

Pūrongo-ā-Tau Annual Report

2022-23



environment
SOUTHLAND
REGIONAL COUNCIL
Te Taiao Tonga

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Message from the Chairman and Chief Executive

Environment Southland's achievements from July 2022 to June 2023

The 2022-23 year brought new challenges for our community with the transition from the pandemic years, to an increased focus on the rising costs of living and changing legislative environment.

In line with what was agreed with our community in the Long-term Plan 2021-2031, Environment Southland continued to advance the region's climate resilience projects, programmes to improve freshwater quality and undertake a range of biodiversity and biosecurity initiatives.

We have continued our journey towards treaty partnership and bringing a Te Ao Māori lens to the way we work. This is supported by our partnership work with Te Ao Mārama Inc (the environmental arm of Ngāi Tahu ki Murihiku) on a number of key work programmes.

It has also been a year of ongoing change with a range of Government reforms in play and new regulations being introduced. Alongside this, we had a local government election in October and welcomed five new faces around the table. We'd like to acknowledge the contribution of the departing councillors and thank the new councillors for quickly coming to grips with the work needed to respond to the challenges facing the region.

Nationally and internationally, this year has shown the critical importance of community resilience to a changing climate. Locally, the flood protection projects to improve community resilience progressed at pace. The replacement of the Stead Street Pump Station, including the provision of fish-friendly Archimedes screw pumps, is well advanced. The station will provide Waihōpai Invercargill, including Invercargill Airport, with protection from inundation for the next 50 years.

The existing pumps were at the end of their life and the new ones will provide critical protection to the 116 properties in the immediate area and a lifeline for the airport, which supports 320,000 passengers plus freight each year.

A further four flood protection projects were advanced, covering vital upgrades to stopbanks and associated infrastructure in the Gore, Wyndham, Mataura and Waihōpai Invercargill communities.

The climate resilience projects are partly funded by Kānoa – the Regional Economic Development & Investment Unit – to the tune of almost \$13.9 million. The funding was part of Government's economic recovery initiative to lift regional employment and provide a much-needed boost for the local economy.

The impacts of our changing climate need to be understood and tackled together as a community. This is why the Regional Climate Change Working Group has been set up this year, with representatives from all four Southland councils and Te Ao Mārama Inc. The group will work with communities to understand the impacts of climate change in the region, and develop adaptation and mitigation plans.

Southlanders have told us that they want improved freshwater quality. We have been continuing to develop a robust scientific understanding of the level of change needed to meet our community's aspirations for freshwater.

The Regional Forum's report *Achieving the Community's Aspirations for Freshwater* was received by Council in July last year. The recommendations from this report, alongside scientific, economic and cultural information, are informing an update to the proposed Southland Water and Land Plan, known as Plan Change Tuatahi (the first plan change). There will be opportunities for community input to help shape this plan change as it is developed.

New regulations for intensive winter grazing also came into effect in May 2023, ahead of the 2023 winter grazing season. We know Southland landowners have undertaken a lot of work and planning to improve intensive winter grazing practices in the region over a number of years. We will continue to support farmers to ensure their winter grazing activities comply with the rules.

The region’s biosecurity and biodiversity programmes continued at pace during the year. The Fiordland Buffer Zone project was completed this year, working to protect the Fiordland National Park from the invasive weeds cotoneaster and Darwin’s barberry. The project took more than 100,000 invasive plant seeds out of circulation. The project was run by Environment Southland and funded by the Department of Conservation through the Jobs for Nature – Mahi mō te Taiao programme.

The *Undaria* project dive team, also funded by Jobs for Nature this year, removed 46.5 tonnes of the aquatic pest plant and will now continue for another year, thanks to the return of cruise ships and funding from the marine fee.

Environment Southland had budgeted for a \$2.4 million operating deficit in the 2022-23 financial year, however, several factors helped turn things around and the Council finished the year with a positive result. This meant we did not add to debt and are able to start to rebuild reserves depleted during the pandemic and enable us to manage future infrastructure replacement and disaster repairs. A significant amount of the unbudgeted income related to the return of cruise ships, which contributed \$2.1 million in marine fees.

We entered the 2023-24 year from a situation where we absorbed higher costs than in 2022-23, having held the rates at a 5% increase despite higher inflation. As this is not sustainable year-on-year, in May the Council set the rates at an average 6.9% increase for the 2023-24 year, in line with inflation. Given the cost of living challenges faced by the community, the Council reprioritised work and found efficiencies within the organisation in order to keep the rates increase as low as possible.



A handwritten signature in black ink, appearing to read 'Nicol Horrell'.

Nicol Horrell
Chairman, Environment Southland



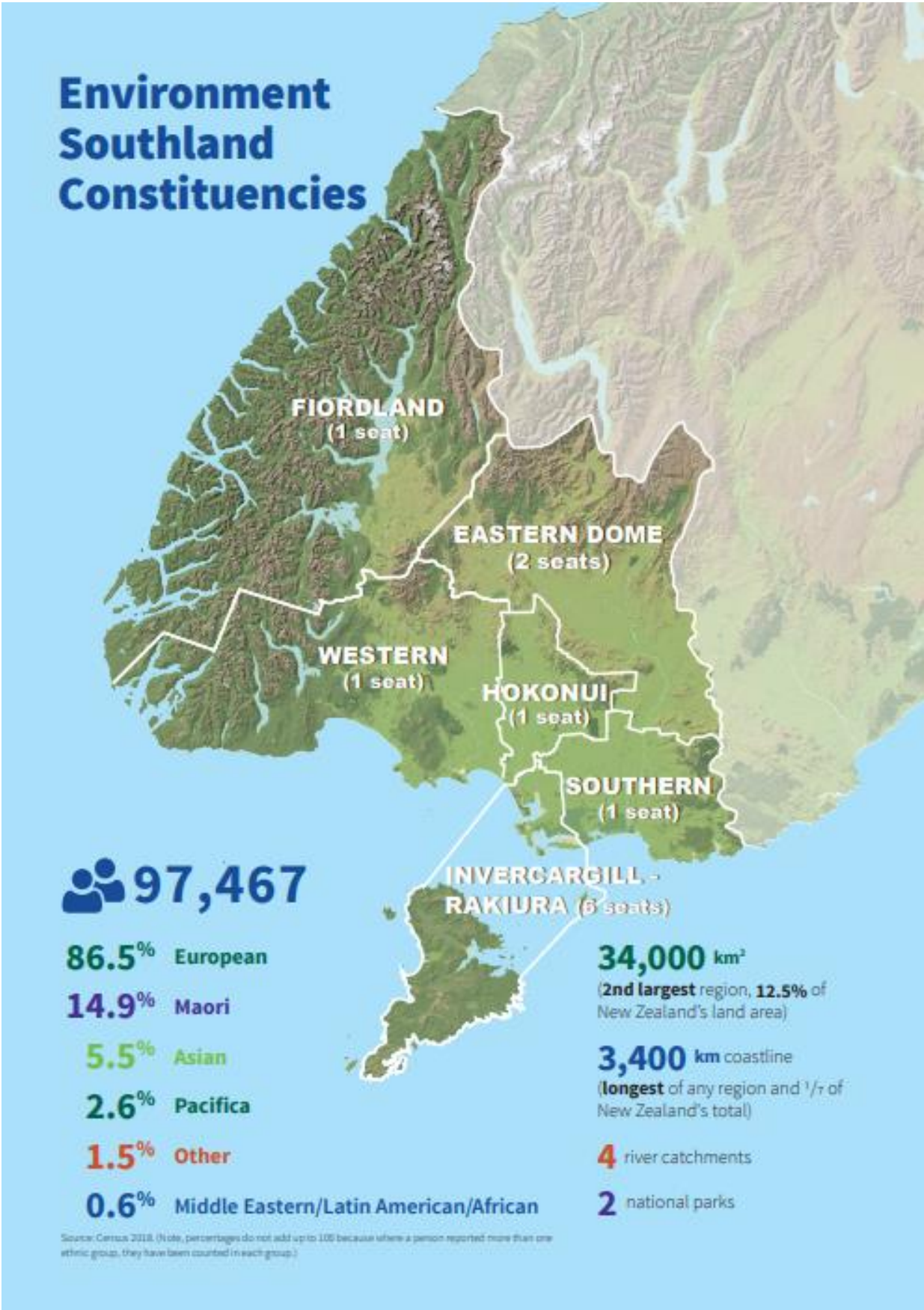
A handwritten signature in black ink, appearing to read 'Wilma Falconer'.

Wilma Falconer
Chief Executive, Environment Southland

This report has been prepared in accordance with Part 3 of Schedule 10, Clause 34 of the Local Government Act 2002. The Council and management of Environment Southland confirm that all the statutory requirements in relation to the Annual Report have been complied with.

This report was approved and adopted by a meeting of the Council on 18 October 2023.

Our region and people



Our Councillors and Mana Whenua representatives

Environment Southland Councillors



NICOL HORRELL
Chairman



JEREMY McPHAIL
Deputy chair



NEVILLE COOK



LYNDAL LUDLOW



PETER McDONALD



ROBERT GUYTON



ERIC ROY



PHIL MORRISON



MAURICE RODWAY



PAUL EVANS



JON PEMBERTON



ALASTAIR GIBSON

Mana Whenua



STEWART BULL



ESTELLE PERA-LEASK



GAIL THOMPSON



ANN WAKEFIELD

Opportunities for Māori to contribute to decision-making

Environment Southland acknowledges the importance of tikanga Māori and highly values its relationship with both Ngāi Tahu (through the four Murihiku Southland papatipu rūnanga, Te Ao Mārama Inc¹ and Te Rūnanga o Ngāi Tahu²) and ngā mātāwaka (those of differing tribal descent to mana whenua living within Murihiku Southland).

Charter of Understanding

To help promote and develop its relationship with Māori, Environment Southland, together with the six other local authorities in Southland/Otago, signed with Te Ao Mārama Inc the Charter of Understanding *He Huarahi mō Ngā Uri Whakatapu - A Pathway for the Generations Coming Through*, in 1997.

The latest version of the Charter was re-signed by all parties at the Hokonui rūnanga marae on 7 March 2016 and is currently undergoing another review process.

The Charter of Understanding provides:

- the basis for an ongoing relationship between the seven councils and the tangata whenua of Murihiku Southland to assist in developing the capacity of Māori to contribute to decision-making processes;
- a foundation for consultation on a wide range of local government issues;
- for the recognition and willingness of Te Ao Mārama Inc to assist all councils in consultation with all ngā mātāwaka living in Murihiku Southland. This is important in terms of Māori contribution to decision-making in the Murihiku Southland region, particularly as the responsibilities of the Council under the Local Government Act in relation to Māori are with all Māori, not solely the local iwi.

Te Rōpū Taiao is the collaborative structure put in place for the purposes of giving effect to the Charter of Understanding and the obligations of the parties to the Charter. Senior Councillors and Council staff involved in resource management regularly attend Te Rōpū Taiao meetings.

Mana whenua representation

There are currently four mana whenua representatives on two standing committees of Council. Gail Thompson and Estelle Pera-Leask are members the Regional Services Committee (Rōpū Ratonga-a-Rohe), and Stewart Bull and Ann Wakefield are members of the Strategy and Policy Committee (Rautaki me Mahere).

Mana whenua representatives and Te Ao Mārama Inc Board representatives also attend relevant Council workshops.

¹ The entity representing Murihiku Southland rūnanga for resource management and local government matters

² The iwi authority

2022-23 activities

The points below highlight specific activities undertaken during the 2022-23 year to establish and maintain process to provide opportunities for Māori to contribute to the decision-making processes of Environment Southland and build capacity:

- Te Ao Mārama Inc staff were involved in a variety of Environment Southland staff steering and working groups, with senior staff also attending regular strategic sessions with the Executive Leadership Team;
- Environment Southland continued to engage a Chief Advisor Māori Te Pou Herenga to help build understanding and capacity within Environment Southland to support Māori involvement in decision making;
- the partnership with Te Ao Mārama Inc was continued through various work programmes, including the development of Plan Change Tuatahi, Coastal Plan review and the regional inter-agency climate change working group;
- existing protocols with Māori were maintained in relation to the ways in which Council undertakes its statutory duties;
- Te Tangi a Tauira, the Ngāi Tahu ki Murihiku Resource Management Plan, was referred to and reported against when assessing resource consent applications and policy and plan development;
- the commitment to ongoing funding of Te Ao Mārama Inc was maintained, with Environment Southland acting as the central financial manager for all the Councils' contributions and distribution of funds to Te Ao Mārama Inc;
- Council continued to contribute to funding for a kaitohutohu position within Te Ao Mārama Inc to assist with the development of Plan Change Tuatahi;
- Council continued to tiamana (chair) Te Rōpū Taiao hui (meetings).

Reporting on our activities

Who we are and what we do

Environment Southland is the brand name of the Southland Regional Council.

Regional councils manage environmental, resource and transport planning, which can include the sustainable use of land, air and water; rivers, flood control and soil erosion; animal and plant pest control; and harbour navigation.

To help steer us on these responsibilities as an organisation, Environment Southland has a clear mission and vision:

Our Vision

A thriving Southland - te taurikura o Murihiku

Our Mission

Working with our communities to improve Southland's environment.

Our vision highlights the overall big-picture of what we are trying to achieve – what we exist to do as an organisation. Our mission is a statement of how we will work towards that – what we understand we must do to bring our vision into reality.

Staying relevant to community needs

Every three years, all councils have to develop a Long-term Plan (LTP), which looks towards the next 10 years. Environment Southland is no exception, and our latest plan for 2021-2031 was adopted in July 2021. Updates have been made through the annual planning process with a 2022-23 Annual Plan adopted in June 2022 and a 2023-24 Annual Plan adopted in June 2023.

The Long-term Plan sets out our priorities and how we will organise our work, as well as how we will measure our success in meeting those goals.

When we update our Long-term Plan every three years, we start by looking back at the previous one. We think about what has changed in our region, our country, and even the world. We consider how our community's priorities may have changed – or strengthened. We look at how legislation and economic outlook might affect our work and how we can do it differently. Following this, we make changes to the previous plan – for example, how we group activities, or frame the work that we are doing, or, if we need to, adjust our aims and the best ways to measure our success.

Community outcomes and wellbeings

Our community outcomes inform the work we do. They represent our overarching goals, in line with and more detailed than our vision and mission. Our community outcomes are:

- Managed access to quality natural resources
- Diverse opportunities to make a living
- Communities empowered and resilient
- Communities expressing their diversity

As you can see, these community outcomes are closely linked to the environmental, economic, social and cultural wellbeing of our Murihiku Southland community.

Community outcomes, activities and activity groups

We further our community outcomes through the work we do as an organisation.

Environment Southland's most recent Long-term Plan organised our work into six areas called "activity groups", each focusing on a different part of our responsibilities and the services we provide to meet them.

These are:

1. Air Quality
2. Water and Land
3. Biosecurity and Biodiversity
4. Climate Change and Community Resilience
5. Coast and Marine
6. Regional Leadership

Each activity group is, as the name suggests, a group of our activities. We have mainly considered five different "activities" that describe the type of work we do.

Our five main activities are:

1. Regulation and Planning
2. Science, Research and Monitoring
3. Community Engagement and Education
4. Partnerships
5. Council Operations

These represent the ways in which we can take our responsibilities to the community in each of our activity groups, and meet our commitments through the work that we do. In other words, activities are how we achieve our community outcomes.

The activities we have defined are generally consistent across the activity groups, which highlights how our work often contributes to multiple community outcomes at the same time. The activities in each activity group do differ where that better reflects what we do as an organisation. In this way, we are able to bring together different approaches to and considerations in how Environment Southland can contribute to community outcomes.

We have included "Council Operations" as an activity in most activity groups; and in the Regional Leadership activity group also a sixth activity of "Governance" to target and measure. This is to reflect that we hold ourselves accountable and always seek to develop the way we work internally as an organisation, as well as the work we do externally in the community. In this way, our community can be assured that we are working by, with, and for them with professionalism and integrity.

The table shows this in more detail:

Activity Groups ↓	Activities within the groups:					
	Regulation and Planning	Science, Research and Monitoring	Community Engagement and Education	Partnerships	Council Operations	Governance
Air Quality	✓	✓	✓	✓		
Water and Land	✓	✓	✓	✓		
Biosecurity and Biodiversity	✓	✓	✓	✓	✓	
Climate Change & Community	✓	✓	✓	✓	✓ ¹	
Coast and Marine	✓	✓	✓	✓	✓	
Regional Leadership	✓		✓	✓	✓ ²	✓

¹ including flood protection and control works

² includes data

Bringing it together

Overall, our activity groups contribute almost equally to each community outcome.

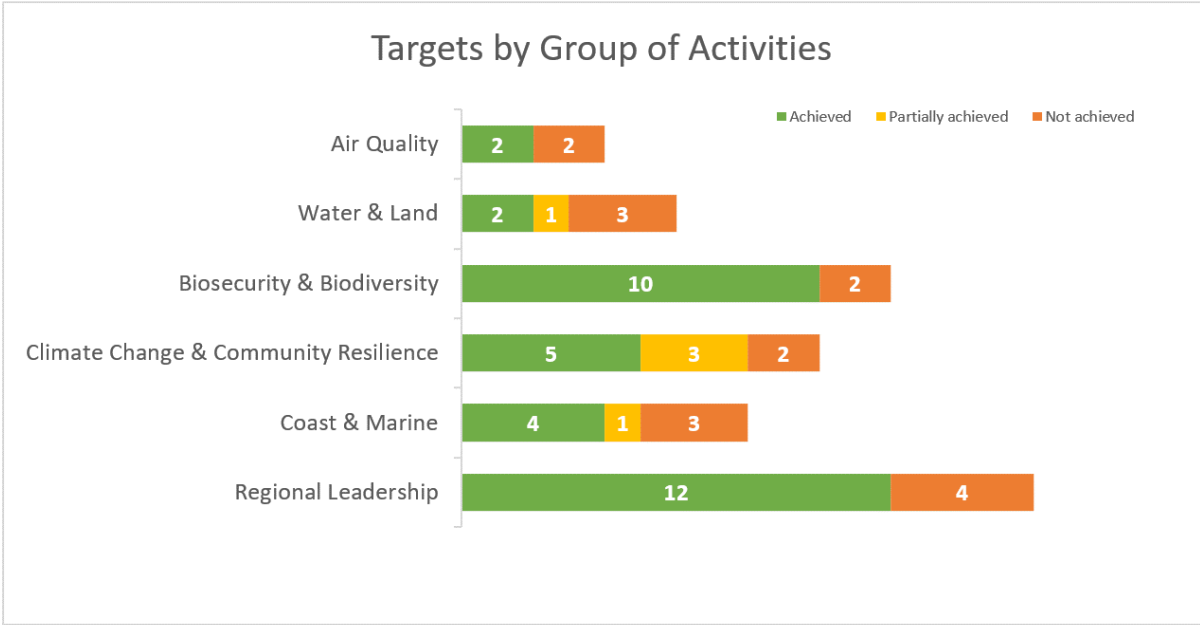
You can find out more about the specific work we are doing in the section “Our activities in depth | Ko Te Hohonutanga Ō Ā Tātou Mahi”. There, you will see performance measures listed for each activity within each activity group.

You will also find a description of the effects of any activity has had on community wellbeing within each activity group, under the heading “Community Connection”.

Our activities in summary

Results for 2022-23

In 2022-23, Environment Southland achieved 62% of its activity group performance targets, meeting 35 of 56 performance measures. This year we added a partially achieved category to reflect where the majority of the criteria was met or the target was only narrowly missed. A further five targets (9%) were partially achieved. In each of our six activity groups, we achieved or partially achieved at least half of the targets. We have provided contextual commentary alongside every performance measure giving further detail.



Comparison with previous results

Compared with our targets and achievements since the previous Long-term Plan (2018-2028), in 2022-23 we met 62% of targets, compared to 68% in 2021-22 and 50% in 2020-21.

Information is represented as a percentage of overall targets set and achieved, to ensure consistency and identify any trends. You can find out more about changes to our performance measures in the section “Reporting on our activities”.

Key judgments

The Long-term Plan describes at least one performance measure and target for each activity. These measures and targets were selected to reflect the level of service being provided and the impact sought by the activity. Considerations included national requirements for measurement, whether there was any existing data to ascertain a baseline state and whether the measure and target were practical to monitor. In terms of measuring, systems were established where no existing systems were in place for capturing the information. Disclosing of progress occurs every quarter through progress reporting on the Long-term Plan to Environment Southland’s Finance and Performance Committee, along with the Annual Report.

Our activities in depth (Ko Te Hohonutanga Ō Ā Tātou Mahi)

Consolidated Funding Impact Statement for the year ended 30 June 2023

Annual Plan 2021/22	Actual 2021/22		Actual 2022/23	Annual Plan 2022/23	LTP 2022/23
\$000	\$000		\$000	\$000	\$000
		Sources of Funding			
14,212	14,549	General rates, uniform annual charges, rates penalties	15,305	15,050	15,056
8,725	8,724	Targeted rates	9,084	9,105	9,025
12,047	13,303	Fees and charges	14,977	12,892	12,137
4,535	4,805	Interest and Dividends from investments	5,118	4,709	4,535
1,032	1,096	Local authorities fuel tax, fines, infringement fees and other receipts	1,163	1,096	1,062
40,551	42,478	Total Operating Funding	45,647	42,850	41,816
		Applications of Operating Funding			
32,591	30,179	Payments to staff and suppliers	33,928	36,099	32,703
87	2	Financing Costs	2	87	147
9,603	9,055	Other operating funding applications	8,891	9,298	9,957
42,281	39,235	Total Applications of Operating Funding	42,822	45,484	42,806
(1,730)	3,243	Surplus/(deficit) of operating funding	2,826	(2,634)	(990)
		Sources of capital funding			
8,758	2,220	Subsidies and grants for capital expenditure	3,862	6,636	4,071
-	-	Development and financial contributions	-	-	-
-	-	Increase / (decrease) in debt	-	5,212	2,446
-	-	Other dedicated capital funding	-	-	-
127	217	Gross proceeds from the sale of assets	26	90	90
-	-	Lump sum contributions	-	-	-
8,885	2,436	Total sources of capital funding	3,888	11,938	6,607
		Applications of capital funding			
		Capital expenditure			
-	5	- to meet additional demand	215	-	-
9,035	798	- to improve the level of service	73	11,970	5,429
3,616	722	- to replace existing assets	415	2,259	1,428
(5,496)	4,233	Increase/(decrease) in Reserves	6,089	(4,924)	(1,245)
-	(78)	Increase/(decrease) in Investments	(78)	-	5
7,155	5,679	Total applications of capital funding	6,714	9,304	5,617
1,730	(3,243)		(2,826)	2,634	990
-	-	Funding Balance	-	-	-

1. Air Quality

Our aspirations for air quality

Over the next 10 years, the Council will work with iwi, communities, other councils and organisations to improve the region's air quality by improving heating, insulation and burning practices across the region.

At a glance...



Community Connection

The quality of our air directly impacts the quality of our lives, our health and wellbeing, and the environment. Our air quality is degraded when pollutants from human activities are released into the air. These pollutants may be from domestic fires, industrial activities, motor vehicles, farming activities and outdoor burning. In our urban areas during the winter, domestic fires are the main cause of poor air quality. Poor air quality is associated with numerous health problems - particularly for our most vulnerable, including older people, children and those with existing respiratory conditions such as asthma.

Our performance and delivery against targets

Regulation and Planning Activity

This activity focuses on the Council's regional planning, regulatory and compliance activities under the RMA. For example, ensuring the region has an Air Plan that is easy to understand, complies with National Environmental Standards for Air Quality (NESAQ) and is practical to implement and enforce. A key focus for this activity in the next few years is to review and update the Regional Air Plan once the new NESAQ are released, ensuring that we can maintain the plan's current total compliance.

LEVEL OF SERVICE 1 Fully operative Regional Air Plan covering all emissions sources and compliant with the National Environmental Standards for Air Quality (NESAQ).	
Measure and 2022-23 Target 1.1 Measure: Proportion of the Regional Air Plan that is compliant with the NESAQ. Target: 100% compliant with current NESAQ requirements.	Results for 2022-23 Achieved The Regional Air Plan is completely compliant with the current NESAQ. Council has been awaiting the release of the revised NESAQ prior to amending the Regional Air Plan to give full effect to the NES requirements. A draft of the first iteration of the National Planning Framework is expected before the general

	election in October. At that point the NESAQ components will be known and the further work required to the Air Plan can be determined.
<p>Measure and 2021/22 Target 1</p> <p>Measure: Proportion of the Regional Air Plan that is compliant with the NESAQ.</p> <p>Target: 100% compliant with current NESAQ requirements.</p>	<p>Results for 2021-22</p> <p>Achieved</p> <p>The Regional Air Plan is completely compliant with the current NESAQ. We are preparing ourselves for upcoming amendments to the NESAQ, which will mean the Regional Air Plan will then need to be amended too.</p>

Science, Research and Monitoring Activity

This activity focuses on the Council’s monitoring of air quality in the Invercargill and Gore airsheds where it is currently required to monitor PM₁₀ emissions. This activity includes research undertaken by the Council to understand which interventions are most effective in helping the adoption of clean heating practices.

<p>LEVEL OF SERVICE 2</p> <p>Our air quality work programme is based on data and research.</p>	
<p>Measure and 2022-23 Target 2.1</p> <p>Measure: Compliance with NESAQ requirements for airshed monitoring and reporting.</p> <p>Target: 100% compliance with NESAQ requirements for airshed monitoring and reporting.</p>	<p>Results for 2022-23</p> <p>Achieved</p> <p>Airshed monitoring and reporting has been undertaken in accordance with NESAQ requirements. A refresh to the Air Quality component of LAWA (Land Air Water Aotearoa) went live on 21 June 2023.</p>
<p>Measure and 2021-22 Target 2</p> <p>Measure: Compliance with NESAQ requirements for airshed monitoring and reporting.</p> <p>Target: 100% compliance with NESAQ requirements for airshed monitoring and reporting.</p>	<p>Results for 2021-22</p> <p>Achieved</p> <p>Airshed monitoring and reporting has been undertaken in accordance with NESAQ requirements. One exceedance of PM10 in Invercargill airshed recorded.</p>

Community Engagement and Education Activity

Council produces educational material to help inform the community about air quality issues in the region and what they can do to improve it. This includes producing the state of the environment reports, sharing research findings on the Council’s website and sharing information produced by other organisations.

LEVEL OF SERVICE 3 Highly visible and engaging education programme about the region’s air quality and how it can be improved.	
Measure and 2022-23 Target 3.1 Measure: Percentage of surveyed residents who have adopted practices that improve air quality in the region. Target: No less than the 2021-22 result.	Results for 2022-23 Not achieved The survey was completed, with initial results provided to staff by 30 June 2022. These results were reported to Council at a workshop on 13 July 2022, with the final report received in August 2022. The survey found that 36% of surveyed households had adopted practices to improve air quality in the last five years and this will be the baseline moving forwards. The survey was not repeated this year as the emissions inventory work is not completed annually. Work will resume next financial year to determine which questions are the most important to repeat annually and which questions could be dealt with better as part of a five-yearly emissions inventory.
Measure and 2021-22 Target 3 Measure: Percentage of surveyed residents who have adopted practices that improve air quality in the region. Target: Baseline established by 30 June 2022.	Results for 2021-22 Achieved The survey was completed, with initial results provided to staff by 30 June 2022. These results were reported to Council at a workshop on 13 July 2022, with the final report received in August 2022. The survey found that 36% of surveyed households had adopted practices to improve air quality in the last five years and this will be the baseline moving forwards.

Partnerships Activity

Council works collaboratively with iwi, territorial authorities, community groups, agencies, homeowners and businesses to develop and implement solutions for improving air quality in the region. This includes the Clean Air Loan Scheme and ongoing work with the Southland Warm Homes Trust.

<p>LEVEL OF SERVICE 4 A home heating scheme that is effective in supporting Murihiku Southland households to adopt clean heating.</p>	
<p>Measure and 2022-23 Target 4.1 Measure: Effective home heating scheme is reviewed and implemented. Target: Review of the existing scheme is completed by 30 June 2023. <i>(carried over from the 2021-22 year)</i> <i>2022-23 Performance Target:</i> Recommendations from the review of the heating scheme are in place by 30 June 2023, including the establishment of targets for the number of households accessing the scheme.</p>	<p>Results for 2022-23</p> <p>Not achieved</p> <p>The review of the Clean Air Loans Scheme was completed by 30 June 2023, alongside a second report that investigated alternative options. This means that the initial target was met, however, a decision on the implications of the review is expected to be made during the first half of the 2023-24 financial year.</p> <p>Therefore the target for the 2022-23 financial year needs to be carried forward into the 2023-24 financial year.</p>
<p>Measure and 2021-22 Target 4 Measure: Effective home heating scheme is reviewed and implemented. Target: Review of existing scheme is completed by 30 June 2022.</p>	<p>Results for 2021-22</p> <p>Not achieved</p> <p>The review of the Clean Air Loans Scheme was underway as at 30 June 2022 but not completed. The review has been expanded to assess the implications of recent changes to the Credit Contracts and Consumer Finance Act. The review was workshopped with Council on 13 July 2022 and an options paper will be developed, which will look at potential options for improvements or changes to the Clean Air Loans Scheme. The implementation of any changes will form a longer piece of work under the air portfolio.</p>



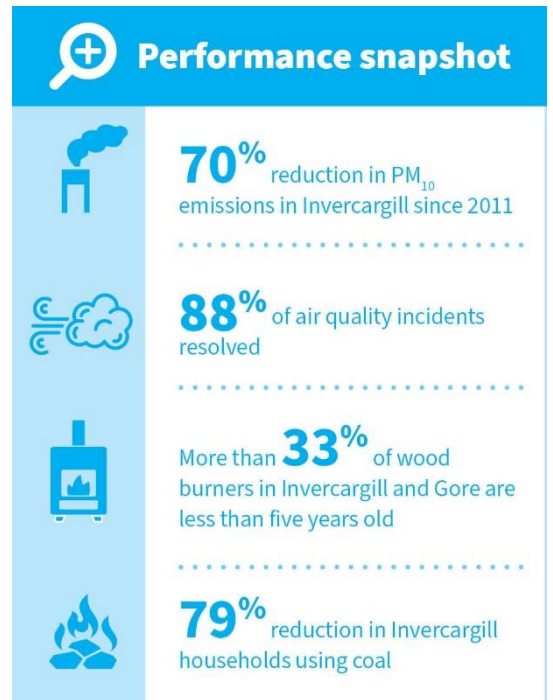
Air quality highlight

Record low number of air quality exceedances

During 2022, Invercargill and Gore recorded the best winter air quality results since monitoring began. Gore recorded zero exceedances of the National Environmental Standards for Air Quality, meaning it met the necessary legislative requirements for two years in a row.

