

2013

Gore District Council Pre-election Report



Introduction

This report has been prepared to provide information to promote public discussion in the pre-election period about the Council. It outlines some of the decisions that the new Council will need to consider during its three year term and contains financial information on the Council's performance over the last three years and forecast information for the next four years.

I have included a summary of the major projects either underway or proposed to be undertaken by the Council over the next three years, together with strategic initiatives that may contain future major projects.

The requirement for Councils to prepare a Pre-Election Report was part of an amendment made in 2010 to the Local Government Act 2002. The objective of the change was to enable Councils to provide consistent information to the public about the issues facing their Councils. The Pre-Election Report is required to be prepared by the Chief Executive.

The important decisions about works, services and their costs are made as part of the three yearly Long Term Plan process and changes to those plans through the Annual Plan process.

I hope the information in the Pre-Election Report is useful to you.

Stephen Parry
Chief Executive
Gore District Council

Gore District Council Community Outcomes

Detailed below are the six identified community outcomes which are a cornerstone to the Council's long term planning.

OUTCOME 1

We value our history and heritage

Objectives

- a) To ensure that early life in the District is captured via writings, artefacts and attractive exhibitions in order that a greater awareness and appreciation for our heritage and history is cultivated.
- b) To work with community organisations and interest groups to bolster and expand the District's historical infrastructure in the forms of research facilities, exhibitions based on a specific theme (e.g. fishing, moonshine whiskey or aviation) and the provision of buildings to facilitate sensitive storage of artefacts and opportunities for public access.
- c) To actively work with the owners of historic buildings to encourage their retention, while maintaining a modicum of flexibility to allow their adaptation to meet contemporary needs.

OUTCOME 2

We live in a creative place

Objectives

- a) To continue to establish Gore as a regional epicentre of art by conducting and promoting art exhibitions at the Eastern Southland Art Gallery and maintaining a high visitor appeal in the John Money Wing.
- b) To foster an interest and participation in the performing arts by the provision of advice, staff support and funding of key areas such as fashion, music and drama.

OUTCOME 3

We have a choice of quality places to go and things to do

Objectives

- a) To provide high class recreational facilities at the Gore Multisports Complex and to promote and pursue an increase in participation at the aquatic centre and adjoining event centre.
- b) To provide a library service in the District that informs and stimulates an interest in reading, both for leisure and personal growth.

- c) To provide support for events in the District, which cater for local residents and visitors, offer fun and entertainment, together with engendering pride in the District and what it has to offer.

OUTCOME 4

We have a quality infrastructure with potential for growth

Objectives

- a) To ensure Activity Management Plans are accurate, updated regularly and factor in anticipated growth in the foreseeable future.
- b) To prepare a District Growth Strategy that makes optimum use of existing infrastructure and sets out the location and investment required for new infrastructure to accommodate anticipated demand.
- c) To investigate new sources of water to ensure that a reliable water supply is available to a growing community.

OUTCOME 5

We live in a compassionate caring community

Objectives

- a) Where appropriate, consider grants to organisations in order to build community capacity and cohesion and promote social and cultural wellbeing.
- b) To maintain an active community development programme which harnesses and empowers volunteer effort in social wellbeing and fosters a sense of inclusion amongst marginalised groups.
- c) To proactively advocate on behalf of citizens who may be disadvantaged by changes in government policy and/or procedure.

OUTCOME 6

We value and respect our environment

Objectives

- a) To provide and maintain to a high standard parks, reserves and gardens which both beautify the environment and provide a respite from built infrastructure.
- b) To update the District Plan in order that it strengthens the balance between facilitating development and effectively limiting adverse effects that may flow from unbridled development.
- c) To maintain a regulatory culture that places an emphasis on education, empowerment and collaboration over rigid application of rules and implementation of sanctions.

