

Gore District Council Annual Plan 2016 - 2017

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MAYORAL AND EXECUTIVE FOREWORD

We are pleased to be able to provide a brief foreword to the Gore District Council's 2016/17 Annual Plan.

This plan is the result of consulting with our community on three key issues, even though recent amendments to the Local Government Act gave councils the opportunity not to consult on their Annual Plans where there are no significant issues or changes.

The three issues we asked our residents for feedback on were:

- Increasing the amount Gore District residents pay to the Southland Regional Heritage Rate by \$15
- New fees associated with changes to the Food Act
- Partnering with Environment Southland to provide a Home Heating Loan Scheme

The Council received 20 submissions to the Annual Plan consultation document, with 12 submitters addressing a hearing.

Following the hearing, councillors decided to

- Decline the request from the Southland Museum and Art Gallery to increase our contribution to the Southland Regional Heritage Rate
- Do not become involved in a home heating loan scheme
- Introduce the new Food Safety fees as outlined in the consultation document

The only major variation to the draft plan, to come out of the consultation process, was a decision to provide a grant of \$50,000 to the Kids Hub Charitable Trust. The money is to help with the development of a junior playground at the Kids Hub.

The development of the playground would provide a valuable asset for the community. This, combined with the incredible efforts of the charitable trust in its fund raising efforts for the entire project and the support it has gained from the community, make it a project worthy of support from the Council.

The grant will be funded from the reserve contributions fund and will not have any impact on rates for the coming financial year.

Overall, our 2016/17 Annual Plan closely resembles what was anticipated in year two of the 2015/25 Long Term Plan. This is borne out in the average district-wide rate increase of 4.27%, which is the same as what was forecast in the Long Term Plan.

It is important to note that the Council's planning and forecasting for the Long Term Plan was carried out in an economic environment very different to what our community is experiencing today. We are acutely aware of the challenges many are facing at present and believe that staying the course set last year will deliver benefits in the future to all sectors.

As a rural service town, what happens at the farm gate has a ripple effect to all corners of our community. Consequently, the Council will be taking a more active, leadership role in economic development in the District. This is the logical next step in our successful rebranding two years ago and nicely dovetails with the GoRetail initiative.

Capital Expenditure Programme

The forthcoming year is remarkable for the number and magnitude of capital works that will be advanced. These capital works have been in the planning pipe-line for some time.

In the case of the upgrade of the Ajax Pump Station, delays in obtaining land owner approval for an easement have thwarted endeavours to complete this project on time. Now that land owner approval has been secured, the project will be carried out in the coming financial year along with other scheduled and essential capital works profiled in the consultation document. These works are all essential to either improved water quality or to increase the capacity of the Gore wastewater network.

While the capital works may have a big collective price tag, they are all important and will provide long term benefits to the community.

We want to thank the community for its input into this year's Annual Plan.



Tracy Hicks
MAYOR



Stephen Parry
CHIEF EXECUTIVE

ANNUAL PLAN READER'S GUIDE

The 2016/17 Annual Plan is the first Annual Plan that the Council has had to prepare under amended legislation. The purpose of the Plan is to contain the budget for the 2016/17 year and to identify any differences between what was proposed in the Long Term Plan and what is now planned for the 2016/17 year.

The changes to the legislation mean that this Annual Plan is much more concise than previous plans. It also means that you will have to refer to the Council's 2015-25 Long Term Plan for information about our Community Outcomes, intended levels of service and also how Council anticipates carrying out its responsibilities and duties. The Long-Term Plan is available on Council's website www.goredc.govt.nz or for reference at the Gore Library, Mataura Library and Service Centre, or the Council's offices.

This Annual Plan will only present information where there is a difference from what was included in the Long Term Plan.

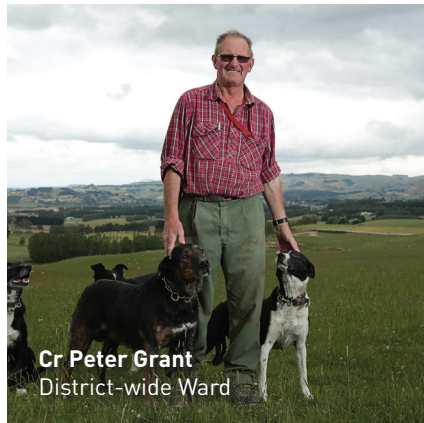
VARIATIONS FROM THE LONG TERM PLAN

The Long Term Plan forecast a rates increase of 4.27% Overall the Council is still proposing a rates increase of 4.27%, however there are some changes to budgets activities which are outlined below:

Activities affected	Proposed change	Level of service impact	Financial impact against the Long Term Plan
Community Grants	Increase to Croydon Aviation Heritage Trust for 7 years	Nil	Increase in grants by \$3,000
All activities	In in interest costs due to timing of borrowing and completion of capital projects	Nil	Increase total interest expense by \$64,000
3 Waters	Reduction in depreciation expense less capital projects being completed in expected timeframes	Nil	Decrease by \$72,000
Wastewater & Stormwater	Increased funding from reserves for capital projects	Nil	Increase in reserve funding of \$70,000
Water	Increased payments to reserves for future capital works	Nil	Increase in reserve payments of \$65,000
All activities	Increase in employee costs due to organisational change	Service delivery improvements, employment of a Policy analyst to look after policy reviews and lead annual and long term planning processes	Increase of \$64,000
Regulatory & planning	Increase in contractors fees due to organisational change	Nil	Increase of \$90,000
Solid waste	Increase in regional landfill gate fee	Nil	Increase of \$30,000
Solid waste	Increase in fees and charges	Nil	Increase of \$30,000
Building Control	Decrease in payments to reserves	Nil	Decrease of \$50,000
Civic Buildings	Increase in reserves funding for Civic Administration building project	Nil	Increase of \$20,000
Grants	One off grant to the Kid's Hub Charitable Trust of \$50,000 funded by Financial Contributions for Parks and Reserves	Nil	Nil impact on rates, reduction of \$50,000 in special reserves

A COUNCIL FOR YOU

Your councillors are just like you – they are businessmen and labourers, mothers and fathers, farmers and retailers. They pay rates, use our wonderful facilities and work hard to fulfil your aspirations for the District. Like you, they are proud to call the Gore District home and look forward to working with you for Gore's Future.



Cr Peter Grant
District-wide Ward



Cr Doug Grant
Gore Ward



Cr Graham Page
Gore Ward



Cr Diane Byars
Waikaka Ward



Cr Cliff Bolger
District-Wide Ward



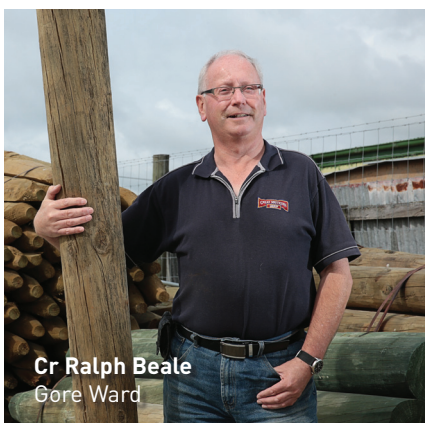
Cr Anne Gover
Gore Ward



Cr Steve Dixon
Mataura Ward



Cr Nicky Davis
District-wide Ward



Cr Ralph Beale
Gore Ward



Cr Bret Highsted
Gore Ward



Cr Graham Sharp
Waimumu-Kaiwera Ward

ANNUAL PLAN DISCLOSURE STATEMENT FOR THE YEAR ENDING 30 JUNE 2017

What is the purpose of this statement?

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

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

Benchmark		Planned	Met
Rates affordability benchmark:			
Income	<\$25 million	\$14.919 million	Yes
Increases	5%	4.27%	Yes
Debt affordability benchmark:	\$4,150 per rating unit	\$3,271	Yes
Balanced budget benchmark:	100%	98.5%	No
Essential services benchmark:	100%	263.8%	Yes
Debt servicing benchmark:	10%	4.6%	Yes

Notes

1 Rates affordability benchmark

(1) For this benchmark,—

(a) the council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the council's long-term plan; and

(b) the council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the council's long-term plan.

(2) The council meets the rates affordability benchmark if—

(a) its planned rates income for the year equals or is less than each quantified limit on rates; and

(b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2 Debt affordability benchmark

(1) For this benchmark, the council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the council's long-term plan.

(2) The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3 Balanced budget benchmark

(1) For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

(2) The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4 Essential services benchmark

(1) For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

(2) The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5 Debt servicing benchmark

(1) For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

(2) Because Statistics New Zealand projects that the council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

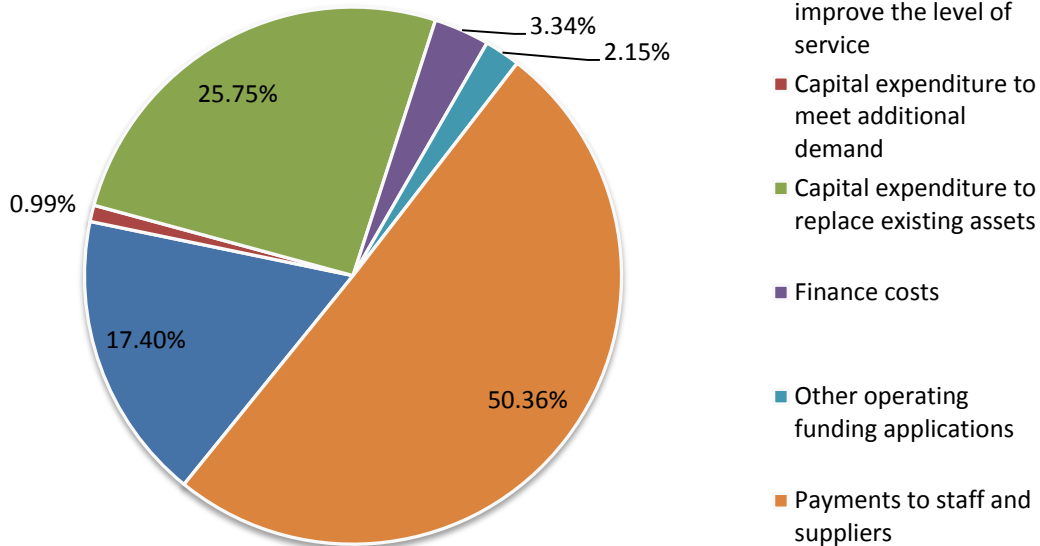
Additional information or comment

FINANCIAL OVERVIEW

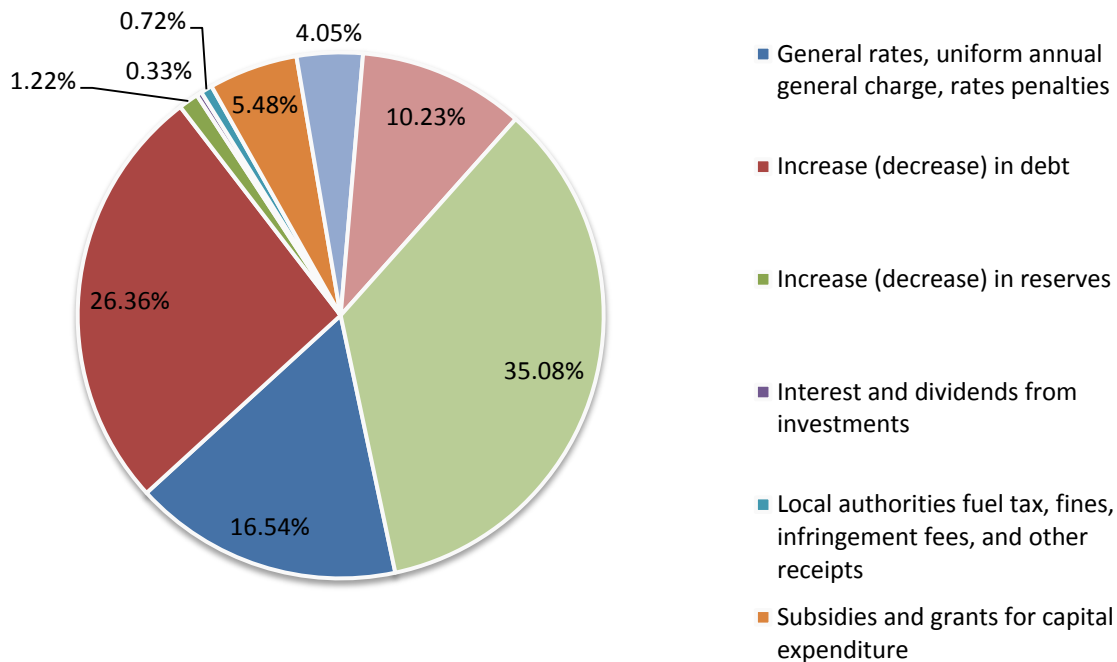
The average increase in rates across the District for 2015/16 is 4.27%. The impact of the increase will vary among the sectors of Residential, Commercial, Rural and Industry.

