

# SUMMARY DOCUMENT

Southland District Council

ANNUAL REPORT  
2007/2008



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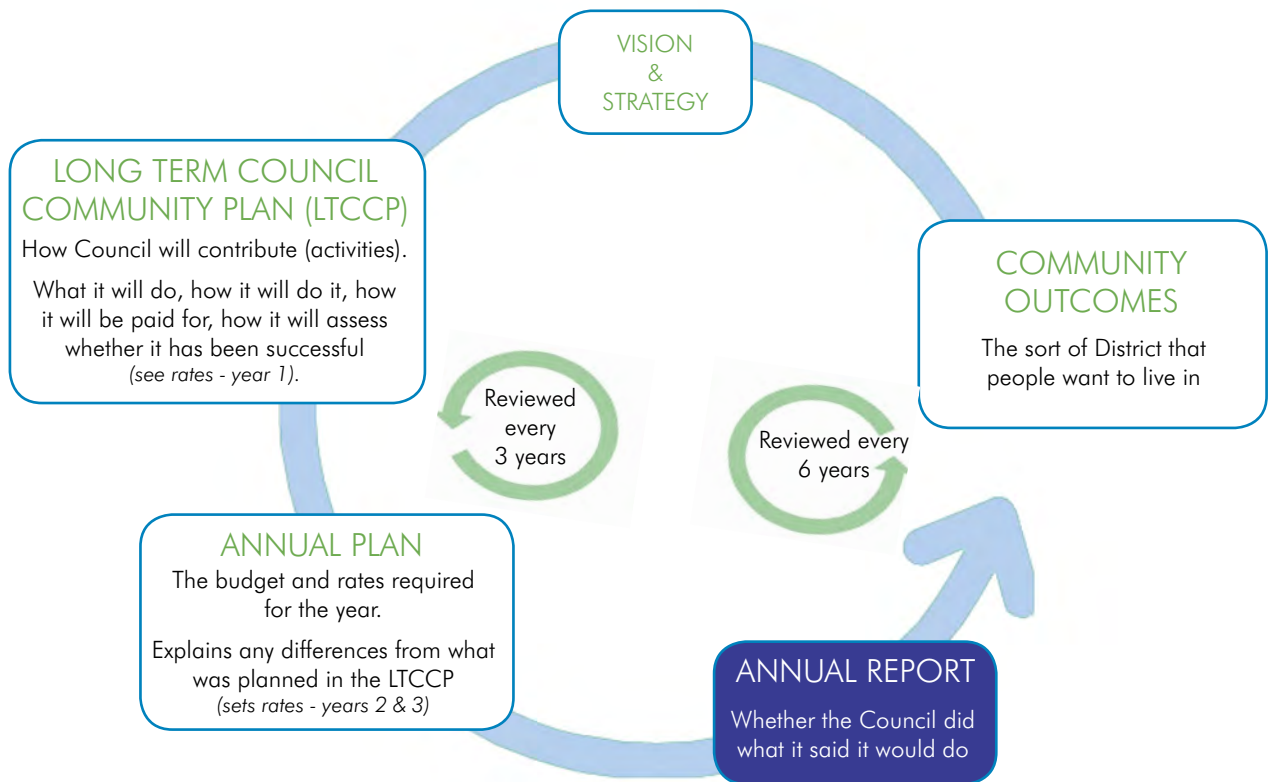
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# WHAT IS AN ANNUAL REPORT?

Each year an Annual Report is produced which compares Council's actual performance and finances to what we said we were going to do in the Annual Plan and Long Term Council Community Plan (LTCCP).



This document reports on the Council's activities during the year 1 July 2007 to 30 June 2008 (which was the period of the Annual Plan 2007/2008 or second year of the LTCCP).

Under the Local Government Act all councils are required to produce a Summary Annual Report and to have certain information audited.

Audit New Zealand audited the full financial statement and summary and issued an unqualified report on both.

As noted in its report, Audit New Zealand has reviewed this Summary Report for consistency with the Annual Report and has confirmed that it fairly and consistently represents the major matters dealt with in the full Annual Report for the year ended 30 June 2008.

The summary report cannot be expected to provide as complete an understanding of the financial and non-financial performance of the Council as the full Annual Report.

A full copy of the Annual Report is available from any Southland District Council office or library, or you can visit our website [www.southlanddc.govt.nz](http://www.southlanddc.govt.nz).

Southland is a fantastic place to live and during the 2007/2008 year Council has worked alongside many other partners to continue enhancing the social, cultural, economic and environmental wellbeing within the District in a sustainable way.

## MAYOR AND CEO INTRODUCTION



This Annual Report records Council's performance in relation to its Annual Plan for 2007/2008 (which is based on the second year of the Long Term Council Community Plan (LTCCP) 2006-2016.

It was another very busy year in all areas of Council.

A record number of consents were dealt with in both the Resource Planning and Building Control departments. In all, 1,822 building consents and 395 resource consents were processed which is up 50% and 26% respectively on last year. Our District continues to grow despite a national downturn in these areas.

Council's network of over 5,000 kilometres of road were subject to increasing traffic movements especially relating to forestry and dairying.

119km of roads were resealed, 24km of roads were rehabilitated and a video survey of the entire District network was undertaken. The information from this video will help with the management of our roads. Good progress was also made on the pre-seal and construction work on Stewart Island. Roads close to the sea were subjected to significant storm damage during the year and remedial works continue.

Major milestones were also made on large water and sewerage projects, with the Tuatapere sewerage scheme officially opening and construction beginning on the Edendale/Wyndham water and sewerage schemes. Unfortunately, some water and waste projects in the Annual Plan were not completed in 2007/2008.