In the same period, Invercargill recorded two exceedances, an improvement on three exceedances in 2021. While this is above the requirement to have no more than one exceedance in a 12-month period, it is the city's best result on record. This is a good indication that people are making an effort to reduce the pollution from home heating appliances, which are the biggest contributors to air pollution in Invercargill and Gore.

While 2022 was a relatively mild winter, to see results continue to improve after the low exceedance numbers from 2021 was a really positive sign. Environment Southland continues to advocate and support people to make changes that have an ongoing positive impact – burning dry wood, upgrading to cleaner heating sources and being more aware of how they operate their burners.



Funding Impact Statement - Air
for the year ended 30 June 2023

Annual Plan 2021/22 \$000	Actual 2021/22 \$000		Actual 2022/23 \$000	Annual Plan 2022/23 \$000	LTP 2022/23 \$000
		Sources of Funding			
240	-	- General rates, uniform annual charges, rates penalties	256	253	250
-	-	- Targeted rates	-	-	-
8	9	9 Fees and charges	9	9	8
-	-	- Internal Charges and overheads recovered	-	-	-
75	-	- Local authorities fuel tax, fines, infringement fees and other receipts	83	77	74
322	9	Total Operating Funding	349	339	332
		Applications of Operating Funding			
97	120	120 Payments to staff and suppliers	138	100	100
1	-	- Financing Costs	-	1	2
-	-	- Internal Charges and overheads recovered	-	-	-
231	82	82 Other operating funding applications	155	245	238
329	202	Total Applications of Operating Funding	293	346	340
(7)	(193)	Surplus/(deficit) of operating funding	56	(7)	(8)
		Sources of capital funding			
-	-	- Subsidies and grants for capital expenditure	-	-	-
-	-	- Development and financial contributions	-	-	-
-	-	- Increase / (decrease) in debt	-	-	-
-	-	- Other dedicated capital funding	-	-	-
-	-	- Gross proceeds from the sale of assets	-	-	-
-	-	- Lump sum contributions	-	-	-
-	-	Total sources of capital funding	-	-	-
		Applications of capital funding			
		Capital expenditure			
-	-	- to meet additional demand	-	-	-
-	-	- to improve the level of service	-	-	-
-	-	- to replace existing assets	-	-	-
(3)	(182)	Increase/(decrease) in Reserves	78	(3)	(4)
(4)	(11)	Increase/(decrease) in Investments	(22)	(4)	(4)
(7)	(193)	Total applications of capital funding	56	(7)	(8)
7	193	Surplus/(deficit) of capital funding	(56)	7	8
-	-	Funding Balance	-	-	-
2	1	1 Depreciation expense (not included in the above FIS)	1	1	2
-	-	- Impairment expense (not included in the above FIS)	1	-	-

2. Water and Land

Our aspirations for water and land

Over the next 10 years, in partnership with iwi, the Council will work with communities, other councils and organisations towards achieving Murihiku Southland’s goals for freshwater and estuaries through integrated water and land management across catchments.

At a glance...



Community Connection

Managing our water and land resources in a sustainable way is crucial for ongoing social, economic, environmental and cultural wellbeing of Murihiku Southland communities. Fundamental to this is giving effect to the National Policy Statement for Freshwater Management 2020 (NPSFM) requirement to manage freshwater in a way that gives effect to Te Mana o te Wai (the mana of the water). This recognises that protecting the health of freshwater protects the health and wellbeing of the wider environment.

Our performance and delivery against targets

Regulation and Planning Activity

This activity focuses on the Council’s regional planning, regulatory and compliance activities under the RMA, NPSFM, National Environmental Standard for Freshwater (NES-FW) and Local Government Act (LGA).

A key focus for this activity in the next few years is to work with the community to implement the NPSFM requirements. This will include the notification of a plan change to the proposed Southland Water and Land Plan (SWLP). The Regional Forum of community representatives that has been established will provide advice to governance on potential methods and limits to include within the plan change.

LEVEL OF SERVICE 5 Methods and limits in place across water takes and discharges to achieve the communities’ environmental outcomes.	
Measure and 2022-23 Target 5.1 Measure: Implementation of the National Policy Statement for Freshwater Management 2020 via the notification of a plan change to the proposed Southland Water and Land Plan.	Results for 2022-23 Achieved The Regional Forum’s final advice was accepted by Council and the Te Ao Mārama Inc Board on 13 July 2022.

<p>Targets: 5.1.1 – Regional Forum provides final advice on methods and limits. 5.1.2 - Development of a plan change (to be notified in 2023-24).</p>	<p>Development of the Plan Change to the proposed Southland Water and Land Plan, in partnership with Te Ao Marama Inc, to implement the NPSFM 2020 (this is known as Plan Change Tuatahi) continued this year.</p> <p>Plan Change Tuatahi is due to be notified in 2024 after consultation with stakeholders and the community.</p>
<p>Measure and 2021-22 Target 5</p> <p>Measure: Implementation of the National Policy Statement for Freshwater Management 2020 via the notification of a plan change to the proposed Southland Water and Land Plan.</p> <p>Targets: The Regional Forum meets at least four times annually to progress advice on methods and limits to achieve draft environmental outcomes. Development of a plan change.</p>	<p>Results for 2021-22</p> <div style="text-align: center; border: 1px solid black; background-color: #90EE90; padding: 5px; width: fit-content; margin: 0 auto;">Achieved</div> <p>The Regional Forum met on the following dates to progress its advice to Council and the Te Ao Mārama Inc Board:</p> <ul style="list-style-type: none"> ● 28-29 July 2021 ● 21 September 2021 ● 19-20 October 2021 ● 8-9 December 2021 ● 15-16 February 2022 ● 15-16 March 2022 ● 12-13 April 2022 ● 12-13 May 2022 ● 8-9 June 2022 <p>The Regional Forum’s final advice was accepted by Council and the Te Ao Mārama Inc Board on 13 July 2022.</p> <p>In terms of plan change development, a number of Governance workshops have been held over the year with Councillors and Te Ao Mārama Inc Board members to discuss draft components of the Forum's advice and the wider plan-making process that is underway. This will continue over the next 18 months.</p>

Science, Research and Monitoring Activity

This activity provides access to water and land information. It includes advice on environmental state and trends from long-term environmental monitoring programmes. In addition, science and research is undertaken on the water and land resources of the region and how best to manage these.

Key projects for this activity for this Long-term Plan include:

- establishing methods to monitor progress towards environmental outcomes including mātauranga Māori and health of indigenous flora and fauna;
- developing, operating and maintaining a freshwater accounting system for water quality and quantity to provide baseline information for setting target attribute states, flows and limits, assessing over-allocation and tracking cumulative effects of activities.

LEVEL OF SERVICE 6

A clear picture of the state of our environment and where further action is needed.

Measure and 2022-23 Target 6.1

Measure: Establishing a comprehensive freshwater accounting system.

Target: Project plan for establishing a freshwater accounting system completed. *(carried over from the 2021-22 year)*

2022-23 Performance Target: Freshwater accounting system is live from 30 June 2023.

Results for 2022-23

Partially achieved

A project plan has been developed and a cross-organisational working group established to implement this.

Work is currently underway on the various components on the freshwater accounting system including water quality, water use and allocation. However, the system cannot be finalised until after Plan Change Tuatahi is further developed. This plan change will be notified in the 2024 year.

Measure and 2021-22 Target 6.1

Measure: Establishing a comprehensive freshwater accounting system.

Target: Project plan for establishing a freshwater accounting system completed.

Results for 2021-22

Not achieved

Staff vacancies meant that this project was not advanced until the final quarter of the year. A workshop was held with staff in June 2022 to feed into final project plan, which will be completed in the first quarter of the 2022-23 year.

Measure and 2022-23 Target 6.2

Measure: State of the Environment (SoE) data updated and published on Environment Southland and Land Air Water Aotearoa websites at least once a year.

Target: SoE data updated and published on Environment Southland and Land, Air, Water, Aotearoa (LAWA) websites annually.

Results for 2022-23

Achieved

The lake quality, river quality, can I swim here, groundwater quality and water quantity components of LAWA were updated in September 2022 based on data collected in the 2021 year. This is the same for all regional councils.

Measure and 2021-22 Target 6.2

Measure: State of the Environment data updated and published on Environment Southland and Land Air Water Aotearoa websites at least once a year.

Target: SoE data updated and published on ES and LAWA websites annually.

Results for 2021-22

Achieved

The air quality, lake quality, river quality, can I swim here, groundwater quality and water quantity components of LAWA were updated in September 2021 based on data collected in the 2020 year. This is the same as for all regional councils.

<p>Measure and 2022-23 Target 6.3</p> <p>Measure: Develop and monitor Mātauranga Māori monitoring programme.</p> <p>Target: Monitoring framework and targets developed in partnership with Te Ao Mārama Inc and papatipu rūnanga. <i>(carried over from the 2021-22 year)</i></p> <p><i>2022-23 Performance Target:</i> Annual monitoring programme target achieved.</p>	<p>Results for 2022-23</p> <p>Not achieved</p> <p>Following conversations between Hokonui rūnanga and Te Ao Mārama Inc, a "Principles of Operation" document was to have been prepared by an independent planner specialising in iwi engagement in regulatory processes involving Council and iwi.</p> <p>Work on the "Principles of Operation" document and monitoring framework and targets has been put on hold while linkages to Plan Change Tuatahi are assessed.</p>
<p>Measure and 2021-22 Target 6.3</p> <p>Measure: Develop and monitor Mātauranga Māori monitoring programme.</p> <p>Target: Monitoring framework and targets developed in partnership with Te Ao Mārama Inc and papatipu rūnanga.</p>	<p>Results for 2021-22</p> <p>Not achieved</p> <p>Conversations have been had between Hokonui rūnanga and Te Ao Mārama Inc and a "Principles of Operation" document is in preparation by an independent planner specialising in iwi engagement in regulatory processes involving Council and iwi.</p> <p>In addition, we have supported Hokonui rūnanga with fish eDNA sampling and their 2021/22 freshwater work programme.</p> <p>Work on the "Principles of Operation" document and monitoring framework and targets will continue into the 2022-23 year.</p>

Community Engagement and Education Activity

Working with the individuals, community groups, schools and other agencies to raise awareness and understanding of environmental issues and empower action. The Council intends to move to an integrated catchment management approach for this activity during the period covered by this LTP.

Key projects for this activity for this LTP include:

- People, Water and Land ***Te Mana o te Tangata, te Wai, te Whenua*** – a partnership programme with Te Ao Mārama Inc (the Ngāi Tahu ki Murihiku natural resource agency) to improve Murihiku Southland's water and land;
- EnviroSchools – a programme that takes a whole of school approach to environmental education.

<p>LEVEL OF SERVICE 7 Highly visible and engaging programme that empowers the community to be innovative and contribute to achieving healthy water and ecosystems.</p>	
<p>Measure and 2022-23 Target 7.1 Measure: Effective engagement with community groups and individuals. Target: Baseline for effective engagement with community groups and individuals is established.</p>	<p>Results for 2022-23</p> <p>Not achieved</p> <p>A baseline option for the implementation of the insights programme was developed during the first half of the 2022-23 financial year, however it has been determined that this should be reviewed as part of the customer/stakeholder strategy currently in development.</p>
<p>Measure and 2021-22 Target 7 Measure: Effective engagement with community groups and individuals. Target: Establish methodology for measuring the effectiveness of Council’s engagement with community groups and individuals.</p>	<p>Results for 2021-22</p> <p>Achieved</p> <p>A methodology for the insights programme was developed during the year, which was reviewed by the Strategy, Planning & Engagement Group on 15 June 2022.</p>

Partnerships Activity

This activity works with others to support on the ground action and new ways of working to improve water and land. To achieve the environmental outcomes for freshwater and estuaries sought by the community and iwi over a generation (a state of hauora *wellbeing* over a 25-30 year period), an integrated catchment management approach with five-yearly steps is proposed to be co-developed in partnership with other organisations such as Te Ao Mārama Inc and Thriving Southland³.

Environment Southland and Te Ao Mārama Inc’s overarching programme to improve water and land in the region is the **People Water and Land programme *Te Mana o te Tangata, te Wai, te Whenua***. Other partnership projects include:

- Whakamana te Waituna – a project to restore the mana of the Waituna catchment and wetlands;
- Aparima Community Environment (ACE) – farmer leaders supported by agencies with a vision to build and support the resilience of the Aparima area.

³ A community-led group that is working with the community to drive positive change in the primary sector in Murihiku Southland, by working with farmers and supporting catchment groups.

LEVEL OF SERVICE 8

Council works in partnership with iwi, community groups, businesses, government agencies and councils to deliver projects that improve Murihiku Southland’s water and land ecosystems.

Measure and 2022-23 Target 8.1

Measure: Co-design and implement a hauora approach to integrated catchment management that provides a stepped approach to achieving an iwi and community vision when giving effect to Te Mana o te Wai in the region.

Target: Completion of project plan. *(carried over from 2021-22 year)*

2022-23 Performance Target:
Project milestones achieved.

Results for 2022-23

Not achieved

The hauora approach to integrated catchment planning and management is a keystone of the work underway that will both inform our water policy and catchment action plans.

Scoping occurred of the water policy project during the 2021-22 year, and hauora planning is a key part of that overall workstream.

During the 2022-23 year, a policy paper on integrated management was drafted in accordance with the project plan for Plan Change Tuatahi.

As this is a core part of the Council’s approach to the implementation of the NPSFM 2020 it is being advanced as part of the development of Plan Change Tuatahi and the Integrated Catchment Management Framework to support delivery of outcomes.

Measure and 2021-22 Target 8

Measure: Co-design and implement a hauora approach to integrated catchment management that provides a stepped approach to achieving an iwi and community vision when giving effect to Te Mana o te Wai in the region.

Target: Completion of project plan.

Results for 2021-22

Not achieved

Scoping occurred during the 2021-22 year. This is a key step in the wider implementation of the NPSFM 2020 and move to an integrated catchment management approach within the organisation.

This project will be advanced as part of the water policy development workstream following the receipt of the Regional Forum’s advice.



Water and land highlight

Whakamana te Waituna Trust programme

A highlight has been the success of the Whakamana te Waituna Trust programme supporting the revitalisation of mātauranga Māori through rebuilding customary practices, kaitiakitanga and connections to traditional ancestral lands at Waituna.

Waituna is a special area, unique to Murihiku Southland and New Zealand, and internationally recognised as a wetland of ecological diversity and significance, but the lagoon and catchment have been under pressure for many years due to land use change.

The Whakamana te Waituna Trust was established in 2018 with partners Awarua Rūnanga, Department of Conservation and Fonterra (Living Water partnership), Environment Southland, Ngāi Tahu and the Southland District Council.

The programme has contributed significantly to the Awarua Rūnanga achieving their aspirations for the Waituna catchment, which were woven through the shared programme.


The establishment of Te Wai Parera Trust and return of land to the Rūnanga (via the Trust) marked a significant milestone. The return of land has supported aspirations to develop a Pikiraaurahi, Te Pā Mahika Kai (403ha), to restore taonga species, provide kai for whānau, reconnecting people, particularly rangatahi, to place and traditional practices.

The land purchases helped achieve a land buffer (584ha) for the lagoon.

The reduction of nutrients and sediment entering waterways and the lagoon, while maintaining economically viable businesses, has been a key focus. Projects included the creation of constructed wetlands (3ha), sediment trap construction, and native plantings (16,895 on farm riparian areas).

An evaluation report for the programme was completed in June 2023.


Performance snapshot

	35 catchment groups supported
	1,680 contaminated land sites audited
	584 ha buffer established at Waituna Lagoon
	10 farms participated in Freshwater Farm Plan Pilot
	220 students from 20 schools attended Enviroschools Regional Hui

Funding Impact Statement - Water and Land
for the year ended 30 June 2023

Annual Plan 2021/22	Actual 2021/22		Actual 2022/23	Annual Plan 2022/23	LTP 2022/23
\$000	\$000	Sources of Funding	\$000	\$000	\$000
4,956	4,261	General rates, uniform annual charges, rates penalties	4,117	4,057	5,251
2,314	2,317	Targeted rates	2,314	2,314	2,379
1,464	1,508	Fees and charges	1,620	1,376	1,508
-	-	Internal Charges and overheads recovered	-	-	-
1,541	1,394	Local authorities fuel tax, fines, infringement fees and other receipts	1,335	1,240	1,549
10,275	9,479	Total Operating Funding	9,385	8,988	10,688
		Applications of Operating Funding			
8,061	6,679	Payments to staff and suppliers	7,471	6,891	7,958
30	-	Financing Costs	1	24	52
-	-	Internal Charges and overheads recovered	-	-	-
3,219	2,884	Other operating funding applications	2,418	3,154	3,342
11,311	9,563	Total Applications of Operating Funding	9,890	10,069	11,352
(1,036)	(84)	Surplus/(deficit) of operating funding	(504)	(1,081)	(664)
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase / (decrease) in debt	-	-	-
-	-	Other dedicated capital funding	-	-	-
60	-	Gross proceeds from the sale of assets	-	45	45
-	-	Lump sum contributions	-	-	-
60	-	Total sources of capital funding	-	45	45
		Applications of capital funding			
		Capital expenditure			
-	5	- to meet additional demand	42	-	-
-	-	- to improve the level of service	20	-	-
502	455	- to replace existing assets	178	471	410
(1,445)	(621)	Increase/(decrease) in Reserves	(651)	(1,488)	(995)
(32)	78	Increase/(decrease) in Investments	(92)	(19)	(34)
(976)	(84)	Total applications of capital funding	(504)	(1,036)	(619)
1,036	84	Surplus/(deficit) of capital funding	504	1,081	664
-	-	Funding Balance	-	-	-
326	356	Depreciation expense (not included in the above FIS)	363	382	355
-	22	Impairment expense (not included in the above FIS)	21	-	-

3. Biosecurity and Biodiversity

Our aspirations for biosecurity and biodiversity

Over the next 10 years, the Council will work with iwi, communities, other councils and organisations to improve and protect the region’s biodiversity and actively manage the number of pests in the region.

At a glance...

12

Level of Service Targets:

10

ACHIEVED

2

NOT ACHIEVED

Community Connection

This group of activities is about protecting and enhancing the region’s biodiversity and natural environment. This includes protecting the environment, economy and community from the adverse impacts of harmful organisms.

Our performance and delivery against targets

Regulation and Planning Activity

Biodiversity: This activity focuses on Environment Southland’s function of maintaining indigenous biological diversity (Section 30 of the RMA). This will be achieved through the development of appropriate objectives, policies and methods. In addition, central government has been working towards a new National Biodiversity Strategy and National Policy Statement on Indigenous Biodiversity. The implications of these requirements are yet to be fully understood. As the new requirements become clear, we will work to understand and adopt them. The Regional Sector has a strong focus on active management being a key to maintaining biodiversity.

Biosecurity: This activity focuses on the implementation of the Regional Pest Management Plan (RPMP) and the Fiordland Marine Regional Pathways Management Plan (FMRPMP) under the Biosecurity Act. This designates a range of species as pests, which are managed under work programmes including assisting landowners to deal with them and, where necessary, to apply and enforce rules.

LEVEL OF SERVICE 9

Appropriate regulatory tools are in place for the species type and there is a consistent policy framework for managing harmful species.

Measure and 2022-23 Target 9.1

Measure: Council maintains a current RPMP and FMRPMP, develops management plans for new pest incursions and prepares annual reports in accordance with the Biosecurity Act.

Results for 2022-23

Achieved

The RPMP and FMRPMP continue to be operational.

Incursion management plans exist for all animal and plant exclusion pests. There is a response agreement for incursions

<p>Targets: 9.1.1 - The RPMP and FMRPMP remain operational. 9.1.2 - Incursion management plans are completed for all exclusion species. 9.1.3 - The Annual Report is submitted to Council.</p>	<p>in Fiordland and a wider marine response plan is in the process of being developed.</p> <p>The 2022-23 Annual Report was submitted to Council, via the Regional Services Committee on 2 August 2023.</p>
<p>Measure and 2021-22 Target 9</p> <p>Measure: Council maintains a current RPMP and FMRPMP, develops management plans for new pest incursions and prepares annual reports in accordance with the Biosecurity Act.</p> <p>Targets: The RPMP and FMRPMP remain operational. Incursion management plans are completed for all exclusion species. The Annual Report is submitted to Council.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Not achieved</p> <p>The RPMP and FMRPMP continue to be operational. Incursion plans were completed for Rooks and Wallabies. Work on the pest plant and marine incursion plans was underway, but not completed by 30 June 2022. Finalising these plans will be a priority for the first quarter of the 2022-23 year.</p> <p>The 2021-22 Annual Report was submitted to Council, via the Regional Services Committee on 4 August 2022.</p>

Science, Research and Monitoring Activity

This activity focuses on collecting data to establish a baseline and provide ongoing monitoring of the region's biodiversity. It also focuses on monitoring the number of pests in the region and early identification of areas where there is heightened risk of incursions.

<p>LEVEL OF SERVICE 10 Biodiversity and biosecurity work programmes are based on data and research.</p>	
<p>Measure and 2022-23 Target 10.1</p> <p>Measure: Proportion of the annual biodiversity monitoring programme completed.*</p> <p>Targets: 10.1.1 - 5 or more avian monitored sites monitored by 30 June 2023. 10.1.2 - 7 or more rodent monitoring sites monitored by 30 June 2023.</p> <p><i>*This programme may change depending on the requirements of the new National Policy Statement on Indigenous Biodiversity.</i></p>	<p>Results for 2022-23</p> <p style="text-align: center;">Achieved</p> <p>Avian monitoring was completed at six sites across the region during the year – Motupohue/Bluff Hill; Omaui; Bushy Point, Otatara; Mores Reserve; Rakiura/Stewart Island; and the lower Mataura. All data is publicly available on eBird and has been shared with the community groups as well as the NZ Bird Atlas.</p> <p>Rodent monitoring was completed at seven sites on a quarterly basis during the year - Motupohue/Bluff Hill; Omaui; Bushy Point/Otatara; Mores Reserve; Rakiura/Stewart Island; the lower Mataura; and SIRCET (Stewart Island/Rakiura Community & Environment Trust).</p>

<p>Measure and 2021-22 Target 10.1</p> <p>Measure: Proportion of the annual biodiversity monitoring programme completed.*</p> <p>Targets: 5 or more avian monitored sites monitored by 30 June 2022. 7 or more rodent monitoring sites monitored by 30 June 2022. *This programme may change depending on the requirements of the new National Policy Statement on Indigenous Biodiversity.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>Avian monitoring was completed at seven sites across the region during the year – Motupohue/Bluff Hill, Omaui, Bushy Point, Otatara, Mores Reserve, Rakiura/Stewart Island and the lower Matura. A highlight has been the increase of Kakariki and Tui observed at sites across the region. Additional audio bird recording techniques were trialled in an attempt to confirm the presence of Bittern and Crake in the lower Matura. Rodent monitoring was completed at seven sites on a quarterly basis during the year.</p>
<p>Measure and 2022-23 Target 10.2</p> <p>Measure: Proportion of the annual monitoring outlined in the RPMP and FMRPMP Operational Plans completed.</p> <p>Target: All annual monitoring completed by 30 June 2023.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Achieved</p> <p>RPMP and FMRPMP monitoring targets were completed for the year. 16 PCAs were monitored, including two initial monitors. Four community group areas also received a possum monitor. 12 sites received rabbit monitoring.</p>
<p>Measure and 2021-22 Target 10.2</p> <p>Measure: Proportion of the annual monitoring outlined in the RPMP and FMRPMP Operational Plans completed.</p> <p>Target: All annual monitoring completed by 30 June 2022.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Not achieved</p> <p>RPMP monitoring was completed, including the monitoring of more than 25% of PCA and 10 rabbit sites. The design work for an updated pest plant and marine pest monitoring programme was undertaken. In terms of RPMP and FMRPMP compliance monitoring, two Fiordland compliance trips were scheduled during the year. The January trip was cancelled by DOC due to COVID-19. The April trip was successfully undertaken, with no marine pests found on any vessels and structures. There was generally a high level of compliance, however, some recreational and commercial vessels did not have current clean vessel passes.</p> <p>The missed Fiordland trip means that this target was not achieved for the 2021-22 year but was only a small component of the overall annual monitoring.</p>

<p>Measure and 2022-23 Target 10.3</p> <p>Measure: Surveillance is carried out at high risk incursion points (as identified by species specific incursion response plans).</p> <p>Target: Surveillance at all identified high risk incursion points is carried out.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Achieved</p> <p>All animal and marine monitoring was completed, including extensive surveillance in Fiordland. Work to identify high risk plant sites is underway and site visits have been made to high risk areas.</p>
<p>Measure and 2021-22 Target 10.3</p> <p>Measure: Surveillance is carried out at high risk incursion points (as identified by species specific incursion response plans).</p> <p>Target: Surveillance at all identified high risk</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Not achieved</p> <p>High Risk Rook site monitoring was completed in Quarter 2. Fiordland marine pest surveillance monitoring was completed in Quarter 4. Pest plant surveillance was unable to be completed due to lack of an incursion response plan (Level of Service 9).</p>

Community Engagement and Education Activity

This activity focuses on Council’s advisory and complaints service, which includes the provision of information and support for landowners, agencies and industries on effective pest control. It also includes the events and activities run by the Council to raise awareness about biodiversity and biosecurity in the region.

<p>LEVEL OF SERVICE 11</p> <p>Appropriate regulatory tools are in place for the species type and there is a consistent policy framework for managing harmful species.</p>	
<p>Measure and 2022-23 Target 11.1</p> <p>Measure: Effective engagement with community groups and individuals.</p> <p>Target: Baseline for measuring the effectiveness of our engagement with the community groups and individuals is established.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Not achieved</p> <p>A baseline option for the implementation of the insights programme was developed during the first half of the 2022-23 financial year, however it has been determined that this should be reviewed as part of the customer/stakeholder strategy currently in development.</p>
<p>Measure and 2021-22 Target 11</p> <p>Measure: Effective engagement with community groups and individuals.</p> <p>Target: Establish methodology for measuring the effectiveness of our engagement with community groups and individuals.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>The biannual customer phone survey to measure effectiveness of engaging with individuals was completed. A methodology for the insights programme was developed during the year, which was reviewed by the Strategy, Planning & Engagement Group on 15 June 2022.</p>

LEVEL OF SERVICE 12

Biosecurity advice and assistance is accessible to those who need it.

Measure and 2022-23 Target 12.1

Measure: Proportion of biosecurity service requests that were resolved.

Target: 100% of biosecurity service requests resolved.

Results for 2022-23

Not achieved

Over the full financial year the team responded to 226 enquiries, 95% of which have been resolved. Work on the remaining 12 is underway due to their complexity or due to being received in the final week of the financial year.

Measure and 2021-22 Target 12.1

Measure: Proportion of biosecurity service requests that were resolved.

Target: 100% of biosecurity service requests resolved.

Results for 2021-22

Not achieved

Over the full financial year the team responded to 237 enquiries, 93% of which have been resolved. Work on the remaining 16 is underway.

Measure and 2022-23 Target 12.2

Measure: Number of landowners receiving a high value area report.

Target: 39 or more landowners to receive a high value area report*.

**These are now referred to as ecological surveys but are described as high value area reports in the 2021-2031 Long-term Plan.*

Results for 2022-23

Achieved

A total of 88 ecological surveys were carried out on private properties during the year, including an additional 13 sites on public conservation land. A total of 111 landowners received written reports by the end of June 2023.

A total of approx 56,793 ha was surveyed.

Measure and 2021-22 Target 12.2

Measure: Number of landowners receiving a high value area report.

Target: 39 or more landowners to receive a high value area report

Results for 2021-22

Achieved

The project has completed a total of approx 22,500 ha of ecological surveys. 96 private properties totalling approx 8,250 ha have been surveyed and approx 14,250 ha of public conservation land. Out of the 96 private sites surveyed during the year, 39 landowners received written reports by the end of June 2022.

Partnerships Activity

Partnership projects give the ability to achieve more and at a larger scale than can be done alone. This activity is about the projects that will be delivered with others and the investment made in developing strong relationships across the region.

The Council will focus on a partnership approach to biodiversity and biosecurity management to help ensure an efficient allocation of resources. Working with and empowering the community, other agencies, and our neighbours will ultimately provide the best outcomes for Murihiku Southland. Co-ordinating programmes will help prevent fragmented responses by connecting available resources. Environment Southland will continue to establish the mechanisms to allow for information exchange, co-ordination, and co-operation between all levels of government, the community and the private sector to facilitate a coordinated biosecurity response.

Key partnerships include:

- Biodiversity Southland;
- Fiordland Marine Guardians;
- Mid Dome Wilding Conifer Control Trust;
- National Wilding Conifer Control Programme;
- Predator Free Rakiura;
- Predator Free Southland.

LEVEL OF SERVICE 13

Council will work with landowners to protect or enhance biodiversity and initiatives that help landowners to manage harmful species on privately owned-land.

Measure and 2022-23 Target 13.1

Measure: The number of biodiversity project grants approved and completed.

Target: 10 or more biodiversity project grants to be approved and completed.

Results for 2022-23

Achieved

A total of 25 Environmental Enhancement Fund (EEF) applications were received this year. Of these, 21 were approved and four were declined, as they did not meet the criteria.

The total number of EEF grants for 2022-23 is 31, of which 21 are new projects and 10 are continuing from last year.

The 31 projects total \$1,999,535.34, with the EEF fund contributing \$414,788.18.

21 Environment Enhancement Grants were completed resulting in active management on 9,500 ha, including 13 grey scrub blocks, five red tussock sites, one bush block and two wetland sites. A total of 14 km of fencing has been completed, 2,600 native plants planted and 5,000 ha of pest control achieved.

<p>Measure and 2021-22 Target 13.1</p> <p>Measure: The number of biodiversity project grants approved and completed.</p> <p>Target: 10 or more biodiversity project grants to be approved and completed.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>A total of 36 Environmental Enhancement Fund (EEF) applications were received this year. Of these 27 were approved and nine were declined, as they did not meet the criteria. The 27 projects total \$794,544, with the EEF fund contributing \$294,798. Only two projects were not completed this year, due to the drought over the summer months. These projects have been carried forward to next financial year for completion.</p>
<p>Measure and 2022-23 Target 13.2</p> <p>Measure: The number of partnership activities is maintained.</p> <p>Target: Six or more key partnership activities are maintained.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Achieved</p> <p>Partnerships with Biodiversity Southland, Fiordland Marine Guardians, Mid Dome Wilding Conifer Control Trust, National Wilding Conifer Control Programme, Predator Free Rakiura and Predator Free Southland continued to be maintained during the year through regular meetings and various forms of support.</p>
<p>Measure and 2021-22 Target 13.2</p> <p>Measure: The number of partnership activities is maintained.</p> <p>Target: Six or more key partnership activities are maintained.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>Partnerships with Biodiversity Southland, Fiordland Marine Guardians, Mid Dome Wilding Conifer Control Trust, National Wilding Conifer Control Programme, Predator Free Rakiura and Predator Free Southland continued to be maintained during the year through regular meetings and various forms of support.</p>

Council Operations Activity

The Council's operational activities will be targeted towards achieving outcomes in the biodiversity and biosecurity strategies.