Rates	Urban	Rural	Industrial	Total (incl GST)
2015/16	12,360,830	4,556,636	278,355	17,195,921
2015/16	11,877,905	4,348,203	266,957	16,493,165
% increase	4.07%	4.79%	4.27%	4.27%

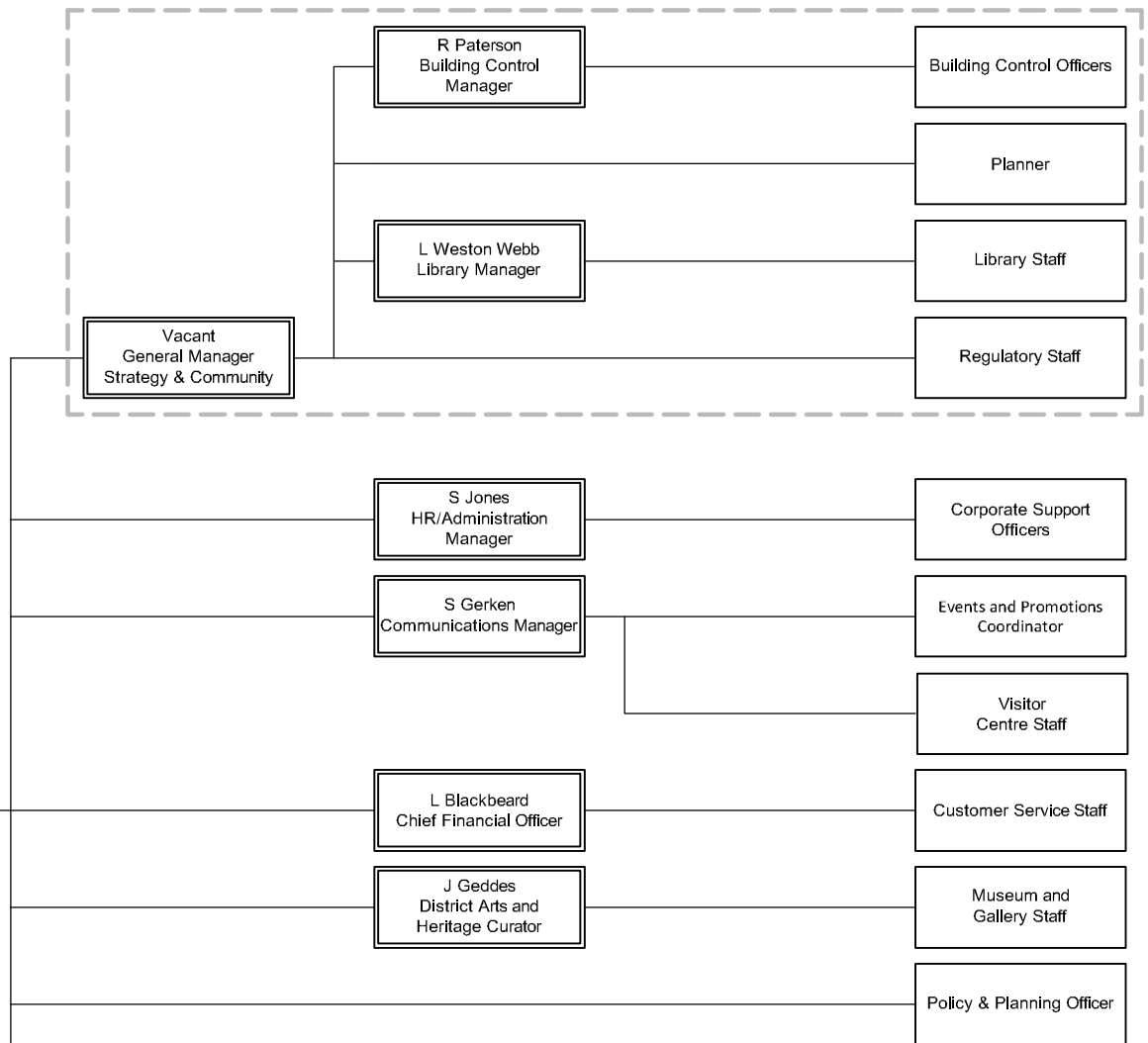
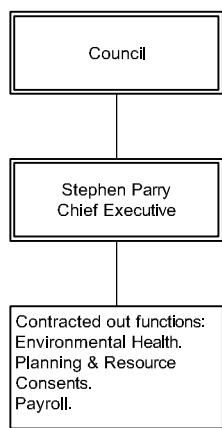
What work do we plan to do in 2016/17?



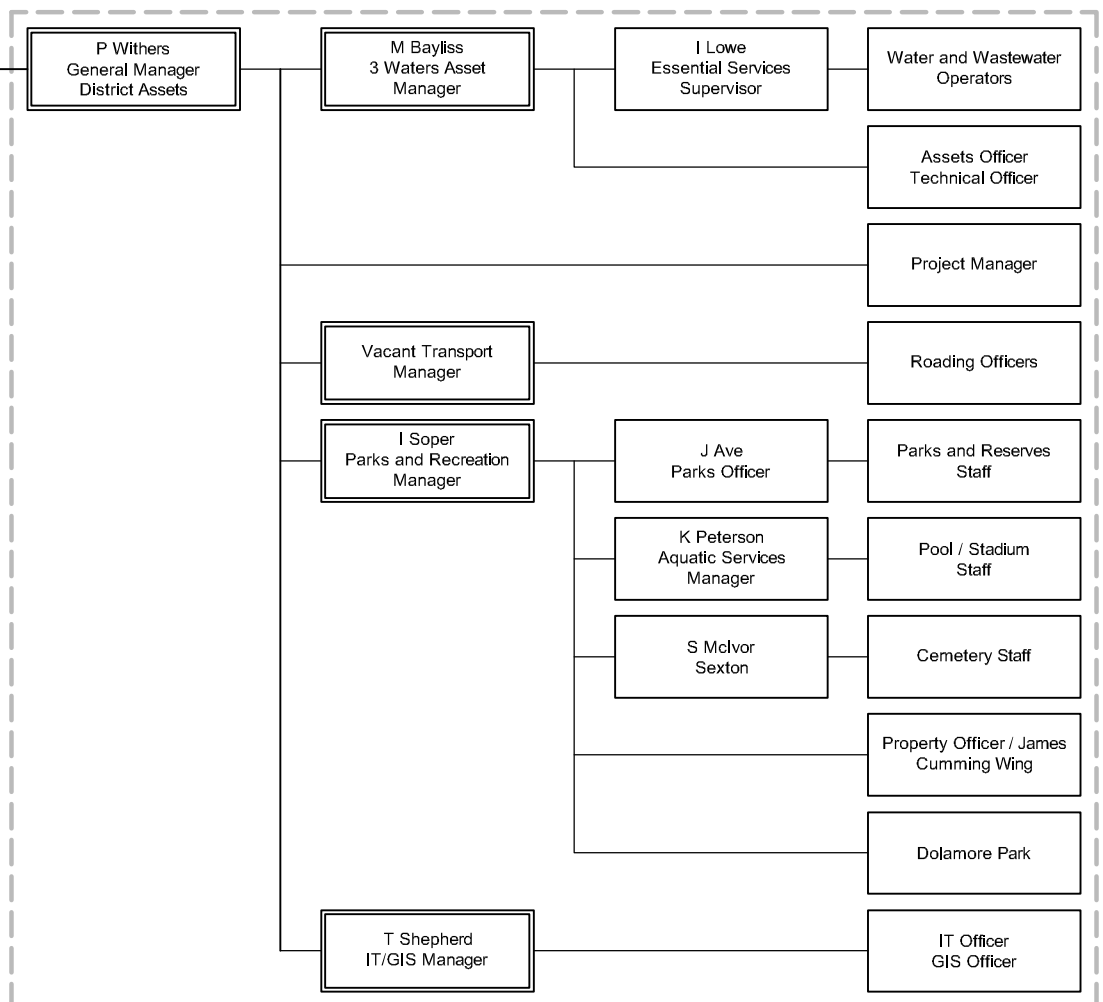
How will we pay for it?



STRATEGY AND COMMUNITY TEAM



DISTRICT ASSETS TEAM



GO
DISTRICT COUNCIL
RE
**ORGANISATIONAL
STRUCTURE**

GROUPS OF ACTIVITIES

The following pages contain each of the Council's activities and projects of significant community interest as set out in the Long Term Plan.

It includes the Funding Impact Statement for each activity and also includes information for those activities that have changed as the result of adjustments made in the development of the 2016/17 Annual Plan.

Unless noted in the Annual Plan, the information contained in the Long Term Plan is correct.

WATER SUPPLY

Refer to the Long Term Plan page 53.

Non-financial information

There have been no changes to the non-financial information contained in the Long Term Plan 2015 - 2025.

Levels of services

There have been no changes to the statement of service performance contained in the Long Term Plan 2015 -2025.

Future changes

Some small projects from years two three and four of the Long Term Plan were brought forward by the Council while the Ajax wastewater project was on hold. This has resulted in minor changes to the capital programme. There have been no changes to the key projects contained in the Long Term Plan 2015 -2025.

Funding Impact Statement - Water

	LTP 2016	LTP 2017	Annual Plan 2017
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	1,377	1,455	1,552
Subsidies and grants for operating purposes	-	-	-
Fees and charges	309	325	320
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	-	-	-
Total operating funding (A)	1,686	1,779	1,872
Applications of operating funding			
Payments to staff and suppliers	642	663	672
Finance costs	25	30	125
Other operating funding applications	-	-	-
Internal charges and overheads applied	528	570	562
Total applications of operating funding (B)	1,196	1,262	1,359
Surplus (deficit) of operating funding (A-B)	491	517	513
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	32	1,502	1,656
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	32	1,502	1,656
Applications of capital funding			
Capital expenditure to meet additional demand	100	-	100
Capital expenditure to replace existing assets	120	279	252
Capital expenditure to improve the level of service	265	1,708	1,708
Increase (decrease) in reserves	38	33	110
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	523	2,019	2,169
Surplus (deficit) of capital funding (C-D)	(491)	(517)	(513)
Funding balance ((A-B)+(C-D))	-	-	-

WASTEWATER

Refer to the Long Term Plan page 57.

Non-financial information

There have been no changes to the non-financial information contained in the Long Term Plan 2015 - 2025.

Levels of services

There have been no changes to the statement of service performance contained in the Long Term Plan 2015 -2025.

Future changes

The Long Term Plan assumed that the Ajax wastewater pump station upgrade would be complete before 1 July 2015. Presently construction of this project is yet to start. It is planned to begin in the 2017 year.

Some small projects from years two three and four of the Long Term Plan were brought forward by the Council while the Ajax wastewater project was on hold. This has resulted in minor changes to the capital programme.

Funding Impact Statement - Wastewater

	LTP 2016	LTP 2017	Annual Plan 2017
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	1,156	1,252	1,175
Subsidies and grants for operating purposes	-	-	-
Fees and charges	234	243	243
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	-	-	-
Total operating funding (A)	1,391	1,495	1,418
Applications of operating funding			
Payments to staff and suppliers	372	385	400
Finance costs	224	303	312
Other operating funding applications	-	-	-
Internal charges and overheads applied	328	354	350
Total applications of operating funding (B)	925	1,042	1,061
Surplus (deficit) of operating funding (A-B)	466	453	358
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	927	1,918	4,800
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	927	1,918	4,800
Applications of capital funding			
Capital expenditure to meet additional demand	100	-	100
Capital expenditure to replace existing assets	93	2,629	2,613
Capital expenditure to improve the level of service	1,200	187	2,925
Increase (decrease) in reserves	-	(445)	(480)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	1,393	2,371	5,158
Surplus (deficit) of capital funding (C-D)	(466)	(453)	(358)
Funding balance ((A-B)+(C-D))	-	-	-

STORMWATER

Refer to the Long Term Plan page 61.

Non-financial information

There have been no changes to the non-financial information contained in the Long Term Plan 2015 - 2025.

Levels of services

There have been no changes to the statement of service performance contained in the Long Term Plan 2015 -2025.

Future changes

Some small projects from years two three and four of the Long Term Plan were brought forward by the Council while the Ajax wastewater project was on hold. This has resulted in minor changes to the capital programme.

Funding Impact Statement - Stormwater

	LTP 2016	LTP 2017	Annual Plan 2017
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	526	563	523
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	-	-	-
Total operating funding (A)	526	563	523
Applications of operating funding			
Payments to staff and suppliers	95	98	106
Finance costs	28	18	11
Other operating funding applications	-	-	-
Internal charges and overheads applied	82	89	84
Total applications of operating funding (B)	205	204	201
Surplus (deficit) of operating funding (A-B)	321	358	322
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(196)	(171)	(196)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(196)	(171)	(196)
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	80	62	36
Capital expenditure to improve the level of service	45	125	125
Increase (decrease) in reserves	-	-	(35)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	125	187	126
Surplus (deficit) of capital funding (C-D)	(321)	(358)	(322)
Funding balance ((A-B)+(C-D))	-	-	-

ROADING AND FOOTPATHS

Refer to the Long Term Plan page 65.

Non-financial information

There have been no changes to the non-financial information contained in the Long Term Plan 2015 - 2025.

Levels of services

There have been no changes to the statement of service performance contained in the Long Term Plan 2015 -2025.

Future changes

There have been no changes to the key projects contained in the Long Term Plan 2015 -2025.

Funding Impact Statement - Roading

	LTP 2016	LTP 2017	Annual Plan 2017
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	2,283	2,322	2,323
Subsidies and grants for operating purposes	878	876	876
Fees and charges	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	137	138	138
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	172	140	143
Total operating funding (A)	3,470	3,475	3,480
Applications of operating funding			
Payments to staff and suppliers	2,071	2,101	2,101
Finance costs	48	58	56
Other operating funding applications	-	-	-
Internal charges and overheads applied	431	399	406
Total applications of operating funding (B)	2,550	2,558	2,563
Surplus (deficit) of operating funding (A-B)	921	916	916
Sources of capital funding			
Subsidies and grants for capital expenditure	1,598	1,593	1,593
Development and financial contributions	-	-	-
Increase (decrease) in debt	100	105	105
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1,698	1,697	1,697
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	2,342	2,390	2,287
Capital expenditure to improve the level of service	282	203	305
Increase (decrease) in reserves	(5)	21	21
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	2,619	2,614	2,614
Surplus (deficit) of capital funding (C-D)	(921)	(916)	(916)
Funding balance ((A-B)+(C-D))	-	-	-

PARKS, RESERVES, AQUATIC FACILITIES, CIVIC BUILDINGS & RECREATION

Refer to the Long Term Plan page 71.

Non-financial information

There have been no changes to the non-financial information contained in the Long Term Plan 2015 - 2025.

Levels of services

There have been no changes to the statement of service performance contained in the Long Term Plan 2015 -2025.

Future changes

There have been no changes to the key projects contained in the Long Term Plan 2015 -2025.

Funding Impact Statement - Parks, Reserves, Aquatic Facilities, Civic Buildings & Recreation

	LTP 2016	LTP 2017	Annual Plan 2017
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,324	1,376	1,397
Targeted rates	2,659	2,811	2,812
Subsidies and grants for operating purposes	71	73	73
Fees and charges	768	799	818
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	1,107	1,145	1,350
Total operating funding (A)	5,929	6,205	6,450
Applications of operating funding			
Payments to staff and suppliers	3,340	3,479	3,542
Finance costs	265	290	277
Other operating funding applications	-	-	-
Internal charges and overheads applied	1,813	1,851	2,065
Total applications of operating funding (B)	5,418	5,620	5,884
Surplus (deficit) of operating funding (A-B)	511	586	566
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	57	1,450	1,450
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	57	1,450	1,450
Applications of capital funding			
Capital expenditure to meet additional demand	21	87	87
Capital expenditure to replace existing assets	520	1,908	1,908
Capital expenditure to improve the level of service	31	-	-
Increase (decrease) in reserves	(4)	41	21
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	568	2,036	2,016
Surplus (deficit) of capital funding (C-D)	(511)	(586)	(566)
Funding balance ((A-B)+(C-D))	-	-	-

OTHER DISTRICT ASSETS INCLUDING SOLID WASTE AND CIVIL DEFENCE

Refer to the Long Term Plan page 75.

Non-financial information

There have been no changes to the non-financial information contained in the Long Term Plan 2015 - 2025.

Levels of services

There have been no changes to the statement of service performance contained in the Long Term Plan 2015 -2025.

Future changes

There have been no changes to the key projects contained in the Long Term Plan 2015 -2025.

