



Southland District Council

ANNUAL REPORT 2008/2009



Key Statistics about Southland District

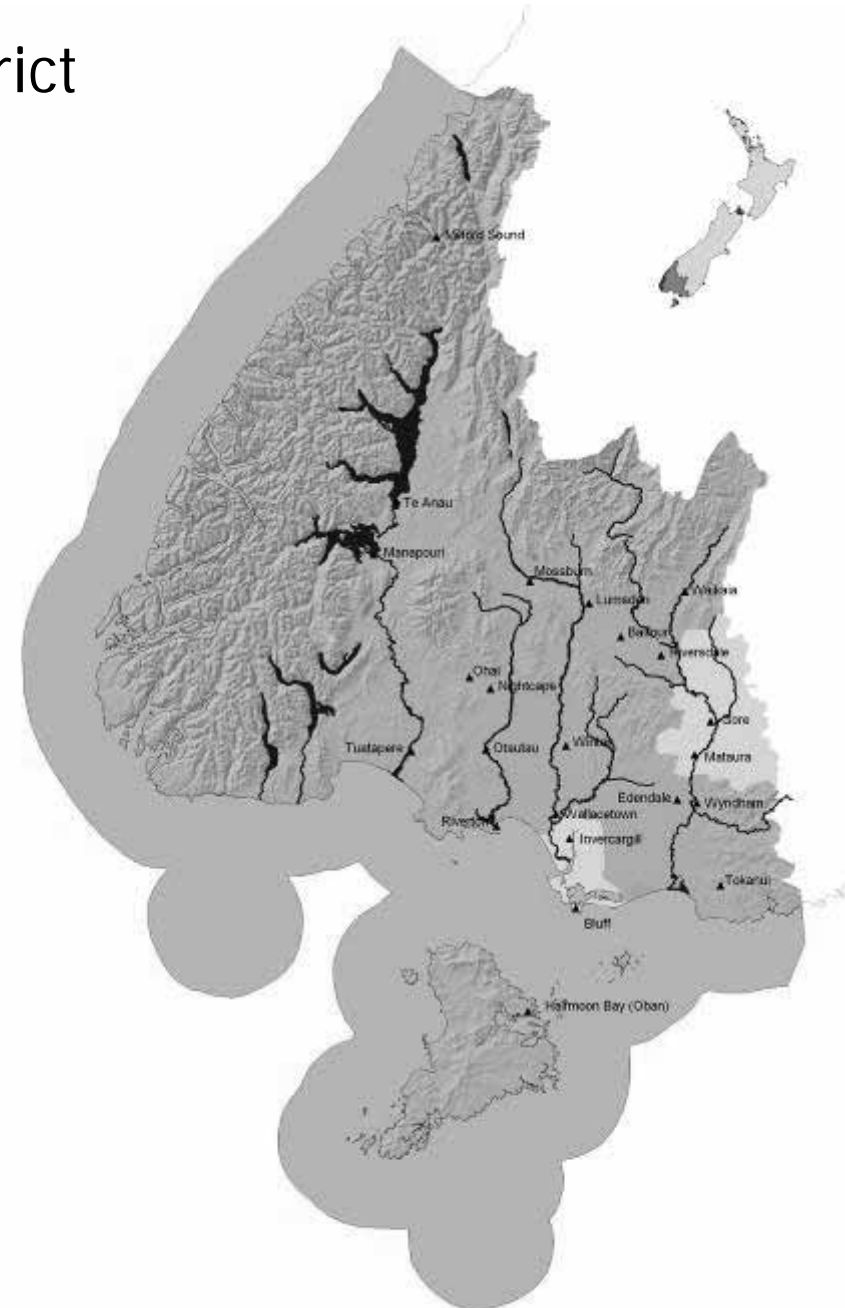
Population	28,440 ¹
Māori	9% ²
European	79% ²
Other ethnic groups	19% ²
Median household income	\$48,700 ¹
Median house price	\$190,000 ⁴
Land area	30,753 km ²
Length of coastline	3,400 km
Average annual rainfall	1,029 mm
Average annual sunshine hours	1,619 hours
Average annual temperature	15 °C
Number of Councillors	12
Number of Community Boards and Community Development Area Subcommittees	12 (CBs) 16 (CDAs)
Rating Units	20,632 ³
Area of parks and reserves	1,249
Number of sports fields and playgrounds	70
Number of libraries	12
Length of sealed roads	1,951 km
Length of gravel roads	3,010k m
Length of footpaths	193 km
Number of bridges	974
Number of streetlights	2,416
Length of wastewater pipes	205 km
Length of stormwater pipes	107 km
Length of water pipes	632 km

¹ Census 2006

² More than 100% as respondents can choose more than one ethnic group

³ June 2009 (Based on properties subject to Waste Management Rate, including non-rateable units)

⁴ www.interest.co.nz home loan affordability series April 2009



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Overview



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From the Mayor and Chief Executive



In 2008/2009 Council has continued to work towards making Southland a great place to live. Major initiatives undertaken during the year include the commencement of water and sewerage schemes for Edendale and Wyndham, continuing renewal and maintenance of our extensive roading network, initiation of a number of new shared services and completing a large number of local township projects, some of which are in fact significant undertakings for communities of their size.

The 2008/2009 year has seen many changes at both a national and international level. While Southland has not been severely affected by the worldwide recession which began part way through the year, there has been some fall-out for certain industries and parts of the District. This has led Council to re-look at its priorities and in particular its short and medium term commitments.

The change in Government in late 2008 has also meant a number of policy changes, including reviews of the Resource Management Act and the Local Government Act, which the Council has had to spend time understanding and responding to. However, despite all this uncertainty and change, residents continue to be satisfied with Council services, with the annual residents' survey showing 92% are satisfied with Council's overall performance.

Council has spent a large amount of the 2008/2009 year preparing the new Ten Year Plan and updating its associated activity management plans. These documents will become the focus of Council for the next three years.

Managing the District's roads continues to be a challenge for Council. During the year, Council spent more on roads than it had budgeted. This, along with the Government's recent announcement that Southland District will be receiving \$8.7 million less in national road funding over the next three years than requested, will also put significant pressure on roading and rates in the future. Council is grappling with this issue of how to look after our roads while balancing what the district needs, the cost of doing the work, the money Government is giving us and our rates take. At the present level of funding, the District simply cannot afford the level of roading needed to maintain our network which is the backbone of our District's economic, social and cultural wellbeing.

The international forestry market is one area that has been hit by the recession with wood prices continuing to fall. This has impacted on the Council's own forestry activity with a reduction in the value of forestry assets and lower revenue from log sales.

Southland, however, continued to buck national trends with only a small decrease in the number of building and resource consents. The level of regulation and control of natural resources in Southland is also seen by many as a key factor in determining the economic potential and diversity of the District. The review of the District Plan (which controls use of these resources) also began during the year with a very positive response to early joint consultation with Environment Southland about the key issues.

A renewable energy trial incorporating a small wind turbine and two solar panels began on Stewart Island to try to reduce the island's dependence on the diesel-powered generators. Financially, Council's total assets are now valued at \$1.27 billion and a surplus of \$4.6 million was returned for the 2008/2009 year.

We would like to thank our extended Council "family" for their hard work and commitment which is a reflection on what we have managed to achieve together over the past year. We believe Southland has continued to demonstrate its importance as a leader in the country and the work undertaken by Council this year helps to keep the District as one of New Zealand's greatest places to live.

Frana Cardno
MAYOR, JP, QSO

David Adamson
CHIEF EXECUTIVE

Explaining the Planning Framework

Annual Report

The Annual Report tells you and us how well we did against what we said we were going to do in our Annual Plan or LTCCP, how much it cost to do this and how we paid for it. The information in the report is checked by Audit New Zealand who gives its opinion on whether the financial statements fairly represent the Council's financial position and comply with generally accepted accounting practice and also how accurately we have monitored and reported on our activities. This document reports on the Council's activities during the year 1 July 2008 to 30 June 2009 which was the period of the Annual Plan 2008/2009.

Long Term Council Community Plan

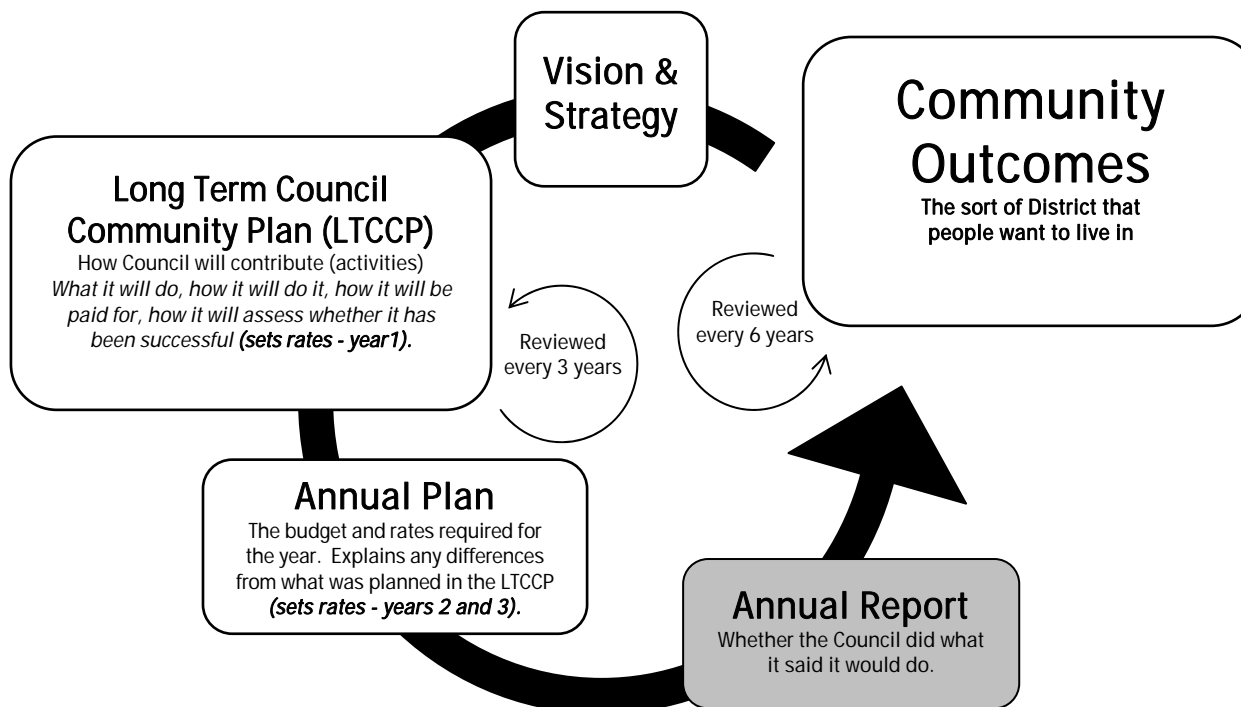
The Long Term Council Community Plan (LTCCP) sets out how Council intends to contribute to community outcomes through its activities over the next 10 years, the cost of the activities and how they will be funded. The plan is the Council's primary planning document and is reviewed every three years. The Southland District Council adopted its LTCCP 2009-2019 on 30 June 2009.

Community Outcomes

The direction of the LTCCP is based on what are called community outcomes. Community outcomes describe the sort of District that people want to live in now and into the future. For example one of the outcomes Council works towards is *A diverse economy built from our strengths for growth and prosperity*. For more details on community outcomes refer to page 19.

Annual Plan

Annual Plans are required to be produced every year that an LTCCP is not. The primary purpose of the Annual Plan is to provide the accountability base for setting and assessing rates, showing where the Council plans to spend its money from 1 July to 30 June and also to identify and explain any variations from the LTCCP. If the Council is making any 'significant' changes from the LTCCP, it must also amend the relevant sections of the LTCCP.



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Vision, Mission and Guiding Principle

The Council has had "People First" as its guiding principle since 1991. "Serving communities together" was added in 1996. Its vision and mission have had a number of iterations, with the vision reworded into one sentence in 2006, while still encapsulating the four aspects of community wellbeing: economic, environmental, social and cultural.



Vision

Thriving, healthy communities whose economic, cultural, and social wellbeing and opportunities are supported by excellent infrastructure, services and amenities within a high quality environment.

Mission

Working together for a better Southland.

Guiding Principle

People First

- P*romote social, economic, environmental and cultural well-being
- E*ffective representation
- O*pen and accessible
- P*rogressive and innovative
- L*ocal involvement
- E*xceeding expectations

Serving Communities Together

Key Highlights

This section describes some of the Council's key achievements, events and projects which occurred in 2008/2009. Details about all activities and other projects can be found in the Activity Reports from page 29.

Residents' Satisfaction Survey Results

Satisfaction with the performance of Council and its activities remains high again this year, with the residents' survey showing around 92% of residents are satisfied with the Council's overall performance. Services with the highest satisfaction were libraries, community centres and sports fields. Services with the lowest satisfaction were gravel roads, footpaths, sealed roads and quality of town water supply. There were large improvements in satisfaction over previous years in dog control, location of refuse stations and recycling centres, community development and the level of consultation with the community. The table opposite summarises these results.

Focus on Roothing

Roothing continues to be a key area of focus and spending for the Council. During the year, Council carried out over 116 kilometres of reseals and 18 kilometres of rehabilitations on the District roads. This work cost nearly \$8.3 million and along with maintenance activities made up a significant portion of Council's overall expenditure on roading of \$26.6 million compared to the budget of \$23.9 million.

The portion of the Papatotara Coast Road (Tuatapere) which was washed away by storms was relocated during the year. The new route was developed inland through regenerated bush, scrub and open farm land. This will provide access for those farming in the area, owners of bush blocks as well as Hump Ridge Track users. A number of roads on Stewart Island were also resealed during the year.

The year also saw particular emphasis going into planning for the roading activity for the next ten years as part of the development of the Council's Ten Year Plan. This process involved reviewing the condition of the roading network, its remaining life and determining what level of maintenance and renewal is needed to be carried out each year to keep the roads in good condition and subsequently the amount of funding (rates and NZTA subsidy) needed.

Unfortunately, despite the ten year planning process showing that increased funding was needed for roads (not only to carry out more work but also to pay for increases in the cost of doing the work), the NZ Transport Agency has recently announced that the amount of subsidy funding provided to Southland to help pay for roads will gradually reduce rather than increase over time. Their announcement will see a reduction of \$2.1 million, \$2.9 million and \$3.75 million for the roading programme over the next three years.

Going forward, this is a significant issue for the District, because in order to avoid further rate increases on top of what was signalled in the Ten Year Plan, the Council will have to reduce what it spends on roads. In addition, while the Council believes that it is important to understand the long-term liability for roading infrastructure to ensure that a sustainable level of maintenance is carried out, the Council is very concerned that the Government is not providing the level of subsidy which the planning has indicated is needed in Southland.

Resident Satisfaction with Council Services

Council Service	Satisfied
Libraries (Location)	98%
Community Centres*	96%
Sports fields	96%
Parks and Reserves	96%
Playgrounds	94%
Sewerage system	93%
Cemeteries	93%
Gardens/Street plantings	93%
Stock Control	90%
Streetlighting	85%
Development (Community, Enterprise and Tourism)*	84%
Water Supply*	84%
Solid Waste ¹	82%
Dog Control	80%
Sealed roads	71%
Footpaths	66%
Gravel roads	50%

* Average of results for different aspects of service
¹ Average of Transfer stations (location and opening hours), recycling centres and wheelie bin collection.

With the indicated funding for the next three years being substantially below the level forecast in the Activity Management Plan Council will need to further review the levels of both maintenance and renewals for the next three years. The challenge will be to ensure levels of service can be maintained within the funding levels approved. This is something that the Council is working on at the moment and, given that a high proportion of residents have indicated that they are not satisfied with current maintenance of gravel roads (50%) and sealed roads (29%), Council is conscious that there is likely to be a growing gap between the community's expectation about roads and what the community can afford.

Building and Resource Planning Consents

It was another busy year for the Building Control and Resource Management departments. Despite a large drop nationally in the number of consent applications, the number of consents processed in the Southland District remained high, with just 23 fewer building consents and 37 fewer resource consents compared to the previous year.

Surveys of Building Control and Resource Management applicants were also conducted this year and these showed an improvement in satisfaction in a number of areas. In particular, building control applicants were more satisfied with timeframes than in 2006/2007 and resource management applicants were more satisfied with performance of staff. Both surveys showed that processing costs were the area that had the least satisfaction.

Three Waters Continues to be a Focus

The 2008/2009 year saw the Council continue to work on its priority water, sewerage and stormwater projects, in particular those likely to have the greatest benefit to the community. Significant progress has been made on the construction of the Edendale and Wyndham combined sewerage/water scheme with the pipe network for both the sewerage and water supply scheme in the Edendale township being completed and work started on the reinstatement of roads and roadsides at the end of the financial year. The sewerage scheme (combined with Wyndham) will be unique in Southland as it uses an innovative treatment system where the sewage is treated using bacteria and worms. The Edendale portion of the sewerage scheme became operational in July 2009 and will be followed by the water scheme which will be completed in 2009/2010. Construction also began on the pipe network in the Wyndham township and will continue through to October 2011.

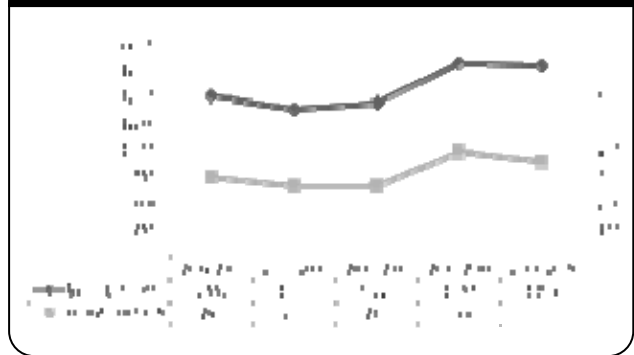
District Plan Review Underway

The Council began to review its District Plan this year. The District Plan, which outlines the Council's objectives, policies and rules on land use and development in the District, is being reviewed following a period of intensive growth and development pressure in the District and increased community expectations regarding environmental quality.

A set of discussion papers on various issues were released in May 2009 with public meetings held around the District following this to get feedback. This information will be used to assist in the formulation of the Draft document.

The initial consultation stage is being done in conjunction with Environment Southland's Regional Policy Statement review to ensure consistency between the two plans.

Consents Processed During Year



In addition, the year saw a significant improvement in the proportion of projects completed by the end of the year despite the fact that a number of water projects have had to be delayed because of the Government's announcement that it was putting a hold on the subsidy scheme to review how the funding is allocated.

Forward planning for the next ten years was also a key focus with the completion of three Activity Plans, one each for water, sewerage and stormwater assets. These plans detail the current condition and performance of Council's numerous schemes and what work will be needed over the next ten years to keep them operating well. This information formed a critical component of the Council's Ten Year Plan which was adopted during the year. The Ten Year Plan also discussed the possibility of changing the way township water and sewerage schemes are funded - moving from individual rates for each scheme to a uniform rate across all urban schemes. While the Council decided to leave this as it is for the 2009/2010 year, it is an area that will be looked at further in the future.

Water, stormwater and sewerage will continue to be key issues for the Council with some uncertainty around several issues, including the impact of the new water/sewerage maintenance contract due to be re-tendered, changes being considered to the Ministry of Health process for distributing drinking water subsidies as well as rapid change around water use and environmental standards for stormwater and sewerage discharges.

Renewable Energy Trial (Stewart Island)

A small wind turbine and two solar panels were installed on Stewart Island in October as part of a renewable energy trial. Currently, the electricity on the Island is produced from diesel powered generators, however the Council, along with PowerNet and Right House, and the community have been working together to identify and implement renewable generation solutions to better manage the cost of electricity on the Island and reduce the reliance on these diesel powered generators. The energy produced from the wind and photovoltaic generation is being monitored and it is hoped in the future a larger scale system can be installed which would contribute as much as a third of total electricity on the Island.

Sister City Agreement Signed with Cinque Terre

Southland District Council signed a sister city agreement with Cinque Terre National Park in Italy via Skype internet service in March 2009. The two areas have a number of similarities including the districts being made up of small communities with solid connections to the land - in Southland agricultural farming; in Cinque Terre vineyards and horticulture; and a growing tourism industry including an emphasis on our natural environment and walking tracks. The objectives of the agreement are to promote the natural attributes of both regions, promote the development of cultural, youth, municipal and recreational exchanges between the citizens of both communities, explore, promote and assist with sustainability outcomes and exchange of information and research.

Inclusive Communities Strategy

Following submissions to the Southland District Council's 2008/2009 Annual Plan, Council developed a strategy to ensure that all people are able to fully participate in life within the Southland District, including people with impairments and/or from ethnic communities. The strategy and associated action plan was adopted in January 2009 and Council began implementing the strategy with a review of disabled parking throughout Southland District to ensure these were the correct width and safe and appropriate.

Summary Activity Report

The Annual Plan 2008/2009 included 104 projects for the year as well as 141 performance targets for its 26 activities. The graphs and table opposite and below provide a snapshot of the status of projects and performance targets as at 30 June 2009.

Projects – During the 2008/2009 year Council prioritised a number of projects to ensure that progress is made on those likely to have the greatest benefit to the community. Overall, more than one third of all projects were completed by the end of the year with a number of other projects in progress and due to be completed in 2009/2010. Several projects were also re-programmed into the new Ten Year Plan 2009-2019. The table below groups together the results for similar significant activities, summarising the 26 activities into eight. More detail about the individual activities including commentary of specific projects and achievements are included in the Activity Reports from page 29.

Performance targets - 75% of performance targets were either met in full or by a majority.

Activity	Project Report			Level of Service Indicator Targets		
	Complete ¹	In Progress	Not Complete ²	Achieved	Majority Achieved ³	Not Achieved ⁴
Roading and Transport	4	3	6	6	6	8
Solid Waste Management	1	2	0	1	2	2
Other District Services	1	0	2	15	10	3
Stormwater, Wastewater, Water	27	10	26	3	6	8
Other Local Services	8	4	8	18	4	5
Regulatory Services	1	1	0	3	9	8
Governance, Strategy, Communication	-	-	-	8	2	1
Grants and Donations	-	-	-	10	3	0
Total 2008/2009	42 (40%)	20 (19%)	42 (41%)	64 (45%)	42 (30%)	35 (25%)
Total 2007/2008	22 (13%)	33 (19%)	115 (68%)	54 (38%)	40 (28%)	48 (34%)

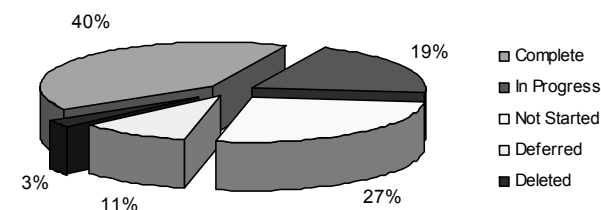
¹ In addition to the 42 projects identified for 2008/2009 being completed, Council also completed several projects carried forward from previous years. These are included in the project tables in the Activity Report section.

² Includes projects which are not started (28), deferred (11) and deleted (3). Many of these projects have been carried forward to the 2009/2010 year or a future year.

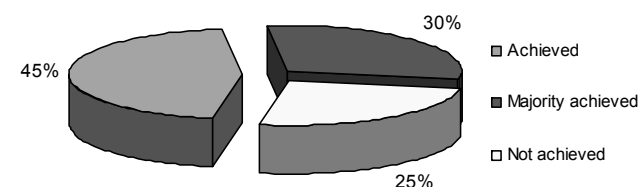
³ Majority achieved describes the number of performance measures that achieved 75% or more of the target.

⁴ This includes 4 indicators which were not measured in 2008/2009.

Project Status for 2008/2009



Key Performance Targets Met



Activity Grouping

Other District Services includes Civil Defence, Community Housing, District Support, Forestry, Libraries and Work Schemes.

Other Local Services includes Beautification, Cemeteries, Community Centres, Airports, Parks and Reserves, Public Conveniences, SIESA and Council Buildings and Property.

Regulatory Services includes Building Control, Dog Control, Health Regulation and Resource Management.

Financial Overview

The financial overview provides a summary of the year-end financial results for the Southland District Council. The information contained in this overview has been extracted from the full financial statements which contain detailed information about Council's finances and service performance. The financial results include information about the Council, Stewart Island Electricity Supply Authority and Venture Southland. The table shows the financial year-end results, as at 30 June 2009 and includes comparisons from the previous financial year and the 2008/2009 budget.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Full details of the Council's accounting policies can be found on page 111.

The Annual Report has been prepared in accordance with NZ GAAP. The Annual Report complies with NZ International Financial Reporting Standards, as appropriate for public benefit entities.

The information included in the summary annual report has been prepared in accordance with FRS 39: Summary financial Reports.

FINANCIAL SUMMARY			
Actual 2007/2008		Actual 2008/2009	Budget 2008/2009
	FINANCIAL PERFORMANCE		
57,811,706	Revenue Earned (incl Asset Development)	60,086,944	68,300,298
52,805,231	Less Total Expenditure	55,055,175	53,776,799
48,190	Less Finance Costs	388,987	170,371
(1,347)	Plus Share of Associate Surplus/(Deficit)	7,182	-
-	Plus Income Taxation Benefit	-	-
4,956,938	• Net Surplus (after taxation)	4,649,964	14,353,128
	CHANGES IN EQUITY		
1,126,931,619	Equity at Start of the Year	1,229,440,029	1,162,044,902
97,551,471	Movement in Asset Revaluation Reserve	38,826,506	54,137,993
4,956,938	Net Surplus/(Deficit) for the Year	4,649,964	14,353,128
1,229,440,028	• Equity at the End of the Year	1,272,916,499	1,230,536,023
	FINANCIAL POSITION		
1,229,440,028	Total Equity	1,272,916,499	1,230,536,023
17,523,889	Current Assets	15,162,102	13,245,370
1,227,072,457	Non-Current Assets	1,273,381,864	1,236,027,602
1,244,596,346	Total Assets	1,288,543,966	1,249,272,972
14,235,478	Current Liabilities	15,004,454	11,562,581
920,840	Non-Current Liabilities	623,013	7,174,368
15,156,318	Total Liabilities	15,627,467	18,736,949
1,229,440,028	• Net Assets (Assets less Liabilities)	1,272,916,499	1,230,536,023
	CASH FLOWS		
17,500,315	Operating Cashflow	22,492,854	26,727,845
(22,617,469)	Investing Cashflow	(22,491,682)	(31,777,986)
4,805,721	Financing Cashflow	1,486,635	7,461,419
(311,433)	• Net Cashflow Increase / (Decrease)	1,487,807	2,411,278

SURPLUS

what income Council has left after operational costs are paid

EQUITY

net assets owned by ratepayers

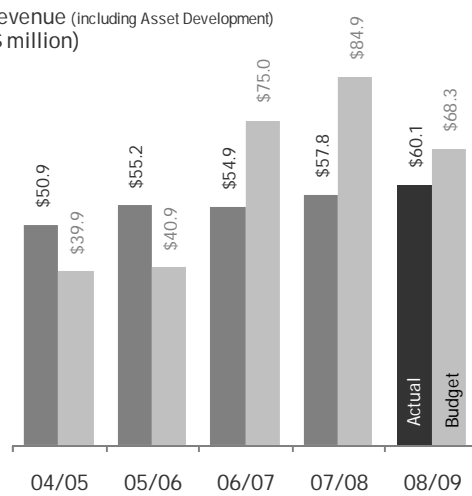
NET ASSETS

what Council owns and what it owes at the end of the year

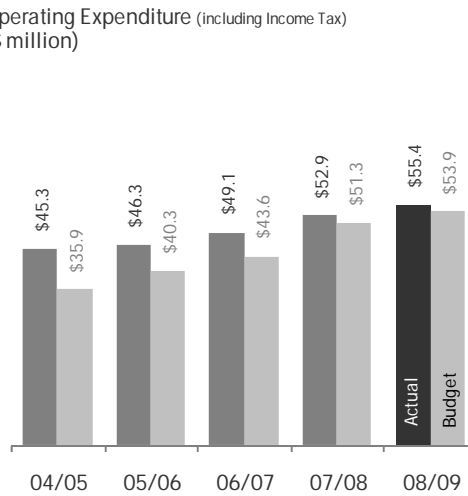
CASHFLOW

how Council generated and used cash during the year

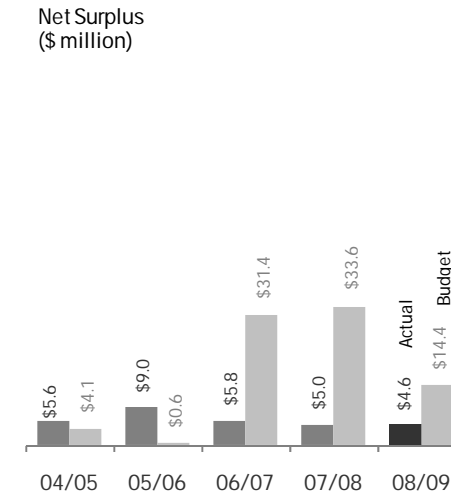
Revenue (including Asset Development)
(\$ million)



Operating Expenditure (including Income Tax)
(\$ million)



Net Surplus
(\$ million)



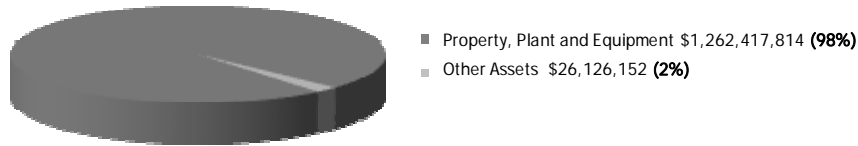
Surplus

This year saw a net surplus of \$4.6 million compared to the budgeted surplus of \$14.4 million. When the Annual Plan was prepared, it was assumed that several water and wastewater projects would receive funding from the Ministry of Health and be constructed during the year. A number of these projects are still in progress and, as a result, the associated funding from the Ministry of Health (in the form of subsidies) as well as contributions from those connecting to the water/wastewater schemes (recoveries) are \$7.4 million lower than budgeted.

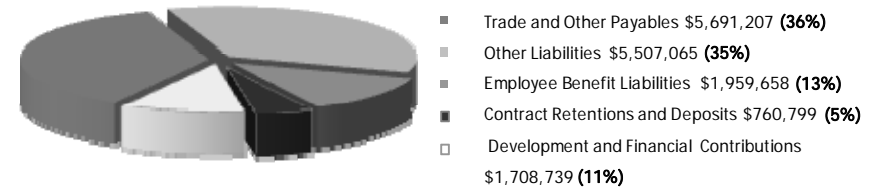
In addition, it was anticipated that the old Te Anau airport (Waiau) would be sold during the year. Due to consultation with ratepayers, the process of decommissioning the airport and current market conditions this did not occur resulting in \$3 million less in revenue. This was partially offset by an additional approved subsidy of \$900,000 from the NZ Transport Agency for additional roading work undertaken during the year.

Furthermore, Development and Financial contributions were \$269,000 less than budgeted. Development and Financial contributions are contributions which are paid to the Council where a development (such as a subdivision) generates a demand for infrastructure (such as water and wastewater or reserves). They aim to collect the costs of capital projects, which are planned or have been undertaken, from those creating the demand. The number of demand capital projects was less than anticipated therefore the related revenue recognised for those projects was also less than budgeted.

Composition of Total Assets



Composition of Total Liabilities



Net Assets and Equity

Overall, total net assets have increased by \$43.5 million from last year. This is mainly due to an increase in the revaluation of Council's infrastructural assets as a result of continuing cost increases. Ratepayer equity also increased 3.5% over the previous year to \$1.27 billion. As a result of the movement of capital projects into future financial years and the internal funding of completed projects or those in progress, long term projected external borrowings were not required. This meant that non-current liabilities are lower than expected in the budget (refer to the Financial Summary table on page 14). However, short term borrowings were required to meet operating cashflow needs in the periods between quarterly rates takes, hence current liabilities is higher than anticipated in the budget. Development and Financial contributions included in current liabilities were \$2.9 million less than budgeted. Development and Financial contributions are contributions which are paid to the Council where a development (such as a subdivision) generates a demand for infrastructure (such as water and wastewater or reserves). The aim of the contribution is to collect the costs of capital projects, which are planned or have been undertaken, from those that are creating the demand. The budget assumed a higher level of contributions from Te Anau developers than actually were received. The contributions balance represents the unspent funds collected from developers.

Cash Flow

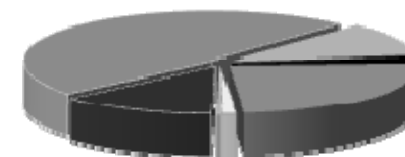
Net cash inflow from operating activities is lower than budget by \$4.2 million. This is mainly due to lower asset development revenue (i.e. Ministry of Health grants and water/wastewater scheme recoveries) being received because of capital projects still in progress as of 30 June 2009 (see comments under Surplus). The lower project income is partially offset by increased funding from the New Zealand Transport Agency for additional road work undertaken during the year. A change in the timing of when capital projects will be undertaken has also affected the net cashflow from investing and financing activities (see the financial summary table on page 14). Net cash outflow from investing activities is \$9.3 million lower than budget and net cash inflow from financing activities is \$6.0 million lower than budget. The budget assumed external financing of capital projects and a higher amount of contributions from subdivision developers than actually occurred. Council was principally able to internally fund its projects during the year by drawing down its investments.

Overall, the decrease in capital project spending has offset the lower than budgeted cash receipts for the year and consequently, the Council has ended the year with a cash balance of \$6.4 million, which is \$0.7 million higher than budget.

Where the revenue came from

The Council received \$60.1 million of revenue during the year, including \$29.2 million from rates. The breakdown of this revenue is shown in the graph (right). Overall, revenue was \$8.2 million lower at the end of the year than what was budgeted largely because a number of water and wastewater projects were still in progress meaning the associated income from the Ministry of Health and those connecting to the schemes were not received. In addition, the sale of the old Te Anau airport site is still in progress due to the current property market conditions. These were partially offset by additional income from the NZ Transport Agency for extra roading work carried out during the year as well as a higher number of subdivision developments being completed resulting in assets being vested (given) to Council. The value of the vested assets is recognised as revenue, but is not actual cash revenue to Council.

Sources of Revenue (incl Asset Development, excl Venutre Southland)



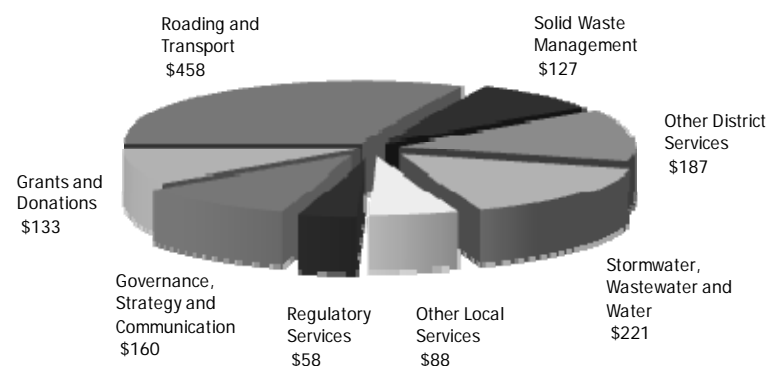
- Rates \$29,184,488 (48.6%)
- Other Revenue \$6,717,724 (11.2%)
- Interest and dividends \$748,059 (1.2%)
- NZ Transport Agency \$14,745,659 (24.5%)
- Grants and Subsidies \$693,445 (1.2%)
- Gains/(Losses) (\$286,298)(-0.5%)
- Asset Development \$8,291,049 (13.8%)

Where your rates were spent

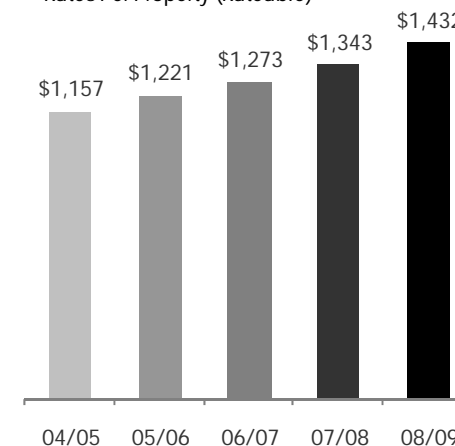
The average annual rates per property for the past five years are shown in the graph (below right). The pie chart (below left) shows the breakdown of where the average rates of \$1,432 per property was spent in 2008/2009. Spending on Roothing and Transport topped the list, followed by Stormwater/Water and Wastewater, Other District Services, and Governance, Strategy and Communication. "Other District Services" groups together the Civil Defence, District Support and Library activities.

The majority of Council's expenditure (operational and capital) is on essential infrastructure such as roads, wastewater and water.

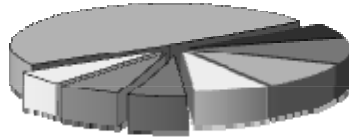
Average Rates Expenditure Per Property (Rateable)



Rates Per Property (Rateable)

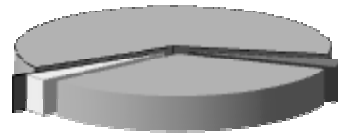


Activity Operational Expenditure
(excl Venture Southland)



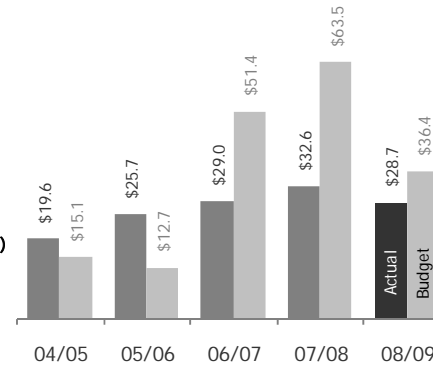
- ▣ Rooding and Transport \$26.5 million (48.6%)
- ▣ Solid Waste Management \$3.0 million (5.6%)
- ▣ Other District Services \$5.5 million (10.1%)
- ▣ Stormwater, Wastewater, Water \$5.5 million (10.1%)
- ▣ Other Local Services \$4.2 million (7.7%)
- ▣ Regulatory Services \$3.2 million (5.9%)
- ▣ Governance, Strategy \$3.6 million (6.6%)
- ▣ Grants and Donations \$3.0 million (5.4%)

Activity Capital Expenditure
(including Vested Assets)

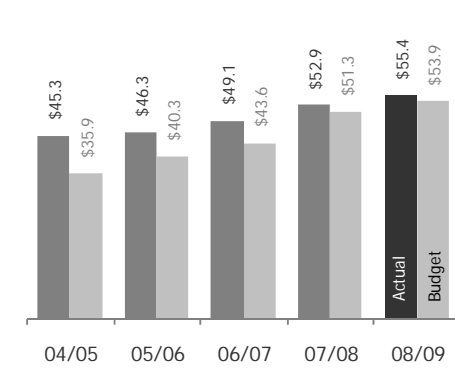


- ▣ Rooding and Transport \$17.58 million (61.2%)
- ▣ Solid Waste Management \$0.001 million (0.0%)
- ▣ Other District Services \$0.85 million (3.0%)
- ▣ Stormwater, Wastewater, Water \$9.41 million (32.8%)
- ▣ Other Local Services \$0.79 million (2.7%)
- ▣ Regulatory Services \$0.03 million (0.1%)
- ▣ Governance, Strategy \$0.04 million (0.2%)
- ▣ Grants and Donations \$0 million (0.0%)

Capital Expenditure (including Vested Assets)
(\$ million)



Operating Expenditure (including Income Tax)
(\$ million)



Operational Expenditure

Just over \$55 million was used on operating expenditure with nearly half of this spent on Rooding and Transport services (49%). Overall operating expenditure was \$1.5 million higher than budgeted due to a number of factors detailed in the table below.