Work will include active management of priority species and work at priority sites. This will include activities such as:

- Environmental Enhancement Grants*;
- Fish Passage Remediation*;
- High Value Area Programme*;
- Possum Control Areas;
- Pest Control Programmes as outlined in the RPMP Operations Plan*;
- Undaria Control Programme*.

**These programmes have received additional funding from Jobs for Nature.*

LEVEL OF SERVICE 14

Council will deliver management programmes designed to improve regional biodiversity, human health and economic prosperity.

Measure and Target 2022-23 14.1

Measure: Numbers of biodiversity sites and ecosystem types in active management.

Target: Number of biodiversity sites and ecosystem types in active management is increased from 2021-22 year.

Results for 2022-23

Achieved

50 biodiversity sites and ecosystem types were in active management at the end of the 2022-23 year. The new sites include 13 grey scrub blocks, five red tussock sites, two wetland sites and one bush block.

This builds on the 29 biodiversity sites and ecosystem types that were active at the end of the 2021-22 year.

Measure and Target 2021-22 14.1

Measure: Numbers of biodiversity sites and ecosystem types in active management.

Target: Number of biodiversity sites and ecosystem types in active management.

Results for 2021-22

Achieved

45 biodiversity management plans were completed during the year.

Measure and 2022-23 Target 14.2

Measure: Proportion of the biosecurity programmes achieved as per the Operational Plans.

Target: 50% of biosecurity programmes as per the Operational Plans were achieved, and 50% were partially achieved.

Results for 2022-23

Achieved

During the year, 132 targets (84%) were completed, 15 (10%) partially completed and 10 (6%) were not achieved.

Measure and 2021-22 Target 14.2

Measure: Proportion of the biosecurity programmes achieved as per the Operational Plans.

Target: 50% of biosecurity programmes as per the Operational Plans were achieved, and 50% were partially achieved.

Results for 2021-22

Achieved

During the year, 159 targets (86%) were completed, 19 (11%) partially completed and 6 (3%) were not achieved.

<p>Measure and 2022-23 Target 14.3</p> <p>Measure: The Possum Control Area programme continues to expand and the maintenance schedule is co-ordinated and completed.</p> <p>Targets: An increase from 387,524 ha covered in 2021-22 year and 100% of the maintenance schedule is completed.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Achieved</p> <p>As at 30 June 2023, the Possum Control Area (PCA) programme covered 399,800 ha. This included two new PCAs added during the year totalling 12,290 ha.</p> <p>All planned maintenance has been completed.</p>
<p>Measure and 2021-22 Target 14.3</p> <p>Measure: The Possum Control Area programme continues to expand and the maintenance schedule is co-ordinated and completed.</p> <p>Targets: An increase from 355,064 ha (PCA programme –July 2020) and 100% of the maintenance schedule is completed.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Not achieved</p> <p>As at 30 June 2022, the Possum Control Area (PCA) programme covered 387,524 ha. Scheduled maintenance was behind schedule during the year due to COVID-19 and contractor capacity issues. Maintenance was not completed on 13 PCAs.</p>



Biosecurity and biodiversity highlight

Fiordland Buffer Zone project

The Fiordland Buffer Zone Project was a boost to Environment Southland’s existing weed control programme in the Te Anau area thanks to the Jobs for Nature – Mahi mō te Taiao Government fund.

The fund provided \$690,000 over two years, and the project was completed in May 2023 after covering more than 3000ha with over 17,000 hours worked.

It aimed to help protect Fiordland National Park from invasive weeds while also providing jobs to local tourism operators during a very difficult time at the height of the pandemic.

The project involved carrying out weed control on land and properties throughout a 1km buffer zone alongside Fiordland National Park, from Manapōuri to Te Anau and at Milford Sound.

The work focused on stopping invasive plant species cotoneaster and Darwin’s barberry from entering the park. These pest plants are a particular problem as they can out-compete important native species.

Residents ran the programme on the ground with support from Environment Southland, and the Te Anau and Manapōuri communities were hugely supportive. Twenty one companies were involved in the project, with 96 local residents trained and employed to carry out the work.

Teams visited almost every property in Manapouri and Te Anau removing cotoneaster and Darwin’s barberry, and educating residents about other pest plants that might be lurking in their gardens.

+ **Performance snapshot**

399,800^{ha}

Control Areas programme in Possum

Clean vessel

pass applications more than doubled with 449 applications received

88

private properties and 13 public conservation land sites surveyed for biodiversity values

31

Environmental Enhancement Fund grants totalled \$414,788.18

99

fish barriers remediated

Funding Impact Statement - Biosecurity & Biodiversity
for the year ended 30 June 2023

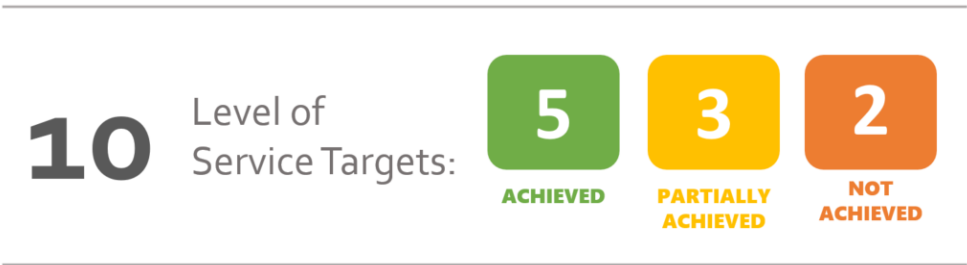
Annual Plan 2021/22	Actual 2021/22		Actual 2022/23	Annual Plan 2022/23	LTP 2022/23
\$000	\$000		\$000	\$000	\$000
		Sources of Funding			
344	347	General rates, uniform annual charges, rates penalties	354	348	360
2,532	2,535	Targeted rates	2,691	2,697	2,605
4,790	4,934	Fees and charges	4,165	4,113	4,561
-	-	Internal Charges and overheads recovered	-	-	-
115	113	Local authorities fuel tax, fines, infringement fees and other receipts	115	106	114
7,780	7,929	Total Operating Funding	7,324	7,265	7,640
		Applications of Operating Funding			
7,226	7,334	Payments to staff and suppliers	6,793	6,644	7,065
2	-	Financing Costs	-	2	4
-	-	Internal Charges and overheads recovered	-	-	-
602	172	Other operating funding applications	716	764	625
7,831	7,506	Total Applications of Operating Funding	7,509	7,410	7,693
(51)	423	Surplus/(deficit) of operating funding	(185)	(145)	(53)
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase / (decrease) in debt	-	-	-
-	-	Other dedicated capital funding	-	-	-
26	6	Gross proceeds from the sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
26	6	Total sources of capital funding	-	-	-
		Applications of capital funding			
		Capital expenditure			
-	-	- to meet additional demand	8	-	-
-	-	- to improve the level of service	-	-	-
75	21	- to replace existing assets	29	86	-
(166)	782	Increase/(decrease) in Reserves	(537)	(289)	(120)
66	(373)	Increase/(decrease) in Investments	315	58	67
(25)	430	Total applications of capital funding	(185)	(145)	(53)
51	(423)	Surplus/(deficit) of capital funding	185	145	53
-	-	Funding Balance	-	-	-
68	48	Depreciation expense (not included in the above FIS)	47	57	69
-	17	Impairment expense (not included in the above FIS)	16	-	-

4. Climate Change and Community Resilience

Our aspirations for climate change and community resilience

Over the next 10 years, the Council will work with iwi, communities, other councils and organisations to understand, prepare and respond to the challenges and opportunities resulting from climate change. It will build on the community’s experience and knowledge in responding to natural hazards, events and emergencies.

At a glance...



Community Connection

The short and long-term impacts natural hazards and climate change have on people’s homes, businesses and wellbeing can be devastating. The more we can learn, understand and plan for these events, the better positioned we will be to build community resilience and cope with them.

This group of activities is about working with Murihiku Southland communities to be prepared for (and recover faster from) events and emergencies such as floods, droughts and wildfires.

Our performance and delivery against targets

Regulation and Planning Activity

The Council is responsible for controlling (through our plans and policies) the use of land to avoid or mitigate the effects of natural hazards, identify natural hazards and reduce risk. This includes ensuring the community is prepared for the impacts of climate change such as sea level rise and increased storm surges on coastal communities. It is vital going forward that all Council decision-making processes include consideration of climate change implications. The review of the Southland Regional Policy Statement will be a key vehicle for putting in place the framework to do this.

LEVEL OF SERVICE 15

Our plans and projects are designed to minimise the negative effects of climate change on the region's communities.

Measure and 2022-23 Target 15.1

Measure: Review the Southland Regional Policy Statement to ensure consideration of climate implications.

Target: Regional Policy Statement review to take account of hazard and climate change legislation. *(carried over from 2021-22 year)*

2022-23 Performance Target:
Territorial authorities are supported in reviewing their district plans to take account of hazard and climate change legislation.

Results for 2022-23

Not achieved

Given two delays to relevant pieces of legislation including the Climate Change Adaptation Bill and the implementation deadline for the National Planning Standards being extended to 2024, the review of the Regional Policy Statement (RPS) has been narrowed to focus only on freshwater at this time.

The climate change and natural hazard changes will need to be done in advance or alongside the development of a Regional Spatial Strategy under the new legislation that will replace the RMA.

Progress continues on the development of the regional climate change strategy in partnership with the territorial authorities.

Measure and 2021-22 Target 15

Measure: Review the Southland Regional Policy Statement to ensure consideration of climate implications.

Target: Regional Policy Statement review to take account of hazard and climate change legislation.

Results for 2021-22

Not achieved

Given two delays to relevant pieces of legislation including the Climate Change Adaptation Bill and the implementation deadline for the National Planning Standards being extended to 2024, the review of the Regional Policy Statement (RPS) has been narrowed to focus only on freshwater at this time.

The climate change and natural hazard changes will need to be done in advance or alongside the development of a Regional Spatial Strategy under the new legislation that will replace the RMA.

Science, Research and Monitoring Activity

This activity focuses on monitoring and researching the region's natural hazards, flood risk modelling and the effect of climate change on community wellbeing. The information gathered in this activity is used to inform Council policies, plans and operations.

A key focus for this activity in the next few years is to investigate the impacts of a changing climate on the region's social, economic, environmental and cultural wellbeing so that our plans and policies can be updated accordingly.

LEVEL OF SERVICE 16

Provide timely and high quality information about natural hazards to inform planning and emergency management activities.

Measure and 2022-23 Target 16.1

Measure: Real-time river level and rainfall information is made available to the community.

Target: Flood warning network operational 100% of the time during flood events.*

**Excluding scheduled maintenance, external system outages and as a result of damage caused by flooding or earthquake.*

Results for 2022-23

Achieved

There were three flood events and three high river watches during the year. The flood warning network was 100% operational during these events, however, the IVR (phone-in system) stopped functioning for a limited during the high river watch on 18 May 2023.

Measure and 2021-22 Target 16.1

Measure: Real-time river level and rainfall information is made available to the community.

Target: Flood warning network operational 100% of the time during flood events.*

**Excluding scheduled maintenance, external system outages and as a result of damage caused by flooding or earthquake.*

Results for 2021-22

Achieved

There were three flood events during the year. The flood warning network was 100% operational during these events. One site out of 52 was temporarily down, due to an external system outage, but fixed within 12 hours with no loss of data.

Measure and 2022-23 Target 16.2

Measure: Provide information to support the development and implementation of the Murihiku Southland Regional Climate Change Strategy.

Target: An information gap assessment and forward work programme is completed by 30 June 2022. *(carried over from 2021-22 year)*

2022-23 Performance Target: Implementation of the milestones for the Murihiku Southland Regional Climate Change Strategy is achieved.

Results for 2022-23

Achieved

This performance target is linked to performance target 18.2 (development of a Murihiku Southland Regional Climate Change Strategy).

A regional working group was established in October 2022 (initially staff, with governance group following in early 2023) from across all councils and Te Ao Mārama Inc to develop a joint work programme. An information gap assessment occurred as part of this work.

Measure and 2021-22 Target 16.2

Measure: Provide information to support the development and implementation of the Murihiku Southland Regional Climate Change Strategy.

Target: An information gap assessment and forward work programme is completed by 30 June 2022.

Results for 2021-22

Not achieved

This performance target is linked to performance target 18.2 (development of a Murihiku Southland Regional Climate Change Strategy). During the year, Environment Southland formed a Climate Change Sub-committee to progress this work. A regional hui on climate change was deferred until 4 July 2022 due to COVID-19. It was agreed to bring a group of governance and staff across all councils and Te Ao Mārama Inc to develop a joint work programme and draft terms of reference. An information gap assessment will occur as part of this work.

Community Engagement and Education Activity

This activity focuses on improving community resilience by increasing the knowledge and understanding of hazards to enable people to make better and more informed choices for now and in the future. This includes making hazard and climate information more readily available, improving the quality and type of information that is provided and ensuring communities are prepared for natural events.

A key focus for this activity will be to help the community to understand and respond to climate change over the next 10 years.

LEVEL OF SERVICE 17

Assist communities to understand and adapt to the effects of climate change and natural hazards.

Measure and 2022-23 Target 17.1

Measure: Increased awareness of climate change and impacts by community and business.

Target: Baseline for measuring community and business awareness of climate change and its impacts is established.

Results for 2022-23

Partially achieved

A climate change perceptions survey was developed to support the programme of work that Environment Southland, Te Ao Mārama Inc, Invercargill City Council, Southland District Council and Gore District Council are doing to develop a regional response to climate change.

The overall goal of the survey is to investigate the community's understanding and perceptions of climate change and its impact on Murihiku Southland.

The survey was piloted in the 2022-23 year and will be rolled out to the community in the 2023-24 year. A baseline target has been identified and the baseline value will be established once the survey is extended to the community.

<p>Measure and 2021-22 Target 17.1</p> <p>Measure: Increased awareness of climate change and impacts by community and business.</p> <p>Target: Establish methodology for measuring community and business awareness of climate change and its impacts.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>A methodology for the insights programme was developed during the year, which was reviewed by the Strategy, Planning & Engagement Group on 15 June 2022. Following on from the above, a climate change awareness survey will be conducted in the 2022-23 financial year.</p>
<p>Measure and 2022-23 Target 17.2</p> <p>Measure: Progressively make hazard information more readily available.</p> <p>Targets: 17.2.1 - Publish two town natural hazard summaries. 17.2.2 – Maintain operative hazard alerting system. 17.2.3 – Maintain and enhance natural hazard pages on ES website.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Achieved</p> <p>Town natural hazard summaries were produced for Wyndham and Winton.</p> <p>The push hazard alerting system “Antenno” is operative.</p> <p>A hazard enquiry portal on Environment Southland’s website is ready for internal testing. The website has ongoing updates in conjunction with other improvements underway for streamlining our hazard enquiry processes.</p>
<p>Measure and 2021-22 Target 17.2</p> <p>Measure: Progressively make hazard information more readily available.</p> <p>Targets: Publish two town natural hazard summaries. Introduce push hazard alerting system. Develop dedicated natural hazard pages on ES website</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Not achieved</p> <p>Town natural hazard summaries were produced for Wyndham and Winton. The push hazard alerting system “Antenno” was secured and is currently being implemented.</p> <p>A dedicated natural hazard page on Environment Southland’s website is in development, which will feature town natural hazard summaries.</p>

Partnerships Activity

Council works collaboratively with iwi, communities, other councils and organisations to develop and implement solutions for improving the region’s response to climate change and ensure its resilience to natural hazards, events and emergencies. A core part of this activity is emergency management as a shared service with Southland District Council, Gore District Council and Invercargill City Council. The emergency management service focuses on ensuring communities are prepared for emergencies and that they are able to respond to and recover from these when they do happen. Specific actions include public education and ensuring a pool of trained personnel.

Taking a partnership approach to tackling climate change and its effect on lifestyles, property, infrastructure and businesses will be critical to ensure the wellbeing of Murihiku Southland communities.

<p>LEVEL OF SERVICE 18 Work with partners to strengthen the region’s resilience to climate change and ability to cope with any civil defence emergency.</p>	
<p>Measure and 2022-23 Target 18.1 Measure: Support Emergency Management Southland in accordance with the Southland Civil Defence Emergency Management Group/Environment Southland Service Level Agreement, including the provision of suitably trained staff. Target: No issues raised about the level of support provided by Environment Southland.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Achieved</p> <p>Environment Southland provides staff for foundation course training, Co-ordinated Incident Management System (CIMS) training and have two Alternate Controllers.</p> <p>Civil Defence Emergency Management training has been completed for Environment Southland in line with the 2023 training programme.</p> <p>Figures show the following numbers of staff trained: Induction - 65, Foundation - 63, CIMS - 49, Function Specific (Response M, Controller) - 7.</p>
<p>Measure and 2021-22 Target 18.1 Measure: Support Emergency Management Southland in accordance with the Southland Civil Defence Emergency Management Group/Environment Southland Service Level Agreement, including the provision of suitably trained staff. Target: No issues raised about the level of support provided by Environment Southland.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>Environment Southland provides staff for foundation course training, Co-ordinated Incident Management System (CIMS) training and have two Alternate Controllers.</p> <p>During the year, COVID-19 meant that some rostered training courses had to be delayed. This coupled with staff vacancies has resulted in a decrease of trained Environment Southland staff. Emergency Management Southland will work closely with People and Capability to build numbers back up again. While numbers are lower than historically, Environment Southland still meets the minimum required number of suitably trained staff set out in the Service Level Agreement.</p>

<p>Measure and 2022-23 Target 18.2</p> <p>Measure: Jointly develop and implement a Murihiku Southland Regional Climate Change Strategy with regional partners.</p> <p>Target: 18.2.1 - A joint Council and Iwi Environment Forum is operational. 18.2.2 – A mechanism for youth engagement is established by 30 June 2023.</p>	<p>Results for 2022-23</p> <p>Partially achieved</p> <p>A regional working group was established in October 2022 (initially staff, with governance following in early 2023) from across all councils and Te Ao Mārama Inc to advance a regional climate change strategy.</p> <p>The governance level inter-agency climate change working group meets regularly, and is working together to draft provisional principles and aspirations that will be consulted on with each individual agency. Once agreed, the provisional principles and aspirations are intended to be two key foundational aspects of a regional climate change strategy for Murihiku Southland.</p> <p>Investigations into a suitable youth mechanism is underway, with best practice options from other councils being researched and considered in order to develop a suitable mechanism for youth engagement in Murihiku Southland.</p>
<p>Measure and 2021-22 Target 18.2</p> <p>Measure: Jointly develop and implement a Murihiku Southland Regional Climate Change Strategy with regional partners.</p> <p>Target: A joint Council and Iwi Environment Forum is operational.</p>	<p>Results for 2021-22</p> <p>Achieved</p> <p>During the year, Environment Southland formed a Climate Change Sub-committee comprised of Councillors and mana whenua representatives as a forum to progress this work. A regional hui on climate change was deferred until 4 July 2022 due to COVID-19. It was agreed to bring a group of governance and staff across all councils and Te Ao Mārama Inc to develop a joint work programme and terms of reference.</p>

Council Operations Activity (including flood protection and control works)

The majority of the Murihiku Southland community resides and works within an environment at risk from flooding, alongside the rivers of the region. That risk is managed in many instances (and by varying degrees) by the Council's key infrastructure responsibility of stopbank flood protection schemes. There are 458 kilometres of stopbanks in the region designed to protect property, lives and livelihoods in urban and rural areas.

Annual programmes are undertaken so that communities can be assured of the standard of protection received from flood protection schemes and informed decisions on floodplain developments are made. These programmes also support timely action to minimise the effects of flooding and reduce the threat to life, property and the environment.

Forecast changes in the region's climate is expected to lead to greater seasonal variability and intensity of rainfall which could lead to more frequent flooding than historic levels.

Significant funding has been received from the government to advance climate resilience projects in the region as part of the COVID-19 recovery. The projects include the upgrading and raising of the stopbanks around Gore, Mataura and Wyndham and a joint project with Invercargill City Council to upgrade the stopbank infrastructure in Invercargill. This will see the height of the Stead Street, Waihopai and Otepuni stopbanks raised, and the Stead Street pump station, which helps to drain water from the Invercargill Airport and surrounding areas, including farmland, replaced.

LEVEL OF SERVICE 19

Council owned infrastructure is maintained and enhanced to a level that works to reduce the negative impacts of natural hazards, flooding and climate change.

Measure and 2022-23 Target 19.1

Measure: Increase the level of flood protection for the towns of Gore, Mataura and Wyndham and the Invercargill City and Airport.

Target: Agreed flood protection work with central government achieved.

Results for 2022-23

Partially achieved

Good progress was achieved with the investigation, design and project delivery of the Climate Resilience Programme, with all project's construction contracts tendered and underway as agreed with Kanoa and in keeping with the terms of the funding agreement.

A Variation to the MBIE funding agreement has been formalised with Kanoa, extending the completion date of the whole program until 30 April 2024. The variation was drafted in response to a wetter-than-typical construction season, limiting the number of construction days suitable for bulk earthworks construction. Additionally, the Variation reset of the project finances to address budget surpluses and shortfalls between the individual projects, and sought Kanoa's confirmation that the total sum of Climate Resilience funding granted to Environment Southland is retained within the region and that any excess Kanoa contributed project funds from the stopbank projects will be transferred into the Stead Street Pump Station project to address a funding shortfall as stopbank projects are closed on practical completion.

The Mataura Project, including the Boundary Creek and Waimumu stopbanks, was technically completed on time, and the closure reports are being prepared for submission to Kanoa; the balance of remaining funds from this project in agreement with Kanoa was transferred to the Wyndham project to address known budget constraints including an increased contingency in response to legitimate scope change resulting from site investigation and an assessment of the existing assets undertaken by the contractor.

Measure and 2021-22 Target 19.1

Measure: Increase the level of flood protection for the towns of Gore, Mataura and Wyndham and the Invercargill City and Airport.

Target: Agreed flood protection work with central government achieved.

Results for 2021-22

Not achieved

Good progress was made with the investigation, design and overall project planning for the climate resilience projects but not all of the construction commencement dates identified in the funding agreement with central government have/will be met.

An evaluation of the Mataura River stopbanks by specialist engineers, as part of the climate resilience projects, identified concerns. The investigations highlighted that further work was required to better understand the capacity and integrity of the stopbanks.

The Project Team and Working Group have been Working with Kānoa (a division of Ministry of Business, Innovation & Employment) to agree on a revised scope of the programme of work. The Stead Street pump station is progressing through a tender process.

Measure and 2022-23 Target 19.2

Measure: The major flood protection and control works are maintained, repaired and renewed to the key standards defined in the Council's Asset Management Plans maintenance.*

Target: At least 90% of the maintenance, repair and renewal schedule is completed.

**Alternatively, this may be based on approved changes to the work programme. It should also be noted that it is intended to merge the current Asset Management Plans into one document no later than the end of 2023.*

Results for 2022-23

Achieved

The maintenance, repair and renewal schedule is on track, with 91% of all defects resolved in the 2022-23 year.

<p>Measure and 2021-22 Target 19.2</p> <p>Measure: The major flood protection and control works are maintained, repaired and renewed to the key standards defined in the Council's Asset Management Plans maintenance.*</p> <p>Target: Establish the maintenance, repair and renewal schedule.</p> <p><i>*Alternatively, this may be based on approved changes to the work programme. It should also be noted that it is intended to merge the current Asset Management Plans into one document no later than the end of 2023.</i></p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>The schedule of works has been developed as required in the LTP. All schemes were inspected during the 2021-22 year.</p>
<p>Measure and Target 2022-23 19.3</p> <p>Measure: The number of schemes reviewed.</p> <p>Target: One scheme per year.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Not achieved</p> <p>No schemes reviews were completed in 2023. All schemes are being included in the rating scheme review, as part of the LTP planning process. This would result in a region-wide review of all rating schemes prior to the adoption of the next Long-term Plan.</p>
<p>Measure and Target 2021-22 19.3</p> <p>Measure: The number of schemes reviewed.</p> <p>Target: One scheme per year.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>An external contractor was engaged to undertake a scheme review for the Lake Hawkins Rating District. This is one of eight rating districts: Te Anau, Waiau, Aparima, Matura, Oreti, Makarewa, Lake Hawkins and Invercargill.</p>



Climate change and climate resilience highlight

Climate resilience projects helping protect Murihiku Southland

Environment Southland is engaged in projects to help ensure vulnerable towns in our region are more resilient for the future. Stopbanks are a critical part of Southland’s flood defences, providing a level of security in the face of potentially devastating flooding effects.

Stopbank improvements across Murihiku Southland progressed during the year, as part of the Resilient River Communities project. Improvements continue to our flood protection networks in Gore, Mataura, Wyndham and Waihōpai Invercargill.

Last year, while a geophysical report found there was no obvious structural damage to the stopbanks on the Mataura River as a result of the 2020 flood event, river engineers raised concerns about a 600m section along the Mataura township that was at risk of erosion.

Work completed in April 2023, saw around 27,000 tonnes of rock used to protect the stopbank.

The replacement of the Stead Street Pump Station, including the provision of fish-friendly Archimedes screw pumps is well advanced. The station will provide Invercargill-Waihōpai, including Invercargill Airport, with protection from inundation for the next 50 years.

The existing pumps were at the end of their life and the new ones will be critical to the 116 properties in the immediate area and a lifeline for the airport, which supports 320,000 passengers plus freight each year.

+ **Performance snapshot**

14,000

tonnes of gravel removed from Mataura River gravel island to fill Gore stop bank

Zero

greenhouse gas emissions target by 2050

4

projects underway to upgrade flood protection in Gore, Wyndham, Mataura and Invercargill Waihōpai

516 km

Southland stop bank protection maintained

Funding Impact Statement - Climate Change and Community Resilience
for the year ended 30 June 2023

Annual Plan 2021/22	Actual 2021/22		Actual 2022/23	Annual Plan 2022/23	LTP 2022/23
\$000	\$000	Sources of Funding	\$000	\$000	\$000
2,224	2,285	General rates, uniform annual charges, rates penalties	2,409	2,341	2,504
3,879	3,872	Targeted rates	4,080	4,093	4,041
1,118	2,174	Fees and charges	2,331	1,680	1,151
-	-	Internal Charges and overheads recovered	-	-	-
1,811	1,834	Local authorities fuel tax, fines, infringement fees and other receipts	2,049	1,899	1,849
9,032	10,166	Total Operating Funding	10,869	10,013	9,546
		Applications of Operating Funding			
7,009	7,170	Payments to staff and suppliers	7,694	8,035	7,125
14	-	Financing Costs	-	14	23
-	-	Internal Charges and overheads recovered	-	-	-
1,778	2,114	Other operating funding applications	2,185	1,657	1,842
8,800	9,284	Total Applications of Operating Funding	9,879	9,705	8,990
232	882	Surplus/(deficit) of operating funding	990	307	555
		Sources of capital funding			
8,758	2,220	Subsidies and grants for capital expenditure	3,862	6,636	4,071
-	-	Development and financial contributions	-	-	-
-	-	Increase / (decrease) in debt	-	5,212	2,446
-	-	Other dedicated capital funding	-	-	-
-	-	Gross proceeds from the sale of assets	-	45	45
-	-	Lump sum contributions	-	-	-
8,758	2,220	Total sources of capital funding	3,862	11,893	6,562
		Applications of capital funding			
		Capital expenditure			
-	-	- to meet additional demand	8	-	-
9,035	798	- to improve the level of service	-	11,758	5,217
2,653	86	- to replace existing assets	195	129	123
(2,720)	2,408	Increase/(decrease) in Reserves	4,508	289	1,752
22	(190)	Increase/(decrease) in Investments	142	24	25
8,990	3,102	Total applications of capital funding	4,852	12,201	7,117
(232)	(882)	Surplus/(deficit) of capital funding	(990)	(307)	(555)
		Funding Balance			
174	156	Depreciation expense (not included in the above FIS)	159	175	230
-	21	Impairment expense (not included in the above FIS)	21	-	-

5. Coast and Marine

Our aspirations for coast and marine

Over the next 10 years, the Council will work with iwi, communities, other councils and organisations to ensure our Regional Coastal Plan gives effect to national direction. Outstanding landscapes and significant indigenous biodiversity are protected and it is safe to access and use our coastal areas.

At a glance...



Community Connection

Environment Southland is responsible for the integrated management of the coastal marine area, as well as ensuring that users of coastal waters do so in a safe way. Murihiku Southland’s coast is the longest of any region in New Zealand and extends from Fiordland in the west round to the Catlins in the east and also includes Rakiura Stewart Island.

Our performance and delivery against targets

Regulation and Planning Activity

This activity focuses on the Council’s regional planning, regulatory and compliance activities under the RMA. A key project under this activity is the review of the Regional Coastal Plan.

The Regional Coastal Plan review has been underway for three years and involves multiple stakeholders and agencies with roles and responsibilities in the coastal marine area. These include iwi, territorial authorities, the Department of Conservation, Fiordland Marine Guardians and the community.

The implementation of the New Zealand Coastal Policy Statement through the review of the Regional Coastal Plan will provide an opportunity to reassess the way we manage a number of activities including cruise ships and commercial surface water activities in our unique and outstanding areas of the coastal marine area, including Milford Sound.

LEVEL OF SERVICE 20

Regulatory processes, plans and resources are in place to identify and protect significant or at-risk elements of the coastal marine area, including enforcement when necessary.

Measure and 2022-23 Target 20.1

Measure: The Southland Regional Coastal Plan is operative and complies with the NZ Coastal Policy Statement.

Target: Revised Regional Coastal Plan notified in the first half of 2023.

Results for 2022-23

Partially achieved

The review of the Regional Coastal Plan has progressed throughout the year in partnership with Te Ao Mārama Inc.

Publically notified plan change 5 to the Regional Coastal Plan for Southland (Section 16 - Surface water activities on the internal waters of Fiordland from Yates Point to Puysegur Point).

The surface water activities hearing was completed before the end of the financial year. The work programme and scope confirmation of remaining policy direction for the wider Regional Coastal Plan review is still being progressed. This is anticipated in the first quarter of the 2023-24 financial year.