Funding Impact Statement - Other District Assets including Solid Waste and Civil Defence

	LTP 2016	LTP 2017	Annual Plan 2017
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	291	307	355
Targeted rates	1,191	1,253	1,191
Subsidies and grants for operating purposes	44	45	45
Fees and charges	524	550	576
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	1,173	1,266	1,249
Total operating funding (A)	3,222	3,421	3,415
Applications of operating funding			
Payments to staff and suppliers	2,406	2,463	2,462
Finance costs	120	130	120
Other operating funding applications	-	-	-
Internal charges and overheads applied	622	641	646
Total applications of operating funding (B)	3,148	3,233	3,228
Surplus (deficit) of operating funding (A-B)	74	187	187
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(3)	(38)	(38)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(3)	(38)	(38)
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	198	84	84
Capital expenditure to improve the level of service	-	-	-
Increase (decrease) in reserves	(127)	65	65
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	71	149	149
Surplus (deficit) of capital funding (C-D)	(74)	(187)	(187)
Funding balance ((A-B)+(C-D))	-	-	-

COMMUNITY SERVICES - ARTS & HERITAGE, LIBRARIES, PROMOTIONS AND GRANTS

Refer to the Long Term Plan page 79.

Non-financial information

There have been no changes to the non-financial information contained in the Long Term Plan 2015 - 2025.

Levels of services

There have been no changes to the statement of service performance contained in the Long Term Plan 2015 -2025.

Future changes

There have been no changes to the key projects contained in the Long Term Plan 2015 -2025.

Schedule of grants

The only additional grant in the 2017 year is \$50,000 for the Gore Kids Hub Charitable Trust playground. This grant is funded from financial contributions held in reserve collected for Parks and Reserves.

The schedule of grants for the 2017 year is as follows:

Amenity Hire Refunds	3,500
Childrens Day	500
Citizens Advice	1,500
Clematis Cottage	2,000
Community Networking Trust	10,000
Country Music & Songwriters	5,000
Croydon Aviation Heritage Trust	9,000
Cycle Tour Southland	1,000
Eastern Southland Art Gallery	10,000
Emergency Housing	2,500
Enviro Schools	5,000
Free Swim School - Primary School	28,102
Gold Guitar Awards	4,000
Gore A & P Association	76,691
Gore Counselling Centre	1,500
Gore Kids Hub Charitable Trust	50,000
Gore Museum	7,500
Healthy Homes initiative	15,000
Heartland Education Trust	2,500
Hokonui Heritage Centre Trust	6,500
Hokonui Pioneer Park	5,000
Hospice Southland (Transfer station)	1,000
Hospital Incentives	2,000
John Money Wing	10,000

Mataura Community Garden	1,000
Mataura Heritage Centre	7,500
Moonshine Committee	4,500
Pakeke Lions Recycling Services	24,642
Rural Fire	73,374
Rural Halls	17,000
Salvation Army	2,000
Scholarships \$750	1,500
Southland Regional Heritage Trust	192,862
SPCA Grant	2,500
Total Mobility	23,019
Venture Southland	57,265
Waikaka Domain Board	9,437

Funding Impact Statement - Arts & Heritage, Libraries, Promotions and Grants

	LTP 2016	LTP 2017	Annual Plan 2017
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,530	1,547	1,509
Targeted rates	609	620	626
Subsidies and grants for operating purposes	173	177	178
Fees and charges	97	100	141
Local authorities fuel tax, fines, infringement fees, and other receipts	7	7	7
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	-	-	-
Total operating funding (A)	2,416	2,451	2,461
Applications of operating funding			
Payments to staff and suppliers	1,148	1,172	1,177
Finance costs	32	37	32
Other operating funding applications	620	623	676
Internal charges and overheads applied	487	487	494
Total applications of operating funding (B)	2,287	2,320	2,380
Surplus (deficit) of operating funding (A-B)	129	131	81
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	37	(14)	(14)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	37	(14)	(14)
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	95	98	98
Capital expenditure to improve the level of service	51	-	-
Increase (decrease) in reserves	19	19	(31)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	166	117	67
Surplus (deficit) of capital funding (C-D)	(129)	(131)	(81)
Funding balance ((A-B)+(C-D))	-	-	-

REGULATORY AND PLANNING

Refer to the Long Term Plan page 85.

Non-financial information

Changes to food safety regulations have resulted in the introduction of various new fees for the coming year. The regulations, which came into effect on 1 March, are aimed at making it easier for business to make sure their food is safe. They apply to anyone who runs a business involving food, such as restaurants, corner dairies or internet cake sellers.

The Council consulted on the fees in its consultation document and these fees were set as part of its fees and charges for the 2017 year.

There have been no changes to the other non-financial information contained in the Long Term Plan 2015 -2025.

Levels of services

There have been no changes to the statement of service performance contained in the Long Term Plan 2015 -2025.

Future changes

There have been no changes to the key projects contained in the Long Term Plan 2015 -2025.

Funding Impact Statement - Regulatory and Planning

	LTP 2016	LTP 2017	Annual Plan 2017
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	597	614	628
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	792	817	817
Local authorities fuel tax, fines, infringement fees, and other receipts	61	64	64
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	-	-	-
Total operating funding (A)	1,449	1,494	1,509
Applications of operating funding			
Payments to staff and suppliers	1,018	1,039	1,101
Finance costs	23	22	20
Other operating funding applications	-	-	-
Internal charges and overheads applied	334	334	339
Total applications of operating funding (B)	1,375	1,395	1,459
Surplus (deficit) of operating funding (A-B)	75	100	50
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(50)	(50)	(50)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(50)	(50)	(50)
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	22	68	68
Capital expenditure to improve the level of service	-	-	-
Increase (decrease) in reserves	3	(18)	(68)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	25	50	-
Surplus (deficit) of capital funding (C-D)	(75)	(100)	(50)
Funding balance ((A-B)+(C-D))	-	-	-

DEMOCRACY AND ADMINISTRATION

Refer to the Long Term Plan page 85.

Non-financial information

There have been no changes to the non-financial information contained in the Long Term Plan 2015 - 2025.

Levels of services

There have been no changes to the statement of service performance contained in the Long Term Plan 2015 -2025.

Future changes

Other than the employment of a Policy analyst to look after policy reviews and to lead annual and long term planning processes, there have been no changes to the key projects contained in the Long Term Plan 2015 -2025.

Funding Impact Statement - Democracy and Administration

	LTP 2016	LTP 2017	Annual Plan 2017
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	861	895	922
Targeted rates	-	-	-
Subsidies and grants for operating purposes	9	9	8
Fees and charges	62	100	60
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Interest and dividends from investments	95	95	95
Internal charges and overheads recovered	2,550	2,550	2,587
Total operating funding (A)	3,577	3,649	3,671
Applications of operating funding			
Payments to staff and suppliers	2,998	3,071	3,088
Finance costs	23	21	20
Other operating funding applications	-	-	-
Internal charges and overheads applied	377	377	383
Total applications of operating funding (B)	3,398	3,469	3,491
Surplus (deficit) of operating funding (A-B)	179	180	180
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(46)	(46)	(46)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(46)	(46)	(46)
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	46	143	143
Capital expenditure to improve the level of service	-	-	-
Increase (decrease) in reserves	87	(9)	(9)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	133	134	134
Surplus (deficit) of capital funding (C-D)	(179)	(180)	(180)
Funding balance ((A-B)+(C-D))	-	-	-

PROSPECTIVE FINANCIAL STATEMENTS

GORE DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE 30 June 2017

	LTP 2016 \$'000	LTP 2017 \$'000	Annual Plan 2017 \$'000
Revenue			
Rates	14,308	14,920	14,919
Development and financial contributions	-	-	-
Subsidies and grants	2,266	2,257	2,257
Interest	95	95	95
Other revenue	3,592	3,753	3,792
Total revenue	20,262	21,024	21,063
Expenditure			
Employee benefits expense	5,544	5,597	5,737
Depreciation and amortisation expense	4,966	5,151	5,078
Finance costs	787	909	973
Other expenses	9,167	9,498	9,588
Total expense	20,464	21,154	21,375
Surplus / (deficit)	(202)	(129)	(312)
Other comprehensive revenue and expense			
<i>Items that will not be reclassified to surplus / (deficit)</i>			
Gain / (loss) on property, plant and equipment revaluation	21,587	-	-
Other comprehensive revenue and expense	21,587	-	-
Total comprehensive revenue and expense	21,385	(129)	(312)

Note to prospective statement of comprehensive revenue and expense

	LTP 2016 \$'000	LTP 2017 \$'000	Annual Plan 2017 \$'000
Revenue from non exchange transactions			
Rates	14,308	14,920	14,919
Development and financial contributions	-	-	-
Subsidies and grants	2,266	2,257	2,257
Other revenue	3,542	3,701	3,740
Total revenue from non exchange transactions	20,117	20,877	20,916
Revenue from exchange transactions			
Interest	95	95	95
Other revenue	50	52	52
Total revenue from exchange transactions	145	147	147
Total revenue	20,262	21,024	21,063

GORE DISTRICT COUNCIL PROSPECTIVE STATEMENT OF CHANGES IN EQUITY 30 June 2017

	LTP 2016 \$'000	LTP 2017 \$'000	Annual Plan 2017 \$'000
Equity at beginning of year	363,568	384,953	384,563
Total Comprehensive revenue and expense	21,385	(129)	(312)
Equity at end of year	384,953	384,823	384,251

The opening equity balance for the 2017 year has been adjusted to more accurately reflect the current financial position of the Gore District Council.

GORE DISTRICT COUNCIL
PROSPECTIVE STATEMENT OF FINANCIAL POSITION
30 June 2017

	LTP 2016 \$'000	LTP 2017 \$'000	Annual Plan 2017 \$'000
Current assets			
Cash and cash equivalents	1,844	1,856	1,947
Receivables	1,221	1,270	1,650
Inventories	78	78	140
Other financial assets	1,659	1,367	1,146
Other current assets	79	79	93
Total current assets	4,881	4,649	4,976
Non-current assets			
Other financial assets	128	128	131
Property, plant and equipment	396,784	401,602	401,903
Total non-current assets	396,912	401,730	402,034
Total assets	401,793	406,379	407,009
Current liabilities			
Payables	1,633	1,682	1,720
Employee entitlements	740	755	567
Borrowings	-	-	-
Other financial liabilities	-	-	11
Total current liabilities	2,373	2,437	2,298
Non-current liabilities			
Borrowings	14,202	18,857	19,787
Provisions	100	97	96
Other financial liabilities	165	165	577
Total non-current liabilities	14,467	19,119	20,460
Total liabilities	16,840	21,556	22,758
Net assets	384,953	384,823	384,251
Equity			
Reserves	253,601	253,309	253,066
Retained earnings	131,352	131,514	131,185
	384,953	384,823	384,251

The opening balances for the 2017 year have been adjusted to more accurately reflect the current financial position of the Gore District Council.

**GORE DISTRICT COUNCIL
PROSPECTIVE CASH FLOW STATEMENT
30 June 2017**

	LTP 2016 \$'000	LTP 2017 \$'000	Annual Plan 2017 \$'000
Cash flows from operating activities			
Receipts from rates revenue	14,285	14,871	14,919
Receipts from other revenue	3,592	3,753	3,792
Subsidies and grants	2,266	2,257	2,257
Interest received	95	95	95
Payments to suppliers and employees	(14,646)	(15,034)	(15,324)
Finance costs	(787)	(909)	(973)
Net cash inflow/ (outflow) from operating activities	4,805	5,033	4,766
Cash flows from investing activities			
Receipts from maturity of other financial assets	-	-	-
Receipts from sale of property, plant and equipment	-	-	-
Purchase of property, plant and equipment	(5,611)	(9,968)	(12,838)
Purchase of other financial assets	-	-	-
Net cash inflow/ (outflow) from investing activities	(5,611)	(9,968)	(12,838)
Cash flows from financing activities			
Proceeds from borrowings	1,301	5,160	8,197
Repayment of borrowings	(442)	(505)	(531)
Net cash inflow / (outflow) from financing activities	858	4,655	7,666
Net increase (decrease) in Cash and cash equivalents	53	(280)	(405)
Cash and cash equivalents at the beginning of the financial year	3,451	3,503	3,498
Cash and cash equivalents at the end of the financial year	3,503	3,223	3,093

The opening cash balance for the 2017 year has been adjusted to more accurately reflect the current financial position of the Gore District Council.

Gore District Council
Reconciliation between all of Council Funding Impact Statement and Financial
Statements
30 June 2017

	LTP 2016 \$'000	LTP 2017 \$'000	Annual Plan 2017 \$'000
Revenue			
Total operating revenue per Statement of comprehensive revenue and expense	20,262	21,024	21,063
<i>Less</i>			
NZTA Subsidy received for capital expenditure	(1,598)	(1,593)	(1,593)
Net change in fair value of financial assets carried at fair value through profit or loss (Interest rate swaps)	-	-	-
Net change in fair value of available for sale assets carried at fair value through profit or loss (Shares)	-	-	-
Assets vested in Council	-	-	-
Gross proceeds from sale of assets	-	-	-
Development and financial contributions	-	-	-
	(1,598)	(1,593)	(1,593)
Total operating revenue per all of Council Funding Impact Statement	18,664	19,432	19,471
Expenditure			
Total operating expenditure per Statement of comprehensive revenue and expense	20,464	21,154	21,375
<i>Less</i>			
Depreciation	(4,966)	(5,151)	(5,078)
Decrease in investments	-	-	-
	(4,966)	(5,151)	(5,078)
Total operating expenditure per all of Council Funding Impact Statement	15,498	16,003	16,297

Depreciation by group of activities

	LTP 2016	LTP 2017	Annual Plan 2017
Arts & Heritage, Libraries, Promotions and Grants	167	167	167
Democracy and Administration	130	132	132
Other District Assets - including solid waste and Civil Defence	143	158	158
Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation	646	653	653
Regulatory Services	38	38	38
Roading	2,270	2,321	2,321
Stormwater	349	376	368
Wastewater	690	738	687
Water	532	567	555
Grand Total	4,966	5,151	5,078

Other Matters

The prospective financial statements were authorised for issue on 28 June 2016 by the Council of the Gore District Council.

The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

No actual financial results are incorporated and in the prospective financial statements. It is not intended to update the prospective financial statements subsequent to presentation.

Cautionary Note

The actual financial results achieved for the period covered by these prospective financial statements are likely to vary from the information presented. These variations may be material.

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Gore District Council ("the Council or GDC") 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 return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of Financial Reporting.

Basis of Preparation

The preparation of prospective financial statements in conformity with NZ IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods if the revision affects both current and future periods. The prospective financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements. The prospective financial statements are presented in New Zealand dollars. New Zealand dollars are the Council's functional currency.

Statement of Compliance

These prospective financial statements of the Gore District Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The prospective financial statements have been prepared in accordance with Tier 1 PBE Standards. These prospective financial statements comply with PBE Standards.

These prospective financial statements comply with PBE Standards.

The Gore District Councils prospective financial statements are in compliance with PBE FRS-42.

Presentation Currency and Rounding

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Standards and Interpretations Effective in the Current Period

There were no new or revised standards or interpretations effective in the current period that had a material impact on the long term plan of Council.

Standards Issued and not yet Effective and not early Adopted

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Council has applied these updated standards in preparing its 30 June 2016 financial statements. The Council expects there will be minimal or no change in applying these updated accounting standards.

SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and GST.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

Rates Revenue

Rates revenue is recognised when it is levied.

