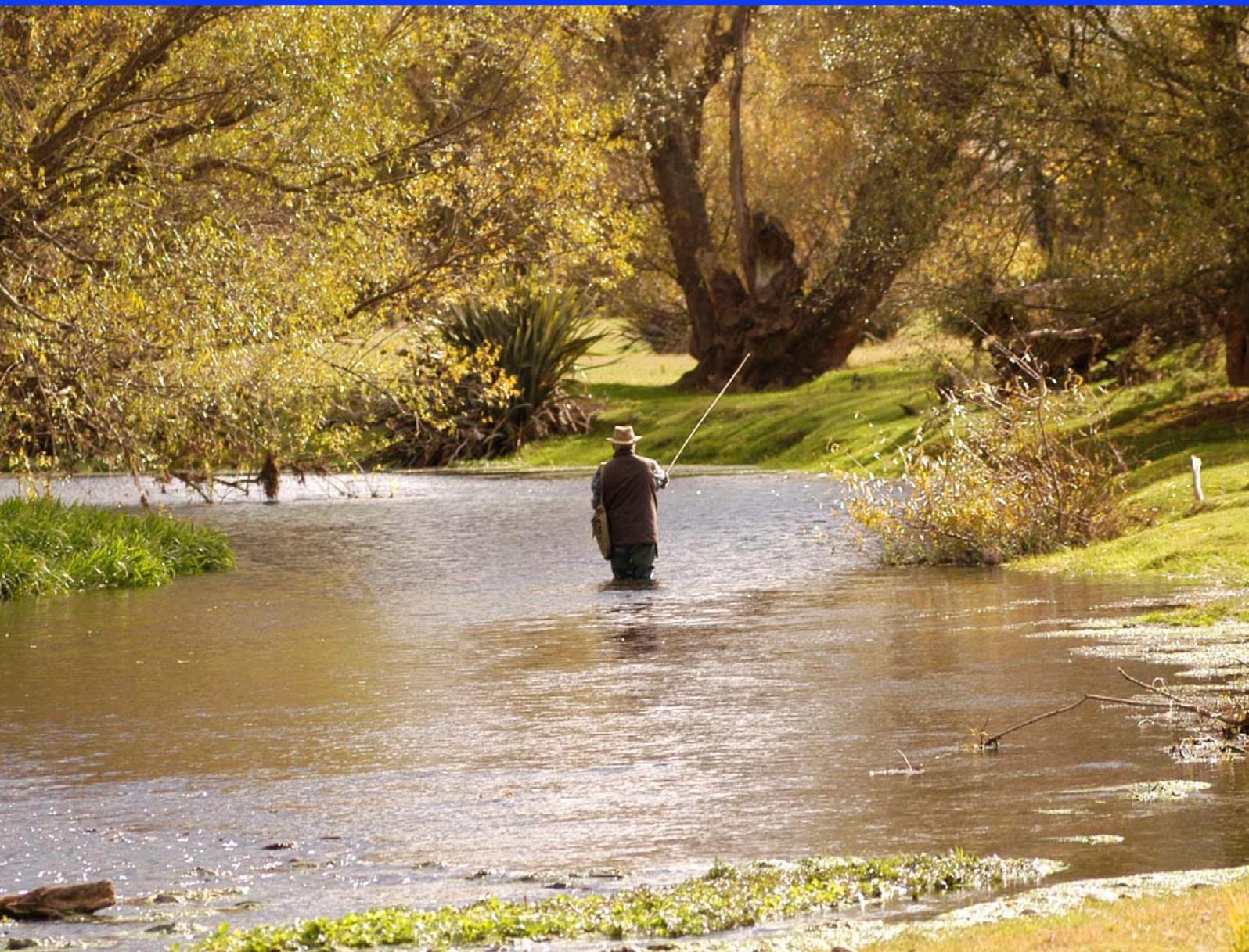




# GORE DISTRICT COUNCIL

ANNUAL REPORT 2007 / 08



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## GORE DISTRICT COUNCIL DIRECTORY

**Mayor:** Tracy Hicks JP

**Councillors:**

C S Bolger  
N J Davis  
D F Dixey  
S A Dixon  
H D Gardyne  
P A Grant  
N A Harvey  
J N Heller  
B R Highsted  
A J McLennan  
G E Sharp

The Mayor and Councillors were elected for a three year term from October 2007.

<b>Executive Staff:</b>	Chief Executive	Stephen Parry
	General Manager District Assets	Paul Withers
	General Manager Corporate Services	Russell Duthie

**Bankers:** WestpacTrust Limited  
Mersey Street  
Gore

**Auditors:** P F Heslin of Deloitte on behalf of the Auditor-General

**Solicitors:** Bannermans  
Fairfield Street  
Gore

**Postal Address:** Gore District Council  
P O Box 8  
Gore

**Locations:** 29 Civic Avenue, Gore  
1 Bridge Street, Mataura

# LIABILITY MANAGEMENT POLICY

## BACKGROUND

Section 104 of the Local Government Act 2002 requires each local authority to have a liability management policy that includes policies for:

- interest rate exposure
- liquidity
- credit exposure
- debt repayment
- specific borrowing limits
- giving of securities

Full details of this policy can be found in the 2006–2016 Long Term Council Community Plan.

## PERFORMANCE

There were no material variations or departures from the Council's Borrowing Policy during the year to 30 June 2008.

Details of the Council's debt are disclosed in note 12 of the Financial Statements. Further information in relation to interest rate risk and fair values of the Council's debt are disclosed in note 25 of the Financial Statements.

## BORROWING LIMITS

	<b>Actual 30 June 08</b>	<b>Target</b>
Interest expense/operating revenue	3.39%	<10%
Pre-tax funds from operations/interest expense	9.26	>2.5
Term Debt/Total Assets	3.20%	<20%

# INVESTMENT POLICY

## BACKGROUND

Council manages funds for the following purposes:

- day to day working capital management
- part of an investment strategy
- debt mitigation
- to meet debt repayments
- to fund short term and long term commitments identified in the Council's Annual Plan and Long Term Council Community Plan.

Full details of this policy can be found in the Long Term Council Community Plan.

## PERFORMANCE

There were no material variations or departures from the Council's Investment Policy during the year to 30 June 2008.

# STATEMENT OF COMPLIANCE AND RESPONSIBILITY

## COMPLIANCE

The Council and management of the Gore District Council confirm that all the statutory requirements of Section 98 of the Local Government Act 2002 regarding financial management and borrowing have been complied with.

## RESPONSIBILITY

The Council and management of the Gore District Council are responsible for the preparation of the annual financial statements and for the judgements used in them.

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

In the opinion of the Council and management of the Gore District Council, the annual financial statements for the year ended 30 June 2008 fairly reflect the financial position and operations of the Gore District Council.



14 October 2008

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**Tracy Hicks JP**  
**MAYOR**

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**Date**



14 October 2008

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**Russell Duthie**  
**ACTING CHIEF EXECUTIVE**

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**Date**

# MAYORAL AND EXECUTIVE FOREWORD

We are pleased to present a brief foreword to the Gore District Council Annual Report for 2007/08. Overall the Council recorded satisfactory results from both financial and non-financial perspectives.

This is the second year of the 10 year Long Term Council Community Plan (LTCCP) which was adopted on 4 July 2006. When reading the Annual Report it is therefore important to place the results in context of a 10 year planning horizon.

Some of the more notable aspects of the year in review are as follows:

## **FINANCIAL RESULT**

The Council recorded an operating surplus for the year of \$672,000 as compared to a budgeted surplus of \$4,000. It needs to be emphasised that this bigger than expected surplus includes funding of \$492,000 received towards the purchase of the former Smiths City building at 28 Irwell Street, Gore. The acquisition of this building took place a year earlier than expected and therefore for true comparative purposes when measuring the Annual Report result against the Annual Plan budget, the operating surplus would be \$180,000.

## **COMMUNITY SATISFACTION SURVEY**

Towards the end of the financial year under review the Council commissioned a comprehensive community satisfaction survey to ascertain resident satisfaction with services provided by the Council. The survey was a commitment given in the 2007/16 LTCCP to conduct a resident satisfaction survey on a bi-annual basis with the results being included in the next relevant annual report of the Council.

It is pleasing to report that overall the Council received a good level of support for its performance. The average level of satisfaction in regard to the overall performance of the Gore District Council was 3.38, on a scale where 1 is very dissatisfied and 5 is very satisfied. Additionally, the results provided the Council with a good level of intelligence in respect of confirming that it is on the right track in regard to the emphasis it places on the likes of parks and reserves, arts and heritage, aquatic facilities and library services to enhance the quality of life for residents.

Details of the specific result of the survey for each Council activity can be found in the Statements of Service Performance contained in this Annual Report.

## **ARTS AND HERITAGE**

As alluded to in the foreword of the 2007/08 Annual Plan, a special consultative procedure was undertaken at the commencement of the year under review to ascertain community views on the desirability of purchasing the former Smiths City building located at Irwell Street, Gore. The availability of this building for purchase was earlier than anticipated and as a result of the consultation undertaken, the Council proceeded to acquire this property as a strategic purchase. The successful purchase of the property now means that all land in what is known as the arts and heritage precinct is now in public ownership. This acquisition allows the Council to advance its development plans for the Arts and Heritage Precinct. Further details on timing and the concept of this development can be expected to be disclosed in the next iteration of the Long Term Council Community Plan in 2009.

## **WASTE WATER**

In 2007/08 the Council entered into a contract to purchase and install an Actiflo Plant at the Gore oxidation ponds as part of a planned upgrade of its treatment process to comply with a new and extended resource consent to discharge effluent into the Mataura River. The upgraded treatment facility at Gore is expected to be commissioned by October 2008.

At the time of writing tenders for the construction of a wetlands at the Mataura oxidation pond, site were being considered. The development of the wetland to enhance the effluent treatment process is expected to be completed before the end of February 2009.

## **MATAURA COMMUNITY CENTRE**

This long running project, which has waxed and waned for the best part of 10 years, finally received the green light from the community to proceed with the construction of a new Community Centre in McQueen Avenue. The approval of the strategy was a watershed event, which it is hoped will prove to be a catalyst for the revitalisation of the Mataura community. At the time of writing it is pleasing to report and witness the rapid progress being made with the construction of the new Community Centre, which is due to be opened in November 2008.

## **NEW TOILETS**

As reported in the opening remarks to the 2007/08 Annual Plan, the standard of toilet facilities in Main Street, Gore has been the subject of abject frustration and very pointed criticism by both locals and visitors. This dissatisfaction was borne out in the recent community satisfaction survey where public toilets recorded the second lowest satisfaction rate.

In 2006/07 the Council made partial progress in upgrading toilet facilities in the township. New Novaloo toilets were installed adjacent to the Hands of Fame statue at the north end of the commercial business district.

However, the replacement of the toilets at the south end of the Main Street continued to pose problems for the Council's Public Convenience Working Party. The ultimate design of a new public toilet facility proved to be prohibitive from a cost point of view and has necessitated a revision of the overall toilet provision strategy. At the time of writing the working party was due to make a

final recommendation to the Council on the scope of the new facility to replace the very outmoded and much unloved toilet facilities next to Sharp's Dairy on Main Street, Gore. It is sincerely hoped that we may be able to report on completion of this long awaited project in next year's Annual Report.

## REGULATORY SERVICES

During the past year the Council was involved in two particularly resource hungry issues that deserve special mention. The first of these was the application by the Council to be accredited as a Building Consent Authority under the Building Act 2004. This large tranche of work started in the latter half of the previous year and continued unabated throughout the course of the year under review. The chaotic nature of 73 territorial local authorities having to be audited in respect of their processes and accredited as a Building Consent Authority by 30 June 2008 was recognised by the government and resulted in an extension of the timeline for accreditation until 31 March 2009. The accreditation process arriving in the midst of a building boom and staff shortages has taxed the Council's Building Control Department. However, at the close of the 2007/08 financial year the Council had an increased complement of four building inspectorate staff and was due to receive a final visit by the Accreditation Agency, IANZ, in November 2008.

The other main and extraordinary issue that arose in the regulatory services area in 2007/08 was a resource consent submitted by Trustpower for the development and construction of an 83 turbine wind farm at Kaiwera Downs. This was a large consent process that demanded a huge amount of time and energy of the Council's Planning Consultant, Hearings Commissioner and the three Councillors who formed part of the hearings panel. It was pleasing to see that the resource consent application process was completed within a six month period and at the close of the appeal period only two were received. The large and complex nature of the resource consent application provided a stern test of the Council's regulatory and governance processes. We believe it is appropriate to record that these processes performed admirably under such a searching examination.



14 October 2008

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**Tracy Hicks JP**  
**MAYOR**

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**Date**



14 October 2008

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**Russell Duthie**  
**ACTING CHIEF EXECUTIVE**

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**Date**

# AUDIT REPORT



## AUDIT REPORT TO THE READERS OF GORE DISTRICT COUNCIL'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2008

The Auditor-General is the auditor of Gore District Council (the District Council). The Auditor-General has appointed me, P F Heslin, using the staff and resources of Deloitte, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the Council for the year ended 30 June 2008, including the financial statements.

### Unqualified Opinion

In our opinion:

- The financial statements of the District Council on pages 14 to 53:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect :
    - the District Council's financial position as at 30 June 2008; and
    - the results of its operations and cash flows for the year ended on that date.
- The service provision information of the District Council on pages 54 to 91 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 14 October 2008, and is the date at which our opinion is expressed.

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

### Basis of Opinion

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

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance

information and the other requirements did not have material misstatements, whether caused by fraud or error.

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

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

Audit procedures generally include:

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

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

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

### **Responsibilities of the Council and the Auditor**

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the District Council as at 30 June 2008. They must also fairly reflect the results of its operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

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

## Independence

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

In addition to the audit we have carried out assignments in the areas of conducting the audit of the Long Term Council Community Plan, provision of financial reporting advice and human capital advisory services which are compatible with these independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the District Council.



P F Heslin  
Partner, Deloitte  
On behalf of the Auditor-General  
Dunedin, New Zealand

### ***Matters Relating to the Electronic Presentation of the Audited Financial Statements, Performance Information and the Other Requirements***

*This audit report relates to the financial statements, performance information and the other requirements of Gore District Council for the year ended 30 June 2008 included on the Gore District Council's website. Gore District Council is responsible for the maintenance and integrity of the Gore District Council website. We have not been engaged to report on the integrity of the Gore District Council website. We accept no responsibility for any changes that may have occurred to the financial statements since it was initially presented on the website.*

*The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, performance information and the other requirements as well as the related audit report dated 14 October, 2008 to confirm the information included in the audited financial statements, performance information and the other requirements presented on this website.*

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

## FINANCIAL STATEMENTS

**GORE DISTRICT COUNCIL  
STATEMENT OF FINANCIAL PERFORMANCE  
For the Financial Year Ended 30 June 2008**

	Notes	2008 \$'000	Budget \$'000	2007 \$'000
<b>Income</b>				
Rates revenue	2 (a)	9,377	9,232	8,655
Other revenue	2 (a)	5,990	4,825	4,772
Other gains/ (losses)	2 (b)	(136)	-	324
<b>Total income</b>	2(g)	15,231	14,057	13,751
<b>Expenditure</b>				
Employee benefits expense	2 (c)	(3,761)	(3,708)	(3,548)
Depreciation and amortisation expense	2 (d)	(3,591)	(3,651)	(3,560)
Finance costs	2 (e)	(516)	(587)	(485))
Other expenses	2 (f)	(6,691)	(6107)	(5,659)
<b>Total operating expenditure</b>	2(g)	(14,559)	(14,053)	(13,252)
<b>Surplus for the period</b>		\$672	\$4	\$499

The accompanying notes form part of these financial statements.