Further Information

There are a number of publications available that provide additional information on the Council:

- Gore District Council Long Term Plan 2012/2022
- Gore District Council Annual Plan 2013/2014
- Gore District Council Annual Report 2011/2012
- Gore District Council Local Governance Statement

All of these documents are available on our website www.goredc.govt.nz

Funding Impact Statements					
for the years ended 30 June 2013-2017					
	LTP	Annual Plan	LTP	LTP	LTP
	2013	2014	2015	2016	2017
	\$'000	\$'000	\$'000	\$'000	\$'000
Sources of operating funding					
General Rates, uniform annual general charges, rates penalties	4,219	4,365	4,492	4,716	5,083
Targeted rates (other than a targeted rate for water supply)	8,471	8,949	9,314	9,646	9,988
Subsidies and grants for operating purposes	1,153	1,105	1,146	1,163	1,190
Fees charges and targeted rates for water supply	2,638	2,692	2,765	2,877	3,043
Interest and dividends from investments	105	105	105	108	115
Local authorities fuel tax, fines, infringement fees, and other receipts	246	254	262	271	279
Internal charges and overheads recovered	4,037	4,170	4,202	4,318	4,435
Total operating funding (A)	20,870	21,640	22,286	23,099	24,133
Applications of operating funding					
Payments to staff and suppliers	13,042	13,224	13,700	13,970	14,579
Finance costs	742	725	730	811	1,028
Other operating funding applications	527	531	546	546	560
Internal charges and overheads applied	4,037	4,170	4,202	4,318	4,435
Total applications of operating funding (B)	18,347	18,650	19,177	19,645	20,602
Surplus/(deficit) of operating funding (A - B)	2,522	2,990	3,109	3,454	3,531
Sources of capital funding					
Subsidies and grants for capital expenditure	1,508	1,610	1,799	1,989	2,019
Development and financial contributions	-	-	-	55	57
Increase (decrease) in debt	310	68	(170)	2,341	1,719
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total capital funding (C)	1,818	1,678	1,629	4,385	3,795
Applications of capital funding					
Capital Expenditure - to meet additional demand	-	-	-	-	-
Capital Expenditure - to replace existing assets	3,944	4,173	4,531	8,050	6,964
Capital Expenditure - to improve level of service	530	258	266	-	-
Increase (decrease) in reserves	(134)	238	(60)	(211)	363
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	4,340	4,668	4,737	7,839	7,326
Surplus/(deficit) of Capital Funding (C - D)	(2,522)	(2,990)	(3,109)	(3,454)	(3,531)