Measure and 2021-22 Target 20.1

Measure: The Southland Regional Coastal Plan is operative and complies with the NZ Coastal Policy Statement.

Target: Revised Regional Coastal Plan continues,

Results for 2021-22

Achieved

The review of the Regional Coastal Plan has progressed throughout the year in partnership with Te Ao Mārama Inc.

Science, Research and Monitoring Activity

This activity focuses on understanding the state of the coastal marine area monitoring ends and undertaking research to understand and respond to emerging issues. This information is used to inform Council policies, plans and engagement with the community.

There is limited information on the current state of the environment and the potential impacts of climate change and sea level rise. Open ocean aquaculture is new to Murihiku Southland and has been identified as an area that would benefit from further investigation and research. New and adaptive management approaches to ensure risks to the environment are minimised have also been identified as a priority research area for this LTP.

<p>LEVEL OF SERVICE 21 Regular monitoring to track progress and identify risks to coastal marine area.</p>	
<p>Measure and 2022-23 Target 21.1 Measure: Undertake regular monitoring of recreational bathing sites at beaches in the coastal marine area. Target: 13 sites monitored regularly between 1 December and 31 March.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Achieved</p> <p>The recreational bathing and summer monitoring programmes were undertaken between 1 December 2022 and 31 March 2023, with analysis and reporting occurring in the fourth quarter of the year.</p>
<p>Measure and 2021-22 Target 21.1 Measure: Undertake regular monitoring of recreational bathing sites at beaches in the coastal marine area. Target: 13 sites monitored regularly between 1 December and 31 March.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>The recreational bathing and summer monitoring programmes were undertaken between 1 December 2021 and 31 March 2022, with analysis and reporting occurring in the fourth quarter of the year.</p>

<p>Measure and 2022-23 Target 21.2</p> <p>Measure: Strategic assessment of coastal information needs.</p> <p>Target: Completion of project plan setting out the work programme. <i>(carried over from 2021-22 year)</i></p> <p><i>2022-23 Performance Target:</i> Project milestones are achieved.</p>	<p>Results for 2022-23</p> <p>Not achieved</p> <p>A coastal science strategic assessment report was completed by an external provider in December 2022. Staff are now working with our partners, Te Ao Marama Inc, on the development of a coastal monitoring plan and milestones, with the design of the monitoring programme currently underway.</p>
<p>Measure and 2021-22 Target 21.2</p> <p>Measure: Strategic assessment of coastal information needs.</p> <p>Target: Completion of project plan setting out the work programme.</p>	<p>Results for 2021-22</p> <p>Not achieved</p> <p>A contract with an external provider was put in place with the work to be completed in September 2022.</p>
<p>Measure and 2022-23 Target 21.3</p> <p>Measure: Increased knowledge of significant or at risk marine ecological areas.</p> <p>Target: Ground-truthing of baseline information on significant or at-risk marine ecological areas is achieved.</p>	<p>Results for 2022-23</p> <p>Not achieved</p> <p>This project was advanced under the guidance of the joint Environment Southland - Te Ao Mārama Inc Coastal Steering Group. Meetings occur monthly, where matters such as marine ecological areas are discussed. The identification of these areas will be done to inform the review of the Regional Coastal Plan.</p> <p>See comments under target 20.1 regarding notification date.</p>
<p>Measure and 2021-22 Target 21.3</p> <p>Measure: Increased knowledge of significant or at risk marine ecological areas.</p> <p>Target: Ground-truthing of baseline information on significant ecological areas and threats (baseline information)</p>	<p>Results for 2021-22</p> <p>Achieved</p> <p>This project was advanced under the guidance of the joint Environment Southland - Te Ao Mārama Inc Coastal Steering Group. Meetings occur monthly, where matters such as marine ecological areas are discussed. The identification of these areas will be done to inform the review of the Regional Coastal Plan.</p>

Community Engagement and Education Activity

Council provides boating education and works with community to ensure the safe use of the coastal marine area. It also provides information to increase community understanding of the marine environment.

LEVEL OF SERVICE 22 Highly visible and engaging education programme about how to safely enjoy the coastal marine area and Inland Lakes and to increase community understanding of the marine environment.	
Measure and 2022-23 Target 22.1 Measure: Effective engagement with community groups and individuals. Target: Baseline for measuring the effectiveness of our engagement with community groups and individuals is achieved.	Results for 2022-23 Achieved The baseline established for this performance measure is the "Percentage of vessels surveyed at boat ramps and on water that meet the minimum requirements for safety gear on board (on board communication and personal floatation devices)" and the baseline value is "98%".
Measure and 2021-22 Target 22 Measure: Effective engagement with community groups and individuals. Target: Establish methodology for measuring the effectiveness of our engagement with community groups and individuals.	Results for 2021-22 Achieved A methodology for the insights programme was developed during the year, which was reviewed by the Strategy, Planning & Engagement Group on 15 June 2022.

Partnerships Activity

Council works collaboratively with iwi, councils, research entities, groups, agencies, homeowners and businesses to increase knowledge and improve the integrated management of the coastal marine area. Examples include partnering with Land Information New Zealand to increase the coverage of benthic mapping in Murihiku Southland and active engagement in the operationalisation of the Milford Opportunities Project's Master Plan.

LEVEL OF SERVICE 23 Council works with iwi, councils, research entities, the community, businesses and community organisations to sustainably manage the coastal marine area.	
Measure and 2022-23 Target 23.1 Measure: Develop a structured partnership plan for the coastal marine area. Target: Develop a structured partnership plan for the coastal marine area. <i>(carried over from 2021-22 year)</i> <i>2022-23 Performance Target:</i> Target to be developed as part of the partnership plan.	Results for 2022-23 Not achieved Both staff and contractor resources have continued to be focused on other areas, resulting in this work being deferred to 2023-24 financial year.
Measure and 2021-22 Target 23 Measure: Develop a structured partnership plan for the coastal marine area. Target: Develop a structured partnership plan for the coastal marine area.	Results for 2021-22 Not achieved Staffing vacancies meant that this work has been deferred until the 2022-23 year.

Council Operations Activity

The Council has delegated responsibility from Maritime New Zealand for navigation safety and harbour management responsibilities for the region. It is also responsible for providing effective response capability for oil spills that occur in the region’s coastal waters.

<p>LEVEL OF SERVICE 24 Maintain safe and navigable waterways in the region to protect the people using them.</p>	
<p>Measure and 2022-23 Target 24.1 Measure: The risk assessment regime and Safety Management System is consistent with the NZ Port and Harbour Marine Safety Code and compliant with International Standards Organisation (ISO) 9001:2015 certification for customer focus, quality management and continual improvement. Target: Undertake a review to confirm consistency with the Code and compliance with ISO 9001:2015.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Achieved</p> <p>The Environment Southland and South Port Bluff Safety Management Systems (SMS) were combined and reviewed during the year to ensure consistency with the Port & Harbour Marine Safety Code.</p> <p>All remaining SMS have been reviewed and deemed consistent with the Code.</p>
<p>Measure and 2021-22 Target 24.1 Measure: The risk assessment regime and Safety Management System is consistent with the NZ Port and Harbour Marine Safety Code and compliant with International Standards Organisation (ISO) 9001:2015 certification for customer focus, quality management and continual improvement. Target: Undertake a review to confirm consistency with the Code and compliance with ISO 9001:2015.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>The Environment Southland and South Port Bluff Safety Management Systems (SMS) were combined and reviewed during the year to ensure consistency with the Port & Harbour Marine Safety Code. All remaining SMS have been reviewed and deemed consistent with the Code.</p>

Measure and 2022-23 Target 24.2

Measure: Ensure availability of an operational and emergency response function, and a qualified, experienced and independent regional harbourmaster to provide guidance on the safe navigation of vessels within the region.

Target: Ensure advice and information from appropriate staff is available during working hours on weekdays and that a 24 hour 7 day environmental incidents response service is provided.

Results for 2022-23

Achieved

A 24 hour a day, 7 day a week response service continued to be provided by the Maritime team.

Recruitment of a Deputy Harbourmaster and a Navigation Safety Officer has increased the Maritime team's capability to respond to multiple events and provide additional operational coverage in the Southland region.

During staff absences additional coverage is sourced through a casual contractor and regional collaboration with other harbourmasters.

Measure and 2021-22 Target 24.2

Measure: Ensure availability of an operational and emergency response function, and a qualified, experienced and independent regional harbourmaster to provide guidance on the safe navigation of vessels within the region.

Target: Ensure advice and information from appropriate staff is available during working hours on weekdays and that a 24 hour 7 day environmental incidents response service is provided.

Results for 2021-22

Achieved

A 24 hour a day, 7 day a week response service continued to be provided by the Harbourmaster with contractor support.

Recruitment for a Deputy Harbourmaster role occurred throughout the year but the position is not yet filled due to a tight job market. The casual contract with the previous Deputy Harbourmaster remains in place until a permanent replacement can be found and suitable training of that individual has been undertaken.

Funding for a Navigation Safety Officer FTE has been sourced and a job description for the position has been developed.



Coast and marine highlight

Riverton oil spill exercise tests Environment Southland response

Realistic maritime training scenarios play an important role in helping protect our marine and coastal environments from pollution.

Southland's coastline is 3,400km long; the longest of any region in New Zealand, so being prepared to protect it when things go awry is essential.

In March 2023, Environment Southland led an exercise to test its response to an oil spill along the Southland coastline.

The trained oil spill response team members were faced with a charter boat capsized scenario at the mouth of the Riverton Harbour. To prepare for such situations, staff take part in two exercises per year to ensure they are prepared and their resources and skills are up to the required Maritime New Zealand standards.

The scenario in the exercise was managing a charter boat capsized and marine lube oil leak along North Beach and Taramea Bay. During the exercise, staff were tasked with making plans and deploying booms, skimmers and other oil spill response equipment.

Staff need to take everything into consideration – wind, tide and the weather all have an impact on how the team approach responding to an oil spill. Their priorities are to contain the pollution, and look at what needs to be done to protect any marine wildlife or special coastal ecosystems. Liaising with iwi and stakeholders such as other councils and relevant environmental organisations is another important aspect of the exercise.

They successfully deployed booms and skimmers, which are commonly used to manage oil spills to protect sensitive marine waters, and provide an important tool for minimising any environmental impact.

The exercise was a success and provided valuable on the water training for the oil spill response team.

Performance snapshot

	<p>13 coastal swimming sites monitored for health risks during summer</p> <p>.....</p>
	<p>98% of vessels surveyed met minimum requirements for onboard safety gear</p> <p>.....</p>
	<p>\$2.1^M in marine fees received</p>

Funding Impact Statement - Coast & Marine
for the year ended 30 June 2023

Annual Plan 2021/22	Actual 2021/22		Actual 2022/23	Annual Plan 2022/23	LTP 2022/23
\$000	\$000	Sources of Funding	\$000	\$000	\$000
60	-	- General rates, uniform annual charges, rates penalties	-	-	61
-	-	- Targeted rates	-	-	-
332	327	Fees and charges	2,408	328	443
-	-	- Internal Charges and overheads recovered	-	-	-
19	-	- Local authorities fuel tax, fines, infringement fees and other receipts	-	-	19
411	327	Total Operating Funding	2,408	328	523
		Applications of Operating Funding			
747	758	Payments to staff and suppliers	632	718	768
-	-	- Financing Costs	-	-	1
-	-	- Internal Charges and overheads recovered	-	-	-
408	328	Other operating funding applications	331	343	422
1,156	1,086	Total Applications of Operating Funding	963	1,061	1,190
(744)	(759)	Surplus/(deficit) of operating funding	1,445	(733)	(667)
		Sources of capital funding			
-	-	- Subsidies and grants for capital expenditure	-	-	-
-	-	- Development and financial contributions	-	-	-
-	-	- Increase / (decrease) in debt	-	-	-
-	-	- Other dedicated capital funding	-	-	-
-	-	- Gross proceeds from the sale of assets	-	-	-
-	-	- Lump sum contributions	-	-	-
-	-	Total sources of capital funding	-	-	-
		Applications of capital funding			
		Capital expenditure			
-	-	- to meet additional demand	97	-	-
-	-	- to improve the level of service	-	-	-
-	-	- to replace existing assets	-	15	-
(754)	(695)	Increase/(decrease) in Reserves	1,299	(758)	(678)
10	(64)	Increase/(decrease) in Investments	50	10	11
(744)	(759)	Total applications of capital funding	1,445	(733)	(667)
744	759	Surplus/(deficit) of capital funding	(1,445)	733	667
-	-	Funding Balance	-	-	-
46	54	Depreciation expense (not included in the above FIS)	62	46	47
-	2	Impairment expense (not included in the above FIS)	2	-	-

6. Regional Leadership

Our aspirations for regional leadership

Over the next 10 years, the Council will work with iwi, communities, other councils and organisations to ensure an integrated approach to achieving strategic outcomes for the region.

At a glance...

16

Level of
Service Targets:

12

ACHIEVED

4

NOT
ACHIEVED

Community Connection

The Regional Leadership group of activities reflect the ways in which Environment Southland acts on its obligations to provide responsible leadership for regionally significant activities. This group of activities focuses on the opportunities in leading and partnering with all stakeholders to protect, enhance and achieve value from the region's natural resources.

Our performance and delivery against targets

Regulation and Planning Activity

These activities are wide ranging but include regional transport, long-term planning and joint approaches on regional planning matters such as RMA reform and planning standards, as well as corporate strategic planning.

Regional Transport: Regional transport management is a responsibility of Council set by legislation. Council is responsible for setting the strategic direction and long-term goals for the region's transport infrastructure and provides guidance to Road Controlling Authorities (territorial authorities and Waka Kotahi NZ Transport Agency) on the preparation of their roading programmes to obtain funding from the National Land Transport Fund.

Otago and Southland Regional Councils work collaboratively via the Regional Transport Committees to develop the Otago Southland Regional Land Transport Plans (RLTP). The RLTP sets the strategic direction for land transport in Murihiku Southland and lists the recommended activities for funding from the National Land Transport Fund administered by Waka Kotahi NZ Transport Agency.

Regional Planning: Regional Policy Statements prepared by regional councils are intended to play a key role in achieving an integrated approach to the management of the natural and physical resources of the region. The Southland Regional Policy Statement will be reviewed during the period covered by this LTP.

Similarly, the work of the Regional Planning Working Group (made up of senior planning staff from the four local authorities and Te Ao Mārama Inc) is designed to enable a joined up approach to regional matters, predominately in the RMA space.

These items include a co-ordinated collaborative approach to RMA reform and National Planning Standard implementation, as well as a number of joint projects such as Light Detection and Ranging (LiDAR) acquisition.

The Government has indicated it plans to repeal the RMA and replace it with three new pieces of legislation by the end of 2022, which will have significant implications for regional planning.

Long-term Planning: Under the Local Government Act 2002, Council must meet planning and reporting requirements aimed at ensuring that communities are involved in setting the direction and focus for Council activities. The Long-term Plan, Annual Plans and Annual Reports are the main mechanisms for achieving this.

Ensuring value for money for the community relies on Council making sound financial decisions and the community having input into what activities should be undertaken and how they should be funded. This programme of work enables this to happen.

<p>LEVEL OF SERVICE 25 Provide and implement a Regional Policy Statement to achieve integrated management of natural and physical resources in Murihiku Southland.</p>	
<p>Measure and 2022-23 Target 25.1 Measure: Progress a review of the Southland Regional Policy Statement. Target: Undertake a review of the Regional Policy Statement (including seeking input from iwi and the community). <i>(carried over from 2021-22 year)</i> <i>2022-23 Performance Target:</i> Notify the reviewed Regional Policy Statement.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Not achieved</p> <p>Given delays to national legislation, including the deadline for the National Planning Standards being delayed to 2024, the review of the Regional Policy Statement (RPS) has been narrowed to focus only on freshwater at this time.</p> <p>Council has since directed staff to advance one other element of the RPS changes to reflect challenges being faced with associated with increasing carbon forestry. This is currently being discussed with the territorial authorities and Te Ao Marama Inc.</p>
<p>Measure and 2021-22 Target 25.1 Measure: Progress a review of the Southland Regional Policy Statement. Target: Undertake a review of the Regional Policy Statement (including seeking input from iwi and the community)</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Not achieved</p> <p>Given delays to national legislation, including the deadline for the National Planning Standards being delayed to 2024, the review of the Regional Policy Statement (RPS) has been narrowed to focus only on freshwater at this time.</p> <p>Draft freshwater visions which have been developed in partnership with iwi and as required by the NSPFM 2020, are currently out for consultation. The results of this consultation will inform further changes to the RPS as well as the Plan Change Tuatahi to come.</p>

<p>Measure and 2022-23 Target 25.2</p> <p>Measure: Work collaboratively with the region’s territorial authorities to implement and give effect to the Regional Policy Statement and RMA reforms.</p> <p>Target: Provide planning support for Southland territorial authorities completing District Plan reviews and changes on issues of regional significance.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Achieved</p> <p>The Planning and Strategy Managers from ES and the territorial authorities continued to work together on these matters. The 2nd Tier Environmental Group (2TEG) also met to support and steer these workstreams.</p>
<p>Measure and 2021-22 Target 25.2</p> <p>Measure: Work collaboratively with the region’s territorial authorities to implement and give effect to the Regional Policy Statement and RMA reforms.</p> <p>Target: Provide planning support for Southland territorial authorities completing District Plan reviews and changes on issues of regional significance.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>The Planning and Strategy Managers from ES and the territorial authorities continued to work together on these matters. The 2nd Tier Environmental Group (2TEG) also met to support and steer these workstreams.</p>

<p>LEVEL OF SERVICE 26</p> <p>Council’s planning and reporting functions meet statutory requirements and demonstrate sound business planning</p>	
<p>Measure and 2022-23 Target 26.1</p> <p>Measure: Council’s LTP, Annual Plan and Annual Reports meet audit requirements.</p> <p>Target: Unqualified audit opinion achieved for Annual Report. No audit on Annual Plan.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Achieved</p> <p>An unqualified audit opinion for the 2021-2031 LTP was achieved. The audit report for the 2021-22 Annual Report was also unqualified.</p>
<p>Measure and 2021-22 Target 26.1</p> <p>Measure: Council’s LTP, Annual Plan and Annual Reports meet audit requirements.</p> <p>Target: Unqualified audit opinion achieved for LTP and Annual Report.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>An unqualified audit opinion for the 2021-2031 LTP was achieved. The audit report for the 2020-21 Annual Report was also unqualified.</p>

<p>Measure and 2022-23 Target 26.2</p> <p>Measure: Analyse and respond to direction from central government and proposed new legislation and statutory tools that affect the Council’s statutory responsibilities and work programmes.</p> <p>Target: Prepare advice on proposed new legislation and statutory tools that are relevant to Environment Southland’s activities.</p>	<p>Results for 2022-23</p> <p>Achieved</p> <p>This is an ongoing task. During the year, staff assessed, sought Council feedback and provided consultation responses on a number of pieces of central government direction.</p>
<p>Measure and 2021-22 Target 26.2</p> <p>Measure: Analyse and respond to direction from central government and proposed new legislation and statutory tools that affect the Council’s statutory responsibilities and work programmes.</p> <p>Target: Prepare advice on proposed new legislation and statutory tools that are relevant to Environment Southland’s activities.</p>	<p>Results for 2021-22</p> <p>Achieved</p> <p>This is an ongoing task. During the year, staff assessed, sought Council feedback and provided consultation responses on a number of pieces of central government direction.</p>

<p>LEVEL OF SERVICE 27</p> <p>Deliver efficient and effective consenting and compliance monitoring and enforcement services.</p>	
<p>Measure and 2022-23 Target 27.1</p> <p>Measure: Ensure consenting processes are effective.</p> <p>Target: Baseline for measuring the effectiveness of our consenting processes is established.</p>	<p>Results for 2022-23</p> <p>Achieved</p> <p>The baseline established for this performance measure is "Percentage of consents processed within statutory timeframes" and the baseline value is 99%. This shows whether our consenting processes meet legislative requirements set to measure the effectiveness of the process.</p>
<p>Measure and 2021-22 Target 27.1</p> <p>Measure: Ensure consenting processes are effective.</p> <p>Target: Establish methodology for measuring the effectiveness of our consenting processes is established.</p>	<p>Results for 2021-22</p> <p>Achieved</p> <p>A methodology for measuring the effectiveness of Environment Southland’s engagement with the community (an insights programme) was developed during the year and included consideration of how to measure the effectiveness</p>

	<p>of consenting processes. This methodology will be implemented in the 2022-23 year.</p> <p>Work on an overall performance management framework will also continue in the 2022-23 year.</p> <p>Timeframe compliance is an important measure of the effectiveness of the consent process. Resource consent processing timeframes were measured during the year and were 99% compliant (one application went over time in the year). This included situations where the applicant had agreed to a processing timeframe extension.</p>
<p>Measure and 2022-23 Target 27.2</p> <p>Measure: Monitor priority consents, as identified in the Environment Southland Compliance Plan, to ensure compliance with consent conditions.</p> <p>Target: Monitor at least 80% of high risk consents.</p>	<p>Results for 2022-23</p> <p style="text-align: center;">Achieved</p> <p>The target of 80% of priority consents was reached by 30 June 2023 despite resourcing challenges earlier in the year. Priority consents for monitoring are farm dairy effluent discharge permits, water permits for takes over 20 litres per second and air discharge permits.</p>
<p>Measure and 2021-22 Target 27.2</p> <p>Measure: Monitor priority consents, as identified in the Environment Southland Compliance Plan, to ensure compliance with consent conditions.</p> <p>Target: Monitor at least 80% of high risk consents.</p>	<p>Results for 2021-22</p> <p style="text-align: center;">Achieved</p> <p>The target of 80% of priority consents was reached by 30 June 2022 despite resourcing challenges earlier in the year. Priority consents for monitoring are farm dairy effluent discharge permits, water permits for takes over 20 litres per second and air discharge permits.</p>

Community Engagement and Education Activity

Communication and engagement are strategic functions for Council that work across the organisation. It plays a part in the statutory business of Council, but also has a much wider role in building relationships with stakeholders and Murihiku Southland communities.

The outcomes sought by the organisation require a community effort. Interaction through the sharing of relevant information and ideas via appropriate channels is essential for helping to build the momentum and participation needed to develop and implement solutions to meet those outcomes.

One such project for this activity is Enviroschools, which is a programme that takes a whole school approach to environmental education.

LEVEL OF SERVICE 28

Murihiku Southland residents are engaged and enabled to play an active part in shaping our region's future.

Measure and 2022-23 Target 28.1

Measure: Monitor and review effectiveness of engagement with the community.

Target: Baseline for measuring the effectiveness of our engagement with the community is established.

Results for 2022-23

Not achieved

A baseline option for the implementation of the insights programme was developed during the first half of the 2022-23 financial year, however it has been determined that this should be reviewed as part of the customer/stakeholder strategy currently in development.

Measure and 2021-22 Target 28.1

Measure: Monitor and review effectiveness of engagement with the community.

Target: Establish methodology for measuring the effectiveness of our engagement with the community is established.

Results for 2021-22

Achieved

A methodology for the insights programme was developed during the year, which was reviewed by the Strategy, Planning & Engagement Group on 15 June 2022.

Measure and 2022-23 Target 28.2

Measure: Raise community awareness of Council's role and actively promote and enable opportunities for participation.

Target: Baseline for Antenno use is established (e.g. push notifications, incidents reported and views).

Results for 2022-23

Achieved

Work continued in this area over the year. Antenno, a digital app for two-way communication with the public for push notifications and receiving reports such as pollution incidents was launched in August 2022.

A year-long collection of data will be complete by the end of August 2023.

Measure and 2021-22 Target 28.2

Measure: Raise community awareness of Council's role and actively promote and enable opportunities for participation.

Target: Investigate new mechanisms for community engagement.

Results for 2021-22

Achieved

Work continued in this area over the year. A new keystone online portal was established that accommodates both statutory and non-statutory consultations. Antenno, a digital app for two-way communication with the public, is also being finalised for push notifications and receiving reports such as pollution incidents.

Partnerships Activity

Council works with iwi, local authorities and other organisations to deliver for Murihiku Southland communities. This enables Council to deliver better outcomes and do it more efficiently and effectively than it could achieve by itself.

Relationship with Māori: Environment Southland’s relationship with tangata whenua in Murihiku Southland is unique. Environment Southland together with six other local authorities from around Southland and Otago are signatories in a Charter of Understanding with the four papatipu rūnanga in Murihiku Southland. This is a shared relationship between the parties that assists tangata whenua and local government to undertake day-to-day business and also satisfy the legal requirements for local government to assist Māori in building capacity and participating in decision-making. The councils jointly assist tangata whenua with a range of resourcing and assistance to enable Māori to be engaged.

Regional Initiatives and Collaboration: Various situations and projects arise where local government, iwi and other organisations jointly need to be involved. Mechanisms to allow this to occur include the Mayoral Forum, Te Rōpū Taiao and Regional Planning Working Group. An example of a collaboration is the Southland Regional Development Strategy (SoRDS) work where the councils, together with the community and businesses, have set out an action plan to work on a variety of projects that will assist Murihiku Southland to gain more from its natural advantages in people, innovation and education. That work will be ongoing.

LEVEL OF SERVICE 29 Council works in partnership with iwi, local authorities and other organisations to deliver better outcomes.	
Measure and 2022-23 Target 29.1 Measure: Monitor and review effectiveness of partnerships with other organisations. Target: Baseline for measuring the effectiveness of our partnerships with other organisations is established.	Results for 2022-23 Not achieved A baseline option for the implementation of the insights programme was developed during the first half of the 2022-23 financial year, however it has been determined that this should be reviewed as part of the customer/stakeholder strategy currently in development.
Measure and 2021-22 Target 29.1 Measure: Monitor and review effectiveness of partnerships with other organisations. Target: Establish methodology for measuring the effectiveness of our partnerships with other organisations is established.	Results for 2021-22 Achieved A methodology for the insights programme was developed during the year, which was reviewed by the Strategy, Planning & Engagement Group on 15 June 2022.

<p>Measure and 2022-23 Target 29.2</p> <p>Measure: Participate in governance and management forums (Mayoral Forum, Te Rōpū Taiao and Regional Planning Working Group).</p> <p>Target: Participate in all Mayoral Forum, Te Rōpū Taiao and Regional Planning Working Group hui during the year.</p>	<p>Results for 2022-23</p> <p>Achieved</p>
<p>Measure and 2021-22 Target 29.2</p> <p>Measure: Participate in governance and management forums (Mayoral Forum, Te Rōpū Taiao and Regional Planning Working Group).</p> <p>Target: Participate in all Mayoral Forum, Te Rōpū Taiao and Regional Planning Working Group hui during the year.</p>	<p>Results for 2021-22</p> <p>Achieved</p>
<p>Measure and 2022-23 Target 29.3</p> <p>Measure: Demonstrate commitment to investigating new co-governance/co-management arrangements.</p> <p>Target: Progress discussions with Te Ao Mārama Inc and papatipu rūnanga regarding the co-governance and co-management arrangements proposed in the 2020 report Ngāi Tahu ki Murihiku Freshwater Objectives.</p>	<p>Results for 2022-23</p> <p>Achieved</p> <p>The co-governance discussions with Te Ao Mārama Inc and papatipu rūnanga form part of the hauora planning being advanced as part of the overall water policy development workstream.</p>
<p>Measure and 2021-22 Target 29.3</p> <p>Measure: Demonstrate commitment to investigating new co-governance/co-management arrangements.</p> <p>Target: Progress discussions with Te Ao Mārama Inc and papatipu rūnanga regarding the cogovernance and comanagement arrangements proposed in the 2020 report Ngāi Tahu ki Murihiku Freshwater Objectives.</p>	<p>Results for 2021-22</p> <p>Achieved</p> <p>Co-governance was discussed at joint Council and Te Ao Mārama Inc workshops during the year as part of the discussions on the Regional Forum advice and development of Plan Change Tuatahi.</p>

Governance Activity

This activity consists of elected members and the support provided to them to meet their decision-making responsibilities in an open and transparent manner.

The Governance Activity is responsible for the representation structure, the administration of the triennial elections, elected members' remuneration and expenses, ensuring Council, committee and co-governance meetings comply with legislative requirements and elected members receive appropriate information in a timely way to support the decision-making process.

<p>LEVEL OF SERVICE 30 Enable good governance and democratic decision-making.</p>	
<p>Measure and 2022-23 Target 30.1 Measure: Percentage of Council and Committee meeting agendas (for all scheduled meetings) that are available at least two working days before the meetings. Target: 100%</p>	<p>Results for 2022-23</p> <p>Not achieved</p> <p>The target was not met on two occasions:</p> <ol style="list-style-type: none"> 1. an administrative error in putting documents into wrong folder. Paper was received in time for meeting, but not within statutory deadlines; and 2. two supporting appendices were tabled at the meeting rather than included in the agendas.
<p>Measure and 2021-22 Target 30.1 Measure: Percentage of Council and Committee meeting agendas (for all scheduled meetings) that are available at least two working days before the meetings. Target: 100%</p>	<p>Results for 2021-22</p> <p>Achieved</p>
<p>Measure and 2022-23 Target 30.2 Measure: Percentage of draft Council and Committee meeting minutes available on the Council website within six weeks of the meeting. Target: 100%</p>	<p>Results for 2022-23</p> <p>Achieved</p>
<p>Measure and 2021-22 Target 30.2 Measure: Percentage of draft Council and Committee meeting minutes available on the Council website within six weeks of the meeting. Target: 100%</p>	<p>Results for 2021-22</p> <p>Achieved</p>

Operations Activity

Data is one of the Council's most significant assets. This activity comprises the work being done to build its value to the community and improve access to support decision-making in the region by both individuals and organisations.

LEVEL OF SERVICE 31

Collect, maintain and share quality-assured data.

Measure and 2022-23 Target 31.1

Measure: Implement data governance procedures to curate and share our data.

Target: Develop a data governance framework. *(carried over from 2021-22 year)*

2022-23 Performance Target:

The performance targets for the 2022-23 year and subsequent years will be developed in the first half of the 2023 financial year.

Results for 2022-23

Achieved

A revised Information Management Strategy 2022-2024 is complete. The Strategy outlines the performance targets for the coming years (2022-2024).

For 2023, the performance targets were:

- to develop an Information Management Strategy and work programme;
- to establish a Governance Group ;
- to put in place IM development plans for the Information Management Teams;
- to develop an IM Policy;
- to develop a training programme and IM Policy, procedures and systems for all employees;
- to investigate Digitisation of Physical Records;
- to establish a Data Quality Assurance Project;
- to develop reporting;
- to complete Archives New Zealand IM Maturity Assessment.