**GORE DISTRICT COUNCIL**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2008**

	Notes	2008 \$'000	Budget \$'000	2007 \$'000
<b>Current assets</b>				
Cash and cash equivalents	20(a)	1,425	17	224
Trade and other receivables	5	1,740	900	1,228
Inventories	6	48	-	26
Other financial assets	7	1,595	1,022	2,151
Other current assets	8	30	-	54
<b>Total current assets</b>		<b>4,838</b>	<b>1,939</b>	<b>3,683</b>
<b>Non-current assets</b>				
Other financial assets	7	184	68	334
Property, plant and equipment	9	309,728	270,275	308,064
<b>Total non-current assets</b>		<b>309,912</b>	<b>270,343</b>	<b>308,398</b>
<b>Total assets</b>		<b>314,750</b>	<b>272,282</b>	<b>312,081</b>
<b>Current liabilities</b>				
Trade and other payables	10	1,935	1,525	1,683
Employee entitlements	11	501	-	450
Borrowings	12	-	-	623
<b>Total current liabilities</b>		<b>2,436</b>	<b>1,525</b>	<b>2,756</b>
<b>Non-current liabilities</b>				
Borrowings	12	10,087	11,004	7,675
Provisions	13	113	138	142
<b>Total non-current liabilities</b>		<b>10,200</b>	<b>11,142</b>	<b>7,817</b>
<b>Total liabilities</b>		<b>12,636</b>	<b>12,667</b>	<b>10,573</b>
<b>Net assets</b>		<b>\$302,114</b>	<b>\$259,615</b>	<b>\$301,508</b>
<b>Equity</b>				
Reserves	14	166,197	122,139	166,040
Retained earnings	15	135,917	137,476	135,468
		<b>\$302,114</b>	<b>\$259,615</b>	<b>\$301,508</b>

The accompanying notes form part of these financial statements.

**GORE DISTRICT COUNCIL**  
**STATEMENT OF RECOGNISED INCOME AND EXPENSE**  
**For the Financial Year Ended 30 June 2008**

	<b>Notes</b>	<b>2008</b> <b>\$'000</b>	<b>Budget</b> <b>\$'000</b>	<b>2007</b> <b>\$'000</b>
Available-for-sale financial assets valuation gain/ (loss) taken to equity	14(a)	10	-	12
Cash flow hedges transferred to Statement of Financial Performance for the year	14(c)	(76)	-	(44)
Gain / (loss) on property, plant and equipment revaluation	14(b)	-	13,024	56,521
<b>Net income recognised directly in equity</b>		<u>(66)</u>	<u>13,024</u>	<u>56,489</u>
Surplus for the period		<u>672</u>	<u>4</u>	<u>499</u>
<b>Total recognised income and expense for the year</b>		<u><u>\$606</u></u>	<u><u>\$13,028</u></u>	<u><u>\$56,988</u></u>

**Statement of Changes in Equity**  
**For the Financial Year Ended 30 June 2008**

	<b>2008</b> <b>\$'000</b>	<b>Budget</b> <b>\$'000</b>	<b>2007</b> <b>\$'000</b>
Equity at beginning of year	301,508	246,587	244,520
Surplus for the year	672	13,028	499
Movement in Available-for-sale revaluation reserve	10	-	12
Movement in Hedging Reserve	(76)	-	(44)
Movement in Asset Revaluation Reserve	-	-	56,521
<b>Total recognised income and expenses</b>	<u>\$606</u>	<u>\$13,028</u>	<u>\$56,988</u>
<b>Equity at end of year</b>	<u><u>\$302,114</u></u>	<u><u>\$259,615</u></u>	<u><u>\$301,508</u></u>

The accompanying notes form part of these financial statements.

**GORE DISTRICT COUNCIL  
CASH FLOW STATEMENT  
For the Financial Year Ended 30 June 2008**

	Notes	2008 \$'000	Budget \$'000	2007 \$'000
<b>Cash flows from operating activities</b>				
Receipts from customers		14,716	14,015	13,234
Interest received		130	42	133
Dividends received		6	0	5
Payments to suppliers and employees		(9,914)	(9,921)	(8,633)
Finance costs		(525)	(597)	(504)
Net cash inflow/ (outflow) from operating activities	20(c)	4,413	3,539	4,235
<b>Cash flows from investing activities</b>				
Proceeds from maturity of other financial assets		610	-	20
Repayment of non-current trade and other receivables		-	-	-
Proceeds from sale of property, plant and equipment		13	-	32
Purchase of property, plant and equipment		(5,231)	(5,560)	(3,083)
Purchase of other financial assets		(393)	-	(862)
Net cash inflow/ (outflow) from investing activities		(5,001)	(5,560)	(3,893)
<b>Cash flows from financing activities</b>				
Proceeds from borrowings		2,135	2,120	186
Repayment of borrowings		(346)	(123)	(288)
Net cash inflow / (outflow) from financing activities		1,789	1,997	(102)
<b>Net increase (decrease) in Cash and cash equivalents</b>		1,201	(24)	240
<b>Cash and cash equivalents at the beginning of the financial year</b>		224	1,063	(16)
<b>Cash and cash equivalents at the end of the financial year</b>	20(a)	\$1,425	\$1,039	\$224

The accompanying notes form part of these financial statements.

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
For the Financial Year Ended 30 June 2008**

**1. SUMMARY OF ACCOUNTING POLICIES**

**Reporting Entity**

The Gore District Council (“the Council”) is a territorial local authority governed by the Local Government Act 2002.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

**Statement of Compliance**

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

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for public benefit entities.

All available public benefit entity reporting exemptions under NZ IFRS have been adopted.

**Basis of Preparation**

The preparation of financial statements in conformity with NZ IFRS 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 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 financial statements are presented in thousands of New Zealand dollars. New Zealand dollars are the Council’s functional currency.

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

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Financial Year Ended 30 June 2008**

*New standards and Interpretations*

Standards and interpretations that have been issued or amended but are not yet effective that have not been adopted by the Council for the annual reporting period ended 30 June 2008 and which are relevant are as follows:

Reference	Title	Summary	Application date of standard	Impact on Council financial report	Application date for Council
NZ IAS-1	Presentation of Financial Statements' – Revised Standard	The revised NZ IAS 1 requires the presentation of all recognised income and expenses in one statement (a statement of comprehensive income) or in two statements (an income statement and a statement of comprehensive income), separately from owner changes in equity.	January 2009	The revised NZ IAS 1 is a disclosure standard so will have no impact on the amounts included in the Council's financial statements. However, the amendments will result in changes to presentation of the Income Statement and Statement of changes in Equity included in the Council's financial report.	30 June 2010

Initial application of the following Standards and Interpretations is not expected to have any material impact to the financial report of the Council:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Amendments to NZ IFRS-4 'Insurance Contracts – The Scope of Insurance Activities and Differential Reporting Concessions'	1 January 2009	30 June 2010
NZ IFRIC-12 'Service Concession Arrangements'	1 January 2008	30 June 2009
NZ IFRIC-13 'Customer Loyalty Programmes'	1 July 2008	30 June 2009
NZ IFRIC-14 'NZ IAS-19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'	1 January 2008	30 June 2009
IFRIC-15 'Agreements for the Construction of Real Estate'	1 January 2009	30 June 2010
IFRIC-16 'Hedges of a Net Investment in a Foreign Operation'	1 October 2008	30 June 2010
NZ IAS-23 'Borrowing Costs' – revised 2007	1 January 2009	30 June 2010
Amendments to NZ IFRS-2 'Share-Based Payment' – Vesting Conditions and Cancellations	1 January 2009	30 June 2010
NZ IFRS-3 'Business Combinations' – revised 2008	1 July 2009	30 June 2010
NZ IAS-27 'Consolidated and Separate Financial Statements' – revised 2008	1 July 2009	30 June 2010
Revised Amendments to NZ IAS 32 'Financial Instruments: Presentation' and NZ IAS 1 'Presentation of Financial Statements' – Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009	30 June 2010
Improvements to New Zealand Equivalents to International Financial Reporting Standards 2008	Various*	30 June 2010
Amendments to NZ IFRS 1 'First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards' and NZ IAS 27 'Consolidated and Separate Financial Statements' – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 July 2009	30 June 2010
Omnibus Amendments	1 January 2008	30 June 2009

\* The effective date and transitional provisions vary by Standard. Most of the improvements are effective for annual periods beginning on or after 1 January 2009, with earlier adoption permitted, and they are to be applied retrospectively.

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

The following accounting policies which materially affect the measurement of results and financial position have been applied:

**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 Transfund New Zealand, which subsidises part of the Council's costs in maintaining the local roading infrastructure. The Transfund 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 dividends 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 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.

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

**Grant Expenditure**

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of 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 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 also spread on a straight line basis over the lease term.

**Borrowing Costs**

All borrowing costs are recognised in the Statement of Financial Performance in the period in which they are incurred.

**Taxation**

The Council is exempt from Income Tax in accordance with the Income Tax Act 2004, Section CW32.

**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.

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**  
**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 financial liabilities are recognised on the Council's 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 profit or loss', 'held-to-maturity' investments, 'available-for-sale' 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 Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss 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 profit or loss are stated at fair value, with any resultant gain or loss recognised in the Statement of Financial Performance. The net gain or loss is recognised in the Statement of Financial Performance 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.

• Available-for-Sale Financial Assets

Equity securities held by the Council are classified as being available-for-sale 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 directly in the available-for-sale revaluation reserve, with the exception of interest calculated using the effective interest method and impairment losses which are recognised directly in the Statement of Financial Performance. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the Statement of Financial Performance for the period.

Dividends on available-for-sale equity instruments are recognised in the Statement of Financial Performance when the Council's right to receive payments is established.

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

- 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 Statement of Financial Performance.

Loans, including loans to community organisations made by the 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 Statement of Financial Performance as a grant.

Short term deposits are included within this classification.

- Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, 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 Statement of Financial Performance.

With the exception of available-for-sale 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 Statement of Financial Performance 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.

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

**Financial Instruments cont.**

- 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 Statement of Financial Performance 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 Note 25 to the 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 remeasured to their fair value at each balance date.

The resulting gain or loss is recognised in the Statement of Financial Performance immediately unless the derivative is designated and effective as a hedging instrument, in which the timing of the recognition in the Statement of Financial Performance depends on the nature of the hedge relationship. The Council has designated certain derivatives as cash flow hedges.

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges are defined in equity. Any gain or loss on the ineffective portion is recognised immediately in profit or loss.

Amounts defined in equity are recycled in the Statement of Financial Performance in the periods when the hedged item is recognised in the Statement of Financial Performance.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss defined in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Financial Performance.

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 prices 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 Statement of Financial Performance.

**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.

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

**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, recreation 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 are considered equivalent to land improvements and as such they do not incur a loss of service potential over time. Accordingly land under roads assets are 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 Quotable Value New Zealand (Registered Valuers) at market value or depreciated replacement cost as at 30 June 2007. Subsequent additions are valued at cost. Land and buildings are revalued every 3 years.
- Infrastructural assets have all been valued at depreciated replacement cost by Opus International Consultants Limited as at 30 June 2007. In the case of land value for roads, an average of adjacent "underdeveloped land value" has been applied. Subsequent additions are valued at cost. Infrastructural assets are revalued 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 revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Financial Performance.

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

- 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 Statement of Financial Performance in the year incurred.

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

	<b>Life (years)</b>
Land Under Roads	N/A
Refuse	100
<b>Operational Assets</b>	
Land	N/A
Buildings	20 – 50
Plant and Equipment	4 – 25
Motor Vehicles	4 – 8
Office Furniture and Equipment	4 – 10
Recreation and Cultural	5 – 20
Library Books	N/A
<b>Infrastructural Assets</b>	
Water Reticulation	10 - 100
Sewerage Reticulation	15 - 60
Stormwater Reticulation	60
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, Roadmarkings and Streetlighting	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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance in the period the asset is derecognised.

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

**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 for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential. In assessing value in use for cash-generating assets, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised 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 Statement of Financial Performance 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.

**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 landfills, has a legal obligation under the resource consent to provide ongoing 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.

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

Amounts provided for 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.

### **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 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 Council.

The components of equity are:

- Retained Earnings
- Available-for Sale Revaluation Reserve
- Asset Revaluation Reserve
- Restricted Reserves
- Council Created Reserves

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

**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 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.

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.

The Council's objectives, policies and processes for managing capital are described in Note 25.

**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 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 Statement of Financial Performance. The allocation is calculated on the basis of estimated administration staff hours provided to each activity.

**Critical Accounting Estimates and Assumptions**

In preparing these 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:

- Landfill aftercare provision

Note 13 discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

- Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition 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

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

- under estimating the annual deprecation charge recognised as an expense in the statement of financial performance. 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.

**Critical Judgements**

Management has exercised the following critical judgements in applying the Council's accounting policies for the period ended 30 June 2008:

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.

