



ANNUAL REPORT

2009/2010



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GORE DISTRICT COUNCIL DIRECTORY

Mayor: Tracy Hicks JP
Councillors: Cliff Bolger
Nicky Davis
Doug Dixey
Steve Dixon
Hugh Gardyne
Peter Grant
Neil Harvey
John Heller
Bret Highsted
Alister McLennan
Graham Sharp

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

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

Bankers: Westpac 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 2009-2019 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 2010.

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 24 of the Financial Statements.

Borrowing Limits

	Actual 30 June 10	Target
Interest expense/operating revenue	5.46%	<10%
Pre-tax funds from operations/interest expense	5.8	>2.5
Term Debt/Total Assets	3.06%	<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 2010.

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 2009 fairly reflect the financial position and operations of the Gore District Council.



28 September 2010

Tracy Hicks JP
MAYOR

Date



28 September 2010

Stephen Parry
CHIEF EXECUTIVE

Date

MAYORAL AND EXECUTIVE FOREWORD

The 2009/10 year would best be described as one of consolidation and an accent on planning for the future. Overall the Council recorded sound results from both a financial and performance perspective. However, there was a lot of work done “behind the scenes” by both elected members and senior staff to prepare the District for anticipated developments in the future. A brief commentary on the highlights of the past year is as follows:

Financial Performance

For the year ending 30 June 2010, the Council recorded an operating surplus of \$104,000. This was smaller than the budgeted figure of \$187,000. An unforeseen Council contribution of \$43,000 for dealing with local authority liability in regard to leaky buildings, together with reduced income from the Building Control Department due to a decline in building activity during the first half of the financial year in particular, were the root causes of this result.

Achievement of Performance Measures

The 2009-19 LTCCP heralded the introduction of a significant overhaul of the performance measures used by the Council to assess its effectiveness in the services it delivers to the community. These performance measures were deliberately set to be challenging and aspirational. The Council has achieved just over 80% of the 82 specific key performance indicators contained in the LTCCP to which this report relates.

Interestingly a number of the targets that were not achieved, particularly in the areas of aquatic services and libraries, experienced appreciable improvement in the level of service provided.

Performance achievements also need to be considered in the light of the results of the biennial Resident Satisfaction Survey. This survey is conducted in June every two years. The survey was carried out by the Southern Institute of Technology and involved a telephone survey of 403 people.

The results of the survey, some of which can be found within the individual activity commentary contained in this report, were very pleasing. The overall performance of the Council was rated slightly higher than the solid result achieved in 2008.

Recycling

The Council undertook an extensive consultation process with the community on options for recycling during the second half of the year under review. A proposal to introduce a two bin kerbside recycling collection service for the urban areas of the District, as opposed to the retention of existing services, was extensively paraded before the community. Meetings were held with interested community groups and the Council took the opportunity to set up manned displays at key retail outlets to bring the issue to the people. Additionally, for the first time, the Council had an online option for the public to register their views about which option they prefer.

At the time of writing the Council was very close to making a final decision on this very important matter. It is expected that the Council will make a decision, in principle, in terms of which option it prefers, prior to the local authority elections on 9 October 2010. The Council has received a clear message from the community in the Resident Satisfaction Survey, that a decision and unambiguous direction on recycling, is now overdue.

Roading

Changes in government funding priorities during the course of the year under review meant that the Gore District Council, like many other territorial authorities, suffered reductions in the amount of subsidised funding for roading projects. Whilst the Gore District suffered less cuts than many other territorial local authorities, there were casualties in the roading budget, such as unsealed pavement maintenance, network and asset management and pedestrian facilities. Details of these cuts can be read on pages 101-102 of this report.

Additionally, there were some capital works that had to be deferred to be implemented in the next financial year due to the early onset of inclement weather, which meant that the risk of an unsuccessful outcome, if the projects were implemented, was too great.

On a positive note, traction seals carried out under the rural minor works budget and several sections of new footpath in the urban area attracted a high degree of endorsement from ratepayers.