The IM Governance Group and IM Stewards Group have been established.

The first meeting of the IM Stewards Group was held and the drafting of the Data Quality Assurance Plan has commenced.

Work has commenced on drafting the new Information Management Policy, which will establish a set of standards for information management.

The Digitisation project was piloted in June 2023.

Information Management is being reported quarterly to the Finance and Performance Committee.

The reassessment of Archives New Zealand information management maturity has been completed and the overall results were reported to the 23 August 2023 meeting of the Finance and Performance Committee.

<p>Measure and 2021-22 Target 31.1</p> <p>Measure: Implement data governance procedures to curate and share our data.</p> <p>Target: Develop a data governance framework.</p>	<p>Results for 2021-22</p> <p>Not achieved</p> <p>A revised Information Management Strategy is being developed and will include a data governance framework. The Strategy will inform work programmes to improve our Information Management Maturity. The revised draft has been through a second review and will be completed by end of September 2022.</p>
<p>Measure and 2022-23 Target 31.2</p> <p>Measure: Explore and develop innovative data services.</p> <p>Target: Completion of a project plan for the investigation of new tools and methods to 'bring data to life' and improve access to data for the community. This will set out the work programme and performance targets for subsequent years. <i>(carried over from 2021-22 year)</i></p> <p><i>2022-23 Performance Target:</i> The performance targets for the 2022-23 year and subsequent years will be developed in the first half of the 2023 financial year.</p>	<p>Results for 2022-23</p> <p>Achieved</p> <p>An internal project team was brought together to review opportunities to bring data to life. A project plan was completed and this year's target was to progress three key projects:</p> <ol style="list-style-type: none"> 1. a groundwater data portal available to the public bringing together bore information, bore logs, groundwater quality and discrete groundwater level data. 2. webcams set up at key river sites across the region to give visual updates of the site flow and other environmental conditions. This will be available to the public online alongside Envdata. 3. a Natural Hazards Viewer – this will be a self-service portal for the community to access natural hazard data. <p>The webcams and groundwater data portal project have gone live on the Environment Southland website.</p> <p>A hazard enquiry portal on Environment Southland's website is ready for internal testing.</p>

<p>Measure and 2021-22 Target 31.2</p> <p>Measure: Explore and develop innovative data services.</p> <p>Target: Completion of a project plan for the investigation of new tools and methods to 'bring data to life' and improve access to data for the community. This will set out the work programme and performance targets for subsequent years.</p>	<p>Results for 2021-22</p> <p>Not achieved</p> <p>A number of initiatives to improve community access to data were undertaken during the year. For example, the Intensive Winter Grazing app, upgrades to our current online services and the development of our Insights Programme to inform community data needs.</p> <p>An internal project team was brought together and reviewed opportunities to bring data to life. Three key projects were identified:</p> <ol style="list-style-type: none"> 1. a groundwater data portal will be available to the public and will bring together bore information, bore logs, groundwater quality and discrete groundwater level data. A pilot will commence in October 2022; 2. webcams will be set up at key river sites across the region to give visual updates of the site flow and other environmental conditions. This will be available to the public online alongside Envdata. The pilot will be completed by the end of December 2022; 3. a Natural Hazards Viewer is under development – this will be a self-service portal for the community to access natural hazard data. It is expected to be delivered in December 2022.
<p>Measure and 2022-23 Target 31.3</p> <p>Measure: Maintain and enhance access to Environment Southland data and facilitate sharing and use of data.</p> <p>Target: Increase in baseline set for 2021-22 year.</p>	<p>Results for 2022-23</p> <p>Achieved</p> <p>Council has an ongoing programme of making information and data available to the public, community and other interested parties on its website. We track the users accessing content in this way by looking at the number of views on the website.</p> <p>As at 30 June 2023, Council had 306,188 views for the financial year, which is 109.47% of last year's total (279,683 views), or a 9.47% growth.</p>
<p>Measure and 2021-22 Target 31.3</p> <p>Measure: Maintain and enhance access to Environment Southland data and facilitate sharing and use of data.</p> <p>Target: Baseline established.</p>	<p>Results for 2021-22</p> <p>Achieved</p> <p>A revised Information Management Strategy is being written and a cross-organisational group has come together to analyse the data and customer touchpoints to inform both the strategy and customer data measure. An Information Management Maturity Assessment has been completed. This gives us a baseline measurement and the results of this assessment show that we are at the beginning or progressing levels of data maturity. The assessment will be run annually to measure progress and effectiveness.</p>



Regional leadership highlight

Innovative technologies driving better understanding of weather, water and land

During the year we pioneered innovative technology to capture and share river flows using remote cameras and drone flights, including during floods. Space Time Image Velocimetry (STIV) and a new web camera network are being trialled at key locations around Southland. Images captured from remote cameras and drones provide efficiencies for monitoring staff as well as useful information for our communities.

For staff, it means a safer way of capturing information during flooding as there's no need to travel to the location. This avoids putting people at risk in flooded waterways or being cut off by flooded roads.

The images captured by web cameras at our river monitoring sites will add to the data already available that helps farmers and others make decisions, particularly during floods.

From above ground innovation to below, new high-resolution LiDAR (Light Detection and Ranging) elevation mapping of Southland catchments, incorporating both digital elevation and digital surface models, was released during the year. LiDAR data will greatly improve hazard planning, policy, compliance, farm mapping and management plans, our understanding of landscape change and eventually, hydrological processes such as stream flow estimation.

The resulting high definition maps and models will be useful for a range of applications for councils and others. These include hazard planning, infrastructure planning and policy development, farm mapping, understanding landscape changes and catchments' hydrological processes, such as stream flow estimation and catchment size.

 Performance snapshot



2 webcams installed at key river sites to visually monitor flows and conditions



306,000 website views, up 9.5% from last year



79% consents requiring monitoring were monitored



98% of 712 pollution notifications responded to



22 finalists recognised at Environment Southland Community Awards

Funding Impact Statement - Regional Leadership
for the year ended 30 June 2023

Annual Plan 2021/22	Actual 2021/22		Actual 2022/23	Annual Plan 2022/23	LTP 2022/23
\$000	\$000		\$000	\$000	\$000
6,388	7,657	General rates, uniform annual charges, rates penalties	8,169	8,050	6,629
-	-	Targeted rates	-	-	-
4,336	4,351	Fees and charges	4,444	5,385	4,466
-	-	Internal Charges and overheads recovered	-	-	-
2,007	2,559	Local authorities fuel tax, fines, infringement fees and other receipts	2,700	2,482	1,992
12,730	14,567	Total Operating Funding	15,312	15,917	13,087
		Applications of Operating Funding			
9,450	8,118	Payments to staff and suppliers	11,200	13,710	9,687
39	1	Financing Costs	1	47	66
-	-	Internal Charges and overheads recovered	-	-	-
3,364	3,475	Other operating funding applications	3,086	3,137	3,488
12,854	11,593	Total Applications of Operating Funding	14,288	16,893	13,241
(123)	2,974	Surplus/(deficit) of operating funding	1,025	(976)	(153)
		Sources of capital funding			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase / (decrease) in debt	-	-	-
-	-	Other dedicated capital funding	-	-	-
41	210	Gross proceeds from the sale of assets	26	-	-
-	-	Lump sum contributions	-	-	-
41	210	Total sources of capital funding	26	-	-
		Applications of capital funding			
		Capital expenditure			
-	-	- to meet additional demand	60	-	-
-	-	- to improve the level of service	53	212	212
386	161	- to replace existing assets	14	1,558	895
(407)	2,540	Increase/(decrease) in Reserves	1,393	(2,676)	(1,201)
(61)	483	Increase/(decrease) in Investments	(470)	(70)	(59)
(82)	3,184	Total applications of capital funding	1,051	(976)	(153)
123	(2,974)	Surplus/(deficit) of capital funding	(1,025)	976	153
		Funding Balance			
-	-		-	-	-
107	100	Depreciation expense (not included in the above FIS)	105	117	111
-	27	Impairment expense (not included in the above FIS)	30	-	-

Finances (*Pūtea*)

Financial Statements

A guide to the financial pages which follow

- Statement of Comprehensive Revenue and Expenses page 75
- Statement of Changes in Net Assets/Equity page 75
- Statement of Financial Position page 76
- Statement of Cash Flows page 77
- Notes to the Financial Statements page 78

**Statement of Comprehensive Revenue and Expenses
for the Year Ended 30 June 2023**

	Note	Council			Group	
		Actual 2023 \$000	Annual Plan 2023 \$000	Actual 2022 \$000	Actual 2023 \$000	Actual 2022 \$000
Revenue						
Rates revenue	2(a)	24,001	24,004	22,862	24,001	22,862
Government Grants	2(b)	9,647	10,793	8,484	9,647	8,484
Other Revenue	2(c)	17,181	15,254	14,331	66,087	58,211
Total Revenue		50,829	50,051	45,677	99,735	89,557
Expenditure						
Employee benefits expense	3(a)	19,454	20,000	16,858	33,297	29,724
Depreciation expense		738	779	715	5,443	4,859
Finance costs	3(b)	2	87	2	1,707	982
Other expenses	3(c)	23,848	25,397	22,670	41,055	37,502
Total Expenditure		44,042	46,263	40,245	81,502	73,067
Other Revenue and Expense						
Other gains/ (losses)	2(d)	1,492	-	(2,725)	1,842	(1,346)
Total Other Revenue and Expense		1,492	-	(2,725)	1,842	(1,346)
Surplus/(Deficit) before income tax		8,279	3,788	2,707	20,075	15,144
Income tax expense	4	-	-	-	(4,802)	(4,329)
Surplus/(Deficit) for the year		8,279	3,788	2,707	15,273	10,815
Total Comprehensive Revenue and Expenses for the year		8,279	3,788	2,707	15,273	10,815
Total Comprehensive Revenue and Expenses attributable to:						
Council		8,279	3,788	2,707	11,347	6,515
Minority interest	15(e)	-	-	-	3,926	4,300
	24	8,279	3,788	2,707	15,273	10,815

**Statement of Changes in Net Assets / Equity
for the Year Ended 30 June 2023**

	Note	Council			Group	
		Actual 2023 \$000	Annual Plan 2023 \$000	Actual 2022 \$000	Actual 2023 \$000	Actual 2022 \$000
Opening Equity		83,494	87,673	80,787	130,046	121,605
Total Comprehensive Revenue and Expenses attributable to:						
Council		8,279	3,788	2,707	11,347	6,515
Minority interest	15(e)	-	-	-	3,926	4,300
Dividend distribution - Minority interest	15(e)	-	-	-	(2,374)	(2,374)
Closing Equity		91,773	91,461	83,494	142,946	130,046

The accompanying accounting policies and notes form part of these financial statements

Statement of Financial Position
As at 30 June 2023

	Note	Actual 2023 \$000	Council Annual Plan 2023 \$000	Actual 2022 \$000	Group Actual 2023 \$000	Actual 2022 \$000
Current Assets						
Cash and cash equivalents	5	4,766	-	6,333	5,801	7,636
Trade and other receivables	6	4,556	6,241	5,598	11,002	12,509
Inventories	7	93	105	114	93	114
Other current assets	8	460	300	482	523	575
Other financial assets	11	28,818	27,881	26,668	29,359	26,832
Total Current Assets		38,693	34,527	39,195	46,778	47,666
Non-Current Assets						
Shares in subsidiary	18	8,721	8,721	8,721	-	-
Other financial assets	11	229	217	217	887	1,006
Property, plant and equipment	10	55,436	57,694	44,642	143,127	121,957
Investment in Related Party	9	360	541	450	360	450
Deferred tax asset	4	-	-	-	1,106	1,107
Total Non-Current Assets		64,746	67,172	54,030	145,480	124,520
TOTAL ASSETS		103,439	101,699	93,225	192,257	172,186
Current Liabilities						
Bank Overdraft	5	-	374	-	-	-
Trade and other payables	12	6,131	2,496	4,968	10,238	8,293
Income received in advance	12	3,644	-	3,244	3,644	3,244
Employee entitlements	13	1,808	1,296	1,462	3,705	3,010
Borrowings	14	-	-	-	5,000	-
Current tax payable	4	-	-	-	1,582	1,986
Total Current Liabilities		11,583	4,166	9,674	24,169	16,533
Non-Current Liabilities						
Other Financial Liabilities	11	-	-	-	-	-
Employee entitlements	13	83	34	57	142	107
Borrowings	14	-	6,038	-	25,000	25,500
Total Non-Current Liabilities		83	6,072	57	25,142	25,607
TOTAL LIABILITIES		11,666	10,238	9,731	49,311	42,140
NET ASSETS		91,773	91,461	83,494	142,946	130,046
Equity						
Equity	15	91,773	91,461	83,494	142,946	130,046
TOTAL EQUITY		91,773	91,461	83,494	142,946	130,046
Attributable to:						
Council		91,773	91,461	83,494	123,269	111,921
Minority interest	15	-	-	-	19,677	18,125
TOTAL EQUITY		91,773	91,461	83,494	142,946	130,046

The accompanying accounting policies and notes form part of these financial statements

**Statement of Cash Flows
for the Year Ended 30 June 2023**

	Note	Council			Group	
		Actual	Annual Plan	Actual	Actual	Actual
		2023	2023	2022	2023	2022
		\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities						
<i>Cash was provided by (applied to):</i>						
Receipts from ratepayers and customers		39,335	39,571	36,259	93,421	83,824
Interest received		409	-	194	435	199
Dividends received		4,709	4,709	4,709	-	-
Payments to suppliers and employees		(43,099)	(46,705)	(39,782)	(73,841)	(68,367)
Finance costs		(2)	(87)	(2)	(1,719)	(915)
Income tax paid		-	-	-	(5,205)	(4,377)
Net cash flow from operating activities	22	1,352	(2,512)	1,378	13,091	10,364
Cash flows from investing activities						
<i>Cash was provided by (applied to):</i>						
Drawdown of Managed Funds		223	156	105	223	105
Proceeds from sale of property, plant and equipment		26	90	217	356	247
Loan advance		(12)	-	(11)	(12)	(11)
Purchase of intangible assets		-	-	-	-	-
Purchase of property, plant and equipment		(9,667)	(14,228)	(3,194)	(24,037)	(26,561)
Grants for capital expenditure		6,511	6,636	2,522	6,511	2,522
Net cash flow from investing activities		(2,919)	(7,346)	(361)	(16,959)	(23,698)
Cash flows from financing activities						
<i>Cash was provided by (applied to):</i>						
Dividends paid to Non controlling interest		-	-	-	(2,374)	(2,374)
Term Debt		-	-	-	-	-
Drawdown / (Repayment) of borrowings		-	5,211	-	4,407	16,401
Net cash flow from financing activities		-	5,211	-	2,033	14,027
Net increase/(decrease) in Cash and cash equivalents		(1,567)	(4,646)	1,017	(1,835)	693
Cash and cash equivalents at the beginning of the financial year		6,333	4,272	5,316	7,636	6,943
Cash and cash equivalents at the end of the financial year	5	4,766	(374)	6,333	5,801	7,636

The accompanying accounting policies and notes form part of these financial statements

Notes to the Financial Statements

1. Summary of Accounting Policies

Reporting Entity

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

The entity being reported on is the Southland Regional Council. Environment Southland (“the Council”) is the brand name of the Southland Regional Council. The parent entity is the Council and the consolidated entity (“the Group”) includes South Port New Zealand Limited (“South Port”) and its Group. The Council owns 66.48% of the issued shares of South Port New Zealand Limited.

The primary objective of the Council and Group is to provide goods or services for the community for social benefit rather than making a financial return. The Council has designated itself and the Group as public benefit entities for financial reporting purposes.

The financial statements of the Council and Group are for the year ended 30 June 2023. The financial statements were authorised for issue by Council on 18 October 2023.

Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with Public Benefit Entity (PBE) standards. The financial statements have been prepared in accordance with Tier 1 PBE standards.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are presented in thousands of New Zealand dollars. New Zealand dollars are the Council’s and Group’s functional currency. All values are rounded to the nearest thousand dollars (\$000). As the numbers are presented in thousands small rounding differences may occur. These rounding differences are considered immaterial to the financial statements as a whole.

Significant Accounting Policies

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable and represents receivables for goods and services provided in the normal course of business, net of discounts and GST.

Adoption of New and Revised Standard and Interpretations

PBE IPSAS 41 was issued in August 2018 and is based on PBE IFRS 9 Financial Instruments. PBE IPSAS 41 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IPSAS 41 is effective for the annual period beginning on or after 1 January 2022. The main changes under PBE IPSAS 41 are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost;
- a new impairment model for financial assets based on expected losses which may result in the earlier recognition of impairment losses;
- revised hedge accounting requirements to better reflect the management of risks.

The Council has applied this standard in preparing the 30 June 2023 financial statements. This standard has impacted the terminology of the policies throughout the financial report, however the measurement categories and carrying amounts for financial liabilities have not changed materially on transition to PBE IPSAS 41.

PBE FRS 48 Service Performance Reporting was issued in November 2017 and is effective for the annual period beginning on or after 1 January 2022. The new standard does not have a significant impact on the financial statements.

Revenue from Non-exchange Transactions

Rates Revenue

Rates are recognised as income when levied.

Grant Revenue and Subsidies

Grants and subsidies are recognised upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. Government grants are recognised as income when eligibility has been established with the grantor agency. The Council receives Central Government contributions:

For	From
Regional Civil Defence	National Emergency Management Agency
Land Transport	Waka Kotahi New Zealand Transport Agency
Marine Oil Spills	Maritime New Zealand

Revenue from Exchange Transactions

Interest Revenue

Interest revenue is recognised on a time proportionate basis using the effective interest method.

Dividend Revenue

Dividend revenue is recognised when the right to receive payments is established on a receivable basis.

Rental Income

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

Other Revenue – full cost recovery

Rendering of Services

The Group revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Revenue from port services is recognised in the accounting period in which the actual service is provided to the customer.

Fees and charges are recognised as income when supplies and services have been rendered.

Revenue relating to contracts and consent applications that are in progress at balance date is recognised by reference to the stage of completion at balance date.

Fees received from the following activities are recognised as revenue from exchange transactions:

- resource consent processing;
- pest animal contract work;
- grazing leases;
- consent monitoring;
- dividends, interest and rental income.

Other Gains and Losses

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

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax, except to the extent that it relates to items recognised directly in equity, in which case the tax expense is also recognised in equity.

Tax currently payable is based on taxable profit for the period. Taxable profit differs from net surplus/(deficit) before tax as reported in the Statement of Comprehensive Revenue and Expense because it excludes items of income or expense that are taxable in other years and it further excludes items that are never taxable or deductible. The Council's and Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Council and Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised as an expense or income in the surplus/(deficit), except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

The Council itself is not subject to income tax. All income tax relates to South Port NZ Limited and its subsidiaries.

Goods and Services Tax

All revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Statement of Cash Flows

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

The following terms are used in the Statement of Cash Flows:

- operating activities are the principal revenue producing activities of the Group and other activities that are not investing or financing activities;
- investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents; and
- financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Financial Assets

PBE Standards classify financial assets into three categories: financial assets mandatorily measured at fair value through surplus or deficit, amortised cost and financial assets at fair value through other comprehensive revenue and expense.

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at Fair Value through Surplus or Deficit (FVTSD), in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at Fair Value through Other Comprehensive Revenue and Expenditure (FVTOCRE) if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at (FVTSD). However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include Investments (cash and fixed revenue), Receivables and Accruals.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Other than for derivatives, the Council and group has no instruments in this category.

Expected credit loss allowance (ECL)

The Council recognises an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis

based on the Council's historical experience and informed credit assessment and including forward-looking information.

The Council considers a financial asset to be in default when internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Although receivables at 30 June 2023 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because any additional estimated allowance is trivial.

Previous accounting policy (summarised)

In the previous year, other financial assets were classified into the following categories:

- loans and receivables at amortised cost (included term deposits, related party loans, and community loans);
- held-to-maturity investments at amortised cost (included listed bonds); and
- fair value through other comprehensive revenue and expense (included shares and listed bonds).

The main differences for the prior year policies are:

Impairment was recorded only when there was objective evidence of impairment. For equity investments, a significant or prolonged decline in the fair value of the investment below its cost was considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability the debtor would enter bankruptcy, receivership or liquidation, and default in payments were indicators the asset is impaired.

Impairment losses on shares were recognised in the surplus or deficit.

For shares, the cumulative gain or loss previously recognised in other comprehensive revenue and expense was transferred from equity to surplus or deficit on disposal of the investment.

Financial Liabilities

(a) Trade & Other Payables

Short-term creditors and other payables are measured at the amount payable.

(b) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowing costs are recognised as an expense in the period in which they are incurred.

Derivative Financial Instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its treasury policy, the Council and Group does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. As the derivatives are not hedge accounted, the resulting gain or loss is recognised in the surplus or deficit. The portion of the fair value of the derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

The Council and group have elected to not adopt the new hedge accounting requirements of PBE IPSAS 41 as permitted under the transitional provisions of PBE IPSAS 41 rates.

Inventories

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

Property, Plant and Equipment

The Council and Group have the following classes of property, plant and equipment:

(a) Operational Assets

Operational assets include:

- Council owned land, buildings, rental land, rental buildings, motor vehicles and other plant and equipment; and
- South Port New Zealand Limited land, buildings and improvements, wharves and berths dredging, and plant, equipment and vehicles.

(b) Infrastructural Assets

Infrastructural assets deliver benefits direct to the community and are associated with major flood protection and land drainage schemes. Infrastructural assets include flood banks, protection works, structures, drains, bridges and culverts.

Cost

Property, plant and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Depreciation

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

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

Expenditure incurred to maintain these assets at full operating capability is charged to the surplus/(deficit) in the year incurred.

The following estimated useful lives are used in the calculation of depreciation:

Asset	Life
Operational Assets	
Land – Council	Unlimited
Buildings – Council	2%-10% DV
Rental land - Council	Unlimited
Rental buildings - Council	2% - 10% DV
Other plant and equipment – Council	2.5% - 15% DV/SL
Motor vehicles - Council	15% SL
Land – South Port	Unlimited
Buildings – South Port	2% - 7 % SL
Plant and machinery – South Port	2% - 33% SL
Infrastructural Assets	
Stopbanks and earthworks	Unlimited
Bridges	1% SL
Large culverts	1% - 2.5% SL
Tide gate structures	1% - 2.5% SL

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

Disposal

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

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus for the period the asset is derecognised.

Impairment of Property, Plant and Equipment

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

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

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

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

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

Employee Entitlements

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

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

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

Superannuation Schemes

Defined Contribution Schemes

Obligations for contributions to Kiwisaver Schemes are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Provisions

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

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

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

Basis of Consolidation

The Group financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Council and its subsidiaries as defined by PBE *IPSAS 35: Consolidated Financial Statements*. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements.

The consolidated financial statement incorporate the financial statements of the Council and its subsidiaries. Control is achieved when the Council:

- has power over the other entity;
- has exposure or rights, to variable benefits from its involvement with the other entity;
- has the ability to use its power over the other entity to affect the nature or amount of the benefits from its involvement with the other entity.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the excess is credited to profit and loss in the period of acquisition.

The interest of non-controlling shareholders is stated at the non-controlling interests' proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Council obtains control and until such time as the Council ceases to control the subsidiary.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Group are eliminated in full.

The Council's investment in South Port New Zealand Limited is carried at cost less any impairment losses in the Council's own parent entity financial statements.

Joint Arrangements

The Council is a member of the joint arrangement known as Emergency Management Southland, which delivers the civil defence and emergency management responsibilities of the four councils in the Southland region, namely Environment Southland, Invercargill City Council, Gore District Council and Southland District Council.

Governance of the operation is provided by the Southland Civil Defence and Emergency Management Group, a joint standing committee of the four councils.

In accordance with *IPSAS 37 Joint Arrangements*, the consolidated financial statements include the Council's share of the joint arrangement entity's assets, liabilities revenue and expenses. Refer to Note 20 for further disclosure.

Investment in Related Parties

The Council has established a Council Controlled Organisation (CCO) known as Regional Software Holdings Ltd, with five other regional councils for the purposes of collaboratively developing and maintaining a software application suite for use by the regional councils in the delivery of their activities under a Long-term Plan.

The Council is a shareholder in another Council Controlled Organisation (CCO) known as the Southland Regional Development Agency Ltd, along with three other local councils and four external shareholders. The purpose of this organisation is to contribute to the wellbeing of the Southland Region, other commercial and non-commercial.

Equity

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

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

The components of equity are: capital lease area balances, special reserves, rating district balances, and retained earnings.

Restricted and Council Created Reserves

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

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

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

Foreign Currency

Foreign Currency Transactions

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

Exchange differences are recognised in surplus for the year in which they arise.

Budget Amounts

The budget amounts are those approved by the Council at the beginning of the year in the Long-term Plan/Annual Plan. The budget amounts have been prepared using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements. The budget figures are for Council only and do not include budget information relating to subsidiaries.

Allocation of Overheads

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

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

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

Critical Accounting Estimates and Assumptions

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

There were no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical Judgements

Management has exercised the following critical judgements in applying the Council’s and Group’s accounting policies for the period ended 30 June 2023:

Classification of Property

- (a) **Council and Group**
The Council owns a number of properties that are held for service delivery objectives as part of the Council’s various flood protection schemes. The receipt of market based rental from these properties is incidental to holding these properties. These properties are accounted for as property, plant and equipment.

Fair value of shares in subsidiary

The Council considers that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values with the exception of the Council's investment in its subsidiary, South Port New Zealand Limited (South Port) which is carried at cost, less any impairment.

PBE IFRS issued but not yet effective

PBE Standard and interpretations that have recently been issues or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2023 are outlined below:

Amendments to PBE IPSAS 1 – Disclosure of Fee for Audit Firms’ Services; effective for periods commencing 30 June 2024

Council expects to adopt the above standard in the period in which it becomes mandatory. Council anticipates that the above standard is not expected to have a material impact on the financial statements in the period of initial application; however, a detailed assessment has yet to be performed.

Notes to the Financial Statements

2 Revenue

Revenue includes the following items:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
2(a) Rates revenue				
General rates	14,917	14,138	14,917	14,138
Separate rates	8,812	8,493	8,812	8,493
Rabbit Control rates	272	231	272	231
	24,001	22,862	24,001	22,862

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
2(b) Government grants				
Operating	1,550	1,187	1,550	1,187
Government funded projects *	7,911	7,159	7,911	7,159
Ministry for the Environment - Waituna project	186	138	186	138
	9,647	8,484	9,647	8,484

* Government funded projects include Jobs for Nature projects and capital grants for Climate Resilience. These projects are part of the Shovel Ready scheme initiated by the Government for economic recovery following Covid.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
2(c) Other revenue				
Revenue from rendering of services:				
Port Revenue	-	-	47,692	43,383
Rental Income Southport	-	-	5,897	5,201
Local Contributions	882	949	882	949
Consent recoveries	2,300	2,432	2,300	2,432
Compliance Monitoring and Recoveries	1,622	1,709	1,622	1,709
Prosecutions, Fines and Infringements	37	49	37	49
Marine Fee revenue	2,193	8	2,193	8
Operating lease rental revenue	1,112	1,042	1,112	1,042
Interest on bank deposits	1,316	945	1,342	950
Dividends received	4,709	4,709	-	-
Other operating revenue	3,010	2,488	3,010	2,488
	17,181	14,331	66,087	58,211

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
2(d) Other gains / (losses)				
Gain on disposal of property, plant and equipment	26	171	130	181
Impairment losses reversed	-	-	-	-
Net change in fair value of other financial assets and liabilities carried at fair value through surplus or deficit	1,466	(2,896)	1,466	(2,896)
Change in fair value of interest rate swaps	-	-	246	1,369
	1,492	(2,725)	1,842	(1,346)

2(e) Disclosure of exchange and non-exchange transactions

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

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Revenue from Non-exchange transactions				
General Rates	14,917	14,138	14,917	14,138
Separate Rates	8,812	8,493	8,812	8,493
Rabbit Control Rates	272	231	272	231
Levies and Contributions *	9,647	8,484	9,647	8,484
Rates Penalties	373	381	373	381
Prosecutions and Infringements	37	49	37	49
Insurance Recoveries	79	-	79	-
Donations Received	15	5	15	5
Revenue from Exchange transactions				
Local Contributions	882	949	882	949
Rental Income	1,112	1,042	1,112	1,042
Investment Income	1,316	945	1,342	950
Gain on Sale of Assets	26	171	130	181
Dividends Received	4,709	4,709	-	-
External Recoveries	8,632	6,080	8,528	6,070
Rental Income Southport	-	-	5,897	5,201
Port Revenue	-	-	47,692	43,383
	50,829	45,677	99,735	89,557
Current Assets				
Receivables from Non-exchange transactions	1,752	1,472	1,589	1,389
Receivables from Exchange transactions	2,804	4,126	9,413	11,120
Total Receivables	4,556	5,598	11,002	12,509

* Note: Levies and contributions include government grants disclosed in Note 2(b)

3 Expenses

Expenses include the following items:

3(a) <i>Employee benefits expense</i>	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Salaries and wages	17,922	15,701	31,121	27,974
Defined contribution plans	604	574	1,041	962
Other employee benefits	928	583	1,135	788
	19,454	16,858	33,297	29,724

Chief Executive remuneration

	Council	
	2023	2022
Salary		
Rob Phillips	-	341,567
Wilma Falconer	324,135	38,792
Total salary paid	324,135	380,359
Fringe benefit		
Rob Phillips	-	2,599
Wilma Falconer	482	74
Total fringe benefit	482	2,673
Total	324,617	383,032

On 6 May 2022 Mr Rob Phillips resigned from his position as Chief Executive. The salary he received is inclusive of holiday pay. Ms Wilma Falconer was appointed Acting Chief Executive on 7 May 2022 and Chief Executive on 20 June 2022.

Key Management Personnel Compensation

The key management personnel for council are the Councillors, Chief Executive and five General Managers. The key personnel for the Group includes South Port Directors, Chief Executive and other senior management. The compensation for these are set out below:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Short-term employee benefits	2,198	2,024	4,836	4,292
Other long-term employee benefits	-	-	68	60
	2,198	2,024	4,904	4,352

	Council	
	2023	2022
Council employee remuneration by band		
Total annual remuneration by band for employees at 30 June		
below \$60,000	17	29
\$60,000 and \$79,999	65	52
\$80,000 and \$99,999	36	40
\$100,000 and \$119,999	45	32
\$120,000 and \$139,999	15	12
\$140,000 and \$159,999	10	10
\$160,000 and \$199,999	6	3
\$200,000 and \$339,999	4	2

Total council employees at 30 June

Number of full-time employees	183	173
Full-time equivalent of all other employees	14	7

Council defines a full-time equivalent employee as working 37.5 hours per week.