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

	Notes	2008 \$'000	2007 \$'000
<b>2. SURPLUS FROM OPERATIONS</b>			
<b>(a) Revenue</b>			
Revenue consisted of the following items:			
<u>Rates Revenue:</u>			
General rates		3,006	2,759
Targeted rates (i)		6,371	5,896
		\$9,377	\$8,655
		\$9,377	\$8,655
 (i) Targeted rates attributable to activities			
Community Services		365	342
District Assets		6,006	5,544
Leadership		-	10
		\$6,371	\$5,896
		\$6,371	\$5,896
 <u>Other Revenue:</u>			
Revenue from renderings of services:			
Licence fees, and other revenue		3,382	2,533
		3,382	2,533
Operating lease rental revenue		97	93
Interest revenue:			
Bank deposits		-	-
Other loans and receivables		130	128
		130	128
Dividend revenue		6	5
Government grants – Transfund New Zealand		2,247	1,875
Petroleum tax		128	138
		\$5,990	\$4,772
		\$5,990	\$4,772
There are no unfulfilled conditions and other contingencies attached to government grants recognised.			
<b>(b) Other Gains/(Losses)</b>			
Net gain on disposal of property, plant and equipment		37	22
Net change in fair value of derivative financial instruments classified at fair value through profit or loss (interest rate swaps)		(173)	302
		(\$136)	\$324
		(\$136)	\$324

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

	Notes	2008 <u>\$'000</u>	2007 <u>\$'000</u>
<b>2. SURPLUS FROM OPERATIONS cont.</b>			
<b>(c) Employee Benefits Expense</b>			
Salaries and wages		3,698	3,474
Defined contribution plans		63	47
Termination benefits		-	27
Other employee benefits		-	-
		<u>3,761</u>	<u>\$3,548</u>
<b>(d) Depreciation and Amortisation Expense</b>			
Depreciation of property, plant and equipment	9	<u>3,591</u>	<u>3,560</u>
		3,591	3,560
<b>(e) Finance Costs</b>			
Interest on loans carried at amortised cost		516	485
Provisions: discount unwinding (Note 13)		-	-
		<u>516</u>	<u>485</u>
<b>(f) Other Expenses</b>			
Net bad and doubtful debts		(13)	18
Minimum lease payments operating lease rental		55	69
Rates remissions		57	46
Grants		251	238
Roading repairs and maintenance		1,426	1,294
Donations		-	-
Landfill aftercare provision		(19)	(25)
Other expenses		4,934	4,019
		<u>\$6,691</u>	<u>\$5,659</u>

Expenses by nature are disclosed under Note 2(g).

Audit fees are disclosed under Note 4.

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>2. SURPLUS FROM OPERATIONS cont.</b>		
<b>(g) Summary Cost of Services by Activity</b>		
<b>Income</b>		
Community Services	3,334	2,343
District Assets	11,189	10,291
Leadership	2,404	2,412
	<hr/>	<hr/>
Total activity income	16,927	15,046
<b>Add</b>		
Net change in fair value of financial assets carried at fair value through profit or loss (interest rate swaps)	(173)	302
Gain on disposal of property, plant and equipment	37	22
	<hr/>	<hr/>
	(136)	324
<b>Less</b>		
Internal recoveries	(1,560)	(1,619)
	<hr/>	<hr/>
<b>Total Income</b>	<b>\$15,231</b>	<b>\$13,751</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Expenditure</b>		
Community services	3,109	2,393
District assets	10,724	10,084
Leadership	2,286	2,394
	<hr/>	<hr/>
Total activity expenditure	16,119	14,871
<b>Add</b>		
Net change in fair value of equity securities	-	-
<b>Less</b>		
Internal expenditure	(1,560)	(1,619)
	<hr/>	<hr/>
<b>Total Operating Expenditure</b>	<b>\$14,559</b>	<b>\$13,252</b>
	<hr/> <hr/>	<hr/> <hr/>

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

	Notes	2008 \$'000	2007 \$'000
<b>(h) Financial Instruments</b>			
Surplus/(deficit) for the year includes the following income and expenses arising from financial instruments classified as:			
<u>Loans and receivables:</u>			
Interest revenue	2(a)	130	128
Impairment of loans and receivables	7	(250)	-
Gain/(loss) on settlement		-	-
		\$(120)	\$128
<u>Financial assets at fair value through profit or loss:</u>			
Change in fair value of financial assets classified as held for trading	2(b)	(173)	302
		\$(173)	\$302
<u>Financial liabilities at amortised cost:</u>			
Interest expense	2(e)	516	485
		\$516	\$485

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

**3. KEY MANAGEMENT PERSONNEL COMPENSATION**

The compensation of the Councillors, Chief Executive and other senior management, being the key management personnel of the entity, is set out below:

<b>Name</b>	<b>Position</b>
Tracy Hicks JP	Mayor
A J McLennan	Chairperson Regulatory and Planning Committee
C S Bolger	Chairperson Finance and Policy Committee/Deputy Mayor
N J Davis	Chairperson Operations Committee
N A Harvey	Chairperson Community Services Committee
M J Hellier (to October 2007)	Councillor
F T Sutherland (to October 2007)	Councillor
L D Turnbull (to October 2007)	Councillor
D F Dixey (from October 2007)	Councillor
S A Dixon (from October 2007)	Councillor
H D Gardyne (from October 2007)	Councillor
P A Grant (from October 2007)	Councillor
J N Heller (from October 2007)	Councillor
B R Highsted (from October 2007)	Councillor
G E Sharp (from October 2007)	Councillor
S F Parry	Chief Executive
N Jorgenson (resigned April 2008)	General Manager District Assets
R J Duthie	General Manager Corporate Services
P Withers	General Manager District Assets

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	599	589
Termination benefits	-	26
	<u>599</u>	<u>615</u>

**4. REMUNERATION OF AUDITORS**

Audit fees for financial statement audit	74	69
Audit fees for assurance and related services	30	19
Fees for tax services	-	-
Fees for other services	-	5
	<u>\$104</u>	<u>\$93</u>

Audit fees for assurance and related services include:  
 – audit of the Long Term Council Community Plan.  
 – audit of NZ IFRS transition

The auditor of Gore District Council, for and on behalf of the Office of the Auditor-General, is Deloitte.

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>5. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	688	298
Rates receivables	579	531
Allowance for doubtful debts	(112)	(125)
	<u>1,155</u>	<u>704</u>
Transfund Subsidy	253	249
Sundry receivables and accruals	99	52
Goods and services tax (GST) receivable	233	223
	<u>\$1,740</u>	<u>\$1,228</u>

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

The Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to the present value of future repayments.

The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Included within the Council's trade and other receivable balance are debtors which are past due at the reporting date for which the Council has not provided as there has not been a significant change in credit quality and the Council believes that the amounts are still considered recoverable.

The age of these trade and other receivables that are past due, but are not impaired, are as follows:

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Past due 1 to 3 months	217	134
Past due 3 to 6 months	78	58
Past due 6 to 9 months	53	47
Past due 9 to 12 months	24	39
Past due > 12 months	243	192
	<u>\$615</u>	<u>\$470</u>

(ii) Movement in the allowance for doubtful debts:

Balance at beginning of year	125	108
Amounts written off during year	-	-
Amounts recovered during year	-	-
Increase/(decrease) in allowance recognised in Statement of Financial performance	(13)	17
	<u>\$112</u>	<u>\$125</u>

An allowance has been made for estimated irrecoverable amounts and has been calculated based on expected losses. Expected losses have been determined based on reference to past default experience and review of specific debtors.

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

**5. TRADE AND OTHER RECEIVABLES cont.**

In determining the recoverability of a trade receivable the Council considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

Other than Transfund New Zealand, the Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers. The Council believes no further credit provision is required in excess of the allowance for doubtful debts.

**6. INVENTORIES**

Essential Services (at cost)	39	24
Other (at cost)	9	2
	<hr/>	<hr/>
	\$48	\$26
	<hr/> <hr/>	<hr/> <hr/>

The carrying amount of inventories pledged as security for liabilities is \$Nil (2006: \$Nil).

**7. OTHER FINANCIAL ASSETS**

*At fair value through profit or loss:*

Held for Trading

Current

Interest Rate Swaps	329	578
	<hr/>	<hr/>
	329	578

*Available-for-Sale at fair value:*

Non Current

Equity securities - NZ Local Government Insurance Company shares	134	124
	<hr/>	<hr/>
	134	124

*Loans and receivables at Amortised Cost:*

Current

Short Term Deposits (i)	1,266	1,573
	<hr/>	<hr/>
	1,266	1,573

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

Non-Current

Loans to Community Groups	300	210
Less Provision for Impairment	(250)	0
	<u>50</u>	<u>210</u>
	<u>\$1,779</u>	<u>\$2,485</u>

Disclosed in the financial statements as:

Current	1,595	2,151
Non-current	184	334
	<u>\$1,779</u>	<u>\$2,485</u>

Other than the allowance for impairment on loans to community groups, there are no impairment provisions for other financial assets.

- (i) The total value of Short Term Deposits that can only be used for a specified purpose as outlined in the relevant trust deeds is \$596,000 (2007: \$524,000).

**8. OTHER CURRENT ASSETS**

Prepayments	<u>30</u>	<u>54</u>
	<u>\$30</u>	<u>\$54</u>

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

**9. PROPERTY PLANT AND EQUIPMENT**

2008

	Cost /Valuation 1 July 2007	Additions	Disposals	Revaluation	Cost /Valuation 30 June 2008	Accumulated depreciation and impairment charges 1 July 2007	Impairment losses charged in Statement of Financial Performance	Depreciation expense	Accumulated depreciation reversed on disposal	Accumulated depreciation reversed on revaluation	Accumulated depreciation and impairment charges 30 June 2008	Carrying amount 30 June 2008
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Council Operational Assets</b>												
<b>At Cost</b>												
Land	72	-	-	-	72	-	-	-	-	-	-	72
Buildings	200	-	-	-	200	(67)	-	(8)	-	-	(75)	126
Plant and equipment	1,559	94	(98)	-	1,556	(1,030)	-	(105)	93	-	(1,042)	513
Motor vehicles	1,158	317	(245)	-	1,229	(747)	-	(148)	164	-	(731)	498
Office furniture and equipment	1,301	24	-	-	1,325	(1,077)	-	(60)	-	-	(1,136)	188
Recreation and cultural	531	25	-	-	556	(318)	-	(26)	-	-	(345)	211
Library Books	1,370	-	-	-	1,370	(3)	-	-	-	-	(3)	1,367
Work in progress Buildings	214	248	-	-	462	-	-	-	-	-	-	462
Work in Progress Office Equipment	-	6	-	-	6	-	-	-	-	-	-	6
<b>At Valuation</b>												
Land	7,280	162	-	-	7,442	-	-	-	-	-	-	7,442
Buildings	10,436	988	-	-	11,424	0	-	(377)	-	-	(376)	11,047
<b>Total Operational Assets</b>	<b>24,121</b>	<b>1,863</b>	<b>(343)</b>	<b>-</b>	<b>25,641</b>	<b>(3,241)</b>	<b>-</b>	<b>(724)</b>	<b>257</b>	<b>-</b>	<b>(3,708)</b>	<b>21,932</b>
<b>Council Infrastructural Assets</b>												
<b>At valuation</b>												
Water Reticulation	10,751	315	-	-	11,066	-	-	(398)	-	-	(398)	10,668
Sewerage Reticulation	11,010	125	-	-	11,134	-	-	(357)	-	-	(357)	10,777
Stormwater Reticulation	7,888	116	-	-	8,004	-	-	(249)	-	-	(249)	7,755
Roads - Formation	147,498	4	-	-	147,502	-	-	-	-	-	-	147,502
Roads - Pavement (Non depreciable)	17,054	-	-	-	17,054	-	-	-	-	-	-	17,054
Roads - Pavement (Depreciable)	49,385	1,902	-	-	51,286	-	-	(1,074)	-	-	(1,074)	50,212
Roads - Footpaths, Kerbs, Bridges & Culverts	22,523	540	-	-	23,063	-	-	(675)	-	-	(675)	22,387
Roads - Signs, Roadmarkings and Streetlights	1,229	62	-	-	1,291	-	-	(93)	-	-	(93)	1,198
Land under Roads	18,752	-	-	-	18,752	-	-	-	-	-	-	18,752
Refuse	1,021	-	-	-	1,021	(41)	-	(20)	-	-	(61)	960
Work in Progress	114	514	(99)	-	530	-	-	-	-	-	-	530
<b>Total Infrastructural Assets</b>	<b>287,225</b>	<b>3,577</b>	<b>(99)</b>	<b>-</b>	<b>290,703</b>	<b>(41)</b>	<b>-</b>	<b>(2,867)</b>	<b>-</b>	<b>-</b>	<b>(2,908)</b>	<b>287,795</b>
<b>Total Council Property, Plant and Equipment</b>	<b>311,346</b>	<b>5,439</b>	<b>(442)</b>	<b>-</b>	<b>316,344</b>	<b>(3,282)</b>	<b>-</b>	<b>(3,591)</b>	<b>257</b>	<b>-</b>	<b>(6,616)</b>	<b>309,728</b>

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

9. **PROPERTY, PLANT AND EQUIPMENT cont**

2007

	Cost /Valuation 1 July 2006	Additions	Disposals	Revaluation	Cost /Valuation 30 June 2007	Accumulated depreciation and impairment charges 1 July 2006	Impairment losses charged in Statement of Financial Performance	Depreciation expense	Accumulated depreciation reversed on disposal	Accumulated depreciation reversed on revaluation	Accumulated depreciation and impairment charges 30 June 2007	Carrying amount 30 June 2007
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Council Operational Assets</b>												
<b>At Cost</b>												
Land	72	-	-	-	72	-	-	-	-	-	-	72
Buildings	200	-	-	-	200	(47)	-	(20)	-	-	(67)	133
Plant and equipment	1,464	110	(15)	-	1,559	(925)	-	(105)	-	-	(1,030)	529
Motor vehicles	1,066	176	(84)	-	1,158	(684)	-	(144)	81	-	(747)	411
Office furniture and equipment	1,196	105	-	-	1,301	(1,028)	-	(49)	-	-	(1,077)	224
Recreation and cultural	531	-	-	-	531	(289)	-	(29)	-	-	(318)	213
Library Books	1,370	-	-	-	1,370	(3)	-	-	-	-	(3)	1,367
Work in progress Buildings	21	193	-	-	214	-	-	-	-	-	-	214
Work in Progress Office Equipment	13	-	(13)	-	-	-	-	-	-	-	-	-
<b>At Valuation</b>												
Land	5,061	-	(3)	2,222	7,280	-	-	-	-	-	-	7,280
Buildings	8,936	-	-	1,500	10,436	(625)	-	(308)	-	933	0	10,436
<b>Total Operational Assets</b>	<b>19,930</b>	<b>584</b>	<b>(116)</b>	<b>3,722</b>	<b>24,121</b>	<b>(3,601)</b>	<b>-</b>	<b>(654)</b>	<b>81</b>	<b>933</b>	<b>(3,241)</b>	<b>20,880</b>
<b>Council Infrastructural Assets</b>												
<b>At valuation</b>												
Water Reticulation	10,090	157	-	504	10,751	(763)	-	(389)	-	1,152	-	10,751
Sewerage Reticulation	10,718	206	-	86	11,010	(635)	-	(325)	-	960	-	11,010
Stormwater Reticulation	6,897	-	-	991	7,888	(466)	-	(234)	-	700	-	7,888
Roads - Formation	120,481	29	-	26,988	147,498	-	-	-	-	-	-	147,498
Roads - Pavement (Non depreciable)	14,952	-	-	2,102	17,054	-	-	-	-	-	-	17,054
Roads - Pavement (Depreciable)	39,354	1,654	-	8,377	49,385	(2,086)	-	(1,240)	-	3,326	-	49,385
Roads - Footpaths, Kerbs, Bridges & Culverts	20,364	428	-	1,730	22,523	(1,175)	-	(607)	-	1,782	-	22,523
Roads - Signs, Roadmarkings and Streetlights	1,124	52	-	53	1,229	(148)	-	(81)	-	229	-	1,229
Land under Roads	15,865	-	-	2,887	18,752	-	-	-	-	-	-	18,752
Refuse	1,021	-	-	-	1,021	(10)	-	(31)	-	-	(41)	980
Work in Progress	82	32	-	-	114	-	-	-	-	-	-	114
<b>Total Infrastructural Assets</b>	<b>240,948</b>	<b>2,559</b>	<b>-</b>	<b>43,718</b>	<b>287,225</b>	<b>(5,283)</b>	<b>-</b>	<b>(2,906)</b>	<b>-</b>	<b>8,148</b>	<b>(41)</b>	<b>287,184</b>
<b>Total Council Property, Plant and Equipment</b>	<b>260,878</b>	<b>3,143</b>	<b>(116)</b>	<b>47,440</b>	<b>311,346</b>	<b>(8,884)</b>	<b>-</b>	<b>(3,560)</b>	<b>81</b>	<b>9,081</b>	<b>(3,282)</b>	<b>308,064</b>

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>10. TRADE AND OTHER PAYABLES</b>		
Trade payables (i)	1,406	1,099
Other accrued charges	231	261
Rates in advance	212	215
Deposits and retentions	46	59
Accrued interest	40	49
	<u>1,935</u>	<u>1,683</u>

(i) The average credit period on purchases is 30 days.