Increases	Decreases
<ul style="list-style-type: none"> ▪ \$1.9 million additional depreciation principally for infrastructural assets. ▪ \$1.3 million related to including a share of Venture Southland's expenses. ▪ \$1.9 million related to a change in the rooding programme. 	<ul style="list-style-type: none"> ▪ \$400,000 less than anticipated on District Plan review costs. ▪ \$1.4 million underspends on various operational costs. ▪ \$1.8 million of internal interest and project income offset against expenditure which had been budgeted as external revenue.

Capital Expenditure

Council spent \$28.7 million on capital projects in 2008/2009. Of this total, \$17.6 million (61%) was spent on rooding and transport projects throughout the District and \$9.4 million (33%) was spent on stormwater, water and wastewater projects in local townships. The capital project spending was lower than the \$36.4 million budgeted in the Annual Plan as a number of capital works are still in progress or not yet started. More detail on these are shown in the Activity Reports.

- OVERVIEW
- ACTIVITY REPORTS
- FINANCIAL INFORMATION
- OTHER INFORMATION

Community Outcomes

Six years ago Southland's local authorities first invited our citizens to define their aspirations for their region and its communities. This is what the community told us they wanted:

Outcomes

1.

LIFESTYLE and CULTURE

Southland is a great place to live.

1. We value our history and heritage.
2. We have a choice of quality places to go and things to do.
3. We embrace and respect a diverse community.
4. We are proud to be Southlanders.
5. We live in a creative place.

2.

ECONOMY and EMPLOYMENT

A diverse economy built from our strengths for growth and prosperity.

1. We have a quality infrastructure with potential for growth.
2. We have an innovative and vibrant culture that supports business.
3. We have a business friendly environment in which to operate.
4. We have an economy built on our competitive advantage.
5. We have full employment and rewarding careers.
6. We retain and build on our skills base.
7. We keep the things about living here that we value

3.

LAW and ORDER

Safe places in a caring society that is free from crime.

1. We have safe roads.
2. We have safe homes.
3. We have public places safe for children and families.
4. We apprehend and hold law breakers appropriately accountable.
5. We support the victims of crime.

4.

HEALTH and WELLBEING

We are healthy people.

1. We are able to live healthy lifestyles.
2. We have good quality affordable housing.
3. We live in a compassionate caring community.
4. We have equity of access to health services.

5.

LEADERSHIP

Strong effective leadership taking us into the future.

1. Citizens and communities are inspired, motivated and empowered.
2. Decisions are progressive, forward looking and robust.
3. The community has confidence in its leaders.

6.

ENVIRONMENT

A treasured environment which we care for and which supports us now and into the future.

1. We have an informed community caring for the environment.
2. We have a healthy, safe and accessible built environment.
3. We have an environment protected from the negative effects of human activities.

7.

EDUCATION and TRAINING

A well-educated and skilled community continually seeking further opportunities to learn.

1. We have accessible learning opportunities.
2. We have high quality learning opportunities available to meet community needs and demands.
3. We deliver innovative, integrated and effective learning programmes.
4. We have a culture of continuous learning.

Intermediate Outcomes

Each outcome itself has intermediate outcomes, which were also identified by the Southland community, and a series of indicators that help us measure progress. Steps toward achieving the intermediate and long term outcomes are being monitored as part of the Our Way Southland project. The outcomes act as guiding principles. Local Government has a legal responsibility under the Local Government Act to take community outcomes into account when setting its programmes and activities, so we can do our part in helping realise our communities' aspirations. Government departments, private businesses, volunteer groups and other agencies also have a role to play, but the legal responsibility to facilitate the process sits with Southland's councils.

Sections 91 and 92 of the Act require councils to coordinate a whole of community approach, involving local and central government and the business and volunteer sectors, in order to identify and realise community outcomes. Section 91 of the Act says that we must consult the community and define its desired outcomes not less than once every six years. Section 92 requires that councils monitor and, at least once every three years, report on what progress has been made towards achieving the community's outcomes. Each Council must weave the community's desired outcomes into its strategic and annual plans, in accordance with Parts 1 and 3 of Schedule 10 of the Act, so that we are consciously working towards the same ends.

Report on Progress

The Our Way Southland project, via the Shared Services Forum, has produced the first monitoring report for the Southland community covering the period 2005 to 2008. The preliminary draft report was approved by Environment Southland, Southland District Council and the Gore District Council in December 2008, and by the Invercargill City Council in January 2009. The final draft was presented to the Shared Services Forum in June 2009.

This report presents a snapshot of the current state of Southland's community outcomes, and identifies movements and changes since 2005. The results of this report apply equally to businesses, government departments, Iwi, volunteer groups and individuals throughout Southland. The report uses a series of indicators to track key outcomes of importance to the community, namely what Southland is like as a place to live; the local economy and environment (including the recent dairy boom); how safe our roads and communities are; how healthy and educated Southlanders are; and the leadership of Southland. These outcomes are vital to ensuring that Southland retains a competitive edge, both nationally and internationally.

The monitoring of community outcomes does not evaluate specific objectives or work programmes - instead it is designed to initiate discussion about whether or not the community's desired outcomes are being achieved for the people of Southland. So as to initiate such discussion, Southland's four councils will bring Southland's leaders together at a Leaders' Forum in September 2009. This forum will build upon the findings of the monitoring report by bringing together the collective knowledge, resources and skills of attendees to identify and agree on the key issues of concern and collaborative action for Southland.

Following the forum, a number of focus groups will be convened, comprised of representatives of key stakeholder agencies, in order to further identify and initiate collaborative regional projects. These groups will be facilitated by the Our Way Southland project, and will be informed by additional monitoring of community outcomes, including a regional Quality of Life survey which will be conducted early in 2010.

Council's contribution

It is up to a wide range of organisations, groups and people to work towards community outcomes. As one of the key players, Council identifies the role that it will play and how it will allocate resources to contribute towards achieving community outcomes in its own plans. The table below shows that most of Council's activities contribute to more than one outcome to varying degrees. The primary outcome (●) is where Council believes that activity has the most impact. The shading shows the level of contribution to community outcomes. (○) indicates where the activity contribution has an associated level of service and key performance indicator link. More information about the contributions can be found under 'Why we do it' in each activity statement.

COMMUNITY OUTCOME	1. LIFESTYLE & CULTURE Southland is a great place to live.				2. ECONOMY & EMPLOYMENT A diverse economy built from our strengths for growth and prosperity.							3. LAW & ORDER Safe places in a caring society that is free from crime.					4. HEALTH & WELLBEING We are healthy people.				5. LEADERSHIP Strong effective leadership taking us into the future.			6. ENVIRONMENT A treasured environment which we care for and which supports us now & into the future.			7. EDUCATION & TRAINING A well-educated & skilled community continually seeking further opportunities to learn.									
	1.1	1.2	1.3	1.4	1.5	2.1	2.2	2.3	2.4	2.5	2.6	2.7	3.1	3.2	3.3	3.4	3.5	4.1	4.2	4.3	4.4	5.1	5.2	5.3	6.1	6.2	6.3	7.1	7.2	7.3	7.4					
INTERMEDIATE OUTCOME																																				
Beautification				●○											○																					
Building Control								○																							○					
Cemeteries	○	○		○				○										●○		○																
Civil Defence Emergency Management														○				●○		○				○												
Community Centres		●○													○																					
Community Housing														○					●○																	
District Support																						●○														
Dog and Animal Control													○	○	●○	○						●○														
Forestry									●○																		○									
Grants	●○																						●○													
Grants (Venture Southland)	○	●○	○	○		●○			○	○	○											●○														
Health Regulation																○		●○		○								○								
Library Service		●○																													○					
Parks and Reserves		●○													○			○																		
Public Conveniences																											●○									
Representation and Advocacy				○																		●○	○	○												
Resource Management	○		○					○										○				○	○	○	○	○	○	●○								
Roading and Transport		○				●○							●○							○																
SIESA						●○		○																												
Solid Waste Management						○									○										○	○	●○	○								
Stormwater						○							○	○	○							○				●○	○									
Strategy and Communication				○																		●○	●○	○	○											
Te Anau Airports						●○									○													○								
Wastewater						○		○										●○									○									
Water Supply						○			○				○	○				●○								○										
Work Schemes		●○		○											○	●○					○															
Other Local Services		○				●○									○											○			●○		○					
WELLBEING INFLUENCE																																				
Social																																				
Environmental																																				
Cultural																																				
Economic																																				
KEY TO SHADING - OUTCOMES	Outcome Contribution																															KEY TO SHADING WELLBEING INFLUENCE	Wellbeing Influence			
	Negligible (1) - Negligible/very limited contribution to community outcomes.																																Shows where community outcomes influences wellbeing.			
	Minor (2) - Minor contribution to community outcomes.																																Shows where wellbeing influences community outcomes.			
	Moderate (3) - Moderate contribution to community outcomes.																																			
	Major (4) - Major contribution to achieving the community outcomes.																																			
Extreme (5) - Widespread contribution / effect on community outcomes.																																				

Report on Opportunities for Māori to Contribute to Decision-Making

Introduction

Nine percent of the Southland District's population is Māori, with the highest concentrations in Ohai (42% of the population), Nightcaps (19%) and Riverton (18%). The Southland District Council acknowledges the importance of tikanga Māori and values its relationship with both Ngāi Tahu (through the four Southland papatipu rūnanga) and ngā matawaka (other Māori who are not Ngāi Tahu) living within Murihiku/Southland. The Council has a Māori name 'Te Rohe Pōtae o Murihiku' and a charter of understanding with Te Ao Mārama Incorporated.

Māori Name – 'Te Rohe Pōtae o Murihiku'

The Council was officially gifted its Māori name 'Te Rohe Pōtae o Murihiku' at a naming ceremony at Takutai o te Tītī marae at Colac Bay/Ōraka in November 2005, strengthening links between Council and the tāngata whenua and emphasising the importance of Council's partnership with Ngāi Tahu.

The Māori name acknowledges the Council's role as an all-embracing shelter ("umbrella/lid") for the District. The four Ngāi Tahu Papatipu Rūnanga of Murihiku deliberated over several years before authorising the phrase Te Rohe Pōtae o Murihiku, which give it special significance.

The Council's logo has been updated to include the Māori name and official signage will be updated progressively, along with Council's stationery.

Charter of Understanding

To help promote and develop its relationship with Māori, the Southland District Council (together with the other three local authorities in the Southland region, namely Environment Southland, Invercargill City Council and the Gore District Council) is an active participant and signatory to the charter of understanding 'He Huarahi mō Ngā Uri Whakatapu (A Pathway for the Generations Coming Through)' between the four councils and Te Ao Mārama Incorporated. The charter was revised in 2003 to incorporate the wider responsibilities under the Local Government Act 2002.

The charter of understanding provides:

- The basis for an ongoing relationship between the four councils and the tāngata whenua of Murihiku to assist in developing the capacity of Māori to contribute to the decision-making processes.
- A foundation for consultation on a wide range of local government issues.
- For the recognition and willingness of Te Ao Mārama to assist all councils in consultation with all ngā matawaka living in Murihiku.

Te Roopū 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 natural resource management regularly attend Te Roopū Taiao meetings.

Fostering Māori Capacity

The table below highlights progress with a number of initiatives aimed at fostering Māori capacity to contribute to decision-making processes:

Initiatives	Progress
<ul style="list-style-type: none"> Hold regular liaison meetings between Te Ao Mārama and Southland District Council Executive and Senior Managers (at least once per annum). 	<p>No formal meetings were held in 2008/2009. However, Southland District Council Executive and Senior Managers meet regularly with Te Ao Mārama at joint meetings with other local authorities and Te Ao Mārama, and in addition have informal meetings with representatives of Te Ao Mārama as required.</p>
<ul style="list-style-type: none"> Provide an interpreter on request should Māori wish to present submissions in Māori. 	<p>Interpreter available if requested. There were no requests in 2008/2009.</p>
<ul style="list-style-type: none"> Invite Māori to attend Council meetings and hearings to become familiar with Council protocol. 	<p>There is a standing invitation in place.</p>
<ul style="list-style-type: none"> Give consideration to appointment of Iwi representatives to act as hearing commissioners on key issues, such as major resource consent applications that have issues of Iwi significance. 	<p>Ngai Tahu has been requested through Te Ao Marama to identify suitable persons. This is yet to occur.</p>
<ul style="list-style-type: none"> Maintain existing protocols and with Māori in relation to the ways in which Council will undertake its statutory duties and continue with the integration of protocols into the Southland District Council organisation (e.g. information in HR manual, GIS, Ngāi Tahu Claims Settlement Act 1998 training and displays). 	<p>The Charter of Understanding between the four councils of Southland and the four runanga (through Te Ao Marama) is in place and reviewed regularly through Te Roopu Taiao. Council has established a staff committee to seek to integrate these processes into the organisation more fully.</p>
<ul style="list-style-type: none"> Set aside \$10,000 annually to assist the Murihiku Ngāi tahu Papatipu Rūnanga to review Te Whakatau Kaupapa o Murihiku (Southlands' Iwi resource management document). (This project is being managed by Te Roopū Taiao, and the Council has appointed an elected representative and staff member onto a working party, to review this document). 	<p>This funding was provided and Te Whakatau Kaupapa o Murihiku has now been superseded by Te Tangi a Taura - the Cry of the People as the Murihiku Ngai Tahu resource management plan.</p>
<ul style="list-style-type: none"> Contribute to a project being undertaken by the New Zealand Archaeological Association (NZAA) to improve the accuracy of the location of archaeological sites in Southland, including "sites of significance" to Ngāi Tahu Iwi. 	<p>Council has previously contributed along with various other councils of the Southland region. Awaiting progression by NZAA.</p>

Audit Report

Audit Report

To the readers of Southland District Council's financial statements and performance information for the year ended 30 June 2009

The Auditor-General is the auditor of Southland District Council (the District Council). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council for the year ended 30 June 2009, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the District Council on pages 109 to 155:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2009; and
 - the results of its operations and cash flows for the year ended on that date.
- The service provision information of the District Council on pages 31 to 107 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The District Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 30 October 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council as at 30 June 2009. They must also fairly reflect the results of its operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of the Long-Term Council Community Plan, we have no relationship with or interests in the District Council.



Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Matters relating to the electronic presentation of the audited financial statements, performance information and the other requirements

This audit report relates to the financial statements, performance information and the other requirements of Southland District Council (the District Council) for the year ended 30 June 2009 included on its website. The District Council is responsible for the maintenance and integrity of the website. We have not been engaged to report on the integrity of the District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, performance information and the other requirements as well as the related audit report dated 30 October 2009 to confirm the information included in the audited financial statements, performance information and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Statement of Compliance and Responsibility

Compliance

The Council and management of the Southland District Council confirm that all the statutory information requirements in Section 101 of the Local Government Act 2002 regarding financial management have been complied with.

Responsibility

The Council and management of the Southland District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of the Southland District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and Management of the Southland District Council, the annual financial statements for the year ended 30 June 2009 fairly reflect the financial position and operations of the Southland District Council.



F G Cardno
MAYOR

Date: 30 October 2009



D P Adamson
CHIEF EXECUTIVE

Date: 30 October 2009



P S Culling
**GROUP MANAGER CUSTOMER
AND FINANCIAL SERVICES**

Date: 30 October 2009

Activity Reports

OVERVIEW

ACTIVITY
REPORTS

FINANCIAL
INFORMATION

OTHER
INFORMATION



OVERVIEW
ACTIVITY REPORTS
FINANCIAL INFORMATION
OTHER INFORMATION

Guide to Activity Reports

This section reports on how the Council's activities compare against what was intended in the Annual Plan 2008/2009. It includes how Council performed against key performance indicators, the status of key projects and any significant variances from what was planned in the Annual Plan. It also comments on any identified affects of the activity on community wellbeing. This guide provides further information on how to read and understand the activities section. There is also a glossary at the end of the Annual Report that provides explanations of different terms used. This section is broken into 26 activities, each a main function of the Council's operations.

What we do [1]

Gives a brief description of the activity.

Why we do it [2]

This section gives a description of why the Council undertakes the activity and what community outcomes the activity contributes to.

Effect on well being of the community [3]

This section identifies any affects that the activity had on social, cultural, environmental and economic wellbeing during the year based on Council's performance against various targets or completion/non-completion of projects.

How we check progress [4]

This table reports back on how we performed against the key performance indicators chosen to reflect the level of service to be provided by Council for each activity. Specifically it shows what Council said it will provide, how Council measured the service it provides, the target for the 2008/2009 year and how Council performed (whether the target was achieved, majority achieved or not achieved).

Beautification

[1]

What we do

Beautification can be described as enhancing public areas within the community. For example plantings, flower baskets or gardens; mowing and maintenance of grassed areas; planting and maintenance of trees and hedges; structures like walkways and seating areas; and the development of Urban Design principles are all part of the beautification activity.

[2]

Why we do it

Beautification features contribute to making Southland a great place to live by enhancing the visual appeal of townships which also helps to build community pride. These features also contribute to safe places (by indicating a residential area - traffic calming) and a treasured environment (through use of native plants or plantings which help to reduce noise).

[3]

Effect on well being of the Community –

As shown in the table below, only two thirds of the reports of vandalism and graffiti were responded to within 48 hours which may have had a minor negative affect on social wellbeing because people may have felt less pride in their community as a result. Overall, with beautification features being well maintained and residents continuing to record high levels of resident satisfaction with these as well as new developments being completed during the year, the activity has had a positive effect on social, cultural and environmental wellbeing.

[4]

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Beautification features enhance the township features and provide visual and/or physical enjoyment.	Percentage of residents who agree that beautification features enhance the local township (Survey - Resident).	85%	Achieved – 96%.
Beautification features look good and are well maintained.	Percentage of residents who are satisfied with the maintenance of beautification features (Survey - Resident).	85%	Achieved – 93%.
	Percentage of beautification features that are maintained in accordance with contractual standards (Audit Inspections - Staff).	90%	Achieved – 96%. 196 of the 205 inspections carried out showed that beautification features were being maintained in accordance with contractual standards.
Vandalism and graffiti is responded to promptly.	Percentage of reports of vandalism and graffiti responded to within 48 hours (Quarterly Report). ¹	100%	Not achieved – 65%. 58 of the 89 reports of vandalism and graffiti were responded to within 48 hours. Depending on the scale and nature of vandalism response within 48hrs is not always practicable.

1. Reports of vandalism or graffiti may relate to a range of activities such as parks, playgrounds, public conveniences, community housing, community halls and other buildings. For the purposes of reporting, all reports related to these have been grouped together in beautification.

Project report [5]

The tables report on the township projects included in the Annual Plan 2008/2009 as well as projects carried forward from earlier years which were also completed in 2008/2009 (shown in *italics*).

The specific project expenditure is broken into operating and maintenance projects, renewal/replacement projects or asset acquisitions. Asset acquisition projects relate to new or enhanced assets to meet changes in demand or levels of service.

The project budget (where applicable) is shown and the status of the project (Complete/In Progress/Not Started). For projects which have been completed, the actual cost spent is also shown.

Below the table a paragraph describes any activity highlights which have occurred during the year.

Variations from the Budget [6]

The section explains any significant variances from what was planned in the Annual Plan budget (based on the Cost of Service Statement shown) and any significant assets that were acquired or disposed of during the year. In addition, any other non financial achievements are commented on.

Cost of Service [7]

This section summarises the actual expenses and revenues for the 2008/2009 year compared to the Annual Plan budget and 2007/2008 actuals.

Operating Revenue includes rates, activity revenue (such as building consent, hire or dog registration fees), any subsidies or grants received (such as NZ Transport Agency subsidies) and interest on investments. Operating Expenditure relates to the routine or day-to-day running costs of the activity. It includes the cost of repairs and maintenance, salaries and contracts, finance costs and depreciation.

Capital Expenditure includes expenditure to renew, replace or purchase new assets. This expenditure has been broken down into renewals, acquisitions related to service levels, acquisitions due to demand and also assets vested to Council (Vested Assets) as a result of development such as subdivisions. This statement also shows how loans and reserves were used during the period. Transfers to reserves are generally monies that are being put aside for future projects or repaying funds that have been used in the past. Transfers from reserves are generally monies that have been set aside in the past which are now being used. These transfers may also be for alternative projects with the reserves paid back in the future.

For more information on the terms used in the financial statements, please refer to the glossary on page 167.

[5]

Project Report

Operating & Maintenance Projects		
Project Description	Budget	Status
Riverton - Upgrade memorial at WWII Memorial Reserve – Stage 1 Report	\$5,000	Complete (actual cost \$4,566). This project was originally planned for 2005/2006. The Board engaged a conservation architect who inspected the site and wrote a report on the work required. The upgrade (stage 2) will begin in 2009/2010.
Wyndham - Low level threshold planting at township entrance	\$1,000	Complete (actual cost \$221). This project was originally planned for 2006/2007.

[7]

Cost of service

	Actual 2007/2008	Beautification	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE				
Operating Revenue				
698,905	Rates	708,610	713,267	
258	Activity Revenue	511	-	
889	Grants and Donations	10,444	-	
700,052	Total Operating Revenue	719,566	713,267	
10,135	Depreciation	10,045	12,235	
614,944	Other Operating Costs	666,151	713,646	
625,079	Less Total Operating Expenditure	676,196	725,881	
74,973	Operating Surplus/(Deficit)	43,370	(12,614)	
	Operating Surplus/Deficit transferred to/(funded from) Reserves	43,370	(12,614)	
74,973				
CAPITAL AND RESERVES				
1,948	Acquisition-Level of Service	6,436	-	
22,750	Renewals	-	-	
24,698	Total Capital Expenditure	6,436	-	
110,808	Transfers to Reserves	80,462	3,000	
110,808	Total Capital Movements	80,462	3,000	
-	Operating Deficit	-	12,614	
135,506	Total Funding Required	86,898	15,614	
Funded By				
10,135	Non Cash Expenditure	10,045	12,235	
50,398	Transfers from Reserves	33,484	3,379	
74,973	Operating Surplus	43,370	-	
135,506	Total Funding Applied	86,898	15,614	

[6]

Variations from the Budget

An unplanned grant of \$10,000 from Meridian Energy was given to Te Anau to fund work done along the lakefront track from the boat harbour to the Upukerora river.

Tokanui and Winton purchased seat benches and a garden shed respectively during the year, which were not budgeted for. These assets were funded from savings in other expenditure and a rate smoothing reserve transfer.

No other significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

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Beautification

What we do

Beautification can be described as enhancing public areas within the community. For example plantings, flower baskets or gardens; mowing and maintenance of grassed areas; planting and maintenance of trees and hedges; structures like walkways and seating areas; and the development of Urban Design principles are all part of the beautification activity.

Why we do it

Beautification features contribute to making Southland a great place to live by enhancing the visual appeal of townships which also helps to build community pride. These features also contribute to safe places (by indicating a residential area - traffic calming) and a treasured environment (through use of native plants or plantings which help to reduce noise).

Effect on well being of the Community –

As shown in the table below, only two thirds of the reports of vandalism and graffiti were responded to within 48 hours which may have had a minor negative affect on social wellbeing because people may have felt less pride in their community as a result. Overall, with beautification features being well maintained and residents continuing to record high levels of resident satisfaction with these as well as new developments being completed during the year, the activity has had a positive effect on social, cultural and environmental wellbeing.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Beautification features enhance the township features and provide visual and/or physical enjoyment.	Percentage of residents who agree that beautification features enhance the local township (Survey - Resident).	85%	Achieved – 96%.
Beautification features look good and are well maintained.	Percentage of residents who are satisfied with the maintenance of beautification features (Survey - Resident).	85%	Achieved – 93%.
	Percentage of beautification features that are maintained in accordance with contractual standards (Audit Inspections - Staff).	90%	Achieved – 96%. 196 of the 205 inspections carried out showed that beautification features were being maintained in accordance with contractual standards.
Vandalism and graffiti is responded to promptly.	Percentage of reports of vandalism and graffiti responded to within 48 hours (Quarterly Report). ¹	100%	Not achieved – 65%. 58 of the 89 reports of vandalism and graffiti were responded to within 48 hours. Depending on the scale and nature of vandalism response within 48 hours is not always practicable.

1. Reports of vandalism or graffiti may relate to a range of activities such as parks, playgrounds, public conveniences, community housing, community halls and other buildings. For the purposes of reporting, all reports related to these have been grouped together in beautification.

Project Report

Operating and Maintenance Projects		
Project Description	Budget	Status
Riverton - Upgrade memorial at WWII Memorial Reserve – Stage 1 Report	\$5000	Complete (actual cost \$4,566). This project was originally planned for 2005/2006. The Board engaged a conservation architect who inspected the site and wrote a report on the work required. The upgrade (stage 2) will begin in 2009/2010.
Wyndham - Low level threshold planting at township entrance	\$1,000	Complete (actual cost \$221). This project was originally planned for 2006/2007.

Variations from the Budget

An unplanned grant of \$10,000 from Meridian Energy was given to Te Anau to fund work done along the lakefront track from the boat harbour to the Upukeora River.

Tokanui and Winton purchased seat benches and a garden shed respectively during the year, which were not budgeted for. These assets were funded from savings in other expenditure and a rate smoothing reserve transfer.

No other significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Beautification	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
698,905	Rates	708,610	713,267
258	Activity Revenue	511	-
889	Grants and Donations	10,444	-
700,052	Total Operating Revenue	719,566	713,267
Operating Expenditure			
10,135	Depreciation	10,045	12,235
614,944	Other Operating Costs	666,151	713,646
625,079	Less Total Operating Expenditure	676,196	725,881
74,973	Operating Surplus/(Deficit)	43,370	(12,614)
74,973	Operating Surplus/Deficit transferred to/(funded from) Reserves	43,370	(12,614)
CAPITAL AND RESERVES			
1,948	Acquisition-Level of Service	6,436	-
22,750	Renewals	-	-
24,698	Total Capital Expenditure	6,436	-
110,808	Transfers to Reserves	80,462	3,000
110,808	Total Capital Movements	80,462	3,000
-	Operating Deficit	-	12,614
135,506	Total Funding Required	86,898	15,614
Funded By			
10,135	Non Cash Expenditure	10,045	12,235
50,398	Transfers from Reserves	33,484	3,379
74,973	Operating Surplus	43,370	-
135,506	Total Funding Applied	86,898	15,614

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Building control

What we do

The Building Control activity involves the regulation of building work through processing and issuing consents, carrying out inspections and certifying work to ensure that buildings are safe and sanitary. In 2007 Council became an accredited Building Consent Authority, and to remain accredited, the Council is regularly reviewed in terms of its processes and competency. The activity also involves inspections of amusement devices to ensure they have appropriate barriers and are sited safely.

Why we do it

Building control contributes to a treasured environment by helping to create a healthy, safe and accessible built environment. Building consents and inspections ensure new buildings and building work in the District are of good quality so that they are safe, do not endanger public health and have appropriate facilities for their intended use. The activity also contributes to creating safe public places by ensuring appropriate provisions are made to enable people to escape in the event of fire.

Effect on well being of the Community –

As shown in the table below, not all consents and site inspections were carried out within the required timeframe which may have had a minor negative affect on economic wellbeing where delays may have affected the cost of the related building projects. This is offset by the fact that consents, inspections and accreditation helps to ensure that structures are safe and suitable for use which has a positive impact on the social and environmental wellbeing of the community. During the year the Department of Building and Housing determined that Council had to ensure that disabled access was available to people on the Riverton Viewing Platform. This originated from a residents complaint about the new structure not being fully accessible. The access issues have now been addressed. In addition, this has led Council to develop an Inclusive Communities Strategy which aims to prevent such issues from occurring in the future. This strategy and associated action plan has had a positive effect on social wellbeing.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed																								
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement																								
Process all applications lodged under the Building Act within the timeframes specified within the Act.	Percentage of Building Consents, Project Information Memoranda (PIMs), Land Information Memoranda (LIMs) and Certificates of Acceptance (COA) applications processed within statutory timeframes ¹ (Quarterly Report).	100%	<p>Majority achieved – 94%. 2,101 of the 2,238 applications were processed within the statutory timeframes. The target was not achieved because of the number and complexity of applications.</p> <table border="1"> <thead> <tr> <th></th> <th>Applications Received</th> <th>Issued in Timeframe</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Building Consents</td> <td>1799</td> <td>1678</td> <td>93%</td> </tr> <tr> <td>LIMs</td> <td>400</td> <td>400</td> <td>100%</td> </tr> <tr> <td>PIMs</td> <td>13</td> <td>11</td> <td>85%</td> </tr> <tr> <td>COAs</td> <td>26</td> <td>12</td> <td>46%</td> </tr> <tr> <td>TOTAL</td> <td>2238</td> <td>2101</td> <td>94%</td> </tr> </tbody> </table>		Applications Received	Issued in Timeframe	%	Building Consents	1799	1678	93%	LIMs	400	400	100%	PIMs	13	11	85%	COAs	26	12	46%	TOTAL	2238	2101	94%
	Applications Received	Issued in Timeframe	%																								
Building Consents	1799	1678	93%																								
LIMs	400	400	100%																								
PIMs	13	11	85%																								
COAs	26	12	46%																								
TOTAL	2238	2101	94%																								
Undertake all site inspections of buildings in a timely manner.	Percentage of site inspections carried out within the timeframe agreed when the request was lodged (Quarterly Report).	100%	Not achieved – 47%. At this stage inspection timeframe information is only available for Code of Compliance Certificates. Of these, 296 out of 628 inspections were completed within the																								

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
			timeframe. As a result of increased building consent activity running at approximately 25% ahead of the previous financial year at the halfway stage the Building Control department had to focus on meeting requested inspection demands to enable current projects to progress. This had a significant impact in reducing the time available for staff in following up on final inspection demands within the required 20 working day timeframe. It is anticipated that the recent reduction in building activity will enable more staff time in following up on completed building projects.
Provide appropriate and timely guidance and advice on Building Control matters as requested by customers.	Percentage of applicants satisfied with the service provided (Survey - Customer).	80%	Majority achieved – 71% (overall satisfaction with building control service). The survey was undertaken in March 2009.
1. Statutory timeframes are as follows - PIMs (12 working days), LIMs (10 working days), Building Consents (20 working days) and Certificates of Acceptance (20 working days).			

Project Report

Operating and Maintenance Projects		
Project Description	Budget	Status
Building accreditation audit and skills assessment	\$21,143	Complete (actual cost \$21,800).

Building Control Customer Survey –

A survey of Building Control applicants was conducted this year and this showed an improvement in satisfaction with timeframes compared to 2006/2007. Processing costs was the area that had the least satisfaction.

Variations from the Budget

Operating expenditure was higher than budgeted mainly because additional staff were recruited to process an increase in consent applications. This expenditure was funded from the additional income generated from these consents.

No significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Building Control	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
187,272	Rates	205,136	204,744
923,638	Activity Revenue	1,048,012	856,647
2,722	Interest & Dividends	3,891	2,788
1,113,632	Total Operating Revenue	1,257,039	1,064,179
31,662	Depreciation	33,573	32,234
329	Finance Costs	174	-
1,108,167	Other Operating Costs	1,276,372	1,095,960
1,140,158	Less Total Operating Expenditure	1,310,120	1,128,194
(26,526)	Operating Surplus/(Deficit)	(53,081)	(64,015)
	Operating Surplus/Deficit transferred to/(funded from) Reserves	(53,081)	(64,015)
CAPITAL AND RESERVES			
-	Total Capital Expenditure	-	-
68,212	Transfers to Reserves	53,627	-
68,212	Total Capital Movements	53,627	-
26,526	Operating Deficit	53,081	64,015
94,738	Total Funding Required	106,708	64,015
Funded By			
3,154	Non Cash Expenditure	(1,129)	-
91,584	Transfers from Reserves	107,837	64,015
94,738	Total Funding Applied	106,708	64,015

Cemeteries

What we do

This activity involves providing burial and interment facilities for the 21 cemeteries administered by the Council. The activity also involves ensuring interments are carried out to an acceptable standard and that the cemetery grounds are maintained and accurate records of interments are kept.

Why we do it

The cemetery activity contributes to ensuring public health by providing appropriate facilities for interments, as well as encouraging a compassionate and caring community by providing facilities where families and friends can remember others. The activity also contributes to making Southland a great place to live by providing a record of a community's history and heritage as well as information for people interested in their ancestry. In the activity, the Council must comply with the legal requirements of the Burial and Cremation Act 1964 and the Health Act 1956.

Effect on well being of the Community –

Overall, with cemeteries being well maintained and residents continuing to record high levels of resident satisfaction with these, the activity has had a positive effect on social, cultural and environmental wellbeing.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
The cemeteries are pleasant areas with appropriate grassed areas for mourners.	Percentage of the community satisfied with the appearance of cemeteries (Survey - Resident).	90%	Achieved – 93%.
	Percentage of cemeteries where lawns are mown in accordance with maintenance contracts (Audit Inspections - Staff).	90%	Achieved – 96%. 48 of the 50 inspections undertaken showed that the lawns were mown in accordance with maintenance contracts.
	Percentage of funeral directors satisfied with the service provided (Survey - Funeral Directors).	90%	Achieved – 100%.
Requests for burial plots are dealt with on time.	Percentage of burial plots prepared by the time requested (Quarterly Report).	100%	Majority achieved – 99%. 116 of the 117 standard burials were prepared by the time requested. One burial was not carried out within the time requested due to the fax not being received by the contractor and miscommunication between staff as to the status of the burial. The burial was completed on the same day approximately 2 hours after the requested time. Interment Procedures have been updated to ensure this type of error cannot occur again.

Project Report

Asset Acquisition – Levels of Service		
Project Description	Budget	Status
Winton – New turnaround and roadway	\$55,000	Not complete / In progress.
Winton – Levelling and sowing southern end	\$5,000	Complete (actual cost \$8,750).

Variations from the Budget

Funding for the cemetery turnaround roadway project in Winton was originally budgeted to be funded 50/50 from ward and local rates. However, the local portion was funded from development and financial contributions instead and the rates that were collected were transferred to reserves.

There were no other significant variations between the Annual Plan's budget and actual expenditure during the year.

Cost of service

Actual 2007/2008	Cemeteries	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
41,584	Rates	72,732	73,098
64,278	Activity Revenue	83,136	47,769
-	Development & Financial Contributions	15,473	-
65,392	Grants and Donations	1,150	-
171,254	Total Operating Revenue	172,491	120,867
2,609	Depreciation	5,400	1,873
135,128	Other Operating Costs	138,444	68,954
137,736	Less Total Operating Expenditure	143,844	70,827
33,518	Operating Surplus/(Deficit)	28,647	50,040
33,518	Operating Surplus/Deficit transferred to/(funded from) Reserves	28,647	50,040
CAPITAL AND RESERVES			
-	Acquisition-Demand	55,329	55,000
8,750	Acquisition-Level of Service	-	-
8,750	Total Capital Expenditure	55,329	55,000
67,462	Transfers to Reserves	29,664	2,600
67,462	Total Capital Movements	29,664	2,600
76,212	Total Funding Required	84,993	57,600
Funded By			
2,609	Non Cash Expenditure	5,400	1,873
40,085	Transfers from Reserves	50,946	5,687
33,518	Operating Surplus	28,647	50,040
76,212	Total Funding Applied	84,993	57,600

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Civil defence emergency management

What we do

Civil Defence Emergency Management focuses on ensuring that communities are prepared for emergencies and that they are able to respond to and recover from these when they do happen. The activity also involves reducing the potential risks which may occur to people and property through lifelines planning. Southland and Gore District Councils, Invercargill City Council, Environment Southland, the emergency services (Fire, Police, Ambulance) and other agencies work together through the Southland Civil Defence Emergency Management Group (CDEMG) to deliver emergency management services across communities. The Group will coordinate the response efforts where a state of emergency is declared. During smaller incidents, Southland District is responsible for the coordination of response to emergency events within the District. One of the key aspects of preparedness in Southland (because of its geographic spread and potential for isolation) is having a pool of appropriately trained personnel available throughout the District who are able to respond locally and educating residents on what to do in an emergency.

Why we do it

The activity mitigates negative impacts on many community outcomes in the event of civil emergency. Council promotes the need for individuals and communities to prepare for emergencies and assists them to build their capacity to effectively respond to and recover quickly from emergency events. Council also has in place systems and processes to help coordinate and respond to emergency events. This contributes to restoring quality infrastructure, safe roads, safe homes, healthy lifestyles, access to health services, and ensuring a safe, healthy and accessible built environment. Preventative/proactive work also reduces the costs of recovering from emergencies.

Effect on well being of the Community –

As shown in the table below, the training of volunteers, operation of Civil Defence sectors and education activities undertaken may have had a positive affect on the social wellbeing of the community by ensuring that people are trained to respond to emergencies and appropriate procedures are in place to ensure that the response is effective.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Provide Civil Defence Emergency Management services throughout the District via a distributed organisational system.	Number of Civil Defence Sectors capable of responding to an emergency (Audit). ¹	15	Majority achieved – 14 Sectors plus Milford Sound are capable of responding to an emergency. The one Sector which has minimal capability of responding to an emergency has a Sector Manager in place. The formal shared services Training Officer arrangement ceased as at 31 December 2008, however the Training Officer continues to provide training services on a full cost recovery arrangement as commitments allow. Because of the Training Officer's other commitments, some Sectors have not received full ongoing EOC training. The appointment of a new Training Officer is currently on hold pending the outcome of the review of the

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
			provision of a regional shared service Civil Defence Emergency Management delivery for the region.
Ensure that Civil Defence Emergency Management personnel are adequately trained.	Percentage of District Emergency Operations Centre and Sector team leaders trained to Coordinated Incident Management System (Level 2) (Quarterly Report).	80%	Majority achieved – 83% (10 out of 12) District EOC Controllers and Function Managers are trained to CIMS level and 33% (5 out of 15) Sector Managers and Milford Sound are trained. As mentioned above the formal shared services Training Officer arrangement ceased as at 31 December 2008, however the Training Officer continues to provide training services on a full cost recovery arrangement as commitments allow. Because of the Training Officer's other commitments, some Sectors have not received full ongoing EOC training.
	Percentage of all Civil Defence personnel trained to Coordinated Incident Management System (Level 2) (Quarterly Report).	80%	Majority achieved – 81% (56 of 69) District EOC staff trained and 21% (41 of 192) Sector EOC staff trained. The turnover of Sector EOC staff has meant that available training time has concentrated on Sector EOC and Welfare function training rather than CIMS level 2.
Provide public education on hazards, hazard reduction and emergency event readiness.	Number of public education activities delivered to residents, schools and interest groups (Quarterly Report).	10	Achieved – 15 public education activities were undertaken as follows - presentations (6), public meetings (1), A&P shows (2) and other activities (6).
	Percentage of residents aware of the need to be prepared for a major emergency event (Survey - Resident).	60%	Achieved – 98% of residents reported that they are aware of the need to be prepared for a major emergency event.
¹ "Capable of responding" means having a sector Emergency Operations Centre (EOC) with a Sector Manager and 10-20 volunteer staff.			