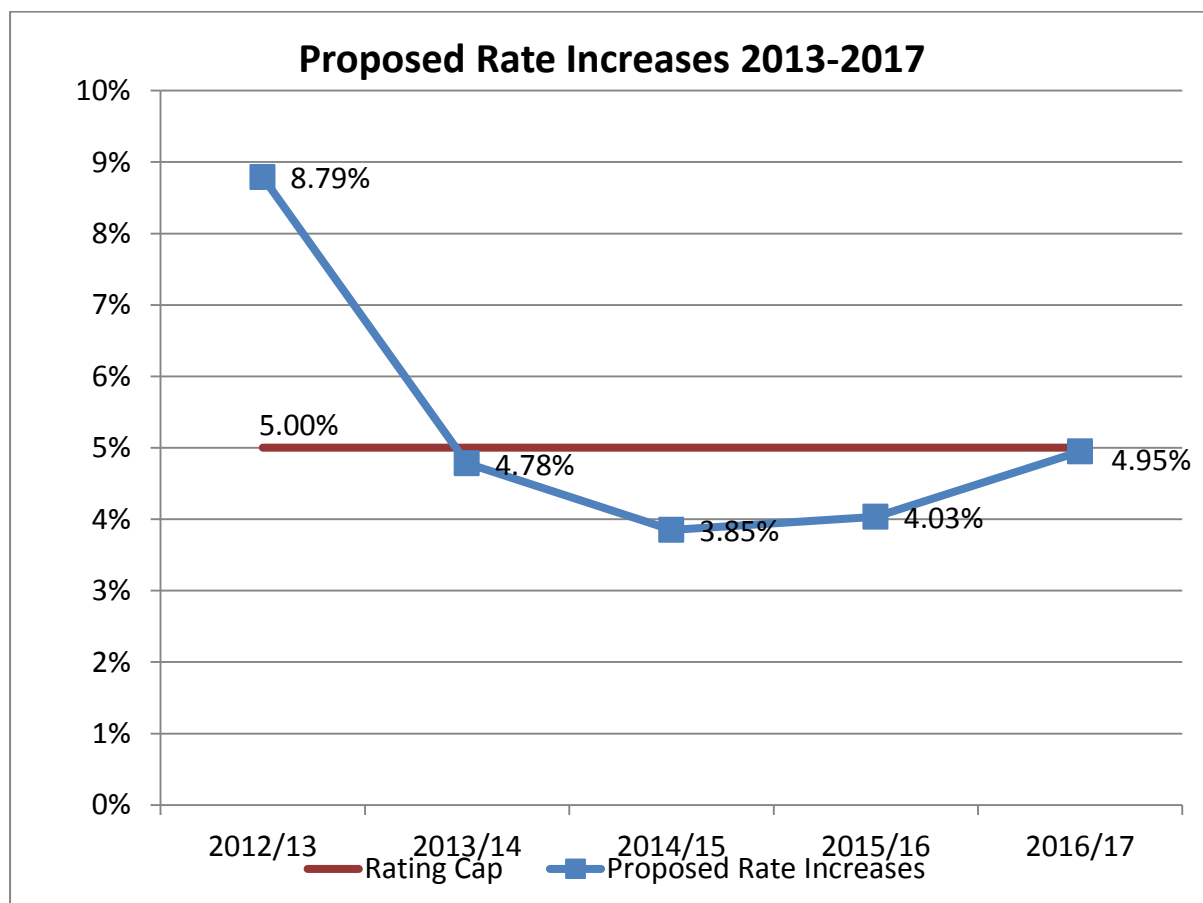
Summary Statement of Financial Position							
as at 30 June 2011-2017							
	Actual	Actual	LTP	Annual Plan	LTP	LTP	LTP
	2011	2012	2013	2014	2015	2016	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets							
Cash and cash equivalents	669	142	669	669	669	669	669
Trade and other receivables	1,564	1,811	1,564	1,564	1,564	1,564	1,564
Inventories	85	137	-	-	-	-	-
Other financial assets	1,380	1,444	1,425	1,592	1,603	1,329	1,488
Other current assets	44	153	-	-	-	-	-
Total current assets	3,742	3,687	3,658	3,825	3,836	3,562	3,721
Non-current assets							
Other financial assets	232	179	232	232	232	232	232
Property, plant and equipment	345,342	344,414	381,755	381,557	381,797	426,968	428,878
Total non-current assets	345,574	344,593	381,987	381,789	382,029	427,200	429,110
Total assets	349,316	348,280	385,645	385,614	385,865	430,762	432,831
Current liabilities							
Trade and other payables	1,836	1,745	2,279	2,279	2,279	2,279	2,279
Employee entitlements	443	655	-	-	-	-	-
Borrowings	-	11,112	-	-	-	-	-
Other Financial Liabilities	197	177	91	91	0	0	0
Total current liabilities	2,476	13,689	2,370	2,370	2,279	2,279	2,279
Non-current liabilities							
Borrowings	10,949	256	11,314	11,680	11,212	13,490	15,005
Provisions	110	107	110	110	110	110	110
Other Financial Liabilities	289	419	-	-	-	-	-
Total non-current liabilities	11,348	782	11,424	11,790	11,322	13,600	15,115
Total liabilities	13,824	14,471	13,794	14,160	13,601	15,879	17,394
Net assets	335,492	333,809	371,851	371,454	372,264	414,883	415,437
Equity							
Reserves	200,115	200,064	236,069	236,236	236,247	273,408	273,771
Retained earnings	135,377	133,745	135,782	135,218	136,017	141,475	141,666
	335,492	333,809	371,851	371,454	372,264	414,883	415,437