Other Revenue

Revenue from services rendered is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity. The stage of completion at balance date is assessed based on the value of services performed to date as a percentage of the total services to be performed.

Licence and fees are recognised as income when supplies and services have been rendered.

Government grants are recognised when eligibility is established. The Council receives government grants from the New Zealand Transport Agency, which subsidises part of the Council's costs in maintaining the local roading infrastructure. The New Zealand Transport Agency roading subsidies are recognised as conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests are recognised when control over the asset is obtained.

Dividends are recognised when the entitlement to the dividend is established.

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

Other Gains and Losses

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

Grant Expenditure

Non-discretionary grants are those 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 the Council's decision.

Leasing

Leases which effectively transfer to the lessee substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases.

(a) The Council as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Council's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Council's net investment outstanding in respect of the leases.

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

(b) The Council as Lessee

Assets held under finance leases are recognised as assets of the Council at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Prospective Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

(c) Lease Incentives

Benefits received and receivable as an incentive to enter into an operating lease are recognised in surplus as a reduction or rental expense over the lease term.

Borrowing Costs

All borrowing costs are recognised in the Prospective Statement of Income and Expenditure in the period in which they are incurred.

Taxation

The Council is exempt from Income Tax in accordance with the Income Tax Act 2007, Section CW39.

Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

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

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

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand; cash in banks and other short term highly liquid investments that are readily convertible to a known amount of cash.

Financial Instruments

Financial assets and liabilities are recognised on the Council's Prospective Statement of Financial Position when the Council becomes a party to contractual provisions of the instrument. The Council is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents (including bank overdraft), trade and other receivables, other financial assets, trade and other payables and borrowings. The relevant accounting policies are stated under separate headings.

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss which are initially valued at fair value.

(i) Financial Assets

Financial Assets are classified into the following specified categories: financial assets 'at fair value through surplus or deficit', 'held to maturity' investments, 'fair value through other comprehensive revenue and expense' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method, referred to below, is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial Assets at Fair Value through Surplus or deficit

Financial assets are classified as financial assets at fair value through surplus or deficit where the financial asset:

- Has been acquired principally for the purpose of selling in the near future;
- Is a part of an identified portfolio of financial instruments that the Council manages together and has a recent actual pattern of short term profit taking; or
- Is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through surplus or deficit are stated at fair value, with any resultant gain or loss recognised in the surplus or deficit for the period. The net gain or loss is recognised in the surplus for the period and incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described later in this note.

Held to Maturity Investments

Investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis. The Council does not hold any financial assets in this category.

Fair Value through other Comprehensive Revenue and Expense

Equity securities held by the Council are classified as being fair value through other comprehensive revenue and expense and are stated at fair value. Fair value is determined in the manner described later in this note. Gains and losses arising from changes in fair value are recognised in other comprehensive revenue and expense, with the exception of interest calculated using the effective interest method and impairment losses which are recognised directly in the surplus or deficit for the period. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is included in the surplus or deficit for the period.

Dividends on available for sale equity instruments are recognised in the surplus or deficit for the period when the Council's right to receive payments is established.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. An allowance for doubtful debts 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 the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is expensed in the surplus for the period.

Loans, including loans to community organisations made by Council at nil, or below market interest rates are initially recognised at the present value of their expected future cash flows and 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 surplus for the period as a grant.

Short term deposits are included within this classification.

Impairment of Financial Assets

Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus for the period.

With the exception of fair value through other comprehensive revenue and expense equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the surplus for the period to the extent the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Financial Liabilities

Trade and Other Payables

Trade payables and other accounts payable are recognised when the Council becomes obliged to make future payments resulting from the purchase of goods and services.

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.

Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the surplus for the year over the period of the borrowing using the effective interest method.

(iii) Derivative Financial Instruments

The Council enters into certain derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps. Further details of derivative financial instruments are disclosed in the prospective financial statements.

The Council does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date.

The resulting gain or loss is recognised in the surplus for the period immediately unless the derivative is designated and effective as a hedging instrument, in which the timing of the recognition in the surplus for the period depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Fair Value Estimation

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market price or dealer quotes for similar instruments are used for long term investment and debt instruments held. The fair value of interest rate swaps is the estimated amount that the Council would receive or pay to terminate the swap at the reporting date, taking into account current interest rates.

Embedded Derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in the surplus for the period

Inventories

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

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Property, Plant and Equipment

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

(a) Operational Assets

Operational assets include land, buildings, plant and equipment, motor vehicles, office furniture and equipment, recreational and cultural and library books.

(b) Infrastructural Assets

Infrastructural assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function:

- Water reticulation
- Sewerage reticulation
- Stormwater reticulation
- Roads, bridges and lighting
- Land under roads
- Refuse

The nature of land under roads is considered the equivalent to land improvements and as such they do not incur a loss of service potential over time. Accordingly land under roads assets is not depreciated.

Cost/Valuation

Property, plant and equipment, is recorded at cost or valuation (as appropriate) less accumulated depreciation and any accumulated impairment losses.

Additions

Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined then all capitalised costs are written off.

Revaluation

All assets are valued at historical cost, except for the following:

- Land and buildings have been valued by Darroch Limited (Registered Valuers) at market value or depreciated replacement cost as at 30 June 2013. Subsequent additions are valued at cost. Land and buildings are re-valued every three years.
- Infrastructural assets (except for land under roads) have all been valued at depreciated replacement cost by Opus International Consultants Limited as at 30 June 2013. Subsequent additions are valued at cost. Infrastructural assets are re-valued every 3 years.

All valuations are carried out or reviewed by independent qualified valuers and are carried out at least tri-annually. Valuations will be undertaken more regularly if necessary to ensure that no individual item within a class is included at a valuation that is materially different for its fair value.

The Council 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 re-valuation reserve (via other comprehensive revenue and expense) for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus for the period.

Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus or deficit for the period will be recognised first in the surplus for the period up to the amount previously expensed, and then credited to other comprehensive revenue and expense for that class of asset.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment other than land and library books. Rates are calculated to allocate the cost (or valuation) less estimated realisable value over their estimated useful life.

Expenditure incurred to maintain these assets at full operating capability is charged to the surplus for the period in the year incurred.

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

	Life (years)
Land under roads	N/A
Refuse	100
Operational Assets	
Land	N/A
Buildings	20 - 50
Plant and Equipment	4 - 25
Motor Vehicles	4 - 8
Office Furniture and Equipment	4 - 10
Recreational and Cultural	5 - 20
Library Books	10
Infrastructural Assets	
Water Reticulation	10 - 100
Sewerage Reticulation	15 - 60
Stormwater Reticulation	60
Refuse	10 - 50
Roads – Formation	N/A
Roads – Pavement (non depreciable)	N/A
Roads – Pavement (depreciable)	7 - 60
Roads – Footpaths, Kerbs, Bridges and Culverts	50 -100
Roads – Signs, Road markings and Street lighting	20 -100

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

Disposal

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

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

Impairment of Non-Financial Assets

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

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

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use.

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

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

Superannuation Schemes

Defined Contribution Schemes

Contributions to defined contribution superannuation schemes are expensed when incurred.

Provisions

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

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

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

Landfill Post Closure Costs

The Council, as operator of the District's landfill has a legal obligation under the resource consent to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure care arises.

The provision is measured based on the 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 the landfill closure.

Amounts provided for the landfill post closure are capitalised to the landfill asset. Components of this 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.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the 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 the Council 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.

Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

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

Prospective Cash Flow Statement

Cash means cash balances on hand, held in bank accounts and demand deposits the Council invests in as part of its day to day cash management.

Operating activities include cash received from all income sources of the Council 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 structure of the Council.

Equity

Equity is the community's interest in the Council and is measured as total assets less total liabilities. Equity is disaggregated and classified into a number of reserves.

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

The components of equity are:

- Retained earnings
- Available for sale revaluation reserve
- Asset revaluation reserve
- Restricted reserves
- Council created reserves
- Fair trade through other comprehensive revenue and expense reserve; and
- Cash flow hedge reserve

Reserves

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

Restricted reserves are subject to specific conditions which may not be revised by the Council without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes. The Council created reserves are reserves established by Council decision. The Council may alter them without reference to third party. Transfers to and from these reserves are at the discretion of the Council.

Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the prospective financial statements.

Allocation of Overheads

Corporate overheads for central and engineering administration have been allocated to the other significant activities in the Cost of Services Statements and Prospective Statement of Income and Expenditure. The allocation is calculated on the basis of estimated administration staff hours provided to each activity.

Critical Accounting Estimates and Assumptions

In preparing these prospective financial statements the 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 the Council performing a combination of physical inspections and condition modelling 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 the Council could be over or under estimating the annual depreciation charge recognised as an expense in the Prospective Statement of Income and Expenditure. To minimise this risk the Council'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 Council'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.

Classification of Property

The Council owns a number of properties that are held for service delivery objectives as part of the Council's pensioner housing schemes. The receipt of rental from these properties is incidental to holding these properties. These properties are accounted for as property, plant and equipment.

FUNDING IMPACT STATEMENT

This funding impact statement has been prepared in accordance with the Local Government (Rating) Act 2002 and the Local Government Act 2002.

The statement below sets out the rating mechanisms that the council intends to use to fund its activities.

All rates and amounts specified in this funding impact statement are GST inclusive.

The following definitions apply in this funding impact statement:

A **“separately used or inhabited part of a rating unit”** is any part of a rating unit that can be used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use. Separately used or inhabited parts include:

- A residential, small holding, or farmland property that contains two or more separately occupiable units, flats or houses each of which is separately inhabited or is capable of separate habitation ie has independent kitchen facilities.
- A commercial premises that contains separate shops, kiosks, other retail or wholesale outlets, or offices, each of which is operated as a separate business or is capable of operation as a separate business.

To be clear, the following are not considered to be separately used or inhabited parts of a rating unit:

- A residential sleep-out or granny flat that is not fully self-contained
- A hotel room with or without kitchen facilities
- A motel room with or without kitchen facilities

The Gore, Mātaura and rural hall rating boundaries, and the areas serviced by the Gore and Mātaura water and wastewater schemes, the Waikaka wastewater and stormwater scheme, the Pukerau stormwater scheme and the Gore and Mātaura wheelie bin service areas are depicted on maps on the following pages.

A **“residential”** rating unit is defined as any rating unit within the Gore or Mātaura rating boundaries (refer maps) that is not classified as commercial or heavy industrial.

A **“commercial”** rating unit is defined as any rating unit in the Gore or Mātaura rating boundary (refer to maps) that is wholly or principally used for retail or wholesale trade, manufacturing, or the provision of services with profit as the intent. Heavy industrial rating units are excluded.

A **“short term accommodation”** rating unit is defined as a commercial rating unit that is wholly or principally used for the provision of short term accommodation such as: hotels and motels.

A **“rural”** rating unit is defined as any rating unit outside the Gore or Mātaura rating boundary (refer to maps).

An **“Educational institution”** is as defined in clause 6 of Part 1 of Schedule 1 of the Local Government (Rating) Act 2002.

A **“non-residential”** rating unit is defined as any rating unit within the Gore or Mātaura rating boundaries (refer maps) that is not classified as residential.

A **“heavy industrial”** rating unit is defined as any rating unit in one of the three industrial rating areas (refer maps). These three industrial rating areas are:

Heavy Industry 1 – applies to 65-121 Kana St Mātaura.

Heavy Industry 2 – applies to 7, 9 and 11 Exeter Lane Mātaura, 303, 305 and 307 Main St Mātaura, 11 and 33 Cardigan Bay Road RD 2 Mātaura.

Heavy Industry 3 – applies to 8 and 50 Selbourne St RD 2 Mātaura, 171-177 Main St Mātaura and 18-30 McQueen Ave Mātaura.

A **“connected”** rating unit is defined as a rating unit where the Council provides the applicable service (eg water, wastewater) in the normal course of events.

A **“serviceable”** rating unit is defined as a rating unit that is not “connected” but is within 100 meters of the applicable reticulation network (eg water, wastewater) and therefore has the ability to be connected. Serviceable rating units pay half the rate of a connected rating unit.

A **“not supplied”** rating unit is defined as all rating units not classified as “connected” or “serviceable”, and this category of rating unit will be excluded from paying the applicable rate.

“Vacant land” means a rating unit that is an ‘empty section’ ie there are no dwellings or buildings on the land. This category of land does not receive the kerbside waste collection and recycling service (unserved).

“240 litre wheelie bins” are the large wheelie bins issued to a rating unit by default in the wheelie bin service area (refer to maps) and is the standard collection service.

“80 litre wheelie bins” are the small wheelie bins that can be opted for instead of the 240 litre bins at the discretion of the owner of the rating unit in the wheelie bin service area (refer maps).

The same sources of funding are to be used in all years covered by the Long Term Plan.

In addition to rating income, the Council has a number of other sources of revenue. These additional funding sources include:

- Fees and charges
- Interest from investments
- Proceeds from asset sales
- Grants and subsidies
- Depreciation funds and other reserves
- Loans and borrowings
- Financial contributions.

General Rate

1.1. Value based general rate

The Council will set a general rate of \$0.000395 on all rateable land in the district based on the capital value of the land. The Council does not use differentials on the value based general rate.

1.2. Uniform Annual General Charge

The Council will set a uniform annual general charge on all rateable land in the district, of a fixed amount of \$650.00 per separately used or inhabited part of a rating unit. The Uniform Annual General Charge is calculated to fund that portion of the following activities not funded by the general rate on capital value. For 2016/17, this is:

87.41% of the Elected Members (democracy) activity	38.51% of the Public Conveniences activity
87.41% of the Arts & Heritage activity	87.41% of the Civic Buildings activity
87.41% of the Grants activity (excluding rural fire and Southland regional heritage trust)	87.41% of the Cemeteries activity
18.27% of the Solid Waste Activity	47.56% of the Aquatic facilities activity
47.56% of the MLT Events Centre Activity	87.41% of the Visitor Services activity
47.56% of the Libraries activity	

2. Southland Regional Heritage Trust rate

The Council will set a targeted rate on all rateable land in the district, of a fixed amount per separately used or inhabited part of a rating unit of \$34.82, to fund the Council's contribution to the Southland Regional Heritage Trust.

Because this rate is set on a uniform basis it is included in the 30% rate limit calculation set out in section 21 of the Local Government (Rating) Act 2002.

3. Targeted rate for various specified activities

The Council will set a targeted rate on all rateable land in the district differentiated by location and land use and based on capital value of the land. This rate will fund the following activities:

Roading	Property
Civil Defence	Rural Fire
Aquatic facilities	MLT Event Centre
District Libraries	Public toilets

The rate will be set differentially as follows:

Categories of rateable land	Factor(s) for calculating liability	Rate per \$ of capital value (GST inclusive)	Total revenue sought from this category (GST inclusive)
Gore, Residential	Capital value	0.001680	\$1,196,601
Gore, Commercial	Capital value	0.004114	\$657,318
Mataura, Residential	Capital value	0.000546	\$37,497
Mataura, Commercial	Capital value	0.002724	\$13,811

Rural	Capital value	0.000923	\$1,920,794
Heavy Industry 1	Capital value	0.058415	\$21,321
Heavy Industry 2	Capital value	0.011461	\$10,522
Heavy industry 3	Capital value	0.010777	\$201,245

Parks & Reserves

The Council will set three targeted rates to fund the Parks & Reserves activity.