**11. EMPLOYEE ENTITLEMENTS**

Accrued salary and wages	92	67
Annual leave	288	266
Long service leave	61	53
Retirement gratuities	60	56
Sick leave	-	8
	<u>\$501</u>	<u>\$450</u>

**12. BORROWINGS**

**At amortised cost**

Secured borrowings (i)	10,087	7,798
Unsecured borrowings	-	500
	<u>10,087</u>	<u>\$8,298</u>

Disclosed in the financial statements as:

Current	-	623
Non-current	10,087	7,675
	<u>\$10,087</u>	<u>\$8,298</u>

(i) The Council has borrowings of \$9,795,000 with ANZ National Bank Limited. The Council may draw funding for terms ranging from call to the termination of the agreement, which is 30 June 2010. The security for the borrowings is a general security over future rates.

The Council has a \$292,000 loan from Southland Building Society (SBS). The loan is for a 20 year fixed term and is secured over the Ice Sport Southland asset. Refer Note 20.

Interest is charged on a floating rate basis. At balance date the current weighted average effective interest rate on the bank borrowings is 8.42% (2007: 8%).

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>13. PROVISIONS</b>		
<b><u>Landfill aftercare provision (i)</u></b>		
Balance at beginning of year	142	188
Additional provisions recognised	-	-
Reductions arising from payments/other sacrifices of future economic benefits	(10)	(21)
Reductions resulting from re-measurement or settlement without cost	(19)	(25)
Unwinding of discount and effect of changes in the discount rate	-	-
	<u>113</u>	<u>142</u>
Balance at end of year	<u>\$113</u>	<u>\$142</u>

(i) Provision for landfill aftercare costs.

Due to the implementation of the Transfer Station, the landfills are now closed.

The cash outflows for landfill post-closure are expected to occur in between 2007 and 2033. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 8% (2006: 6%).

**14. RESERVES**

Available-for-sale revaluation reserve (a)	32	22
Asset revaluation reserve (b)	163,503	163,503
Hedging Reserve (c)	76	152
Restricted Reserves (d)	2,317	2,145
Council Created Reserves (e)	269	218
	<u>\$166,197</u>	<u>\$166,040</u>

**(a) Available-for-Sale Revaluation Reserve**

Balance at beginning of year	22	10
Valuation gain/(loss) recognised	10	12
	<u>\$32</u>	<u>\$22</u>
Balance at end of year	<u>\$32</u>	<u>\$22</u>

The available-for-sale revaluation reserve arises on the revaluation of the equity securities. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset, and is effectively realised, is recognised in the Statement of Financial Performance. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in the Statement of Financial Performance.

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>14. RESERVES cont</b>		
<b>(b) Asset Revaluation Reserve</b>		
Balance at beginning of year	163,503	106,982
Revaluation increase / (decrease)		
• Water reticulation	-	1,656
• Sewerage and Stormwater reticulation	-	2,737
• Roads, Bridges and Lighting	-	47,474
• Land	-	2,222
• Buildings	-	2,432
	<u>-</u>	<u>56,521</u>
Transferred from/(to) Retained Earnings	-	-
Balance at end of year	<u>\$163,503</u>	<u>\$163,503</u>

The asset revaluation reserve arises on the revaluation of land and buildings and infrastructural assets. Where a revalued asset is sold that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to retained earnings.

Revaluation Reserve by class of asset

	<b>Water Reticulation</b>	<b>Sewerage &amp; Stormwater Reticulation</b>	<b>Roads, Bridges &amp; Lightin g</b>	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
Balance 30 June 2006	2,054	2,914	99,072	2,720	222	106,982
Revaluation increase/ (decrease)	<u>1,656</u>	<u>2,737</u>	<u>47,474</u>	<u>2,222</u>	<u>2,432</u>	<u>56,521</u>
Balance at 30 June 2007	3,710	5,651	146,546	4,942	2,654	\$163,503
Revaluation increase/ (decrease)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2008	<u>3,710</u>	<u>5,651</u>	<u>146,546</u>	<u>4,942</u>	<u>2,654</u>	<u>\$163,503</u>

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(c) Hedging Reserve</b>		
Balance at beginning of year	152	196
Transferred to Statement of Financial Performance - Interest Rate Swaps	<u>(76)</u>	<u>(44)</u>
Balance at end of year	<u>\$76</u>	<u>\$152</u>

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

**2008**                      **2007**  
**\$'000**                      **\$'000**

**14. RESERVES cont**

The hedging reserve represents hedging gains or losses recognised on the effective portion of cashflow hedges. The cumulative deferred gain or loss on the hedge is recognised when the hedged transaction impacts the Statement of Financial Performance.

Hedge accounting was required at the date of transition to NZ IFRS on the basis the derivatives were a qualifying hedge for superseded NZ GAAP. Subsequent to transfer to NZ IFRS hedge accounting has been discontinued.

**(d) Restricted Reserves**

Balance at beginning of year	2,145	1,742
Transfer from/(to) Retained Earnings	172	403
	2,317	2,145
Balance at end of year	\$2,317	\$2,145

Restricted reserves include:

- trust and bequest funds that have been provided to the Council by various people for specific purposes.
- funds for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate.

**(e) Council Created Reserves**

Balance at beginning of year	218	167
Transfer from/(to) Retained Earnings	51	51
	\$269	\$218
Balance at end of year	\$269	\$218

Council created reserves funds are built up annually from general rates and are made available for specific events or purposes.

**15. RETAINED EARNINGS**

**Retained Earnings**

Balance at beginning of year	135,468	135,423
Net surplus/(deficit)	672	499
Transfers from/(to) reserves:		
Asset revaluation reserve	-	-
Restricted and Council Created Reserves	(223)	(454)
	\$135,917	\$135,468
Balance at end of year	\$135,917	\$135,468

**GORE DISTRICT COUNCIL  
 NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
 For the Financial Year Ended 30 June 2008**

**16. COMMITMENTS FOR EXPENDITURE**

**(a) Capital and Other Expenditure Commitments**

Capital and other expenditure commitments at 30 June 2008 were \$Nil (30 June 2007: \$Nil).

**(b) Lease Commitments**

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in Note 18 to the financial statements.

**17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities at 30 June, 2008 (2007: Nil).

Council has provided a loan guarantee to Ice Sport Southland at 30 June, 2008 of \$65,000 (2007: Nil).

**18. LEASES**

**Disclosures for lessees**

**(a) Leasing Arrangements**

Operating leases relate to property and equipment leases. All operating lease contracts contain market review clauses in the event that the Council exercises its option to renew.

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(b) Non-Cancellable Operating Lease Payments</b>		
Not longer than 1 year	52	32
Longer than 1 year and not longer than 5 years	52	27
Longer than 5 years	-	27
	<u>\$104</u>	<u>\$86</u>

**19. RELATED PARTY DISCLOSURES**

**(a) Transactions with Related Parties**

During the year Councillors and key management were involved in minor transactions (for example payment of rates) with the Council as part of a normal customer relationship.

During the year the following (payments)/receipts were made (to)/from local businesses in which Councillors are co-owners:

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Necklen-McDonald (owned by Councillor Nicky Davis) - purchase of stationery items	(17)	(19)

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

**(b) Other Transactions Involving Related Parties**

Phoenix Aviation (Councillor Peter Grant is a Director) – Lease of Airport	6	6
Southern Flora (Councillor Harvey is a Shareholder) – Stormwater Network Services Supplied	-	6

**20. NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash and Cash Equivalents**

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in bank and short term deposits with maturity dates of three months or less, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	1,425	224
Bank overdraft	-	-
	<u>1,425</u>	<u>224</u>

**(b) Borrowings – Facilities**

Secured bank overdraft facility with Westpac Banking Corporation, payable at call.

• Amount used	-	-
• Amount unused	600	600
	<u>600</u>	<u>600</u>

Secured bank loan facilities with ANZ with various maturity dates through to 30 June 2010 and which may be extended by mutual agreement:

• Amount used	9,796	7,798
• Amount unused	2,024	4,022
	<u>\$11,820</u>	<u>\$11,820</u>

Secured bank loan facility with SBS.

• Amount used	292	500
	<u>\$292</u>	<u>\$500</u>

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>20. NOTES TO THE CASH FLOW STATEMENT cont.</b>		
<b>(c) Reconciliation of Surplus for the Period to Net Cash Flows From Operating Activities</b>		
Surplus for the period	672	499
Add/(less) non-cash items:		
Depreciation	3,591	3,560
Gain on sale of property, plant and equipment	(37)	(22)
Net change in fair value of derivative financial instruments	173	(302)
Net change in the landfill provision	(29)	(46)
Non-current employee entitlements	-	-
Impairment of Financial Assets	250	
	<hr/>	<hr/>
	3,948	3,190
Movement in working capital:		
Trade and other receivables	(512)	(75)
Inventories	(22)	13
Other current assets	24	(39)
Trade and other payables	252	623
Employee entitlements	51	60
	<hr/>	<hr/>
	(207)	582
Items classified as Investing Activities:		
Property, plant and equipment included in trade and other payables	-	(36)
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>\$4,413</u>	<u>\$4,235</u>

**21. SEVERANCE PAYMENTS**

For the year ended 30 June 2008 Council made no (2007: One) severance payments to employees (2007: \$26,500).

**22. REMUNERATION**

During the year to 30 June 2008, the total remuneration and value of other non-financial benefits received by or payable to the Mayor, other Councillors, and Chief Executive of the Council were as follows:

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

*Elected Representatives*

	2008	2007
	\$	\$
Tracy Hicks JP (Mayor)	56,234	54,120
A J McLennan (Deputy Mayor)	18,113	18,032
C S Bolger	18,113	18,032
N J Davis	18,113	18,032
W F Dore JP (resigned June 2007)	-	9,753
N A Harvey	18,113	9,945
M J Hellier	3,089	9,945
C D McFadzien (resigned June 2007)	-	17,280
F T Sutherland	3,089	9,945
F S McIntyre (resigned June 2007)	-	9,753
M E Ogg QSO (resigned June 2007)	-	9,753
L D Turnbull	3,089	9,945
D F Dixey	6,761	-
S A Dixon	6,761	-
H D Gardyne	6,761	-
P A Grant	6,761	-
J N Heller	6,761	-
B R Highsted	6,761	-
G E Sharp	6,761	-

*Chief Executive*

Stephen Parry, the Chief Executive of the Council appointed under Section 42 of the Local Government Act 2002 received a salary of \$170,319 (2007: \$158,247).

For the year ended 30 June 2008, the total annual cost including fringe benefit tax to the Council of the remuneration package being received by the Chief Executive is calculated at \$175,681 (2007: \$163,868).

**23. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET**

Explanation of major variations from Council's estimated figures in the 2007/2008 budget, as reflected in the Long Term Council Community Plan, are as follows:

**Statement of Financial Performance**

Actual Other Revenue includes \$258,000 of recoveries from the proposed Wind Farm hearings, along with \$492,000 of Outside Funding provided for the purchase of the Smiths City building. Actual Other Expenses includes \$258,000 of costs incurred in the Wind Farm hearings.

**Statement of Financial Position**

In 2007 the revaluation of the Infrastructural Assets was brought forward to fairly reflect the asset carrying value. The amount of the revaluation was \$56,521,000. This revaluation was budgeted to be completed in the 2007/08 year.

**Statement of Changes in Equity**

In 2007 the revaluation of the Infrastructural Assets was brought forward to fairly reflect the asset carrying value. The amount of the revaluation was \$56,521,000. This revaluation was budgeted to be completed in the 2007/08 year.

**Cash Flow Statement**

There were no major differences in cash flows when compared to budget.

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

**24. FINANCIAL INSTRUMENTS**

**(a) Capital Risk Management**

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

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

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

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies.

The Council has the following Council created reserves:

- Reserves for different areas of benefit; and
- Trust and bequest reserves.

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

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

The Council's overall strategy remains unchanged from 2007.

**(b) Significant Accounting Policies**

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

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

**24. FINANCIAL INSTRUMENTS cont.**

**(c) Categories of Financial Instruments**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets</b>		
Cash and cash equivalents	1,425	224
Trade and other receivables	1,743	1,228
Other financial assets:		
• Fair value through profit or loss		
- held for trading	329	578
• Loans and receivables	1,316	1,783
• Available-for-sale financial assets	134	124
<b>Financial Liabilities</b>		
Bank overdraft	-	-
Trade and other payables	1,935	1,683
Borrowings	10,087	8,298

**(d) Financial Risk Management Objectives**

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

The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**(e) Market Risk**

**Interest Rate Risk**

The Council is exposed to interest rate risk as it borrows funds at floating interest rates and also invests cash in short term deposits at fixed interest rates.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments at fixed interest rates expose the Council to fair value interest rate risk.

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings issued at variable interest rates expose the Council to cash flow interest rate risk. The risk is managed by the use of floating-to-fixed interest rate swaps contracts with a range of terms. These swaps have the economic effect of converting borrowings from floating rate to fixed rates. Under the interest rate swaps contracts, the Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

**Interest Rate Swap Contracts**

Under interest rate swap contracts, the Council agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Council to mitigate the risk of changing interest rates on debt held. The fair value of interest rate swaps are based on market values of equivalent instruments at the reporting date and are disclosed below. The average interest rate is based on the outstanding balances at the start and end of the financial year.

**Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council is not exposed to current risk, as it does not enter into foreign currency transactions.