	Council		Group	
	2023	2022	2023	2022
	\$	\$	\$	\$
Elected Member Remuneration				
<i>Chair</i>				
Nicol Horrell	123,147	118,219	123,147	118,219
<i>Elected members</i>				
Allan Baird	13,643	45,560	13,643	45,560
Neville Cook	53,729	54,672	53,729	54,672
Lloyd Esler	13,643	45,560	13,643	45,560
Robert Guyton	45,301	45,560	45,301	45,560
Lyndall Ludlow	56,719	54,672	56,719	54,672
Bonnie Mager	13,643	45,560	13,643	45,560
Lloyd McCallum	19,100	63,784	19,100	63,784
Peter McDonald	51,000	45,560	51,000	45,560
Jeremy McPhail	59,712	54,672	59,712	54,672
Eric Roy	48,029	54,672	48,029	54,672
David Stevens	13,643	45,560	13,643	45,560
Paul Evans	31,658	-	31,658	-
Alastair Gibson	31,658	-	31,658	-
Phil Morrison	31,658	-	31,658	-
Jon Pemberton	31,658	-	31,658	-
Maurice Rodway	37,357	-	37,357	-
	675,298	674,051	675,298	674,051

Severance Payments (Council only)

For the year ended 30 June 2023 Council had \$Nil severance payments (2022: \$Nil)

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
3(b) Finance costs				
Interest on loans carried at amortised cost	-	-	1,705	980
Change in fair value of interest rate swaps	-	-	-	-
Other interest expense	2	2	2	2
	2	2	1,707	982

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
3(c) Other expenses				
Audit Fees				
Audit fees for financial statement audit	134	105	209	169
Audit fees for Long-term Plan	-	-	-	-
Net bad and doubtful debts (recovered)	7	67	17	69
Loss on disposal of property, plant and equipment	4	7	64	24
Donations	-	-	4	4
Grants and contributions	2,074	1,648	2,074	1,648
Operating lease rental - minimum lease payments	315	252	411	434
Directors remuneration	-	-	400	337
Amortised asset	90	90	90	90
Other operating expenses	21,224	20,501	37,786	34,727
	23,848	22,670	41,055	37,502

Grants and contributions paid include expenditure of \$186,000 (2022: \$138,350) to the Whakamana Te Waituna project for the Ministry for the Environment grant received.

The auditor of Environment Southland, for and on behalf of the Office of the Auditor-General is Deloitte Limited. The auditor of South Port New Zealand Limited is Deloitte Limited.

4 Income taxes

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
(a) Income Tax Recognised in Profit or Loss				
Tax expense / (income) comprises:				
<i>Current tax expense / (credit)</i>				
Current year	-	-	4,805	4,962
Adjustments for prior years	-	-	(4)	8
	-	-	4,801	4,970
<i>Deferred tax expense / (credit)</i>				
Origination and reversal of temporary differences	-	-	1	(641)
Adjustments for prior years	-	-	-	-
	-	-	1	(641)
Tax expense / (income)	-	-	4,802	4,329

The prima facie income tax expense on pre-tax accounting surplus reconciles to the income tax expense in the financial statements as follows:

Surplus / (deficit) before income tax	8,279	2,707	20,075	15,144
Income tax expense calculated at 28%	2,318	758	5,621	4,240
Temporary differences	-	-	157	188
Non deductible expenses	12,332	11,269	12,363	11,285
Non assessable income	(13,331)	(10,708)	(13,334)	(10,706)
	1,319	1,319	4,806	5,007
Taxation effect of imputation credits	-	-	-	-
Imputation credits utilised (28% of net dividend)	(1,319)	(1,319)	-	-
Adjustments for prior years	-	-	(4)	9
Adjustment relating to prior period deferred tax on buildings	-	-	-	(687)
Temporary differences	-	-	-	-
	-	-	4,802	4,329

The tax rate used in the above reconciliation is the corporate tax rate of 28% payable on taxable profits under New Zealand tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(b) Income Tax Recognised in Other Comprehensive Income

There was no current or deferred tax charged/(credited) directly to equity during the year.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
(c) Current Tax Assets and Liabilities				
<i>Current Tax Payable:</i>				
Current Tax Payable	-	-	1,582	1,986
	-	-	1,582	1,986

4 Income Taxes (continued)

(d) Deferred Tax Balances Comprise:

Taxable and deductible temporary differences arising from the following:

2023	Opening	Charged to	Group	Closing
	balance	income	Charged to other comprehensive revenue	balance
	\$000	\$000	\$000	\$000
Gross deferred tax assets:				
Property, plant and equipment	698	(66)	-	632
Provisions	409	65	-	474
	<u>1,107</u>	<u>(1)</u>	<u>-</u>	<u>1,106</u>

2022	Opening	Charged to	Group	Closing
	balance	income	Charged to other comprehensive revenue	balance
	\$000	\$000	\$000	\$000
Gross deferred tax assets:				
Property, plant and equipment	49	649	-	698
Provisions	417	(8)	-	409
	<u>466</u>	<u>641</u>	<u>-</u>	<u>1,107</u>

At the balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities has not been recognised is \$Nil (2022: \$Nil).

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
(e) Imputation Credit Account Balances				
Balance at 30 June 2023	-	-	19,293	17,247
	<u>-</u>	<u>-</u>	<u>19,293</u>	<u>17,247</u>
Imputation credits available directly and indirectly to Council through:				
Council			-	-
Subsidiaries			19,293	17,247
			<u>19,293</u>	<u>17,247</u>

5 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand, in bank and deposits in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year are shown as follows:

Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Cash	4,766	6,333	5,801	7,636
Cash and cash equivalents	4,766	6,333	5,801	7,636

The Council did not have an overdraft facility in place with ANZ Bank New Zealand Limited at 30 June 2023.

Restricted cash held on behalf of Whakamana Te Waituna project amounts to \$332,224 (2022: \$838,050).

South Port New Zealand Ltd has an overdraft facility of \$200,000 (2022: \$200,000), of which \$Nil (2022: \$Nil) had been drawn down.

6 Trade and other receivables

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Trade Receivables	3,812	5,168	10,308	12,129
Insurance Receivable	163	83	163	83
Allowance for expected credit loss	(185)	(188)	(235)	(238)
	3,790	5,063	10,236	11,974
Goods and services tax (GST) receivable	566	254	566	254
Other sundry receivables	200	281	200	281
	4,556	5,598	11,002	12,509
Current	4,556	5,598	11,002	12,509
Non-current	-	-	-	-
	4,556	5,598	11,002	12,509

Trade receivables are non-interest bearing and generally on monthly terms.

The Council does not provide for ECLs on rates receivables less than six years past due, as it has various powers under Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit. Ratepayers can apply for payment plan options in special circumstances.

Although receivables at 30 June 2023 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the ECL has been determined and the impact is negligible.

Included within the Group's trade and other receivable balance are debtors with a carrying amount of \$2,446,846 (2022: \$2,159,911), Council \$2,020,846 (2022: \$1,573,911), which are past due at the reporting date. Of these \$1,588,537 (2022: \$1,853,082) relates to rates arrears (recoverable via the means outlined above) and there has not been a significant change in credit quality for other amounts owing, so the Group believes that the amounts are still considered recoverable.

Rates arrears exclude rates paid in advance of \$569,609 (2022: \$463,797).

An allowance has been made for estimated irrecoverable amounts and has been calculated based on past default experience, general economic circumstances that the debtors are operating in and future expected changes in credit risk and review of specific debtors.

The Group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. The average collection period of these receivables is Council: 36 days (2022: 40 days) and Group: 43 days (2022: 47 days).

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Group is exposed to credit risk arising from a small number of shipping line and warehouse clients. Regular monitoring of trade receivables is undertaken to ensure that the credit exposure remains within the Group's normal terms of trade.

For Council, the concentration of credit risk is limited due to the customer base being large and unrelated. The Council and Group believes no further credit provision is required in excess of the allowance for expected credit loss.

7 Inventories

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Raw materials (at cost)	93	114	93	114
	93	114	93	114

8 Other current assets

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Prepayments	460	482	523	575
	460	482	523	575

9 Investment in related party

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Investment in Related Parties	360	450	360	450
	360	450	360	450

As at 30 June 2023, the council has a 9.09% (2022: 15.50%) shareholding in Regional Software Holdings Limited (RSHL), incorporated 17 October 2012 with the shareholders being the six regional councils. This company is a Council Controlled Organisation established for the purposes of collaboratively developing and maintaining a software application suite for use by regional councils in the delivery of their activities under a Long-term Plan.

RSHL management considers it likely that on or about 30 June 2028 the current IRIS software platform and attendant e-learning software will be discontinued, with no residual value. The Council has included an amortisation expense of \$90,052. This is Environment Southland's 15.50% share of the reduced value for the current financial year.

As at 30 June 2023, the council has a 0.17% (2022: 0.17%) shareholding in Southland Regional Development Agency Limited (Great South), incorporated 29 March 2019 with the shareholders being four local councils together with four external shareholders. Great South is a Council Controlled Organisation established for the purpose of contributing to the wellbeing of the Southland region, both commercial and non-commercial. The objective will be met with a strong sense of environmental and social responsibility.

10 Property, plant and equipment

	2023										
COUNCIL	Cost 1 July 2022	Additions	Disposals	Transfers	Cost 30 June 2023	Accumulated depreciation and impairment charges 1 July 2022	Impairment losses charged in Statement of Comprehensive Revenue	Depreciation expense *	Accumulated depreciation reversed on disposal	Accumulated depreciation and impairment charges 30 June 2023	Carrying amount 30 June 2023
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council Operational Assets											
Land	151	-	-	-	151	-	-	-	-	-	151
Buildings	4,946	15	-	-	4,961	(1,996)	-	(110)	-	(2,106)	2,855
Rental Land	7,148	-	-	-	7,148	-	-	-	-	-	7,148
Rental Buildings	1,088	-	-	-	1,088	(800)	-	(14)	-	(814)	274
Motor Vehicles	2,049	376	(69)	-	2,356	(1,336)	-	(238)	69	(1,505)	851
Other Plant and Equipment	5,476	310	(149)	-	5,637	(4,151)	-	(339)	145	(4,345)	1,292
Total Operational Assets	20,858	701	(218)	-	21,341	(8,283)	-	(701)	214	(8,770)	12,571
Council Infrastructural Assets											
Stopbanks and Earthworks	25,464	-	-	-	25,464	(2)	-	-	-	(2)	25,462
Bridges	106	-	-	-	106	(22)	-	(2)	-	(24)	82
Large Culverts	2,275	-	-	-	2,275	(600)	-	(39)	-	(639)	1,636
Tidegate Structures	719	-	-	-	719	(177)	-	(11)	-	(188)	531
Total Infrastructural Assets	28,564	-	-	-	28,564	(801)	-	(52)	-	(853)	27,711
Council Work in Progress											
Buildings	14	-	-	-	14	-	-	-	-	-	14
Infrastructure	4,290	10,850	-	-	15,140	-	-	-	-	-	15,140
Total WIP	4,304	10,850	-	-	15,154	-	-	-	-	-	15,154
Total Council Property, Plant and Equipment	53,726	11,551	(218)	-	65,059	(9,084)	-	(753)	214	(9,623)	55,436

* Depreciation differs from the Statement of Comprehensive Revenue and Expenses by \$15,000 which is the Joint Venture share of Emergency Management Southland total depreciation.

2022

COUNCIL

	Cost 1 July 2021	Additions	Disposals	Transfers	Cost 30 June 2022	Accumulated depreciation and impairment charges 1 July 2022	Impairment losses charged in Statement of Comprehensive Revenue	Depreciation expense *	Accumulated depreciation reversed on disposal	Accumulated depreciation and impairment charges 30 June 2022	Carrying amount 30 June 2022
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council Operational Assets											
Land	151	-	-	-	151	-	-	-	-	-	151
Buildings	4,946	-	-	-	4,946	(1,884)	-	(112)	-	(1,996)	2,950
Rental Land	7,148	-	-	-	7,148	-	-	-	-	-	7,148
Rental Buildings	1,055	33	-	-	1,088	(786)	-	(14)	-	(800)	288
Motor Vehicles	1,978	486	(415)	-	2,049	(1,482)	-	(226)	372	(1,336)	713
Other Plant and Equipment	5,380	210	(114)	-	5,476	(3,929)	-	(326)	104	(4,151)	1,325
Total Operational Assets	20,658	729	(529)	-	20,858	(8,081)	-	(678)	476	(8,283)	12,575
Council Infrastructural Assets											
Stopbanks and Earthworks	24,668	796	-	-	25,464	(2)	-	-	-	(2)	25,462
Bridges	106	-	-	-	106	(20)	-	(2)	-	(22)	84
Large Culverts	2,275	-	-	-	2,275	(560)	-	(40)	-	(600)	1,675
Tidegate Structures	719	-	-	-	719	(167)	-	(10)	-	(177)	542
Total Infrastructural Assets	27,768	796	-	-	28,564	(749)	-	(52)	-	(801)	27,763
Council Work in Progress											
Buildings	5	9	-	-	14	-	-	-	-	-	14
Infrastructure	1,681	2,609	-	-	4,290	-	-	-	-	-	4,290
Total WIP	1,686	2,618	-	-	4,304	-	-	-	-	-	4,304
Total Council Property, Plant and Equipment	50,112	4,143	(529)	-	53,726	(8,830)	-	(730)	476	(9,084)	44,642

* Depreciation differs from the Statement of Comprehensive Revenue and Expenses by \$15,000 which is the Joint Venture share of Emergency Management Southland total depreciation.

2023

<u>GROUP</u>	Cost 1 July 2022	Additions	Disposals	Transfers	Cost 30 June 2023	Accumulated depreciation and impairment charges 1 July 2022	Impairment losses charged in Statement of Comprehensive Revenue	Depreciation expense *	Accumulated depreciation reversed on disposal	Accumulated depreciation and impairment charges 30 June 2023	Carrying amount 30 June 2023
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Group Operational Assets											
Land - Council	151	-	-	-	151	-	-	-	-	-	151
Buildings - Council	4,946	15	-	-	4,961	(1,996)	-	(110)	-	(2,106)	2,855
Rental Land - Council	7,148	-	-	-	7,148	-	-	-	-	-	7,148
Rental Buildings - Council	1,088	-	-	-	1,088	(800)	-	(14)	-	(814)	274
Motor Vehicles - Council	2,049	376	(69)	-	2,356	(1,336)	-	(238)	69	(1,505)	851
Other Plant and equipment - Council	5,476	310	(149)	-	5,637	(4,151)	-	(339)	145	(4,345)	1,293
Land - Subsidiary	3,736	-	-	741	4,477	-	-	-	-	-	4,477
Buildings - Subsidiary	22,706	-	(19)	635	23,322	(8,368)	-	(490)	5	(8,853)	14,468
Plant and Machinery - Subsidiary	91,844	113	(935)	18,602	109,624	(49,040)	-	(4,215)	869	(52,386)	57,238
Total Operational Assets	139,143	814	(1,172)	19,978	158,763	(65,691)	-	(5,406)	1,088	(70,009)	88,755
Council Infrastructural Assets											
Stopbanks and Earthworks	25,464	-	-	-	25,464	(2)	-	-	-	(2)	25,462
Bridges	106	-	-	-	106	(22)	-	(2)	-	(24)	82
Large Culverts	2,275	-	-	-	2,275	(600)	-	(39)	-	(639)	1,636
Tidegate Structures	719	-	-	-	719	(177)	-	(11)	-	(188)	531
Total Infrastructural Assets	28,564	-	-	-	28,564	(801)	-	(52)	-	(853)	27,711
Work in Progress											
Buildings	14	-	-	-	14	-	-	-	-	-	14
Infrastructure	4,290	10,850	-	-	15,140	-	-	-	-	-	15,140
Buildings - Subsidiary	541	243	-	(635)	149	-	-	-	-	-	149
Plant and Machinery - Subsidiary	15,896	13,921	-	(18,459)	11,358	-	-	-	-	-	11,358
Land - Subsidiary	-	746	-	(746)	-	-	-	-	-	-	-
Total Work in Progress	20,741	25,760	-	(19,840)	26,661	-	-	-	-	-	26,661
Total Group Property, Plant and Equipment	188,448	26,574	(1,172)	138	213,988	(66,493)	-	(5,458)	1,088	(70,862)	143,127

* Depreciation differs from the Statement of Comprehensive Revenue and Expenses by \$15,000 which is the Joint Venture share of Emergency Management Southland total depreciation.

2022

GROUP

	Cost 1 July 2021	Additions	Disposals	Transfers	Cost 30 June 2022	Accumulated depreciation and impairment charges 1 July 2021	Impairment losses charged in Statement of Comprehensive Revenue	Depreciation expense *	Accumulated depreciation reversed on disposal	Accumulated depreciation and impairment charges 30 June 2022	Carrying amount 30 June 2022
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Group Operational Assets											
Land - Council	151	-	-	-	151	-	-	-	-	-	151
Buildings - Council	4,946	-	-	-	4,946	(1,884)	-	(112)	-	(1,996)	2,950
Rental Land - Council	7,148	-	-	-	7,148	-	-	-	-	-	7,148
Rental Buildings - Council	1,055	33	-	-	1,088	(786)	-	(14)	-	(800)	288
Motor Vehicles - Council	1,978	486	(415)	-	2,049	(1,482)	-	(226)	372	(1,336)	713
Other Plant and equipment - Council	5,380	210	(114)	-	5,476	(3,929)	-	(326)	104	(4,151)	1,326
Land - Subsidiary	3,736	-	-	-	3,736	-	-	-	-	-	3,736
Buildings - Subsidiary	22,550	-	(17)	173	22,706	(7,906)	-	(479)	17	(8,368)	14,337
Plant and Machinery - Subsidiary	77,800	47	(708)	14,705	91,844	(45,887)	-	(3,800)	647	(49,040)	42,804
Total Operational Assets	124,743	776	(1,254)	14,878	139,143	(61,874)	-	(4,957)	1,140	(65,691)	73,453
Council Infrastructural Assets											
Stopbanks and Earthworks	24,668	796	-	-	25,464	(2)	-	-	-	(2)	25,462
Bridges	106	-	-	-	106	(20)	-	(2)	-	(22)	84
Large Culverts	2,275	-	-	-	2,275	(560)	-	(40)	-	(600)	1,675
Tidegate Structures	719	-	-	-	719	(167)	-	(10)	-	(177)	542
Total Infrastructural Assets	27,768	796	-	-	28,564	(749)	-	(52)	-	(801)	27,763
Work in Progress											
Buildings	5	9	-	-	14	-	-	-	-	-	14
Infrastructure	1,681	2,609	-	-	4,290	-	-	-	-	-	4,290
Buildings - Subsidiary	178	418	-	(55)	541	-	-	-	-	-	541
Plant and Machinery - Subsidiary	6,747	23,941	-	(14,792)	15,896	-	-	-	-	-	15,896
Total Work in Progress	8,611	26,977	-	(14,847)	20,741	-	-	-	-	-	20,741
Total Group Property, Plant and Equipment	161,122	28,549	(1,254)	31	188,448	(62,624)	-	(5,009)	1,140	(66,493)	121,957

* Depreciation differs from the Statement of Comprehensive Revenue and Expenses by \$150,000 which is the Joint Venture share of Emergency Management Southland total depreciation and South Port right-of-use asset.

11 Other financial assets and liabilities

		Council		Group	
		2023	2022	2023	2022
		\$000	\$000	\$000	\$000
Fair value through Surplus or Deficit:					
Classified as at fair value through surplus or deficit					
<u>Managed Funds - JBWere</u>					
NZ Government and Local Authority Stock	(i)	709	327	709	327
Other Bonds	(i)	12,888	12,048	12,888	12,048
Cash	(i)	1,891	1,230	1,891	1,230
Equities	(i)	13,330	13,063	13,330	13,063
		28,818	26,668	28,818	26,668
Classified as amortised cost					
Loan to Invercargill City Council	(ii)	168	159	168	159
Loan to Southland District Council	(ii)	-	-	-	-
Loan to Gore District Council	(ii)	52	49	52	49
		220	208	220	208
Mandatorily measured at fair value through surplus or deficit					
Interest rate derivatives Current Asset	(iii)	-	-	541	164
Interest rate derivatives Non Current Asset	(iii)	-	-	658	789
Interest rate derivatives Current Liability	(iii)	-	-	-	-
Interest rate derivatives Non Current Liability	(iii)	-	-	-	-
Shares - Civic Financial Services Limited		9	9	9	9
		9	9	1,208	962
		-	-	-	-
		29,047	26,885	30,246	27,838
Disclosed in the financial statements as:					
Current Assets		28,818	26,668	29,359	26,832
Non-current Assets		229	217	887	1,006
Current Liabilities		-	-	-	-
Non-current Liabilities		-	-	-	-
		29,047	26,885	30,246	27,838

11 Notes to Other financial assets and liabilities

There are no impairment provisions for other financial assets.

- (i) The Group holds a portfolio of floating and fixed interest deposits, bonds and equity securities that is managed externally by JB Were. This classification has been determined as all assets within this category are held for trading at any point should the Fund managers determine it is in the Council's best investment interests to do so.
- (ii) The net present value of the Gore District Council loan is \$52,308 (2022: \$49,395) and Invercargill City Council loan is \$168,400 (2022: \$159,019). The Group advanced no additional funds to support the low interest loans offered on the Clean Air scheme during the year (2022: \$Nil)

The loans are interest free and repayable in three years time. The total amount able to be drawn down under this scheme is \$1,500,000 (2022: \$1,500,000). These loans are recorded at present value applying a discounted rate of 5.9% over the life of the loan.

- (iii) The Group has entered into a fixed for floating interest rate swap to hedge its floating debt. The Group has not adopted hedge accounting.

Interest rate swap (i) - South Port New Zealand Limited has an interest rate swap in place which commenced in November 2019 and matures in November 2024. The interest rate swap has a fixed swap rate of 3.64% with a notional contract amount of \$5 million at 30 June 2023 (2022: contract in place for \$5 million at 3.64%, commencing November 2019 and maturing November 2024).

Interest rate swap (ii) - South Port New Zealand Limited has an interest rate swap in place which commenced in July 2021 and matures in July 2026. The interest rate swap has a fixed swap rate of 1.27% with a notional contract amount of \$8 million at 30 June 2023 (2022: Contract in place for \$8 million at 1.27% commencing July 2021 and maturing July 2026).

Interest rate swap (iii) - South Port New Zealand Limited has an interest rate swap in place which commenced in November 2021 and matures in October 2024. The interest rate swap has a fixed swap rate of 2.59% with a notional contract amount of \$3 million at 30 June 2023 (2022: Contract in place for \$3 million at 2.59% commencing November 2021 and maturing October 2024).

12 Payables and income in advance

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
(a) Trade and Other Payables				
Trade payables	5,085	4,307	9,192	7,632
Other accrued charges	1,046	661	1,046	661
	6,131	4,968	10,238	8,293

The average credit period on purchases is 30 days

(b) Income Received in Advance

Income in Advance	1,530	1,897	1,530	1,897
Government Funded Income in Advance	2,114	1,347	2,114	1,347
	3,644	3,244	3,644	3,244

Income in advance is the carry forward of project specific income to the next financial year. This includes funding of \$190,841 from the Ministry for the Environment for the Freshwater Farm Plan System.

The Government funded projects include Climate Resilience project income of \$1,883,869 and Jobs for Nature project income of \$229,978.

13 Employee entitlements

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Accrued salary and wages	491	346	919	678
Annual leave	1,380	1,163	2,787	2,320
Long service leave	19	9	140	117
	1,891	1,519	3,846	3,117

Disclosed in the financial statements as:

Current Employee Entitlements	1,808	1,462	3,705	3,010
Non-Current Employee Entitlements	83	57	142	107
	1,891	1,519	3,846	3,117

14 Borrowings

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
<i>Secured - at amortised cost</i>				
Current borrowings	-	-	5,000	-
Non-current borrowings	-	-	25,000	25,500
	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>25,500</u>

South Port New Zealand Limited's credit facility of \$38 million from ANZ (2022: \$32 million) is split between four lines of credit as follows:

Facility 1 - \$5 million expiring 1 February 2024

Facility 2 - \$8 million expiring 1 July 2024

Facility 3 - \$3 million expiring 31 October 2024

Facility 4 - \$22 million expiring 1 November 2024

Interest on the first \$22 million drawn at any one time is payable according to the interest rate swap agreements the Company has with ANZ. Interest on the balance of funds drawn at any time is calculated using a variable rate based on the BKBM (3 month bank bill rate).

The total facility is secured by way of a general security registered over all assets both present and future of South Port New Zealand Limited. The same security was in place the previous year.

As a public body, Environment Southland has access to low cost borrowing, which we have not drawn on from the NZ Local Government Funding Agency (LGFA).

15 Equity

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Lease area balances (a)	7,068	6,591	7,068	6,591
Special reserves (b)	23,359	14,444	23,359	14,444
Rating district balances (c)	4,548	4,375	4,548	4,375
Retained earnings (d)	56,798	58,084	88,294	86,511
Non controlling interest (e)	-	-	19,677	18,125
	<u>91,773</u>	<u>83,494</u>	<u>142,946</u>	<u>130,046</u>

(a) Lease Areas (Council) - Restricted Reserves

	2023			
	Balance	Plus	Less	Balance
	1/07/2022	Income	Costs	30/06/2023
	\$000	\$000	\$000	\$000
Aparima	39	3	(2)	40
Ferry Road	2,268	342	(143)	2,467
Kingswell	36	14	(6)	44
Mataura	2,783	563	(475)	2,871
Oreti	762	250	(130)	882
Otepunu	274	35	(11)	298
Winton	201	14	(9)	206
Waihopai	180	27	(11)	196
Waituna	48	27	(11)	64
	<u>6,591</u>	<u>1,276</u>	<u>(799)</u>	<u>7,068</u>

	2022			
	Balance	Plus	Less	Balance
	1/07/2021	Income	Costs	30/06/2022
	\$000	\$000	\$000	\$000
Aparima	38	3	(2)	39
Ferry Road	2,072	320	(124)	2,268
Kingswell	31	10	(5)	36
Mataura	2,556	524	(297)	2,783
Oreti	662	228	(128)	762
Otepunu	250	34	(10)	274
Winton	193	13	(5)	201
Waihopai	165	25	(10)	180
Waituna	27	26	(5)	48
	<u>5,994</u>	<u>1,183</u>	<u>(586)</u>	<u>6,591</u>

(b) Special Reserves (Council)

	2023			
	Balance	Transfers	Transfers	Balance
	1/07/2022	to	from	30/06/2023
	\$000	\$000	\$000	\$000
Building Reserve	586	126	(8)	704
Lease Building Reserve	562	14	-	576
Furniture and Equipment Reserve	156	-	(156)	-
Plant Renewal Reserve	188	476	(316)	348
IT Transformation Reserve	-	1,000	-	1,000
Vehicle reserve	962	262	(378)	846
Infrastructure Assets Reserve	619	6,721	(72)	7,268
Disaster Damage General Reserve	2,000	-	-	2,000
Makarewa Disaster Damage Reserve-Restricted	179	7	-	186
Oreti Disaster Damage Reserve-Restricted	1,573	58	-	1,631
Mataura Disaster Damage Reserve-Restricted	1,345	50	-	1,395
Aparima Disaster Damage Reserve-Restricted	623	23	-	646
Orauea Disaster Damage Reserve-Restricted	9	-	-	9
Invercargill Disaster Damage Reserve-Restricted	1,145	84	-	1,229
Waiau Disaster Damage Reserve-Restricted	1,467	71	(66)	1,472
Coastal Rental Reserve	386	101	-	487
Marine Fee Reserve-Restricted	348	2,214	(1,214)	1,348
South Port Share Buy Back Reserve	355	-	(173)	182
Election Funding Reserve	30	-	(30)	-
Pest Property Reserve Fund	882	-	(9)	873
Pest Plant Reserve	81	5	(1)	85
Pest Disposals Reserve	299	-	-	299
Te Anau Basin Reserve	368	14	(1)	381
Waimatuku Stream Disaster Reserve - Restricted	60	2	-	62
Emergency Management Southland Reserve	210	107	-	317
AF8 Reserve	8	4	-	12
Lake Hawkins Pumphouse-Restricted	3	-	-	3
	14,444	11,339	(2,424)	23,359

(b) Special Reserves (Council) continued

	2022			
	Balance	Transfers	Transfers	Balance
	1/07/2021	to	from	30/06/2022
	\$000	\$000	\$000	\$000
Building Reserve	462	127	(3)	586
Lease Building Reserve	548	14	-	562
Furniture and Equipment Reserve	138	18	-	156
Plant Renewal Reserve	101	326	(239)	188
Vehicle reserve	1,044	404	(486)	962
Infrastructure Assets Reserve	535	1,823	(1,739)	619
Disaster Damage General Reserve	2,000	-	-	2,000
Makarewa Disaster Damage Reserve-Restricted	178	1	-	179
Oreti Disaster Damage Reserve-Restricted	1,557	16	-	1,573
Mataura Disaster Damage Reserve-Restricted	1,332	13	-	1,345
Aparima Disaster Damage Reserve-Restricted	616	7	-	623
Orauea Disaster Damage Reserve-Restricted	9	-	-	9
Invercargill Disaster Damage Reserve-Restricted	1,093	52	-	1,145
Waiau Disaster Damage Reserve-Restricted	1,500	34	(67)	1,467
Regional Assistance to Projects	6	-	(6)	-
Coastal Rental Reserve	258	128	-	386
Marine Fee Reserve-Restricted	1,155	-	(807)	348
South Port Special Dividend Reserve	669	-	(669)	-
South Port Share Buy Back Reserve	594	-	(239)	355
Election Funding Reserve	30	-	-	30
Pest Property Reserve Fund	879	3	-	882
Pest Plant Reserve	77	4	-	81
Pest Disposals Reserve	299	-	-	299
Te Anau Basin Reserve	364	4	-	368
Waimatuku Stream Disaster Reserve - Restricted	59	1	-	60
Aerial Photography Reserve	49	-	(49)	-
Emergency Management Southland Reserve	92	118	-	210
AF8 Reserve	-	-	8	8
Lake Hawkins Pumphouse-Restricted	236	1	(234)	3
	15,880	3,094	(4,530)	14,444

(c) Rating Districts Balances (Council) - Restricted Reserves

		2023		
	Balance 1/07/2022 \$000	Plus Income \$000	Less Costs \$000	Balance 30/06/2023 \$000
Aparima	672	574	(460)	786
Clifton Drainage	22	7	(12)	17
Duck Creek	52	71	(56)	67
Invercargill	333	736	(780)	289
Lake Hawkins	(68)	143	(185)	(110)
Makarewa	137	368	(344)	161
Makarewa Special	112	4	(1)	115
Mataura	564	1,907	(1,864)	607
Otepunui Creek	18	22	(46)	(6)
Oreti	323	1,439	(1,274)	488
Te Anau Basin	461	379	(298)	542
Waituna Creek	40	99	(89)	50
Waihopai	107	48	(108)	47
Waiau	16	380	(403)	(7)
Waiau - Sharpridge	50	11	(10)	51
Waiau - Orauea	(20)	49	(63)	(34)
Waiau - Upper Lillburn	316	44	(43)	317
Waiau - Wairaki	20	51	(68)	3
Waiau - Fenham	90	12	(73)	29
Waiau - Boundary Creek	4	1	(7)	(2)
Waiau Special Projects	866	100	(36)	930
Waimatuku	66	76	(107)	35
Upper Waihopai	88	31	(56)	63
Upper Waikiwi	83	24	(19)	88
Lower Waikawa	4	3	(5)	2
Upper Waikawa	19	10	(9)	20
	<u>4,375</u>	<u>6,589</u>	<u>(6,416)</u>	<u>4,548</u>

(c) Rating Districts Balances (Council) - Restricted Reserves continued

	2022			
	Balance	Plus	Less	Balance
	1/07/2021	Income	Costs	30/06/2022
	\$000	\$000	\$000	\$000
Aparima	664	583	(575)	672
Clifton Drainage	19	6	(3)	22
Duck Creek	28	68	(44)	52
Invercargill	281	690	(638)	333
Lake Hawkins	(73)	140	(135)	(68)
Makarewa	213	342	(418)	137
Makarewa Special	111	1	-	112
Mataura	444	1,682	(1,562)	564
Otepunui Creek	1	18	(1)	18
Oreti	308	1,339	(1,324)	323
Te Anau Basin	634	474	(647)	461
Waituna Creek	15	90	(65)	40
Waihopai	78	36	(7)	107
Waiau	18	354	(356)	16
Waiau - Sharpridge	64	10	(24)	50
Waiau - Orauea	3	48	(71)	(20)
Waiau - Upper Lillburn	362	60	(106)	316
Waiau - Wairaki	14	55	(49)	20
Waiau - Fenham	123	11	(44)	90
Waiau - Boundary Creek	(2)	6	-	4
Waiau Special Projects	818	8	40	866
Waimatuku	44	60	(38)	66
Upper Waihopai	67	24	(3)	88
Upper Waikiwi	84	24	(25)	83
Lower Waikawa	15	4	(15)	4
Upper Waikawa	18	9	(8)	19
	<u>4,351</u>	<u>6,142</u>	<u>(6,118)</u>	<u>4,375</u>

(d) Retained Earnings

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Balance at beginning of year	58,084	54,562	86,511	79,181
Net surplus / (deficit) attributable to Council	8,279	2,707	11,347	6,515
Net movement in lease areas	(477)	(597)	(477)	(597)
Net movement in special reserves	(8,915)	1,436	(8,915)	1,436
Net movement in rating districts	(173)	(24)	(173)	(24)
Balance at end of year	56,798	58,084	88,293	86,511

(e) Non Controlling Interests

	2023	2022
	\$000	\$000
Balance at beginning of year	18,125	16,199
Share of comprehensive revenue for the year	3,926	4,300
Dividend distribution for the year	(2,374)	(2,374)
Balance at end of year	19,677	18,125

16 Commitments for expenditure

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
(a) Capital Expenditure Commitments				
Buildings	-	-	227	492
Infrastructure	8,500	1,866	8,500	1,866
Plant and equipment	-	-	4,652	4,199
Motor Vehicles	90	-	90	-
	<u>8,590</u>	<u>1,866</u>	<u>13,469</u>	<u>6,557</u>

As at 30 June 2023, the Council has the following capital expenditure commitments:

- (i) Funds committed \$8.6m. The Council entered into commitments on various stopbank upgrades as part of the Government Funded Shovel Ready Climate Resilience projects (2022: \$1.9m). Two new vehicles have been committed to as part of fleet management.