3.1. Parks & Reserves – Residential

A targeted rate will be set differentially on all rateable land defined as residential, as follows:

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Gore, Residential	Separately used or inhabited part of a rating unit	\$302.23	\$1,075,629
Mataura, Residential	Separately used or inhabited part of a rating unit	\$236.50	\$186,832

3.2. Parks & Reserves – Commercial

A targeted rate will be set differentially on all rateable land defined as commercial, as follows:

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Commercial, Capital value \$0 – 87,000	Per rating unit	\$450.00	\$37,350
Commercial, Capital value \$87,001 - \$870,000	Capital value	\$0.005053	\$463,535
Commercial, Capital value \$870,001 and above	Per rating unit	\$4,450.00	\$169,100

3.3. Parks & Reserves – Rural

A targeted rate will be set differentially on all rateable land defined as rural, as follows:

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Rural, Capital value \$0 - \$132,000	Separately used or inhabited part of a rating unit	\$201.02	\$31,158
Rural, Capital value 132,001 and above	Separately used or inhabited part of a rating unit	\$346.25	\$487,514

4. Urban Water Supply

The Council proposes to set two targeted rates to fund the urban water supply

4.1. Water rate

A targeted rate will be set differentially for all land either connected to or able to be serviced by the Gore or Mataura water scheme as follows:

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Connected, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$320	\$1,545,599
Serviceable, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$160	\$31,520

Note: rating units defined as “not supplied” will not be liable for this rate.

5. Additional water rate

A targeted rate of \$320 will be set for all land defined as non-residential which is connected to the Gore or Mataura water scheme, of a fixed amount per connection after the first connection (i.e. for the second and each additional water connection).

Note: rating units defined as “not supplied” or “serviceable” will not be liable for this rate.

6. Wastewater and stormwater

The Council proposes to set two targeted rates to fund the wastewater and stormwater network.

6.1. Wastewater and stormwater rate

A targeted rate will be set differentially for all land either connected to or able to be serviced by the Gore, Mataura, Waikaka or Pukerau wastewater and stormwater schemes, as follows:

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Connected, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$332.94	\$1,534,175
Serviceable, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$166.47	\$31,796
Connected, Waikaka scheme	Separately used or inhabited part of a rating unit	\$101.94	\$4,689
Serviceable, Waikaka scheme	Separately used or inhabited part of a rating unit	\$50.97	\$204
Connected, Pukerau scheme	Separately used or inhabited part of a rating unit	\$76.46	\$3,593

Notes: (1) Rating units defined as “not supplied” will not be liable for this rate.

(2) Because of the nature of the Pukerau wastewater and stormwater scheme all separately used or inhabited parts of a rating unit are classified as “connected”.

6.2. Additional wastewater and stormwater rate

A targeted rate will be set for all land defined as non-residential which is connected to the Gore, Maitara or Waikaka wastewater and stormwater schemes differentiated based on the scheme and the use to which the land is put. Liability for the rate is based on the number of additional water closets or urinals within the rating unit, after the first one.

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Connected, Gore or Maitara scheme, Short term accommodation	number of water closets or urinals after the first	\$166.47	\$14,649
Connected, Gore or Maitara scheme, Educational institutions	number of water closets or urinals after the first. The number of water closets or urinals will be assessed on the basis of 6.25% of the total number of staff and pupils at each establishment.	\$332.94	\$45,612
Connected, Gore or Maitara scheme, All other non-residential rating units (excluding educational institutions).	number of water closets or urinals after the first	\$332.94	\$317,622
Connected, Waikaka scheme, non-residential (excluding educational institutions).	number of water closets or urinals after the first	\$101.94	\$612

Note: rating units defined as "not supplied" or "serviceable" will not be liable for this rate.

7. Otama water scheme

The Council proposes to set two targeted rates to fund the Otama water scheme. For the purposes of these rates, a rating unit is either "connected" or "not supplied".

7.1. Water Unit

A targeted rate of \$200.00 will be set on all rating units connected to the scheme, with liability based on the water unit allocation i.e. on the extent of the provision of the service.

7.2. Water connection

A targeted rate of \$215.00 will be set on all rating units connected to the Otama scheme, with liability based on the number of water connections to the scheme.

8. Solid waste rate

The Council proposes to set a fixed targeted rate per separately used or inhabited part of a rating unit on land in Gore and Mataura, differentiated by the provision or availability of the particular service. This rate will fund the Solid waste activity and will be set as follows:

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Wheelie bin service area, Vacant land, (unserved)	Separately used or inhabited part of a rating unit	\$70.66	\$12,225
Wheelie bin service area, Receiving 80ltr wheelie bins	Separately used or inhabited part of a rating unit	\$243.13	\$98,711
Wheelie bin service area, All other rating units (240ltr wheelie bins)	Separately used or inhabited part of a rating unit	\$291.90	\$1,259,240

9. Community hall rate

The Council proposes to set a targeted rate on all rating units in the following communities (hall areas) differentiated by where the land is situated. This rate will fund the district's community halls and will be set as follows:

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Brydone hall area	Separately used or inhabited part of a rating unit	\$24.22	\$484
Mandeville hall area	Separately used or inhabited part of a rating unit	\$46.00	\$1,380
Otama hall area	Rating unit	\$80.50	\$3,703
Pukerau hall area	Separately used or inhabited part of a rating unit	\$34.00	\$3,264
Tuturau hall area	Separately used or inhabited part of a rating unit	\$34.86	\$314
Waikaka hall area	Separately used or inhabited part of a rating unit	\$46.00	\$7,314
Knapdale hall area	Separately used or inhabited part of a rating unit	\$57.50	\$3,450

The Council will not invite lump sum contributions in respect of any of the targeted rates referred to above.

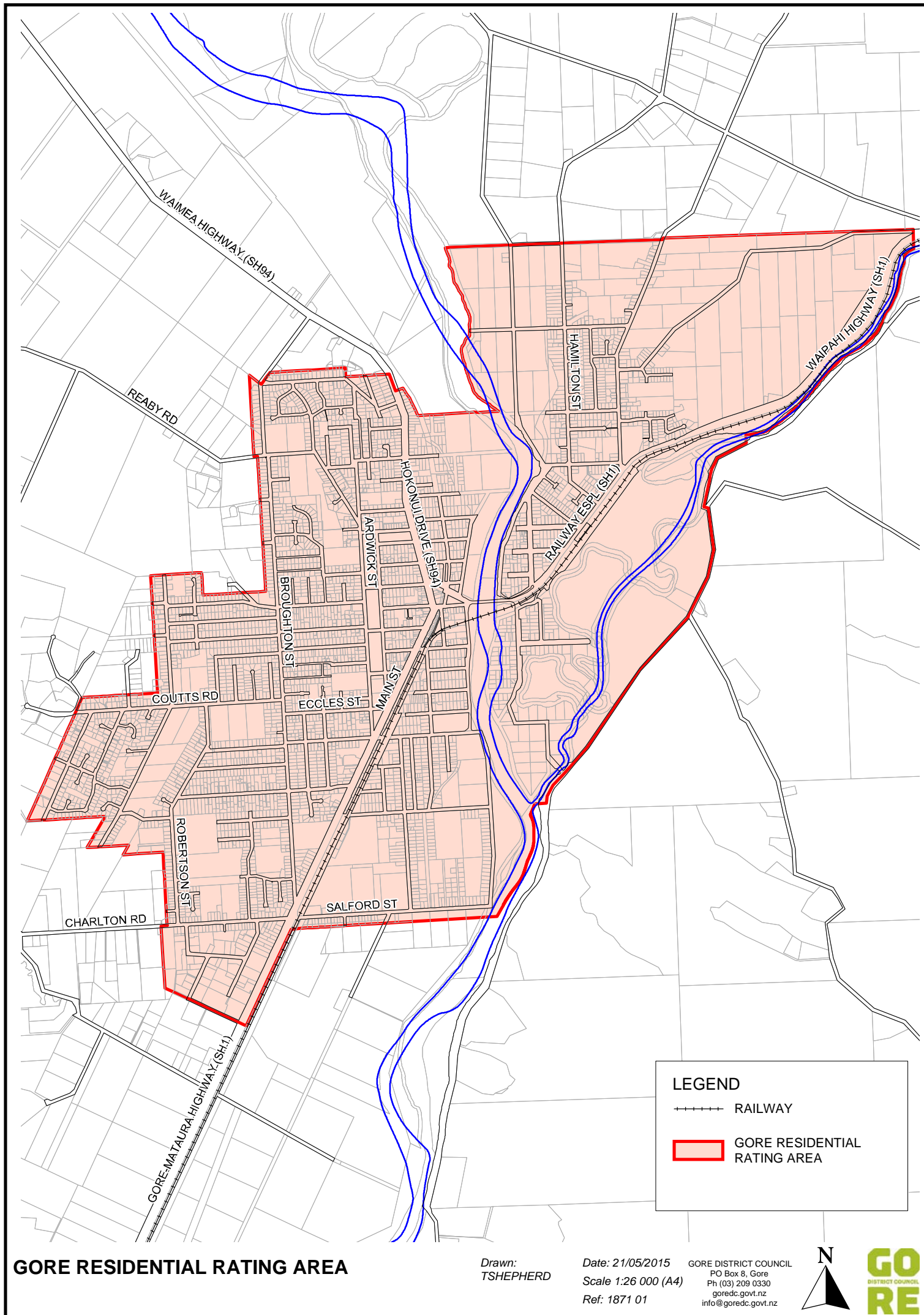
Rating examples

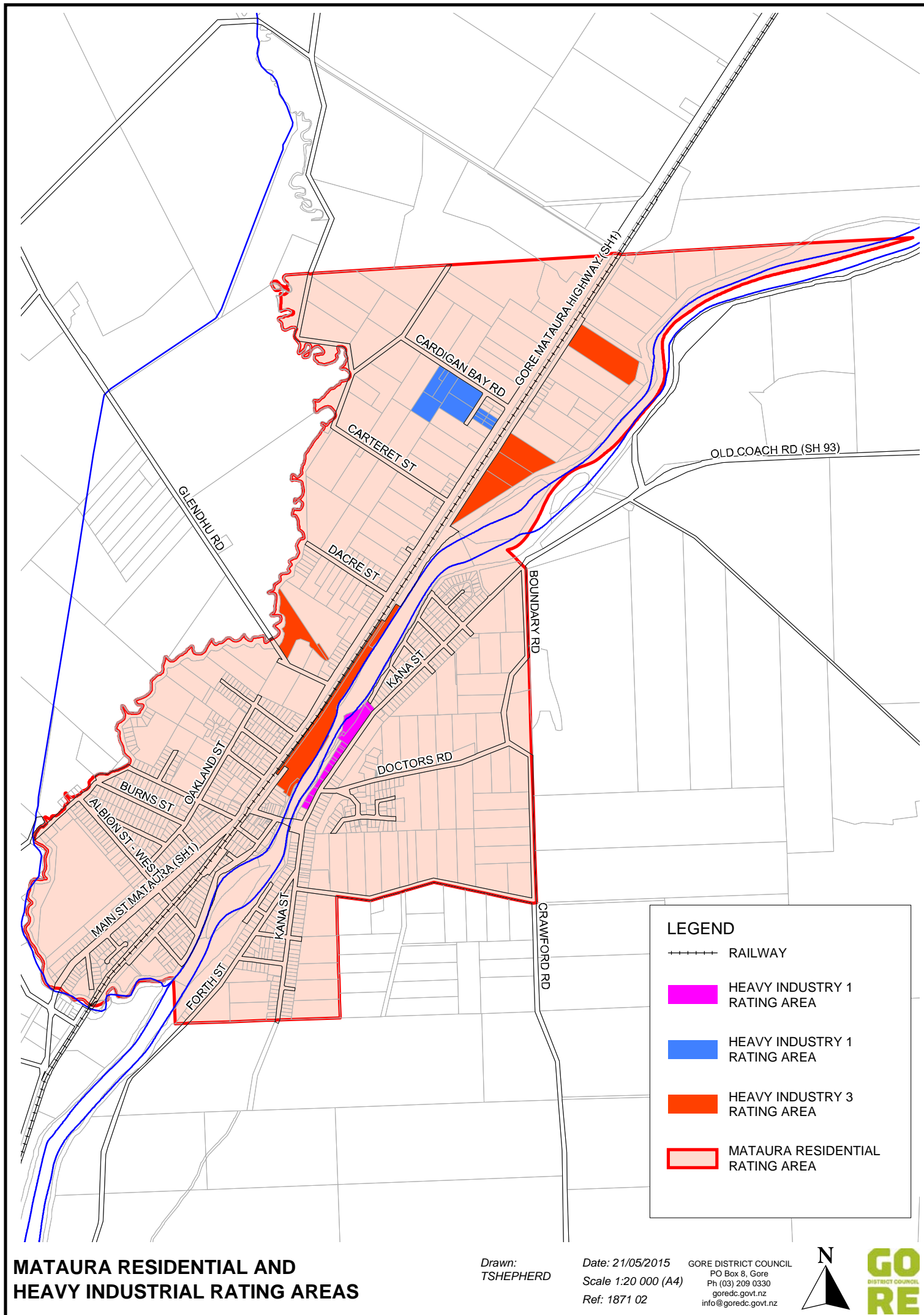
Category	Capital Value	UAGC	Regional Heritage	General Rate	Ward Rate	Parks & Reserves	Water	Solid Waste	Wastewater & Stormwater	Heavy Industry	Total Proposed Rates 2016/17	Total 2015/16	% Increase	Rates change \$ annually	Rates change \$ weekly
Gore Residential	50,000	650	35	20	84	302	320	292	333		\$ 2,036	\$ 1,956	4.05%	\$ 79	\$ 2
Gore Residential	150,000	650	35	59	252	302	320	292	333		\$ 2,243	\$ 2,156	4.02%	\$ 87	\$ 2
Gore Residential	250,000	650	35	99	420	302	320	292	333		\$ 2,451	\$ 2,357	3.99%	\$ 94	\$ 2
Gore Residential	375,000	650	35	148	630	302	320	292	333		\$ 2,710	\$ 2,607	3.96%	\$ 103	\$ 2
Gore Residential	500,000	650	35	197	840	302	320	292	333		\$ 2,969	\$ 2,857	3.94%	\$ 112	\$ 2
Gore Residential	650,000	650	35	257	1,092	302	320	292	333		\$ 3,280	\$ 3,157	3.91%	\$ 124	\$ 2
Mataura Residential	15,000	650	35	6	8	236	320	292	333		\$ 1,880	\$ 1,808	3.97%	\$ 72	\$ 1
Mataura Residential	45,000	650	35	18	24	236	320	292	333		\$ 1,908	\$ 1,836	3.91%	\$ 72	\$ 1
Mataura Residential	75,000	650	35	30	40	236	320	292	333		\$ 1,936	\$ 1,864	3.85%	\$ 72	\$ 1
Mataura Residential	140,000	650	35	55	75	236	320	292	333		\$ 1,996	\$ 1,925	3.73%	\$ 72	\$ 1
Mataura Residential	230,000	650	35	91	123	236	320	292	333		\$ 2,080	\$ 2,008	3.58%	\$ 72	\$ 1
Mataura Residential	340,000	650	35	134	182	236	320	292	333		\$ 2,183	\$ 2,111	3.40%	\$ 72	\$ 1
Gore Commercial	40,000	650	35	16	165	450	320	292	333		\$ 2,260	\$ 2,200	2.74%	\$ 60	\$ 1
Gore Commercial	150,000	650	35	59	617	758	320	292	333		\$ 3,064	\$ 2,923	4.83%	\$ 141	\$ 3
Gore Commercial	250,000	650	35	99	1,029	1,263	320	292	333		\$ 4,020	\$ 3,822	5.19%	\$ 198	\$ 4
Gore Commercial	400,000	650	35	158	1,646	2,021	320	292	333		\$ 5,455	\$ 5,170	5.50%	\$ 284	\$ 5
Gore Commercial	700,000	650	35	276	2,880	3,537	320	292	333		\$ 8,323	\$ 7,867	5.80%	\$ 456	\$ 9
Gore Commercial	1,400,000	650	35	553	5,760	4,450	320	292	333		\$ 12,393	\$ 11,916	4.00%	\$ 477	\$ 9
Mataura Commercial	15,000	650	35	6	40	450	320	292	333		\$ 2,126	\$ 2,075	2.46%	\$ 51	\$ 1
Mataura Commercial	45,000	650	35	18	120	450	320	292	333		\$ 2,218	\$ 2,175	1.96%	\$ 43	\$ 1
Mataura Commercial	95,000	650	35	38	254	480	320	292	333		\$ 2,401	\$ 2,342	2.50%	\$ 59	\$ 1
Mataura Commercial	165,000	650	35	65	441	834	320	292	333		\$ 2,969	\$ 2,886	2.88%	\$ 83	\$ 2
Mataura Commercial	380,000	650	35	150	1,015	1,920	320	292	333		\$ 4,715	\$ 4,596	2.60%	\$ 119	\$ 2
Mataura Commercial	600,000	650	35	237	1,603	3,032	320	292	333		\$ 6,501	\$ 6,345	2.47%	\$ 156	\$ 3