Finding suitably qualified engineering personnel to manage these projects proved to be a major challenge and this is a problem nationwide. This will have a minimal impact on the levels of

service provided to communities as it is intended the projects will be undertaken in the future. The new timing for these projects will be incorporated into the LTCCP 2009-2019.

The Riverton Heritage and Tourist Museum 'Te Hiko Southern Journey' was opened in December 2007 by Prime Minister Helen Clark. This magnificent facility forms another foundation block for Southlanders to enjoy and celebrate their heritage.

Council elections were undertaken in October, resulting in four new Councillors. Council settled into its work well after the elections and undertook a Strategic Retreat late in the financial year to set the direction and priorities for its term.

The overall performance of Council continued to rate highly in the annual residents' survey, with a 90% satisfaction rating. Strong satisfaction continues with Council planning, decision making and leadership (88%), and Community Board/CDA local decision making and planning (87%).

It's pleasing to report an increase in Council's total assets now valued at \$1.2 billion and the 2007/2008 year returned a surplus of nearly \$5 million.

Other major achievements highlighted in this Annual Report include Council achieving accreditation as a building consent authority; the opening of the Te Anau airport at Manapouri; the start of a renewable energy project on Stewart Island; and the commencement of the District Plan review.

*We would like to record our thanks to Councillors, staff and our wider family of political representatives for their exceptionally hard work and commitment during 2007/2008.*

*Frana Cardno*

Frana Cardno - MAYOR, JP, QSO

*David Adamson*

David Adamson - CHIEF EXECUTIVE

# Key Highlights

## HOW WE HAVE DONE

KEY HIGHLIGHTS

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Annual Report 07/08

The Annual Report tells you and us how well we did against what we said we were going to do, how much it cost to do this, how we paid for it and how our finances look at the end of the year.

Council staff pull together the information in the report which is then checked by Audit New Zealand. Audit New Zealand give its opinion on whether the financial statements fairly represent the Council's financial position, whether the statements comply with generally accepted accounting practice, and also on how accurately we have monitored and reported on our activities.

*Key highlights of the year are detailed below.*

### Council Elections

Local Government elections were held in October 2007 for the Mayor, Councillors, and Community Board positions.

Frana Cardno retained her position as Mayor and of the 12 Councillor positions, four new and eight existing councillors were elected. Council elections are held every three years.

### Residents' Satisfaction Survey

Council received excellent results in its annual residents' satisfaction survey this year, with satisfaction of Council's overall performance at 90%.

Services with the highest satisfaction were libraries, sports fields and community centres. Services with lowest satisfaction were gravel roads, footpath safety and dog control.

### Libraries

Aotearoa People's Network computers were installed in all Southland District Council libraries at the end of May 2008.

This central government initiative was put in place to allow everyone the opportunity to have free internet access regardless of where they live in New Zealand. The network has been popular especially with those that do not usually use the library.

The reciprocal membership agreement between Invercargill City, Gore, Clutha and Southland Districts has continued. This agreement gives residents membership to any of these libraries free of charge.

### Cemeteries Scoping Report

Council completed a cemeteries scoping report in 2007/2008.

The report outlines where all cemeteries and burial sites are within the Southland District, who owns and is responsible for them, and which Council-owned cemeteries need additional work other than daily routine maintenance.

This information will be available to interested parties and will help with the management of the cemeteries.

### Roading Highlights

Council carried out over 119km of reseals and 24km of rehabilitations on the District's roads. This work cost nearly \$10 million and made up a significant portion of Council's overall expenditure.

During the year a video survey of all gravel and sealed roads was undertaken. In addition to this, data was collected on the texture, shape and alignment of the roads. This information will give a clearer picture of road condition and will assist with roading management of in the future.

Council is also in the process of relocating a section of the Papatotara Coast Road which was significantly damaged by the sea. This is being undertaken in agreement with land owners in the area.



Sections of the Papatotara Coast Road, which were badly damaged by storms. Council is to reposition the road.



# District Highlights

## Te Anau airport at Manapouri

The consolidation of the two Te Anau airports on to the Manapouri site is almost complete, with the new airport officially opened in April 2008.

In 2007/2008 the sealed runways were extended and a grass runway was constructed. A new terminal building was also constructed and this won two design awards at the recent ADNZ/Resene Awards in the commercial/industrial design and the special projects categories.

The total cost of the project is estimated at \$7.1 million and \$6.9 million of this work has been completed.

## Building Accreditation

The Building Act 2004, which came into force in May 2006, required Council to gain registration from the Department of Building and Housing to operate as a Building Consent Authority.

In order to become registered, the Council had to gain accreditation, which involved an audit of systems and procedures, along with an assessment of staff competencies.

Council gained accreditation as a Building Consent Authority in November 2007 and was the sixth local authority to become accredited.

| COUNCIL SERVICE                                  | SATISFIED |
|--|-----------|
| Libraries*                                       | 97%       |
| Sports fields                                    | 96%       |
| Community Centres*                               | 95%       |
| Parks and Reserves                               | 94%       |
| Sewerage   | 94%       |
| Playgrounds                                      | 93%       |
| Cemeteries                                       | 92%       |
| Gardens/street plantings                         | 90%       |
| Stock Control                                    | 90%       |
| Streetlighting                                   | 86%       |
| Development (Community, Enterprise and Tourism)* | 82%       |
| Water Supply*                                    | 81%       |
| Solid Waste <sup>1</sup>                         | 79%       |
| Sealed Roads                                     | 76%       |
| Dog Control                                      | 75%       |
| Footpath Safety                                  | 73%       |
| Gravel Roads                                     | 50%       |

\* Average of results for different aspects of service.

<sup>1</sup> Average of transfer stations (location and opening hours), recycling drop-off centres and wheelie bin collection.