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Project Report

Operating and Maintenance Projects		
Project Description	Budget	Status
Lifeline Exercise programme	\$20,000	Not complete/Not started. This is currently on hold while the members of the Southland Civil Defence Emergency Management Group (CDEMG) are looking at providing a shared service for civil defence in the region, where all activities are coordinated by one regional organisation.

Variations from the Budget

Operating expenditure is less than budgeted due to the lifelines project being on hold (see above comments) and an underspend in training costs due to timing of relevant courses and availability of the training officer.

There were no other significant variations between the Annual Plan's budget and actual expenditure during the year.

Cost of service

Actual 2007/2008	Civil Defence and Emergency Management	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
232,187	Rates	255,962	255,937
1,285	Activity Revenue	(440)	-
2,607	Interest & Dividends	2,670	2,670
15,400	Grants and Donations	-	-
251,479	Total Operating Revenue	258,192	258,607
10,335	Depreciation	10,126	21,441
231,450	Other Operating Costs	221,682	283,025
241,786	Less Total Operating Expenditure	231,808	304,466
9,693	Operating Surplus/(Deficit)	26,384	(45,859)
9,693	Operating Surplus/Deficit transferred to/(funded from) Reserves	26,384	(45,859)
CAPITAL AND RESERVES			
24,114	Acquisition-Level of Service	9,064	2,598
24,114	Total Capital Expenditure	9,064	2,598
9,468	Loans Repaid	10,156	8,432
6,574	Transfers to Reserves	964	0
16,042	Total Capital Movements	11,120	8,432
-	Operating Deficit	-	45,859
40,156	Total Funding Required	20,184	56,889
Funded By			
20,179	Loans Raised	-	-
(11,683)	Non Cash Expenditure	(10,860)	-
21,967	Transfers from Reserves	4,660	56,889
9,693	Operating Surplus	26,384	-
40,156	Total Funding Applied	20,184	56,889

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Community centres

What we do

The Council owns (on behalf of local communities) community centres in 35 locations throughout the District and contributes funding to various other community owned halls. The operation of these halls is generally carried out by individual hall committees or local Community Board or Community Development Area Subcommittee members. These groups manage bookings and use of the halls and work with Council property staff regarding maintenance of the buildings involved.

Why we do it

Community centres contribute to making Southland a great place to live by providing accessible facilities for communities, clubs, organisations and individuals to enjoy sporting, social, cultural, educational and recreational pursuits. Community centres also contribute to community pride as they form a physical heart of a community and serve as a record of the community's achievements. In addition they provide safe public places for children and families as well as contributing to healthy lifestyles by hosting active recreational pursuits.

Effect on well being of the Community –

As the table below shows, with continued high resident satisfaction, community centres continue to positively influence social and cultural wellbeing of Southland's numerous communities.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
The community centres are appropriate to the community needs.	Percentage of residents satisfied with the standard of their local hall/community centre for public use (Survey - Resident).	90%	Achieved – 95%.
The community centres are available for public use.	Percentage of residents satisfied with the availability of their local hall/community centre for public use (Survey - Resident).	90%	Achieved – 97%.
All facilities are safe.	Percentage of community centres that are safe (Annual Inspections). ¹	100%	Achieved – 100%. The 10 halls that require full warrant of fitness's and 28 halls that require fire equipment checks were checked and all complied.

1. "Safe" means meeting Fire and Building Act requirements.

Project Report

There were no projects planned for Community Centres in 2008/2009.

Variations from the Budget

The Waikaia hall undertook unplanned major maintenance work during the year which was funded from a combination of rates, grants and donations.

The Edendale hall incurred capital expenditure to pay for their contribution to the new sewerage scheme. This was funded from reserves.

There were no other significant variations between the Annual Plan's budget and actual expenditure during the year.

Cost of service

Actual 2007/2008	Community Centres	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
301,235	Rates	313,372	313,820
57,464	Activity Revenue	45,623	42,863
4,133	Grants and Donations	56,309	-
362,832	Total Operating Revenue	415,304	356,683
124,694	Depreciation	124,908	139,718
339,594	Other Operating Costs	380,307	312,371
464,288	Less Total Operating Expenditure	505,215	452,089
(101,456)	Operating Surplus/(Deficit)	(89,911)	(95,406)
	Operating Surplus/Deficit transferred		
(101,456)	to/(funded from) Reserves	(89,911)	(95,406)
CAPITAL AND RESERVES			
8,549	Acquisition-Level of Service	32,016	-
8,549	Total Capital Expenditure	32,016	-
15,450	Loans Repaid	16,533	16,637
72,474	Transfers to Reserves	89,230	35,620
87,924	Total Capital Movements	105,763	52,257
101,456	Operating Deficit	89,911	95,406
197,929	Total Funding Required	227,690	147,663
Funded By			
124,693	Non Cash Expenditure	124,908	139,718
73,236	Transfers from Reserves	102,782	7,945
197,929	Total Funding Applied	227,690	147,663

Community housing

What we do

The activity provides 69 housing units located in Edendale, Lumsden, Nightcaps, Ohai, Otautau, Riversdale, Riverton, Tuatapere, Winton and Wyndham. These units are let primarily to those persons who are on a pension, or those that are not on a pension but for some reason require this type of housing. The units are inexpensive and suit those on a fixed income and the small size suits those that are unable to maintain large properties. Rents from tenants are used to maintain and upgrade the units as required.

Why we do it

Community housing contributes to a healthy community by providing good quality affordable housing to a group with specific needs. It also fosters a compassionate caring community by allowing people, where possible, to remain living in their local community if their family home becomes inappropriate for their individual circumstances. The Council also has a responsibility under the Residential Tenancies Act 1986. The activity is also associated with the New Zealand Housing Strategy.

Effect on well being of the Community –

Community housing tenants continued to generally be satisfied with the units, particularly their suitability and feelings of security which has a direct effect on their wellbeing. In addition, with local members of the community regularly visiting tenants on behalf of the Council, the community's social wellbeing is strengthened.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Suitable community houses are provided for tenants.	Percentage of tenants who believe that the housing facilities are maintained satisfactorily and are suitable for use (Survey - Tenant).	80%	Majority achieved – 68% of tenants agreed that the community housing facilities are adequately maintained while 81% of tenants agreed that the facilities are suitable for tenants needs. A large number of respondents commented that maintenance problems were fixed quickly however several respondents listed some maintenance problems that they would like fixed in their unit. Council is currently addressing some of these problems (such as installing new heating in some units). While the local liaison people meet the tenants regularly and forward on any maintenance issues, it is already planned to do twice yearly full maintenance inspections of the units.
Housing facilities have pleasant surroundings.	Percentage of tenants who are satisfied with the surroundings in which they live (Survey - Tenant).	80%	Majority achieved – 74% of tenants agreed that the surroundings in which they live are pleasant.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
A safe environment is provided.	Percentage of residents who feel safe and secure when living in the Community Housing building (Survey - Tenant).	80%	Achieved – 97% of tenants said they feel safe living in their community housing unit.
Tenants receive prompt response to identified problems.	Percentage of requests for maintenance actioned within agreed timeframes (Quarterly Report). ¹	90%	Achieved – 100%. All 52 maintenance requests were actioned within the agreed timeframes.
There is efficiency and economy in how Community Housing is managed.	Average occupancy rate for rental housing (Quarterly Report).	80%	Achieved – 94%.
1. "Agreed Timeframes" means urgent matters are responded to within 4 hours and other matters are responded to within 5 days. Response refers to contacting the tenant regarding their request and does not include actioning the request.			

Project Report

There were no projects planned for Community Housing in 2008/2009.

Variations from the Budget

Operating expenditure is higher than budgeted due to more maintenance work being done than anticipated in the Annual Plan. This expenditure was funded from the community housing reserves.

Acquisition - Levels of Service was higher than budgeted due to the sewerage and water connection charges for the Edendale flats. This expenditure was funded from the community housing reserves.

There were no other significant variations between the Annual Plan's budget and actual expenditure during the year.

Cost of service

Actual 2007/2008	Community Housing	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
35,989	Rates	41,728	41,702
220,867	Activity Revenue	214,841	216,940
-	Interest & Dividends	1,421	-
256,856	Total Operating Revenue	257,991	258,642
40,721	Depreciation	40,274	44,130
231,347	Other Operating Costs	277,109	225,451
272,069	Less Total Operating Expenditure	317,382	269,581
(15,213)	Operating Surplus/(Deficit)	(59,391)	(10,939)
(15,213)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(59,391)	(10,939)
CAPITAL AND RESERVES			
29,441	Acquisition-Level of Service	64,285	10,480
-	Renewals	2,874	-
29,441	Total Capital Expenditure	67,159	10,480
19,257	Loans Repaid	20,704	20,737
152,353	Transfers to Reserves	47,502	144,335
171,610	Total Capital Movements	68,206	165,072
15,213	Operating Deficit	59,391	10,939
216,264	Total Funding Required	194,756	186,491
Funded By			
40,722	Non Cash Expenditure	40,272	44,130
175,542	Transfers from Reserves	154,484	142,361
216,264	Total Funding Applied	194,756	186,491

District support

What we do

District support covers the operation of eight area offices as a first point of contact for residents and ratepayers (located in Invercargill, Winton, Te Anau, Otautau, Lumsden, Wyndham, Stewart Island and Riverton). Many of the Council's services are provided through the office staff, including enquiries, rate rebate applications, dog registration and fire permits. Area offices also provide secretarial support for Community Boards, Community Development Area subcommittees, Committees of council and other organisations. All area offices except the main Invercargill office, Te Anau office and the office on Stewart Island are accommodated with local libraries, following the Council's "one stop shop" concept.

Why we do it

District support contributes to strong effective leadership by providing support to local decision-makers. The activity also strengthens Council's links with the numerous communities in Southland by having local staff situated in local offices in or near these communities. The activity also contributes to a diverse economy by making the Council's services and information more easily accessible across the District.

Effect on well being of the Community –

As shown in the table below residents continue to be satisfied with their contact with Council which may indicate that District Support had a positive impact on social wellbeing.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Access to services during normal business hours.	Percentage of residents satisfied with the hours of operation (Survey - Resident).	90%	Achieved – 96%.
All requests, issues, queries and faults dealt with in a timely fashion.	Percentage of customers who are satisfied with response to enquiries (Survey - Customer).	80%	Majority achieved – Out of the 135 customers surveyed 76% were satisfied with the helpfulness of staff and 73% were satisfied with the time to resolve the query.
	Percentage of response times kept within defined limits (Quarterly Report). ¹	85%	Majority achieved – 78%. Of the 3,914 Requests for Service resolved, 3,036 were resolved within the defined limits. These requests span across the organisation and there is no clear reason why the target has not been achieved. This is an area Council is continually improving. In 2008/2009 a monthly report outlining overdue requests was introduced and is given to the appropriate managers to follow up.
	Percentage of residents satisfied with contact with Council (visits and telephone calls) (Survey - Resident).	85%	Achieved – 92% of residents were satisfied with visits to Council and 88% were satisfied with telephone call contact.

1. The "defined limit" for responses is 5 working days for correspondence and other requests. This will not include requests that are resolved at first point of contact.

Project Report

There were no projects planned for District Support in 2008/2009.

Customer Services Strategy –

In July 2008 the Council adopted a Customer Service Strategic Plan 2008 – 2011. The purpose of the Strategy is to set the future direction for achieving and maintaining customer service excellence around the guiding principle of “People First” which is the foundation of the customer service focus.

The three main objectives of the Customer Service Strategy are:

- Taking Responsibility
- Improving Information and Knowledge
- Being Responsive

An Action Plan was created containing numerous projects to address these objectives. Progress on the various projects has been going smoothly and is well on target.

Variations from Budget

Rates revenue was higher than expected due to penalties imposed for late rate payments.

Activity revenue, interest and dividends and operating expenditure are lower than budgeted. This is due to internal project management income and internal interest income being incorrectly recorded as external revenue in the budget. This internal income has been offset against operating expenditure so as not to overstate the actual revenue and expenditure of Council.

There were no other significant variations between the Annual Plan’s budget and actual expenditure during the year.

Cost of service

Actual 2007/2008	District Support	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
2,455,669	Rates	2,523,566	2,353,385
854,278	Activity Revenue	432,139	988,419
293,702	Interest & Dividends	(98,323)	658,074
21,124	Grants and Donations	-	-
3,624,773	Total Operating Revenue	2,857,371	3,999,878
Operating Expenditure			
658,410	Depreciation	651,201	246,389
48,308	Finance Costs	388,007	-
2,555,821	Other Operating Costs	2,207,265	4,288,034
3,262,539	Less Total Operating Expenditure	3,246,473	4,697,164
362,235	Operating Surplus/(Deficit)	(389,102)	(697,286)
362,235	Operating Surplus/Deficit transferred to/(funded from) Reserves	(389,102)	(697,286)
CAPITAL AND RESERVES			
-	Acquisition-Demand	4,427	-
401,554	Acquisition-Level of Service	247,903	536,738
-	Renewals	340,636	-
401,554	Total Capital Expenditure	592,966	536,738
10,272	Loans Repaid	11,050	11,061
2,812,707	Transfers to Reserves	1,101,769	841,064
2,822,979	Total Capital Movements	1,112,819	852,125
-	Operating Deficit	389,102	697,286
3,224,533	Total Funding Required	2,094,887	2,086,148
Funded By			
632,037	Non Cash Expenditure	761,095	463,959
2,230,261	Transfers from Reserves	1,333,792	1,622,190
362,235	Operating Surplus	-	-
3,224,533	Total Funding Applied	2,094,887	2,086,149

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Dog control

What we do

This activity is about providing controls for dogs and stock to reduce any risks to public safety. The activity involves registering dogs, investigating complaints about dogs and wandering stock, formulating policy on issues relating to nuisance dogs and legal responsibilities, as well as promoting responsible dog ownership. There are around 13,000 dogs registered in Southland.

Why we do it

Dog and animal control contributes to creating safe places (homes, public places and roads) through education, registration of dogs and dog control officer activities and responding to instances of wandering stock. The activity also contributes to a treasured environment where control activities also help to protect wildlife. In the activity, the Council must comply with the legal requirements of the Dog Control Act 1996 and associated amendments and the Impounding Act 1955.

Effect on well being of the Community –

As shown in the table below dog control may have had a positive influence on social and environmental wellbeing given that complaints reduced and satisfaction with the service remained high. While the level of public education and timeframe for responding to complaints was lower than anticipated it does not seem to have had an effect on satisfaction and dog behaviour.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Actively control the actual and potential nuisance from dogs and animals.	Percentage decrease in the number of complaints concerning dog control and wandering stock received each year (Quarterly Report).	10%	Achieved – 27% decrease (from 292 complaints in 2007/2008 to 212 in 2008/2009).
	Percentage of residents satisfied with the service provided (Survey - Resident).	80%	Achieved – 80% of residents were satisfied with dog control and 91% were satisfied with stock control.
All complaints are addressed in a timely manner.	Percentage of complaints investigated within 2 hours or the timeframe advised when the complaint was lodged (Quarterly Report).	90%	Not achieved – 28% (59 of 212 complaints). The rangers cover a large area and may be on another call when they are advised of the complaint making it difficult to investigate within the 2 hour timeframe. It has recently been emphasised to rangers to notify council once a complaint has been resolved to make sure the timeframe information is recorded correctly.
Facilitate and provide appropriate guidance and advice on Dog and Animal Control matters.	Hours of public education activities carried out per year (Quarterly Report).	72	Not achieved – 50 hours of public education activities were carried out during the year. The target was not met due to the availability of the ranger who undertakes the public education activities.

Project Report

There were no projects planned for Dog Control in 2008/2009.

Free Microchipping of Dogs–

Council introduced free microchipping in 2008/2009 to encourage people to have their dogs microchipped. The service was first provided in towns around the entire District in February 2009 and was very positively received with a number of people not required to microchip taking up the option. Microchips help dog control staff identify the owners of wandering or dangerous dogs. Council has extended the free microchipping service for 2009/2010.

Variations from the Budget

Renewals included a 50% contribution towards the cost of a replacement vehicle, which had not been budgeted for. This contribution was funded from the dog reserves. The other 50% share was funded from the vehicle renewal reserves included under District Support. Renewals was also higher than budgeted partly because three new replacement dog traps were purchased.

There were no other significant variations between the Annual Plan's budget and actual expenditure during the year.

Cost of service

Actual 2007/2008	Dog Control	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
26,077	Rates	31,567	31,570
260,650	Activity Revenue	244,853	243,620
286,727	Total Operating Revenue	276,420	275,190
Operating Expenditure			
6,860	Depreciation	6,733	6,263
240,430	Other Operating Costs	282,780	252,903
247,290	Less Total Operating Expenditure	289,512	259,166
39,437	Operating Surplus/(Deficit)	(13,092)	16,024
39,437	Operating Surplus/Deficit transferred to/(funded from) Reserves	(13,092)	16,024
CAPITAL AND RESERVES			
-	Acquisition-Level of Service	3,154	-
4,181	Renewals	21,831	-
4,181	Total Capital Expenditure	24,985	-
36,384	Transfers to Reserves	-	16,024
36,384	Total Capital Movements	-	16,024
-	Operating Deficit	13,092	-
40,565	Total Funding Required	38,077	16,024
Funded By			
462	Non Cash Expenditure	470	-
666	Transfers from Reserves	37,607	-
39,437	Operating Surplus	-	16,024
40,565	Total Funding Applied	38,077	16,024

Forestry

What we do

The Southland District Council manages around 1,800 hectares of land (1,510 hectares of this is planted in introduced plantation species).

Why we do it

Forestry operations provide alternative income to offset rates but also support the achievement of other Council or community goals. This activity links most strongly with the community outcome of Southland's diverse economy being built from our strengths for growth and prosperity, as well as contributing to a treasured environment.

Effect on well being of the Community –

As shown in the table below, the financial return provided to Council has had a positive impact on economic wellbeing with funds made available to offset future rates. In addition, during the year, the Council's forestry operations maintained accreditation under ISO 14001 for an Environmental Management System which means that the operations are managed in an environmentally sustainable manner, positively affecting environmental wellbeing.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
To ensure that the forests are managed in a business-like way with a long term focus.	Percentage of returns met. Returns are projected for 2008/2009 at \$289,311 (Business Plan Report).	100%	Not Achieved – A return of \$49,622 was provided to Council.
To achieve an appropriate balance between harvesting and restocking Council and Community forests.	Percentage of Forestry Management Business Plan objectives met (Management Reports). ¹	100%	Not achieved – 8 of the 12 business plan objectives were fully met. The 4 remaining objective targets were met to a large degree; physical tree crop programmes achieved 70%, with some carry-over into next year expected.
	Number of health and safety issues notified (Management Reports).	0	Achieved – 0. Ten inspections were carried out during the year and no issues regarding health and safety were notified.

1. Objectives relate to periodical review of Forestry Management Plan, forestry asset replacement and observation of environmental protocols.

Project Report

There were no projects planned for Forestry in 2008/2009.

Variations from the Budget

Harvesting at Gowan Forest commenced in 2008/2009 and was completed at the end of July 2009. This resulted in revenue being lower than budgeted due to a combination of changed timing of the harvesting, lower logging prices and lower tender quantities than was anticipated in the budget.

Council had estimated the value of its forests to decrease in 2008/2009 by \$533,680. Actual market conditions have resulted in the Forest being devalued by \$399,530. This does not affect Council's operating cashflow.

No significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Forestry	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
862,599	Activity Revenue	354,490	783,150
862,599	Total Operating Revenue	354,490	783,150
5,025	Depreciation	5,445	5,595
333,089	Other Operating Costs	480,872	476,244
338,114	Less Total Operating Expenditure	486,317	481,839
383,920	Less Forestry Revaluation	399,530	533,680
140,565	Operating Surplus/(Deficit)	(531,357)	(232,369)
140,565	Operating Surplus/Deficit transferred to/(funded from) Reserves	(531,357)	(232,369)
CAPITAL AND RESERVES			
-	Total Capital Expenditure	-	-
995,408	Transfers to Reserves	533,642	1,137,318
995,408	Total Capital Movements	533,642	1,137,318
-	Operating Deficit	531,357	232,369
995,408	Total Funding Required	1,064,999	1,369,687
Funded By			
383,564	Non Cash Expenditure	399,380	533,680
471,279	Transfers from Reserves	665,620	836,007
140,565	Operating Surplus	-	-
995,408	Total Funding Applied	1,064,999	1,369,687

Grants and donations

What we do

Council provides funding for scholarships, grants, and donations so that District residents have access to community funding, assistance with community development, and to help finance cultural, social, and recreational services. The main areas of contribution include funding for Regional Heritage, the Southern Rural Fire Authority and Venture Southland which are described in more detail below. In addition the Council (through Venture Southland) also supports the Mayor's Taskforce for Jobs.

Regional Heritage –

The Southland Regional Heritage Trust is a strong supporter of museums in Southland and supports specific heritage projects that preserve or promote the Story of Southland. Council makes an annual grant to the Trust. Specific activities of the Trust include making grants to community groups, provision of a roving museum officer who supports small, community-based museums, and grants to the region's major museums.

Rural Fire grant –

The Southern Rural Fire Authority manages rural fire responsibilities at a regional level, including training fire-fighters and public education. Council makes an annual grant to support the Authority, in recognition of services provided for the Southland District. By supporting a regional effort, the District benefits from economies of scale. See the Council Control Organisations section on page 156 for more information on this activity.

Venture Southland grant -

Venture Southland undertakes Community Development and Events, Destination Marketing and Enterprise Development for the Southland region as a whole. A region-wide approach enables economies of scale, and a stronger voice for Southland. Venture Southland's Action Plan for Development is released annually and details the major projects that will be implemented that year for each aspect and the Annual Report records actions undertaken. Two monthly reports to the Venture Southland Board and Council also provides information on progress. The Council has a level of service agreement with Venture Southland that emphasises particular services for the District. In particular Council purchases additional community development capacity to work with our diverse communities and ensure local priorities are identified and addressed. Council makes an annual grant to Venture Southland for these activities.

Why we do it

Primarily this activity empowers citizens and communities by providing financial assistance for their activities, which in turn may promote any of the seven community outcomes, depending on the nature of the project. Scholarships promote a well-educated and skilled community; and other grants promote better community facilities, community self help, and encouragement of young people contribute to making Southland a great place to live.

The Regional Heritage grant contributes to making Southland a great place to live, by valuing our history and heritage, and supporting a range of quality places to go and things to do. The grant also supports a well educated community by providing high quality and ongoing learning opportunities through museums, heritage publications and other activities.

As Rural Fire protects economic assets, it supports the outcome of a diverse economy and by protecting against and responding to hazardous fire also supports a treasured environment.

The grant to Venture Southland (through their activities) contributes to making Southland a great place to live by promoting Southland's image, supporting creative and heritage activities, developing recreation activities and assisting with development initiatives for communities. Venture's activities also support a diverse economy by facilitating infrastructure improvements, identifying and promoting areas of competitive advantage, facilitating job creation and attracting/retaining a skilled labour force and promoting Southland as a tourism destination, as well as a place to live and invest. Their operations also contribute to strong effective leadership by empowering citizens and communities and supporting project development and seeking engagement through concept plans which promotes community cohesion and pride. Their activities also influence a treasured environment through working with businesses to improve their resource use and strategic projects that assist in working with the environment.

Effect on well being of the Community –

As shown below the activities of Southern Rural Fire have helped to protect people and the environment from fire which has a positive influence on social and environmental wellbeing. The grants provided to a range of organisations including Venture Southland have helped to support activities which enhance social, cultural and economic wellbeing. In addition, the Council gave a grant of \$68,640 in 2008/2009 to the Riverton Heritage and Tourist Centre (Te Hikoi) which positively influences cultural wellbeing.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Grants and Donations			
Enhance the quality of life through grants / donations to community and regional organisations.	Percentage of residents that are aware of the availability of grants (Survey - Resident).	80%	Majority achieved – 76%. Advertisements for all funds are placed in the Southland Times - five times within the two months prior to closing dates. Advertisements are also placed in the Council <i>First Edition</i> newsletter and all Council offices have application forms available. (the result has improved from 59% in 2007/2008).
Rural Fire			
Provide Rural Fire services throughout the District, except for Fire Service Urban Fire Districts, via a unified but distributed organisational system.	Number of rural fire personnel (Fire Response Plan).	No less than 200	Achieved – 285 personnel.
Provide public education on fire risks, risk reduction and fire event readiness.	Number of public education initiatives completed (File and Quarterly Report). ¹	1 leaflet drop 650 radio slots 10 education visits	Majority achieved – There were 1 leaflet drop, 800 radio slots and 1 education visit. There were also a number of public notices in the newspaper, radio interviews, an article in the First Edition and publicity on Cue TV.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
	Decreasing number of rural fire vegetation calls (Quarterly Report).	65 ³	Majority achieved – 69 rural fire vegetation calls were received during the year in the Southland District area compared to 113 last year and 88 in 2006/2007. For the whole Southern Rural Fire District 137 vegetation calls were received compared to 222 in 2007/2008 and 156 in 2006/2007.
Ensure that Rural Fire personnel are adequately trained.	Percentage of key rural fire personnel that are trained to or training towards the appropriate Fire and Rescue Services Industry Training Organisation (FRSITO) Unit Standards for their duties (Training Register). ²	100%	Achieved – 100%. All 285 rural fire personnel are trained to or training towards the appropriate FRSITO Unit Standards for their duties.
Ensure that the Rural Fire organisation responds appropriately to fire events.	Percentage of initial attacks on fires commenced within 30 minutes of receiving a fire call (Fire Log).	100%	Achieved – 100%. 321 calls were received about fires in the Southland District, and all attacks on these were commenced within 30 minutes of receiving the call.
<p>1. "Public education initiatives" include one information leaflet drop annually to all rural properties, radio advertising campaign of at least 25 daytime slots per week from 1 October to 30 March, 10 education visits (rural residents, schools and interest groups) annually.</p> <p>2. "Key Rural Fire Personnel" includes the Principal Rural Fire Officer (PRFO), Deputy Principal Rural Fire Officers (DPRFO's), Rural Fire Officers (RFO's) and Fire Fighters (FF's).</p> <p>3. This is the annual average for vegetation calls which relates to the objectives of the SRFD, who have a target that over a five year rolling average, the number of rural fires should decrease.</p>			
Venture Southland			
Agreed strategies and plans are in place.	Strategies and annual budgets are discussed and agreed with Southland District Council annually (Annual Plan).	30-Jun	Achieved – 2009/2010 Action Plan presented to Council on 11 March and feedback acted on by Venture Southland.
Regular reporting and monitoring of Venture Southland operations.	Quarterly reporting of Venture Southlands financial position and operational outputs (Activity Reports).	30-Mar 30-Jun 30-Sep 30-Dec	Achieved – 5 activity reports were prepared for the Southland District Council and received at the July, Sept, Dec 2008 and March, May 2009 meetings.
	Annual reporting of Venture Southlands operations and finances to Council (Activity Reports).	30-Sep	Achieved – Annual Report adopted and circulated to Council on 1 October 2008.
	Annual financial statements audited (Report to Council).	30-Oct	Achieved – Financial Statements audited as part of Council's Annual Report adopted on 29 October 2008.
Positive feedback from the community on Venture Southland activities.	Percentage of residents satisfied with Venture Southland activities (Survey - Resident).	80%	Achieved – Resident satisfaction was as follows: Community Development – 86%. Tourism and Promotion – 85%. Enterprise Development – 82%.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Positive feedback from users and stakeholders on quality of Venture Southland services.	Percentage satisfaction ratings from: - Grower groups (Survey - User). - Training and advice seminars (Survey - User). - Tourism workshops (Survey - User).	90%	Achieved – Satisfaction as follows: Grower Groups - 97% Training and advice seminars - 85% Tourism workshops - 94%
Work planned by Venture Southland is completed on time and within budget.	Percentage of projects identified in annual Action Plan are completed on time (Annual Report).	90%	Achieved – Expected results (including timeliness) were achieved for 96% of projects in the action plan. 210 projects delivered in total.

Project Report

Operating and Maintenance Projects		
Project Description	Actual	Budget
Grants		
Citizens Advice Bureau	\$2,200	\$2,200
Friendship Committee	\$2,458	\$13,297
Gore Counselling Services	\$1,000	\$1,000
Iwi Funding	\$33,934	\$33,934
Life Education Trust	\$5,000	\$5,000
Miscellaneous Grants	\$41,000	\$7,000
Riverton Heritage and Tourist Centre	\$68,640	\$68,640
St John's Ambulance	\$1,400	\$1,400
Museum Trust Board Levy	\$350,464	\$350,464
Scholarships		
Bursaries	\$2,450	\$4,500
Community Service Award	\$103	\$1,000
Debating Competition	\$485	\$600
Outward Bound Scholarship	\$5,535	\$8,000
Funding Assistance		
Contribution to Dog and Animal Control	\$30,815	\$30,815
Contribution to Public Toilets	\$203,512	\$383,060
Holiday Programmes	\$20,000	\$20,000
Santa Parade Trust	\$1,261	\$2,400
Destination Fiordland	\$11,000	\$11,000
Venture Southland	\$1,590,095	\$1,590,095
Allocation Grants		
Grants from Ohai Railway Board	\$57,505	\$80,058
Community Development Grants	\$64,133	\$70,000
Creative Communities Grants	\$21,720	\$21,630
Amenity Development Grants	\$39,750	\$30,000
Contributions and Levies Grants	\$43,000	\$15,000
SPARC Grants	\$17,950	\$0
Northern Southland Development Fund	\$22,250	\$15,000

Variations from the Budget

During the year the Waikawa fire station was transferred to the Southern Rural Fire Authority at nil cost. The unbudgeted loss on this asset disposal is included in activity revenue.

Operating expenditure is lower than budgeted due to a lower contribution to public toilets resulting from a changed timing of the redevelopment of the Lions Park toilet in Te Anau. This is partially offset by an unplanned grant to the Warm Homes Trust of \$35,000.

No significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan budget and actual expenditure.

Cost of service

Actual 2007/2008	Grants and Donations	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
2,808,923	Rates	2,711,227	2,720,291
39,433	Activity Revenue	6,715	32,236
14,935	Interest & Dividends	15,293	15,293
32,184	Grants and Donations	35,028	22,230
2,895,475	Total Operating Revenue	2,768,264	2,790,050
35,994	Depreciation	30,323	1,726
3,240,956	Other Operating Costs	2,930,612	3,238,097
3,276,950	Less Total Operating Expenditure	2,960,934	3,062,083
(381,475)	Operating Surplus/(Deficit)	(192,670)	(272,033)
	Operating Surplus/Deficit transferred to/(funded from) Reserves	(192,670)	(272,033)
CAPITAL AND RESERVES			
-	Total Capital Expenditure	-	-
116,546	Transfers to Reserves	69,704	-
116,546	Total Capital Movements	69,704	-
381,475	Operating Deficit	192,670	272,033
498,021	Total Funding Required	262,374	272,033
Funded By			
7,096	Non Cash Expenditure	30,474	1,726
490,925	Transfers from Reserves	231,900	270,307
498,021	Total Funding Applied	262,374	272,033

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Health regulation

What we do

The activity involves registration and inspection of licensed premises, liquor licensing (including monitoring compliance), and controlling nuisances in the District such as noise, insanitary conditions and hazardous substance activities. The activity also undertakes school water and pool testing and provides advice on environmental health and hazardous substances, particularly during the resource consent and building consent process. The Council also carries out a range of education and information activities.

Why we do it

Health regulation contributes to having healthy people by protecting public health through registration and inspection of premises that prepare or sell food, licensing and monitoring premises that sell alcohol to ensure that they conduct their business to required standards and carrying out hazardous substance inspection and enforcement on behalf of Occupational Safety and Health. The investigation of nuisance complaints such as noise, smoke, odours and pests also contribute to a healthy community and a treasured environment by minimising the effect of such nuisances on people or the receiving environment. In the activity, the Council must comply with the legal requirements of the Sale of Liquor Act 1989, Health Act 1956, Food act 1981 and Hazardous Substances and New Organisms Act 1996.

Effect on well being of the Community –

As the table below shows, inspections of premises may have positively influenced social wellbeing by ensuring that premises are operating in a safe manner.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Implement actions and measures that provide for the health, safety and well being of the community.	Percentage decrease in complaints related to health regulation matters over the previous year (Quarterly Report).	5% ¹	Not achieved – 108% increase (from 63 in 2007/2008 to 131 in 2008/2009). The increase is the result of more complaints being captured in the Council's recording system rather than an increase in complaints. Complaints received by the After Hours Service were previously not recorded in the Council's system however now they are.
	Percentage of customers satisfied with how their nuisance complaints have been dealt with (Survey - Customer).	80%	Not achieved – Out of the 40 customers surveyed 50% were satisfied with the helpfulness of staff (48% were neither satisfied nor dissatisfied) and 53% were satisfied with the time it took to resolve their query (43% were neither satisfied nor dissatisfied).

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Ensure that all premises operating under the requirements of the Health Act, Food Act, Sale of Liquor Act and associated regulations operate in accordance with the requirements of the legislation.	Percentage of registered premises ² inspected annually (Quarterly Report).	100%	Majority achieved – 96%. Of the 304 premises registered with the Council on 1 July 2008, 292 inspections were completed.
Process all applications lodged under the Sale of Liquor Act administered by Health Regulation within the timeframes specified within the relevant Act.	Percentage of applications for liquor licenses and managers' certificates are processed within 35 working days (Quarterly Report). ³	100%	Majority achieved – 94%. 403 of the 431 applications for liquor licenses were processed within 35 days. Sometimes applicants do not provide all the relevant information with their application which causes delays with processing the application.
Investigate notified infectious diseases, in conjunction with Public Health South, in an appropriate and timely manner.	Percentage of preliminary investigations into notified infectious diseases carried out within three working days (Quarterly Report).	100%	Not applicable – From the March 2008 quarter Council was no longer notified of infectious diseases. Public Health South now investigates these for all of territorial authorities in Southland.
All complaints are assessed in a timely manner.	Percentage of complaints responded to within 24 hours (or within the timeframe advised when the complaint was lodged) (Quarterly Report). ⁴	100%	Majority achieved – 91%. 119 of the 131 complaints responded to within 24 hours.
<ol style="list-style-type: none"> 1. The Council only receives a small number of nuisance complaints each year making the measure sensitive to changes. 2. Registered premises include food premises, camping grounds, hairdressers, offensive trade premises and premises selling liquor. 3. The timeframe for processing applications may be longer where the applicant is required to supply additional information in support of their application or where the application is subject to objections. 4. Responded to means contacting the customer/complainant. 			

Project Report

There were no projects planned for Health Regulation in 2008/2009.

Variations from the Budget

No significant assets were acquired during 2008/2009 and there were no significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Health Regulation	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
106,971	Rates	118,559	118,570
251,389	Activity Revenue	247,364	194,464
3,739	Interest & Dividends	5,529	3,828
-	Grants and Donations	2,625	-
362,099	Total Operating Revenue	374,076	316,862
20,321	Depreciation	17,731	20,161
374,254	Other Operating Costs	391,885	358,907
394,575	Less Total Operating Expenditure	409,617	379,068
(32,476)	Operating Surplus/(Deficit)	(35,541)	(62,206)
(32,476)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(35,541)	(62,206)
CAPITAL AND RESERVES			
-	Total Capital Expenditure	-	-
33,240	Transfers to Reserves	36,777	2,624
33,240	Total Capital Movements	36,777	2,624
32,476	Operating Deficit	35,541	62,206
65,716	Total Funding Required	72,318	64,830
Funded By			
(593)	Non Cash Expenditure	(2,429)	-
66,309	Transfers from Reserves	74,747	64,830
65,716	Total Funding Applied	72,318	64,830

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Library Service

What we do

The coordinated district library service includes 12 local community libraries, a mobile library service and access to library resources via the internet. A reciprocal membership arrangement gives free membership to all libraries within the Southland, Gore, and Clutha Districts and Invercargill city.

The libraries are free to access by all members of the community and act as community hubs, providing social spaces where people meet and relax. The libraries are recognised as safe and trusted places which offer programmes and events that promote reading as an enjoyable activity and provide materials for reading, listening and viewing. They provided information about the local community as well as connecting people to national and global communities. Library staff guide and support people to access information and help users to participate in the digital world. Libraries support formal education and encourage lifelong learning: the development of skills, creativity and confidence and also are a source of local information and history and connect people to their heritage/whakapapa.

Why we do it

The library service contributes to making Southland a great place to live by providing quality places to go and things to do through the services provided as well as a place where history and heritage is recorded. As a community recreation facility they are accessible and their services can enrich people's lives and expand their horizons. As public spaces they allow for social contact and are a reflection of the local community identity. The library service also assists in creating a well-educated and skilled community by providing access to a range of resources and information as well as making learning opportunities accessible and delivering innovative programmes. Libraries also contribute to creating a diverse economy by supporting skill development, empowering people to be self-sufficient and providing information relevant to both individuals and businesses.

Effect on well being of the Community –

Libraries have had a general positive effect on social and economic wellbeing by making resources available for recreation and learning. However this effect may be limited by the number of people using the library resources as indicated in the table below.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Library services are available at convenient times and locations.	Percentage of residents who identify opening hours as a barrier to using libraries (Survey - Resident).	Less than 10%	Achieved – 9%. Of the 816 survey respondents 73 indicated opening hours as a reason for not using libraries.
	Percentage of residents satisfied with the location of libraries in Southland and/or the ability to access the Mobile Library (Survey - Resident).	80%	Achieved – 98%.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Library facilities are clean and comfortable.	Percentage of users satisfied with look, cleanliness and comfort of libraries (Survey - User).	90%	Achieved – Look of libraries - 96%. Cleanliness of libraries - 98%. Comfort of libraries - 98%. The library user survey was undertaken in February 2009.
A wide range of books and materials, in a variety of formats, are able to be accessed by users.	Percentage of users satisfied with the choice of books and other resources available (Survey - User).	90%	Achieved – 95%.
	Percentage of fiction less than three years old (Quarterly Report).	33%	Majority achieved – 32%.
Library services are being increasingly used.	Percentage of population who use the library (Survey - Resident).	60%	Majority achieved – 51%. Of the 333 respondents who indicated their reasons for not using the library nearly 60% prefer to buy their books or they do not read books.
	Percentage increase in the number of issues over the previous year (Quarterly Report).	1.5%	Majority achieved – 1.3%. The number of issues increased from 275,756 in 2007/2008 to 279,453 in 2008/2009.
	Turnover rate (the number of books issued divided by the total stock held) increases (Quarterly Report).	3.3	Not achieved – 2.3. There were 279,453 books issued and 121,943 books in stock (as at 30 June 2009).