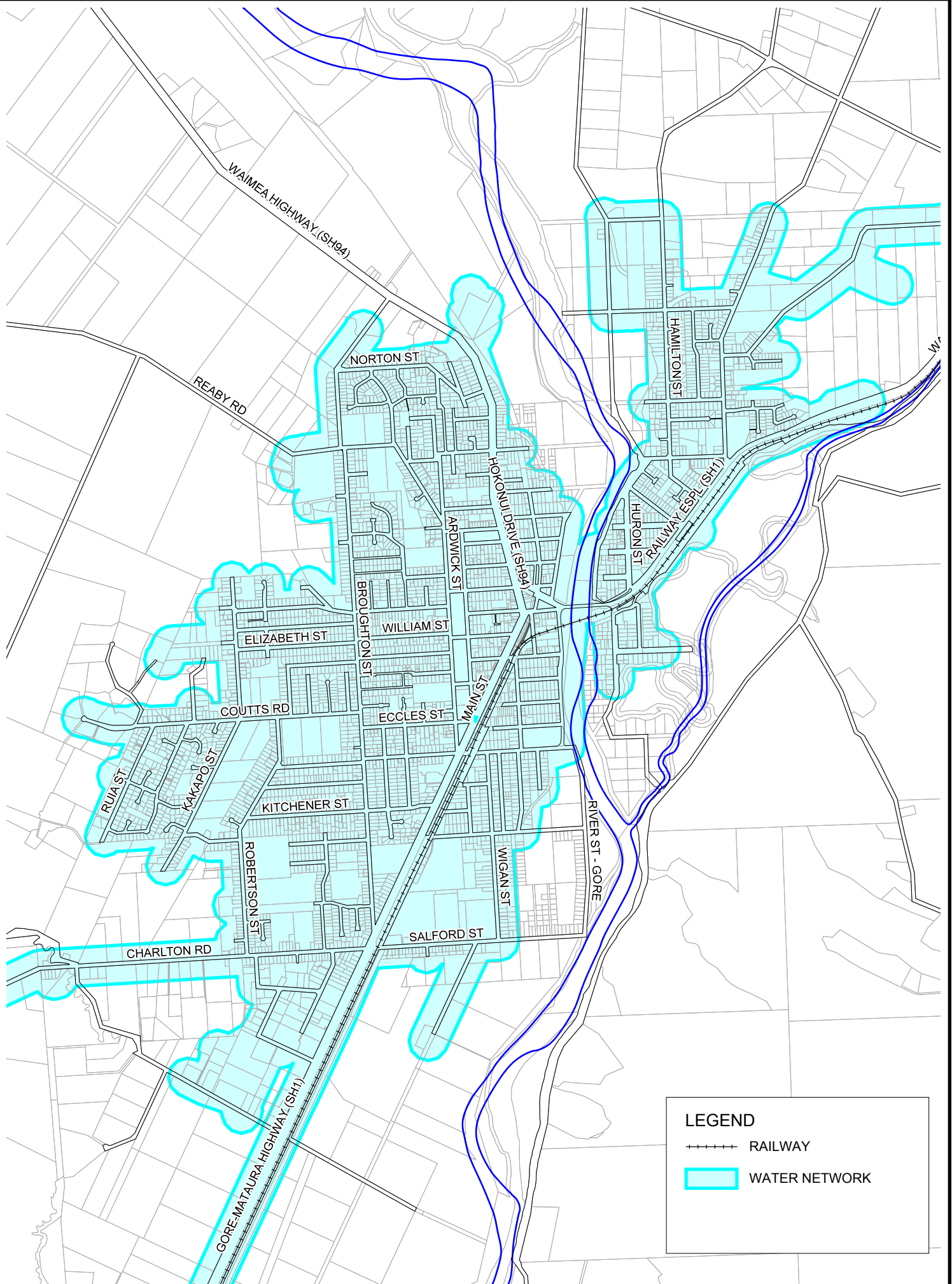
Category	Capital Value	UAGC	Regional Heritage	General Rate	Ward Rate	Parks & Reserves	Water	Solid Waste	Wastewater & Stormwater	Heavy Industry	Total Proposed			Rates change \$ annually	Rates change \$ weekly
											Rates 2016/17	Total 2015/16	% Increase		
Rural	100,000	650	35	39	92	201	-	-	-		\$ 1,018	\$ 995	2.30%	\$ 23	\$ 0
Rural	400,000	650	35	158	369	346	-	-	-		\$ 1,558	\$ 1,502	3.73%	\$ 56	\$ 1
Rural	800,000	650	35	316	739	346	-	-	-		\$ 2,086	\$ 1,998	4.40%	\$ 88	\$ 2
Rural	1,650,000	650	35	652	1,524	346	-	-	-		\$ 3,206	\$ 3,050	5.11%	\$ 156	\$ 3
Rural	2,500,000	650	35	987	2,308	346	-	-	-		\$ 4,327	\$ 4,103	5.46%	\$ 224	\$ 4
Rural	3,500,000	650	35	1,382	3,232	346	-	-	-		\$ 5,645	\$ 5,341	5.69%	\$ 304	\$ 6
Rural	5,500,000	650	35	2,172	5,078	346	-	-	-		\$ 8,282	\$ 7,818	5.93%	\$ 464	\$ 9
Rural	7,500,000	650	35	2,962	6,925	346	-	-	-		\$ 10,918	\$ 10,295	6.06%	\$ 623	\$ 12
Rural	9,000,000	650	35	3,554	8,310	346	-	-	-		\$ 12,896	\$ 12,152	6.12%	\$ 743	\$ 14
Heavy Industry 1	365,000	650	35	144	-	-	320	292	666	21,321	\$ 23,428	\$ 22,469	4.27%	\$ 960	\$ 18
Heavy Industry 2	918,000	650	35	363	-	-	960	292	999	10,522	\$ 13,820	\$ 13,253	4.27%	\$ 566	\$ 11
Heavy Industry 3	18,674,000	2,600	139	7,375	-	-	1,280	1,168	26,302	202,244	\$ 241,108	\$ 231,235	4.27%	\$ 9,872	\$ 190

Funding Impact Statement - Council Wide

	LTP 2016	LTP 2017	Annual Plan 2017
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	4,603	4,739	4,812
Targeted rates	9,800	10,276	10,203
Subsidies and grants for operating purposes	1,174	1,179	1,179
Fees and charges	2,787	2,935	2,974
Local authorities fuel tax, fines, infringement fees, and other receipts	204	208	208
Interest and dividends from investments	95	95	95
Total operating funding (A)	18,664	19,432	19,471
Applications of operating funding			
Payments to staff and suppliers	14,091	14,471	14,648
Finance costs	787	909	973
Other operating funding applications	620	623	676
Total applications of operating funding (B)	15,498	16,003	16,297
Surplus (deficit) of operating funding (A-B)	3,166	3,429	3,173
Sources of capital funding			
Subsidies and grants for capital expenditure	1,598	1,593	1,593
Development and financial contributions	-	-	-
Increase (decrease) in debt	858	4,655	7,666
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	2,456	6,248	9,259
Applications of capital funding			
Capital expenditure to meet additional demand	221	87	287
Capital expenditure to replace existing assets	3,516	7,660	7,489
Capital expenditure to improve the level of service	1,874	2,222	5,062
Increase (decrease) in reserves	11	(292)	(405)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	5,622	9,676	12,432
Surplus (deficit) of capital funding (C-D)	(3,166)	(3,429)	(3,173)
Funding balance ((A-B)+(C-D))	-	-	-







LEGEND

+++++ RAILWAY

WATER NETWORK

GORE WATER NETWORK

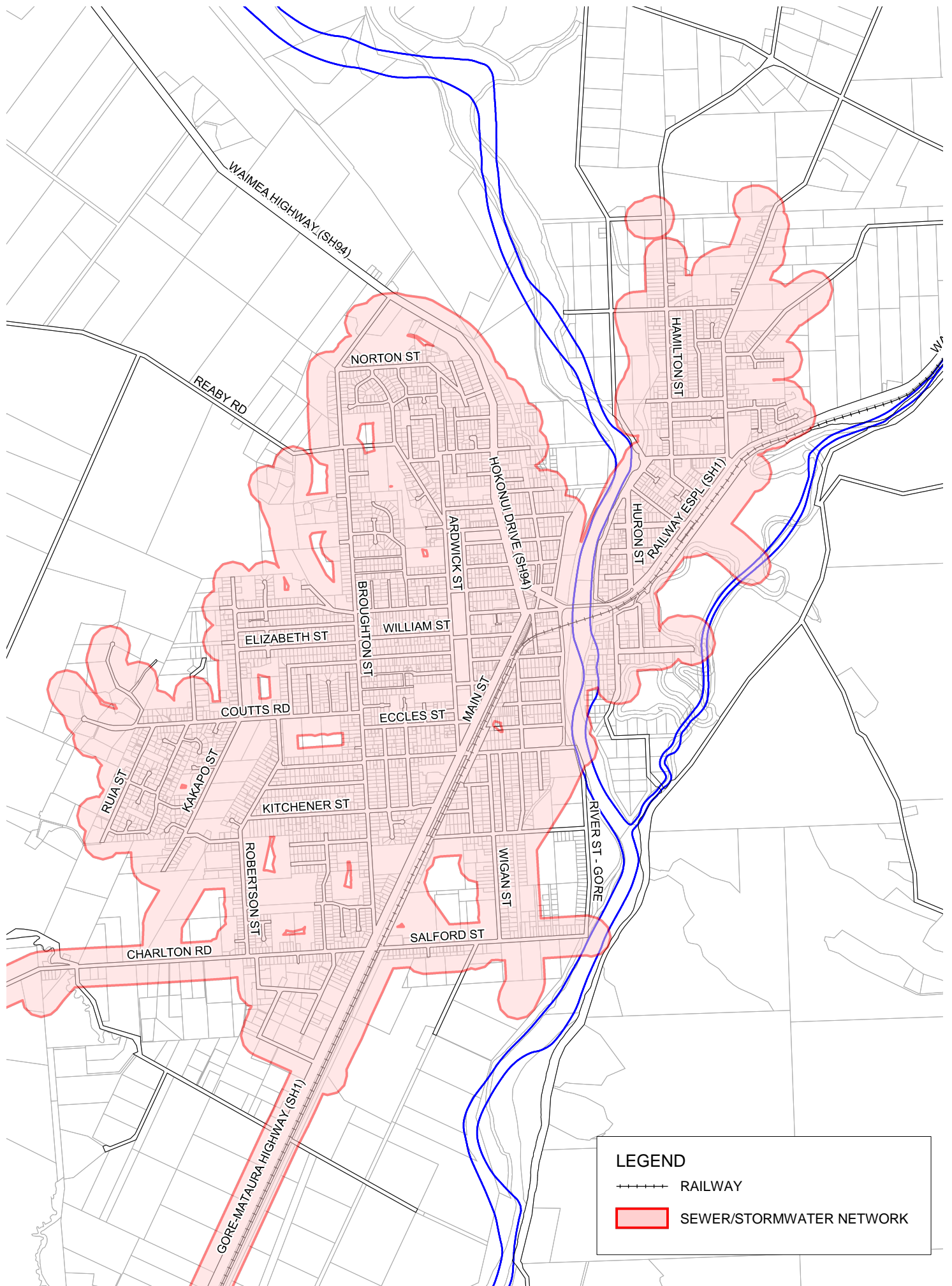
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Date: 02/06/2016
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Ref: 1918.WOR