## District Plan Review

The Southland District Plan outlines how the Council will manage the physical and natural resources of the District over a 10-year period.

The Council began a review of its District Plan in 2007/2008, and this is expected to be carried out over the next five years. Some preliminary work was undertaken in terms of a staff/councillor workshop and the establishment of an external stakeholder group.

## Renewable Energy (Stewart Island)

The Stewart Island Electrical Supply Authority (SIESA) supplies the electricity and maintains the power lines on Stewart Island.

Currently, this electricity is produced from diesel powered generators and SIESA, along with Right House, have begun investigating an alternative energy supply for the Island.

Different options being considered include wind turbines, power generated from solar panels and current diesel turbines running on a bio-fuel alternative.

SIESA has also been working with Right House to develop Home Energy Efficiency packages (*i.e. insulation, heating, solar hot water, efficient appliances etc*) that are both affordable and make use of available EECA grants for homes on Stewart Island.



The wind turbine on Stewart Island, which is part of the renewable energy trial SIESA and Right House are carrying out.

# District Highlights

KEY HIGHLIGHTS

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## Stewart Island Jetties

The Southland District Council took over ownership of five jetties at Stewart Island (located at Ulva Island, Millers Beach, Fred's Camp, Little Glory and Port William) from South Port in late 2007. This was because South Port had indicated it was not intending to maintain the jetties in the future and if an alternative owner could not be found they would be removed.

The Stewart Island community and Council felt that the jetties are an important resource and without them many people would not be able to visit those parts of the Island.

The value of these vested (given) assets has not yet been determined as special expertise is required to undertake the valuation. As a result of this the value of these assets will be shown as income and an asset in the 2008/2009 Annual Report.

A Stewart Island Jetties committee was formed to manage the jetties. This is a sub committee of Council and operates in a similar way to the Riverton Harbour Committee.



One of the Stewart Island jetties Council has taken responsibility for.

## Building and Resource Planning consents

This year was a very busy one for the Building Control and Resource Management departments.

The number of building consents processed was up from last year (1,822 compared to 1,446) despite a significant downturn nationally in the number of building consents issued. 91% of these were issued within the 20-day timeframe required under the Building Act.

The number of resource consents processed increased by 50% from last year (395 compared to 263).

## Edendale and Wyndham Water/Sewerage Schemes

Edendale received a Ministry of Health (MoH) subsidy for the construction of a sewerage scheme and extension to its existing water scheme. Construction began in February 2008 on both of these. Wyndham also received a subsidy for the construction of a sewerage scheme and water scheme and construction is due to begin in December 2008, which will also connect up to the Edendale scheme.

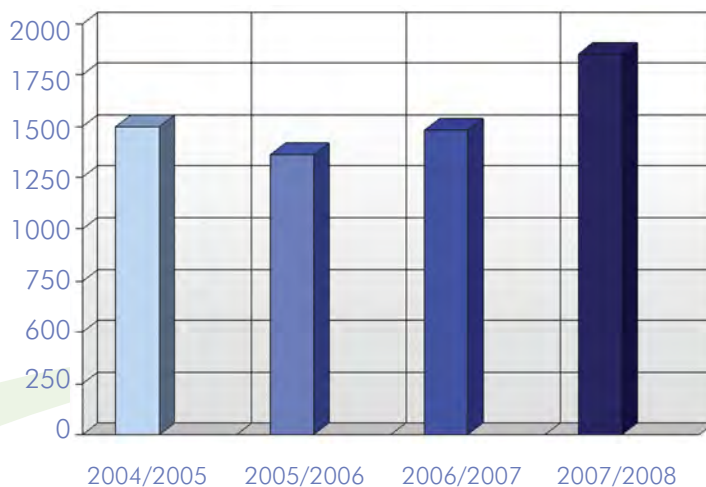
## Water and Waste Projects Reprioritised

A large number of water, wastewater and stormwater projects have been deferred.

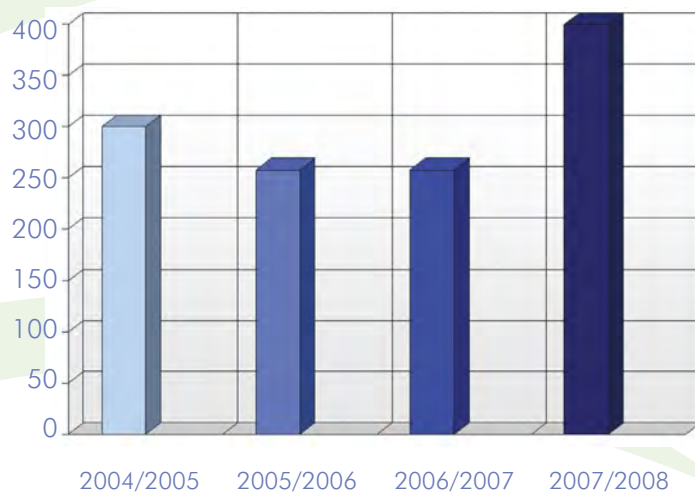
Since the Long Term Council Community Plan (LTCCP) 2006 - 2016 was adopted, it has become apparent that its expectations in terms of project delivery, especially in the area of water and wastewater infrastructure were ambitious due to the resources required to complete them.

High-priority projects have been identified and will be worked on while others have been deferred to future years. For more information on projects, refer to the Stormwater, Wastewater and Water sections of the Full Annual Report available on [www.southlanddc.govt.nz](http://www.southlanddc.govt.nz)

## Building Consents



## Resource Consents



## District Highlights

### Land Purchased for Te Anau Sewerage Scheme

Council purchased land for improving the Te Anau sewerage system in June 2008. A number of public meetings were also held in the township to discuss the project.