Project Report

Asset Acquisition – Level of Service		
Project Description	Budget	Status
Upgrade computerised circulation system of all sites.	\$120,000	Not complete/ Not started. Scheduled to begin in April 2010.
Library stock replacement.	\$106,680	Complete (actual cost \$119,095 - this includes \$16,788 of donations).

Bookbus –

During the past year the Bookbus was given a make-over featuring a montage of local scenes and current library users. The new covering has received very positive comments as it has journeyed around the Southland District.

20 Years of Library Service in the District –

2009 saw 20 years of Library Service in the SDC area and also 20 years of the Bookbus operation. Although acknowledged quietly throughout the District the basis of this service has become the model for a number of other district councils to follow.

Southlib Consortia –

Southland District Library Service has joined a consortium with Dunedin Public, Invercargill City and Queenstown Lakes/Central Otago District Libraries to purchase and implement a shared Library management System. This will result in a reciprocal membership agreement through the south and also give all residents the much wider access enjoyed by those living in metropolitan areas.

Aotearoa People's Network –

In May 2008, following application to the Digital Strategy funding, a free, high-speed internet service was installed in libraries throughout Southland. In 2008/2009 there has been a large uptake by local residents and travellers with between 3,000 and 5,000 users of the service each month.

Variations from the Budget

The planned upgrade of the computerised circulation system in conjunction with Invercargill City Council, Dunedin Public Library and Queenstown Lakes District Council is still in progress due to logistical issues. As a result, Acquisition – Levels of Service and the related loan financing are less than budgeted.

There were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Library Service	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
935,704	Rates	970,417	973,407
43,581	Activity Revenue	72,910	39,729
16,411	Interest & Dividends	16,805	16,805
3,822	Grants and Donations	19,788	-
999,518	Total Operating Revenue	1,079,920	1,029,941
161,797	Depreciation	173,125	168,157
888,110	Other Operating Costs	982,061	938,488
1,049,907	Less Total Operating Expenditure	1,155,186	1,106,645
(50,389)	Operating Surplus/(Deficit)	(75,266)	(76,704)
(50,389)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(75,266)	(76,704)
CAPITAL AND RESERVES			
184,974	Acquisition-Level of Service	178,814	283,231
184,974	Total Capital Expenditure	178,814	283,231
11,515	Transfers to Reserves	11,482	577
11,515	Total Capital Movements	11,482	577
50,389	Operating Deficit	75,266	76,704
246,878	Total Funding Required	265,562	360,512
Funded By			
-	Loans Raised	-	120,000
139,583	Non Cash Expenditure	149,010	144,044
107,295	Transfers from Reserves	116,552	96,468
246,878	Total Funding Applied	265,562	360,512

Parks and reserves

What we do

The activity involves providing and maintaining areas for active and passive recreation throughout Southland. These areas include parks, reserves, green spaces, playgrounds and sports fields.

Why we do it

Parks and reserves contribute to making Southland a great place to live because they give the community a choice of quality places to go and things to do. They provide areas for people to socialise and participate in a range of recreation and sporting activities which also supports healthy lifestyles. They also contribute to a treasured environment where reserves and open spaces give people an appreciation of the natural environment and also provide protection for specific areas of native flora and fauna. The maintenance of parks and reserves also ensures that they are public places which are safe for children and families. Parks and reserves also contribute to a diverse economy by providing places of interest for tourists as well as forming part of the Southland lifestyle that helps to attract and retain the workforce. In the activity, the Council must comply with the legal requirements of the Reserves Act 1977.

Effect on well being of the Community –

Overall, with parks and reserves being well maintained and residents continuing to record high levels of resident satisfaction with these as well as new developments being completed during the year, the activity has had a positive effect on social, cultural and environmental wellbeing.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
High quality parks, reserves, playgrounds and sports fields.	Percentage of residents satisfied with the reserves, parks, sports fields and playgrounds (Survey - Resident).	85%	Achieved – Parks and Reserves - 96%. Sports fields - 96%. Playgrounds - 94%.
	Percentage of parks, reserves, playgrounds and sports fields that are maintained in accordance with contractual standards (Audit Inspections - Staff). ¹	90%	Majority achieved – 89%. 275 of the 309 inspections carried out showed that parks, reserves, playgrounds and sports fields were being maintained in accordance with contractual standards.
Maintenance, safety, queries and faults dealt with promptly.	Percentage of repairs are carried out within required timeframes (Quarterly Report). ²	90%	Achieved – 100%. Only one maintenance issue was recorded during the year and it was repaired within the required timeframe.
<p>1. "Contractual standards" cover lawn mowing, weed removal and equipment inspection and maintenance. 2. "Timeframes" means urgent repairs (those affecting safety) are fixed within two days; and non urgent repairs fixed within 10 days.</p>			

Project Report

Operating and Maintenance Projects		
Project Description	Budget	Status
Edendale – Scenic Reserve track maintenance.	\$6,000	Complete (actual cost \$5,361).
Wallace – Glenburn Reserve painting sheds.	\$18,400	Not complete/ Not started.

Asset Acquisition – Levels of Service		
Project Description	Budget	Status
Edendale – Install plant identification tags along walking track at Scenic Reserve.	\$500	Not complete/ Not started.
Hedgehope – replacement of bridge, drainage, fencing and revegetation at Dunsdale Reserve.	\$3,000	Complete (actual cost \$7,056).
Riverton – Fence off sections in Mores Scenic Reserve to protect vegetation from grazing.	\$10,000	Complete (actual cost \$7,740).
Te Anau – Bench seating and other amenities at Ivon Wilson Park.	\$1,024	Complete (actual cost \$1,264).
Te Anau – Upgrade and redesign entrance road and parking area at Ivon Wilson Park.	\$35,048	Complete. This project was completed in conjunction with the project below. Total combined cost \$58,138.
Te Anau – Upgrade and redesign entrance road and parking area at Ivon Wilson Park.	\$25,073	Complete. This project was completed in conjunction with the project above. Total combined cost \$58,138.
Te Anau – Information sign at entrance to Lynwood Historic Reserve.	\$2,000	Not complete/ Deferred.
Tuatapere – Greenheart Reserve bridge removal.	\$5,000	Complete (actual cost \$20,776). This project was completed in 2007/2008.
Winton – Upgrade to Centennial Park toilet.	\$20,210	Deleted (this project is no longer required as the future adjacent netballs courts facility will provide a toilet for public use).

Variations from the Budget

No significant assets were acquired during 2008/2009 and there were no significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Parks and Reserve	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
390,783	Rates	431,889	433,536
40,437	Activity Revenue	164,617	215,877
11,089	Development & Financial Contributions	-	-
4,740	Grants and Donations	79	-
447,049	Total Operating Revenue	596,585	649,413
99,783	Depreciation	97,654	75,731
351,865	Other Operating Costs	386,736	430,456
451,648	Less Total Operating Expenditure	484,390	506,187
(4,599)	Operating Surplus/(Deficit)	112,195	143,226
(4,599)	Operating Surplus/Deficit transferred to/(funded from) Reserves	112,195	143,226
CAPITAL AND RESERVES			
54,674	Acquisition-Level of Service	102,618	76,645
54,674	Total Capital Expenditure	102,618	76,645
122,269	Transfers to Reserves	254,768	215,849
122,269	Total Capital Movements	254,768	215,849
4,599	Operating Deficit	-	-
181,542	Total Funding Required	357,386	292,494
Funded By			
99,735	Non Cash Expenditure	90,928	69,004
81,807	Transfers from Reserves	154,263	80,264
-	Operating Surplus	112,195	143,226
181,542	Total Funding Applied	357,386	292,494

Public conveniences

What we do

There are 70 public conveniences in the Southland District that are operated and maintained by Council. In addition, Council provides a small amount of funding for cleaning of three privately owned toilets which are available for public use. These facilities are located along key travel routes and at key destinations such as reserves, beaches and other public gathering spots. A number of toilets are also located at playgrounds or recreation areas in townships. The Council manages the cleaning and maintenance of these facilities.

Why we do it

Public conveniences contribute to a treasured environment, in particular a healthy safe environment by providing facilities to appropriately deal with human waste from visitors and residents. The conveniences, located throughout Southland, also minimise the negative effects of human activities and help to protect public health by preventing contamination caused by indiscriminate fouling, which could otherwise pollute waterways.

Effect on well being of the Community –

Satisfaction and the number of complaints about toilet cleanliness did not meet targets and projects planned were not completed. This may have had a negative effect on the social wellbeing of those using the toilets. This is somewhat offset by the availability of toilets and the fact that toilets are cleaned in accordance with standards.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Maintain public conveniences in a good and clean condition.	Percentage of users satisfied with the cleanliness of public conveniences (Survey - User).	85%	Majority achieved – 75%. Toilet users were surveyed in Riverton, Orepuke, Lumsden and Winton.
	Number of complaints about the cleanliness and safety of public conveniences (Quarterly Report).	Less than 10	Not achieved – Nineteen complaints were received about the cleanliness of public toilets. Twenty five requests were made for toilet repairs and maintenance, some of which relate to safety issues.
	Percentage of toilets that are cleaned in accordance with contractual standards (Audit Inspections - Staff).	90%	Achieved – 95%. 164 of the 173 inspections carried out showed that toilets were being cleaned in accordance with contractual standards.
Provide sufficient toilets for normal demand at each location.	Percentage of users satisfied with the location of public conveniences (Survey - User).	85%	Achieved – 96%. Toilet users were surveyed in Riverton, Orepuke, Lumsden and Winton.

Project Report

Asset Acquisition – Levels of Service		
Project Description	Budget	Status
Colac Bay – replace Foreshore Road toilet east end	\$25,000	Not complete/ In progress.
Mossburn – upgrade of toilet	\$20,000	Not complete/ Not started.
Ohai – upgrade/replacement of playground toilet	\$40,000	Not complete/ In progress.
Te Anau – replacement of toilets at Lions Park	\$645,000	Not complete/ In progress.
Waikaia – upgrade of Blaydon Street toilet	\$5,000	Not complete/ Not started.

Variations from the Budget

The planned redevelopment of the Lions Park toilet in Te Anau is still in progress. As a result, Acquisition – Level of Service and the resulting loan financing are less than budgeted.

No significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Public Conveniences	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
91,046	Rates	96,032	96,421
510	Activity Revenue	3,038	67,186
-	Grants and Donations	325	-
91,556	Total Operating Revenue	99,395	163,607
32,708	Depreciation	31,452	63,500
96,516	Other Operating Costs	74,468	(41,143)
129,225	Less Total Operating Expenditure	105,920	22,357
(37,669)	Operating Surplus/(Deficit)	(6,525)	141,250
(37,669)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(6,525)	141,250
CAPITAL AND RESERVES			
38,695	Acquisition-Level of Service	32,049	735,000
3,919	Renewals	-	-
42,614	Total Capital Expenditure	32,049	735,000
-	Loans Repaid	1,527	-
22,337	Transfers to Reserves	26,026	-
22,337	Total Capital Movements	27,552	-
37,669	Operating Deficit	6,525	-
102,620	Total Funding Required	66,126	735,000
Funded By			
21,895	Loans Raised	-	515,000
32,707	Non Cash Expenditure	31,452	63,500
48,018	Transfers from Reserves	34,674	15,250
-	Operating Surplus	-	141,250
102,620	Total Funding Applied	66,126	735,000

Representation and advocacy

What we do

The purpose of the Council is to enable democratic local decision-making and action on behalf of local communities in an open and transparent manner and to promote the wellbeing of communities. The Mayor and Councillors fulfil a governance role, which involves representing the community, setting direction, and monitoring and reviewing Council performance. Council also encourages decision-making at a range of levels, centrally by Council (Mayor plus 12 Councillors elected via wards), and at local levels, through its 12 Community Boards, 16 Community Development Area Subcommittees (six members on each) and various other committees. This is to ensure, as far as practicable, that those paying for and receiving services are also making the decisions about those services. Council also seeks input from young people in the District through the Youth Council and provides support to other representative groups such as the Milford Community Trust.

The Council also plays a strong advocacy role in representing local interest by way of submissions, deputations and lobbying regional and central government and other agencies on issues affecting the residents and ratepayers of the District. Council is proactive in ensuring that there is appropriate representation on national working parties and organisations so that a southern and rural perspective is heard.

Key aspects of the activity include three yearly elections for the Mayor, Councillors, Community Boards and Community Development Area Subcommittees, six yearly representation reviews to determine the representation structure, as well as Council's delegations for decisions.

Why we do it

This activity primarily contributes to strong, effective leadership, by empowering and enabling local people to make decisions and encouraging youth participation. Decentralised decision-making structures tend to make community leaders more accessible therefore helping to build confidence in them and the Youth Council helps to build future leaders. It also contributes to Southland being a great place to live, by ensuring that local perspectives are considered in decisions and Southland perspective is heard in national decision-making. In the activity, the Council must comply with the legal requirements of the Local Government Act 2002, Local Government Official Information and Meetings Act 1987 and Local Electoral Act 2001.

Effect on well being of the Community –

The table below indicates that generally across the District, residents are satisfied with Council decision making and leadership which has a positive influence on social wellbeing. While there have been instances where the community has not been satisfied with decisions over particular local issues, the existence of local decision making bodies such as Community Boards and Community Development Area Subcommittees helps to strengthen the social wellbeing of these communities.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Maintain a structure that allows for local decision-making.	Percentage of resident satisfaction with the performance of Community Boards and local committees (local decision-making and planning) (Survey - Resident).	85%	Achieved – 88%.
Council to provide leadership and advocacy on major issues affecting residents.	Percentage of resident satisfaction with Council decision-making and leadership (Survey - Resident).	85%	Achieved – 86%.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
	Percentage of residents who agree Council represents the interests, values and desires SDC residents (Survey - Resident).	85%	Achieved – 88%.

Project Report

There were no projects planned for Representation and Advocacy in 2008/2009.

Sister City Agreement Signed with Cinque Terre –

Southland District Council signed a sister city agreement with Cinque Terre National Park in Italy via Skype internet service in March 2009. The two areas have a number of similarities including the districts being made up of small communities with solid connections to the land - in Southland agricultural farming; in Cinque Terre vineyards and horticulture; and a growing tourism industry including an emphasis on our natural environment and walking tracks. The objectives of the agreement are to promote the natural attributes of both regions, promote the development of cultural, youth, municipal and recreational exchanges between the citizens of both communities, explore, promote and assist with sustainability outcomes and exchange of information and research.

Inclusive Communities Strategy –

Following submissions to the Southland District Council's 2008/2009 Annual Plan, Council developed a strategy to ensure that all people are able to fully participate in life within the Southland District, including people with impairments and/or from ethnic communities. The strategy and associated action plan was adopted in January 2009 and Council began implementing the strategy with a review of disabled parking throughout Southland District to ensure these were the correct width and safe and appropriate.

Youth Council and Youth Ambassador –

The Southland District Youth Council is aimed at building the next generation of leaders in Southland. Youth Councillors come from the District's schools and meets regularly to discuss issues relating to the District.

A new group of youth councillors started in March 2009. Activities in 2008/2009 included attended a joint leadership forum in conjunction with youth councils from Invercargill and Gore and giving advice on submissions to the Government on Alcohol and Road Safety. The youth council is currently building a social networking website as part of a project to communicate more widely with the public and other youth groups. The website is to include information on activities for young people in Southland.

The Youth Council is also currently working with Venture Southland on the Youth ambassador programme to provide opportunities for young people to undertake leadership roles and activities in their communities.

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Variations from the Budget

No significant assets were acquired during 2008/2009 and there were no significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Representation and Advocacy	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
2,316,642	Rates	2,342,170	2,348,504
79,029	Activity Revenue	27,740	19,000
16,584	Interest & Dividends	12,970	16,982
2,412,255	Total Operating Revenue	2,382,879	2,384,486
13,082	Depreciation	16,637	16,818
2,507,002	Other Operating Costs	2,426,329	2,610,494
2,520,084	Less Total Operating Expenditure	2,442,966	2,627,312
(107,829)	Operating Surplus/(Deficit)	(60,087)	(242,826)
(107,829)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(60,087)	(242,826)
CAPITAL AND RESERVES			
14	Acquisition-Level of Service	30,751	-
14	Total Capital Expenditure	30,751	-
167,914	Transfers to Reserves	92,617	50,294
167,914	Total Capital Movements	92,617	50,294
107,829	Operating Deficit	60,087	242,826
275,757	Total Funding Required	183,455	293,120
Funded By			
(5,679)	Non Cash Expenditure	(181)	-
281,436	Transfers from Reserves	183,636	293,120
275,757	Total Funding Applied	183,455	293,120

Resource management

What we do

The Resource Management activity involves the preparation of and updating of the District Plan and processing resource consent applications. The District Plan is reviewed and changed to ensure it remains current, relevant, legally robust and addresses all relevant environmental issues appropriately. Resource consent applications are processed under the Resource Management act 1991 (RMA) to ensure sustainable management of natural and physical resources is achieved.

Why we do it

The Resource Management activity contributes to a treasured environment by ensuring sustainable management of natural and physical resources in a way that retains the unique values, character and biodiversity of the District. This is managed through the District Plan and resource consent processing, both of which help to ensure that land use is appropriate, that there is sound planning surrounding land development and any effects on the environment are monitored. The activity also contributes to healthy people (through a clean environment), a great place (by protecting significant heritage sites), safe places (by setting development standards), and a diverse economy (by having clear and stable regulation). The Resource Management activity also contributes to strong effective leadership by ensuring that people can have input into the management of Southland's natural resources. In the activity, the Council must comply with the legal requirements of the Resource Management Act 1991, Ngāi Tahu Claims Settlement Act 1998, Local Government Act 2002 and Local Government Official Information and Meetings Act 1987. The activity must also give effect to Environment Southland's Regional Policy Statement.

Effect on well being of the Community –

As shown in the table below, not all consents were processed within the required timeframes and the target for applicant satisfaction with the service provided was not met which may have had an affect on economic wellbeing. Any negative effects are mitigated by the fact that consents help to ensure that proposals meet requirements and/or minimise any negative environmental affects which has a positive impact on the social and environmental wellbeing of the community. Cultural wellbeing was also influenced through the consultation with Iwi over consents involving areas of cultural significance.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Resource Management			
Cost effectiveness of the consent application processing is maintained.	Percentage of key users who agree that consent processing costs were fair and reasonable (Survey - Key Users and Applicants).	90%	Not achieved – 42.7%. Note that 32.9% of respondents neither agreed nor disagreed that the consent processing costs were fair and reasonable and 24.4% disagreed. Respondents with low satisfaction commented the cost is excessive and hard to justify. The Resource Management department now has to pass on costs for inputs into the consent process from other departments,

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
			which were previously provided without cost. This has impacted on the department's ability to keep processing costs within the amount paid when the application is lodged. The survey was undertaken in February/March 2009.
Provide and maintain an operative District Plan that is consistent with sustainability and community values.	Report annually on the appropriateness of the District Plan, any changes required and recommended implementation plan (Report to Council).	30 June	Majority achieved – Council has instead resolved to review the District Plan completely. Progress reports have been provided to the Council's Resource Management Committee throughout the year (and are provided to full Council for its information).
Report on the "State of the Environment" in the District on a regular basis.	Report on the "State of the Environment" in the District every five years (Report to Council).	30 June 2009	Not achieved – No report on the state of the environment was produced in 2008/2009.
Council facilitates Iwi input into policy development and consent applications.	Percentage of District Plan changes, reviews and resource consent applications where Iwi, through Te Ao Mārama are consulted (Quarterly Report).	100%	Majority achieved – All District Plan changes and reviews involve Iwi consultation. The 100% target for resource consent applications where Iwi have been consulted is unlikely to be achieved as Iwi are only consulted when resource consents involve certain areas of land which are culturally significant. Of the 358 applications in total, 133 (37%) of these involved areas of land of cultural significance. All 133 of these involved Iwi consultation.
Process all applications lodged under the RMA, within the timeframes specified within the Act.	Percentage of applications processed within statutory timeframes (Quarterly Report).	100%	Not achieved – 58% (209 of 358 consent applications). The target was not achieved because of the number and complexity of applications received. It is important to note that the Council did not use any statutory mechanisms to extend the timeframe to process consents. A large number of consents were close to meeting timeframes and the average processing time for non-notified consents was 20.3 working days (statutory timeframe is 20 working days).
Provide appropriate and timely guidance and advice on RMA matters as requested by our	Percentage of key users who agree that timely guidance and assistance is provided by Resource Planning staff (Survey - Key Users and Applicants).	80%	Majority achieved – 65% of respondents agreed that staff provided a timely service and 75% of respondents agreed that staff were knowledgeable

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
customers.			and answered their questions. Overall 71% of respondents were satisfied with the performance of staff. Respondents commented that the processing of their consent took longer than expected which again was affected by the number and complexity of applications. The survey was undertaken in February/March 2009.
Environmental Monitoring			
All public complaints about effects on the environment are investigated and reported on, in a timely and professional manner.	Percentage of complaints investigated within 48 hours or the timeframe advised (Quarterly Report).	100%	Majority achieved – 89% (24 of 27) complaints were investigated within the timeframe. The size of the District and availability of personnel has made it difficult to achieve the timeframes 100% of the time.
Monitor resource consents to ensure that they comply with the conditions.	Percentage of applications monitored where resource consent conditions are met or follow up action is taken (Quarterly Report).	100%	Achieved – 100%. 160 instances of monitoring were undertaken during the year. 99 showed compliance with resource consent conditions and 61 had follow up action taken. (Note that there were 150 consents monitored for the year however some were required to be monitored more than once).
1. Timeframes for processes non-notified resource consent applications is 20 working days. Notified consent applications have a longer period. "Receipt" means all the required information has been supplied.			

Project Report

Operating and Maintenance Projects		
Project Description	Budget	Status
District Plan review.	\$610,480	Not complete / In progress. The District Plan budget for 2008/2009 was not fully spent because of delays in the recruitment of a District Plan Project Manager. This position has now been filled and the unallocated budget will be carried forward to the 2009/2010 financial year. This is a five year project.

District Plan review underway –

As shown above, the Council began to review its District Plan this year. The District Plan, which outlines the Council's objectives, policies and rules on land use and development in the District, is being reviewed following a period of intensive growth and development pressure in the District and increased community expectations regarding environmental quality. A set of discussion papers on various issues were released in May 2009 with public meetings held around the District following this to get feedback. This information will be used to assist in the formulation of the Draft document. The initial consultation stage is being done in conjunction with Environment Southland's Regional Policy Statement review to ensure consistency between the two plans.

Resource Management Customer Survey –

A survey of Resource Management consent applicants and key users was conducted this year and this showed an improvement in satisfaction with performance of staff compared to 2006/2007. Processing costs was the area that had the least satisfaction.

Variations from the Budget

Operating expenditure was lower than budgeted as the District Plan is still in progress (see comment in the table above). Funds collected for this process will be carried forward and applied against future costs.

No significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Resource Management	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
545,747	Rates	815,062	814,889
411,661	Activity Revenue	340,054	226,792
4,141	Interest & Dividends	4,961	4,240
961,549	Total Operating Revenue	1,160,078	1,045,921
4,224	Depreciation	1,470	4,629
1,075,492	Other Operating Costs	1,219,626	1,897,053
1,079,716	Less Total Operating Expenditure	1,221,095	1,901,682
(118,167)	Operating Surplus/(Deficit)	(61,017)	(855,761)
(118,167)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(61,017)	(855,761)
CAPITAL AND RESERVES			
-	Acquisition-Level of Service	1,095	-
-	Total Capital Expenditure	1,095	-
955,760	Transfers to Reserves	780,489	-
955,760	Total Capital Movements	780,489	-
118,167	Operating Deficit	61,017	855,761
1,073,927	Total Funding Required	842,601	855,761
Funded By			
(505)	Non Cash Expenditure	(3,160)	-
1,074,432	Transfers from Reserves	845,761	855,761
1,073,927	Total Funding Applied	842,601	855,761

Roading and transport

What we do

The activity involves the administration and maintenance of the District's roading and bridging network, excluding State Highways and National Park roads.¹ The activity also provides other infrastructure such as footpaths, car parks and streetlights and ensures that roadside pest plants are controlled as well as making a contribution to the Total Mobility scheme which helps to ensure that transportation is available for all members of our community, including those with limited mobility.

The activity ensures that the network is maintained through regular maintenance and is renewed and improved through a programme of resealing, pavement rehabilitation, widening and minor safety works. This work aims to ensure that the network provides safe and comfortable travel. The Council has prepared a Land Transport Activity Management Plan which determines the level of funding that is required to maintain the network to the required standard. The Council receives a subsidy for most transportation activities from the NZ Transport Agency (NZTA) which subsidises road maintenance, renewal and construction work between 54% and 64% which means that the true cost of the activity is around double that funded by rates.

Why we do it

This activity contributes to a diverse economy by providing an effective network for moving goods and services and a corridor for utility companies to establish their networks. It also contributes to safe places, by maintaining the roads so that they are safe. The activity, through the total mobility scheme and disabled parking, contributes to healthy people by assisting with transport for those who are less mobile. Active aspects of the network (walkways, footpaths, cycleways) also assist people to be active and healthy. The activity also contributes to making Southland a great place to live by providing people with access to their land, homes, schools, social centres and recreational centres. In the activity, Council must comply with the New Zealand Transport Act 2003, Land Transport Act 1998, Transport Act 1962 and the Local Government Act 2002. The activity must also give effect to the New Zealand Transport Strategy, Government Policy Statement and Regional Land Transport Strategy.

Effect on well being of the Community –

As the table shows, a number of maintenance related issues, particularly for gravel roads, did not meet targets which may have had a minor negative impact on community wellbeing. However, audit inspections showed that roads were being maintained in accordance with contractual standards and the number of reports of roading defects decreased which could indicate that there is a difference between the expectations of residents and the technical definition of maintenance. There may have also been a minor negative affect on wellbeing with an increase in loss of control crashes, a high number complaints received about footpath hazards, only two of eight footpath projects being completed and a decrease in satisfaction with the safety of footpaths.

¹ State Highways are operated and maintained by the NZ Transport Agency while National Park roads are owned and managed by the Department of Conservation.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Roading			
Roading network provides a smooth and comfortable ride quality.	Percentage of sealed roads providing a smooth and comfortable ride (Condition Rating Survey - RAMM Database). ¹	95%	Achieved – 99% as shown in the latest NZ Transport Agency Road Assets Condition Report.
	Percentage reduction in the number of customer requests related to road (gravel and sealed) surface defects (Quarterly Report).	10%	Achieved – 20% decrease (572 complaints in 2008/2009 compared to 716 in 2007/2008).
	Percentage of requests to fix roading surface faults are completed within the timeframe specified in contracts (GEAC Pathway). ²	100%	Majority achieved – 88% (468 of 531 requests that were closed at the end of the financial year were completed within the timeframe).
Roads maintained to an appropriate standard.	Percentage of residents that agree that sealed roads are adequately maintained (Survey - Resident).	75%	Majority achieved – 71%.
	Percentage of residents that agree that gravel roads are adequately maintained (Survey - Resident).	60%	Majority achieved – 50%. The lowest levels of satisfaction were recorded in Waihopai (39%), Te Tipua (48%) and Waikaia (48%). As part of the Alliance contract (which covers the Waihopai, Te Tipua and Toetoes wards) a six-monthly drive-over inspection is carried out on all roads. The results of these inspections identify areas that need to have deficiencies addressed and these are programmed. The drive-overs have indicated that there is an increasing compliance with Key Performance Indicators established for the contract in respect to the condition of the unsealed roads. With respect to the Waikaia Ward, there is not enough funding available to cart better material to the ward for the gravel roads. Council is working to find closer sources of suitable gravel.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
	Percentage of sealed roads that are maintained in accordance with contractual standards (Audit Inspections - Staff).	90%	Achieved – 100%. All 416 inspections carried out showed that sealed roads were being maintained in accordance with contractual standards. Inspections were only undertaken in the Waihopai, Toetoes and Te Tipua wards in 2008/2009.
	Percentage of gravel roads that are maintained in accordance with contractual standards (Audit Inspections - Staff).	90%	Achieved – 99.9%. 753 of the 754 inspections carried out showed that gravel roads were being maintained in accordance with contractual standards. Inspections were only undertaken in the Waihopai, Toetoes and Te Tipua wards in 2008/2009.
Roads should be kept clean and free of rubbish and dirt.	Number of customer requests related to debris on roads (GEAC Pathway).	Less than 40	Not achieved – 92 requests were received about debris on sealed and gravel roads. These requests are directly related to the increased number of dairy farms in the District.
	Percentage of requests regarding debris on roads responded to within the timeframe specified in contracts (GEAC Pathway). ²	100%	Majority achieved – 90% (83 of 92) requests were responded to within the timeframe.
Roads are wide enough to handle traffic on them.	Percentage of roads under the design width by more than 1 metre (Condition Rating Survey - RAMM). ³	5%	Not achieved – 19%. Due to funding restrictions on seal widening the only additional width provided on the network was associated with rehabilitations.
Roads and bridges provide a safe roading network for all road users.	Reducing number of loss of control crashes (on straights and on bends) (Land Transport NZ Reports). ⁴	Less than 40 ⁴	Not achieved – 82. There is no identifiable reason for the increase as there is no trend evident about the cause of these types of crashes (i.e. the location, time, condition of road, type of road, weather, driver, or type of vehicle).
	Reducing number of total injury crashes (average) (Land Transport NZ Reports).	Less than 169	Achieved – 75 injury crashes occurred on local roads.
<p>1. “Smooth and comfortable” means roads that achieve a level 3 or 4 inspection rating, where 4 is very good and 1 is non-complying. These inspections are carried out every month.</p> <p>2. Response times as set out in contracts vary from two working days to several weeks depending on the type of fault and the type of road.</p> <p>3. Council intends on reporting on road width for both gravel and sealed roads. However, for the 08/09 year, data will only be collected for sealed roads.</p> <p>4. The LTNZ use a five year rolling average target that the number of loss of control crashes should reduce below. While this target will be reported on annually, the indicator is best looked at over a five year average.</p>			

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Footpaths			
Footpaths are provided where needed, which are wide enough to carry the users, and free of overhanging obstructions.	Percentage increase in resident satisfaction with footpaths over the previous year (Survey - Resident).	2%	Not achieved – Decrease of 7% (from 73% in 2007/2008 to 66% in 2008/2009). Respondents commented mainly on the quality of existing paths and the lack of paths. Reports have recently been prepared for all townships by MWH with recommendations on footpath maintenance levels and possible capital works for each community to consider. A number of footpath upgrades are in progress (as outlined below) and the amount of funding for footpath work has increased in some townships in the LTCCP 2009-2019.
	Percentage of identified township footpath projects for the year completed (Quarterly Report).	90%	Not achieved – 25% (2 of 8) footpath projects were completed. One project is in progress (Nightcaps), three projects have been deferred (Manapouri, Wyndham and Winton) and one project (in Tuatapere) was not started as Council is building up funds over a number of years before undertaking a larger upgrade in 2011. One was not started (Wallacetown).
Footpaths maintained to a good standard appropriate for the number of people using them.	Percentage of footpaths that are maintained in accordance with contractual standards (Audit Inspections - Staff).	90%	Not measured – No footpath inspections were undertaken during the year.
	Number of complaints about footpath hazards (Quarterly Report).	0	Not achieved – 54. As mentioned above this is an area that Council needs to work on. A number of footpath upgrades are in progress (as outlined below) and the amount of funding for footpath work has increased in some townships in the LTCCP 2009-2019.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Roadside Pest Plants			
Roadside noxious plants are kept under control.	Percentage of roads free of noxious plants (Audit Inspections - Staff). ⁵	90%	Majority achieved – 83%. 964 of the 1,165 inspections carried out showed that roads were free of noxious plants. Inspections were only undertaken in the Waihopai, Toetoes and Te Tipua wards.
5. “Free of noxious plants” means roads that achieve a level 2 or less inspection rating. Noxious plants refers to broom, gorse, ragwort and hemlock.			
Street lighting			
To provide a level of street lighting that is sufficient for safe and efficient movement of vehicles, cyclists and pedestrians.	Percentage of residents satisfied with basic lighting levels in urban streets (Survey - Resident).	90%	Majority achieved – 85%.
Consistent areas lit to a reasonable standard.	Percentage of street lights that are maintained in accordance with contractual standards (Audit Inspections - Staff).	90%	Achieved – 91%. Ten of the 11 inspections carried out showed that street lights were maintained in accordance with contractual standards. Only a small number of inspections were carried out as assessing street lights can only be done in the dark.
Lighting issues, queries and faults dealt with in a timely fashion.	Percentage of requests to fix street lights are completed within timeframes specified in the contract (Quarterly Report). ⁶	100%	Not achieved – 63%. 68 of the 108 requests were completed within the timeframe. Council experienced a number of problems recording timeframes for streetlights which may have skewed the results above. Recording is complicated by the fact that streetlights have different timeframes depending on how many are out at once and that Council’s is not responsible for carrying out repairs on any faults which are related to the power supply cables. Of the 40 requests not completed within time, nine were related to the power supply cables.
6. Contract maintenance standards require that single street light outages must be fixed within 14 working days, outages of 2-3 street lights must be fixed within three working days and outages of three or more lights must be fixed within 24 hours. This does not include faults which are found to be circuit faults and are the responsibility of the electricity provider.			

Project Report

Roading – Operating and Maintenance Projects		
Project Description	Budget	Actual
Sealed pavement maintenance	\$3,180,000	\$4,692,409
Unsealed pavement maintenance	\$1,830,000	\$2,346,176
Routine drainage maintenance	\$575,000	\$913,582
Structures maintenance	\$681,500	\$432,547
Environmental maintenance	\$600,000	\$333,707
Traffic services maintenance	\$1,078,000	\$863,851
Operational Traffic	\$25,000	-
Network and Asset Management	\$1,078,000	\$1,337,823
Level Crossing Warning Devices	-	\$19,671
TOTAL	\$9,047,500	\$10,939,766
Roading – Renewal and Capital Expenditure Projects		
Project Description	Budget	Actual
Unsealed road metalling	\$2,240,000	\$1,193,370
Unsealed road metalling "R" funding	\$1,200,000	\$1,200,000
Sealed road resurfacing	\$4,452,600	\$5,253,206
Drainage renewals	\$140,000	\$23,751
Pavement rehabilitation	\$4,002,000	\$3,001,969
Traffic services renewals	\$9,000	\$382,948
Associated and Minor Improvements	\$2,180,000	\$1,906,860
Bridge renewals	\$620,000	\$945,901
Stewart Island and Papatotara Coast Road	-	\$1,722,578
TOTAL	\$14,843,600	\$15,630,583
TOTAL ROADING PROJECTS	\$23,891,100	\$26,570,349

Footpath/Street Lights – Renewal and Capital Expenditure Projects		
Project Description	Budget	Status
Manapouri – Upgrade View Street	\$398,000	Not complete / Deferred.
Nightcaps – Concrete kerbs	\$10,000	Not complete / In progress. Project is 90% complete.
Orepuki – Install Information Kiosk	\$8,000	Not complete / Not started.
Riverton - Streetlighting	\$524	Complete (actual cost \$9,090) 11 new lights installed on Bath Road.
Riverton - Footpaths	\$40,948	Complete (actual cost \$46,578). Footpaths upgraded on Princess Street, Palmerston Street and Church Street.

Footpath/Street Lights – Renewal and Capital Expenditure Projects		
Project Description	Budget	Status
Riverton – Footpath upgrade 400m	\$5,000	Complete (actual cost \$18,987). Programmed for 2006/2007 this project was completed in 2008/2009.
Riverton – Upgrade playground	\$80,000	Not complete / In progress.
Riverton - Streetlighting	\$500	Complete (actual cost \$6,405). Programmed for 2006/2007 this project was completed in 2008/2009 in Towack Street.
Stewart Island – Streetlights: new streetlight	\$6,000	Complete (actual cost \$1,226). One new light installed this year and additional lighting installed under eaves of existing shed on wharf road as an alternative to a street light.
Stewart Island – Information kiosk (\$20,000) upgrade and foreshore protection (\$80,000).	\$100,000	Complete. The foreshore protection project programmed for 2006/2007 was encompassed into a larger SI coastal protection project done by Roading in 2008/2009 at a total cost of \$724,062. The Information kiosk upgrade was deleted as the kiosk no longer exists.
Te Anau – LED Streetlighting	\$10,000	Not complete / In progress.
Tokanui - Install safety footpath Buckingham St	\$1,000	Complete (actual cost \$3,000). Programmed for 2006/2007 this project was completed in 2008/2009.
Tuatapere – Footpath upgrade	\$7,559	Not complete / Not started. It is planned to spend this in 2001 after building more funds.
Wallacetown – Concrete kerbs	\$40,000	Not complete / Not started.
Winton – Upgrade Essex Street	\$70,300	Not complete / Deferred. 50% of work has been completed and the remainder will be done after the Central Southland indoor netball courts are constructed.
Winton – Footpath extension (concrete kerbs)	\$5,000	Complete (actual cost \$11,922). More work needed to be done that budgeted for.
Winton – Footpath extension	\$260,000	Complete (actual cost \$390,706). Programmed for 2007/2008 this project was completed in 2008/2009.
Wyndham – Footpath extension	\$3,000	Not complete / Deferred. Deferred until after the sewerage scheme is complete.

Footpath/Street Lights – Renewal and Capital Expenditure Projects		
Project Description	Budget	Status
Wyndham – Footpath extension	\$3,000	Complete (actual cost \$3,000). Programmed for 2006/2007 this project was completed in Alma Street.

The expenditure on roading in 2008/2009 was \$2.7 million higher than budgeted.

During the year Council completed repairs to Stewart Island roads which had been badly damaged by slips from heavy rainfall in August 2007. While this work had originally been planned for in 2007/2008, it was carried out in 2008/2009 at a higher cost than what was budgeted. Council also completed a number of bridge renewal projects during the year which had originally been planned and budgeted for in the 2007/2008 year.

In addition, Council also completed the relocation of a portion of the Papatotara Coast Road which was washed away by storms in July 2008. This project was not included in the budget as the event happened after the adoption of the 2008/2009 Annual Plan.

Repairs including sealed and unsealed road maintenance costs were higher than budgeted. This was partially offset by a reduction in renewal and capital expenditure on unsealed roads and pavement rehabilitation.

Council is in the process of reviewing the 2009/2010 programme to take into account the additional expenditure from 2008/2009 as well as the impact of the reduced subsidy funding indicated by the NZ Transport Agency for the next three years.

Variations from the Budget

Due to the higher than budgeted roading expenditure detailed in the project table above, an additional \$900,000 in funding was received from the NZ Transport Agency.

A higher number of subdivision developments completed during the year also resulted in additional vested assets of \$1.7 million.