As at 30 June 2023, in addition to the Council the Group has the following capital expenditure commitments:

- (i) Funds committed \$4.9m. South Port New Zealand Limited entered into commitments on the dredging of the channel and the harbour as well as other minor capital projects. (2022: paving and services in the South Rail log yard and Shed 6 areas as well as other minor capital projects \$4.7m).

(b) Operating Lease Commitments

Finance lease commitments

Finance lease liabilities at 30 June 2023 were \$Nil (2022: \$Nil)

Operating lease commitments

Gross commitments under non-cancellable operating leases for the Group:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Within one year	196	162	294	255
One to five years	127	68	389	427
More than five years	-	-	-	1
	<u>323</u>	<u>230</u>	<u>683</u>	<u>683</u>

South Port New Zealand Limited has a ten year operating lease commitment with KiwiRail Limited for the lease of a parcel of land situated on the Island Harbour, Bluff, due to expire in December 2026 with a 5 year renewal option. There is a further lease commitment with KiwiRail for the lease of a parcel of land situated at Invercargill which expires in September 2027.

Future minimum lease payments under non-cancellable operating leases (as Lessor):

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Within one year	854	873	5,134	4,873
One to five years	1,005	324	10,850	11,349
More than five years	-	-	33,144	36,458
	<u>1,859</u>	<u>1,197</u>	<u>49,128</u>	<u>52,680</u>

Operating lease commitments (as Lessor) relate to various port land, wharves and buildings in Bluff that are leased (both short term and long term) to a number of tenants for port related activities.

This includes Floodway land owned by Environment Southland, for the purposes of flood control, which are leased for farming purposes under a Deed of Lease.

17 Contingent liabilities and contingent assets

Council and Group

At the date of this report, Council is involved in two legal proceedings under the Resource Management Act. There is no reliable estimate of what the liability will be. At this stage no claims have been made.

RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The trust deed of RiskPool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for that Fund year. However, as a result of the Supreme Court decision on 1 August 2023 in it has been clarified that Riskpool has a liability for member's claim in relation to non-weather-tight defects. Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified, however we hold \$6,075 for this call.

At 30 June 2023 there was a claim against South Port New Zealand Limited for \$2.1m in damages (2022: \$2.1m), however South Port New Zealand Limited has a counter-claim against the claimant for \$5.6m (2022: \$5.6m). The Group has undergone arbitration in FY23 to defend the claim and is waiting on a decision from the arbitrator.

LGFA

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor's of AAA for local currency and a foreign currency rating of AA+ as at 30 June 2023. As at 30 June 2023, the Council is one of 30 local authority shareholders and 77 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. It has uncalled capital of \$1 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2023, the LGFA had borrowings totalling \$16.31 billion (2022: \$15.79 billion).

PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12 month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12 month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12 month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability. The Council considers the risk of the LGFA defaulting on repayment of 2023 interest or capital to be very low on the basis that: it is not aware of any local authority debt default events in New Zealand; and, local government legislation would enable local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required.

The Council has \$Nil contingent assets as at 30 June 2023 (2022: \$Nil). South Port New Zealand Limited \$Nil (2022: \$Nil)

18 Subsidiaries

Parent Entity	Country of Incorporation	Ownership Interest	
		2023 %	2022 %
Southland Regional Council (i)	New Zealand		
Subsidiaries			
South Port New Zealand Limited (iii)	New Zealand	66.48%	66.48%

- (i) Environment Southland (Southland Regional Council) is the ultimate parent entity within the consolidated
- (ii) South Port New Zealand Limited holds the Group's interests in subsidiaries as follows:
- South Port New Zealand Limited - Port facilities, cargo handling and warehousing (100% owned);
 - Awarua Holdings Limited - Management and administration services (100% owned).
- (iii) Shares in South Port New Zealand Limited are carried at cost price.
All companies in the Group have 30 June balance dates.

19 Related party disclosures

(a) Equity Interests in Related Parties

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

Equity Interests in Subsidiaries

Details of the percentage of shares held in subsidiaries are disclosed in Note 18 to the financial statements.

(b) Transactions with Related Parties

Transactions involving the Council

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

	Council	
	2023 \$000	2022 \$000
South Port New Zealand Limited		
Dividend payment made to Council	4,709	4,709
Expenses paid to Council as per normal terms of business	107	116
	Council	
	2023 \$000	2022 \$000
Regional Software Holdings Limited		
Administration fees and support paid by Council	(691)	(391)

Southland Regional Development Agency Limited (Great South)

Environment Southland provided funding of \$169,740 (2022: \$169,170) to Southland Regional Development Agency for the year ended 30 June 2023.

19 Related party disclosures continued

Other Transactions Involving Related Parties

There are \$Nil transactions for the 2023 year. (2022: During the year South Port New Zealand Ltd provided cold storage facilities and leased warehousing, land and wharf facilities to Sanford Bluff for \$509,000. Sanford Limited debtors balance at 30 June 2022 \$26,100. Mr T M Foggo, a former Director of South Port New Zealand Limited acted in the capacity of consultant for Sanford Limited. All of these transactions were conducted on an arms length basis at market rates.

All balances owing by Sanford are due by the 20th of the month following invoice and all overdue invoices are subject to interest on arrears. During the year ended 30 June 2022 no amounts invoiced to Sanford were written off as bad debts or included in the doubtful debts provision at balance date).

In Environment Southland's role as agent for the Whakamana Te Waituna project, as at 30 June 2023 funds held on behalf of the project amounted to \$332,224 (2022: \$838,050). These amounts are recorded in the cash and deposits balance and are considered restricted cash on the basis that the funds are held in trust as a payable for the Whakamana Te Waituna project.

Transactions Eliminated on Consolidation

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

20 Joint arrangement - Emergency Management Southland

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

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

	%
Environment Southland	34.04
Gore District Council	9.42
Invercargill City Council	28.27
Southland District Council	28.27

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

	2023	2022
	\$000	\$000
Current Assets	300	193
Revenue	470	582
Expenses	363	456

21 Subsequent events

(a) Council

There are no subsequent events as at June 2023. (2022: On 23rd September 2022, Council signed a contract with Fulton Hogan to initiate the replacement of the Stead St Pump Station. The contract price for the pump station is \$8.3 million and brings the projected total cost of construction, including design and provision of fish-friendly archimedes screw pumps, to a total of \$11 million. This is an increase in cost of \$4.5 million above the projected cost of \$6.5 million in the 2022/23 Annual Plan. The increase to be funded by debt, is within the prudential debt limits. The annual cost of the revised expenditure is an increase of 1.7% on the 2022/23 operating budget. Council is committed to reviewing the funding of all climate resilience expenditure prior to 30 June 2024).

(b) Group (South Port New Zealand Limited)

On 25 Aug 2023 the Board declared a final dividend for the year to 30 June 2023 of 19.50 cents per share amounting to \$5,116,000 (before supplementary dividends). (2022 Final dividend declared for 19.50 cents per share amounting to \$5,116,000).

22 Notes to the Cash Flow Statement

Reconciliation of Surplus for the year to Net Cash Flows From Operating Activities

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Surplus/(Deficit)	8,279	2,707	15,273	10,815
Add/(less) non-cash items				
Depreciation	753	730	5,458	5,090
Net (Gain) / loss on disposal of property, plant and equipment	(22)	(164)	(65)	(157)
Impairment of fixed assets	90	90	90	90
Net change in fair value of forward exchange contracts and interest rate	-	-	(246)	(1,369)
Interest realised not received	(907)	(751)	(907)	(751)
Fair value gain/loss on other financial assets	(1,466)	2,896	(1,466)	2,896
Deferred tax expense	-	-	1	(641)
Other non cash	-	-	106	12
	(1,552)	2,801	2,971	5,170
Add/(less) movement in working capital:				
Trade and other receivables	1,042	(1,242)	1,509	799
Inventories	21	(5)	21	(5)
Prepayments	22	(87)	52	(87)
Trade and other payables	1,563	481	2,342	(2,600)
Employee entitlements	372	194	730	194
Taxation payable	-	-	(403)	593
	3,020	(659)	4,251	(1,106)
Add/(less) items classified as Investing Activities:				
Property, plant and equipment included in trade and other payables	(1,884)	(949)	(1,884)	(949)
Grants for capital expenditure	(6,511)	(2,522)	(6,511)	(2,522)
Movement in other working capital items classified as investing activities	-	-	(1,009)	(1,044)
	(8,395)	(3,471)	(9,404)	(4,515)
Net cash inflow/(outflow) from operating activities	1,352	1,378	13,091	10,364

23 Financial instruments

(a) Capital Risk Management

The Council's capital is its equity (or ratepayer's funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Retained Earnings is largely managed as a by product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted by the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally the Council has in place asset management plans for major asset classes detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Council has the following Council created reserves:

- Lease area balances
- Special reserves
- Rating district balances

These reserves are for different areas of benefit and are used where there is a discrete set of rate or levy payers as distinct from a general rate. Any surplus/(deficit) relating to these separate areas of benefit is applied to the specific reserves.

The Group's overall strategy remains unchanged from 2022.

(b) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1.

(c) Categories of Financial Instruments

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Financial Assets				
Amortised Cost				
- Cash and cash equivalents	4,766	6,333	5,801	7,636
- Trade and other receivables	2,398	3,745	8,844	10,656
- Loans to Invercargill City Council	168	159	168	159
- Loans to Gore District Council	52	49	52	49
Total Amortised Cost	7,384	10,286	14,865	18,500
Fair Value through Suplus or Deficit				
- Managed Funds JBWere	28,818	26,668	28,818	26,668
Total Fair Value through Suplus or Deficit	28,818	26,668	28,818	26,668
Mandatorily measured at FVTSD				
- Derivative financial assets – not hedge accounted	-	-	1,199	953
- Shares - Civic Financial Services Limited	9	9	9	9
Total Mandatorily measured at FVTSD	9	9	1,208	962
Financial Liabilities				
Amortised Cost				
- Bank overdraft	-	-	-	-
- Trade and other payables	6,131	4,968	10,238	8,293
- Borrowings	-	-	30,000	25,500
Total Amortised Cost	6,131	4,968	40,238	33,793
Mandatorily measured at FVTSD				
Other financial liabilities				
- Interest Rate Derivatives	-	-	-	-

(d) Financial Risk Management Objectives

The Council has a series of policies to manage the risks associated with financial instruments. The Council is risk averse and seeks to minimise exposure from its treasury activities. The Council has established approved Liability Management and Investment Policies. These provide a framework for prudent debt management and the management of financial resources in an efficient and effective way.

The Council and Group does not enter into financial instruments, including derivative financial instruments, for speculative purposes.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(e) Currency Risk

The Group undertakes certain sale and purchase transactions and makes investments through its managed funds denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within the Statement of Investment Policy and Objectives.

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2023	2022	2023	2022
	NZ \$000	NZ \$000	NZ \$000	NZ \$000
Council				
US Dollars	7,262	7,294	-	-
British Pounds	369	400	-	-
Euro	1,090	819	-	-
Australian Dollars	1,795	2,681	-	-
Group				
US Dollars	7,262	7,294	-	-
British Pounds	369	400	-	-
Euro	1,090	819	-	-
Australian Dollars	1,795	2,681	-	-

(f) Interest Rate Risk

The Council and Group is exposed to interest rate risk as it has tradable bonds, notes and cash investments as part of its managed funds held with JB Were. The risk is managed by the diversification of the Council's investment portfolio in accordance with the limits set out in the Council's investment policy. The Group is also occasionally subject to interest rate risk in relation to borrowings at floating interest rates.

Interest payable by South Port New Zealand Limited Ltd to ANZ is charged on the following basis:

- (i) A range of interest rate swaps; and
- (ii) Variable rates based on the BKBM.

During the period the range of variable interest rates applying to the credit facility were between 3.43% and 6.65% (2022: 1.32% and 3.43%). The Company is exposed to normal fluctuations in market interest rates.

Interest rate swap (i) - South Port New Zealand Limited has an interest rate swap in place which commenced in November 2019 and matures in November 2024. The interest rate swap has a fixed swap rate of 3.64% with a notional contract amount of \$5 million at 30 June 2023 (2022: contract in place for \$5 million at 3.64%, commencing November 2019 and maturing November 2024).

Interest rate swap (ii) - South Port New Zealand Limited has an interest rate swap in place which commenced in July 2021 and matures in July 2026. The interest rate swap has a fixed swap rate of 1.27% with a notional contract amount of \$8 million at 30 June 2023 (2022: Contract in place for \$8 million at 1.27% commencing July 2021 and maturing July 2026).

Interest rate swap (iii) - South Port New Zealand Limited has an interest rate swap in place which commenced in November 2021 and matures in October 2024. The interest rate swap has a fixed swap rate of 2.59% with a notional contract amount of \$3 million at 30 June 2023 (2022: Contract in place for \$3 million at 2.59% commencing November 2021 and maturing October 2024).

The Council and Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

(g) Other Price Risks

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Group is exposed to equity price risks arising from equity investments. Council has equity investments held for trading as part of its managed funds held with JB Were (refer to note 11).

The price risk is managed by diversification of the Council's investment portfolio in accordance with the limits set out in the Council's investment policy.

(h) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Council has no significant concentrations of credit risk arising from trade receivables, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Financial instruments which potentially subject the Group to credit risk principally consist of cash and cash equivalents and trade and other receivables and term investments.

With respect to managed funds, credit risk is reduced by the number of securities held with different counterparties.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with credit-ratings assigned by international credit-rating agencies.

(i) Liquidity Risk Management

Liquidity risk is the risk that the Group will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through adequate committed credit facilities, and the ability to close out market positions.

The Group manages liquidity risk by maintaining adequate funds on deposit, reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Notes 14 and 22(a) is information on additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The following tables detail the Council's remaining contractual maturity for its non derivative financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the liabilities except where the Council is entitled and intends to repay a liability before its maturity.

Maturity Profile of Financial Instruments

The following table details the Council's exposure to interest rate risk on financial instruments:

COUNCIL 2023	Weighted Average	Fixed Maturity Dates						Contractual	Total Carrying Amount
		Less than 12	1-2 years	2-3 Years	3-4 Years	4 -5 Years	> 5 Years		
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets									
Cash and Cash equivalents	5.50%	4,766	-	-	-	-	-	4,766	4,766
Trade Receivables		2,398	-	-	-	-	-	2,398	2,398
Loans to Invercargill City Council		-	-	-	200	-	-	200	168
Loans to Gore District Council		-	-	-	62	-	-	62	52
Managed Funds		28,818	-	-	-	-	-	28,818	28,818
Financial Liabilities									
Bank overdraft		-	-	-	-	-	-	-	-
Trade and other payables		6,131	-	-	-	-	-	6,131	6,131
Borrowings		-	-	-	-	-	-	-	-

COUNCIL 2022	Weighted Average	Fixed Maturity Dates						Contractual	Total Carrying Amount
		Less than 12	1-2 years	2-3 Years	3-4 Years	4 -5 Years	> 5 Years		
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets									
Cash and Cash equivalents		6,333	-	-	-	-	-	6,333	6,333
Trade Receivables		3,745	-	-	-	-	-	3,745	3,745
Loans to Invercargill City Council		-	-	-	-	200	-	200	159
Loans to Gore District Council		-	-	-	-	62	-	62	49
Managed Funds		26,668	-	-	-	-	-	26,668	26,668
Financial Liabilities									
Bank overdraft		-	-	-	-	-	-	-	-
Trade and other payables		4,968	-	-	-	-	-	4,968	4,968
Borrowings		-	-	-	-	-	-	-	-

GROUP 2023	Weighted Average	Fixed Maturity Dates						Contractual	Total Carrying Amount
		Less than 12	1-2 years	2-3 Years	3-4 Years	4 -5 Years	> 5 Years		
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets									
Cash and Cash equivalents	3.20%	5,801	-	-	-	-	-	5,801	5,801
Trade Receivables		8,844	-	-	-	-	-	8,844	8,844
Loans to Invercargill City Council		-	-	-	200	-	-	200	168
Loans to Gore District Council		-	-	-	62	-	-	62	52
Managed Funds		28,818	-	-	-	-	-	28,818	28,818
Interest rate derivatives (non-current)	2.26%	-	471	354	884	-	-	1,709	658
Interest rate derivatives (current)	2.26%	-	-	-	-	-	-	-	541
Financial Liabilities									
Bank overdraft		-	-	-	-	-	-	-	-
Trade and other payables		10,238	-	-	-	-	-	10,238	10,238
Borrowings (non-current)	5.79%	1,868	25,429	-	-	-	-	27,297	25,000
Borrowings (current)	5.79%	5,222	-	-	-	-	-	5,222	5,000

GROUP 2022	Weighted Average	Fixed Maturity Dates						Contractual	Total Carrying Amount
		Less than 12	1-2 years	2-3 Years	3-4 Years	4 -5 Years	> 5 Years		
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets									
Cash and Cash equivalents	0.70%	7,636	-	-	-	-	-	7,636	7,636
Trade Receivables		10,656	-	-	-	-	-	10,656	10,656
Loans to Invercargill City Council		-	-	-	-	200	-	200	150
Loans to Gore District Council		-	-	-	-	62	-	62	47
Managed Funds		26,832	-	-	-	-	-	26,832	26,832
Interest rate derivatives (non-current)	2.26%	-	(64)	(22)	31	8	-	(47)	789
Interest rate derivatives (current)	2.26%	(64)	-	-	-	-	-	(64)	164
Financial Liabilities									
Bank overdraft		-	-	-	-	-	-	-	-
Trade and other payables		8,293	-	-	-	-	-	8,293	8,293
Borrowings (non-current)	4.23%	1,022	5,935	20,674	-	-	-	27,631	25,500
Borrowings (current)		-	-	-	-	-	-	-	-

(j) Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions;
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

The Council considers that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values with the exception of the Council's investment in its subsidiary, South Port New Zealand Limited (South Port). The Council records its investment in South Port at cost \$8,720,786 and at 30 June 2023 the fair value of this investment based on the NZX quoted bid price was \$129,590,887 (2022: \$147,904,539).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group 2023

Financial Assets

Other financial assets
Other financial assets (non current)

Financial Liabilities

Derivatives - interest rate swaps

Total	Valuation Technique		
	Level 1	Level 2	Level 3
NZ \$000	NZ \$000	NZ \$000	NZ \$000
29,358	15,222	14,135	-
658		658	
-	-	-	-

Group 2022

Financial Assets

Other financial assets
Other financial assets (non current)

Financial Liabilities

Derivatives - interest rate swaps

Total	Valuation Technique		
	Level 1	Level 2	Level 3
NZ \$000	NZ \$000	NZ \$000	NZ \$000
26,832	14,292	12,540	
789		789	
-	-	-	-

(k) Sensitivity Analysis

Foreign Currency Sensitivity Analysis

The Group is mainly exposed to the currency of Australia (AUD), the United States (USD) and Europe (Euro).

At reporting date, if foreign currency rates had been 10% higher or lower and all other variables were held constant, the Group's:

- Surplus would decrease or increase by \$1,048,109 (2022: \$1,119,375). This is mainly attributable to the Group's exposure to foreign currency on its investments within its managed funds held with JB Were.
- Equity reserves would be similarly affected.

Interest Rate Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the report.

At reporting date, if interest rates had been 10% higher or lower and all other variables were held constant, the Group's:

- Surplus would decrease or increase by \$74,253 (2022: \$26,668). This is mainly attributable to the Group's exposure to interest rates on its investments within its managed funds held with JB Were.
- Equity reserves would be similarly affected.

The Group's sensitivity to interest rates has not changed significantly from the prior year.

Price Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

At reporting date, if equity prices had been 10% higher or lower and all other variables were held constant, the Group's:

- Surplus would decrease or increase by \$1,333,339 (2022: \$1,306,270) in relation to the equity investments fair value through profit and loss.

The Group's sensitivity to equity prices has not changed significantly from the prior year.

24 Explanation of Major Variances against Annual Plan

Council Statement of Comprehensive Revenue and Expenses for the Year Ended 30 June 2023 Actual compared to Annual Plan

	Council Actual 2023 \$000	Council Annual Plan 2023 \$000	Variance \$000	Note
Revenue				
Rates revenue	24,001	24,004	(3)	
Government Grants	9,647	10,793	(1,146)	a.
Other revenue	17,181	15,254	1,927	b.
Total Revenue	50,829	50,051	779	
Expenditure				
Employee benefits expense	19,454	20,000	(546)	d.
Depreciation expense	738	779	(41)	
Finance costs	2	87	(85)	e.
Other expenses	23,848	25,397	(1,549)	f.
Total Expenditure	44,042	46,263	(2,221)	
Other Revenue and Expense				
Other gains /(losses)	1,492	-	1,492	c.
Total Other Revenue and Expense	1,492	-	1,492	
Surplus (Deficit) before tax	8,279	3,788	4,492	
Income tax expense	-	-	-	
Tax legislation changes	-	-	-	
Surplus (deficit) for the period	8,279	3,788	4,492	
Available for sale financial assets valuation gain/(loss)	-	-	-	
Total Comprehensive Revenue / Deficit	8,279	3,788	4,492	

Explanations for Council Statement of Comprehensive Revenue and Expenses Variances:

The actual surplus of \$8.3m is more than the planned budgeted surplus by \$4.5m. The major components of this favourable result are explained below.

Total comprehensive revenue received for the year was \$2.2m over budget. The major items contributing to this variance were:

- a. Government grants were \$1.1m below budget due to delays with the Climate Resilience projects.
- b. Other revenue was \$1.9m favourable to budget. The majority related to the return of cruise ships, which contributed to \$2.2m against a budget of \$150k
- c. Other gains/(losses) were over budget by \$1.5m due to higher than expected unrealised investment returns.

Actual expenditure was \$2.2m under budget primarily due to:

- d. Employee expenses were below budget by \$500k mainly due to vacancies and unfilled positions.
- e. Finance costs were \$85k under budget due to the decreased use of bank overdraft facilities during the year.
- f. Other expenses were under budget by \$1.6m. Across the range of activities there were over and under expenditures. This is mainly due to deferred project spending.

Statement of Financial Position
As at 30 June 2023
Actual compared to Annual Plan

	Council Actual 2023 \$000	Council Annual Plan 2023 \$000	Variance	Note
Equity	91,773	91,461	312	a.
Current Assets	38,693	34,527	4,166	b.
Non-Current Assets	64,746	67,172	(2,426)	c.
Current Liabilities	11,583	4,166	7,417	d.
Non- Current Liabilities	83	6,072	(5,989)	e.
Net Assets	91,773	91,461	312	

Explanations for Council Statement of Financial Position Variances:

- a. Equity of \$91.8m is \$312k over budget. This is due to the surplus being favourable to budget, combined with the following:
- b. Current assets are \$38.7m against a budget of \$34.5m due to movement in cash and deposits and increased portfolio balance.
- c. Non current assets of \$64.7m are \$2.4m unfavourable to budget. This is due to property, plant and equipment being under budget as a result of the delay in Climate Resilience projects.
- d. Current liabilities of \$11.6m are higher than budget by \$7.4m. This is mainly due to the carry forward of \$3.6m project specific income to the next financial year, and trade payables being higher than budgeted.
- e. Non Current liabilities of \$83k are under budget by \$6.0m. This is due to not requiring external debt resulting from the delay in Climate Resilience projects.

Statement of Cash Flows
for the Year Ended 30 June 2023
Actual compared to Annual Plan

	Council Actual 2023 \$000	Council Annual Plan 2023 \$000	Variance	Note
Net cash flow from operating activities	1,352	(2,512)	3,864	
Net cash flow from investing activities	(2,919)	(7,346)	4,427	
Net cash flow from financing activities	-	5,211	(5,211)	
Increase/(Decrease) in cash held	(1,567)	(4,646)	3,079	
Add opening cash brought forward	6,333	4,272	2,061	
Ending cash carried forward	4,766	(374)	5,140	a.

Explanations for Council Statement of Cash Flows Variances:

- a. The cash position was better than budget by \$5.1m This is due to the delay in Climate Resilience projects.

Additional Disclosure Information

Rating base information as at the end of the preceding financial year

	2022
The number of rating units within the region	50,602
The total capital value of rating units within the region	\$39,533,254,750
The total land value of rating units within the region	\$22,494,692,400

Insurance on Assets

	2023	2022
	\$000	\$000
Total value of all assets of Council covered by insurance contracts.	65,059	53,726
Maximum amount to which insured.	146,629	112,440
Total value of all assets of Council covered by financial risk sharing arrangements.	Nil	Nil
Maximum amount available to Council under the arrangements.	Nil	Nil
Total value of all assets of the Council which are partly self-insured.	N/A	N/A
Value of funds maintained by the local authority for that purpose.	N/A	N/A

Notes:

Council holds funded reserves to cover shortfalls in risk sharing arrangements e.g. deductible, non-insured damage. Individual amounts are detailed in the Note 15(b).