Summary Statement of Cash Flows							
for the years ended 30 June 2011-2017							
	Actual	Actual	LTP	Annual Plan	LTP	LTP	LTP
	2011	2012	2013	2014	2015	2016	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities							
Receipts from customers	16,604	17,133	18,236	18,826	19,777	20,717	21,659
Interest received	101	83	105	105	105	108	115
Payments to suppliers and employees	(11,997)	(13,067)	(13,569)	(13,828)	(14,245)	(14,515)	(15,138)
Finance costs	(763)	(703)	(742)	(740)	(730)	(811)	(1,028)
Net cash inflow/ (outflow) from operating activities	3,945	3,446	4,030	4,363	4,907	5,499	5,608
Cash flows from investing activities							
Proceeds from maturity of other financial assets	3	3	–	–	–	–	–
Proceeds from sale of property, plant and equipment	320	117	–	–	–	–	–
Purchase of property, plant and equipment	(5,037)	(4,447)	(4,474)	(4,562)	(4,797)	(8,050)	(6,964)
Purchase of other financial assets	(76)	(64)	–	–	–	–	–
Net cash inflow/ (outflow) from investing activities	(4,790)	(4,391)	(4,474)	(4,562)	(4,797)	(8,050)	(6,964)
Cash flows from financing activities							
Proceeds from borrowings	699	1,086	776	928	415	2,996	2,085
Repayment of borrowings	(443)	(668)	(466)	(562)	(585)	(719)	(570)
Net cash inflow / (outflow) from financing activities	256	418	310	366	(170)	2,277	1,515
Net increase (decrease) in Cash and cash equivalents	(589)	(527)	(134)	167	(60)	(274)	159
Cash and cash equivalents at the beginning of the financial year	1,258	669	2,228	2,094	2,332	2,272	1,998
Cash and cash equivalents at the end of the financial year	669	142	2,094	2,261	2,272	1,998	2,157

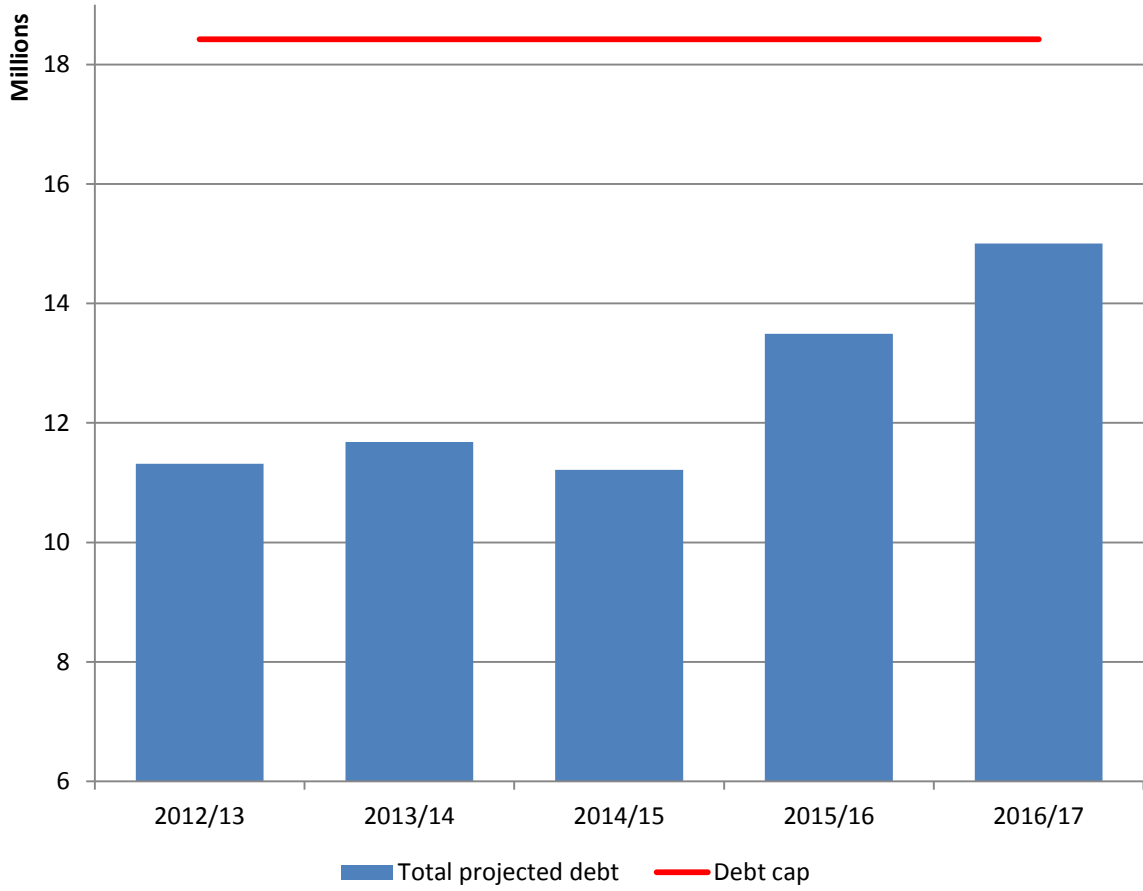
Compliance with Financial Strategy

The Council's Financial Strategy, which is contained in the Long Term Plan, provides self-imposed limits on rates increases and Council borrowings. The two tables below provide a comparison of the limits set and the actual achievement by the Council in 2012/13 with the projection for compliance in the next three financial years.