The 375ha of land surrounds the Manapouri Airport and it is proposed to build a new treatment and disposal system there which will replace the present system of discharging treated wastewater to the Upukeroa River.

Under the proposal, primary treatment using aeration will remain on the existing site and the treated effluent will be pumped to maturation ponds then irrigated to land at the new site. Engineering options are currently being investigated.

### Tuatapere Sewerage Scheme

The Tuatapere Sewerage Scheme officially opened in April 2008 and residents are now connecting to the scheme.

Only minor work is to be done before the project is fully completed. The scheme recently received the full subsidy that Council applied for from the Ministry of Health.

### Lumsden/Balfour Deep Water Bore Project

There is increasing demand for water and a need to improve the water quality in both Lumsden and the Lumsden/Balfour area.

In 2007/2008 the Council began to look for a new deep water source to replace the existing source.

Two possible bores were identified; however, they did not produce the amount of water needed.

Other test bore drilling in a different location began in mid June 2008 and a consent for water extraction from this site has been lodged.



The ponds at the new Tuatapere sewerage scheme.

# Activity Report

## SUMMARY

ACTIVITY REPORT

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*The Annual Plan 2007/2008 included 170 projects for the 2007/2008 year as well as 142 performance targets for its 26 activities.*

The graphs opposite provide a snapshot of the performance targets and status of projects as at 30 June 2008. The graphs show that 66% of the levels of service indicator targets were either met in full or by a majority.

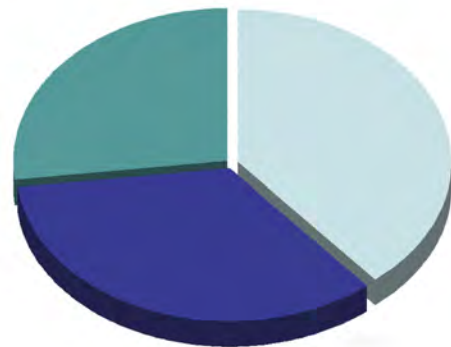
Levels of service generally relate to the quality, quantity, reliability, responsiveness, accessibility, safety, cost efficiency/affordability or sustainability of an activity.

This was the second year that the Council began reporting against the levels of service that were adopted for the Council's LTCCP.

A level of service is something the Council promises to provide residents, which can be measured (via key performance indicators) as to whether in fact it has been delivered.

Overall, 32% of projects were completed or were in progress at year end. This result was affected by a number of water, wastewater and stormwater projects which were reprioritised or deferred during the year. These projects accounted for over three quarters of all projects and will now be completed in future years.

### KEY PERFORMANCE TARGETS MET



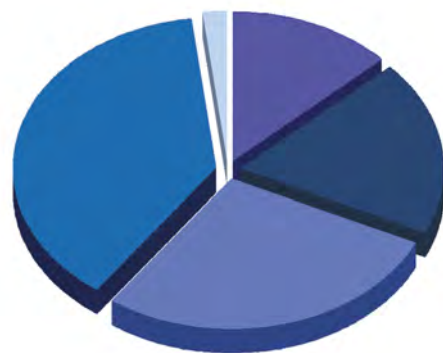
- Achieved 38%
- Majority Achieved 28%
- Not Achieved 34%



Two of the many projects held at the District's libraries this year.



### PROJECT STATUS



- Complete 13%
- In Progress 19%
- Not Started 28%
- Deferred 38%
- Deleted 2%

The table below groups together the results for similar significant activities, summarising the 26 activities into eight.

## Projects

More detail about the individual activities including commentary of specific projects and achievements are included in the Activity Reports in the full Annual Report document.

| ACTIVITY                            | LEVEL OF SERVICE INDICATOR TARGETS |                                |                                 | PROJECT REPORT        |                    |                           |
|-------------------------------------|------------------------------------|--------------------------------|---------------------------------|-----------------------|--------------------|---------------------------|
|                                     | Achieved                           | Majority Achieved <sup>1</sup> | Not Fully Achieved <sup>2</sup> | Complete <sup>3</sup> | In Progress        | Not Complete <sup>4</sup> |
| Roading and Transport               | 6                                  | 3                              | 11                              | 3                     | 4                  | 6                         |
| Solid Waste Management              | 0                                  | 3                              | 2                               | 1                     | 1                  | 1                         |
| Other District Services             | 13                                 | 9                              | 6                               | 1                     | 1                  | 0                         |
| Stormwater, Wastewater, Water       | 3                                  | 5                              | 9                               | 8                     | 23                 | 102                       |
| Other Local Services                | 14                                 | 5                              | 8                               | 6                     | 3                  | 6                         |
| Regulatory Services                 | 3                                  | 10                             | 8                               | 3                     | 1                  | 0                         |
| Governance, Strategy, Communication | 7                                  | 3                              | 1                               | n/a                   | 0                  | 0                         |
| Grants and Donations                | 8                                  | 2                              | 3                               | n/a                   | 0                  | 0                         |
|                                     | <b>54</b><br>38.0%                 | <b>40</b><br>28.2%             | <b>48</b><br>33.8%              | <b>22</b><br>12.9%    | <b>33</b><br>19.4% | <b>115</b><br>67.6%       |

### ACTIVITY GROUPING

#### Other District Services includes

- Civil Defence
- District Support
- Libraries
- Community Housing
- Forestry
- Work Schemes

#### Other Local Services includes

- Beautification
- Community Centres
- Parks and Reserves
- SIESA
- Cemeteries
- Airports
- Public Conveniences
- Council Buildings & Property

#### Regulatory Services includes

- Building Control
- Health Regulation
- Dog Control
- Resource Management

- 1 Majority Achieved describes the number of performance measures that achieved 75% or more of the target.
- 2 Five targets were not achieved because data was not yet available to confirm that targets had been achieved or the target date for completion has not yet passed.
- 3 In addition to the 24 projects identified for 2007/2008 being completed, Council also completed several projects carried forward from previous years and additional projects which were not budgeted for.  
These are included in the project tables in the Activity Report section of the full document.
- 4 Includes projects which are not started (47), deferred (65) and deleted (3).  
Many of these projects have been carried forward to the 2008/2009 year or a future year.