Local Government (Financial Reporting and Prudence) Regulations 2014

Annual report disclosure statement for year ended 30 June 2023

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

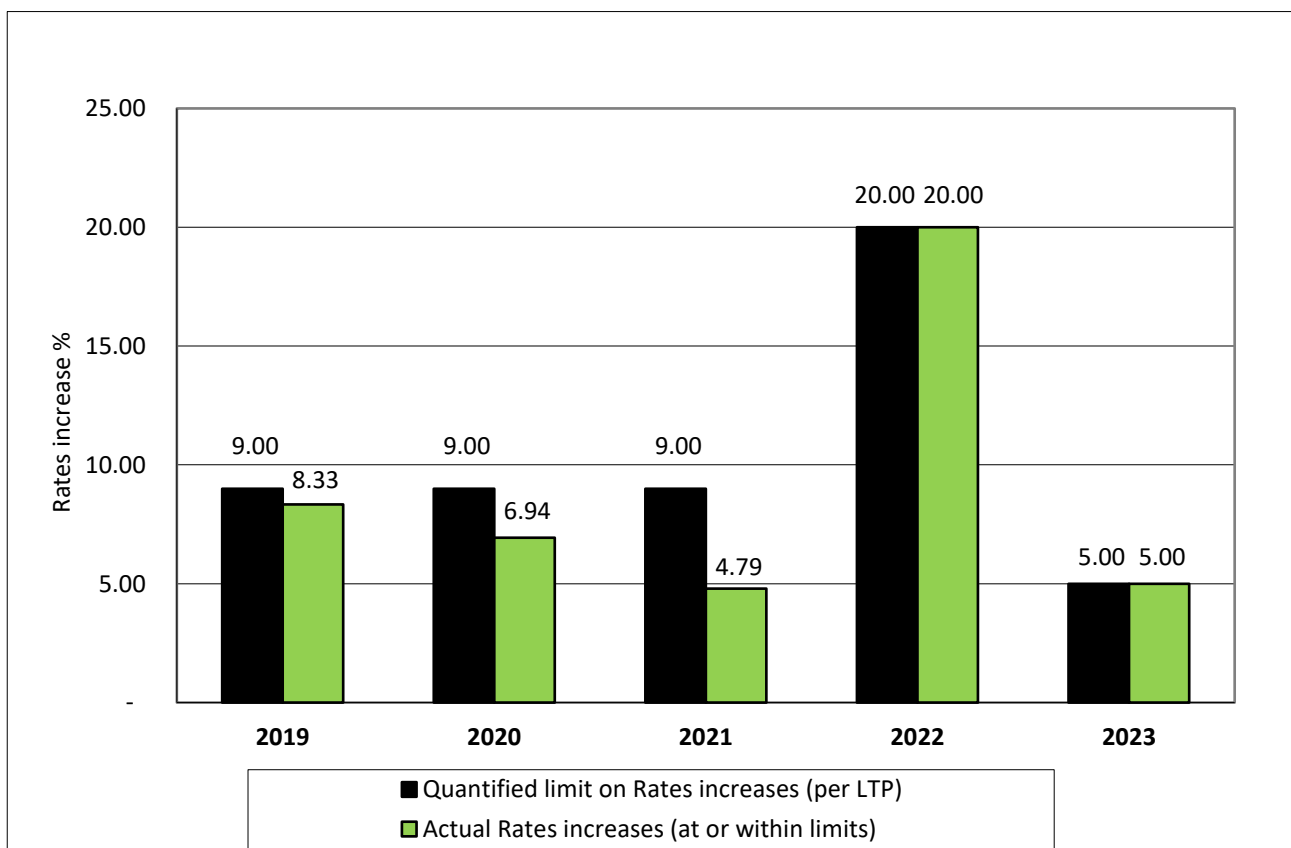
The Council is required to include this statement in its Annual Report in accordance with the *Local Government (Financial Reporting and Prudence) Regulations 2014* (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

1. Rates affordability benchmarks

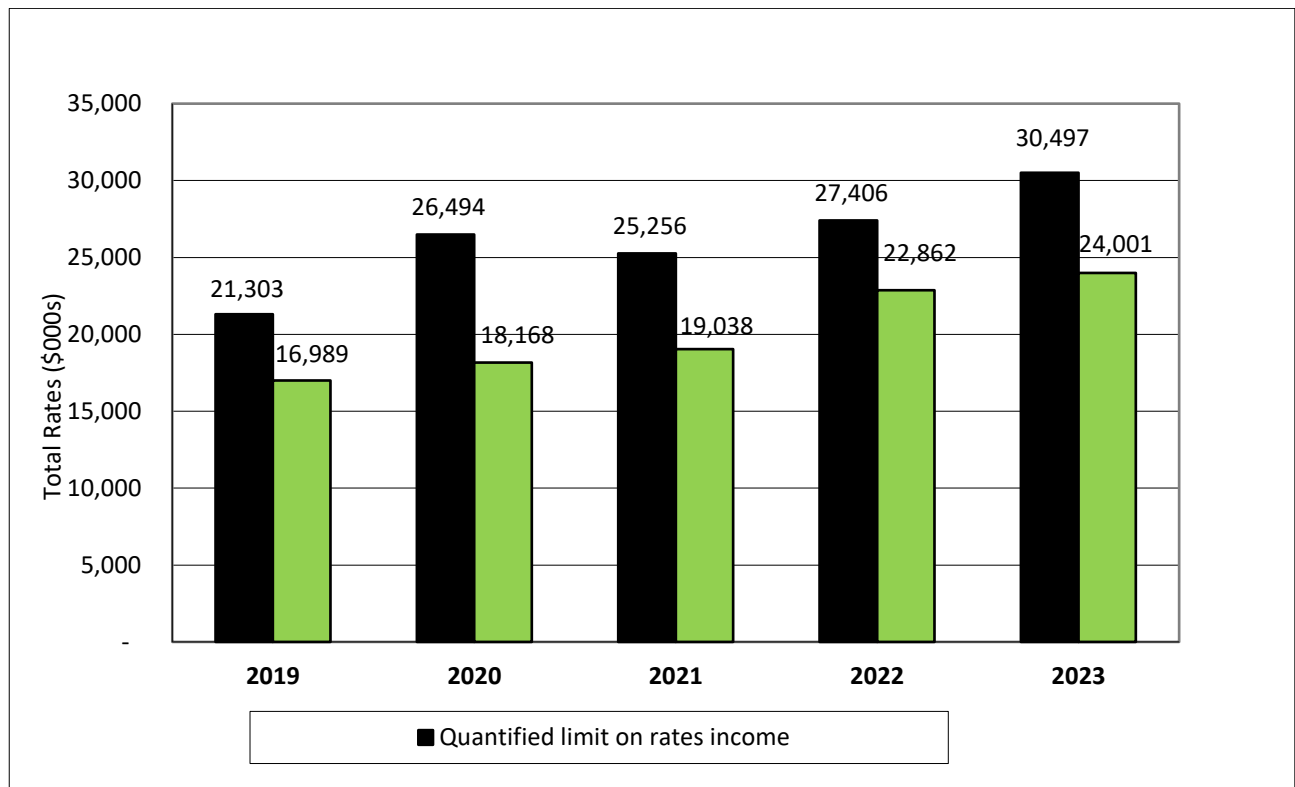
The Council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability - the following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's Long-term Plan. The quantified limit from 2019 is that total rates will not exceed 60% of total revenue.



Rates (increases) affordability - the following graph compares the Council’s actual rates increases with a quantified limit on rates increases included in the Financial Strategy included in the Council’s Long-term Plan. The quantified limit is that total rates increases will not exceed planned increases.



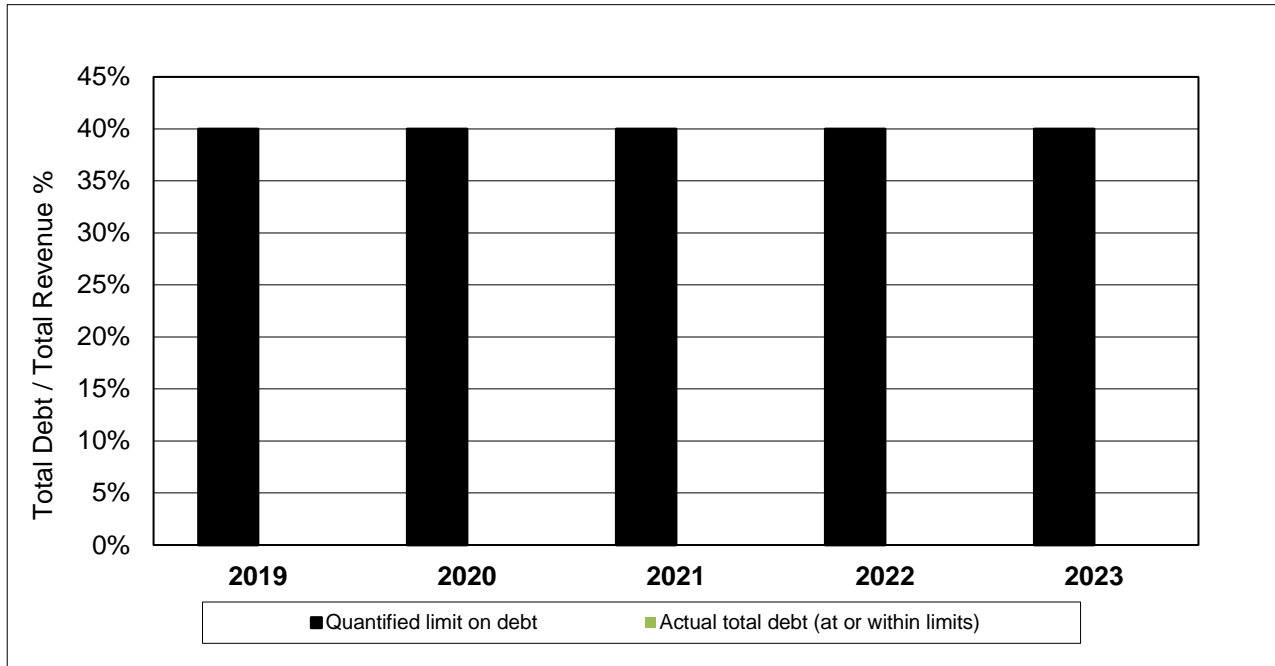
The Rates (increases) affordability benchmark requires a comparison of actual performance against quantified limits set in the Council’s Financial Strategy.

For the first three years of the Council’s 2018-2028 Long-term Plan the quantified limit was that total rates increase will not exceed 9%. In the 2021–2031 Long-term Plan budget adjustments were made to maintain service levels, be more efficient and implement new regulations. We assessed our options for rates increases versus balancing the books. We concluded that balancing the books after three years by 2025 was desirable. To achieve this most effectively, we considered the best outcome for ratepayers with the least financial risk was to set the rates increase in Year 1 (2021-22) at 20% and then thereafter reverting to moderate increases of 5% that support maintaining service levels, repaying debt and building resilience.

2. Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The quantified limit is that, other than overdrafts arranged to fund operating cash shortfalls immediately prior to the annual rate collection, the proportion of total borrowing subject to repayment or refinancing should be no greater than 40% of total income.



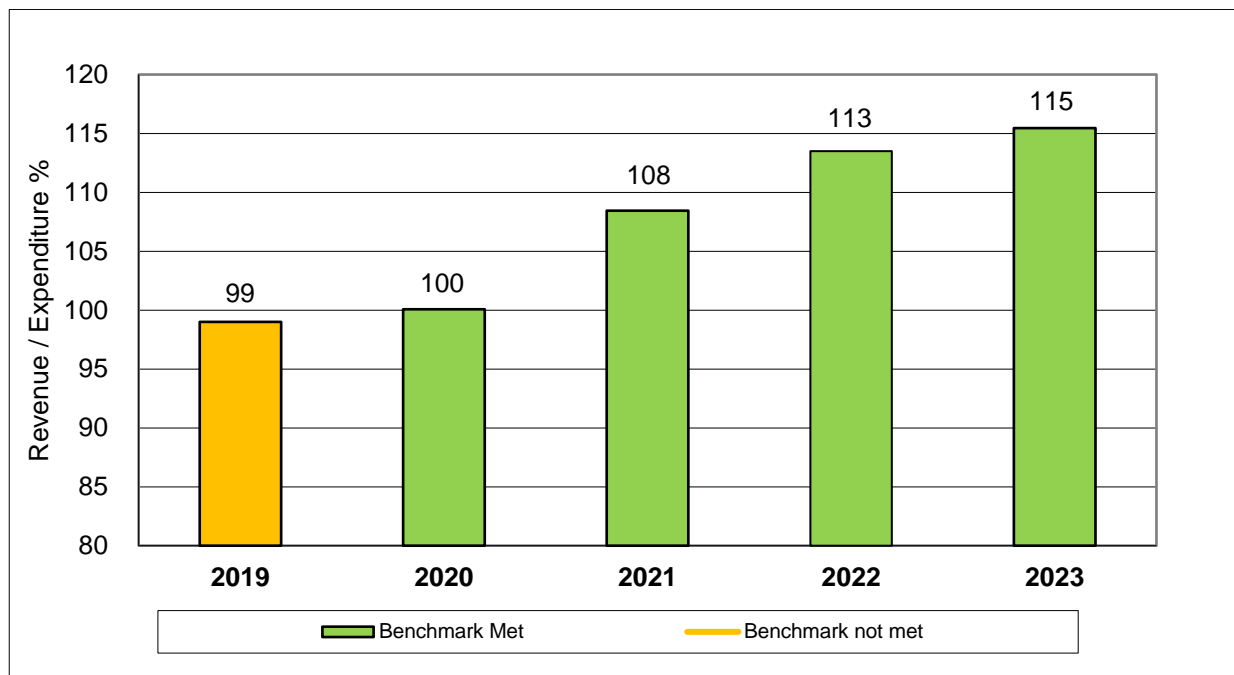
During the period 2019 to 2023, the Council had no external public debt therefore no actual total debt is shown in the above graph.

The Debt Affordability benchmark requires a comparison of actual performance against quantified limits set in the Council's Financial Strategy.

3. Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



In each of the years 2019 to 2023, Council planned not to meet its balanced budget requirement. Council planned to incur more operating expenditure than revenue received as it had resolved that it was financially prudent to do so by making use of prior years' surpluses and reserves.

4. Essential services benchmark

The essential services benchmark is the capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Network services means infrastructure related to:

- (a) water supply;
- (b) sewerage and the treatment and disposal of sewage;
- (c) stormwater drainage;
- (d) flood protection and control works;
- (e) the provision of roads and footpaths.

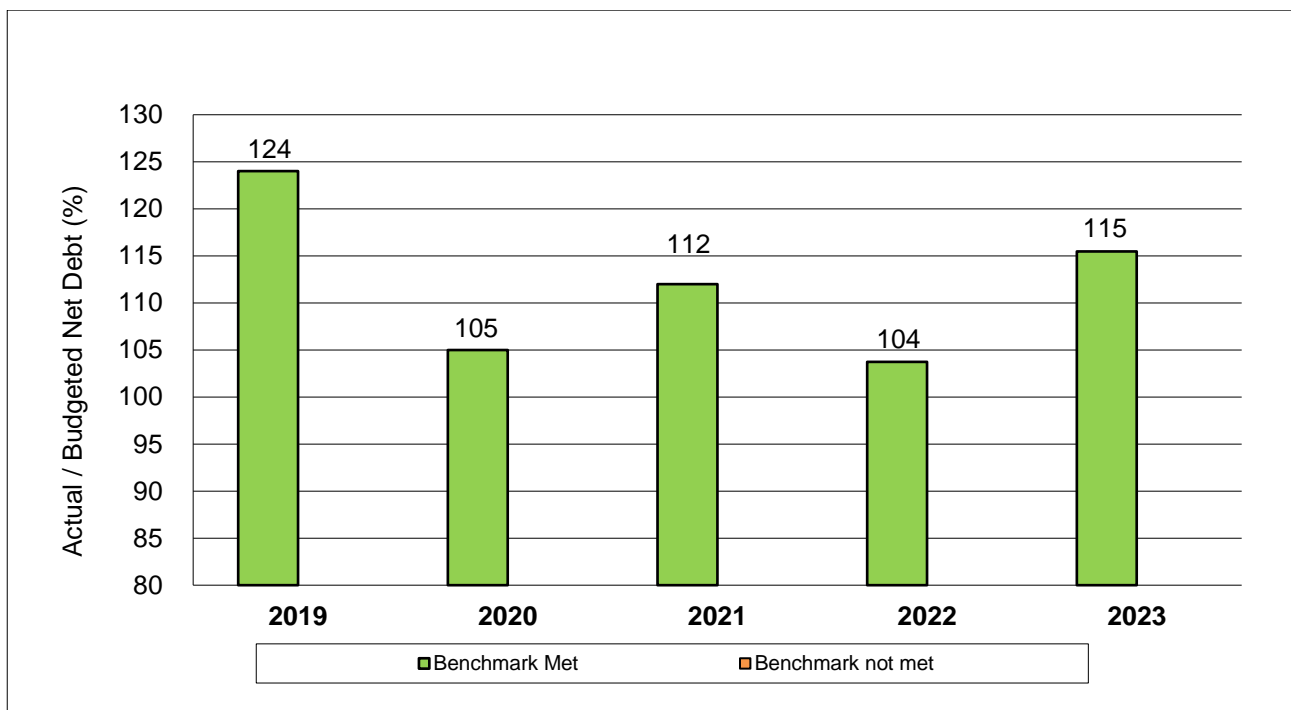
The Council's only network services are in relation to flood protection and control works. The Council does not provide any of the other network services. These network services are in the form of land assets. Accordingly, there is no depreciation on these assets. The Council's capital expenditure will always be equal to or greater than the depreciation expense.

5. Debt servicing benchmark

The debt servicing benchmark is the borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, therefore it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. During the period 2019 to 2023, the Council had no external public debt and no debt servicing.

6. Debt control benchmark

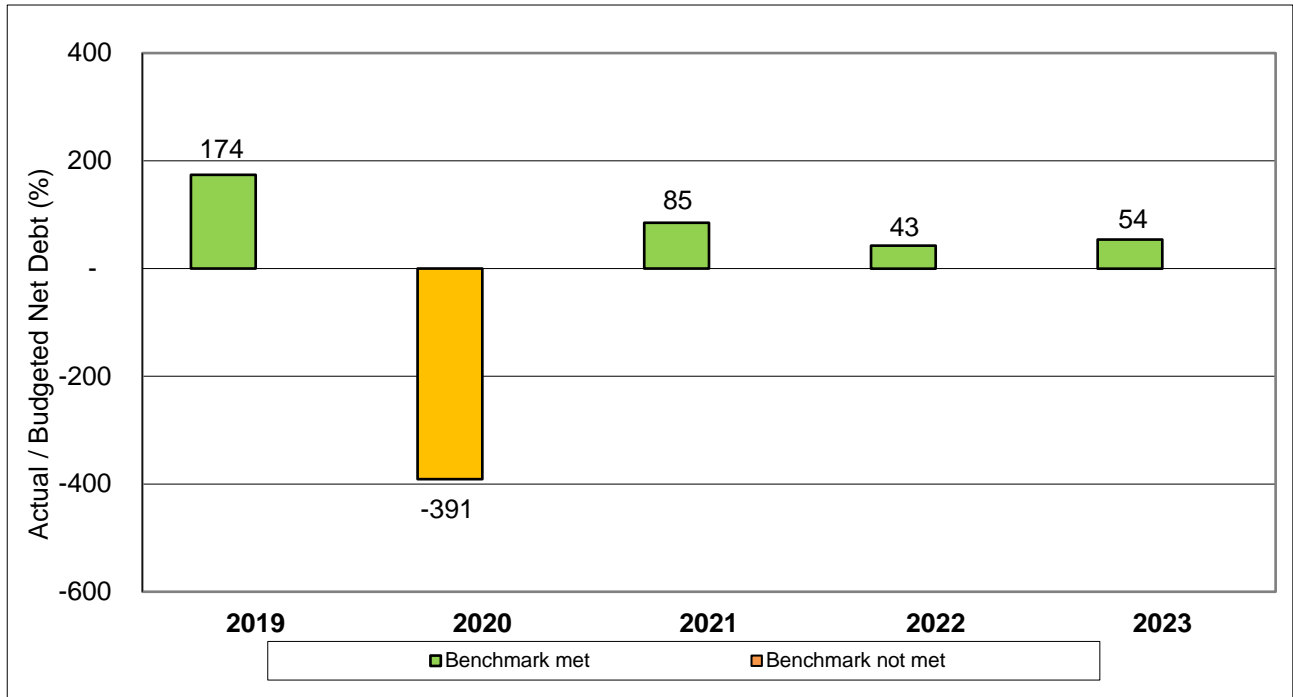
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



During the period 2019 to 2023, the Council had no external public debt. This benchmark is recording actual net financial assets as a proportion of planned net financial assets. For the Council, the debt control benchmark is met if it is actual net assets, financial assets (excluding trade and other receivables) less financial liabilities, equals or is more than its planned net assets.

7. Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



For the period 2019 to 2023 Council planned to have negative cash flow from its operating activities as it considered it was prudent to do so as it drew down on prior year's surpluses and reserves.

In 2019 actual cash flow from operating activities met the benchmark due to higher receipts from customers and lower than expected payments to suppliers and employees.

In 2020 the actual cash flow from operating activities did not meet the benchmark. This was due to greater than expected payments to suppliers.

In 2021 and 2022 actual cash flow from operating activities met the benchmark due to higher receipts from customers and lower than expected payments to suppliers and employees.

In 2023 actual cash flow from operating activities met the benchmark due to higher receipts from customers.

Audit Opinion (*Arotake*)



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ENVIRONMENT SOUTHLAND'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Environment Southland (the Regional Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Anthony Smith, using the staff and resources of Deloitte Limited, to report on the information in the Regional Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Regional Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Regional Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 18th October 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 75 to 129:
 - present fairly, in all material respects:
 - the Regional Council and Group's financial position as at 30 June 2023;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 12, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's annual plan;
- the statement of service performance on pages 11 to 73:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2023, including:



- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 11 to 73, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council's annual plan; and
- the funding impact statement for each group of activities on pages 11 to 73, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's Long-term plan.

Report on the disclosure requirements

We report that the Regional Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 130 to 135, which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council and Group's audited information and, where applicable, the Regional Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "*Responsibilities of the auditor for the audited information*" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.



The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Regional Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Regional Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the Regional Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Regional Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion.

Deloitte.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Regional Council and the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 10, 74 and 140 to 143, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Regional Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor we have no relationship with or interests in the Regional Council or its subsidiaries and controlled entities.



Anthony Smith
Deloitte Limited
On behalf of the Auditor-General
Christchurch, New Zealand

Collaboration across Councils and mana whenua

Council participates in relevant shared service arrangements via the Southland Triennial Agreement and a Memorandum of Understanding with the other local authorities locally and nationally. There are a variety of other collaborative arrangements in place with local councils and mana whenua.

The following are examples of some of those collaborations.

Building Control

Four southern territorial authorities including Southland District Council, Invercargill City Council, Gore District Council and Clutha District Council continue to work closely together on building control matters under the Southern Shared Services Group in terms of both information sharing and staff exchanges to support each other at busy times.

Eleven building control authorities (BCAs), Southland District Council, Invercargill City Council, Gore District Council, Clutha District Council, Dunedin City Council, Central Otago District Council, Mackenzie District Council, Queenstown Lakes District Council, Timaru District Council, Waimate District Council and Waitaki District Council, meet regularly both as a BCA managers' group and a quality assurance leaders group under the Southern Building Controls Group. They have developed a collaborative environment for consistency in processes as well as shared regulation forms and continuous improvement ideas.

The networking and engagement of these collaboration groups helps to standardise the consent processing methodology and quality assurance processes, improving the communities' experiences when working with a variety of councils in the South Island.

Emergency Management

Emergency Management Southland (EMS) is a shared service between Invercargill City Council, Southland District Council, Environment Southland and Gore District Council. It focuses on ensuring resilience in communities by preparing for emergencies and ensuring communities are able to respond to and recover from these when they do happen. Specific actions include public education and ensuring a pool of trained personnel.

During the 2022-23 year, the EMS team members were deployed on six occasions to assist with Auckland's flooding event and Cyclone Gabrielle, providing Auckland, Kaikohe and Hawkes Bay with much needed assistance and invaluable experience for attending staff. Emergency Management Southland duty officers have been contacted after hours for several other minor events throughout the year, an earthquake and possible resulting Tsunami from the Kermadec and Loyalty Island groups, and several weather warnings.

Emergency Management Southland has concentrated on providing increased training for the Council staff that would be called into the Emergency Coordination Centre to assist when in a declared state emergency. There has been induction, foundation, CIMS course and the new function specific training. 178 staff have attended these training sessions. Towards the end of the year EMS held Exercise Star, this was a combined exercise with emergency service and 50+ council staff, testing the knowledge gained throughout the training during the past year.

The AF8 programme is a combined South Island emergency management initiative that is run and administered by EMS. The programme completed the AF8 roadshow, which communicates the next Alpine Fault earthquake as a South Island wide event. It is not simply something that will happen over there, to others. It is an event we should all be aware of, and be better prepared for. The Roadshow as a public education initiative is due to a real collaborative effort, where science provides the foundation for robust community-led discussions and informed decision-making, supported by local emergency management and communication experts. The 2023 itinerary was expanded to 24 public science talks and 13 school visits

around the South Island. This tour ran for 9 weeks and visited communities that had missed out in the previous AF8 Roadshows, including two Marae (Wairewa and Waikawa), with some repeat visits to West Coast communities.

Emergency Management Southland was successful in securing \$200,000 funding from the NEMA resilience fund for the continued running of the AF8 programme, this will assist to ensure future development of the programme.

Regional Climate Change Inter-Agency Group

Following a Regional Climate Change Hui 4 July 2022; Environment Southland, Te Ao Mārama, Gore District Council, Invercargill City Council and Southland District Council have established a regional climate change inter-agency working group (RCCWG). This governance-level group has been meeting regularly since February 2023. The purpose of this working group is to effectively and collaboratively progress and communicate a joined-up approach to developing and executing a regional climate change strategy and framework for action for Murihiku Southland. This is as a key step towards Murihiku Southland mitigating and adapting to the regional impacts of climate change.

While this working group is not a formal joint committee and does not have formal delegations; it is expected that as the work progresses, it is intended to feed into the regionally coordinated approach to spatial planning for the region.

Information Technology

The IT Shared Services Operations Sub-Committee has undertaken activity during the past 12 months to align the operations of member councils and provide a more collaborative platform moving forward.

Collaboration and communication between all participating councils remains strong, with each member freely sharing their council's technology journey, upcoming projects and opportunities to align services. The councils continue to support each other with information on emerging trends, risks, and resolutions to new issues.

Shared Services initiatives during the past year included:

- Significant progress was made on the Provincial Growth Fund Regional LiDAR Project. As of 30 June 2023, the total area captured by the contractor, Aerial Services Limited, for Murihiku Southland was 97%. The remaining 3% will be completed in early summer 2023. Once captured, the data is processed offshore and returned to Environment Southland for quality assurance checking. The first sets of high-resolution LiDAR data for the Oban area of Rakiura Stewart Island, Matura catchment and South-East Coast have been released publicly. They can be accessed via the LINZ website [Southland LiDAR Index Tiles \(2020-2022\) | LINZ Data Service](#). The rest of Murihiku Southland will be released as it becomes available. Council is developing publicly available tools to utilise these datasets, e.g. 3D elevation models and contour mapping. They will be available as they are completed on Council websites.
- Along with the LiDAR project, we have re flown the region for imagery. 75% of the rural area was captured in the 2022-23 summer, and the remaining 25% will be captured in the 2023-24 summer. 100% of the urban areas were flown. Invercargill City Council completed a high-resolution project in 2022; this data is now available on Council websites. The remaining updated imagery will be publicly available via LINZ and Council websites as it becomes available; it is expected that this will be by October 2023.

Te Rōpu Taiao

The Southland councils have a long-standing and highly valued relationship with Ngāi Tahu ki Murihiku through the four Southland papatipu rūnanga, Te Ao Mārama Inc (the entity representing Southland rūnanga for resource management and local government matters) and Te Rūnanga o Ngāi Tahu (the iwi authority).

The Councils continued to fund and support Te Ao Mārama Inc during the 2022-23 year. The four papatipu rūnanga and the participant councils also continued to meet through Te Rōpu Taiao hui, which allow for exchange of information and identification of opportunities to work together.

SouthLib Library Consortium

In 2009, all eight councils in Otago and Southland (Central Otago District Council, Clutha District Council, Dunedin City Council, Gore District Council, Invercargill City Council, Southland District Council, Queenstown Lakes District Council and Waitaki District Council) signed a historic memorandum of understanding to collaborate in the delivery of public library services across the two regions.

The SouthLib consortium provides free reciprocal membership of any public library in the Otago and Southland regions to permanent residents living anywhere in the regions. This means that the more than 356,000 people living in Otago and Southland have free access to 42 public library branches, three book buses and a collection of more than 1.5 million items.

All libraries in the consortium are now completely fine-free or moving towards it. Public Libraries of New Zealand (PLNZ) launched a campaign last year to help all public libraries remove late fees. **Fine Free Aotearoa** is a step-by-step guide to help library managers, council members, and communities build a better and brighter future through engagement with their local library. Public libraries are a valuable part of our social infrastructure, a place to be connected, to learn, to access trusted information, and a platform to ensure our communities get the best out of life. Going fine-free opens doors for everyone, not just those who can afford it.

A range of opportunities and collaborations between the districts have taken place and these include integrated holiday and reading programmes, requests and holds able to be placed across boundaries. Authors visits are co-ordinated to minimise costs/travel and accommodation. Attendance at library programmes and events throughout the Southland and Otago region has seen 106,000 attendees.

E-resource collections across the consortium are growing steadily and 650,000 e-items were issued to users across the region.

The National Library, Aotearoa Public Network Kaharoa (APNK) in collaboration with New Zealand continues to provide free and facilitated access to the internet and computer technology with 52,795 wi-fi sessions by Southland users being accessed during the year.

We continue to subscribe to the shared library management and resources discovery service of the Kōtui consortium. As part of the Kōtui consortium, library managers and staff benefit from access to reliable future-proofed systems, and the ability to easily build resource-sharing networks with other Kōtui public libraries for their physical resources. Other benefits of Kōtui membership include training opportunities, seven-day service desk support from a specialist team, and an active and supportive membership community.

The public using Kōtui libraries benefit from resource discovery tools at their fingertips, making it easy to find what they want in their library's physical and electronic collections. Library users can search these resources in the library, at home or on their smartphone devices, making the service convenient and adaptable to the wide variety of needs of the community.

Regional Development

During the previous financial year, Great South⁴ (the Southland Regional Development Agency) was successful in gaining Just Transition funding to undertake long-term planning including a review of the Southland Regional Development Strategy.

Following 18 months of stakeholder and community engagement, the **Beyond 2025 Southland Regional Land Term Plan** was launched in June 2023 and shares aspirations for the region's future economy, environment and people and how these aspirations could be achieved. Further information can be sourced from www.beyond2025southland.nz

Regional Planning

The Second Tier Environmental Group and Regional Planning and Strategy Managers Group (comprising staff from Environment Southland, Invercargill City Council, Southland District Council, Gore District Council, Te Ao Mārama Inc. and Great South) continued to work together to respond to legislative change.

A coordinated approach to regional spatial planning in the region commenced during the 2022-23 year. We are jointly working together to determine the current state of existing information and also starting the scoping of a future work programme to fill any information or resource gaps.

Future challenges

- Resource Management, Three Waters and Local Government Reform
- Adapting to impacts of climate change and ensuring a resilient community
- The proposed closure of Tiwai Aluminium Smelter
- Freshwater and estuary health and implementation of Te Mana o te Wai

⁴ Great South is a Council-Controlled Organisation, with a broad range of shareholders helping to drive regional growth.

We collect personal information from you, including:

- *your name;*
- *contact information;*
- *location;*
- *computer or network;*
- *interactions with us;*
- *billing or purchase information.*

We collect your personal information in order to fulfil the legislative requirements of our business. Providing some information is optional. We keep your information safe by using secure systems and processes including policy and ensure secure access to your information by authorised staff only. You have the right to ask for a copy of any personal information we hold about you, and to ask for it to be corrected if you think it is wrong. If you would like to ask for a copy of your information, or have it corrected, please contact us at service@es.govt.nz, or (03) 211 5115, or Private Bag 90116, Invercargill 9840.