**For the Financial Year Ended 30 June 2008**

**24. FINANCIAL INSTRUMENTS cont.**

**Other Price Risks**

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Council is exposed to price risks arising from equity securities which are designated as available-for-sale

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at reporting date:

Outstanding Floating for Fixed Contracts	Average Contract Fixed Interest Rate		Notional Principal Amount		Fair Value	
	2008 %	2007 %	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Less than 1 year	-	5.66	-	2,500	-	65
1 to 2 years	7.95	-	2,700	-	(14)	-
2 to 5 years	5.93	-	5,400	-	343	-
5+ years	-	5.93	-	5,400	-	513
			<u>\$8,100</u>	<u>\$7,900</u>	<u>\$329</u>	<u>\$578</u>

Hedge accounting has not been adopted.

**(f) Credit Risk**

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

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

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

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

**(g) Liquidity Risk Management**

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

The Council manages liquidity risk by maintaining adequate funds on deposit, reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 20 is a listing of additional undrawn facilities that the Council has at its disposal to further reduce liquidity risk.

The maturity profiles of the Council's interest bearing investments and borrowings are disclosed below.

**GORE DISTRICT COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont.)**  
**For the Financial Year Ended 30 June 2008**

24. **FINANCIAL INSTRUMENTS cont.**

**Maturity Profile of Financial Instruments**

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

	Weighted Average Effective Interest Rate %	Variable Interest Rate \$'000	Fixed Maturity Dates					Non Interest Bearing \$'000	Total \$'000
			Less than 1 year \$'000	1-2 Years \$'000	2-3 Years \$'000	3-4 Years \$'000	4-5 Years \$'000		
<b>2008</b>									
<b>Financial assets:</b>									
Cash and cash equivalents	0.75	1,425	-	-	-	-	-	-	1,425
Trade and other receivables	-	-	-	-	-	-	-	1,740	1,740
Other financial assets									
Interest Rate Swaps	-	-	-	-	-	-	-	329	329
Equity Securities -NZ Local Government Insurance Company Shares	-	-	-	-	-	-	-	134	134
Short Term Deposits	8.73	-	1,376	-	-	-	-	-	1,376
Loans to Community Groups	-	-	-	-	-	-	-	300	300
<b>Financial liabilities:</b>									
Bank overdraft	-	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	-	1,935	1,935
Borrowings	8.42	10,087	-	-	-	-	-	-	10,087

	Weighted Average Effective Interest Rate %	Variable Interest Rate \$'000	Fixed Maturity Dates					Non Interest Bearing \$'000	Total \$'000
			Less than 1 year \$'000	1-2 Years \$'000	2-3 Years \$'000	3-4 Years \$'000	4-5 Years \$'000		
<b>2007</b>									
<b>Financial assets:</b>									
Cash and cash equivalents	0.75	224	-	-	-	-	-	-	224
Trade and other receivables	-	-	-	-	-	-	-	1,228	1,228
Other financial assets									
Interest Rate Swaps	-	-	-	-	-	-	-	578	578
Equity Securities -NZ Local Government Insurance Company Shares	-	-	-	-	-	-	-	124	124
Short Term Deposits	8.16	-	1,701	-	-	-	-	-	1,701
Loans to Community Groups	-	-	-	-	-	-	-	210	210
<b>Financial liabilities:</b>									
Bank overdraft	-	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	-	1,683	1,683
Borrowings	8.0	7,798	500	-	-	-	-	-	8,298

**GORE DISTRICT COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
For the Financial Year Ended 30 June 2008**

**24. FINANCIAL INSTRUMENTS cont.**

**(h) Fair Value of Financial Instruments**

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

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

The Council considers that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

**(i) Sensitivity Analysis**

The Council is exposed to interest rate risk arising from borrowing funds at floating interest rates and investing cash in short term deposits at fixed interest rates.

The Council believes there is no material sensitivity to interest rate movements in relation to at the year end due to the following:

- The majority of interest rate related exposures relate to borrowings
- The majority of floating rate borrowings are economically hedged with interest rate swap contracts
- Any adverse / positive impact arising from the sensitivity to interest rate risk on floating rate borrowings will be offset by an equal and opposite movement in the fair value of the interest rate swap contracts

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

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

- Surplus would decrease/increase by \$72,000 (2007: \$53,000). This is mainly attributable to the Council's exposure to interest rates on its borrowings.
- Other equity reserves would remain unaffected.

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

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date. At reporting date, if equity prices had been 10% higher or lower and all other variables were held constant, the Council's:

- Surplus would have been unaffected.
- Other equity reserves would have increased/decreased by \$13,000 (2007: \$12,000) as the equity investments are classified as Available-for-Sale investments.

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

# COMMUNITY OUTCOMES AND PROGRESS TO DATE



## **Our Way Southland – Community Outcomes**

A community outcome defines what is important for the current and future Social, Economic, Environmental and Cultural well-being of a community. The Local Government Act 2002 requires local authorities to identify community outcomes 'not less than once every 6 years', and to monitor and report on progress towards the achievement of the identified outcomes 'not less than once every three years'.

Since 2003, Southland's community outcomes have been identified and monitored on a regional basis by the Our Way Southland project. This project is supported by all of the four Southland local authorities, and reports to the Shared Services Forum.

Seven Community Outcomes have been identified for the Southland region:

1. Southland is a great place to live.
2. A diverse economy built from our strengths for growth and prosperity.
3. Safe places in a caring society that is free from crime.
4. We are healthy people.
5. Strong effective leadership taking us into the future.
6. A treasured environment which we care for and which supports us now and into the future.
7. A well-educated and skilled community continually seeking further opportunities to learn.

The seven statements describe the outcomes desired by the Southland community for the period August 2005 to August 2011. Each of the outcomes requires a coordinated regional approach in order for change to be effected, combining the resources and activities of local government, central government and the business and volunteer sectors.

A Community Outcomes Regional Coordinator for the Our Way Southland project was appointed in March 2008. One of the key tasks of this position is to monitor and report on the progress which has been made towards the achievement of Southland's community outcomes. The first monitoring report for the period August 2005 to August 2008 will be presented to the Shared Services Forum in October 2008. The report is divided into seven sections, with each of the outcomes and associated intermediate considered separately. A select number of indicators has been utilised to establish baselines for each outcome against which the future achievement of that outcome can be monitored. The data in the report has been compiled from a variety of sources, including Statistics New Zealand, the New Zealand Police, the Ministry of Education, the Ministry of Social Development, the Department of Internal Affairs, Land Transport New Zealand and the

Southland District Health Board, as well as the four Southland local authorities and Venture Southland.

Further indicators will be introduced during the second monitoring and reporting period for the project (August 2008 to August 2011). The community outcomes themselves will be re-identified no later than August 2011.

## COMMUNITY SERVICES - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 07 \$000		ESTIMATE 30 June 08 \$000	ACTUAL 30 June 08 \$000
	<b>REVENUE</b>		
-	Arts & Heritage	-	497
28	Library	35	41
38	District Promotions	35	45
723	Regulatory	656	1,043
<b>789</b>	<b>TOTAL OPERATING REVENUE</b>	<b>726</b>	<b>1,627</b>
	<b>EXPENDITURE</b>		
335	Arts & Heritage	357	419
556	Library	594	619
313	District Promotions	316	303
238	Grants	510	501
951	Regulatory	843	1,267
<b>2,393</b>	<b>TOTAL OPERATING EXPENDITURE</b>	<b>2,620</b>	<b>3,109</b>
<b>(1,604)</b>	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(1,894)</b>	<b>(1,482)</b>
	<b>CAPITAL</b>		
-	Arts & Heritage	500	988
19	Library	45	9
-	District Promotions	9	1
14	Regulatory	-	-
<b>33</b>	<b>TOTAL CAPITAL</b>	<b>554</b>	<b>998</b>
<b>68</b>	<b>DEBT REPAYMENT</b>	<b>68</b>	<b>68</b>
<b>1,705</b>	<b>NET COST OF THIS FUNCTION</b>	<b>2,516</b>	<b>2,547</b>
	<b>FUNDED BY:</b>		
1,212	Rates - General	1,344	1,341
342	Rates - Targeted	366	365
78	Depreciation	62	100
73	Reserves	(6)	(9)
-	Loans	750	750
-	Asset Sales	-	-
<b>1,705</b>		<b>2,516</b>	<b>2,547</b>

# COMMUNITY SERVICES

## ARTS AND HERITAGE

### Introduction

Arts & Heritage is a department within the Council that facilitates the sustainable development of community-owned, non-profit arts and heritage enterprises, facilities and infrastructures. It also manages, in partnership with key public providers, cultural property and programmes for the benefit of the people of Gore District, and visitors to the area. The department is also a pivotal link between local cultural interests and public sector agencies that govern policy surrounding the management and funding of cultural property and related infrastructures.

Gore District hosts a significant range of award-winning cultural facilities, museums and collections. Items of movable cultural property include heritage collections and art collections of local, regional, national and international significance.

Departmental resources are spread over a number of sites within Gore District. Staff of the department, play a pivotal role in facilitating the development of arts, culture and heritage resources in the District. They actively seek capital funding from external sources for arts and heritage initiatives in the District, perform project management functions in the implementation phase of building arts and heritage facilities, as well as provide on-going management of related collections and programmes.

From time to time, the department collaborates with organisers of local cultural tourism events, for instance, the Hokonui Moonshiners' Festival, NZ Country Music Festival, and the Hokonui Fashion Design Awards.

With regard to public education, the department actively encourages the interest of education providers, groups and organisation in the arts and cultural collections and histories of Gore District. To this end, opportunities and access are afforded to an increasing number of stakeholders, in particular:

- Primary Schools (local and regional)
- Intermediate Schools (local and regional)
- Secondary Schools (local and regional)
- Technical Institutes (regional and national)
- Universities (national and international)
- Organised Groups (local, regional, national)
- Tourism Providers (national and international)

## CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution from the Council's arts and heritage department
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	Arts, culture and heritage facilities that are well-maintained and carefully developed increases the diversity of arts, culture and heritage attractions available to residents, thus promoting their quality of life.
<i>Education and Training</i> 'A well-educated and skilled community continually seeking further opportunities to learn'	Arts, culture and heritage facilities help people connect with their history and culture. Exhibits featuring arts and cultural artefacts from other cultures may help foster a broader appreciation for arts, culture and heritage.

### Performance Measures and Targets for 2007/08

- **To maintain the current arts and heritage activity programme**

- Hold at least 6 exhibitions and 4 arts related projects and performances each year

**Performance for 2007/08:**

- 13 Exhibitions
- 12 Performances/Projects/Activities

- **Maintain public accessibility to the Hokonui Heritage Centre**

- **Ensure the Centre is open 362 days per year**

- Current customer satisfaction rate of 80%, as measured by entries in the Visitors book, will be maintained.

**Performance for 2007/08**

- Actual satisfaction was 92% as measured by entries in the visitors book.

- **Provide accessible heritage research services**

- Services are available 250 days per year

**Performance for 2007/08:**

- Services were provided on 264 days.

- **To educate and foster an appreciation for arts, culture and heritage resources located in the District**

- The arts and heritage precinct to attract an average of 50 school and special interest group visits per year.

**Performance for 2007/08:**

- 46 visits from schools and special interest groups.

- **To sustainably expand and develop the District's arts and heritage facilities in keeping with community aspirations for high quality arts, cultural and heritage activities.**

## Major Events in 2007/08

As provided for in the Council's plans, Stage 1 of the physical expansion of the Arts and Heritage Precinct commenced with the purchase of the property at 29 Irwell Street, Gore.

# DISTRICT LIBRARIES

## Introduction

The Council provides and maintains two libraries, one in Gore and the other in Mataura, which also serves as a Council Service Centre. In addition, a book bus service is provided to the residents of the four rural communities of Pukerau, Waikaka, Willowbank and Te Tipua by arrangement with neighbouring Southland District Libraries.

The libraries provide the public with access to a broad range of print and audio-visual material, the internet, research, and related support services. The extensive collections afford the public ready access to general information, basic literacy, business and career information, consumer information, current topics and titles, cultural awareness, formal and informal learning support, local history, recreational reading/viewing/listening, Council and government information, including items for the print and hearing disabled.

Gore District Libraries also deliver library services/material to the Housebound, rest homes and specific community groups, as well as run specialised programmes throughout the year, for example: the Summer Reading Programme for children, Authors in the Library, Sundays @ the Library, and so forth.

The Library provides areas for casual reading and study, along with being a community meeting place, and providing display space for local groups to promote their activities.

## CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution from the District Libraries
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	The District libraries contribute to the quality of people's lives by providing books, magazines, music, videos, DVDs and computers for recreational or leisure use. Events and specialised programmes organised by library staff also help to make the District a fun and creative place to live.
<i>Education and Training</i> 'A well-educated and skilled community continually seeking further opportunities to learn'	The extensive collections held by the District libraries, and including computers, photocopiers and other equipment provide people with information and educational tools.

## Performance Measures and Targets for 2007/08

- **The District libraries are accessible to residents**
  - At present 61% of residents are members of the District libraries
  - The intended target for library membership is for 65% of residents by 30 June 2009

### Performance for 2007/08:

- 59% of residents are members of the library.
- **Increase the level of library usage (measured by borrowing)**
  - Current levels of borrowing (per capita) is 1.29
  - It is intended that levels of borrowing will be improved to a minimum of 2.39 by 30 June 2009.

**Performance for 2007/08:**

- The level of borrowing is 2.6 per capita.
- **Library services are provided in a cost-effective manner**
  - The current cost to the Council for running the libraries in Gore and Mataura is \$2.90 for each item issued
  - It is intended that these costs will be reduced to no more than \$2.20 per item issued, by 30 June 2009 (this target will be driven by increasing the number of issues as set out above)

**Performance for 2007/08:**

- The cost to the Council for running the libraries was \$3.58 for each item issued.
- **Communities in the Gore District are satisfied with the range of available material in the District libraries.**
  - A survey of residents conducted in May 2005, reported an 84% satisfaction rate with the range of material available in the District libraries
  - It is intended that future (two-yearly) community surveys will have a satisfaction rate of at least 85% by 30 June 2009.

**Performance for 2007/08:**

- A survey of residents has not taken place in the 2007–2008 period as funds were not available. A comprehensive survey of users and non-users will be undertaken in the 2008–09 period.
- **Communities in the Gore District are satisfied with the levels of service provided by the District libraries**
  - A survey of residents conducted in May 2005, reported a 90% satisfaction rate with services provided by the District libraries
  - It is intended that future (two-yearly) community surveys have a satisfaction rate of at least 95% by 30 June 2009.

**Performance for 2007/08:**

- A survey of library users in the 2007–2008 period indicated a 96% satisfaction rate. It is envisaged that “mystery shopping” will be introduced in the next year.

## DISTRICT PROMOTIONS

### Introduction

This activity consists of a number of categories and roles. The department manages the Districts Visitors Centre which is part of the national i-SITE Visitor Centre network. The Centre serves as a booking outlet for residents and visitors to make their domestic travel arrangements, as well as being a source of professional tourism related advice and recommendations. With the Visitors Centre located at the Hokonui Heritage Centre, it also acts as front of house reception to the Hokonui Moonshine Museum and Heritage Centre, promoting the facility, and managing the retail sales component of the museum.