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 2008, and includes comparisons from the previous financial year and the 2007/2008 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 109 of the full Annual Report. The Annual Report has been prepared in accordance with NZ GAAP.

The Annual Report complies with New Zealand International Financial Reporting Standards, as appropriate for public benefit entities.

The information included in the summary report has been prepared in accordance with FRS 43: Summary financial statements.

The Annual Report Summary and full Annual Report were authorised for release by the Chief Executive, David Adamson, on 29 October 2008.

No significant events have taken place after balance date which would affect the Annual Report and Summary.

| FINANCIAL SUMMARY            |                      |                      |
|------------------------------|----------------------|----------------------|
| Actual<br>2006/2007          | Actual<br>2007/2008  | Budget<br>2007/2008  |
| <b>FINANCIAL PERFORMANCE</b> |                      |                      |
| 54,891,733                   | 57,811,706           | 84,918,911           |
| 49,171,889                   | 52,805,231           | 50,403,943           |
| 95,582                       | 48,190               | 904,298              |
| (8,114)                      | (1,347)              | -                    |
| 152,714                      | -                    | -                    |
| <b>5,768,862</b>             | <b>4,956,938</b>     | <b>33,610,670</b>    |
| <b>CHANGES IN EQUITY</b>     |                      |                      |
| 1,077,754,569                | 1,126,931,619        | 1,134,869,223        |
| 43,408,188                   | 97,551,471           | 53,089,022           |
| 5,768,862                    | 4,956,938            | 33,610,670           |
| <b>1,126,931,619</b>         | <b>1,229,440,028</b> | <b>1,221,568,915</b> |
| <b>FINANCIAL POSITION</b>    |                      |                      |
| 1,126,931,619                | 1,229,440,028        | 1,221,568,915        |
| 20,071,055                   | 17,523,889           | 22,428,521           |
| 1,116,633,030                | 1,227,072,457        | 1,218,329,165        |
| <b>1,136,704,085</b>         | <b>1,244,596,346</b> | <b>1,240,757,686</b> |
| 8,609,083                    | 14,235,478           | 5,560,219            |
| 1,163,383                    | 920,840              | 13,628,552           |
| <b>9,772,466</b>             | <b>15,156,318</b>    | <b>19,188,771</b>    |
| <b>1,126,931,619</b>         | <b>1,229,440,028</b> | <b>1,221,568,915</b> |
| <b>CASH FLOWS</b>            |                      |                      |
| 19,082,437                   | 17,500,315           | 35,506,850           |
| (20,407,121)                 | (22,617,469)         | (43,722,393)         |
| (46,402)                     | 4,805,721            | 7,114,022            |
| <b>(1,371,086)</b>           | <b>(311,433)</b>     | <b>(1,101,521)</b>   |

## 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

**RELATED PARTIES** – The Council was involved in transactions with the following related parties: Venture Southland, Key Management Personnel and one Councillor. Details of these transactions are included in the financial notes of the full Annual Report.

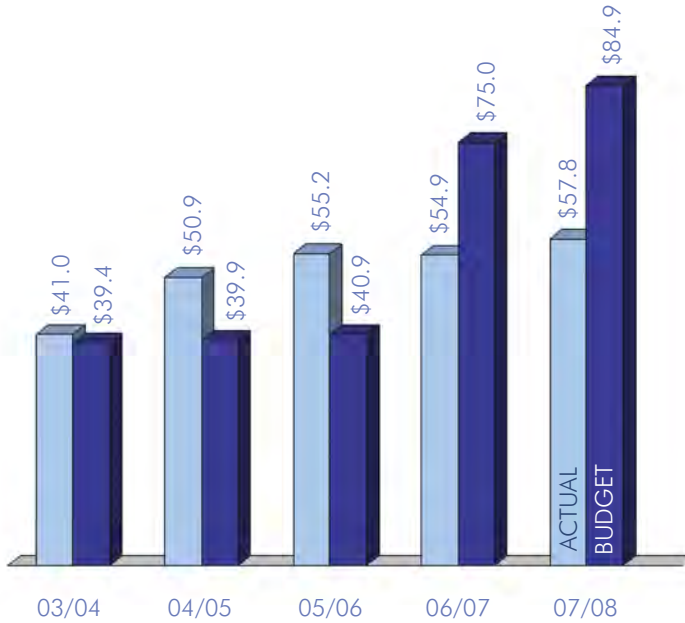
**CAPITAL COMMITMENTS** – Southland District Council (excluding the 42% share of Venture Southland's commitments) has contracts committing us to spend \$12.5 million (2007: \$13.9 million) on goods and services.