Cost of service

Actual 2007/2008	Roading and Transport	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
8,657,937	Rates	9,341,221	9,323,648
504,584	Activity Revenue	112,760	47,319
13,535,059	NZ Transport Agency	14,745,659	13,886,728
-	Development & Financial Cont	5,032	-
600,000	Interest & Dividends	522,553	600,000
2,245,820	Grants and Donations	2,663,433	856,520
25,543,401	Total Operating Revenue	27,390,657	24,714,215
Operating Surplus/(Deficit)			
13,410,542	Depreciation	13,765,431	12,518,487
11,272,059	Other Operating Costs	12,693,637	10,589,748
24,682,601	Less Total Operating Expenditure	26,459,068	23,108,235
860,801	Operating Surplus/(Deficit)	931,589	1,605,980
860,801	Operating Surplus/Deficit transferred to/(funded from) Reserves	931,589	1,605,980
CAPITAL AND RESERVES			
71,013	Acquisition-Demand	-	111,600
1,091,447	Acquisition-Level of Service	3,569,119	12,783,331
1,911,392	Vested Assets	2,260,841	506,520
13,307,567	Renewals	12,473,174	2,548,000
16,381,419	Total Capital Expenditure	18,303,134	15,949,451
679,304	Loans Repaid	2,295,687	2,339,745
280,091	Transfers to Reserves	367,098	19,100
959,395	Total Capital Movements	2,662,785	2,358,845
17,340,814	Total Funding Required	20,965,919	18,308,296
Funded By			
1,487,382	Loans Raised	3,688,065	3,913,611
13,422,286	Non Cash Expenditure	13,764,294	12,504,979
1,570,345	Transfers from Reserves	2,581,971	283,726
860,801	Operating Surplus	931,589	1,605,980
17,340,814	Total Funding Applied	20,965,919	18,308,296

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SIESA (Stewart Island Electricity Supply Authority)

What we do

The Stewart Island Electrical Supply Authority (SIESA) activity involves the supply of electricity and installation of reticulation to consumers on Stewart Island. This activity also involves the investigation and development of power generation infrastructure from renewable resources and the investigation and development of a 'healthy-homes' initiative. SIESA also undertakes other commercial activities on Stewart Island, including waste collection and operation of the Rakiura Resource Recovery Centre.

Why we do it

A reliable and economically viable electricity supply is an important component of community wellbeing and as such contributes to several outcomes. The supply contributes to a diverse economy by generating and supplying electricity which enables both business and industry to operate on Stewart Island. By providing a single electricity supply with multiple consumers, the committed costs are shared, which reduces costs to individuals thereby assisting the local economy. The service also contributes to healthy people through energy efficient initiatives which have benefits by creating water, healthier homes as well as providing electricity to health services located on the Island. In addition, one reliable electricity supply also contributes to a treasured environment by negating the necessity of each individual supplying their own generating system which could generate more carbon emissions and noise. In the activity, Council must comply with the Electricity Act 1992. The activity must also give effect to the New Zealand Energy Strategy to 2050 – Powering Our Future.

Effect on well being of the Community –

During the year SIESA in conjunction with PowerNet and Right House began a renewable energy trial on the Island of wind and solar generation. If the trial is successful then a model will be developed for a rollout of renewable generation infrastructure which will have a positive effect on the economic and environmental wellbeing of the community by reducing consumption of fossil fuels and reducing the cost of electricity generation in the long term.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
SIESA is able to operate in a cost effective manner.	Percentage of financial target met (Audited SIESA Annual Report).	100%	Achieved – SIESA was budgeted to have a deficit of \$95,723 in 2008/2009 year however returned a surplus of \$12,487.
All SIESA consumers connected to reticulation are provided with reliable and continuous service.	Number of unplanned interruptions (Monthly Reports).	Less than 3	Not achieved – 10. The outages were caused by a number of generator and distribution problems, specifically related to the age of the generators. There is a replacement plan for a new generator for 09/10.
	Percentage of service interruptions reinstated within eight hours (Monthly Reports).	100%	Achieved – 100%. All service interruptions were reinstated within eight hours (480 minutes), with the longest taking 353 minutes to be reinstated.
SIESA is responsive to customers needs.	Percentage of requests for new connections actioned within five days (Monthly Reports).	100%	Not achieved – 50%. There were two new connections this financial year. One was not completed within the timeframe due to matters outside of Council's control.

Project Report

Operating and Maintenance Projects		
Project Description	Budget	Status
Undergrounding of LT lines in central areas.	\$125,000	Not complete/Not started.
Undergrounding of LT lines in central areas.	\$6,000	Not complete/Not started.

Renewable Energy Trial (Stewart Island) –

As mentioned above, a small wind turbine and two solar panels were installed on Stewart Island in October as part of a renewable energy trial. Currently, the electricity on the Island is produced from diesel powered generators, however the Council, along with PowerNet and Right House, and the community have been working together to identify and implement renewable generation solutions to better manage the cost of electricity on the Island and reduce the reliance on these diesel powered generators. The energy produced from the wind and photovoltaic generation is being monitored and it is hoped in the future a larger scale system can be installed which would contribute as much as a third of total electricity on the Island.

Variations from the Budget

The budget included the replacement of one of the electricity generators. This has now been deferred to 2009/2010. Actual Acquisition – Level of Service costs relate to the wind turbine asset purchased from Right House (see comments above).

No other significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	SIESA	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
1,167,169	Activity Revenue	1,153,238	1,382,214
69,776	Interest & Dividends	45,793	17,500
1,236,945	Total Operating Revenue	1,199,031	1,399,714
194,369	Depreciation	150,447	130,539
1,163,893	Other Operating Costs	1,036,098	1,364,897
1,358,261	Less Total Operating Expenditure	1,186,545	1,495,436
(121,316)	Operating Surplus/(Deficit)	12,486	(95,723)
(121,316)	Operating Surplus/Deficit transferred to/(funded from) Reserves	12,486	(95,723)
CAPITAL AND RESERVES			
35,540	Acquisition-Level of Service	36,179	-
-	Renewals	-	131,000
35,540	Total Capital Expenditure	36,179	131,000
26,051	Transfers to Reserves	137,724	65,009
26,051	Total Capital Movements	137,724	65,009
121,316	Operating Deficit	-	95,723
182,907	Total Funding Required	173,903	291,732
Funded By			
-	Loans Raised	25,000	-
182,907	Non Cash Expenditure	136,417	-
-	Transfers from Reserves	-	291,732
-	Operating Surplus	12,486	-
182,907	Total Funding Applied	173,903	291,732

Solid waste management

What we do

The activity involves promoting waste minimisation, collecting waste from households and transfer stations, collecting recyclables from drop-off centres and creating compost from greenwaste sites. The activity also involves the safe disposal of hazardous substances. The Council provides a weekly kerbside collection for solid waste through a wheelie bin service to townships and voluntary refuse collections to properties on vehicles travel routes, with the exception of Stewart Island, where Council provides a weekly kerbside refuse bag, recycling and food scrap collection. In addition, the District is serviced by seven transfer stations with integrated refuse, green waste and recycling services, eleven recycling drop-off centres with unrestricted access (including three at transfer stations) and two greenwaste sites. Residential waste is transported to the regional landfill operated by AB Lime at Kings Bend (near Winton) for disposal.

Why we do it

Solid waste management contributes to a treasured environment which we care for, through the controlled disposal of waste (kerbside collections and transfer stations), reducing litter and illegal dumping and ensuring resources are used efficiently through initiatives to minimise waste such as recycling drop-off centres and possible kerbside collection of recyclables and organics. Solid waste management also contributes to healthy people (by reducing the risk of diseases spreading), safe public places and quality places to go (by reducing litter and illegal dumping) as well as a diverse economy (by ensuring that business and industry have access to secure waste disposal services to support their operations).

Effect on well being of the Community –

The table below shows environmental wellbeing may have been affected with the target for reducing waste going to landfill not met and fewer residents agreeing that waste going to landfill is being minimised. However, high levels of satisfaction with the services provided indicates that waste facilities are appropriate and used by the community. This may help prevent negative affects by ensuring that waste is well managed.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Provide convenient solid waste management facilities and solutions throughout the District.	Percentage of resident satisfaction with the services provided (Survey - Resident). ¹	80%	Majority achieved – Wheelie Bins - 96%. Transfer Station Location - 84%. Transfer Station Opening Hours - 73%. Recycling Drop-Off Centres Location - 76%. The satisfaction levels are likely to reflect an increase in demand for access to recycling services. Access to services did improve during the year with the construction of a recycling drop- off centre in Garston, Ohai and Riverton.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Provide for the sustainable minimisation and management of solid waste quantity being generated within the District.	Percentage of residents that agree that the amount of waste going to landfill is being minimised (Survey - Resident). ²	80%	Majority achieved – 63% of residents agreed that the amount of waste going to the landfill is being minimised. The result may be due to a number of areas (particularly rural areas) not having access to recycling facilities as well as a growing expectation that more can be done in this area.
	Percentage of waste recovered at transfer and recycling drop - off centres which is saved from landfill (Quarterly Report). ³	15%	Not achieved – 6%. 334 tonnes of waste was recovered from the 5,902 tonnes of waste received in total. As mentioned above, access to recycling centres did improve during the year with a drop-off centre constructed in Garston, Ohai and Riverton.
Provide guidance to the public about quality solid waste management practices.	Number of public education initiatives completed (Quarterly Report). ⁴	10 school visits	Achieved – 36 schools were visited during the year.
Provide new or replacement wheelie bins in response to legitimate requests.	Percentage of wheelie bins provided within 7 working days of a request being received (GEAC Pathway). ⁵	100%	Not achieved – 57%. 206 of 360 wheelie bins. A meeting was held with the wheelie bin contractor to discuss the timeframes during the year and as a result it has been improving.
<p>1. “Services provided” means wheelie bins, transfer stations (location and hours) and recycling centres (location).</p> <p>2. The KPI differs from that included in the LTCCP. A word processing error meant that the KPI was incorrectly detailed in the LTCCP and did not refer to the correct survey question.</p> <p>3. Waste recovered is broken into organic - 6% and Non-Organic - 9%.</p> <p>4. “Public education initiatives” include at least one additional information brochure every two years and at least 10 school visits per year.</p> <p>5. Request timeframes will only be met where all the appropriate information is provided to the Council.</p>			

Project Report

Asset Acquisition – Demand		
Project Description	Budget	Status
Kerbside Recycling service (subject to evaluation of options).	\$515,000	Not complete / In progress. Documentation has been prepared about the three councils' operational, contractual and financial requirements for a kerbside system for refuse, recyclables and organics. This will be used to invite requests for proposals from appropriate contractors/organisations. These proposals will then be evaluated by WasteNet so that recommendations can be presented to each of the councils with each possibly considering and making decisions on the systems for its area.
Riverton - Construct new recycling drop-off centre outside transfer station	\$21,000	Complete (actual cost \$15,750). This 2007/2008 project was completed in 2008/2009.

Asset Acquisition – Levels of Service		
Project Description	Budget	Status
Garston - construct new recycling drop-off centre.	\$12,300	Complete (actual cost \$1,794).
Te Anau - Entranceway Upgrade Transfer Station - Safety Improvements.	\$15,000	Not complete / In progress.

Variations from the Budget

This activity includes Council's 1/6 contribution to the cost of water and sewerage schemes eligible for Central Government funding. The budget anticipated the 1/6 contribution to be funded from external loans. Council has been able to internally finance its share of capital projects hence finance costs are less than budgeted. The actual internal interest costs are offset against operating expenditure.

No other significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Solid Waste Management	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
2,423,663	Rates	2,591,487	2,597,182
419,357	Activity Revenue	486,223	467,889
116,566	Interest & Dividends	28,211	117,227
2,959,586	Total Operating Revenue	3,105,921	3,182,298
74,195	Depreciation	70,725	75,875
-	Finance Costs	-	170,371
2,942,709	Other Operating Costs	2,967,822	3,192,757
3,016,904	Less Total Operating Expenditure	3,038,547	3,439,003
(57,318)	Operating Surplus/(Deficit)	67,374	(256,705)
(57,318)	Operating Surplus/Deficit transferred to/(funded from) Reserves	67,374	(256,705)
CAPITAL AND RESERVES			
1,794	Acquisition-Level of Service	1,362	27,600
1,794	Total Capital Expenditure	1,362	27,600
78,791	Loans Repaid	96,529	67,888
479,375	Transfers to Reserves	160,072	2,187
558,166	Total Capital Movements	256,601	70,075
57,318	Operating Deficit	-	256,705
617,278	Total Funding Required	257,962	354,380
Funded By			
57,942	Non Cash Expenditure	(106,576)	59,216
559,336	Transfers from Reserves	297,164	295,164
-	Operating Surplus	67,374	-
617,278	Total Funding Applied	257,962	354,380

Stormwater

What we do

Twenty-seven towns within the District have reticulated stormwater infrastructure that is owned and maintained by Council. This infrastructure manages the disposal of surface water, particularly after periods of sustained heavy rainfall. This helps reduce surface flooding that can lead to risks to public health and safety, damage to property and to avoid dangerous road conditions. A number of other smaller towns have partial services, and the Council manages open water courses in several rural catchments.

Why we do it

Stormwater makes a contribution to ensuring a treasured environment by preventing rainfall from causing flooding. As such, the activity protects people's property (the built environment), improves safety by reducing likelihood of flooding, and prevents accessibility problems which may otherwise be caused during flooding events. In addition, the system helps to protect the environment and protect public health by disposing of stormwater (usually into water) in a controlled and where necessary, treated process. The prevention of flooding also contributes to a diverse economy by protecting businesses and infrastructure from flooding. In the activity, the Council must comply with the legal requirements of the Local Government Act 2002 and the Health Act 1956. The activity must also give effect to the Regional Water Plan.

Effect on well being of the Community –

An increase in the number of complaints about flooding and delayed response to these complaints may have influenced environmental and economic wellbeing where properties and people were affected by flooding. In addition, the number of projects not completed during the year may also affect the environmental and economic wellbeing of the community in the future, particularly where these required to prevent flooding or address wastewater infiltration of stormwater systems.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Provide a drainage system with adequate capacity to protect public and property from major storms. ¹	Percentage of urban properties protected from major storms (Activity Plans). ¹	08/09 - 30% ¹	Not measured. Modelling of the capacity of the stormwater network for a one in ten year rainfall event in five townships has been completed. Significant further modelling and analysis would be required to identify the percentage of urban properties protected from major storms (a one in 50 year event).
	Percentage of identified township stormwater projects for the year completed (Quarterly Report).	90%	Not achieved – 11%. One of nine stormwater projects was completed during the year. Of those not completed two are in progress (Te Anau), four are not started (Manapouri, Otautau, Waikaia) and two are deferred (Manapouri and Te Anau). A large number of water and wastewater projects were programmed

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
			for 2008/2009 making it difficult to get them completed.
Maintain the drainage system to protect public and property during periodic rainfall events.	Number of complaints about flooding in urban areas (Quarterly Report).	Less than 50	Not achieved – 82. Nearly two thirds of these related to blocked culverts.
Prompt response to complaints about flooding.	Percentage of complaints that meet response and resolution times (Quarterly Report). ²	90%	Not achieved – 24%. 24 of the 100 complaints met response and resolution times. Stormwater requests are passed onto the Council's roading contractor. Due to prioritisation of work, urgent requests are responded to promptly and non urgent work is attended to when the contractor is next in the area.

1. "Major storms" means a 1 in 50 ARI year event. This does not cover flooding of areas influenced by river flooding or failure of river works. Council has yet to establish the percentage of properties protected from major storms and as such the targets aim at reaching 100% compliance by 2015.

2. Response times vary according to the type of problem.

Project Report

Maintenance, Renewal and Replacement		
Project Description	Budget	Status
Otautau – New soak holes	\$5,000	Not complete / Not started.
Tuatapere – Manhole lids	\$2,000	Not complete / Not started. This project was not required.

Asset Acquisition – Demand		
Project Description	Budget	Status
Te Anau – Stormwater strategic assessment	\$41,106	Not complete / In progress.
Te Anau – Stormwater strategic assessment	\$21,680	Not complete / Deferred.

Asset Acquisition – Levels of Service		
Project Description	Budget	Status
Manapouri – Strategic assessment	\$10,000	Complete (actual cost \$15,536).
Manapouri – Upgrade discharge quality (Hillside Road, Lake outlets areas)	\$162,600	Not complete / Not started.

Asset Acquisition – Levels of Service		
Project Description	Budget	Status
Te Anau – Stormwater Strategic assessment	\$44,267	Not complete / In progress.
Te Anau – Stormwater strategic assessment	\$21,680	Not complete / Deferred.
Waikaia – Upgrade ditches to reticulation	\$10,931	Not complete / Not started.

Assessments of stormwater carried out –

Council completed strategic assessments of the stormwater systems in Otautau, Winton, Lumsden, Riverton and Manapouri.

These assessments have given Council better information about what will happen during significant rainfall events and how the stormwater systems in these areas would cope.

This information will help future planning in terms of knowing what size pipes are needed in different areas to prevent flooding and whether there is a need to increase the capacity of any parts of the network.

Variations from the Budget

Grants and donations include assets vested (given) to Council from consented developments (such as subdivisions). The number of subdivisions completed in 2008/2009 was higher than anticipated in the budget hence the grants and donations income is higher than budgeted.

As no demand capital projects were completed during the year, the related funding from Development and Financial contributions was nil compared to budget.

No significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Stormwater	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
567,512	Rates	507,033	511,816
4,190	Activity Revenue	4,070	-
-	Development & Financial Contributions	-	62,786
415,000	Grants and Donations	224,226	407,476
986,702	Total Operating Revenue	735,330	982,078
Operating Expenditure			
419,527	Depreciation	426,606	463,816
90,545	Other Operating Costs	102,170	227,092
510,072	Less Total Operating Expenditure	528,776	690,908
476,631	Operating Surplus/(Deficit)	206,554	291,170
476,631	Operating Surplus/Deficit transferred to/(funded from) Reserves	206,554	291,170
CAPITAL AND RESERVES			
10,800	Acquisition-Demand	-	62,786
37,450	Acquisition-Level of Service	229,389	249,478
415,000	Vested Assets	224,226	407,476
4,500	Renewals	-	7,000
467,750	Total Capital Expenditure	453,615	726,740
24,289	Loans Repaid	26,098	26,155
440,564	Transfers to Reserves	311,047	17,091
464,854	Total Capital Movements	337,145	43,246
932,603	Total Funding Required	790,760	769,986
Funded By			
419,527	Non Cash Expenditure	426,606	463,816
36,445	Transfers from Reserves	157,601	15,000
476,631	Operating Surplus	206,554	291,170
932,603	Total Funding Applied	790,760	769,986

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Strategy and communication

What we do

The Council's planning processes, along with the development of policy, are the main ways that Council, Community Boards and Community Development Area Subcommittees have of ensuring community requirements and priorities are identified and met.

The Council's Ten Year Plan (LTCCP) which is produced every three years (as required under the Local Government Act 2002) sets out the communities' desired outcomes and how Council activities will contribute to their achievement, including associated 10-year financial forecasts and targets to achieve these. In other years an Annual Plan is prepared, which contains the proposed annual budget and performance targets, noting any variation from the Ten Year Plan in particular. An Annual Report is prepared that details achievement against targets for the previous year. In addition, Council is required to monitor and report on progress being made towards community outcomes every three years.

Public input is a vital element in the formation of plans and policies that relate to community requirements. The Council communicates with residents and ratepayers in a variety of ways, to keep the public informed and enable people to participate in the consultation process from a sound base of knowledge.

Why we do it

The Strategy and Communication activity contributes to strong effective leadership by ensuring decisions are forward looking and in line with the communities' expectations. As this activity enables the community to engage with decision-making, it also empowers citizens. Robust strategy and communication in particular also enhance the communities' confidence in their leaders by ensuring that people are informed of Council's decisions and have the opportunity to participate. In the activity, the Council must comply with the legal requirements of the Local Government Act 2002 and Local Government Official Information and Meetings Act 1987.

Effect on well being of the Community –

The table below indicates that generally residents are satisfied with information that they are receiving about council activities which has a positive influence on social and economic wellbeing. While the targets for consultation and Council's consideration of views did not meet targets satisfaction did improve over the previous year. Specific projects during the year (review of the Council's website, regular production of *First Edition* and enhancements to the LTCCP 2009-2019 consultation) also improved communication with the community.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Council's strategic planning is of high quality in the way it is carried out, and in the content and readability of the plan.	Percentage of submitters to the Long Term Council Community Plan satisfied with the readability of the document (Survey - User).	80%	Achieved – 88% of submitters who completed the questionnaire said that the Annual Plan 2008/2009 was either "Very Easy" or "Easy" to read.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
	Percentage of residents satisfied with Council (decision-making, planning and leadership) (Survey - Resident).	85%	Achieved – 86%.
The community is regularly kept informed of Council issues and matters of interest.	Percentage of residents satisfied with how well they have been kept informed of Council activities (Survey - Resident).	85%	Achieved – 90%.
	Percentage of residents who have read at least one issue of the Council's newsletter <i>First Edition</i> (Survey - Resident).	85%	Achieved – 88%.
	Number of editions of Council's newsletter <i>First Edition</i> produced annually (Quarterly Report).	4	Achieved – Four editions were produced during the year in July, September, December and March.
	Percentage of residents who recall hearing a radio advertisement from the Council (Survey - Resident).	50%	Not achieved – 19%. There is no identifiable reason for this result.
Feedback is encouraged.	Percentage of residents who agree that their views and preferences have been received with an open mind and given due consideration by Council (Survey - Resident).	85%	Majority achieved – 79%. Some respondents believe that the Council has its mind made up before an issue is put out for consultation. Respondents in the Te Anau Ward particularly said that the Council will not listen to what the community want with respect the Te Anau airport rate and sale of the Waiau airport.
	Percentage of residents satisfied with the level of consultation with the community, undertaken by Council, over important issues (Survey - Resident).	85%	Majority achieved – 80%. Contrasting views were made by respondents with some saying there was too much consultation and others saying there was too little. Again, Te Anau Ward residents particularly commented on the Te Anau airport issue. Council held a public meeting in Te Anau in early April (the Residents' Survey was conducted in February) about the airport rate and the sale of the Waiau airstrip. A flyer explaining the process was also made available. The issue was also included in the draft LTCCP for submissions.

Project Report

There were no projects planned for Strategy and Communication in 2008/2009.

Variations from the Budget

The basis of allocating interest earned by Council to activities to help offset rates was changed during the year hence the interest and dividend income is higher than budgeted.

No significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Strategy and Communication	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
948,242	Rates	915,833	915,638
2,569	Activity Revenue	-	26,199
16,699	Interest & Dividends	179,404	17,099
967,510	Total Operating Revenue	1,095,236	958,936
Operating Expenditure			
1,943	Depreciation	5,353	942
1,018,443	Other Operating Costs	1,122,404	1,011,735
1,020,385	Less Total Operating Expenditure	1,127,757	1,012,677
(52,875)	Operating Surplus/(Deficit)	(32,521)	(53,741)
(52,875)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(32,521)	(53,741)
CAPITAL AND RESERVES			
2,615	Acquisition-Level of Service	7,460	-
-	Renewals	6,130	-
2,615	Total Capital Expenditure	13,590	-
87,668	Transfers to Reserves	(41,699)	(53,741)
87,668	Total Capital Movements	(41,699)	(53,741)
52,875	Operating Deficit	32,521	53,741
143,158	Total Funding Required	60,630	53,741
Funded By			
349	Non Cash Expenditure	4,411	-
142,809	Transfers from Reserves	-	53,741
143,158	Total Funding Applied	4,411	53,741

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Te Anau Airports

What we do

The Council owns and manages the Te Anau airport at Manapouri as well as the old Waiau airport site. Currently the Te Anau airport (Manapouri) functions as an airport for heavy aircraft, some operated by Pionair Adventures under charter to tour companies. Occasional one-off flights are carried out by other operators on an as-needed basis. While the Council owns both airfields, it is in the process of exiting the operation of the Waiau site. The Airport must meet standards associated with Civil Aviation rules and safety monitoring programmes.

Why we do it

The airport contributes to the community outcome of a diverse economy as it provides a transportation service to local tourism operators, industries and residents. The activity also contributes to safe places as the airports provide for air-based emergency access which can act as an alternative to road transport in an emergency.

Effect on well being of the Community –

The completion of the new Te Anau Airport Manapouri during the year has had a positive impact on the potential economic wellbeing of the area by improving facilities for accessing Te Anau. However concern about increases in rates to fund this development has also influenced the social and economic wellbeing of particular ratepayers.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Provide accessible and reliable air facilities for the Te Anau Basin.	Airport facilities consolidated into Manapouri site (Report to Council).	30-Jun-09	Achieved – The Te Anau Airport Manapouri is operational however the Waiau airport is yet to be sold.
Ensure airport operations are safe.	Percentage of Civil Aviation Authority guidelines observed (Audit - Civil Aviation Authority).	100%	Achieved.

Project Report

Asset Acquisition – Levels of Service		
Project Description	Budget	Status
Te Anau - Manapouri airport development.	\$1,000,000	Complete. The total budget for this project was \$6 million over three years. Actual cost was \$6,017,653.

Variations from the Budget

Acquisition – Levels of Service is higher than budgeted due to final runway development costs incurred relating to the new Te Anau airport that was completed in 2007/2008.

Activity Revenue – The budget anticipated the sale of the old Te Anau airport (Waiau) but due to consultation with ratepayers, the process of decommissioning the airport and current market conditions this did not occur resulting in \$3 million less in revenue.

No other significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Te Anau Airports	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
143,140	Rates	138,728	139,053
74,360	Activity Revenue	56,049	3,082,415
217,500	Total Operating Revenue	194,777	3,221,468
151,669	Depreciation	496,170	136,676
119,173	Other Operating Costs	153,658	82,637
270,842	Less Total Operating Expenditure	649,828	219,313
(53,342)	Operating Surplus/(Deficit)	(455,051)	3,002,155
(53,342)	Operating Surplus/Deficit transferred to/(funded from) Reserves	(455,051)	3,002,155
CAPITAL AND RESERVES			
3,682,773	Acquisition-Level of Service	335,604	-
3,682,773	Total Capital Expenditure	335,604	-
4,621	Loans Repaid	-	-
10,329	Transfers to Reserves	145,578	6,164,684
14,950	Total Capital Movements	145,578	6,164,684
53,342	Operating Deficit	455,051	-
3,751,065	Total Funding Required	936,234	6,164,684
Funded By			
151,669	Non Cash Expenditure	496,169	136,676
3,599,396	Transfers from Reserves	440,065	3,025,853
-	Operating Surplus	-	3,002,155
3,751,065	Total Funding Applied	936,234	6,164,684

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Wastewater

What we do

The wastewater activity involves collecting, treating and disposing of sewerage from residential properties, business properties and public sanitary facilities. The wastewater systems consist of pipes, pump stations and treatment and disposal processes. 17 towns within the District are reticulated with Council owned and maintained infrastructure. There is currently a new scheme under construction for Edendale and Wyndham. The wastewater system also deals with industrial liquid wastes (often known as trade wastes) from industry in the District.

Why we do it

Wastewater services contribute to healthy people as sewerage systems prevent the spread of disease. They also contribute to a treasured environment by treating sewage to reduce harmful nutrients, bacteria and odours before it is discharge into the environment. The discharge is also monitored to ensure that it is not harmful and controlled to reduce the likelihood of overflows and odours which otherwise may affect the environment. Wastewater services also support a diverse economy as sewerage systems are essential for business development, including tourism, and reticulated systems provide economies of scale. In the activity, the Council must comply with the legal requirements of the Local Government Act 2002, the Health Act 1956 and the Resource Management Act 2001. The activity must comply with Environment Southland's Regional Policy Statement and Regional Effluent Land Application Plan for Southland.

Effect on well being of the Community –

With the new Edendale sewerage scheme largely being completed there was a positive influence on the environmental, economic, social and cultural wellbeing of the community, by allowing more development with people able to live close together whilst ensuring the discharge of sewage is treated and discharged safely and appropriately. In addition this scheme uses new technology to treat the sewage (worms) which is expected to have a positive impact environmentally.

As shown in the table below, during 2008/2009 there were several instances where the wastewater activity did not meet the performance targets. As a result, this activity may have had a minor negative affect on environmental wellbeing with some schemes not meeting effluent consent standards at times during the year, only a small number of projects being completed and some sewage overflows occurring and complaints being registered.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed																																																																												
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement																																																																												
Manage sewerage systems to the best current practice.	Percentage of customers satisfied with the service (Survey - Resident).	90%	Achieved – 93%.																																																																												
Provide a sewerage reticulation and treatment system that is safe and promotes public health.	Percentage of effluent tests which comply with relevant resource consent conditions (Quarterly Report).	100%	<p>Majority achieved – 93%. 636 of 681 consent related tests complied with requirements. Results by scheme:</p> <table border="1"> <thead> <tr> <th>Scheme</th> <th>Number of Tests</th> <th>Number Complied</th> <th>% Complied</th> </tr> </thead> <tbody> <tr><td>Balfour</td><td>8</td><td>8</td><td>100%</td></tr> <tr><td>Browns</td><td>36</td><td>23</td><td>64%</td></tr> <tr><td>Gorge Road</td><td>18</td><td>18</td><td>100%</td></tr> <tr><td>Lumsden</td><td>23</td><td>23</td><td>100%</td></tr> <tr><td>Manapouri</td><td>28</td><td>28</td><td>100%</td></tr> <tr><td>Monowai</td><td>4</td><td>3</td><td>75%</td></tr> <tr><td>Nightcaps</td><td>12</td><td>11</td><td>92%</td></tr> <tr><td>Oban</td><td>48</td><td>48</td><td>100%</td></tr> <tr><td>Ohai</td><td>47</td><td>39</td><td>83%</td></tr> <tr><td>Otautau</td><td>188</td><td>179</td><td>95%</td></tr> <tr><td>Riverton Rocks</td><td>34</td><td>34</td><td>100%</td></tr> <tr><td>Riverton Town</td><td>11</td><td>11</td><td>100%</td></tr> <tr><td>Riversdale</td><td>32</td><td>31</td><td>97%</td></tr> <tr><td>Te Anau</td><td>68</td><td>68</td><td>100%</td></tr> <tr><td>Tokenui</td><td>23</td><td>20</td><td>87%</td></tr> <tr><td>Tuatapere</td><td>36</td><td>36</td><td>100%</td></tr> <tr><td>Winton</td><td>24</td><td>18</td><td>75%</td></tr> <tr><td>Wyndham</td><td>41</td><td>38</td><td>93%</td></tr> </tbody> </table> <p>Browns – This scheme has struggled to comply with tests for a number of years, with Biochemical Oxygen Demand and Suspended Solids frequently exceeding the limit of 30 g/m³. A project is included in 2009/2010 that proposes to extend the current wastewater system so that the effluent can be pumped to Winton and treated in their existing ponds.</p>	Scheme	Number of Tests	Number Complied	% Complied	Balfour	8	8	100%	Browns	36	23	64%	Gorge Road	18	18	100%	Lumsden	23	23	100%	Manapouri	28	28	100%	Monowai	4	3	75%	Nightcaps	12	11	92%	Oban	48	48	100%	Ohai	47	39	83%	Otautau	188	179	95%	Riverton Rocks	34	34	100%	Riverton Town	11	11	100%	Riversdale	32	31	97%	Te Anau	68	68	100%	Tokenui	23	20	87%	Tuatapere	36	36	100%	Winton	24	18	75%	Wyndham	41	38	93%
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What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
			<p>Monowai, Nightcaps, Riversdale and Tokanui – the failed tests may have been caused by a range of factors when the sample was taken such as temperature, wind direction, demand on scheme.</p> <p>Ohai – The E-Coli levels were exceeded in the receiving environment. The cause was unknown but may have been due to stormwater infiltration reducing treatment time.</p> <p>Otautau – the failed tests are thought to be from possible cross contamination during sample gathering.</p> <p>Winton – The receiving water ammonia levels have exceeded consent limits on a number of occasions.</p> <p>Wyndham – This discharge has failed to meet consent requirements for receiving water E-Coli levels, dissolved oxygen, and ammonia on a number of occasions. A new reticulated system, incorporating treatment of the effluent is currently being constructed.</p>
Prompt response to complaints.	Percentage of complaints responded to within required resolution times (Quarterly Report). ¹	90%	Majority achieved – 80%. 47 of the 59 complaints were responded to within the required timeframes.
Provide a sewerage reticulation and treatment system that has sufficient capacity for the reasonable flows from the serviced area.	Number of system failures and overflows per year across all schemes (Quarterly Report).	Less than 20	Not achieved – There were 60 reported system failures and overflows in 2008/2009. There were a large number of blocked mains reported, mainly caused by tree roots or articles that had been put into the system.
	Percentage of identified township wastewater projects for the year completed (Quarterly Report).	90%	Majority achieved – 68%. 15 of 22 wastewater projects were completed and two (9%) projects were in progress. Three are not started and two have been deferred. A large number of water and wastewater projects were programmed for 2008/2009 making it difficult to get them completed.
<p>1. Resolution times are set out in contract conditions and vary according to the type of problem.</p>			

Project Report

Maintenance, Renewal and Replacement		
Project Description	Budget	Status
Balfour – Equipment renewals (SWBD/SCADA at Treatment Plant).	\$21,680	Not complete / Not started.
Manapouri – Equipment renewals (Three pump replacements).	\$12,000	Complete. This project was undertaken in conjunction with the View Street pump station four upgrade, shown in the levels of service table on the next page, with total budget \$87,000. Actual cost for both projects \$98,226.
Riverton – Equipment upgrades (Four pump replacements).	\$40,000	Not complete / Not started.
Te Anau – Equipment renewals (Mokonui Street Upgrade Part 1 Pumps).	\$39,000	Complete. This project was undertaken in conjunction with the two Mokonui Street Projects below with total budget \$200,000. Actual cost for all three projects \$178,275.
Te Anau – Equipment renewals (Mokonui Street Upgrade Part 2 Piping).	\$72,500	Complete. This project was undertaken in conjunction with the two Mokonui Street Projects with total budget \$200,000. Actual cost for all three projects \$178,275.
Te Anau – Equipment renewals (Mokonui Street Upgrade Part 3 SWBD/SCADA at Pump Station 1).	\$88,500	Complete. This project was undertaken in conjunction with the two Mokonui Street Projects with total budget \$200,000. Actual cost for all three projects \$178,275.
Te Anau – Equipment renewals (Mokonui Street Upgrade Part 4 Generator overhaul).	\$105,500	Not complete / Deferred.
Lumsden – Equipment renewals (SWBD/SCADA at Pump Station 1).	\$25,000	Complete (actual cost \$4,979). This project was planned for 2006/2007.
Riverton – Reticulation renewals (Replace AC Bridge rising main).	\$62,460	Complete (actual cost \$150,202). This project was planned for 2007/2008. The budget was

Maintenance, Renewal and Replacement		
Project Description	Budget	Status
		revised and approved to \$298,000 total for both the water and wastewater projects.
Te Anau – Reticulation renewals (Rising Main Pump Station 1 to new main).	\$46,845	Complete (actual cost \$98,862). This project was planned for 2007/2008 however the budget was revised and approved to \$109,400.

Asset Acquisition – Demand		
Project Description	Budget	Status
Te Anau – Reticulation renewals (CB contribution to Milford Road extension).	\$208,200	Not complete / Deferred. Pending outcome of District Plan review.
Te Anau – New Treatment and Disposal system (Engineering).	\$56,214	Complete. This project was undertaken in conjunction with the project below at a total cost of \$48,765.
Te Anau – New Treatment and Disposal system (Engineering).	\$4,292	Complete. This project was undertaken in conjunction with the project above at a total cost of \$48,765.
Te Anau – New Treatment and Disposal system (Engineering).	\$87,825	Complete. This project was undertaken in conjunction with the projects above at a total cost of \$48,765.
Te Anau – Land acquisition for new treatment plant.	\$2,091,161	Complete. Land was purchased in 2007/2008. The cost of this was split across Demand and Levels of Service Budgets. Actual cost in demand budget \$2,044,324.
Te Anau – New treatment and disposal system Share of land acquisition for new treatment plant - Associated Costs.	\$81,000	Complete. This project was undertaken in conjunction with the land acquisition project above. Actual cost in demand budget \$2,044,324.

Asset Acquisition – Demand		
Project Description	Budget	Status
Te Anau – Equipment renewals (Mokonui Street Upgrade Part 5 Increase Storage Capacity).	\$413,500	Not complete / Not started.

Asset Acquisition – Levels of Service		
Project Description	Budget	Status
Browns – Compile Scheme Management Plan (Scheme analysis).	\$3,000	Complete. This project was undertaken in conjunction with the feasibility study below. Actual cost for both projects \$2,712.
Browns – Feasibility study and onsite review to extend network.	\$10,410	Complete (actual cost as above).
Edendale – Reticulated Sewerage Scheme (Construction).	\$4,976,590	Not complete / In progress. \$6,757,345 has been spent to date on the Edendale and Wyndham sewerage schemes overall (including construction).
Lumsden - Treatment upgrade (Infiltration and disposal field).	\$291,480	Complete (actual cost over 2007/2008 and 2008/2009 \$259,886).
Manapouri - View Street pump station 4 upgrade, wetwell and valve box piping and valves.	\$75,000	Complete. This project was undertaken in conjunction with the pump replacements, which is shown in the renewals table on the previous page. Actual cost for both projects \$98,226.
Te Anau - Treatment and disposal upgrade. Facilities and associate works - stage 1: planning/investigation.	\$70,000	Complete. This project was undertaken in conjunction with the project below at a total cost of \$32,595.
Te Anau – New treatment and disposal system - engineering.	\$84,100	Complete. This project was undertaken in conjunction with the project above at a total cost of \$32,595.
Te Anau – Land acquisition for new treatment plant.	\$1,781,359	Complete. Land was purchased in 2007/2008. The cost of this was split across Demand and

Asset Acquisition – Levels of Service		
Project Description	Budget	Status
		Levels of Service Budgets. Actual cost in LOS budget \$2,399,859.
Te Anau – New treatment and disposal system. Share of land acquisition for new treatment plant - Associated Costs.	\$69,000	Complete. This project was undertaken in conjunction with the land acquisition project above. Actual cost in LOS budget \$2,399,859.
Tuatapere – Reticulated Sewerage Scheme.	\$50,000	Complete (actual cost in 2008/2009 \$112,154). This budget was for the final completion of the sewerage scheme.
Wyndham – Reticulated Sewerage Scheme (Construction).	\$3,476,590	Not complete / In progress. \$6,757,345 has been spent to date on the Edendale and Wyndham sewerage schemes overall (including construction).
<i>Edendale – Reticulated Sewerage Scheme (Design and Engineering).</i>	\$530,910	<i>Complete. \$6,757,345 has been spent to date on the Edendale and Wyndham sewerage schemes overall (including construction).</i>
<i>Wyndham – Reticulated Sewerage Scheme (Design and Engineering).</i>	\$530,910	<i>Complete (as above).</i>
<i>Manapouri – Contribution to Te Anau Basin repeater.</i>	\$4,164	<i>Complete (actual cost \$5,951). This project was planned for 2006/2007.</i>
<i>Riverton – Treatment upgrade cost escalations treatment upgrade townside.</i>	\$540,000	<i>Complete (actual cost \$370,212). This project was planned for 2007/2008.</i>
<i>Te Anau – Contribution to Te Anau Basin Repeater.</i>	\$4,164	<i>Complete (actual cost \$6,237. This project was planned for 2007/2008.</i>

Three Waters Continues to be a Focus –

The 2008/2009 year saw the Council continue to work on its priority water, sewerage and stormwater projects, in particular those likely to have the greatest benefit to the community. Significant progress has been made on the construction of the Edendale and Wyndham combined sewerage/water scheme with the pipe network for both the sewerage and water supply scheme in the Edendale township being completed and work started on the reinstatement of roads and roadsides at the end of the financial year. The sewerage scheme (combined with Wyndham) will be unique in Southland as it uses an innovative treatment system where the sewage is treated using bacteria and worms. The Edendale portion of the sewerage scheme became operational in July 2009 and will be followed by the water scheme which will be completed in 2009/2010. Construction also began on the pipe network in the Wyndham township and will continue through to October 2011.