The department assists in the development, management and promotion of events in the Gore District. This includes the coordination of one major council funded event, the Hokonui Moonshiner's Festival as well as assisting other organisations in the promotion of their local events.

### Contribution to community outcomes

Community Outcome	Contribution from the Council's District Promotion Activities
<i>Economy and Employment</i> 'A diverse economy built from our strengths for growth and prosperity'	The Council's District promotions activity promote Gore District as an amazing place to visit, live, work and do business and thereby benefits local enterprises and the economy.
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	Events organised by the District promotions team (e.g. the Hokonui Moonshiner's Festival) and facilities such as the Visitors Information Centre, provide residents and visitors with a choice of activities and a wealth of information and travel services.

### Performance Measures and Targets for 2007/08

- **The Gore Visitors Centre will continue to be a part of the national i-SITE Visitors Centre network.**
  - The visitors centre must meet the criteria of the Visitors Information Network (VIN) Standards as measured by the annual inspection.

#### Performance for 2007/08:

- Paperwork complete and awaiting inspection from Visitor Information Network.
- The Centre is expected to have obtained Qualmark accreditation, which is the Tourism New Zealand quality assurance benchmark, by 30 June 2009.

#### Performance for 2007/08:

- Paperwork completed and awaiting inspection from Tourism New Zealand.

- **The Gore Visitors Centre will display and have available a large selection of brochures, tourism products and services to meet the needs of locals and visitors to the District.**
  - By 30 June 2009, it is intended that the percentage of customers who feel that the Centre provides them with the information they require, will have increased to 90%.

**Performance for 2007/08:**

- Attained 100% acceptance from customers.
- **The District Promotions Department will coordinate the Hokonui Moonshiners Festival annually and assist with the promotion of events for the District to encourage economic benefit for the community.**
  - By 30 June 2009, it is expected that the Hokonui Moonshiners Festival will have a prominent national profile and that the Festival is developed into a destinational event for Gore, with a minimum of 2000 people attending the event each year.

**Performance for 2007/08:**

- Attendance growing – expected to reach 2009 target.
- **To promote the Gore District as a place to live, work and play to its residents, other New Zealanders, and international visitors.**
  - By 30 June 2009, the Department expects to expand its activities to attending two promotional trade shows per year: one international and one domestic. The Department also expects to host two national media publications and two trade familiarisation tours each year.

**Performance for 2007/08:**

- Held 3 national media publications and 2 trade familiarisation tours during the year.
- **To promote Gore District as a place to live, work and play to its residents, other New Zealanders, and international visitors using visually appealing imagery.**
  - The Department intends to have produced a promotional DVD for the Gore District by 30 June 2009.

**Performance for 2007/08:**

- Working towards production of promotional brochure.
- **To promote Gore District as a place to live, work and play to its residents, other New Zealanders, and international visitors through the Gore website.**
  - By 30 June 2009 we expect that the website will have a greater profile and in turn we should be actioning and responding to 5 e-mails per day directly from the website.

**Performance for 2007/08:**

- Expecting to meet target by 2009.

# GRANTS

## Introduction

Grants are provided to selected organisations to assist with the provision of economic, social (health and recreation), and cultural services to the community.

### **Performance for 2007/08:**

- Grants as approved have been paid or approved during the year.

# REGULATORY

## Introduction

The Regulatory Services Department administers the Council's statutory and regulatory responsibilities in respect of the following legislation:

- Building Act 1991
- Dangerous Goods Act 1974
- Dog Control Act 1996
- Food Act 1981
- Health Act 1956
- Council Bylaws
- Litter Act 1974
- Local Government Act 2002
- Reserves Act 1977
- Resource Management Act 1991
- Sale of Liquor Act 1989

It includes the Council's resource management, building approval and inspection functions, environmental health, animal control, inspection of food premises, liquor licensing, and noise control.

## Contribution to community outcomes

Community Outcome	Contribution of the Council's Regulatory Activities to Community Outcomes
<i>Economy and Employment</i> 'A diverse economy built from our strengths for growth and prosperity' [and a regulatory environment that is applied consistently, as well as clear and focused']	The Council's regulatory services staff provide efficient service and clear and consistent advice to individuals and business enterprises on the regulatory requirements that guide the conduct of their activities. In so doing, the Council provides an environment that is conducive to business and economic growth in the District.
<i>Environment</i> 'A treasured environment which we care for and which supports us now and into the future'	The Council's resource management activities directly contribute to the sustainable use of land, water and other natural resources in the District.
<i>Law and order</i> (public safety and security) 'Safe places in a caring society that is free from crime'	A clear regulatory framework and consistent enforcement of statutory requirements relating to environmental health and safety, sale of liquor, animal control and so forth

## Performance Measures and Targets for 2007/08

- **To inspect annually all premises where food is prepared for sale to the public, as measured by staff records.**

### Performance for 2007/08:

- 104 licenses – 71 inspected.

- **To monitor all premises licensed under the Sale of Liquor Act 1989, as measured by staff records.**

- 50% of premises licensed to supply liquor are inspected by the Council for compliance, each year.

### Performance for 2007/08:

- 17 out of 33 premises inspected.

- **To investigate infectious, notifiable disease cases within 24 hours of notification, as measured by staff records.**

**Performance for 2007/08:**

- 28 infectious disease cases up to 31 December 2007.
- Public Health South now investigates all infectious disease cases from 1 January 2008, at their cost.

- **Nuisance/noise complaints are investigated promptly, well within the two hour maximum time for responding to a complaint as measured by the noise control contractor's log.**

**Performance for 2007/08:**

- 100% performance for 2007/08.
- Investigated within the prescribed timeframe.

- **Processing applications for resource consents in accordance with statutory requirement (within 20 days of filing), as measured by staff reports.**

**Performance for 2007/08:**

- 82.27% – 62 out of 75 issued on time.

- **To comply with the statutory 20-day maximum processing time for processing Building Consents, as measured by staff reports.**

**Performance for 2007/08:**

- 658 consents – 35 over time (5.3%) and 94.7% complied.

- **All complaints relating to building issues are investigated promptly, as measured by staff reports**

**Performance for 2007/08:**

- All verbal complaints are investigated within 2 days; while written complaints are investigated within 10 days.

## **DISTRICT ASSETS - STATEMENT OF COST OF SERVICE**

<b>ACTUAL</b> <b>30 June 07</b> <b>\$000</b>		<b>ESTIMATE</b> <b>30 June 08</b> <b>\$000</b>	<b>ACTUAL</b> <b>30 June 08</b> <b>\$000</b>
	<b>REVENUE</b>		
285	Aquatic Services	298	310
44	Parks and Reserves	17	54
93	Property	92	102
138	Roading - Administration	259	387
595	Roading - Urban	569	599
1,280	Roading - Rural	1,392	1,435
412	Water	379	285
181	Wastewater and Stormwater	167	158
614	Solid Waste	684	647
2	Civil Defence	3	3
86	Cemeteries	94	110
<b>3,730</b>	<b>TOTAL OPERATING REVENUE</b>	<b>3,954</b>	<b>4,089</b>
	<b>EXPENDITURE</b>		
1,147	Aquatic Services	1,203	1,262
1,339	Parks and Reserves	1,467	1,640
656	Property	701	528
135	Roading - Administration	260	373
1,244	Roading - Urban	1,209	1,133
2,051	Roading - Rural	1,998	2,112
1,215	Water	1,265	1,208
1,079	Wastewater and Stormwater	1,226	1,193
918	Solid Waste	1,033	979
67	Civil Defence	66	56
177	Cemeteries	189	176
56	Public Conveniences	114	64
<b>10,084</b>	<b>TOTAL OPERATING EXPENDITURE</b>	<b>10,730</b>	<b>10,724</b>
<b>(6,354)</b>	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(6,776)</b>	<b>(6,635)</b>
	<b>CAPITAL EXPENDITURE</b>		
2	Aquatic Services	67	30
162	Parks and Reserves	122	114
90	Property	13	248
20	Roading - Administration	15	20
750	Roading - Urban	805	781
1,425	Roading - Rural	1,730	1,730
157	Water	385	352
244	Wastewater and Stormwater	1,779	817
-	Solid Waste	-	-
2	Civil Defence	-	-
38	Cemeteries	2	2
105	Public Conveniences	-	-
<b>2,995</b>	<b>TOTAL CAPITAL</b>	<b>4,918</b>	<b>4,095</b>
<b>221</b>	<b>DEBT REPAYMENT</b>	<b>55</b>	<b>55</b>
<b>-</b>	<b>LOAN TO COMMUNITY GROUP</b>	<b>-</b>	<b>50</b>

<u>9,570</u>	<b>NET COST OF THIS FUNCTION</b>	<u>11,749</u>	<u>10,836</u>
	<b>FUNDED BY:</b>		
3,261	Rates - General	1,072	1,094
3,300	Rates - Targeted	5,887	6,006
3,327	Depreciation	3,215	3,411
(426)	Reserves	205	(155)
108	Loans	1,370	480
<u>9,570</u>		<u>11,749</u>	<u>10,836</u>

# DISTRICT ASSETS

## AQUATIC SERVICES

### Introduction

Gore District Council operates two public swimming facilities, the Mataura War Memorial Pool and the Gore swimming pool (located in the Gore District Multisports Complex) as part of its overall aim to ensure that residents of the District have access to a full range of recreational and sporting opportunities. The Council's aquatic services team operates, monitors and maintains the two swimming pools and associated assets to a level that meets the community's expectations, as well as national pool water quality and safety standards.

### Contribution to Community Outcomes

<b>Community Outcome</b>	<b>Contribution from the Council's Aquatic Services</b>
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	The Council's swimming pools provide residents with easy access to recreational facilities, thus offering them a better quality of life.
<i>Health and Wellbeing</i> 'We are healthy people'	The Council's swimming pools provide residents with a safe environment to pursue physical activities, which are important for personal health and well-being.
<i>Education and Training</i> 'A well-educated and skilled community continually seeking further opportunities to learn'	The Council's swimming pools provide residents with opportunities for learning about water safety, and a chance to obtain new skills and abilities.

### Performance Measures and Targets for 2007/08

- **Water quality is maintained as measured by the customer service log.**
  - To maintain the target of less than five complaints per month relating to sore eyes or skin irritation, and no reported sickness or infection from pool use.

#### **Performance for 2007/08:**

- There were no reported incidents of sickness or infection, and no complaints.

- **Adequate pool supervision is to be provided as measured by maintenance of ACC Pool Safe accreditation and by no drownings at Council pools:**

#### **Performance for 2007/08:**

- Pool accreditation was achieved at both pools.
- There were no drownings.

- **Water safety confidence and awareness is increased as measured by initiating Swim for Life programme and providing swim tuition throughout the year.**

- To provide classes throughout the year for surrounding schools in the District, with a target coverage of 65%.

#### **Performance for 2007/08:**

- The Council continues to offer Swim for Life programmes throughout the year.

- **To attain a high level of usage of the aquatic facilities as measured by the number of annual usages (visits).**
  - To increase the current usage of the pools to 85,000 in total by 2009. Current patronage is Gore pool – 67,351 and Matura pool – 7,731, totalling 75,082.

**Performance for 2007/08:**

- At year end the patronage in Gore – 69,209 usages and Matura – 7,811 usages.

- **The pools are available to the public for use as measured by the number of days each pool is open per year.**
  - It is expected that by 2009 the Gore pool will be open 360 days per year and the Matura pool will be open 205 days per year.

**Performance for 2007/08:**

- The Gore pool was open 360 days and Matura 205 days..

- **That 80% of users of aquatic services are satisfied with the aquatic services provided as measured by a Community survey every two years.**

**Performance for 2007/08:**

- The latest survey indicates that 86% of users are either very satisfied or satisfied with aquatic services in Gore, and 72% of users are either very satisfied or satisfied with aquatic services in Matura.

# PARKS AND RESERVES

## Introduction

Under the Reserves Act 1977, the Council has responsibility for the provision, maintenance, and preservation of reserves on behalf of the community. The types of reserves administered by the Council include:

- Sportsgrounds
- Parks
- Rural reserves
- Playgrounds
- Roothing and esplanade reserves
- Public open spaces

The above recreational areas are part of the Council's on-going support to the Southland Leisure Strategy and its objectives to increase public participation in sporting and more active leisure time pursuits. The provision of parks and reserves is also consistent with the Council's commitment to continue its work with Sport Southland in implementing an "active community" programme in the Gore District.

## Contribution to Community Outcomes

Community Outcome	Contribution from the Council's Parks and Reserves
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	The District's well maintained parks and reserves, sports fields and other recreational areas contribute to the quality of life enjoyed by residents and visitors, and make the District a great place to live.
<i>Environment</i> 'A treasured environment which we care for and that supports us now and into the future'	The District's well maintained gardens beautify the urban environment, while its rural parks and reserves fulfil a conservation function through the planting of native plant species and other measures.

## Performance Measures and Targets for 2007/08

- **Premier parks are accessible and provide a high quality experience for users as measured by staff audit reports showing maintenance is kept to a high standard in line with industry best practice and by a Community survey every two years.**

### Performance for 2007/08:

- A working party has recommended that 3 playgrounds be further investigated with a view to be removed upon completion of new playgrounds at the Mulitsport Complex.
  - Two complaints were received during the year regarding playground safety.
- **Play areas are safe and accessible as well as provide a range of challenges as measured by staff audit reports, the customer services log, New Zealand Recreation Association reports and there is a playground or neighbourhood reserve within 500m of 75% of urban homes.**
    - 87% of urban homes are within 500m of a playground or neighbourhood reserve and that playground's meet the NZ playground standards.

- To ensure that no more than two complaints in any one month will be received from the public in relation to playground safety.

**Performance for 2007/08:**

- The latest survey indicates that 92% of users are either very satisfied or satisfied with the facilities provided.
- **Good quality sports fields are available and fit for purpose, as measured by the customer service log and a Community survey every two years.**
  - To ensure the grounds are available and well kept complaints will be monitored and recorded, with the exception that complaints would not be counted if due to abnormal weather conditions.
  - It is intended that the levels of service and performance will lead to no less than 80% community satisfaction, as reported in the first Community survey, to be conducted by 30 June 2008.

**Performance for 2007/08:**

- There were no complaints during the year.
- The latest survey indicates that 88% of users were happy with the quality of sports fields provided.
- **Communities have healthy trees that will benefit future generations, as measured by the customer services log.**

**Performance for 2007/08:**

- There was one complaint during the year.
- **The Parks and Reserves team respond to customer complaints in a timely manner, as measured by the customer services log.**
  - To receive less than 10 complaints annually relating to service requests.

**Performance for 2007/08:**

- There was one complaint during the year.