**CONTINGENCIES** - Contingent liabilities are dependent on other future events and total \$110,000 (2007: \$15,000).

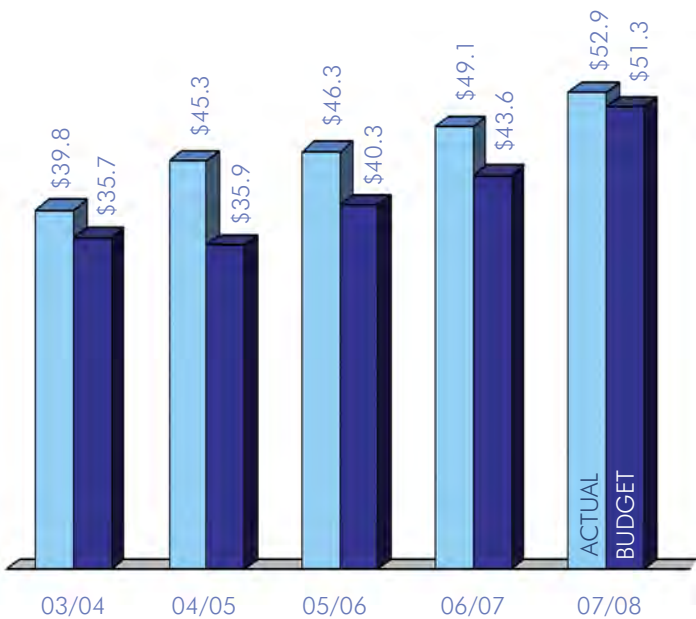
# Surplus

This year saw a net surplus of \$5.0 million compared to the budgeted surplus of \$33.6 million.

## REVENUE (including Asset Development) (\$ million)



## OPERATING EXPENDITURE (including Income Tax) (\$ million)



When the Annual Plan was prepared, higher levels of consented development (such as subdivisions) were expected to occur during the year than what actually occurred. This development generally involves infrastructural assets (such as roads, water, wastewater and stormwater pipes) being vested (given) to the Council by the developer upon completion.

As fewer developments were consented, the level of infrastructural assets being vested in Council is \$8.8 million lower than the \$11.7 million budgeted.

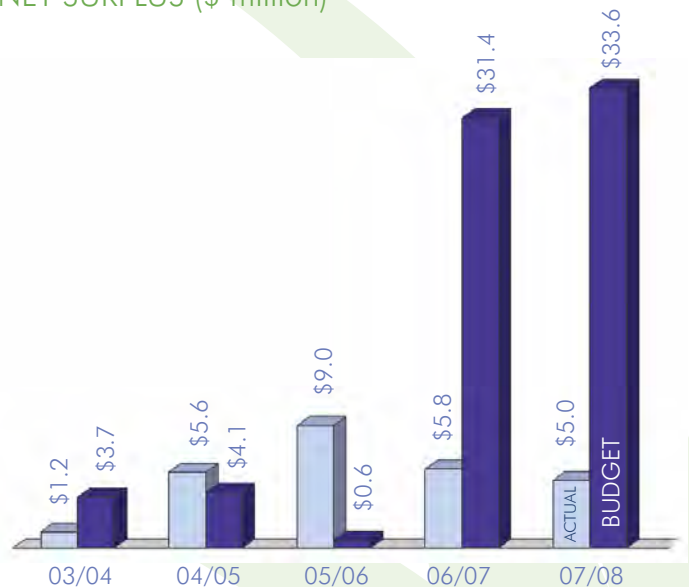
In addition, Development and Financial contributions were \$700,000 less than budgeted. Development and Financial contributions are contributions which are paid to the Council where a development (such as a subdivision) generates a demand for infrastructure (such as water and wastewater or reserves). They aim to collect the costs of capital projects, which are planned or have been undertaken, from those creating the demand.

As the number of developments to date is less than anticipated, the requirement for related capital projects and the related amount of revenue recognised for those projects is also less than budgeted.

When the Annual Plan was prepared, it was also assumed that a number of significant water and wastewater projects would receive funding from and be approved by the Ministry of Health and constructed during the year.

A number of these projects are still in progress or have been deferred 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 \$17.0 million lower than budgeted.

## NET SURPLUS (\$ million)



# Assets and Equity

## Net Assets and Equity

Overall, total net assets have increased by \$102.5 million from last year.

This is mainly due to an increase in the revaluation of Council's roading assets as a result of continuing cost increases.

Ratepayer equity also increased 9.1% over the previous year to \$1.2 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, projected external borrowings were not required.

This meant that non-current liabilities are lower than expected.

In addition, due to the proposed subdivision in Te Anau not proceeding as a result of property market conditions, the amount of money put aside in general reserves is also lower than budgeted.

## Cash Flow

Net cash inflow from operating activities is lower than what was budgeted by \$18.0 million.

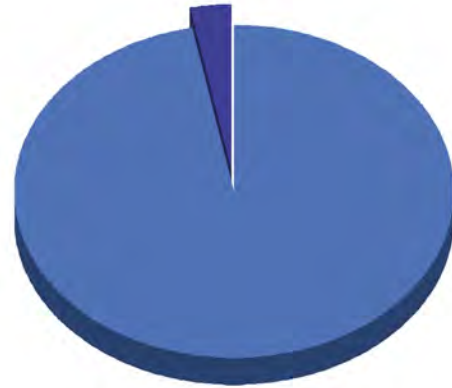
This is due to lower asset development revenue being received because of lower numbers of consented developments as explained above and the decision not to proceed with the subdivision in Te Anau.

In addition, Council has received less capital project related income as projects were either still in progress as of 30 June 2008 or have been deferred to future years. This delay in completing projects has also affected investing and financing cashflows.

Net cash outflow from investing activities is \$21.1 million lower than what was budgeted and net cash inflow from financing activities is \$2.3 million lower than the budget.