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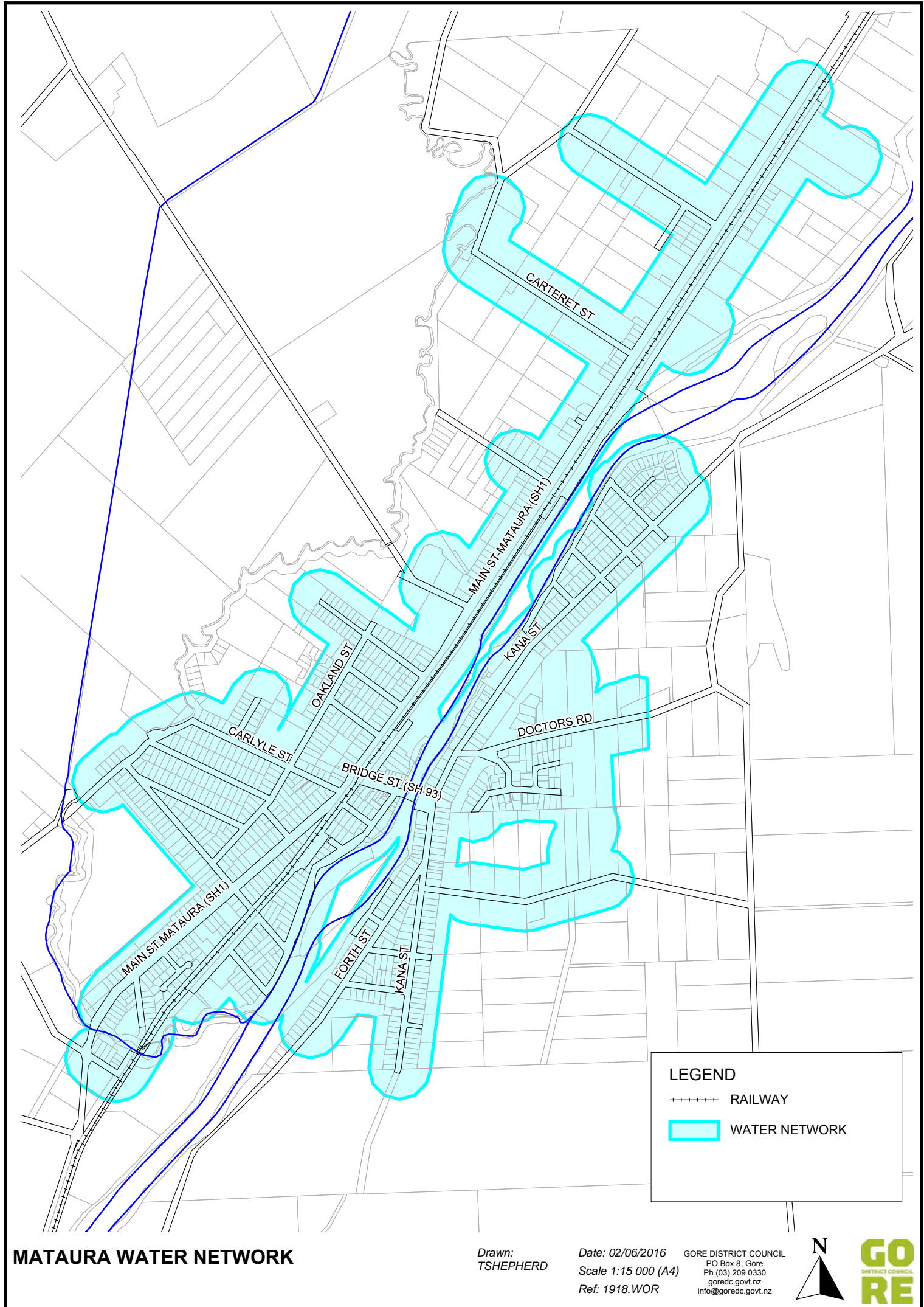
GORE WASTEWATER AND STORMWATER NETWORK

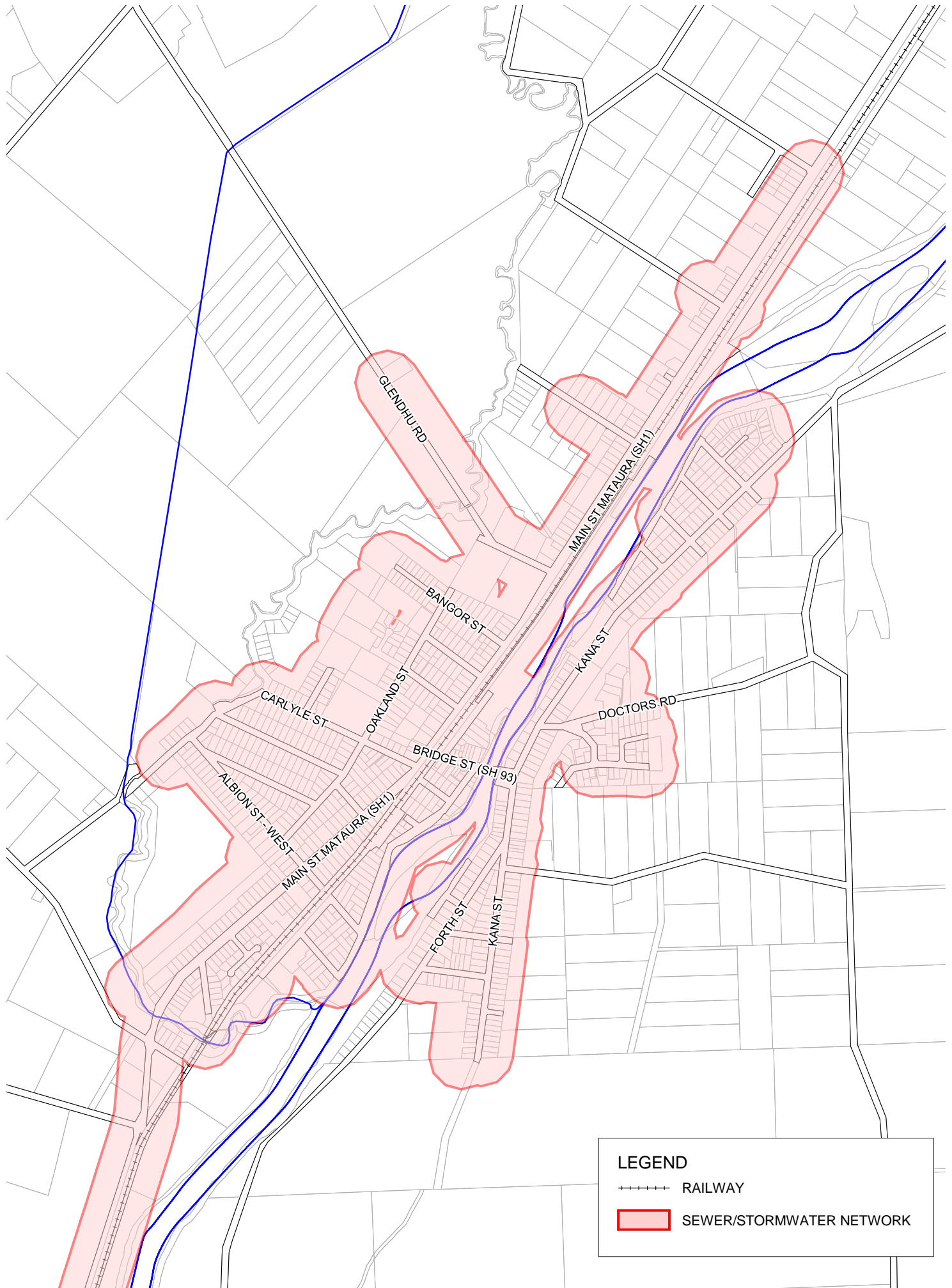
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LEGEND

+++++ RAILWAY

SEWER/STORMWATER NETWORK

**MATAURA WASTEWATER
AND STORMWATER NETWORK**

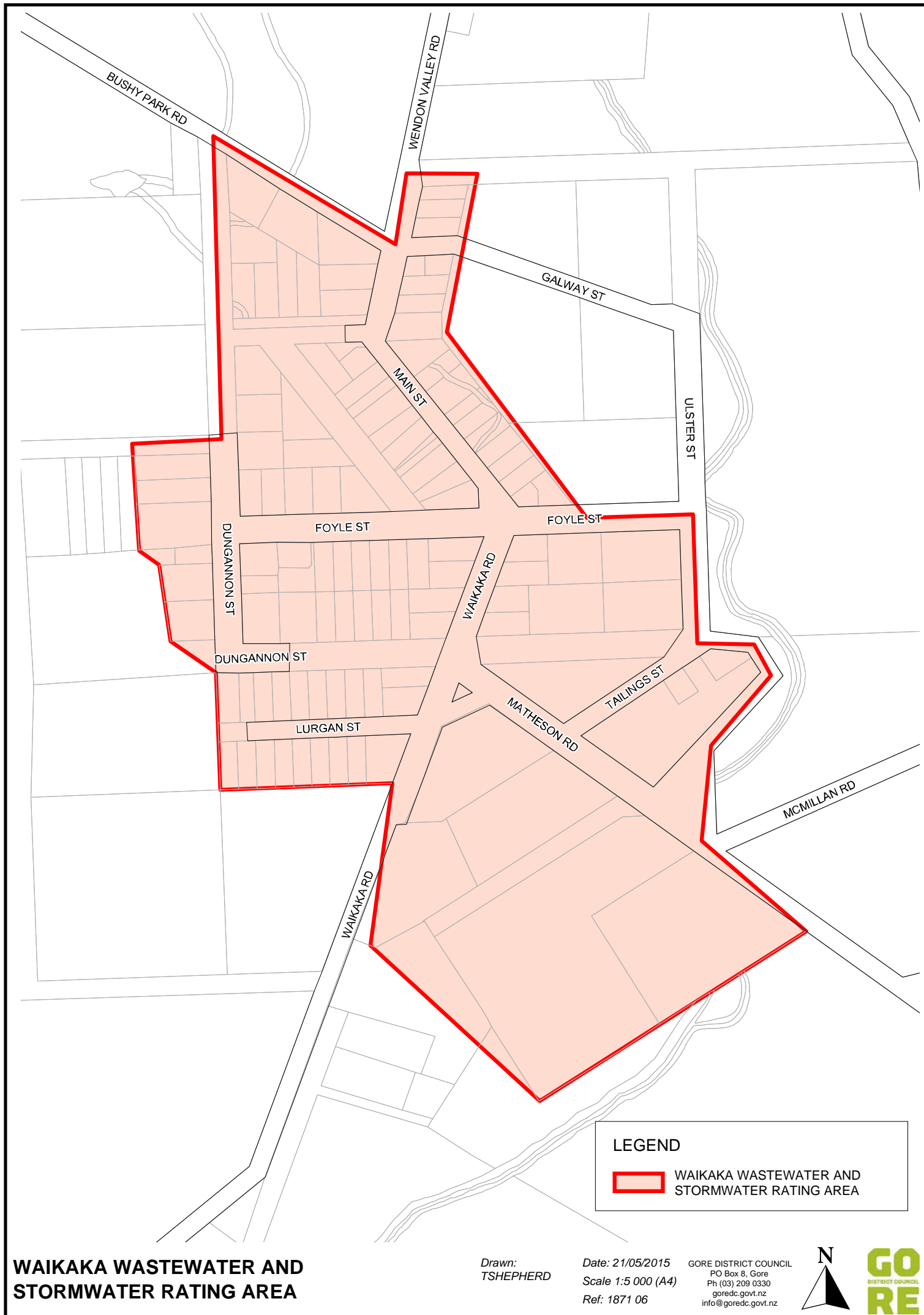
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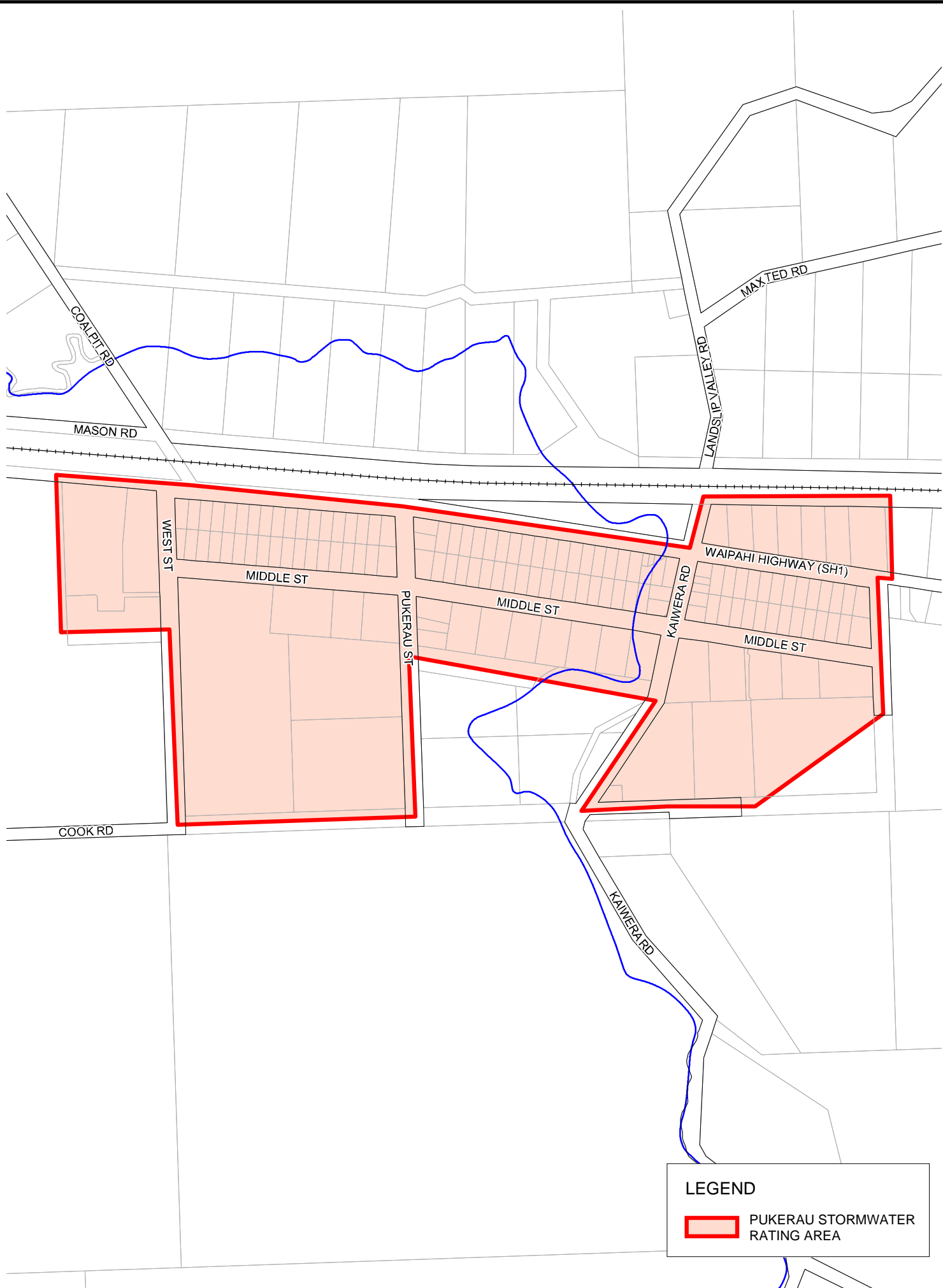
**WAIKAKA WASTEWATER AND
STORMWATER RATING AREA**