# ROADING

## Introduction

The Gore District roading network comprises 341 km sealed roads and 553 km gravelled roads. Major work (including reseals, seal widening, shape correction and bridge renewals) is subject to competitive tendering. Design and supervision of major works are undertaken by consultants.

The Council supports the objectives of the Land Transport Strategy, Road Safety Strategy 2010 and Land Transport New Zealand to improve road safety throughout the region. Council staff work with other councils and transport stakeholders to further Land Transport New Zealand initiatives – e.g. targeting excessive speed, drink driving campaigns, developing and promoting safety management systems.

The Council compiles an annual land transport programme to give it access to Government partnership finance. The programme takes into consideration transport initiatives, strategy development and monitoring, travel demand assessments, road safety issues, stock truck effluent transfer sites, alternatives to roading options, regional development initiatives, and monitoring passenger and mobility services.

## Contribution to community outcomes

Community Outcomes	Contribution of the Council's Roading Activities
<i>Economy and Employment</i> 'A diverse economy built from our strengths for growth and prosperity'	Efficient and safe transportation networks (in addition to State Highways operated by Transit NZ) are part of the essential infrastructure for economic growth and development
<i>Law &amp; Order</i> (Public safety & security) 'We have safe roads'	Safe and well maintained roads, footpaths and road verges promote safety of all road users, including pedestrians

## Performance Measures and Targets for 2007/08

- **Total road maintenance expenditure is equal or less than the average of other South Island District Councils\***, as measured by the annual Land Transport NZ Local Authority Road Maintenance Cost Comparison report in \$k/km.
  - In the year ending 2004, the Gore District spent \$1400/km, while the average South Island District Council spent was \$2280/km.
  - It is intended to maintain the existing target for the entire duration of the plan.

It is pertinent to note that the lower costs are due to competitive pricing, gentle topography, the compact size of the District and other contributing factors.

- Excludes Christchurch City, Nelson City, Invercargill City, Dunedin City, Queenstown-Lakes District, Chatham Islands

### Performance for 2007/08

- Road maintenance expenditure figures for other RCA's have not been published yet, by LTNZ, for the 2008 financial year. A comparison cannot be done until then. However, road maintenance expenditure was within overall budget.
- **The average roughness of sealed roads is better than the target levels as measured by NAASRA count surveys\*.**

\* The National Association of Australian State Road Authority developed a sealed road roughness test resulting in a NAASRA count. The lower the number is, the smoother the road. For example, an asphalt surface like that of Irk Street has an average count of about 60, whilst a rough urban street such as Devon Street, has an average count of about 150.

The current performance is as listed below:

#### Rural roads:

- 1000 – 5000 vehicles per day has a count of 59
- 200 – 1000 vehicles per day has a count of 59
- 50 – 200 vehicles per day has a count of 62
- Less than 50 vehicles per day has a count of 66

#### Urban roads:

- 1000 – 5000 vehicles per day has a count of 100
- 200 – 1000 vehicles per day has a count of 105
- Less than 200 vehicles per day has a count of 108

It is intended to maintain NAASRA counts less than:

- 100 for rural roads with 1000–5000 vehicle movements per day
- 110 for rural with 200–1000 and urban roads with 1000–5000 vehicle movements per day
- 120 for rural with 50–200 and urban roads with 200–1000 vehicle movements per day
- 140 for rural with less than 50 and urban roads with less than 200 vehicle movements per day.

It is intended to maintain performance to these targets for the entire duration of the plan.

### Performance for 2007/08:

The latest biannual roughness survey was carried out in Marcy 2007. Results are as follows:

- Rural roads with 1000–5000 vehicle movements per day had an average count 58
- Rural roads with 200–1000 vehicle movements per day had an average count 58
- Rural roads with 50–200 vehicle movements per day had an average count 61
- Rural roads with less than 50 vehicle movements per day had an average count 70
- Urban roads with 1000–5000 vehicle movements per day had an average count 100
- Urban roads with 200–1000 vehicle movements per day had an average count 104
- Urban roads with less than 200 vehicle movements per day had an average count 108

All categories bettered the roughness target. They all improved or were static compared to the previous survey except for the rural roads with less than 50 vehicle movements per day which slightly deteriorated.

It is expected that the results will not have significantly changed during the 2007/08 year.

- **The trend in the number of injury crashes on District roads is improving as measured by crashes per 100 million vehicle kilometres travelled over five years, as reported by Land Transport NZ.**
  - This is a new measure, however over the period 2000–2004, there were 40 crashes per 100 million vehicle kilometres travelled in urban areas and 25 crashes in rural areas.
  - It is expected that by 2007, the five year trend will show less than 40 crashes per 100 million vehicle kilometres travelled in urban areas and less than 25 in rural areas. By 2008 less than 39 in urban and 24 in rural and by 2009, less than 38 in urban and 23 in rural.
  - It is intended to continue to decrease the trend over the remaining life of the plan, so that each year is an improvement on the previous year.

**Performance for 2007/08:**

- The five year trends for the period ending 30 June 2008 were as follows:  
Urban – 56 crashes per 100 million vehicle kilometres travelled and  
Rural – 24 crashes per 100 million vehicle kilometres travelled.
- **The number of complaints relating to the condition of footpaths decreases each year, as measured by the customer services log.**
  - In the year ending 30 June 2005, 41 complaints were received concerning the conditions of footpaths.
  - It is expected that by 30 June 2007 there will be less than 41 complaints, by 30 June 2008 there will be less than 40 complaints and by 30 June 2009 there will be less than 39 complaints relating to the condition of footpaths.
  - It is intended to continue to decrease the trend throughout the remaining life of the plan, so that each year is an improvement on the previous year.

**Performance for 2007/08:**

- 61 customer service requests were received during 2007/08 relating to the condition of footpaths. This equals the target. It should be noted that 36 requests were regarding issues over which the Council has little or no control, such as graffiti, ice and debris on footpaths.
- **The roading maintenance contractor maintains gravel roads, as per specifications in the network maintenance contract, as measured by contract audits conducted by staff.**
  - This is a new measure. Therefore data has not been recorded. However, there is no evidence to suggest that gravel roads are not being maintained as per contract specifications.
  - It is intended that a target of greater than 80% compliance (of audited sections of road) with contract specifications will be achieved by 30 June 2007 and that this target will be maintained throughout the remaining life of the plan.

**Performance for 2007/08:**

- The overall compliance on gravel roads as per the contract audits was 92%. The lowest individual component compliance was 70% for potholes.
- **Communities in the Gore District are satisfied with the roading network, as measured by community surveys conducted every two years.**

- This is a new measure and a current baseline is not known.
- It is expected that by 2008, 70% of the community will be satisfied with the roading network, which is when the first two-yearly survey is planned.
- It is intended that the 2008 target will be maintained throughout the remaining life of the plan.

**Performance for 2007/08:**

- From the recently undertaken survey of residents, the following results have been collected (based on a satisfaction rationale of 1 = dissatisfied to 5 = very satisfied):

	Satisfaction level
Local sealed roads	3.96
Local roads	3.82
Local gravel roads	3.13
Footpaths	3.09

# WATER SUPPLY

## INTRODUCTION

The Council’s water supply activity provides sustainable and safe water for domestic, commercial and industrial use, as well as for fire fighting purposes.

Drinking water is supplied to urban areas of the District through two Council operated schemes: the Gore and the Mataura schemes. The Council also operates the Otama rural water scheme which supplies water for livestock.

While the Council is the primary supplier of water to communities in the District, water supply to some rural areas, for instance, Otikerama and Kaiwera have been privatised. Furthermore, rural communities in Arthurton, Greenvale, Maitland, Pukerau, and Waikaka are served by the Glenkenich rural water supply, operated by Clutha District Council, while Mandeville village is not served by a communal water supply system.

The Council regularly monitors the quality of water it supplies. Although the Council water supplies do not currently comply with the New Zealand Drinking Water Standards 2005, the drinking water supplied by the Gore and Mataura schemes is tested each week in compliance with the new standards and water supplied via the Otama scheme is tested on a monthly basis. In 2005, the Council’s water supply services team developed Public Health Risk Management Plans for both the Gore and Mataura schemes. New capital works identified by the public health risk management plans are expected to reduce potential public health risks and raise the standard of water supplied to water users.

In addition to monitoring water quality, the Council’s water supply services team also conducts routine maintenance and repairs on the water supply network, and is charged with the management of water resources and planning for the future water supply needs throughout the District. In connection with the latter, a water services assessment was conducted in 2005, and its findings largely incorporated in the Water Supply Activity Management Plan. As part of its efforts to conserve water and minimise wastage, a leak detection survey was initiated in 2005 and there are plans to continue the survey in different locations in the District each year. The Council also imposes water restrictions during dry spells as part of its water supply demand management duties.

## Contribution to community outcomes

<b>Community Outcome</b>	<b>Contribution of water supply activities</b>
<i>Health &amp; Wellbeing</i> ‘We are healthy people’	High quality drinking water safeguards public health and safety by minimising the risk of water-borne diseases. Adequate pressure and volume of water to enable effective fire-fighting is also essential for public safety and wellbeing.
<i>Economy &amp; Employment</i> ‘A diverse economy built from our strengths for growth and prosperity’	An efficient water supply distribution network is a core component of the infrastructure needed to foster a diverse and vibrant economy.
<i>Environment</i> ‘A treasured environment which we care for and which supports us now and into the future’	The Council’s management of the District’s water resources include measures for water conservation and techniques for demand management, including the use of water restrictions

	to control water use during summer and dry periods. These measures help to ensure sustainable use and replenishment of water resources.
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## Performance Measures and Targets for 2007/08

- **Water supplied is in compliance with the New Zealand Drinking Water Standards 2005, as reported by Public Health South on behalf of the Ministry of Health.**
  - Mataura and Gore supplies currently do not comply with the New Zealand Drinking Water Standards 2005.
  - Mataura and Gore are expected to reach compliance in 2009.
  - It is intended that compliance with the 2005 drinking water standards will be maintained throughout the remaining life of the plan.

### Performance for 2007/08:

- Grading is currently being completed. With the changeover to DSW 2005 the Council will continue to report on the basis of the supply's compliance with the DWSNZ 2000 until 30 June 2008.
- **Achievement of Cc grading for water supplies, as measured by Public Health South on behalf of the Ministry of Health.**
  - Gore currently has a Dc grading, whilst Mataura has a Dd grading.
  - It is expected that both Gore and Mataura will achieve Cc water grading by 2009.
  - It is intended to maintain the Cc grading throughout the remaining life of the plan (from 2009–2016).

### Performance for 2007/08:

- Upgrades will be completed to improve the grading to Cc (grading is currently being assessed by MoH)
- **There are less than two complaints in any week regarding smell, unusual taste or colour, as recorded in the customer services log. A total of 12 complaints for the year.**
  - In the year ending 30 June 2005, there were two weeks when more than two complaints were received in a week from customers in Mataura. In Gore, less than two complaints in any one week were received.
  - It is expected that by 2009 there will be less than two complaints in any one week in both Gore and Mataura.
  - It is intended that the 2007 performance target will be maintained for the remaining life of the plan.

### Performance for 2007/08:

- There was one occasion when there were two or more complaints in one week
- **Fire hydrants are able to provide adequate flows (greater than 12.5 litres per second), as measured by annual fire service testing.**
  - 93% of tested hydrants in Gore and 80% of tested hydrants in Mataura currently meet this standard.
  - It is intended to have 95% of hydrants complying in Gore and 84% in Mataura complying by 2009, and 95% complying in Gore and 90% in Mataura by 2016.

**Performance for 2007/08:**

- No complaints reported on flow. The fire hydrant testing for the year has been completed with 91% meeting the flow test in Gore. Testing of Maitua will be completed in the 08/09 year.
- **Household supplies have an adequate flow rate of water (at least 15 litres per minute) and pressure (at least 200 kPa), as measured by staff on request from customers.**
  - This is a new measure, therefore data has not been recorded, however, there are very few recorded complaints relating to these performance measures.
  - It is intended to meet a target of less than 5 measurements annually as a result of customer requests that do not meet 15 litres per minute flow or 200 kPa pressure by 2007.
  - It is intended to maintain the 2007 levels of service and performance for the remaining years of the plan.

**Performance for 2007/08:**

- There were two complaints regarding flow.
- **The maximum disruption of service in urban areas is 8 hours, in the rural areas it is 48 hours; with 75% of disruptions being 4 hours in urban and 24 hours in rural areas, as measured by the customer services log.**
  - In the year ending 30 June 2007, these targets were achieved.
  - It is intended to continue to maintain the existing levels of service and performance for the entire duration of the plan.

**Performance for 2007/08:**

- There were no disruptions that exceeded the set times.
- **The maximum response times for an emergency is two hours, for a major urban leak 8 hours and for a major rural leak 24 hours and minor leaks will be responded to within 21 days, as measured by the customer services log.**
  - In the year ending 30 June 2007, these targets were achieved.
  - It is intended to continue to maintain the existing levels of service and performance for the entire duration of the plan.

**Performance for 2007/08:**

- Four major leaks reported for both urban and rural. 273 minor leaks reported with five leaks exceeding the 21 day response period.

## WASTE WATER AND STORM WATER ACTIVITY

### Introduction

The Council's waste and storm water drainage activities consist of the collection, treatment and disposal of waste water, storm water and sewerage in order to safeguard public health and safety, and protect property, while minimising to the extent possible, adverse environmental impacts arising from these activities.

The Gore, Matakura and Waikaka waste water schemes operated by the Council, serve communities located in these three townships. Rural areas and the villages of Mandeville and Pukerau are not served by the Council's waste water services. Instead waste water from these areas are collected and discharged into individual septic tanks.

A robust system for monitoring waste water quality and maintenance of waste water treatment, as well as storm water infrastructure has been put in place by the Council. Waste water quality is monitored on a weekly basis, while the Council's waste and storm water team has a three-tiered maintenance regime for routine, planned and reactive maintenance of waste and storm water assets and infrastructure. Current maintenance standards conform to industry best practice and meet the appropriate New Zealand standards.

### Contribution to Community Outcomes

Community Outcome	Contribution from the Council's waste & storm water management activities
<i>Health and wellbeing</i> 'We are healthy people'	Robust processes for treatment and monitoring of waste water quality safeguards public health and safety by minimising the risk of water-borne diseases. Efficient storm water infrastructure is likewise essential for public safety and wellbeing
<i>Economy and employment</i> 'A diverse economy built from our strengths for growth and prosperity'	An efficient waste and storm water management infrastructure is a core component of the infrastructure needed to foster a diverse and vibrant economy
<i>Environment</i> 'A treasured environment which we care for and which supports us now and into the future'	Weekly monitoring of effluent discharged from waste water treatment facilities mitigates negative environmental impacts on the Districts water ways

### Performance Measures and Targets for 2007/08

- **The maximum response times for an emergency or pump station failure is two hours, a sewer blockage is 4 hours and for flooding 12 hours, as measured by the customer services log.**
  - In the year ending 30 June 2008, these targets were achieved.
  - It is intended to continue to maintain the existing levels of service and performance for the entire duration of the plan.