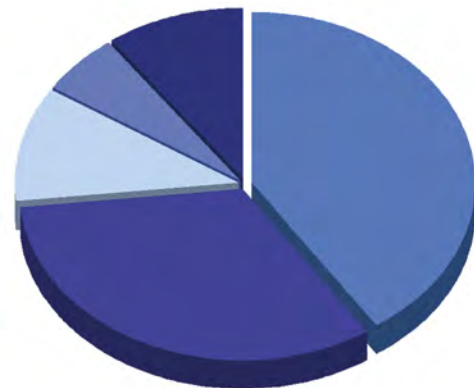
Overall, the decrease in capital project spending has offset the lower than budgeted cash receipts for the year and consequently, the Council has ended the year with a cash balance of \$4.9 million, which is \$1.1 million higher than the budget.

## COMPOSITION OF TOTAL ASSETS



- Property Plant and Equipment \$1,212,514,313 (97%)
- Other Assets \$32,082,030 (3%)

## COMPOSITION OF TOTAL LIABILITIES



- Trade and Other Payables \$6,275,761 (41%)
- Other Liabilities \$4,922,099 (33%)
- Employee Benefit Liabilities \$1,683,010 (11%)
- Contract Retentions and Deposits \$741,958 (5%)
- Development and Financial Contributions \$1,533,490 (10%)



The new Te Anau airport at Manapouri, which was opened in April.

## Where the Revenue Came From

The Council received \$57.8 million of revenue during the year, including \$27.0 million from rates. The breakdown of this revenue is shown in the graph (right).

Overall, revenue was \$27.1 million lower at the end of the year than what was budgeted because a number of water and wastewater projects were still in progress or deferred and as a result the associated income from the Ministry of Health and those connecting to the schemes was not received.

In addition, there were fewer assets vested with Council, lower levels of development and financial contributions, along with the decision not to proceed with a subdivision at Te Anau.

Revenue levels were also affected by the inclusion of a 42% share of Venture Southland's operating expenses. When the Annual Plan is prepared Council is not required to include Venture Southland's income and expenditure in the figures. However, Council is required to include its 42% share of Venture Southland's income and expenditure in its Annual Report.

## Where Your Rates Were Spent

The average annual rates per resident for the past five years are shown in the graph (right)<sup>1</sup>.

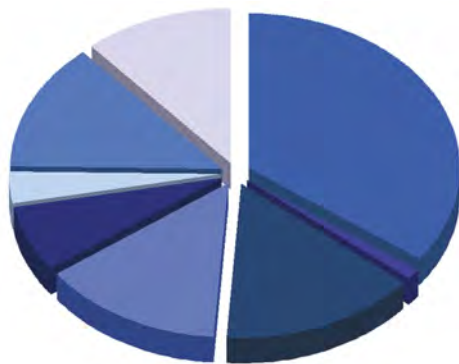
The pie chart (below) shows the breakdown of where the average annual rates of \$951 was spent in 2007/2008.

Spending on Roothing and Transport topped the list, followed by Other District Services, Stormwater/Water and Wastewater 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.

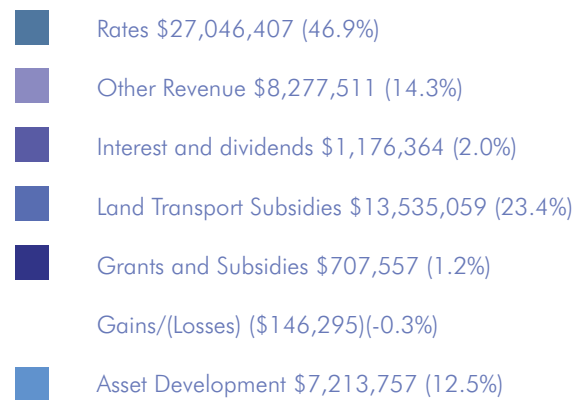
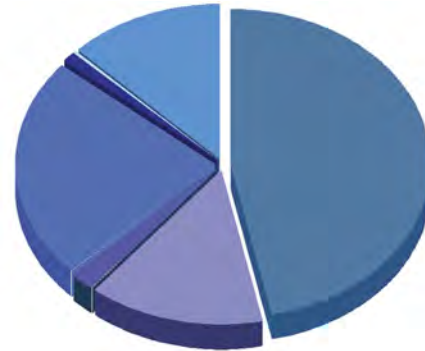
<sup>1</sup> Annual rates per resident are based on the 2006 Census usually resident population of 28,440.

### RATES EXPENDITURE PER RESIDENT (\$)



## Revenue

### SOURCES OF REVENUE (incl Asset Development)



### RATES PER RESIDENT



# Expenditure

Just over \$52.8 million was used on operating expenditure with nearly half of this used on Roothing and Transport services (48%).

Operating expenditure was \$1.5 million higher than budgeted, largely due to a shift in roading costs from capital to maintenance, increased depreciation costs following on from the revaluation of infrastructure assets in the previous year and the inclusion of an unbudgeted 42% share of Venture Southland's operating expenses.

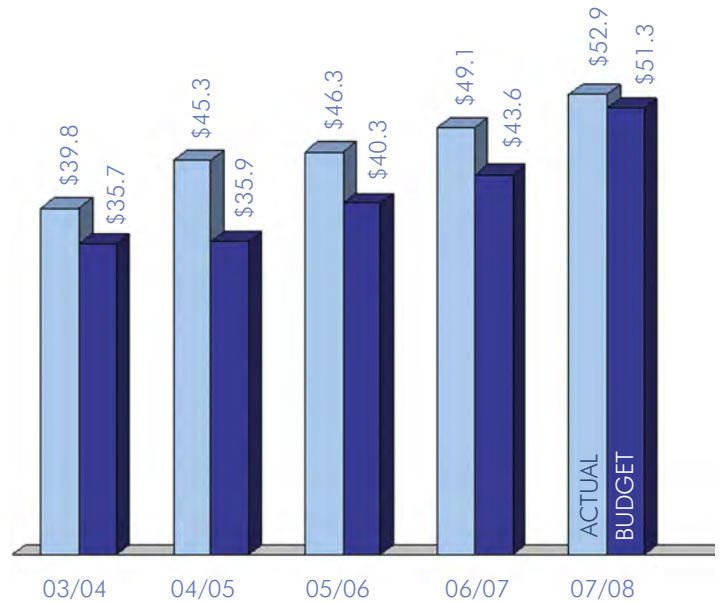
These increases are offset partially by lower than budget Luxmore subdivision costs and change in timing of district plan work.

