;
- Partnering in Waituna.

**Funding Impact Statement - Community Resilience  
for the year ended 30 June 2020**

Budget 2018/19		Budget 2019/20	LTP 2019/20
\$000	Sources of Funding	\$000	\$000
1,622	General rates, uniform annual charges, rates penalties	1,624	1,721
3,765	Targeted rates	3,648	3,809
0	Subsidies and grants for operating purposes	0	0
1,563	Fees and charges	1,447	1,421
0	Internal Charges and overheads recovered	0	0
971	Local authorities fuel tax, fines, infringement fees and other receipts	880	926
<b>7,920</b>	<b>Total Operating Funding</b>	<b>7,599</b>	<b>7,877</b>
	<b>Applications of Operating Funding</b>		
7,468	Payments to staff and suppliers	6,755	7,088
24	Financing Costs	17	23
754	Internal Charges and overheads recovered	1,047	812
0	Other operating funding applications	0	0
<b>8,245</b>	<b>Total Applications of Operating Funding</b>	<b>7,818</b>	<b>7,923</b>
<b>(325)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>(219)</b>	<b>(46)</b>
	<b>Sources of capital funding</b>		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase / (decrease) in debt	0	0
0	Gross proceeds from the sale of assets	22	22
0	Lump sum contributions	0	0
<b>0</b>	<b>Total sources of capital funding</b>	<b>22</b>	<b>22</b>
	<b>Applications of capital funding</b>		
	Capital expenditure		
0	- to meet additional demand	0	0
0	- to improve the level of service	0	0
0	- to replace existing assets	149	149
790	Increase/(decrease) in Reserves	(199)	(49)
(1,116)	Increase/(decrease) in Investments	(147)	(123)
<b>(325)</b>	<b>Total applications of capital funding</b>	<b>(197)</b>	<b>(24)</b>
<b>325</b>	<b>Surplus/(deficit) of capital funding</b>	<b>219</b>	<b>46</b>
<b>(0)</b>	<b>Funding Balance</b>	<b>(0)</b>	<b>0</b>
198	Depreciation expense (not included in the above FIS)	191	201

The Community Resilience group of activities include:

- Emergency management;
- Flood warning;
- Flood protection and control works;
- Land drainage;
- Hazard mitigation.