Variations from the Budget

Total operating revenue and capital expenditure were lower than budgeted due to a number of projects (including Edendale/Wyndham sewerage) still in progress or not yet started. As a result of the projects not being completed, the related revenue from the Ministry of Health and those connecting to the schemes was also not received.

The number of demand projects completed during the year was less than anticipated in the budget. As a result, the related revenue from development and financial contributions was also lower than budgeted.

No other significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Wastewater	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
1,483,771	Rates	2,157,364	2,196,228
131,238	Activity Revenue	950,618	2,911,242
1,165,474	Development & Financial Contributions	69,008	794,817
3,119,615	Grants and Donations	3,090,414	4,820,511
5,900,098	Total Operating Revenue	6,267,404	10,722,798
Operating Expenditure			
963,231	Depreciation	1,074,909	976,696
961,048	Other Operating Costs	1,419,114	1,519,662
1,924,279	Less Total Operating Expenditure	2,494,023	2,496,358
3,975,819	Operating Surplus/(Deficit)	3,773,381	8,226,440
	Operating Surplus/Deficit transferred to/(funded from) Reserves	3,773,381	8,226,440
3,975,819			
CAPITAL AND RESERVES			
2,518,665	Acquisition-Demand	53,435	794,817
6,986,666	Acquisition-Level of Service	5,283,405	9,106,170
250,373	Vested Assets	379,817	351,216
263,306	Renewals	321,483	379,180
10,019,010	Total Capital Expenditure	6,038,140	10,631,383
227,634	Loans Repaid	450,730	406,664
388,958	Transfers to Reserves	1,989,240	226,926
616,592	Total Capital Movements	2,439,970	633,590
10,635,602	Total Funding Required	8,478,109	11,264,973
Funded By			
4,282,050	Loans Raised	3,004,290	1,598,099
963,231	Non Cash Expenditure	1,074,909	976,696
1,414,502	Transfers from Reserves	625,529	463,738
3,975,819	Operating Surplus	3,773,381	8,226,440
10,635,602	Total Funding Applied	8,478,109	11,264,973

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Water supply

What we do

The Council operates 13 drinking water supplies. It also controls nine untreated rural water schemes which are provided for stock-water where the use of water for domestic purposes is prohibited.

Why we do it

The water supply activity contributes to healthy people through the provisions of safe drinking water as well as water to clean with. It also contributes to a diverse economy, where water supply infrastructure in urban areas provides reliable water in sufficient capacity to meet domestic, commercial and industrial needs and in rural areas, provide untreated water for stock. Public water supplies also assist in creating safe places by providing water for fire fighting which helps protect communities and visitors. It also contributes to making Southland a great place, with choice of quality places to go and things to do, where reticulated water is used for recreational activities (swimming pools etc). In the activity, the Council must comply with the legal requirements of the Local Government Act 2002 and the Health Act 1956. The activity must also give effect to the Drinking Water Standards National Policy Statement in Freshwater Management and Regional Water Plan.

Effect on well being of the Community –

Overall water was safe to drink and people were satisfied with the reliability of water schemes which has a positive influence on social and economic wellbeing. However because a number of projects were not completed during the year, this may have an effect on the social and economic wellbeing of the community in the future, particularly where these are required to improve the quality of water.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Provide urban water supplies that are safe and promote public health.	Percentage of urban water supply tests that indicate the water is safe to drink (Quarterly Report). ¹	100%	Majority achieved – 99%. 1,262 of the 1,281 test samples taken across the Council's 13 reticulated water supplies complied with requirements. The non-complying test results were from Eastern Bush/Otahu Flat (8), Edendale (6), Orawia (2), Tuatapere (2) and Winton (1). These mainly related to low levels of chlorine. There are a number of upgrades to improve compliance with drinking water standards planned in the LTCCP 2009-2019.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
	Percentage of urban water supplies that comply with the drinking water standards (Activity Plan).	08/09 - 30% ²	Not measured. Council has not yet evaluated all of its urban water supplies against the requirements of the new drinking water standards. There are several major upgrade projects in the Ten Year Plan 2009-2019 with the goal of meeting drinking water standards by the required compliance dates (which have recently been amended by the Government).
Drinking water quality is acceptable to users.	Percentage of customers satisfied with the quality of urban water supplies (Survey - Resident).	90%	Majority achieved – 72%. The main reason given for dissatisfaction with the quality of the water supply was the smell and taste - in particular chlorination. A number of projects have been programmed in the Ten Year Plan 2009-2019 to improve intake and treatment processes of a number of water schemes.
	Number of complaints about drinking water quality across all schemes (Quarterly Report).	Less than 65 ³	Achieved – 3.
Provide an adequate quantity of water for daily use.	Number of complaints about supply quantity and pressure per scheme (Quarterly Report).	Less than 130 ³	Not achieved – 182 complaints received. A large amount of the complaints about pressure were found to be an issue with the water connection to the property. Many of the complaints about quantity were due to burst water mains causing emergency shutdowns or loss of pressure.
	Percentage of identified water projects for the year completed (Quarterly Report).	90%	Not achieved – 34%. 11 of 32 water projects were completed and 6 (19%) projects were in progress. 10 (31%) were not started, 3 deferred and 2 deleted. The large number of water and wastewater projects programmed for 2008/2009 made it difficult to get them completed.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Provide a reliable water supply.	Percentage of resident satisfaction with the reliability of water supply (Survey - Resident).	90%	Achieved – 95%.
Prompt response to complaints.	Percentage of complaints responded to within required resolution times (Quarterly Report). ⁴	90%	Majority achieved – 83%. 482 of 584 complaints were responded to within required timeframes.
<p>1. "Safe to drink" means compliance with the NZ Drinking Water Standards.</p> <p>2. Council is yet to grade its water supplies against the revised grading scheme in the new NZ Drinking Water Standards. The targets aim at reaching 100% compliance by 2015.</p> <p>3. Council has 13 water supplies that are treated for drinking (11 urban schemes and two rural schemes). The figure is a total across all schemes and uses the target of no more than five complaints per scheme for quality and 10 complaints per scheme for quantity and pressure.</p> <p>4. Resolution times are set out in contract conditions and vary according to the type of problem.</p>			

Project Report

Maintenance, Renewal and Replacement		
Project Description	Budget	Status
Eastern Bush RWS - Equipment renewals (SCADA renewal at intake).	\$3,383	Complete (actual cost \$2,997).
Eastern Bush RWS - Reticulation renewals.	\$146,340	Not complete / Not started.
Homestead RWS - Reservoir renewals (Storage assessment).	\$2,000	Complete (actual cost \$2,061).
Kakapo RWS - Reticulation renewals (Rising main condition assessment).	\$2,000	Not complete / Deleted.
Lumsden - Equipment renewals (Chlorinator overhaul).	\$488	Complete. This was completed under the operations and maintenance contract so final costs can not be split out.
Lumsden/Balfour RWS - Equipment renewals (Chlorinator overhaul).	\$1,460	Complete (actual cost \$1,353). This project was planned for 2007/2008.
Lumsden - Equipment renewals (SALCOM Main Reservoir).	\$1,084	Not complete / Not started.
Lumsden/Balfour RWS - Equipment renewals (Storage assessment).	\$3,750	Complete. This was undertaken in conjunction with the planning of the Deep Bore project which is still being constructed. Final costs are not yet known.
Ohai/Nightcaps/Wairio RWS - Equipment renewals (Birchwood rider main).	\$30,000	Not complete / Not started.
Ohai/Nightcaps/Wairio RWS - Equipment renewals (AC Sampling).	\$5,000	Not complete / Deleted.
Otahu Flat RWS - Equipment renewals (SCADA renewal at intake).	\$3,383	Complete (actual cost \$2,997).
Otahu Flat RWS - Reticulation renewals.	\$219,510	Complete (actual cost \$161,174).
Tuatapere - Equipment renewals SWBD/SCADA at WTW, bush well (SALCOM), reservoir (SALCOM).	\$59,629	Not complete / Not started.
Winton - Reticulation renewals (AC reticulation renewals).	\$292,700	Complete. This was undertaken with the project below and another in 2006/2007. Total cost of the project was \$848,268.
Winton - Reticulation renewals AC Reticulation renewals.	\$270,000	Complete. This was undertaken with the project above and another in 2006/2007. Total cost of the project was \$848,268.
Lumsden - Equipment renewals storage	\$1,250	Complete This was

Maintenance, Renewal and Replacement		
Project Description	Budget	Status
assessment.		undertaken in conjunction with the planning of the Deep Bore project which is still being constructed. Final costs are not yet known.
Manapouri - Contribution to Te Anau basin repeater.	\$4,164	Complete (actual cost \$5,140). This project was planned for 2007/2008.
Ramparts RWS - Equipment renewals intake Pri P2.	\$8,328	Complete (actual cost \$18,311). This project was planned for 2007/2008. Two pumps were replaced instead of one.
Riverton - Equipment renewals (Renew AC bridge main).	\$62,460	Complete (actual cost \$163,564). This project was planned for 2007/2008. The budget was revised and approved to \$298,000 total for both the water and wastewater projects.

Asset Acquisition - Demand		
Project Description	Budget	Status
Kakapo RWS - Install Meters on Main Branch mains in reticulation to monitor flows.	\$5,000	Complete (actual cost \$2,609).

Asset Acquisition - Levels of Service		
Project Description	Budget	Status
Edendale - Reticulated water supply extension . (Design)	\$34,715	Complete. This budget was for the final completion of the design. \$1,170,369 has been spent to date on the Edendale and Wyndham water supply schemes overall.
Edendale - Reticulated water supply extension. (Construction)	\$1,499,040	Not complete / In progress. \$1,170,369 has been spent to date on the Edendale and Wyndham water supply schemes overall.
Lumsden - Balance of funding for Deep Bore project.	\$140,000	Not complete / In progress.
Lumsden/Balfour RWS - Surge protection.	\$11,250	Not complete / Deferred.
Lumsden/Balfour RWS - Balance of funding for Deep Bore project.	\$420,000	Not complete / In progress

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Asset Acquisition – Levels of Service		
Project Description	Budget	Status
Ohai/Nightcaps/Wairoa RWS Intake upgrade. (Upgrade screen d/s of weir and modify existing inlet).	\$100,000	Not complete / Deferred
Ohai/Nightcaps/Wairoa RWS - Treatment Plant upgrade.	\$600,000	Not complete / Not started.
Ohai/Nightcaps/Wairoa RWS - Nightcaps Falling Main upgrade.	\$120,000	Not complete / Not started.
Mossburn - Treatment upgrades (Install UV)	\$75,880	Not complete / Not started.
Riverton - Intake upgrade (Intake wells upstream).	\$278,928	Not complete / In progress.
Te Anau - Equipment upgrades (Pressure transducer to activate pumps at low town pressures).	\$5,000	Not complete / Deferred.
Tuatapere - Treatment upgrades (Install UV).	\$75,900	Not complete / Not started.
Tuatapere - Intake upgrade (Well-head improvements).	\$15,615	Complete. This project was undertaken in conjunction with the new source location project below. The new source location project is expected to be completed in 2009/2010. Actual cost for both projects to date \$213,600.
Tuatapere - New source Location.	\$200,000	Not complete / In Progress. This project was undertaken in conjunction with well-head improvements project above. The new source location project is expected to be completed in 2009/2010. Actual cost for both projects to date \$213,600.
Tuatapere - Riser main (subject to new source location).	\$350,000	Not complete / Not started.
Tuatapere - Treatment Plant - River Protection/Relocation.	\$1,000,000	Not complete / Not started.
Wyndham - Reticulated water supply (Design and engineering).	\$64,510	Complete. This budget was for the final completion of the design. \$1,170,369 has been spent to date on the Edendale and Wyndham water supply schemes overall.
Wyndham - Reticulated water supply (Construction).	\$1,499,040	Not complete / In progress. \$1,170,369 has been spent to date on the Edendale and Wyndham water supply schemes overall.
<i>Dunraigen RWS – Contribution to Te Anau Basin repeater.</i>	<i>\$599</i>	<i>Complete (actual cost \$811). This project was planned for 2007/2008.</i>
<i>Homestead RWS – Contribution to Te Anau Basin repeater.</i>	<i>\$599</i>	<i>Complete (actual cost \$811). This project was planned for 2007/2008.</i>
<i>Kakapo RWS – Contribution to Te Anau</i>	<i>\$599</i>	<i>Complete (actual cost \$811). This</i>

Asset Acquisition – Levels of Service		
Project Description	Budget	Status
<i>Basin repeater.</i>		<i>project was planned for 2007/2008.</i>
<i>Mount York RWS – Contribution to Te Anau Basin repeater.</i>	<i>\$599</i>	<i>Complete (actual cost \$811). This project was planned for 2007/2008</i>
<i>Princhester RWS – Contribution to Te Anau Basin repeater.</i>	<i>\$599</i>	<i>Complete (actual cost \$811). This project was planned for 2007/2008</i>
<i>Ramparts RWS – Contribution to Te Anau Basin repeater.</i>	<i>\$599</i>	<i>Complete (actual cost \$811). This project was planned for 2007/2008</i>
<i>Takitimu RWS – Contribution to Te Anau Basin repeater.</i>	<i>\$599</i>	<i>Complete (actual cost \$811). This project was planned for 2007/2008</i>
<i>Te Anau – Contribution to Te Anau Basin repeater.</i>	<i>\$4,164</i>	<i>Complete (actual cost \$5472). This project was planned for 2007/2008.</i>

Three Waters Continues to be a Focus

The 2008/2009 year saw the Council continue to work on its priority water, sewerage and stormwater projects, in particular those likely to have the greatest benefit to the community. Significant progress has been made on the construction of the Edendale and Wyndham combined sewerage/water scheme with the pipe network for both the sewerage and water supply scheme in the Edendale township being completed and work started on the reinstatement of roads and roadsides at the end of the financial year. The sewerage scheme (combined with Wyndham) will be unique in Southland as it uses an innovative treatment system where the sewage is treated using bacteria and worms. The Edendale portion of the sewerage scheme became operational in July 2009 and will be followed by the water scheme which will be completed in 2009/2010. Construction also began on the pipe network in Wyndham township and will continue through to October 2011.

In addition, the year saw a significant improvement in the proportion of projects completed by the end of the year despite the fact that a number of water projects have had to be delayed because of the Government's announcement that it was putting a hold on the subsidy scheme to review how the funding is allocated.

Variations from the Budget

Total operating revenue and capital expenditure were lower than budgeted due to a number of projects (see table above) still in progress or not yet started. As a result of the projects not being completed, the related revenue from the Ministry of Health and those connecting to the schemes was also not received.

No other significant assets were acquired during 2008/2009 and there were no other significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Water Supply	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
1,586,468	Rates	1,849,227	1,850,517
215,959	Activity Revenue	418,441	1,154,670
109,496	Development & Financial Contributions	498,616	-
373,040	Grants and Donations	1,055,407	3,765,273
2,284,963	Total Operating Revenue	3,821,691	6,770,460
677,977	Depreciation	803,345	990,420
1,691,985	Other Operating Costs	1,624,480	1,716,434
2,369,962	Less Total Operating Expenditure	2,427,825	2,706,854
(84,999)	Operating Surplus/(Deficit)	1,393,866	4,063,606
(84,999)	Operating Surplus/Deficit transferred to/(funded from) Reserves	1,393,866	4,063,606
CAPITAL AND RESERVES			
13,930	Acquisition-Demand	-	-
510,652	Acquisition-Level of Service	1,730,132	6,489,878
373,240	Vested Assets	389,343	249,754
281,861	Renewals	800,577	421,938
1,179,683	Total Capital Expenditure	2,920,052	7,161,570
108,350	Loans Repaid	12,695	141,178
365,860	Transfers to Reserves	896,599	587,594
474,209	Total Capital Movements	909,294	728,772
84,999	Operating Deficit	-	-
1,738,891	Total Funding Required	3,829,346	7,890,342
Funded By			
206,481	Loans Raised	500,599	2,589,716
677,977	Non Cash Expenditure	803,344	990,420
854,433	Transfers from Reserves	1,131,537	246,600
-	Operating Surplus	1,393,866	4,063,606
1,738,891	Total Funding Applied	3,829,346	7,890,342

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Work schemes

What we do

The Council is involved in Government-funded work schemes, which involves providing community work and community service clients with the opportunity to work on various projects throughout the Southland community. The scheme provides work experience placement for community work clients (from Work and Income New Zealand) to improve their employment skills. In addition, the scheme provides community service clients with a way of completing their court directed community services sentences. The scheme also makes it possible for small communities to undertake projects where they otherwise would not be able to due to costs or lack of resources.

Why we do it

This activity contributes to making Southland a great place to live through the completion of community projects such as weed control and township maintenance. Work schemes also contribute to a diverse economy (through developing people's skills and lowering unemployment), healthy people (through increased self – esteem of participants) and safe places (by providing accountability for crimes).

Effect on well being of the Community –

The table below shows that with participants gaining employment and work being completed satisfactorily the social and economic wellbeing of the community was positively influenced.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
There are reasonable opportunities for participation in the work schemes.	Percentage of community work and community service participants who gain entry to the work scheme within 10 working days of their preferred start date (Quarterly Report).	95%	Achieved – 100%. All 179 participants entered the scheme within 10 working days of their preferred start date.
To assist in the wellbeing of the District's communities through human development and physical projects.	Percentage of community work participants who gain employment (Quarterly Report).	25%	Achieved – 44%. 4 out of 9 community work participants gained employment after leaving the scheme.
Work completed through the Work Scheme is 'fit-for-purpose'.	Percentage of clients satisfied that the work is completed according to the specifications (Survey - User).	100%	Achieved – 100% (8 of 8 clients).

Project Report

There were no projects planned for Work Schemes in 2008/2009.

Work Schemes Praised –

At the end of 2008/2009 Council was advised by the Probation Service that Southland District Council consistently provides the agency with more community work hours for their clients per quarter than any other independent provider in New Zealand.

Variations from the Budget

No significant assets were acquired during 2008/2009 and there were no significant variations between the Annual Plan's budget and actual expenditure.

Cost of service

Actual 2007/2008	Work Schemes	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
33,134	Rates	18,035	18,024
26,231	Activity Revenue	5,050	75,340
31,667	Interest & Dividends	28,800	31,667
91,032	Total Operating Revenue	51,885	125,031
21,911	Depreciation	21,937	21,611
65,456	Other Operating Costs	35,714	97,420
87,367	Less Total Operating Expenditure	57,651	119,031
3,665	Operating Surplus/(Deficit)	(5,766)	6,000
3,665	Operating Surplus/Deficit transferred to/(funded from) Reserves	(5,766)	6,000
CAPITAL AND RESERVES			
-	Total Capital Expenditure	-	-
30,390	Transfers to Reserves	2,923	6,000
30,390	Total Capital Movements	2,923	6,000
-	Operating Deficit	5,766	-
30,390	Total Funding Required	8,688	6,000
Funded By			
4,248	Non Cash Expenditure	326	-
22,477	Transfers from Reserves	8,362	-
3,665	Operating Surplus	-	6,000
30,390	Total Funding Applied	8,688	6,000

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Other local services

What we do

'Other Local Services' covers Council buildings and property, Riverton harbour, Stewart Island jetties and other water structures and engineering advice provided to community groups. Buildings include depot, offices, libraries and other miscellaneous buildings. Riverton harbour and water structures cover the provision of boat ramps, jetties, associated marine walls and navigation aids. The provision and maintenance of the assets and operation of the Riverton harbour is carried out by the Riverton Harbour Committee. The activity also includes contributions to assist with the operation of swimming pools not owned by Council.

Why we do it

This activity contributes to a diverse economy by having infrastructure (boat ramps, jetties, wharfs and navigation aids) which enable recreational and commercial access to water ways as well as buildings needed to deliver activities and services (such as libraries and service centres). The activity also contributes to a treasured environment (by having stop banks and marine walls which protect the environment from flooding) as well as contributing to safe places (by having aids which improve navigation safety).

Effect on well being of the Community –

The table indicates that majority of buildings/amenities were safe to use which has a positive impact on general wellbeing.

How we check progress

The information below sets out what level of service Council said that it will provide, how it said it would measure this and how the Council performed during the year.

What Council said it will provide	How Council said it will measure the service provided		How Council performed
Level of Service	Key Performance Indicator (Source)	Target	Our Achievement
Council Buildings/Property			
Buildings are safe to use.	Percentage of buildings that comply with checks (Audit).	100%	Majority achieved – 98%. Of the twenty six buildings that were checked, twenty five complied.
The buildings are suitable for their intended use.	Percentage of users satisfied with the facilities provided (Survey - User).	75%	Not measured. A survey was undertaken of staff in June 2007. 43% of respondents were satisfied with the building facilities provided, 25% were neither satisfied nor dissatisfied and 31% were dissatisfied. The survey was not undertaken again in 2008/2009 as Council has not made any changes to its facilities and received enough information for possible future upgrades from the 2007 survey.
Riverton Harbour			
Harbour facilities are accessible and safe to use.	Number of access or safety issues reported to the Riverton Harbour Board (Harbour Board Reports).	0	Achieved – 0.

Project Report

Asset Acquisition – Levels of Service		
Project Description	Budget	Status
Riverton grandstand – Interior framing & linings.	\$4,000	Complete (actual cost \$1,693). This project was planned for 2007/2008.

Variations from the Budget

The Annual Plan included a proposal to obtain \$150,000 of grant funding from the Historic Places Trust to reconstruct the deck of the Clifden suspension bridge. This project is not proceeding and therefore activity revenue and operating expenditure are less than budgeted.

In late 2007 Southland District Council took over ownership of the five jetties at Stewart Island (located at Ulva Island, Millers Beach, Fred's Camp, Little Glory and Port William) from South Port. The value of these vested (given) assets has now been determined at \$35,000 and is shown as income and an asset in the 2008/2009 Annual Report.

Cost of service

Actual 2007/2008	Other Local Services	Actual 2008/2009	Annual Plan 2008/2009
REVENUE AND EXPENSE			
Operating Revenue			
27,806	Rates	27,530	28,190
556,044	Activity Revenue	366,250	490,823
162,644	Grants and Donations	102,106	12,227
746,493	Total Operating Revenue	495,886	531,240
224,222	Depreciation	231,997	238,862
295,863	Other Operating Costs	200,290	410,953
520,085	Less Total Operating Expenditure	432,288	649,815
226,408	Operating Surplus/(Deficit)	63,598	(118,575)
226,408	Operating Surplus/Deficit transferred to/(funded from) Reserves	63,598	(118,575)
CAPITAL AND RESERVES			
50,975	Acquisition-Level of Service	138,401	70,401
3,465	Renewals	48,429	20,000
54,439	Total Capital Expenditure	186,829	90,401
571,330	Transfers to Reserves	453,919	187,513
571,330	Total Capital Movements	453,919	187,513
-	Operating Deficit	-	118,575
625,770	Total Funding Required	640,748	396,489
Funded By			
224,670	Non Cash Expenditure	236,088	200,774
174,692	Transfers from Reserves	341,062	195,715
226,408	Operating Surplus	63,598	-
625,770	Total Funding Applied	640,748	396,489

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Statement of Accounting Policies For the Year Ended 30 June 2009

Reporting Entity

The Southland District Council (referred to as “SDC” or “Council”) is a territorial local authority governed by the Local Government Act 2002. The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial profit. Accordingly, Southland District Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements represent the results of the Council’s 26 significant activities (detailed on pages 31 to 107) including the Stewart Island Electrical Supply Authority (SIESA) and Venture Southland. SIESA is a business unit of the Council, which generates and reticulates electricity to the majority of Stewart Island residents and industry. Venture Southland is a joint venture with Invercargill City Council and Gore District Council, for the development and promotion of Southland in terms of enterprise, tourism and the people of the province.

The financial statements of the Southland District Council are for the year ended 30 June 2009. The financial statements were authorised for issue by Council on 28 October 2009.

Basis of Preparation

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).

These financial statements have been prepared in accordance with NZ GAAP. They also comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

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

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of heritage assets, certain infrastructural assets, and biological assets.

The financial statements are presented in New Zealand dollars (the functional currency of the Southland District Council) and all values are rounded to the nearest dollar.

Standards and Interpretations issued and not yet adopted

The following new standards, interpretations and amendments are not yet effective for the year ended 30 June 2009, and have not been applied in preparing these consolidated financial statements:

	Effective for annual reporting periods commencing on or after
NZ IAS 1: Statement of Comprehensive Income	1 January 2010
NZ IFRS 8 Operating Segments	1 January 2009
NZ IAS 23 Borrowing Costs	1 January 2009

Basis of Consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Associates

Southland District Council accounts for investments in associates in the consolidated financial statements using the equity method. An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. SDC's share of the surplus or deficit of the associate is recognised in SDC's statement of financial performance. Distributions received from an associate reduce the carrying amount of the investment.

If SDC's share of deficits of an associate equals or exceeds its interest in the associate, SDC discontinues recognising its share of further deficits. After SDC's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that SDC has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, SDC will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

SDC's share in the associate's surplus or deficits resulting from unrealised gains on transactions between the SDC and its associates is eliminated.

SDC's investments in associates are carried at cost in the "parent entity" financial statements. Through its joint venture, Venture Southland, Southland District Council has one associate, Crops for Southland, which has a balance date of 30 June. The audited financial statements of Crops for Southland have been used in preparing Council's consolidated financial statements.

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations the Southland District Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

Council has a 42% interest in Venture Southland joint venture. The audited financial statements of Venture Southland as of 30 June have been accounted for in the Council's financial statements using the proportionate method of consolidation.

(a) Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

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.

Interest is recognised using the effective interest method.

Subsidies from Land Transport New Zealand and grants from other government agencies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests, and assets vested in the Council - with or without conditions - are recognised as revenue when control over the assets is obtained.

Development and Financial Contributions are recognised at the later of the point when the Council is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

Dividends are recognised when the right to receive payment has been established.

(b) Borrowing Costs

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

(c) Grant expenditure

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

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

(d) Leases

- *Finance Leases*

Finance leases effectively transfer to the lessee substantially all the risks and benefits incident to the ownership of the leased item, whether or not title is eventually transferred. At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether SDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

- *Operating Leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

(e) Income Taxes

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by balance date. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount 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. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

(f) Equity

Equity is the community's interest in the Council as measured by total assets less total liabilities. Equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that the Council makes of its accumulated surpluses. The components of equity are:

- Retained Earnings
- Council created reserves (general reserve, separate account balances and rates appropriation balance)
- Special reserves (managed by allocation committees)
- Asset revaluation reserves

Reserves represent a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Council created reserves may be altered without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of the Council.

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

(g) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(h) Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans, including loans to community organisations made by SDC at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the statement of financial performance as a grant.

A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

(i) Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

The write down from cost to current replacement cost is recognised in the statement of financial performance.

(j) Financial assets

SDC classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of financial performance. Purchases and sales of investments are recognised on trade-date, the date on which SDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. SDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of financial performance.

- Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance. Loans and receivables are classified as “trade and other receivables” in the statement of financial position.

- Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that SDC has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

- Financial assets at fair value through equity

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that SDC intends to hold long-term but which may be realised before maturity; and
- Shareholdings that SDC holds for strategic purposes. SDC’s investments in its associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, unless fair value cannot be reliably measured, in which case, the investments are measured at historical cost.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of financial performance. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the statement of financial performance even though the asset has not been derecognised.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the statement of financial performance.

Council's investments in this category include: Civic Assurance (formerly the New Zealand Local Government Insurance Corporation Limited) and Milford Sound Development Authority.

(k) Impairment of Financial Assets

At each balance sheet date SDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of financial performance.

(l) Non-current Assets Held For Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less disposal costs.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of financial performance.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

(m) Goods and Services Tax (GST)

The financial statements have been prepared exclusive of GST with the exception of receivables and payables, which are stated inclusive of GST. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

(n) Property, Plant and Equipment

Property, plant and equipment consist of:

▪ *Infrastructure Assets*

Infrastructure assets are those systems taken as a whole that are intended to be maintained indefinitely. These assets include the Council's roading and bridge networks and the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewer pump stations.

- *Operational Assets*

These include land, buildings, improvements, library books, plant and equipment, and motor vehicles.

- *Restricted Assets*

Restricted assets are parks and reserves owned by the Council, which cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to SDC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to SDC and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment except land and heritage assets, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset Category	Estimated Economic Life (years)	Depreciation Percent	Method
Operational Assets			
Improvements	10	10.00%	SL
Buildings	40	2.50%	SL
Light Vehicles	5	20.00%	SL
Other Plant	11	9.09%	SL
Furniture and Fittings	7-8	13.50%	SL
Office Equipment	3-8	10.00% - 33.33%	SL
Computer Equipment	2-10	10.00% - 50.00%	SL
SCADA Equipment	7-8	13.50%	SL
Other Equipment	7-8	13.50%	SL
Library Books	10	10.00%	SL
Infrastructural Assets			
Electrical Generation Plant	10-100	1.00% - 10.00%	SL or DV
Sealed Roads	Various	2.07% - 6.94%	SL
Unsealed Roads	Various	4.05% - 20.41%	SL
Bridges	50-100	1.00% - 2.00%	SL
Footpaths	14-20	5.00% - 7.14%	SL
Street Lighting	15-20	5.00% - 6.67%	SL
Sewerage Schemes	Various	2.06% - 7.02%	SL
Stormwater Schemes	7-50	2.00% - 14.29%	SL
Water Supply Schemes	Various	1.82% - 13.09%	SL
Marine Assets	26-50	2.00% - 3.85%	SL
Transfer Stations	4	25.00%	SL
Landfill Sites	3	33.33%	SL

SIESA assets have the following useful lives and associated depreciation rates of major classes of assets for accounting purposes.

Asset Category	Estimated Economic Life	Depreciation		Method
	(years)	Percent		
Plant	2-25	5.00% - 60.00%	SL or DV	
Vehicles	8-15.5	12.00% - 26.00%	DV	
Buildings	40-100	1.00% - 2.25%	SL or DV	

The residual value and useful life of an asset is reviewed, and adjusted, if applicable, at each financial year-end.

Revaluations

Roads, water reticulation, sewerage reticulation and stormwater systems are revalued on an annual basis. Heritage assets are valued on a three yearly valuation cycle. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed each balance date to ensure that those values are not materially different to fair value. The valuation basis for the different asset categories are described in more detail below.

- *Land and Buildings*

The deemed cost of land and buildings was established by registered valuers from Quotable Value in accordance with the requirements of the Institute of Chartered Accountants of New Zealand Standards, as at 30 June 1993. Purchases made since 30 June 1993 are recorded at cost.

Endowment lands are vested in Council for specific purposes for the benefit of various communities. These vestings have been made under various pieces of legislation which restrict both the use of any revenue and any possible dispositions.

- *Infrastructural Assets*

Appropriately qualified personnel from MWH New Zealand Limited have completed a revaluation of District roading, footpaths and bridge asset networks as at 30 June 2009. This revaluation established a depreciated replacement cost to component level for those infrastructural assets as at 30 June 2009.

In-house staff with specialist knowledge in the area have completed a revaluation as at 30 June 2009 of the water supply, sewerage scheme and stormwater assets. This revaluation established a depreciated replacement cost to component level for those infrastructural assets as at 30 June 2009. Mr R Hayes who is appropriately qualified has reviewed the component rates and expected life estimates used in this valuation.

Revaluations of roading, water, sewerage and stormwater assets are carried out annually.

All other infrastructural assets (electrical generation plant, street lighting and marine assets) are valued at their deemed cost, based on a revaluation of assets undertaken by appropriately qualified personnel from Royds Garden Limited in 1993.

- *Plant and Vehicles (including Electrical Generation Plant)*

Items are shown at historical cost less provision for depreciation.

- *Library Books*

Books have been valued by Southland District Council staff on a depreciated replacement cost basis, using New Zealand Library Association guidelines, as at 30 June 1993 representing deemed cost. Additions to library book stocks since 30 June 1993 are recorded at cost.

- *Heritage Assets*

The only assets to be included under this category are art works owned by the Council, which have been valued by an independent valuer, Mr R Thomson of International Art Centre, Auckland, as at 30 June 2005 and recorded at fair value in accordance with NZ IAS 16.

Other assets, which would normally be classified under heritage assets, for example war memorials, have been included under 'Other Assets'.

Because of the nature of the item art works are revalued on a three to five yearly cycle and not depreciated.

- *Other Assets*

Other assets are shown at historic cost or depreciated replacement cost, less a provision for depreciation. Additions and deletions to other assets since 30 June 1993 are recorded at cost.

Accounting for revaluations

SDC accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

- (o) Work in Progress

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

- (p) Intangible Assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Asset Category	Estimated Economic Life	Depreciation	
	(years)	Percent	Method
Computer software	2.5 - 10 years	10.00% - 40.00%	SL

- (q) Forestry Assets

Forestry assets are revalued annually at fair value less estimated point of sale costs as of 30 June by in-house staff with specialist knowledge in the area. This is peer reviewed by an independent valuer using standard forest valuation methodology. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the statement of financial performance.

The costs to maintain the forestry assets are included in the statement of financial performance.

(r) Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Properties leased to third parties to meet service delivery objectives are classified as property, plant and equipment.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Southland District Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of financial performance.

(s) Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's 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 assets 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.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the statement of financial performance.

(t) Employee Benefits

Short-term benefits

Employee benefits that the Southland District Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

Long-term benefits

Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated by in-house staff. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows. A discount rate of 7% and an inflation factor of 3% were used.

Superannuation schemes

Defined contribution schemes - Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

(u) Provisions

SDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The change in the provision due to the passage of time is recognised in the statement of financial performance.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Southland District Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if SDC assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Landfill Post-Closure Costs

The Council, as operator, has a legal obligation under its resource consent to provide ongoing maintenance and monitoring services at their landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

(v) Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Repayments

Most borrowings are repaid on a table basis (i.e. each repayment instalment consists of a mixture of both principal and interest). The one exception are the roading business unit loans, which are interest payments only.

(w) Budget Figures

The budget figures are those approved by the Council at the beginning of the year after a period of consultation with the public as part of the Annual Plan process. The budget figures have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and are consistent with the accounting policies adopted by the Council for the preparation of financial statements.

(x) Cost Allocation

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

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

Direct costs are charged directly to significant activities. Indirect costs have been allocated to all significant activities in two ways. Where appropriate, indirect costs are directly apportioned to activities. The remaining indirect costs are allocated either on a gross cost or activity/usage basis.

(y) Critical Accounting Estimates and Assumptions

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

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then SDC could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance.

To minimise this risk SDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the SDC's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

(z) Critical Judgements in Applying SDC's Accounting Policies

Management has exercised the following critical judgements in applying the Council's accounting policies for the period ended 30 June 2009:

Classification of property

Southland District Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of rental income from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are accounted for as property, plant and equipment.

(aa) Statement of Cash Flows

Operating activities include cash and cash equivalents (as defined in (g) above) received from all the Council's income sources and record the cash payments made for the supply of goods and services.

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

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

(ab) Cost of Services Statements

The cost of services statements, as provided in each of the statements of service performance, report the net cost of services for each of the Council's significant activities, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

Changes in Accounting Policies

There have been no changes to the accounting policies since the date of the last audited financial statements.

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Statement of Financial Performance (for the year ended 30 June 2009)

Actual 2007/2008		Note	Actual 2008/2009	Budget 2008/2009
	Income			
27,046,407	Rates Revenue	1	29,184,488	29,073,439
8,278,856	Other Revenue	2	6,710,542	6,656,646
1,176,364	Interest and Dividends		748,059	1,504,173
13,535,059	NZ Transport Agency		14,745,659	13,886,728
707,557	Grants and Subsidies		693,445	384,457
(146,295)	Other Gains/(Losses)	3	(286,298)	2,573,796
2,950,005	Vested Assets		3,254,228	1,514,966
1,286,058	Development and Financial Contributions		588,129	857,603
2,869,243	MOH Subsidy for Sewerage/Water Schemes		3,376,660	7,984,814
108,452	Scheme Capital Recovery for Sewerage/Water Schemes		1,072,032	3,863,676
57,811,706			60,086,944	68,300,298
	Expenditure			
9,240,222	Employee Benefit Expenses		9,902,848	8,563,499
17,434,112	Depreciation and Amortisation		18,333,407	16,414,524
48,190	Finance Costs		388,987	170,371
26,130,897	Other Council Expenditure	4	26,818,920	28,798,776
52,853,421			55,444,162	53,947,170
4,958,285	OPERATING SURPLUS/(DEFICIT)		4,642,782	14,353,128
(1,347)	Share of Associate Surplus/(Deficit)		7,182	-
4,956,938	SURPLUS/(DEFICIT) BEFORE TAX		4,649,964	14,353,128
-	Income Tax Benefit	6	-	-
4,956,938	SURPLUS/(DEFICIT) AFTER TAX	7	4,649,964	14,353,128

The accompanying notes form part of these financial statements.

Statement of Changes in Equity (for the year ended 30 June 2009)

Actual 2007/2008		Note	Actual 2008/2009	Budget 2008/2009
1,126,931,619	Balance at 1 July	8	1,229,440,029	1,162,044,902
4,956,938	Surplus/(Deficit) for the year		4,649,964	14,353,128
97,551,471	Increase in Asset Revaluation Reserves		38,826,506	54,137,993
<u>1,229,440,028</u>	Balance at 30 June		<u>1,272,916,499</u>	<u>1,230,536,023</u>

The accompanying notes form part of these financial statements.