In addition, interest costs are lower than budget due to the decision not to borrow externally for capital projects.

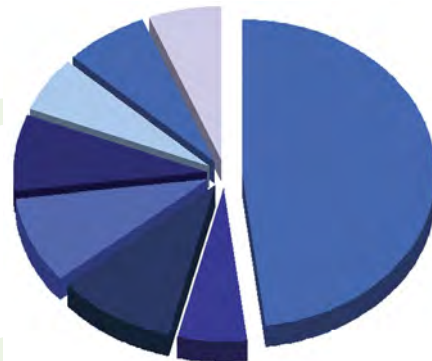
Council spent \$32.6 million (including \$2.9 million of vested assets) on capital projects in 2007/2008.

Of this total, \$14.4 million (44%, excluding vested assets) was spent on roading and transport projects throughout the District and \$6.1 million (19%, excluding vested assets) was spent on stormwater, water and wastewater projects in local townships.

## OPERATING EXPENDITURE (including Income Tax) (\$million)



## ACTIVITY OPERATING EXPENDITURE (including Income Tax)



- Roothing and Transport \$24.7 million (48%)
- Solid Waste Management \$3.0 million (6%)
- Other District Services \$5.3 million (10%)
- Stormwater, Wastewater, Water \$4.8 million (9%)
- Other Local Services \$4.0 million (8%)
- Regulatory Services \$2.9 million (6%)
- Governance, Strategy \$3.5 million (7%)
- Grants and Donations \$3.3 million (6%)



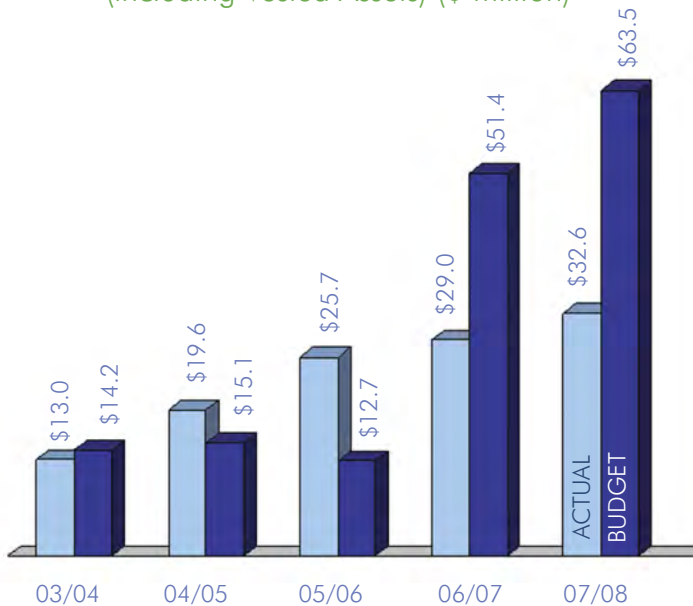
Council resource management staff look out over part of the Te Anau basin during a familiarisation visit.



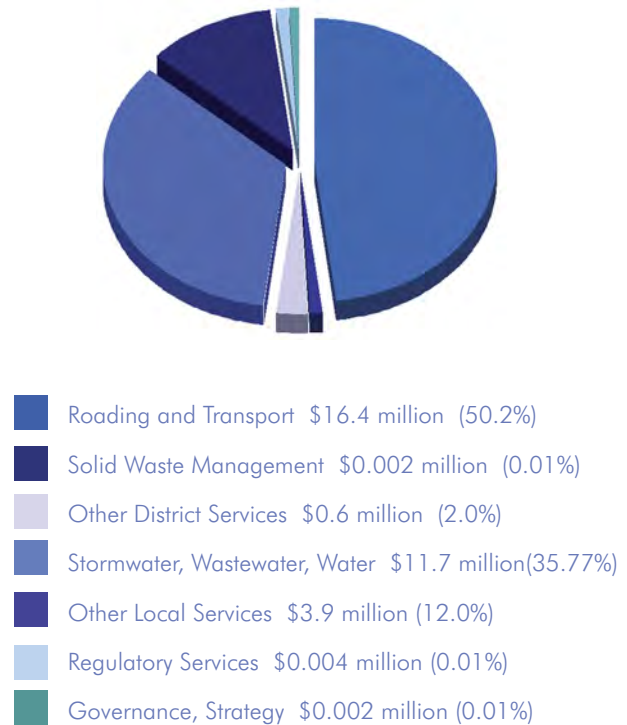
# Expenditure

The capital project spending was lower than the \$63.5 million (including \$11.7 million of vested assets) budgeted in the Annual Plan as a number of capital works are still in progress or deferred to future years. More detail on these is shown in the activity reports of the full Annual Report document.

CAPITAL EXPENDITURE  
(including Vested Assets) (\$ million)



ACTIVITY CAPITAL EXPENDITURE  
(including Vested Assets)



## Audit Report

## AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the Readers of Southland District Council's  
Summary Annual Report for the year ended 30 June 2008

We have audited the summary annual report.

### UNQUALIFIED OPINION

#### In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 29 October 2008, on:

- the full financial statements; and
- the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

### BASIS OF OPINION

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Southland District Council.

#### Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.

Julian Tan, Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
4 November 2008



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