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LEGEND

 PUKERAU STORMWATER RATING AREA

PUKERAU STORMWATER RATING AREA

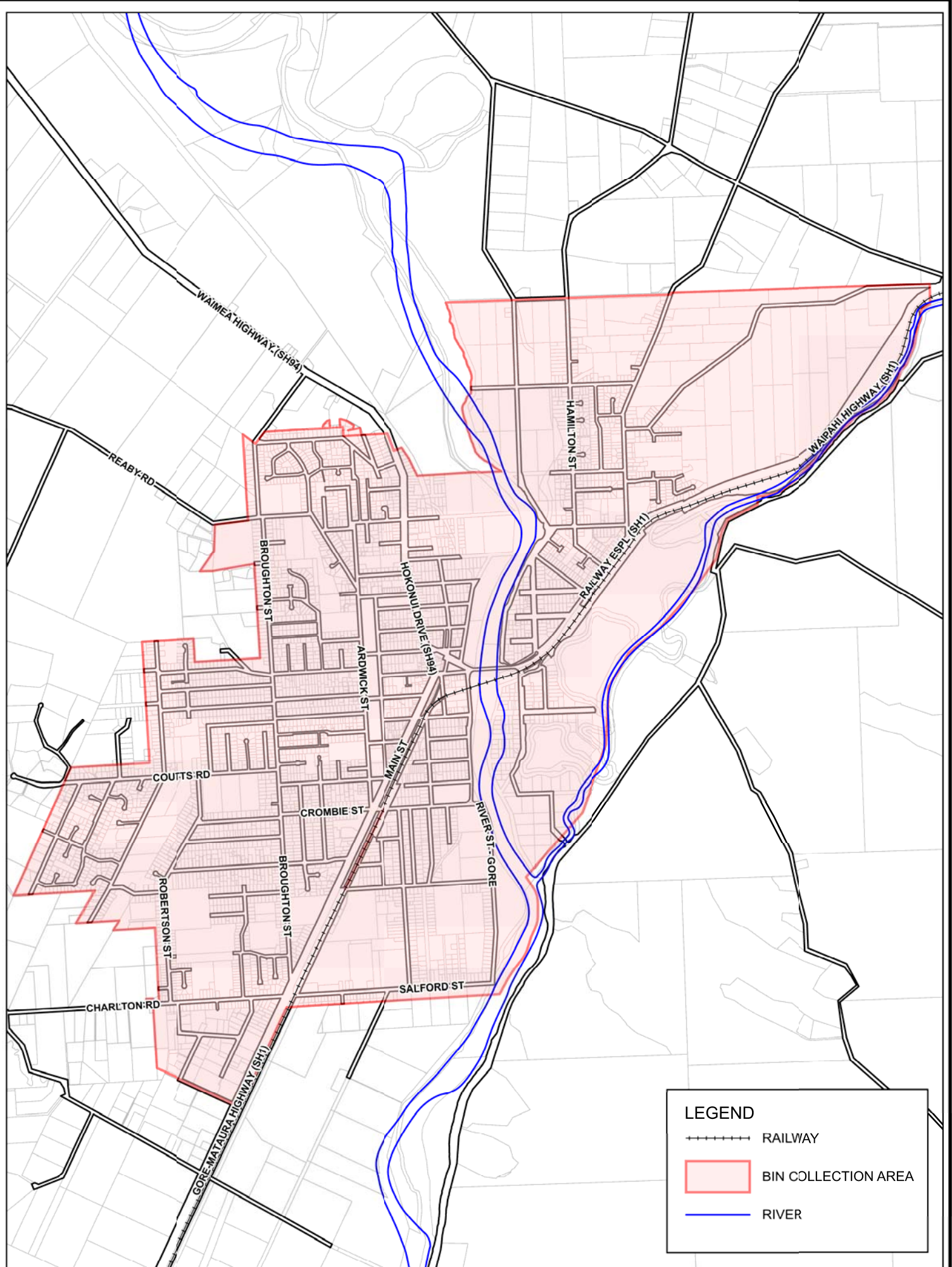
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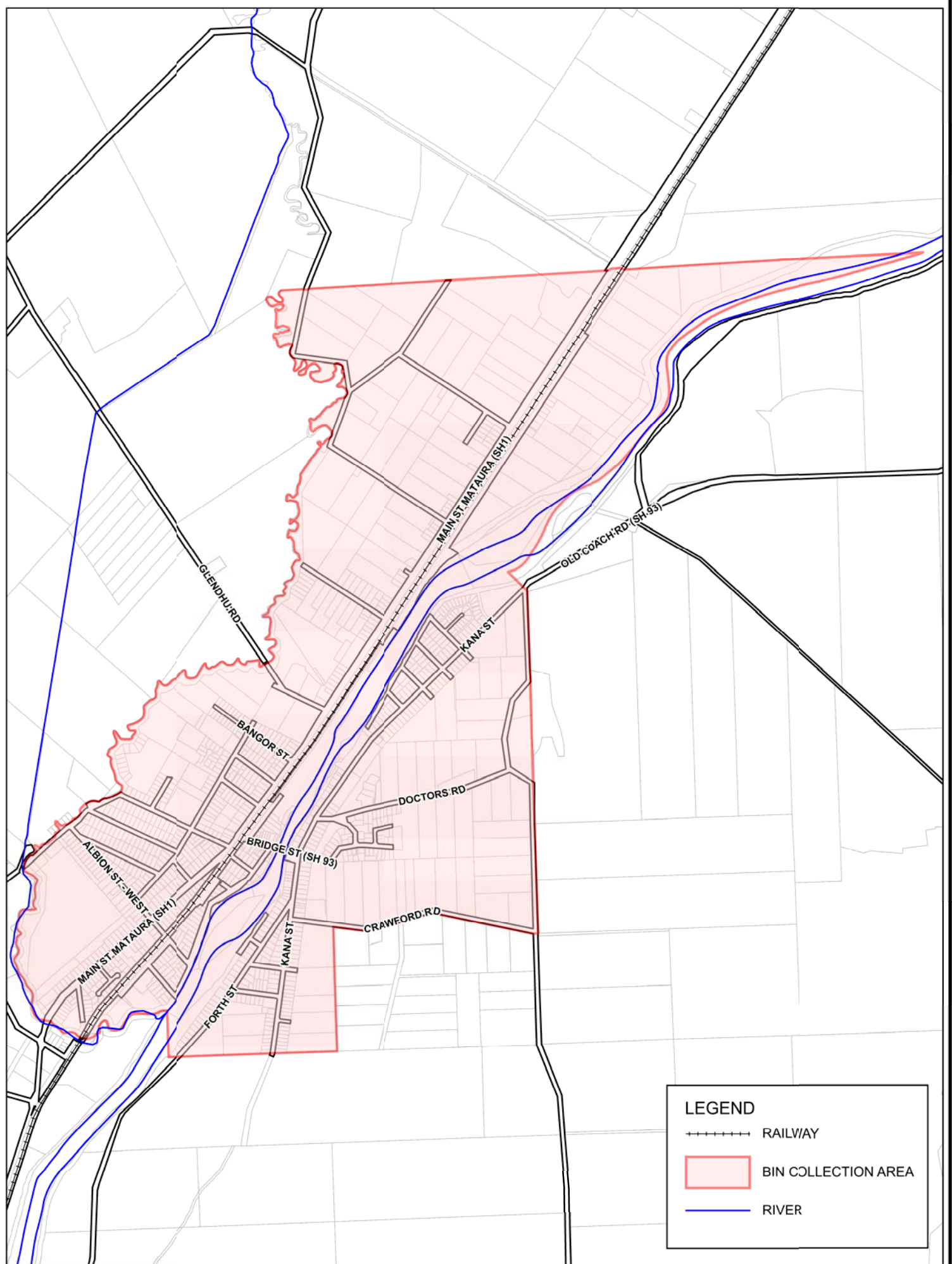
GORE WHEELIE BIN SERVICE AREA

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Scale: 1:26000
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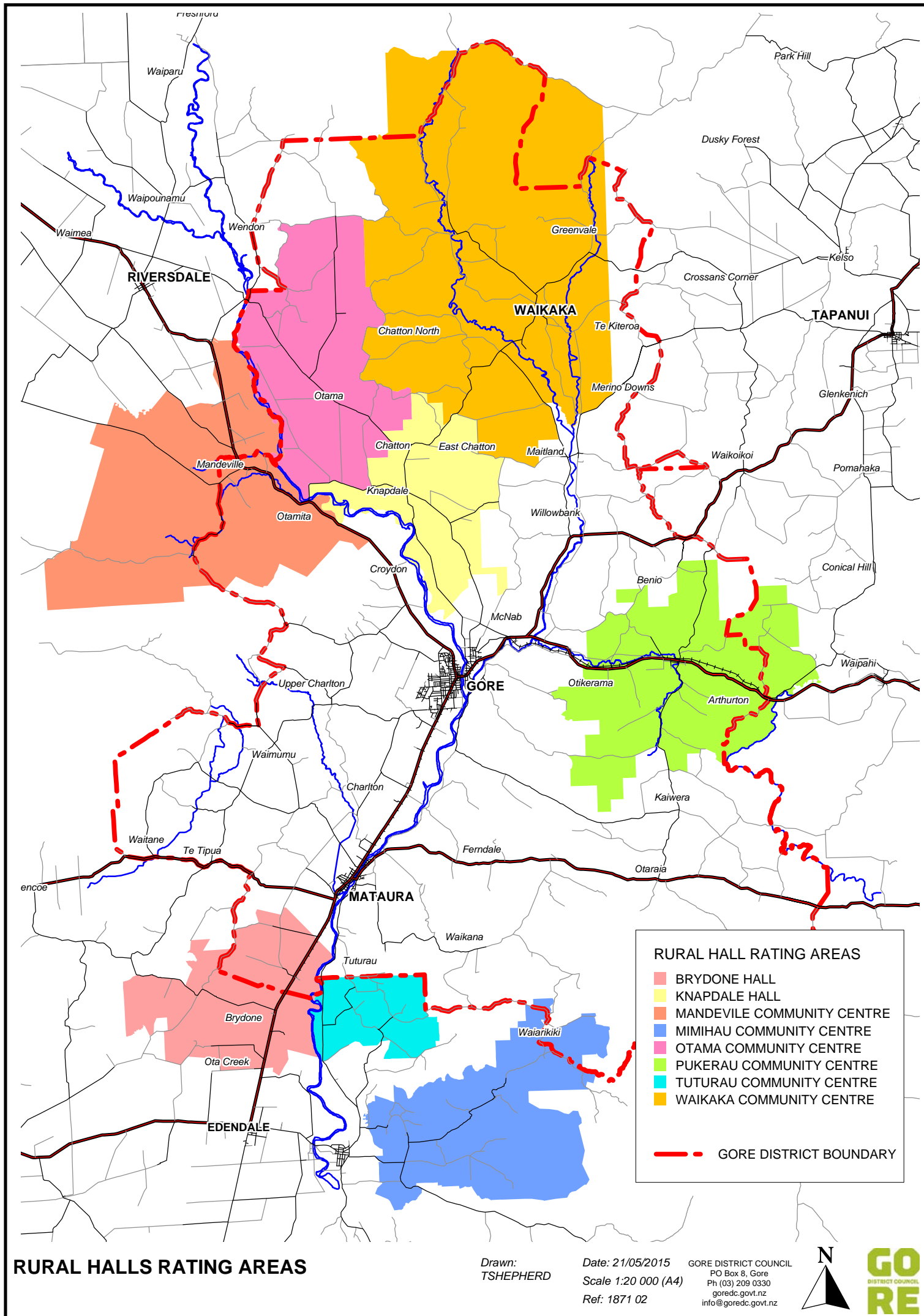
MATAURA WHEELIE BIN SERVICE AREA

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Scale: 1:20 000
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DISTRICT STATISTICS & RATING BASE INFORMATION

POPULATION	
	Statistics NZ
Gore	7,350
Mataura	1,509
Rural	<u>3,168</u>
	<u>12,033</u>

	Capital Value \$	Land Value \$	No. of Rating Units	No. of UAGC's	No. of Water Connections	No. of Wastewater & Stormwater connections
Gore	872,171,930	281,196,150	3,826	3,959	4,118	4,899
Mataura	73,722,550	11,346,950	790	838	849	853
Rural	2,080,242,250	1,560,242,200	1,427	1,568	0	101
Heavy Industry	19,957,000	1,002,000	6	6	8	87
Total	3,046,093,730	1,853,787,300	6,049	6,371	4,975	5,940

FINANCIAL CONTRIBUTIONS

In December 2015 the Council placed the 3 Waters infrastructure and Reserves financial contributions policy, contain in its district plan, in abeyance with effect from 1 January 2016.

The Council will still set financial contributions for 3 Waters infrastructure and Reserves as part of its annual fees and charges setting process each year. However while the policy is held in abeyance they will not be charged.

As required by the District Plan, the levels of the charges are reported below:

<i>Financial Contributions</i>	<i>2016/17</i>
Parking (as per Rule 9.9 (1) of the District Plan)	
Construction and Marking Cost per parking space	\$2,096
For Water reticulation within Gore and Maitāta	\$2,460
For Sewerage reticulation within Gore, Maitāta	\$4,115
For Sewerage reticulation within Waikaka	\$4,115

SCHEDULE OF SPECIAL RESERVE FUND MOVEMENTS

		30 June 2016 \$,000	Additions \$,000	Withdrawals \$,000	30 June 2017 \$,000
(a) Special bequests					
A M A Dolamore	Maintenance and improvement of Dolamore Park	56	2		58
C A Coster	Provision or extension of amenities in Mataura area	321	12		333
Dolamore Trust	Purchase of Library Books	4			4
Dorothy Newman Trust	Maintenance and improvement of Gore Parks and Reserves	15	1		16
J H Dolamore	Maintenance and improvement of Gore Parks and Reserves	34	1		35
Latham Trust	Maintenance and improvement of Gore Parks and Reserves	73	3		76
(a) Special bequests Total		503	19	-	522
(b) Council created reserves					
Airport reserve	Funding future operations	6			6
Council wide asset replacement and maintenance reserves	Funding long term maintenance and replacement of Council assets	2,561	510	(1,010)	1,551
Creative New Zealand	Funding of cultural activities	2			2
Drainage contributions reserve	Funding additional connections to drainage network	62			62
Water contributions reserve	Funding additional connections to water network	20			20
Insurance excess reserve	Funding for self insurance of below ground assets	51			51
Long Term Plan reserve	Funding future iterations of long term plan	-			-
Mataura Initiatives Reserve	Funding future initiatives in Mataura	4			4
Otama water scheme	Funding capital works on Otama Water Scheme	414	78	(17)	475
Parks and Reserves development reserve	Funding future development requirements	176			176
Rural Halls Reserve	Funding future maintenance costs of rural halls	1			1
Rural Special Fund	Provision of amenities in rural areas of the District	428	16		444
Sister City reserve	Funding future sister city initiatives	9			9
Solid Waste operational maintenance reserve	Funding future maintenance requirements	-			-
Solid Waste recycling initiatives reserve	Funding enhancements to Council's waste minimisation initiatives	-			-
Urban Roding capital works reserve	Funding future urban roading capital works	-			-
Urban Roding rating reserve	Funding future urban roading operational works	-			-
Rural Roding reserve	Funding future rural roading works	182			182
Website Reserve	Funding future development of the Council website	10			10
Young Ambassador reserve	Funding future young ambassador initiatives	1			1
(b) Council created reserves Total		3,929	604	(1,027)	3,506
Grand Total		4,432	623	(1,027)	4,028