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Statement of Financial Position (as at 30 June 2009)

Actual 2007/2008		Note	Actual 2008/2009	Budget 2008/2009
Equity				
714,684,139	Retained Earnings	8	720,950,523	731,782,113
496,208,466	Asset Revaluation Reserves	8	535,034,972	483,247,047
18,547,423	Other Reserves	9	16,931,004	15,506,863
1,229,440,028			1,272,916,499	1,230,536,023
Current Assets				
4,895,454	Cash and Cash Equivalents	10	6,383,261	5,656,542
9,914,663	Trade and Other Receivables	11	6,467,645	7,177,140
444,740	Inventories		401,116	409,942
7,418	Work in Progress		7,734	1,746
2,261,614	Other Financial Assets	13	1,902,346	-
17,523,889			15,162,102	13,245,370
Non-Current Assets				
1,212,514,313	Property, Plant and Equipment	14	1,262,417,814	1,221,909,588
612,719	Intangible Assets	15	474,983	761,973
9,857,720	Forestry Assets	16	9,458,190	10,808,110
6,245	Investments in Associates	17	6,178	-
4,081,460	Other Financial Assets	13	1,024,699	2,547,931
1,227,072,457			1,273,381,864	1,236,027,602
1,244,596,346	TOTAL ASSETS		1,288,543,966	1,249,272,972
Current Liabilities				
6,275,761	Trade and Other Payables	18	5,691,205	4,938,552
741,958	Contract Retentions and Deposits		760,800	611,734
1,262,984	Employee Benefit Liabilities	19	1,520,156	970,482
1,533,490	Development & Financial Contributions	20	1,708,739	4,640,034
24,500	Provision for Decommissioning	22	24,500	-
4,396,785	Borrowings	21	5,299,054	401,779
14,235,478			15,004,454	11,562,581
Non-Current Liabilities				
420,026	Employee Benefit Liabilities	19	439,502	371,798
265,525	Provision for Decommissioning	22	93,661	278,802
235,289	Borrowings	21	89,850	6,523,768
920,840			623,013	7,174,368
15,156,318	TOTAL LIABILITIES		15,627,467	18,736,949
1,229,440,028	NET ASSETS		1,272,916,499	1,230,536,023

The accompanying notes form part of these financial statements.

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Statement of Cashflows (for the year ended 30 June 2009)

Actual 2007/2008		Note	Actual 2008/2009	Budget 2008/2009
Cash Flows from Operating Activities				
<i>Cash was Provided from:</i>				
26,838,826	Receipts from Rates Revenue		29,229,702	29,073,439
12,445,924	Receipts from NZ Transport Agency Funding		15,736,811	13,886,728
1,421,178	Interest and Dividends		861,410	1,504,174
10,990,705	Receipts from Other Revenue		13,344,539	19,722,885
20,190	Income Tax		-	-
-	GST (Net)		862,403	-
<u>51,716,823</u>			<u>60,034,865</u>	<u>64,187,226</u>
<i>Cash was Disbursed to:</i>				
33,478,048	Payment to Suppliers & Employees		37,153,023	36,256,407
48,190	Interest Paid		388,987	1,202,974
690,270	GST (Net)		-	-
<u>34,216,508</u>			<u>37,542,010</u>	<u>37,459,381</u>
17,500,315	Net Cash Inflow (Outflow) from Operating Activities	24	22,492,854	26,727,845
Cash Flows from Investing Activities				
<i>Cash was Provided from:</i>				
69,332	Sale of Property, Plant and Equipment		233,158	3,124,887
7,055,687	Reduction of Investments		3,416,029	-
<u>7,125,019</u>			<u>3,649,187</u>	<u>3,124,887</u>
<i>Cash was Disbursed to:</i>				
-	Acquisition of Investments		-	-
29,686,548	Purchase of Property, Plant and Equipment		26,098,874	34,670,873
55,940	Purchase of Intangible Assets		41,995	232,000
<u>29,742,488</u>			<u>26,140,869</u>	<u>34,902,873</u>
(22,617,469)	Net Cash Inflow (Outflow) from Investing Activities		(22,491,682)	(31,777,986)
Cash Flows from Financing Activities				
<i>Cash was Provided from:</i>				
1,035,676	Contributions from Developers		763,378	2,461,699
4,000,000	Proceeds from Borrowings		5,000,000	7,956,682
147,475	Proceeds from Finance Lease Liabilities		192,576	-
<u>5,183,151</u>			<u>5,955,954</u>	<u>10,418,381</u>
<i>Cash was Disbursed to:</i>				
-	Repayment of Borrowings		4,000,000	2,956,962
377,430	Repayment of Finance Lease Liabilities		469,319	-
<u>377,430</u>			<u>4,469,319</u>	<u>2,956,962</u>
4,805,721	Net Cash Inflow (Outflow) from Financing Activities		1,486,635	7,461,419
(311,433)	Net Increase/(Decrease) in Cash and Cash Equivalents		1,487,807	2,411,278
5,206,887	Cash and Cash Equivalents at the beginning of the year		4,895,454	3,235,753
<u>4,895,454</u>	Cash and Cash Equivalents at the end of the year		<u>6,383,261</u>	<u>5,647,031</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements (for the year ended 30 June 2009)

1. Rates Revenue

	2009	2008
General Rates	24,276,061	22,687,618
Targeted Rates attributable to activities		
Water	1,748,134	1,586,468
Sewerage	1,595,173	1,110,054
Refuse	1,333,911	1,249,159
Septic Tank Cleaning	41,718	41,460
Rates penalties	189,491	371,648
Total Revenue from Rates	<u>29,184,488</u>	<u>27,046,407</u>

Rates revenue is shown net of rates remissions. Southland District Council's rates remission policy, as set out in the LTCCP, allows the Southland District Council to consider the remission of rates in a number of circumstances. These include land which is voluntarily protected for Natural, Historical or Cultural Conservation purposes, properties that can be, but are not connected to water and sewerage schemes, Sports Associations who have liquor licences and licensed halls owned by General Clubs, Societies or Associations. Remissions will also be considered where extreme financial hardship can be shown or natural calamities. Rates remissions during the year totalled \$318,036 (2008: \$285,740), Rates on non-rateable land is included in these figures.

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water or refuse.

2. Other Revenue

	2009	2008
Regulatory Income	1,465,775	1,495,593
Other Income (including Council's 42% share in Venture Southland)	2,338,666	3,537,637
Provision of Services	701,288	616,867
Rental and Hire Income	611,032	525,845
User Charges	1,191,081	1,210,169
Sales Revenue	354,466	862,599
Fines and Infringements	48,233	30,146
Total Other Revenue	6,710,542	8,278,856

3. Other Gains / (Losses)

	2009	2008
Gain/(Loss) on changes in fair value of forestry assets (note 16)	(399,530)	(383,920)
Gain/(Loss) on disposal of property, plant and equipment	113,798	4,758
Gain/(Loss) on disposal of properties intended for sale	(566)	232,867
Total Gains / (Losses)	(286,298)	(146,295)

4. Other Council Expenditure

	2009	2008
Audit Fee – Southland District Council Annual Report	108,891	104,996
Audit Fee – Venture Southland Group Annual Report	14,906	13,230
Audit Fee – Venture Southland Group IFRS	-	1,260
Audit Fee – IFRS	-	1,893
Audit Fee – LTCCP Amendment	-	6,412
Audit Fee – LTCCP	85,310	-
Operating Lease Costs	311,321	325,615
Change in Provision for Doubtful Debts	-	13,621
Donations	10,183	37,825
Inventories	41,724	21,344
Impairment of Receivables	(29,013)	-
Other	26,275,598	25,604,701
Total Other Expenses	26,818,920	26,130,897

5. Remuneration – Mayor, Councillors and Chief Executive

Chief Executive

The Chief Executive of the Southland District Council appointed under Section 42 of the Local Government Act 2002 received a salary including bonus of \$244,955 (2008: \$223,453).

In terms of his contract, the Chief Executive also received the following additional benefits:

	Cost during the financial year	
	2009	2008
Vehicle (including FBT)	5,172	4,832
Broadband Connection	613	669
Kiwi saver (Council Contribution)	1,038	-

For the year ended 30 June 2009, the total annual cost including fringe benefit tax to the Southland District Council of the remuneration package being received by the Chief Executive is calculated at \$251,778 (2008: \$228,954).

Elected Representatives

	2009	2008
Mayor: Frana Cardno (incl FBT)	79,079	84,679
Drummond B	21,565	24,100
Ridley D*	43,991	37,899
Anderson S*	-	10,172
Copland J*	37,177	37,179
Frew J*	-	11,462
McCallum D	-	5,644
Bailey L*	24,564	23,639
Duffy P*	31,412	27,919
Dillon B	22,248	21,547
Harpur G	22,307	23,158
Dobson R*	23,017	20,936
Goomes P	-	6,862
McPherson G*	24,425	15,298
Douglas J*	29,772	18,079
Ford B	18,294	12,559
Jack W	18,294	12,313
Annual Cost	396,146	393,445

No severance payments were made during the year (2008: Nil).

Remuneration for Councillors who are members of the Council's Resource Management Committee* may be shown as higher than that for other Councillors. This additional remuneration is related to the number of hours that these Councillors spend in hearings and meetings for resource consent applications. These additional costs are recovered from resource consent applicants via a separate Resource Consent Hearing Charge. The per hour fee is set by the Remuneration Authority at \$85 per hour for chairpersons (2008: \$85) and \$68 per hour for members (2008: \$68). Travel reimbursements are included in the above totals where applicable.

6. Taxation

Stewart Island Electrical Supply Authority (SIESA) is a business unit of Council providing power to Stewart Island. It was not set up for the purposes of making a profit but was a tax payer up until the 2005 income year due to specific legislation taxing energy trading operators. This status changed in 2006 due to legislative changes and SIESA is no longer a taxpayer, this was confirmed by the Inland Revenue Department in August 2009.

7. Reconciliation of Cost of Service Statements to Statement of Financial Performance

Actual 2007/2008			Activity	Actual 2008/2009		
Revenue ¹	Expenditure	Surplus/ (Deficit)		Revenue ¹	Expenditure	Surplus/ (Deficit)
700,052	625,079	74,973	Beautification	719,566	676,196	43,370
1,113,632	1,140,158	(26,526)	Building Control	1,257,039	1,310,120	(53,081)
171,254	137,736	33,518	Cemeteries	172,491	143,844	28,647
251,479	241,786	9,693	Civil Defence and Emergency Management	258,192	231,808	26,384
362,832	464,288	(101,456)	Community Centres	415,304	505,215	(89,911)
256,856	272,069	(15,213)	Community Housing	257,991	317,382	(59,391)
3,624,773	3,262,538	362,235	District Support	2,857,371	3,246,473	(389,102)
286,727	247,290	39,437	Dog Control	276,420	289,512	(13,092)
478,679	338,114	140,565	Forestry	(45,040)	486,317	(531,357)
2,895,475	3,276,950	(381,475)	Grants and Donations	2,768,264	2,960,934	(192,670)
362,099	394,575	(32,476)	Health Regulation	374,076	409,617	(35,541)
999,518	1,049,907	(50,389)	Library Service	1,079,920	1,155,186	(75,266)
746,493	520,085	226,408	Other Local Services	495,886	432,288	63,598
447,049	451,648	(4,599)	Parks and Reserve	596,585	484,390	112,195
91,556	129,225	(37,669)	Public Conveniences	99,395	105,920	(6,525)
2,412,255	2,520,084	(107,829)	Representation and Advocacy	2,382,879	2,442,966	(60,087)
961,549	1,079,716	(118,167)	Resource Management	1,160,078	1,221,095	(61,017)
25,543,401	24,682,600	860,801	Roading and Transport	27,390,657	26,459,068	931,589
1,236,945	1,358,261	(121,316)	SIESA	1,199,031	1,186,545	12,486
2,959,586	3,016,904	(57,318)	Solid Waste Management	3,105,921	3,038,547	67,374
986,702	510,071	476,631	Stormwater	735,330	528,776	206,554
967,510	1,020,385	(52,875)	Strategy and Communication	1,095,236	1,127,757	(32,521)
217,500	270,842	(53,342)	Te Anau Airports	194,777	649,828	(455,051)
5,900,098	1,924,279	3,975,819	Wastewater	6,267,404	2,494,023	3,773,381
2,284,963	2,369,962	(84,999)	Water Supply	3,821,691	2,427,825	1,393,866
91,032	87,367	3,665	Work Schemes	51,885	57,651	(5,766)
<u>56,350,015</u>	<u>51,391,919</u>	<u>4,958,096</u>	Total of Activities	<u>58,988,349</u>	<u>54,389,283</u>	<u>4,599,066</u>
2,482,664	2,482,475	189	Plus: 42% Share of Venture Southland	2,155,921	2,112,204	43,716
(1,020,973)	(1,020,973)	-	Less: Venture Intercompany Transactions	(1,057,325)	(1,057,325)	-
<u>57,811,706</u>	<u>52,853,421</u>	<u>4,958,285</u>	Operating Surplus per Statement of Financial Performance	<u>60,086,944</u>	<u>55,444,162</u>	<u>4,642,782</u>

¹ Revenue includes the Forestry Revaluation Gain/(Loss).

8. Changes in Equity and Reserves

Retained earnings

	Balance 2009	Balance 2008
As at 1 July	714,684,139	704,481,830
Transfers to reserves		
Transfers from reserves	1,616,419	5,245,371
Surplus/(deficit) for the year	4,649,964	4,956,938
As at 30 June	<u>720,950,522</u>	<u>714,684,139</u>

Asset Revaluation Reserves

	Balance 2009	Balance 2008
As at 1 July	496,208,466	398,656,995
Revaluation gains/(losses)	38,826,506	97,551,471
As at 30 June	<u>535,034,972</u>	<u>496,208,466</u>

Asset revaluation reserves consist of:

Infrastructural Assets

Sewerage System	12,200,760	7,472,014
Water System	11,547,496	7,068,647
Stormwater System	10,511,099	10,409,857
Roading Network	500,769,317	471,251,648

Other Assets

Artwork	6,300	6,300
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Total

<u>535,034,972</u>	<u>496,208,466</u>
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9. Other Reserves

	Balance 2009	Balance 2008
As at 1 July	18,547,423	23,792,794
Transfers from Retained Earnings	-	-
Transfers to Retained Earnings	(1,616,419)	(5,245,371)
As at 30 June	16,931,004	18,547,423
Reserves consist of :		
<i>General Reserves</i>	20,564,133	20,046,410
<i>Allocation Committees</i>	2,232,550	2,321,522
<i>Venture Southland Reserve Fund</i>	139,240	140,859
<i>Rates Appropriation Reserve</i>	(6,004,919)	(3,961,368)
Total	16,931,004	18,547,423

10. Cash and Cash Equivalents

	2009	2008
Cash at bank and in hand	5,553,261	538,829
Short term deposits and other investments maturing within three months	830,000	4,356,625
Total cash and cash equivalents	6,383,261	4,895,454

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

Refer to note 13 for weighted average effective interest rate for cash and cash equivalents.

A letter of credit has been issued to the ASB Limited by Council's bankers, Bank of New Zealand authorising direct debits for payroll payments. The letter of credit is limited to \$300,000 for any one payment and is indemnified by the Council.

Cash and bank overdrafts include the following for the purposes of the cash flow statement.

11. Trade and Other Receivables

	2009	2008
Rates Receivables	1,399,137	1,450,002
General Receivables	4,443,267	6,949,356
Other Receivables	585,230	1,466,999
Community Loans	-	75,856
Prepayments	197,051	149,838
	<u>6,624,685</u>	<u>10,092,051</u>
Less Provision for Doubtful Debts	(157,041)	(177,388)
Net Trade and Other Receivables	<u>6,467,645</u>	<u>9,914,663</u>

12. Inventories

	2009	2008
Properties Intended for Sale	179,580	181,480
Roading	56,109	66,039
Other	165,427	197,221
	<u>401,116</u>	<u>444,740</u>

The carrying amount of inventories held for consumption that are measured at current replacement cost as at 30 June 2009 amounted to \$221,536 (2008: \$263,260). The carrying amount of inventories pledged as security for liabilities is nil (2008: Nil). The carrying amount of property intended for sale that are measured at cost as at 30 June 2009 amounted to \$179,580 (2008: \$181,480).

13. Other Financial Assets

	2009	2008
<u>Current Portion</u>		
<i>Loans and Receivables</i>		
External loans with maturities 4-12 months	1,219	1,590
<i>Fair value through equity</i>		
Investments with maturities of 4-12 months	1,901,127	2,260,024
<i>Total Current Portion</i>	<u><u>1,902,346</u></u>	<u><u>2,261,614</u></u>
<u>Non-Current Portion</u>		
<i>Loans & Receivables</i>		
External Loans with maturities greater than 1 year	8,984	7,246
<i>Fair value through equity</i>		
Investments with maturities greater than 1 year	1,000,000	4,058,499
<i>Investments carried at cost</i>		
Shares in Civic Assurance	13,715	13,715
Shares in Milford Sound Development Authority	2,000	2,000
<i>Total Non-Current Portion</i>	<u><u>1,024,699</u></u>	<u><u>4,081,460</u></u>
Total Other Financial Assets	<u><u>2,927,045</u></u>	<u><u>6,343,074</u></u>

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Maturity Analysis and Effective Interest Rates

This analysis is for short term deposits and other investments held with banking institutions, government stock or company bonds and incorporate the following:

	Short term deposits	Other Term deposits	Stocks & Bonds	Total 2009	Short term deposits	Other Term deposits	Stocks & Bonds	Total 2008
Short term deposits with maturities 3 months or less *	830,000	-	-	830,000	2,141,245	-	-	2,141,245
<i>weighted average effective interest rate</i>	1.335%	-	-	-	8.24%	-	-	-
Short term deposits with maturities of 4 - 12 months*	-	-	-	-	-	-	-	-
<i>weighted average effective interest rate</i>	-	-	-	-	-	-	-	-
Investments maturing within 3 months or less	-	-	-	-	-	1,220,000	995,380	2,215,380
<i>weighted average effective interest rate</i>	-	-	-	-	-	5.25%	7.25%	-
Investments maturing within 4 - 12 months	-	520,000	1,381,127	1,901,127	-	250,000	2,010,024	2,260,024
<i>weighted average effective interest rate</i>	-	4.75%	6.64%	-	-	9.00%	6.48%	-
Investments maturing after 1 year but less than 5 years	-	-	1,000,000	1,000,000	-	-	4,058,499	4,058,499
<i>weighted average effective interest rate</i>	-	-	8.23%	8.23%	-	-	7.78%	-
	830,000	520,000	2,381,127	3,731,127	2,141,245	1,470,000	7,063,903	10,675,148

*These short term deposits and investments are included in cash and cash equivalents (refer to note 10).

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14. Property, Plant and Equipment

2008/2009	Cost/ Revaluation 1-Jul-08	Current Year Additions	Vested Assets	Current Year Disposals	Current Year Revaluation	Cost/ Revaluation 30-Jun-09	Accumulated Depreciation And Impairment Charges 1-Jul-08	Current Year Depreciation	Current Year Disposals	Revaluation Reserve	Accumulated Depreciation And Impairment Charges 30-Jun-09	Carrying Amount 30-Jun-09	Carrying Amount 1-Jul-08
Operational Assets													
Art	66,626	2,204	-	(2,500)	-	66,330	-	-	-	-	-	66,330	66,626
Buildings	13,043,284	170,864	-	(87,200)	-	13,126,949	(3,973,986)	(324,180)	28,970	-	(4,269,197)	8,857,752	9,069,297
EDP Hardware	1,046,501	179,214	-	(72,209)	-	1,153,505	(475,508)	(297,269)	72,209	-	(700,567)	452,938	570,993
Furniture and Fittings	1,003,430	40,017	-	-	-	1,043,447	(821,231)	(48,004)	-	-	(869,235)	174,212	182,199
Improvements	3,240,842	277,112	-	(200)	-	3,517,754	(1,455,683)	(275,779)	200	-	(1,731,262)	1,786,492	1,785,157
Land	10,458,570	23,320	-	(8,478)	-	10,473,412	-	-	-	-	-	10,473,412	10,458,570
Library	1,643,423	171,056	-	(171,405)	-	1,643,074	(857,331)	(148,373)	171,405	-	(834,299)	808,775	786,092
Motor Vehicles	1,952,815	391,100	-	(500,828)	-	1,843,087	(1,040,867)	(260,162)	403,299	-	(897,730)	945,357	966,276
Office Equipment	759,234	10,381	-	(3,312)	-	766,303	(501,438)	(115,241)	2,635	-	(614,044)	152,259	259,738
Other Equipment	425,254	27,831	-	-	-	453,086	(258,566)	(17,801)	-	-	(276,368)	176,718	164,747
Other Plant	272,468	800	-	-	-	273,268	(218,141)	(10,770)	-	-	(228,911)	44,357	-
SCADA *	-	-	-	-	-	-	-	-	-	-	-	-	1,482
Landfill Sites	115,298	-	-	-	-	115,298	(115,298)	-	-	-	(115,298)	-	-
Transfer Stations	450,128	-	-	-	-	450,128	(209,413)	(45,013)	-	-	(254,426)	195,702	240,715
	34,477,873	1,293,900	-	(846,132)	-	34,925,641	(9,927,462)	(1,542,592)	678,718	-	(10,791,336)	24,134,305	24,551,892
Infrastructural Assets at Valuation													
Bridges	89,979,786	945,901	-	-	(806,779)	90,118,907	-	(1,512,398)	-	1,512,398	-	90,118,907	89,979,785
Footpaths	18,001,531	244,742	276,830	-	485,809	19,008,912	-	(519,686)	-	519,686	-	19,008,912	18,001,531
Sewerage Systems *	36,751,085	5,659,801	379,817	-	3,645,269	46,435,971	(8,568)	(1,074,909)	-	1,083,477	-	46,435,971	36,742,023
Water Systems *	23,637,967	2,524,575	389,343	-	3,152,631	29,704,515	(522,873)	(803,345)	-	1,326,218	-	29,704,515	23,114,107
Stormwater Systems	14,587,948	229,389	224,226	-	(325,364)	14,716,199	-	(426,606)	-	426,606	-	14,716,199	14,587,947
Unsealed Roads	374,667,988	3,391,885	-	-	7,625,314	385,685,188	-	(2,973,095)	-	2,973,095	-	385,685,188	374,667,988
Sealed Roads	624,412,325	11,419,859	1,984,011	-	8,106,662	645,922,858	-	(8,603,200)	-	8,603,200	-	645,922,858	624,412,325
Street Lighting	1,309,856	9,190	-	-	(353,482)	965,564	(790,181)	(61,585)	-	851,766	-	965,564	-
	1,183,348,486	24,425,342	3,254,227	-	21,530,060	1,232,558,115	(1,321,622)	(15,974,824)	-	17,296,446	-	1,232,558,115	1,181,505,706
Infrastructural Assets at Cost													
Marine	477,155	50,940	-	-	-	528,094	(174,080)	(17,176)	-	-	(191,256)	336,838	4,134,479
Runways	4,406,515	322,030	-	-	-	4,728,545	(272,036)	(448,753)	-	-	(720,789)	4,007,755	519,675
	4,883,670	372,969	-	-	-	5,256,639	(446,116)	(465,929)	-	-	(912,046)	4,344,593	4,957,229
Total SDC	1,222,710,028	26,092,212	3,254,227	(846,132)	21,530,060	1,272,740,395	(11,695,201)	(17,983,345)	678,718	17,296,446	(11,703,382)	1,261,037,013	1,211,014,827

*Scada equipment is now included with the sewerage and water systems assets.

Subsidiaries Property, Plant and Equipment

2008/2009	Cost/ Revaluation 1-Jul-08	Current Year Additions	Vested Assets	Current Year Disposals	Revaluation	Cost/ Revaluation 30-Jun-09	Accumulated Depreciation And Impairment Charges 1-Jul-08	Current Year Depreciation	Current Year Disposals	Revaluation Reserve	Accumulated Depreciation And Impairment Charges 30-Jun-09	Carrying Amount 30-Jun-09	Carrying Amount 1-Jul-08
SIESA													
Buildings	748,561	-	-	-	-	748,561	(163,892)	(10,103)	-	-	(173,995)	574,566	584,669
Land	61,000	-	-	-	-	61,000	-	-	-	-	-	61,000	61,000
Motor Vehicles	66,262	-	-	-	-	66,262	(31,408)	(10,475)	-	-	(41,883)	24,379	34,854
Electrical Generation Plant	3,043,824	52,647	-	(4,790)	-	3,091,681	(2,282,245)	(129,868)	2,352	-	(2,409,761)	681,920	761,579
SIESA Total	3,919,647	52,647	-	(4,790)	-	3,967,504	(2,477,545)	(150,446)	2,352	-	(2,625,639)	1,341,865	1,442,102
Venture Southland													
Furniture and Fittings	91,476	1,023	-	-	-	92,499	(69,457)	(15,732)	-	-	(85,189)	7,310	22,019
Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	8,261	-	-	-	-	8,261	(4,301)	(718)	-	-	(5,019)	3,242	3,960
Other Equipment	9,268	415	-	-	-	9,683	(3,940)	(1,217)	-	-	(5,157)	4,526	5,328
Setup Cost	41,596	-	-	-	-	41,596	(40,811)	(283)	-	-	(41,094)	502	785
Building	8,400	-	-	-	-	8,400	(70)	(420)	-	-	(490)	7,910	8,330
Venture Sthland Charitable Trus	21,490	-	-	-	-	21,490	(4,528)	(1,515)	-	-	(6,043)	15,447	16,962
Venture Southland Total	180,491	1,438	-	-	-	181,929	(123,107)	(19,885)	-	-	(142,992)	38,937	57,384
Total SIESA & Venture	4,100,138	54,085	-	(4,790)	-	4,149,433	(2,600,652)	(170,331)	2,352	-	(2,768,631)	1,380,802	1,499,486
TOTAL GROUP	1,226,810,169	26,146,297	3,254,227	(850,922)	21,530,060	1,276,889,828	(14,295,856)	(18,153,676)	681,070	17,296,446	(14,472,014)	1,262,417,814	1,212,514,313

2007/2008	Cost/ Revaluation 1-Jul-07	Current Year Additions	Vested assets	Current Year Disposals	Revaluation	Cost/ Revaluation 30-Jun-08	Accumulated Depreciation and Impairment Charges 1-Jul-07	Current Year Depreciation	Current Year Disposals	Revaluation Reserve	Accumulated Depreciation and Impairment Charges 30-Jun-08	Carrying Amount 30-Jun-08	Carrying Amount 1-Jul-07
Operational Assets													
Art	66,626	-	-	-	-	66,626	-	-	-	-	-	66,626	66,626
Buildings	11,342,849	1,768,728	-	(68,293)	-	13,043,284	(3,694,458)	(290,651)	11,122	-	(3,973,987)	9,069,297	7,648,391
EDP Hardware	1,508,381	87,730	-	(549,610)	-	1,046,501	(787,049)	(238,069)	549,610	-	(475,508)	570,993	721,332
Furniture and Fittings	939,376	64,054	-	-	-	1,003,430	(773,660)	(47,571)	-	-	(821,231)	182,199	165,716
Improvements	3,125,082	126,640	-	(10,878)	-	3,240,844	(1,168,512)	(287,175)	-	-	(1,455,687)	1,785,157	1,956,570
Land	5,922,302	4,538,268	-	(2,000)	-	10,458,570	-	-	-	-	-	10,458,570	5,922,302
Library	1,635,692	168,663	-	(160,932)	-	1,643,423	(880,248)	(138,015)	160,932	-	(857,331)	786,092	755,444
Motor Vehicles	2,172,610	214,048	-	(161,373)	-	2,225,285	(1,077,602)	(289,891)	108,484	-	(1,259,009)	966,276	1,095,008
Office Equipment	726,145	47,555	-	(11,806)	-	761,894	(386,347)	(122,591)	6,782	-	(502,156)	259,738	339,798
Other Equipment	389,774	32,821	-	-	-	422,595	(245,046)	(12,802)	-	-	(257,848)	164,747	144,728
SCADA	532,922	-	-	-	-	532,922	(530,322)	(1,118)	-	-	(531,440)	1,482	2,600
Landfill Sites	115,298	-	-	-	-	115,298	(115,298)	-	-	-	(115,298)	-	-
Transfer Stations	450,128	-	-	-	-	450,128	(164,400)	(45,013)	-	-	(209,413)	240,715	285,728
	28,927,185	7,048,507	-	(964,892)	-	35,010,800	(9,822,942)	(1,472,896)	836,930	-	(10,458,908)	24,551,892	19,104,243
Infrastructural Assets at Valuation													
Bridges	85,779,141	210,235	-	-	3,990,409	89,979,785	-	(1,500,500)	-	1,500,500	-	89,979,785	85,779,141
Footpaths	17,312,988	205,538	379,746	-	103,259	18,001,531	-	(486,883)	-	486,883	-	18,001,531	17,312,988
Sewerage Systems	34,679,220	5,256,003	250,373	-	(3,443,573)	36,742,023	-	(962,858)	-	962,858	-	36,742,023	34,679,220
Water Systems	26,506,733	806,451	373,240	-	(4,572,317)	23,114,107	-	(677,231)	-	677,231	-	23,114,107	26,506,733
Stormwater Systems	14,424,695	59,181	415,000	-	(310,929)	14,587,947	-	(419,527)	-	419,527	-	14,587,947	14,424,695
Unsealed Roads	354,363,161	3,077,772	-	-	17,227,055	374,667,988	-	(2,825,988)	-	2,825,988	-	374,667,988	354,363,161
Sealed Roads	542,649,298	10,945,261	1,531,646	-	69,286,120	624,412,325	-	(8,398,459)	-	8,398,459	-	624,412,325	542,649,298
	1,075,715,236	20,560,441	2,950,005	-	82,280,024	1,181,505,706	-	(15,271,446)	-	15,271,446	-	1,181,505,706	1,075,715,236
Infrastructural Assets at Cost													
Marine	477,155	-	-	-	-	477,155	(160,471)	(13,609)	-	-	(174,080)	303,075	316,684
Runways	2,403,253	2,003,262	-	-	-	4,406,515	(137,145)	(133,269)	(1,622)	-	(272,036)	4,134,479	2,266,108
Street Lighting	1,299,093	10,762	-	-	-	1,309,855	(688,793)	(101,387)	-	-	(790,180)	519,675	610,300
	4,179,501	2,014,024	-	-	-	6,193,525	(986,409)	(248,265)	(1,622)	-	(1,236,296)	4,957,229	3,193,092
Total SDC	1,108,821,922	29,622,972	2,950,005	(964,892)	82,280,024	1,222,710,031	(10,809,351)	(16,992,607)	835,308	15,271,446	(11,695,204)	1,211,014,827	1,098,012,571

Subsidiaries Property, Plant and Equipment

SIESA													
Buildings	735,951	12,610	-	-	-	748,561	(154,063)	(9,829)	-	-	(163,892)	584,669	581,888
Land	61,000	-	-	-	-	61,000	-	-	-	-	-	61,000	61,000
Motor Vehicles	72,190	7,700	-	(13,628)	-	66,262	(37,618)	(5,251)	11,461	-	(31,408)	34,854	34,572
Electrical Generation Plant	3,014,966	28,858	-	-	-	3,043,824	(2,102,956)	(179,289)	-	-	(2,282,245)	761,579	912,010
SIESA Total	3,884,107	49,168	-	(13,628)	-	3,919,647	(2,294,637)	(194,369)	11,461	-	(2,477,545)	1,442,102	1,589,470
Venture Southland													
Furniture and Fittings	91,618	1,651	-	(1,793)	-	91,476	(51,025)	(20,225)	1,793	-	(69,457)	22,019	40,593
Plant and Equipment	1,470	-	-	(1,470)	-	-	(754)	(716)	1,470	-	-	-	716
Office Equipment	5,485	2,776	-	-	-	8,261	(3,231)	(1,070)	-	-	(4,301)	3,960	2,254
Other Equipment	7,686	1,582	-	-	-	9,268	(2,779)	(1,161)	-	-	(3,940)	5,328	4,907
Setup Cost	41,596	-	-	-	-	41,596	(40,527)	(284)	-	-	(40,811)	785	1,069
Building	-	8,400	-	-	-	8,400	-	(70)	-	-	(70)	8,330	-
Venture Sthland Charitable Trust	21,490	-	-	-	-	21,490	(3,013)	(1,515)	-	-	(4,528)	16,962	18,477
Venture Southland Total	169,345	14,409	-	(3,263)	-	180,491	(101,329)	(25,041)	3,263	-	(123,107)	57,384	68,016
Total SIESA & Venture	4,053,452	63,577	-	(16,891)	-	4,100,138	(2,395,966)	(219,410)	14,724	-	(2,600,652)	1,499,486	1,657,486
TOTAL GROUP	1,112,875,374	29,686,549	2,950,005	(981,783)	82,280,024	1,226,810,169	(13,205,317)	(17,212,017)	850,032	15,271,446	(14,295,856)	1,212,514,313	1,099,670,057

Urban Portions of the State Highway Network

The ownership of urban portions of the State Highway network is unclear although there is legal opinion indicating that the ownership rests with local authorities. NZ Transport Agency maintains these highways in their entirety without any costs accruing to local authorities.

As a consequence, even if ownership resides with local authorities, in practice NZ Transport Agency controls the economic resources. Pending clarification of ownership and further consideration of the accounting issues that may arise, the Southland District Council has not recognised the urban portion of the State Highway network as an asset in these financial statements.

15. Intangible Assets

Computer Software

	2009	2008
Opening Cost at 1 July	1,628,844	1,572,904
Additions	41,994	55,940
Disposals	(20,380)	-
Closing cost at 30 June	1,650,458	1,628,844
Accumulated amortisation and impairment	(1,175,476)	(1,016,125)
Net Book Value at 30 June	474,983	612,719

16. Forestry Assets

	2009	2008
Balance at 1 July	9,857,720	10,241,640
Increase due to purchases	-	-
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to physical changes and price changes	(45,064)	478,679
Decrease due to sales	(354,466)	(862,599)
Balance at 30 June	9,458,190	9,857,720

Southland District Council owns 1,516 hectares (2008: 1,472) of forest located in four areas: Dipton, Gowan Hill, Ohai and Waikaia, which are managed as one forest. The predominant species grown in these four blocks is radiata pine followed by Douglas fir, eucalyptus, and macrocarpa. The ages of the species range from trees planted in 2008 to 31 years.

Independent registered valuer Heath Management Services Ltd. has reviewed the valuation of the forestry assets prepared by Council staff and confirmed that the valuation is fair and reasonable and reflects the expected current market value in a willing buyer - willing seller transaction as of 30 June 2009. Pre-tax discount rates of 8.3% to 9.2% (2008: 8.3% to 9.2%) have been used in discounting the present value of expected cashflows. The valuation does not take into account any value added from future carbon credit trading under the Central Government's proposed Emissions Trading Scheme for Forestry.

Financial Risk Management Strategies

The normal risks to forests in New Zealand are assumed to be incorporated into the discount rates chosen for the valuation. Forest fire is covered by way of insurance and the annual premiums are included as a part of the overhead costs.

17. Investments in Associates

Southland District Council has a 21% interest in Crops for Southland through its joint venture, Venture Southland, which owns 50% of Crops for Southland. Crops for Southland is a research and development entity with a balance sheet date of 30 June.

	2009	2008
Balance at 1 July	6,245	7,592
Share of Associate's Deficit	(68)	(1,347)
Balance at 30 June	<u>6,178</u>	<u>6,245</u>

Summarised financial information of Crops for Southland is as follows:

	2009	2008
Assets	30,840	34,589
Liabilities	1,422	4,850
Revenues	1,932	9,842
Surplus/(deficit)	34,200	(4,711)

Associates Contingencies:

Details of any contingent liabilities arising from the Council's involvement in the associate are disclosed separately in note 28.

18. Trade and Other Payables

	2009	2008
Trade Payables	4,798,391	5,067,600
Accrued Expenses	477,595	838,017
Other Payables	415,218	370,144
Total Trade and Other Payables	<u>5,691,205</u>	<u>6,275,761</u>

19. Employee Benefit Liabilities

	2009	2008
Long Service Leave	41,186	49,848
Retirement Gratuity	194,350	178,464
Retirement Leave	203,966	191,714
Long Service Leave	74,800	57,528
Holiday Pay Accrual	1,128,764	945,729
Wages Accrual	316,592	259,727
Total Employment Entitlements	<u>1,959,658</u>	<u>1,683,010</u>
Made up of:		
Current Portion	1,520,156	1,262,984
Non-Current Portion	439,502	420,026
	<u>1,959,658</u>	<u>1,683,010</u>

20. Development and Financial Contributions

	2009	2008
Roading Contributions	428,380	407,912
Sewerage Contributions	308,999	205,004
Water Contributions	227,816	601,183
Reserves Contributions	704,656	289,391
Lump Sum Contributions	38,889	30,000
Total Development and Financial Contributions	<u>1,708,739</u>	<u>1,533,490</u>

21. Borrowings

	2009	2008
Current		
BNZ Bank Advance Facility	5,000,000	4,000,000
Lease Liabilities	299,054	365,285
Share of Venture Southland Loan - ICC	-	31,500
	<u>5,299,054</u>	<u>4,396,785</u>

Non-Current		
Lease Liabilities	89,850	235,289
	<u>89,850</u>	<u>235,289</u>

<u>Finance Lease Liabilities</u>	2009	2008
Total minimum lease payments are payable:		
Not later than one year	334,911	410,051
Later than one and not later than five years	98,253	271,430
Later than five years	(44,260)	-
	<u>388,904</u>	<u>681,481</u>
Future finance charges	-	(80,907)
Present value of minimum lease payments	<u>388,904</u>	<u>600,574</u>

Present value of minimum lease payments are payable:		
Not later than one year	299,054	365,285
Later than one and not later than five years	89,850	235,289
Later than five years	-	-
Total	<u>388,904</u>	<u>600,574</u>

Southland District Council has entered into finance leases for computer equipment and photocopiers. The net carrying amount of these leased assets are included within the relevant class of property, plant, and equipment per note 14.

Note:

Internal loans total \$15,938,731 (2008: \$11,687,484). These loans are not represented in the Statement of Financial Position. The interest rate applied to these loans was 7.57% (2008: 7.47%). A summary of these internal loans follows:

	Balance 2008	New Advances	Principal Paid	Balance 2009
Elderly Persons Housing	93,003	-	(20,704)	72,299
Five Rivers Ward	85,740	-	(6,927)	78,813
Riverton/Aparima Community Board	555,633	512,708	(521,422)	546,919
Te Anau Community Board	865,609	-	(64,536)	801,073
Wallace Community Board	350,355	-	(51,692)	298,663
Winton Community Board	988,073	125,000	(34,838)	1,078,235
Stewart Island Community Board	180,802	-	(45,408)	135,394
Roading	2,191,083	3,515,611	(2,191,083)	3,515,611
Sewerage - Gorge Road	38,488	-	(2,054)	36,434
Sewerage - Stewart Island	569,878	-	(47,928)	521,950
Sewerage - District Wide	1,772,923	2,188,001	(96,529)	3,864,395
Sewerage – Wallacetown	668,690	-	(91,067)	577,623
Sewerage - Te Anau	3,184,204	86,289	(52,639)	3,217,854
Sewerage – Tuatapere	-	1,185,800	(114,129)	1,071,671
Information Management Business Unit	35,799	-	(11,050)	24,749
Civil Defence	107,204	-	(10,156)	97,048
	<u>11,687,484</u>	<u>7,613,409</u>	<u>(3,362,162)</u>	<u>15,938,731</u>

22. Provisions

Non-Current provisions are represented by:

	2009	2008
Landfill aftercare provision Opening Balance	290,025	300,715
Unused amounts reversed during the year	(171,864)	(10,690)
Closing Balance	<u>118,161</u>	<u>290,025</u>
Current	24,500	24,500
Non-Current	93,661	265,525
Closing Balance	<u>118,161</u>	<u>290,025</u>

All Southland District Council landfill sites have been closed. The Council has a responsibility, under the various consents, to provide ongoing maintenance and monitoring of the sites after they are closed. There are closure and post closure responsibilities such as the following:

Closure Responsibilities

- Final cover application and vegetation.
- Incremental drainage control features.
- Completing facilities for leachate collection and monitoring.
- Completing facilities for water quality monitoring.