#### Performance for 2007/08:

- There have been no emergency or pump station failures.
- **Less than ten complaints per year are received relating to smell from oxidation ponds, as measured by the customer services log.**

- In the year ending 30 June 2008, no complaints were recorded.
- It is intended to continue to maintain the existing levels of service and performance for the entire duration of the plan.

**Performance for 2007/08:**

- There have been no odour complaints logged for this period.
- **Trade waste discharges are monitored for compliance each year, as measured by the number of actual trade waste discharges monitored.**
  - In the year ending 30 June 2008, 12 discharges were monitored.
  - It is intended to continue to maintain the target level of 12 discharges monitored throughout the entire duration of the plan.

**Performance for 2007/08:**

- 12 trade waste samples have been completed this year.
- **No prosecutions taken against the wastewater treatment facilities for non-compliant events or activities.**
  - In the year ending 30 June 2008, no prosecutions were taken.
  - It is intended to continue maintain existing levels of service and performance to ensure discharges from wastewater treatment facilities are within the prescribed limits and do not lead to prosecutions for non-compliance, throughout the entire duration of the plan.

**Performance for 2007/08:**

- No prosecutions against wastewater treatment.

# SOLID WASTE

## Introduction

The Council operates a transfer station located in Gore and contracts out the provision of a household kerbside bag collection in Gore and Mataura. A skip bin service operates in Mataura on Sunday afternoons at the old landfill site and a private contractor offers a kerbside wheelie bin service throughout the District including the villages of Mandeville, Pukerau and Waikaka.

## Contribution to community outcomes

Community Outcome	Contribution of the Council's Solid Waste Activity
<i>Health and Wellbeing</i> 'We are healthy people'	The Council's solid waste services allow for efficient and hygienic disposal of solid waste generated in the District. Solid waste services discourage the proliferation of pests and thus safeguards public health and safety.
<i>Economy and employment</i> 'A diverse economy built from our strengths for growth and prosperity'	Hygienic and cost-effective solid waste disposal is a core component of the infrastructure needed to foster a diverse and thriving economy

## Performance Measures and Targets for 2007/08

- **A quality transfer station is open to meet the needs of the community, as measured by transfer station opening hours and the customer services log.**
  - This is a new measure, however the transfer station is currently open between 35–40 hours per week, and less than five complaints are received each month relating to the operation of the transfer station.
  - It is intended to maintain the existing levels of service and performance for the entire life of the plan.

### Performance for 2007/08:

- Transfer station open over 40 hours per week.
- Only three complaints relating to transfer station operation.

- **An effective kerbside collection service is available in urban areas, as measured by the customer services log.**
  - This is a new measure, however less than 10 complaints are received per month relating to the kerbside collection.
  - It is intended to maintain existing levels of service and performance for the entire life of the plan.

### Performance for 2007/08:

- On no occasions were there more than 10 complaints reported in one month.
- Only four complaints over this time.

- **The disposal system encourages waste minimisation and the separation of waste for recycling, as measured by user charges and a community survey every two years.**

- This is a new measure. Nevertheless, there is a wide range of user charges for different types of discrete loads to encourage the separation of waste and ensure consistency with industry rates. A community survey has not been undertaken before.
- It is intended to maintain the existing levels of service and performance relating to user charges and have 60% of the Community satisfied with the availability of recycling options when related to cost by 2008 (first survey planned for 2008).
- It is intended to maintain the 2008 performance target for the remaining duration of the plan.

**Performance for 2007/08:**

- People are encouraged to separate refuse at the transfer station. Glass, metal, paper, cardboard and green waste are currently being separated.
  - 22% of recyclables were removed from the waste stream.
- **The closed landfills have a minimal effect on the environment, as measured by compliance with resource consent conditions.**
    - In the year ending 30 June 2007 consent monitoring showed the landfills complied with resource consent conditions.
    - It is intended to maintain the existing levels of service and performance for the entire life of the plan.

**Performance for 2007/08:**

- Reporting to Environment Southland of the closed landfill sites was carried out for the 07/08 year.

# CIVIL DEFENCE

## Introduction

The Civil Defence activity is conducted under the Civil Defence Emergency Management Act 2002. The Gore District Council is a member of the Southland Civil Defence and Emergency Management Group.

Community Outcome	Contribution from the Council's Civil Defence and Rural Fire Activities
<i>Health and Wellbeing</i> 'People are prepared for emergency situations'	The Council's civil defence activities enable timely preparation and an effective response to natural disasters, civil emergencies and other untoward events

## Performance Targets for 2007/08

- **Maintain a presence at Regional Civil Defence meetings for Local Government, as measured by meetings attended.**

### Performance for 2007/08:

- The Officer attended all meetings except for the month of June when he was on annual leave.

- **Emergency equipment is ready for use at all times, as measured by a staff report.**

### Performance for 2007/08:

- All equipment is checked on a three monthly basis.
- Four new hand held radios and one base radio has been purchased. This is to enable the Council to be able to change to the emergency services band within the next two years.
- Additional equipment has been purchased for the Council's light rescue team to ensure it meets all safety requirements.

- **Key response personnel receive at least one training opportunity each year, as measured by training records.**

### Performance for 2007/08:

- This year the Controller, Recovery Manager and Public Information Manager, have attended training courses provided by the Ministry of Civil Defence Emergency Management.
- Regular training (fortnightly) for the rescue squad has been maintained and four have qualified for orange card rating as defined by the Ministry.
- One training opportunity was provided for emergency operations central staff.
- One training opportunity was given to the welfare/warden group, as well as training for the soroptimist clubs and Citizens Advice Bureau.

# CEMETERIES

## Introduction

The Gore District has five designated cemeteries. Four are operated by Council: Gore, Mataura, Pukerau and Charlton Park. The Waikaka cemetery is operated by cemetery trustees and the Otaria cemetery has now been formally closed.

The Gore District cemeteries were established in the 1870s to serve the residents of the District. There is a total of 20.15ha of designated cemetery within the Gore District, however only 10.1ha of that is currently in use.

The cemeteries have been recognised throughout New Zealand by industry peers for their high level of maintenance and design. Charlton Park cemetery holds a New Zealand monumental award for best design and placement in a cemetery. Families are encouraged to participate in the planting of roses, flowers, and shrubs to remember loved ones by.

In managing its cemeteries the Council strives to provide an efficient and sensitive burial service and to maintain an attractive setting for all families to visit.

## Contribution to community outcomes

Community Outcome	Contribution of the Council's cemeteries
<i>Health and wellbeing</i> 'We live in a compassionate caring society' 'People and communities provide for their own wellbeing'	The provision of well-maintained cemeteries is an essential service that contributes to the spiritual and mental well being of residents in the District. The Council's attractive cemeteries fulfil the community's need for peaceful settings in which they may bury/inter and remember their dead.

## Performance Measures and Targets for 2007/08

- **Dealings with the public are always conducted in a sensitive manner, as measured by the customer service log and annual survey of Funeral Directors.**
  - This is partly a new measure and there has not been a Funeral Director's survey carried out. However, in the year ending 30 June 2005, there were no complaints recorded relating to the quality of service, either from Funeral Directors or from the public.
  - It is intended that no more than three complaints per year are received relating to the quality of service as recorded in the customer services log and for the Funeral Directors to be satisfied with the service as per an annual survey by 2008.
  - It is intended to maintain the 2008 levels of service and performance for the remaining years of the plan.

### Performance for 2007/08:

- Five complaints were received regarding quality of service by Funeral Directors.
- **The facilities are presented to a high standard, as measured by the customer service log.**
  - In the year ending 30 June 2005, there were two complaints recorded relating to the standard of the facilities.

- It is intended to maintain the target of receiving less than three complaints regarding the standard of facilities in any one year, for the entire life of the plan.

**Performance for 2007/08:**

- Two complaints received regarding the standard of facilities.

## PUBLIC CONVENIENCES

### Introduction

The Council provides 14 individual blocks of public toilets in high usage visitor areas throughout the District. In providing these facilities, the Council strives to provide clean conveniences to meet both user expectations as indicated by the community outcomes described below, and New Zealand standards.

### Contribution to community outcomes

Community Outcomes	Contribution of Public Conveniences to Community Outcomes
<i>Health and Wellbeing</i> 'We are healthy people'	The Council's public conveniences are hygienic and well maintained,
<i>Economy and Employment</i> 'A diverse economy built from our strengths for growth and prosperity'	Hygienic and well maintained public conveniences are an important amenity for residents and visitors to the District, and thus support tourism and other economic activities.

### Performance Measures and Targets for 2007/08

- **The facilities are kept clean, as measured by the customer service log.**
  - In the year ending 30 June 2005, less than one complaint was recorded per week.
  - It is intended to receive no more than three complaints in any one week regarding cleanliness of the facilities by 2009.
  - It is intended to maintain the 2009 levels of service and performance for the remaining life of the plan.

#### Performance for 2007/08:

- Less than one complaint was recorded per week. Whilst there were several request for service per month, these predominantly related to the aftermath of either vandalism or wilful damage, and the resulting clean up was not as a result of a poor quality cleaning service as provided by the Council's contractors.

- **The Community is satisfied with the adequacy of public conveniences, as measured by a Community survey every two years.**

- This is a new measure. Nevertheless, 52% of the community was satisfied with the adequacy of public conveniences when surveyed in March 2005.
- It is intended to increase community satisfaction to 70% by 2009, which is when the toilet upgrade projects have been completed.
- It is intended to maintain the 2009 levels of service and performance target for the remaining duration of the plan.

#### Performance for 2007/08:

- One new Novaloo toilet block was installed in October 2006 at the Triangle site and all the feedback has been positive.
- The Main Street public convenience upgrade is currently in the design and development stage, with implementation planned for early 2009.

# PROPERTY

## Introduction

Gore District Council owns a number of properties within the District. Properties include the civic offices in Gore, the service centre and library in Mataura, the Gore library and Carnegie building, as well as community halls, leasehold properties, and rental housing. Details of the Council’s property portfolio is included in the Reserves and Community Facilities Activity Management Plan.

## Contribution to community outcomes

Community Outcome	Contribution from the Council’s Property Activities
<i>Lifestyle and Culture</i> ‘Southland is a great place to live’	Community halls provide places for meeting and socialising, thus improving the quality of life.
<i>Health and Wellbeing</i> ‘We have good quality and affordable housing’	The Council’s residential properties provide an adequate standard of housing for people who may otherwise be unable to afford a reasonable quality of housing
<i>Leadership</i> ‘Citizens and communities are inspired, motivated and empowered’	Community halls provide the physical space for fostering community spirit, civic mindedness and community leadership.  The Council’s civic offices in Gore and Mataura allow for easy public access to local government services and elected Council members.

## Performance Measures and Targets for 2007/08

- **All buildings and properties are maintained in a healthy and safe condition over the life of the asset, as measured by the customer services log, building warrant of fitness and Asset Management Plan maintenance schedules.**
  - The Asset Management Plan has been completed and maintenance items identified have been included in the budgets that are included in this Long Term Council Community Plan. It is estimated that 75% of building warrant of fitness certificates are displayed and less than 10 complaints have been received annually relating to building cleanliness.
  - It is intended that the planned maintenance of Council properties will be undertaken, as demonstrated by staff audits of the Asset Management Plan, 100% of building warrant of fitness certificates are displayed correctly and maintain less than 10 complaints per year regarding building cleanliness by 2009.
  - It is intended to maintain the 2009 levels of service and performance for the remaining duration of the plan.

### Performance for 2007/08:

- No complaints relating to building cleanliness.
- Current building warrants of fitness certificates are displayed.

## LEADERSHIP

### LEADERSHIP - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 07 \$000		ESTIMATE 30 June 08 \$000	ACTUAL 30 June 08 \$000
	<b>REVENUE</b>		
253	Central Administration	145	138
1,619	Internal Recoveries	1,609	1,558
<b>1,872</b>	<b>TOTAL OPERATING REVENUE</b>	<b>1,754</b>	<b>1,695</b>
	<b>EXPENDITURE</b>		
578	Democracy	562	546
1,816	Central Administration	1,750	1,738
<b>2,394</b>	<b>TOTAL OPERATING EXPENDITURE</b>	<b>2,312</b>	<b>2,284</b>
<b>(522)</b>	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(558)</b>	<b>(589)</b>
	<b>CAPITAL</b>		
38	Democracy	15	25
34	Central Administration	73	113
<b>72</b>	<b>TOTAL CAPITAL</b>	<b>88</b>	<b>138</b>
-	<b>DEBT REPAYMENT</b>	-	-
<b>594</b>	<b>NET COST OF THIS FUNCTION</b>	<b>646</b>	<b>727</b>
	<b>FUNDED BY:</b>		
540	Rates - General	563	571
75	Depreciation	77	85
(21)	Reserves	6	72
-	Asset Sales	-	-
<b>594</b>		<b>646</b>	<b>727</b>

# DEMOCRACY

## Introduction

Democracy is the political arm of the Councils' Operations, comprising:

- the Mayor, elected at large over the District,
- eleven Councillors elected from wards within the District,
- the Chief Executive and support services provided by Council staff.

## Contribution to community outcomes

Community Outcomes	Contribution of the Council's Democracy activities
<p><i>Leadership</i>                      'Strong and effective leadership taking us into the future'</p> <p>'Citizens and communities are inspired, motivated and empowered'</p> <p>'Leaders are accountable, available, communicative, enthusiastic, honest, inclusive, open, encouraging and pro-active'</p>	<p>The Mayor and Councillors maintain a close rapport with people living in their respective wards and elsewhere in the District; actively participate in Council and Committee meetings; take a keen interest in all issues affecting the District, and are accountable and transparent in their decision-making.</p> <p>The Council's Management team and Managers provide reports and technical advice to the Mayor and Councillors, to enable sound and effective decision-making by the elected representatives</p>
<p><i>Lifestyle and Culture</i>                      'Southland is a great place to live'</p>	<p>Effective leadership and stewardship of the District and its resources contribute to the quality of life and overall well being of communities and make Gore District a great place to live</p>

## Performance Measures and Targets for 2007/08

- **Elections will be held triennially.**
  - Elections to the Gore District Council have thus far been conducted in compliance with legislative requirements.

### Performance for 2007/08:

- Elections were held in October 2007 in compliance with legislative requirements.

- **The Council will regularly publish any issues of interest relating to its activities in the Newslink weekly.**

- A Council 'information page' will be published at least ten times each year.

### Performance for 2007/08:

- A Council information page was published 12 times during the year.

- **The District's communities are consulted regarding significant issues before decisions are made.**

### Performance for 2007/08:

- All legislative requirements in terms of consultation were met.

The Council intends to continue to consult with communities as provided for in part 6 of the Act.