With the exception of the rates increase for 2012/13, actual and forecast rates and debt levels fall under the limits set in the financial strategy. The rates increase of 8.79% recorded in 2012/13 was due to the introduction of kerbside recycling in Gore and Mataura.



Projected Debt Levels 2013-2017



Major Projects Following The 2013 Election

The table below provides details of the major projects that are underway or proposed for the next three financial years (2014/15, 2015/16 and 2016/17). These focus on upgrading existing facilities, improving levels of service or enhancing the quality of service offered to residents and visitors. It is important to note that this is not a full list of our activities or business as usual tasks. For further information, reference should be made to the Long Term Plan 2012/22 or the Annual Plan 2013/14.

Project	Three year Cost 2014/15–2016/17	Total Project Cost
<p>Upgrade of Civic Administration Building A comprehensive upgrade of the Civic Administration Building in Gore is planned to provide for more efficient use of space, provide more storage, overcome cramped working conditions and address any shortcomings in respect of resistance to earthquakes. The timing of this project is a little uncertain due to the possibility of local government structural reform.</p>	\$3 million	\$3 million
<p>Gore Oxidation Ponds Sludge Removal Removal of sludge in an environmentally friendly manner is required to restore the ponds which were constructed in the 1970s, to their original capacity. This work is essential to ensure that the Gore urban area can cope with any growth in population or industry.</p>	\$1.7 million	\$1.7 million
<p>Arts and Heritage Precinct Upgrade This project will involve the redevelopment of a building owned by the Council at 28 Irwell Street, Gore, (presently leased to the Salvation Army) to accommodate a relocated Hokonui Moonshine Museum. Consequential alteration within the neighbouring Hokonui Heritage Centre will also be made to allow better access for the likes of the popular Hokonui Heritage Centre.</p>	\$500,000	\$2.2 million Note: The Council's share will be limited to \$500,000.

Strategic Initiatives

Section 19A of the Local Government Act does not require the Council to include strategic initiatives in its Pre-Election Report. However, in the interests of informing the community about what is on the planning horizon for the Council, this information is being included. These initiatives are subject to the finalisation of a strategy and therefore do not as yet have definitive costs and timelines. The strategies once fully clarified are likely to spawn major projects in the future. The three strategic initiatives are:

Water Quantity

The Council has recently developed a water supply strategy, the initial phases for which centre on managing demand and improving the performance of the reticulation network. Leak detection and rectification is an important first step in this strategy. Whether other facets of the strategy will be pursued is dependent upon the success of the endeavours to improve the performance of the network.

If improvements in the performance of the iculation network cannot be secured, other more capital intensive options such as water storage may have to be explored.

Wastewater Reticulation – West Gore

The Council has agreed to upgrade a sewerage pumping station at South Gore together with reticulation leading immediately to and from this critical junction for West Gore sewerage disposal. This work which will commence in 2013/14 is designed to free up capacity in the wastewater network. Modelling of the network highlighted several capacity issues affecting the western part of Gore that need to be addressed. Further work will be programmed and costed once the results of the upgrade in and around South Gore have been assessed in terms of gains made in capacity.

Water Quality

There are a number of questions that the Council is currently grappling with in regard to the quality of raw water it draws, prior to treatment and distribution for public consumption. Intensification of land use around the Pleura Dam site near Mataura and Coopers Wells in Knapdale has prompted the Council to reflect on whether some defensive measures should be undertaken to preserve water quality. In Mataura a 7km aged pipeline needs to be factored into any decision making process. This could ultimately lead to investigations being made in regard to searching for an alternative water source for the township.

At Coopers Wells land use controls in the immediate vicinity where the wells are located is likely to be considered in the near future in order that any adverse effects from intensified land use can be minimised.