Post Closure Responsibilities

- Treatment and monitoring of leachate.
- Ground water and surface monitoring.
- Implementation of remedial measures such as cover and control systems.
- Ongoing site drainage and final cover and vegetation.

The cash outflows for post closure costs are expected to occur until 2025. The long-term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. For instance, some sites may not be required to be continually monitored for the full 20 years, if the results are found to be within appropriate levels. The provision has been estimated taking this into account and is discounted using a discount rate of 5%.

23. Joint Venture

The Council has a 42% participating interest in Venture Southland a joint committee of Council. The principal activity of Venture Southland is to promote a coordinated approach to economic development in Southland.

The Council's interest in the joint venture is disclosed in the financial statements under the classifications shown below:

	2009	2008
Share of Income	2,155,921	2,482,664
Share of Expenses	<u>(2,112,204)</u>	<u>(2,482,475)</u>
Share of Deficit	<u>50,899</u>	<u>189</u>
Share of:		
Current Assets	805,941	948,918
Non-Current Assets	48,705	74,901
Current Liabilities	<u>(573,672)</u>	<u>(786,311)</u>
Equity	<u>280,974</u>	<u>237,508</u>

Details of joint initiative commitments and contingencies are disclosed in their respective notes. The Venture Southland Financial Statements include Venture Southland Charitable Trust which has been consolidated on a line by line basis.

24. Reconciliation between the Net Surplus (from the Statement of Financial Performance) and Net Cash from Operating Activities (from the Statement of Cash Flows)

	2009	2008
Surplus/(Deficit) after Tax	4,649,964	4,956,938
<u>Add Non Cash Items</u>		
Share of Associate Surplus/(Deficit)	68	1,347
Depreciation and Amortisation	18,333,407	17,434,112
Increase (Decrease) in Deferred Taxation	-	-
Vested Assets	(3,254,228)	(2,950,005)
Forestry Revaluation	399,530	383,920
<u>Add(Less) Movements in Working Capital Items</u>		
Trade and Other Receivables	2,487,554	(2,310,343)
Interest Receivable	113,350	244,814
Inventories, Work in Progress	43,308	(13,075)
Trade and Other Payables	(288,187)	1,675,965
Net GST	862,403	(690,270)
Income Tax (Payable)/Refundable	-	20,190
<u>Other</u>		
Movement in Employee Benefit Liabilities	19,476	48,228
(Gains)/Losses on Disposal of Property, Plant and Equipment	(113,798)	(4,758)
Movement in Provision for Decommissioning	(171,864)	(10,690)
Movement in Development Contributions	(588,129)	(1,286,058)
Net Cash Inflow/(Outflow) from Operating Activities	<u>22,492,854</u>	<u>17,500,315</u>

25. Financial Instruments

The Council has a series of policies providing risk management for interest rates and the concentration of credit risk. The Council is risk averse and seeks to minimise exposure from its treasury activities. The Council has established a treasury policy specifying what transactions can be entered into. The policy does not allow any transactions that are speculative in nature to be entered into.

- **Fair Value Interest Rate Risk**

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return from an investment. The Council's exposure to fair value rate risk is limited to its short term bank deposits at floating interest rates and a bank advance facility.

The interest rates on the Council's investments are disclosed in note 13. There are no interest rate options or interest rate swap agreements in place at 30 June 2009. (2008: Nil).

Sensitivity analysis

The table below illustrates the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on the Council's financial exposures at the balance date.

Interest Rate Risk	2009 \$000		2008 \$000	
	-100 bps	+100 bs	-100 bs	+100 bs
Cash and Cash Equivalents	-	-	-	-
Borrowings	-	-	-	-

Explanation of Sensitivity Analysis

Cash and cash equivalents include short term deposits at call totaling \$830,000 (2008: \$2,141,245) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$8,300 (2008: \$21,000). However, no interest income has been included in the financial statements for these deposits due to their on-call nature and the uncertainty surrounding the balance that will reach maturity. Therefore, the potential profit and loss exposure per the above table is nil.

The 42% share of Venture borrowings is interest free and therefore a movement in interest rates has no effect on interest expense. As the bank advance facility of \$5,000,000 (2008: \$4,000,000) was drawn down on 30 June 2009 there is no interest expense in the 2008/2009 financial year. Therefore, a movement in interest rates of plus or minus 1.0% has a nil potential effect on interest expense (2007: Nil). All other borrowings are finance leases with fixed interest rates.

- **Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Authority has minimal transaction in the overseas market therefore the exposure to this risk is very low.

- *Credit Risk*
Credit risk is the risk that a third party will default on its obligations to the Council causing the Council to incur a loss.

The Southland District Council has minimal credit risk in its holdings of various financial instruments. These financial instruments include bank balances and company bonds.

The Council limits the amount of credit exposure to any one institution by using a risk weighting methodology based on Standard and Poors credit ratings.

In the normal course of business the Council incurs credit risk with both general and rates debtors. The Council has approved a credit control policy to monitor and manage its exposure to this credit risk and has special legislative powers to collect rates.

The Council's maximum exposure to each class of financial instruments is as follows:

	Note	2009	2008
Cash and Cash Equivalents	10	6,383,261	4,895,454
Trade and Other Receivables	11	6,467,645	9,914,663
Other Financial Assets (excluding shares in companies)	13	2,911,330	6,327,359
Total Credit Risk		<u>15,762,236</u>	<u>21,137,476</u>

- *Liquidity Risk*
Liquidity risk is the risk that the Council will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, and the ability to access investment funds whenever necessary.

Contractual maturity analysis of financial assets and liabilities

The table below analyses the Council's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Note	Less than 1 Year	1 – 2 Years	2 – 5 Years	Total 2009
Financial Assets					
Cash and Cash Equivalents	10	6,383,261			6,383,261
Trade and Other Receivables	11	6,467,645			6,467,645
Other Financial Assets (excluding shares in companies)	13	1,902,346	1,008,984		2,911,330
Financial Liabilities					
Trade and Other Payables	18	5,691,205			5,691,205
Borrowings	21	5,299,054	89,850		5,388,904

	Note	Less than 1 Year	1 – 2 Years	2 – 5 Years	Total 2008
Financial Assets					
Cash and Cash Equivalents	10	4,895,454	-	-	4,895,454
Trade and Other Receivables	11	9,914,663	-	-	9,914,663
Other Financial Assets (excluding shares in companies)	13	2,261,614	4,065,745	-	6,327,359
Financial Liabilities					
Trade and Other Payables	18	6,275,761	-	-	6,275,761
Borrowings	21	4,396,785	235,289	-	4,632,074

26. Related Parties

The Council has a 42% interest in Venture Southland and carried out the following transactions with this related party:

	2009	2008
<i>Venture Southland</i>		
Interest paid to SDC	66,407	47,834
Funding provided by SDC	1,621,095	1,827,835
Services provided by SDC	211,526	555,219
Accounts payable to SDC	757,268	1,484,994
Accounts receivable from SDC	7,031	7,396

During the year Councillors and key management, as part of a normal customer relationship, were involved in transactions with the Council. These transactions related to normal type transactions in the normal course of business for such things as rates, and other fees and charges that are charged by Council in its day-to-day operations. In addition, during the year land was sold to a Councillor at market rate. No other transactions occurred between Councillors, key management and Council.

	2009	2008
<i>Key Management Personnel</i>		
Salaries and other short term employee benefits	1,131,032	1,013,065
Post employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-

Key management personnel include the Mayor, Councillors, Chief Executive, Group Manager Customer and Financial Services, Group Manager Regulatory Services, Group Manager Services and Assets.

27. Events After Balance Date

No significant events have taken place after balance date (2008: Nil).

28. Statement of Contingencies

Contingencies as at 30 June 2009

A contingency represents future expenditure that either:

- May, or may not, be expended, in part or in full, at some future date; or
- Future expenditure that will be incurred at a future date, but which is unable to be quantified at this time.

Contingent Liabilities

(a) Guarantees

There are no guarantees as at 30 June 2009 (2008: Nil).

(b) Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done. At the date of this report there were several matters under this Act indicating potential liabilities to Council of \$203,500 (2008: \$100,000). These potential claims have been brought to the Southland District Council insurer's attention. No action has been taken by any claimant to date.

(c) Riverton Focal Point

In addition to the above, a claim has been lodged against the Southland District Council regarding the matter of wheelchair accessibility to the Riverton Focal Point viewing platform. As a result of this claim, Council has altered the platform to include a wheelchair lift. The total approximate cost of the lift is \$48,000 of which \$22,525 was incurred in 2008/2009 and the balance will be expended in 2009/2010 (2008: cost estimated at \$10,000).

(d) Unquantified Claims

The Weathertight Homes Resolution Service (WHRS) receives claim applications and provides mediation services to resolve leaky home disputes as an alternative to the courts. Included in the Building Act potential liability noted in (b) above are potentially for Weathertight Home claims. However, as of 30 June 2009 (2008: Nil), no claims have been lodged with the WHRS against the Council. If, in future, there are claims against Council, it is expected the successful claims will be substantially covered under the Southland District Council's insurance policies.

(e) Call on Council Mutual Insurance Fund – Riskpool

Council is a member of a mutual liability fund, Riskpool. This organisation was established in 1997 to provide councils with commercial insurance options for risk issues facing them. With the number of claims facing local authorities on the weather tightness of homes the fund has been depleted to a level that has resulted in a call being made on members. Council's share of this call is \$22,898 and was made in September 2009. Riskpool have also indicated a further call will be made on Council in 2010, however the amount of this has not been quantified.

(f) Joint Venture Contingent Liabilities

Venture Southland does not have any contingent liabilities as at 30 June 2009 (2008: Nil).

Contingent Assets

Due to the additional roading expenditure incurred during the 2008/2009 year a potential contingent asset exists in regards to the NZ Transport Agency's share (subsidy). This share has been estimated at approximately \$1 million (2008: Nil).

29. Capital Commitments and Operating Leases

A commitment exists where the Council has entered into contracts but the goods and/or services have not been provided by balance date.

	2009	2008
Capital Commitments		
Commitments for capital expenditure contracted, but not provided for	2,992,991	7,380,100
	<u>2,992,991</u>	<u>7,380,100</u>
Operating Commitments		
Commitments for non-cancellable operating leases and other operating commitments		
Not later than one year	3,772,356	4,321,446
Later than one year and not later than two years	113,450	94,020
Later than two years and not later than five years	113,263	197,690
	<u>3,999,069</u>	<u>4,613,156</u>
Other Commitments		
Iwi Funding	31,701	33,934
Riverton Heritage and Tourist Centre	-	68,640
Regional Heritage	366,085	350,464
	<u>397,786</u>	<u>453,038</u>

The Council has agreed to fund the other commitments in the 2009/2010 financial year, subject to certain criteria being met.

Related Party Commitments

Venture Southland has a commitment in regards to costs not yet incurred against self funding projects where the full income associated with the project has either been received or accrued in the accounts to June 2009. In particular, these relate to the self funded projects financed from the Community Trust. The commitment associated with these projects is estimated to be \$359,069 (2008: \$298,340).

30. Explanation of Major Variances against Budget

Statement of Financial Performance

	Note	2009
Income (excluding Asset Development Revenue)	(a)	(2,276,162)
Asset Development Revenue		
Vested Assets	(b)	1,739,262
Development and Financial Contributions	(b)	(269,474)
MOH Subsidies	(b)	(4,608,154)
Scheme Capital Recoveries	(b)	(2,791,644)
Expenditure	(c)	1,496,992
Net impact of variance on Surplus / (Deficit) after tax		(9,703,164)

Explanatory notes – Financial Performance

(a) Income

Income was \$2.3 million less than budgeted mainly due to the following factors.

It was anticipated that the old Te Anau airport (Waiiau) would be sold during the year however due to consultation with ratepayers, the process of decommissioning the airport and current market conditions this did not occur resulting in \$3 million less in revenue.

A change in the roading programme resulted in an increase in the NZ Transport Agency subsidy received of \$900,000.

Actual income includes an unbudgeted 42% share of Venture Southland's income contributing \$1.4 million (2008: \$1.4 million) to Council.

Budgeted interest income consists of internal and external interest, however, the actual external income received was only \$0.7 million. For the purposes of the Annual Report, actual internal interest income is offset against operating expenditure.

Project fees charged internally were budgeted as external revenue (\$0.5 million).

Forestry income is lower than budget due to the timing of the harvest, lower log prices and lower tender quantities.

(b) Asset Development Revenue

When compiling the Annual Plan a number of assumptions were made in regards to when developments requiring resource consents would be started or completed and the value of contributions or infrastructure assets vested in Council would be received. This has affected Vested Assets and Development and Financial Contributions as described below.

Vested Assets

A higher number of subdivision developments completed during the year and higher valuation of roading vested assets has resulted in \$1.7 million of additional assets given to Council than expected.

Development and Financial Contributions

Development and Financial contributions are contributions which are paid to the Council where a development (such as a subdivision) generates a demand for infrastructure (such as water and wastewater or reserves). They aim to collect the costs of capital projects, which are planned or have been undertaken, from those that are creating the demand. The budget estimated the amount of contributions revenue for the year based on the amount of planned demand capital projects. The number and cost of demand capital projects during the year were less than anticipated therefore the related revenue is \$0.3 million less than budgeted.

MOH Subsidies and Scheme Capital Recoveries

Monies received from the Ministry of Health and those connecting to the scheme for these projects are less than budgeted due to a number of water or wastewater projects still in progress or not yet started.

(c) Expenditure

Overall operating expenditure was \$1.5 million higher than budgeted due to a number of factors detailed in the table below.

Increases	\$1.9 million additional depreciation principally on infrastructural assets. \$1.3 million related to including a share of Venture Southland's expenses. \$1.9 million related to an increase in the roading programme.
Decreases	\$400,000 less than anticipated on District Plan review costs. \$1.4 million of underspends on various operational costs (including consultants, fuel etc). \$1.7 million of internal interest and project income offset against expenditure which had been budgeted as external revenue.

Statement of Changes in Equity

The revaluation of infrastructure assets was \$15.3 million lower than expected because the budget assumed an inflationary increase of approximately 5% for the roading asset revaluation but the actual increase over the 2007/2008 valuation was approximately 3%. The increase in labour and material costs used to estimate the replacement value of roading assets has levelled off compared to the significant cost increases that occurred in 2007/2008.

Statement of Financial Position

Equity

Equity has increased overall due to the substantial increase in the value of roading assets over the past two years. This was partially offset by the lower than anticipated surplus as explained under the income section above.

Assets and Liabilities

Property, Plant and Equipment has increased \$40.5 million over budget mainly due to the roading revaluation increases over the last two years which were higher than anticipated. This has been partially offset by the number of water and wastewater projects still being in progress or not yet started. A decision to internally borrow for capital projects in progress has resulted in long term external borrowings being less than budgeted and consequently, the amount of Council funds available for investment is lower than budget. In order to meet operational cashflow needs between quarterly rates takes, Council has obtained a \$5 million advance facility which has resulted in actual short term borrowings being higher than budget.

Council controlled organisations (CCO's)

A Council controlled organisation (CCO) is a company or organisation in which a Council or Councils control directly or indirectly 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. Council is involved with the Southern Rural Fire Authority, Milford Community Trust and Southland Flood Relief Fund which are considered to be CCOs under the definition of the Local Government Act 2002.

A report on the Council's objectives in regard to the ownership of these organisations, the activities they undertook and their performance in relation to key performance targets and measures is outlined below. Note that the Southland Flood Relief Fund is exempt from the planning and reporting requirements of the Local Government Act 2002 as it is not involved in any trading activities and is essentially a term investment.

Milford Community Trust

The Milford Community Trust was established in 2007 to provide leadership and governance, and supply infrastructure services for the Milford community in Milford Sound *Piopiota*hi. The Trust allows local people to determine their priorities and provides appropriate consultation and open public meetings, similar to one of the Council's Community Boards. The inaugural meeting of the Trust was held on 18 April 2007.

Ownership and control of the organisation

The Trust is governed by a board of seven trustees. Of these, three Trustees are appointed by right (Independent chairperson, Te Anau Ward Councillor and one person elected by community association²) and four Trustees are appointed from persons who have been nominated by any member of the Milford Community. An appointments panel consider the nominations and recommend to Council which Trustees should be chosen based on their skills and the sectors of the community they represent. The panel is made up of DOC's Southland Conservator, the Chief Executive of the Southland District Council, the General Manager of Environment Southland and the person elected by the community association. Each trustee is appointed for a four year term, but to ensure continuity of membership in the initial establishment of the Trust, only half of the initial Trustees are appointed for four years. The remainder are appointed for two years to establish a rolling replacement programme for trustees.

Nominations for two new trustees (to replace Roger Wilson and Helen Sands) were held in June 2009 and appointed in July 2009. Current Trustees are shown in the table.

Designation	Name	Term Expires
Independent Chair	Jane Taylor	30 June 2011
Te Anau Ward Councillor	Cr Diane Ridley	30 June 2010
Community Association elected representative	Allan Cosgrove	30 June 2011
Community appointee	John Robson	30 June 2011
Community appointee	Michael Schuck	30 June 2011
Community appointee	Paul Phelan	30 June 2013
Community appointee	Andrew Welsh	30 June 2013

² The Milford Community Association is an informal forum for consultation and interaction between the Trust and the community. It meets at least annually. It will also administer the election of the Community Association Trustee by taking written nominations, advising of the election meeting and running the election.

Nature and Scope of its activities

Progress against planned activities set out in the Statement of Intent for 2008/2009 is as follows:-

	Status	Comments
A coordinated emergency response plan for fire, medical, civil defence and other events by 30 September 2008.	Partially Achieved	Southern Rural Fire has established coordination and operational procedures, in particular an emergency response team, vehicles and radio networks.
Significant policy statements by September 2008.	Not Achieved	This project was deferred until June 2010 as part of the preparation of the Statement of Intent 2009/2010.
A waste recycling and management strategy by 30 September 2008.	Not Achieved.	This development of this strategy has been deferred pending the outcome of the Southland District Council's decision on kerbside three bin recycling (due to be made late 2009).
A first generation asset management plan for infrastructure and services in Milford by 31 October 2008.	Not Achieved	This project is no longer a priority as the Trust does not have any significant assets of its own. Instead the Trust is working with other providers to identify infrastructural issues affecting (or with the potential to affect) the Milford community.
Business cases for activities for which the Trust wishes to take responsibility following completion of the asset management plan and scheme plan for Deepwater Basin.	Not Achieved	As stated above the preparation of asset plans is no longer a priority. The scheme plan for Deepwater Basin is still under development by the Department of Conservation.

Performance

What the Trust said will provide		How the Trust said it will measure the service provided		
Category	Level of Service	Key Performance Indicator	Target	Achievement
Access	Maintain a structure that facilitates local decision-making.	Number of public forums in Milford each year. ¹	2	Achieved. The Trust met with the local community on two occasions, firstly on 28 October 2008 and secondly on 28 November. Both of these Public Forums were held at Milford.
Quality	Keep the Milford community informed about Trust plans and outcomes.	Number of community newsletters produced annually.	4	Partially achieved. One newsletter was produced during the year in November 2008. In addition a newsletter was also produced in June 2008 (prior to this financial year).
Leadership	Provide leadership and advocacy on major issues.	Percentage of concessionaires satisfied with Trust decision-making and leadership.	85%	Not Measured. The Trust has consulted concessionaires through letters on specific issues during the year. However this provided little information about satisfaction with decision-making and leadership as few responses were received.
Responsiveness	Response to issues raised by the community.	Percentage of issues responded to within two weeks.	85%	Partially Achieved. While the Trust responded to issues raised by the community, these were not tracked through a specific system and so the timing cannot be reported on. Specific issues raised included creation of a gymnasium; creation and setting up of a Emergency Response Team; follow-up of subsidy fund from Central Government for the Cleddau River Flood Protection Scheme and liaising with NZTA regarding pedestrian safety at the entrance to Milford.

1. April to consult re SOI and November for strategic planning

Shareholder Contribution

In the Statement of Intent, the Trust indicated that it would require funding (investment) from parties for undertaking particular activities. The Trust is required to report on compensation provided by shareholders in particular. The table below details the actual compensation versus what was budgeted in the Statement of Intent.

Contribution	Activity	2008/2009 Budgeted	2008/2009 Actual	Comment
Shareholders				
Southland District Council	Governance Costs	A maximum of \$14,000	\$4,064	
	Governance Costs	\$-	\$22,695	Governance costs had been budgeted to be funded from concessionaires, however the decision was made part-way through the year to fund these from reserves held by the Southland District Council. These reserve funds arose as a grant from the Department of Conservation in support of the establishment of the Trust.
Other Sources				
Concessionaires (via Concession Activity Fee)	Governance Costs	\$30,500	\$-	See comment above.
Loan	Consultant Costs for Projects	\$50,000	\$-	No projects were undertaken during the year.

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Southern Rural Fire Authority

The Southern Rural Fire Authority (SRFA) was established through the amalgamation of five separate Rural Fire Authorities (Southern Plantations RFD, Department of Conservation Southland Conservancy, Southland District Council, Gore District Council and Invercargill City Council) on 7 August 2003. It is responsible for the rural fire activities undertaken in the Southern Rural Fire District (SRFD). The Southern Rural Fire Authority was formed to allow the participants to enhance effective fire prevention, protection, suppression and other fire control measures within their respective areas at risk from uncontrolled fires. The Authority is also responsible for ensuring facilities and resources are available for the reduction, readiness, response and recovery from any forest or rural fire incident. In addition, the Authority supports and encourages resources to be used for wider community benefit at other types of incidents including motor vehicle accidents, medial first response and initial structure and vehicle fire suppression.

Ownership and control of the organisation

A Board is responsible for the governance of the Authority and it is made up of eight representatives from its stakeholder groups. Two representatives are from the Southland District Council, two are from the Forestry Industry and the remaining are from the Invercargill City Council, Gore District Council, Department of Conservation and the New Zealand Fire Service.

Nature and Scope of its activities

Progress against planned activities set out in the draft Statement of Intent for 2008/2009 is as follows:-

	Status	Comments
Annually review and update the Fire Response section of the Authority Fire Plan	Complete	Reviewed and approved by Board on 29 August 2008.
Manage fire control measures appropriate to the Authority's fire risk, including the continuation of a 365 day Restricted Fire Season in Special Response areas.	Complete	The Authority put a 'Restricted Fire Season' in place for the entire District from 6 December 2008 to 16 May 2009. A Prohibited Fire Season was imposed in the Naseby zone in conjunction with CODC and DOC Otago from January - March 2009.
Monitor fire danger across the District on a daily basis during the fire season and as situations change during the remainder of the year.	Complete	A series of weather stations gather information daily and the data is run through a fire danger calculator.
Continue to actively promote forest and rural fire prevention to the public through media and the fire permit process.	Complete	There were more than 800 radio advertisements from the Authority during the year. 708 fire permits were issued through the centralised Authority GIS permit system. Remote Rural Fire Officers at Stewart Island, Te Anau, Tapanui, Naseby and Winton also used this system.
Annually review the Authority's equipment levels.	Ongoing	A vehicle was replaced in Athol on 20 April. Two new tankers were also built and located in Invercargill and Otautau.
Implement a personnel fire fighter training programme designed to meet the Authority's requirements, National Standards and FRSITO unit standards and competencies.	Complete	55 people took part in a training exercise at Borland in November targeting Crew Leaders. This was in addition to the Authority's usual training programmes for individuals target positions. Telford Rural Polytechnic also set a comprehensive training programme for the year and the Authority took advantage of the opportunities for personnel to attend these courses.
Completion of a Wildfire Threat Analysis Risk Assessment Mitigation System (RAMS) project.	In Progress	The output values of the system are being revised. No further work will be completed until the National Rural Fire Authority review input values.

	Status	Comments
Manage all fire suppression operations under the Coordinated Incident Management System (CIMS).	Complete	

Performance

A comparison between actual performance and the key performance indicator targets for the Southern Rural Fire Authority is detailed in the 'Grants and Donations' activity on page 50.

Shareholder Contribution

In the Statement of Intent, the Authority indicated that it would require funding (investment) from parties for undertaking particular activities. The Authority is required to report on compensation provided by shareholders in particular. The table below details the actual cash compensation versus what was budgeted in the Statement of Intent.

Shareholder	Budget 2008/2009	Actual 2008/2009
Southland District Council Levies	\$158,620	\$158,620
Invercargill City Council Levies	\$44,000	\$44,000
Gore District Council Levies	\$57,750	\$38,500
Forest Members	\$120,680	\$120,120
Department of Conservation	\$79,640	\$79,640

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About the Council

Role of the Council

The purpose of the Southland District Council is to enable democratic decision-making to promote the social, economic, environmental and cultural well-being of communities within the District in the present and for the future.

To accomplish this, the Council has overall responsibility and accountability in a variety of roles including:

- Planning the District's strategic direction alongside local communities within the District as part of developing the Long Term Council Community Plan to promote the social, economic, environmental and cultural wellbeing of communities.
- Facilitating solutions to local issues and needs.
- Advocacy on behalf of the local community with Central Government, other local authorities and other agencies.
- Providing prudent stewardship and the efficient and effective use of resources within the District in a sustainable way.
- Risk management.
- Management of local infrastructure including network infrastructure (eg roads, sewage disposal, water, stormwater) and community infrastructure (eg libraries, reserves and recreational facilities).
- Administering various legal and regulatory requirements.
- Ensuring the integrity of management control systems.
- Informing and reporting to communities, ratepayers and residents.

Governance Systems

Council –

The Council consists of a Mayor and 12 Councillors – one from each of the District's wards – elected by Southland District residents/ratepayers triennially. The Council believes that its democratic election ensures that it is able to operate in the best interests of the District. The Council is responsible for:

- Representing the interests of the District.
- Developing and approving Council policy.
- Determining the expenditure and funding requirements of the Council through the planning process.
- Monitoring the performance of the Council against its stated objectives and policies.
- Employing, overseeing and monitoring the Chief Executive's performance (under the Local Government Act the local authority employs the Chief Executive, who in turn employs all other staff on its behalf).

Council Committees –

A number of committees have been established by the Council to assist with conducting the business of the Council; these are listed in the diagram on the following page.

Community Boards –

The Council has 12 Community Boards. Five of these have responsibility for an entire ward; the remaining seven have responsibility for their township only. Community Boards prepare local budgets, recommend local rates and exercise decision-making power on issues specifically delegated by the Council. The Council has a policy of decentralising responsibilities where practical to provide an effective means of ensuring local input into decision-making and the setting of priorities for issues of local concern.

Community Development Area Subcommittees (CDA's) –
Throughout the district 16 Community Development Areas have been identified and established, which include local townships and surrounding areas. The purpose of CDA's is to further encourage local input in addressing the needs of local communities and assessing priorities. Committees operate with powers mainly limited to recommendations to Community Boards and/or Council depending on their locality.

Water Supply Subcommittees –

The Council has constituted seven Water Supply Subcommittees, which are each responsible for the overall governance of the respective water supply scheme and set priorities for the operations of the schemes in accordance with the policies of the Council.

Other Committees –

Youth Council - A Southland District Youth Council was established in 2007/2008. It is made up of 12 representatives from the six secondary schools across the district and meets on a quarterly basis.

Hall and Reserve Committees - The Council has a working relationship with 56 Community Centre and Hall Committees and 16 Reserves Committees.

COUNCIL Mayor and 12 Councillors		
Community Boards and Committees	Council Committees	Joint Committees
<p>Community Boards responsible for Wards: <i>Stewart Island Te Anau</i> <i>Tuatapere Winton</i> <i>Wallace</i></p> <p>Community Boards responsible for Townships: <i>Balfour Edendale</i> <i>Lumsden Riversdale</i> <i>Riverton/Aparima Wallacetown</i> <i>Wyndham</i></p> <p>Community Development Area Subcommittees: <i>Athol Browns</i> <i>Colac Bay Dipton</i> <i>Garston Gorge Road</i> <i>Limehills Manapouri</i> <i>Mossburn Nightcaps</i> <i>Ohai Orepuki</i> <i>Thornbury Tokanui</i> <i>Waikaia Woodlands</i></p> <p>Water Supply Committees: <i>Te Anau (Rural Untreated)</i> <i>Five Rivers (Rural Untreated)</i> <i>Orawia</i> <i>Matuku (Rural Untreated)</i> <i>Lumsden/Balfour (Rural - Treated)</i> <i>Ohai/Nightcaps/Wairio</i> <i>Eastern Bush/Otahu Flat (Rural - Treated)</i></p> <p>Ohai Railway Fund Committee Monowai Village Committee Riverton Harbour Committee Stewart Island Jetties Committee Te Anau Airport Manapouri Subcommittee</p>	<p>Activities Performance Audit Committee (APAC) <i>Chair: Cr Lyall Bailey</i></p> <p>Allocations Committee <i>Chair: Cr Rodney Dobson</i></p> <p>Executive Committee <i>Chair: Mayor Frana Cardno</i></p> <p>Forestry Committee <i>Chair: Cr Brian Dillon</i></p> <p>Policy Review Committee <i>Chair: Cr Paul Duffy</i></p> <p>Resource Planning Committee <i>Chair: Cr Diane Ridley</i></p> <p>Civil Defence Emergency Management Committee <i>Chair: Cr Jim Copland</i></p> <p>Friendship Committee <i>Chair: Cr Paul Duffy</i></p>	<p>Venture Southland</p> <p>Shared Services Forum</p> <p>Te Roopū Taiao (Iwi Liaison Joint Committee)</p> <p>Southland Civil Defence Emergency Management Group</p> <p>Our Way Southland</p> <p>WasteNet</p> <p>Southland Regional Heritage Committee</p>
		<p>Youth Representation</p> <p>Southland District Youth Council</p>

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Council Operations

The Council has appointed a Chief Executive to be in charge of Council operations and has delegated certain powers of management to that position. The Chief Executive implements and manages the Council's policies and objectives within the budgetary constraints established by the Council.

The Chief Executive is responsible for:

- Implementing the decisions of the Council.
- Providing advice to the Council and Community Boards.
- Ensuring that all responsibilities, duties and powers delegated to the Chief Executive or to any person employed by the Chief Executive, or imposed or conferred by any Act, regulation or bylaw are properly performed or exercised.
- Managing the activities of the Council effectively and efficiently.
- Maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the Council.
- Providing leadership for the staff of the Council.
- Employing staff (including negotiation of the terms of employment for the staff).

The management of the Council is structured under three groups. Each group is led by a Group Manager. They are:

- Services and Assets.
- Customer and Financial Services.
- Regulatory Services.

An Executive Management Team comprising the three Group Managers and the Chief Executive reviews all general organisation issues, providing a link between the Council and the staff.

Chief Executive <i>David Adamson</i>		
Group Manager Regulatory Services <i>Lindsay McKenzie</i>	Group Manager Services and Assets <i>Cameron McIntosh</i>	Group Manager Customer and Financial Services <i>Phil Culling</i>
Building Control, Dog and Animal Control, Health Regulation, Resource Management	Beautification, Cemeteries, Civil Defence, Community Centres, Community Housing, Forestry, Rural Fire, Parks and Reserves, Public Conveniences, Roading and Transport, Solid Waste Management, Stormwater, Airports, Wastewater, Water Supply, Work Schemes, Stewart Island Electrical Supply Authority (SIESA)	Accounting Services, Administration, Area Offices, Communication, Customer Services, District Support, Finance, Grants and Donations, Information Technology, Library Services, Purchasing, Rates, Records and Archives, Strategy, Word Processing

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Glossary

A number of the words and terms used in this Annual Report have specific meanings.

Activity

Groups of related services, projects or goods provided by, or on behalf of Council are combined into an activity.

Advocate

Council acts as an advocate when it represents the views of community groups, organisations and residents to a range of organisations such as regional council, and central government.

Annual Plan

The Annual Plan is produced in the intervening years between Long Term Plans. It explains variations from the activities or budgets in the Long Term Plan and confirms arrangements for raising revenue for the financial year. It also includes the forecast financial statements and other relevant information for the year. The community must be consulted on the Annual Plan.

Annual Report

The Annual Report reports on the performance of Council against the objectives, policies, activities, performance measures, indicative costs, and sources of funds outlined in the Annual Plan and the Long Term Plan.

Asset

Something of value that Council owns on behalf of the people of Southland, such as roads, drains, parks and buildings.

Asset Acquisition

Capital expenditure on assets.

Activity/Asset Management Plan

A long term planning document for managing Council's assets and activities to ensure capacity to provide a service is maintained, and that costs over the life of the asset are kept to a minimum (e.g. water services).

Capital Costs

These include transactions that have an effect on the longer term (i.e. greater than 12 months) financial position of Council. Items include the repayment of loan principal, transfer of funds to reserve accounts and the purchase or construction of assets.

Capital Financing

This includes transactions that have an effect on the longer term financial position of Council. Items include the raising of loan funds and transfers from reserve accounts.

CDA

Community Development Area Subcommittee.

Community Outcomes

A set of statements that describe the vision the region has for its future. The community outcomes for Southland are outlined in this document. Council seeks to contribute to these outcomes through its various activities.

Council Controlled Organisations

Council controlled organisations are organisations in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

Current Assets

Assets which can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors, and operational investments.

Current Liabilities

Creditors and other liabilities due for payment within the financial year. Public Debt to be refinanced within the financial year is excluded.

Depreciation

Depreciation is an accounting concept to recognise the consumption or loss of economic benefits embodied in items of property, plant and equipment. Depreciation spreads the cost of items such as property, plant and equipment over their useful lives as an operating expense.

District Plan

A plan under the Resource Management Act 1991 that manages, through objectives, policies and rules, the adverse impact of land uses on the environment of the District. The Southland District Plan became operative on 27 June 2001 and is being reviewed over five years beginning in 2007/2008.

Estimated Remaining Life

The estimated remaining life is an estimation of when buildings or assets would no longer be suitable to use. In the case of buildings, the remaining life of a building is when it is considered no longer suitable for the intended use, even though the building itself may still be structurally sound.

Facilitator

When Council works collaboratively or in partnership with others to organise, encourage or assist in projects or programmes which help to achieve the outcomes for the District, it acts as a facilitator.

Fixed Assets

These consist of land and buildings and infrastructural assets including sewer and water systems, and the transport network. Sometimes referred to as capital assets.

Funder

Council's funding role includes funding of core business and providing financial assistance to a range of organisations for various projects and programmes through grants.

Infrastructural Assets

Infrastructural assets are utility service networks i.e. water, sewerage, stormwater, and roading. They also include associated assets such as pump stations, the treatment plant, street lighting, and bridges.

Iwi

People or tribe.

Levels of Service

Levels of Service are described as "the defined quality for a particular activity or service area against which performance may be measured. 'Levels of Service' usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost".

Local Government Act 2002 (LGA 2002)

The Local Government Act 2002 received royal assent on 24 December 2002. It is the primary legislation that governs Council's operations and actions.

Long Term Council Community Plan (Long Term Plan or LTCCP)

A ten year plan which sets out Council's response to community outcomes and how Council will manage its finances and the community's resources. The requirement for the Long Term Plan was introduced by the LGA 2002. The first Long Term Plan was adopted on June 2004 as required by the LGA 2002.

Monitor

Council has a monitoring role under the LGA to monitor and report three yearly on the progress made towards achieving community outcomes.

Non Cash Expenditure

Expenditure that is identified for accounting purposes, but for which no cash (such as rates) are collected to pay for it, e.g. depreciation. Southland District Council pays for capital expenditure projects each year instead of accumulating depreciation funding for replacements in the future.

Operating Expenditure

Expenditure through Council's activities on such items as salaries, materials, electricity and plant hire. All these inputs are consumed within the financial year.

Operating Revenue

Money earned through the activities in return for a service provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include NZ Transport Agency subsidies, rental income, permits and fees.

Operating Surplus/(Deficit)

The expressions "operating surplus" and "operating deficit" are accounting terms meaning the excess of income over expenditure and excess expenditure over income respectively. Income and expenditure in this context exclude "capital" items such as the receipt or repayment of loans, the cost of capital works and transfers to and from Reserves. An operating surplus/deficit is inclusive of non-cash items such as income and expenditure owing but not paid (Debtors and Creditors) and depreciation.

Outcomes

See Community Outcomes.

Key Performance Indicators

The measures by which Council's performance is assessed. Council uses these measures when reporting on how it has performed in its various activities.

Regulator role

Council has a regulatory role as it operates under and enforces a range of legislation.

Resources

These are the assets, staff and funds needed to contribute to the activities of Council including goods, services and policy advice.

Rural Water Supply (RWS)

This is an untreated supplies which is provided primarily for stock water.

Service Provider

Council provides services as required by law e.g. sewerage, or by community mandate e.g. parks.

Shared Services Forum

This is a collaborative arm of the four councils in Southland (Southland District Council, Gore District Council, Invercargill City Council and Environment Southland). The forum is made up of representatives of each Council who meet regularly to discuss common issues and opportunities for inter-council collaboration.

Significance

Significance means the degree of importance of the issue, proposal, decision or matter before Council in terms of its likely impact on, or consequences for the current and future social, economic, environmental or cultural wellbeing of Southland.

Significance Policy

Sets out how Council determines how significant a project or decisions are and therefore the level of consultation and analysis required.

SOLGM

Society of Local Government Managers.

Survey - Residents

The residents survey involves approximately 3,000 questionnaires posted to residents in Southland and undertaken by an independent market research company. The survey is a key source of information on resident perceptions and satisfaction with Council services and is carried out three yearly.

Survey - User (Key User)

A targeted survey of customers or people who use a service. These surveys may use a variety of methods.

Sustainable Development

Sustainable development is generally defined using the World Commission on Environment and Development's definition which reads "development that meets the needs of the present without compromising the capacity of future generations to meet their own needs" (World Commission on Environment and Development, 1997).

Vested Assets

Vested assets are the assets which are given to Council by developers at the completion of their development, such as roads, water, sewerage and stormwater reticulation.

Wellbeing

In this document wellbeing includes the social, economic, cultural and environmental aspects of a community. The community outcomes are factors of wellbeing.



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