MLT Event Centre

In the first half of the year under review the Council came under considerable pressure, from the Gore Multi-Sports Centre Charitable Trust, to assume control and funding responsibility for the operation of the MLT Event Centre. This facility, which has been dogged by building code compliance difficulties and fundraising challenges, has been a number of years in the pipeline. Whilst the Council had steadfastly maintained that it saw no funding role for itself in terms of either capital contribution or operational expenditure, it became clear via a plea for help from the trustees that the new facility would fail without the Council assuming a leadership role in its operation.

It is pleasing to note that the Matura Licensing Trust and the Community Trust of Southland have agreed to share the operational funding load and collectively contribute 50% of the shortfall in funds after fees and charges have been accounted for. The Event Centre was opened in November 2009 and has since proved to be a valuable asset to the recreational infrastructure of the Gore District. Subject to a change in legislation governing exemptions to local authorities for the payment of gift duties on assets received, the Council has resolved to assume ownership of the Event Centre for a nominal consideration.

The appointment of a dedicated Event Centre Supervisor in April 2010 has solidified the management of the operation of the new facility.

Water

Securing an adequate water supply for the Gore Township occupied a considerable amount of time and concern of both senior management and elected members during the course of the past year. The Council is endeavouring to improve the performance of its wells at Jacobstown and Coopers to enable it to extract its full entitlement under the resource consent held with Environment Southland. Unfortunately, at Jacobstown, new wells drilled have failed to produce a suitable water source.

At the same time, the Council has been placed in the invidious position of having to oppose water take consents for irrigation purposes just north of the Gore township. In the past year objections to three specific water take consent applications have been lodged in order to safeguard the integrity of the Council's water supply for the Gore township. Running in parallel with these endeavours has been lobbying Environment Southland to have the Regional Water Plan amended so that priority is given to municipal water supplies when considering applications for water take consents. It is heartening to report that progress has been made, with Environment Southland agreeing.

Planning for the Future

The second half of the financial year under review was punctuated with considerable thinking being devoted to how to plan for anticipated large projects being mooted by Solid Energy Limited, for the extraction of its lignite resources in the District. Close consultation was conducted with Solid Energy in terms of its implementation plans so that the Council could be ready to meet the extra demands likely to be placed on the District. An urban growth strategy and amendments to the District Plan are likely to be the first two streams of work undertaken in parallel with the unfolding of Solid Energy's development proposals.

Further commentary on expected resourcing and timelines for the completion of this work can be expected to be profiled in the next annual plan.



Tracy Hicks
MAYOR



Stephen Parry
CHIEF EXECUTIVE

AUDIT REPORT
TO THE READERS OF
GORE DISTRICT COUNCIL'S
FINANCIAL STATEMENTS AND SERVICE PROVISION INFORMATION
FOR THE YEAR ENDED 30 JUNE 2010

The Auditor-General is the auditor of Gore District Council (the Council). The Auditor-General has appointed me, Peter Gulliver, using the staff and resources of Deloitte, to carry out the audit on her behalf. The audit covers the financial statements, the service provision information and the District Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the Council for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the District Council on pages 11 to 51:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2010; 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 65 to 138:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service provision for the year ended 30 June 2010, including:
 - the levels of service provision as measured against the intended levels of service provision adopted in the long-term council community plan; and
 - the reasons for any significant variances between the actual service provision and the expected service provision.
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the District Council's financial statements and service provision information.

The audit was completed on 28 September 2010, 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, the service provision

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, the service provision 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, the service provision information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system 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 financial and service provision data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;
- determining the appropriateness of the reported service provision information within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

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

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

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

This audit report relates to the financial statements, service provision information and the other requirements of Gore District Council for the year ended 30 June 2010 included on Gore District Council's website. The Council is responsible for the maintenance and integrity of Gore District Council's website. We have not been engaged to report on the integrity of Gore District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, service provision information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, service provision information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, service provision 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, service provision information and the other requirements as well as the related audit report dated 28 September 2010 to confirm the information included in the audited financial statements, service provision information and the other requirements presented on this website.

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

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements and service provision information in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council as at 30 June 2010. They must also fairly reflect the results of its operations and cash flows for the year ended on that date. The service provision information must fairly reflect the Council's levels of service provision for the year ended 30 June 2010.

The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 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, the service provision 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.

Other than the audit and in carrying out the audit of long-term council community plan, we have no relationship with or interests in the District Council.



Peter Gulliver,
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 2010 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, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to/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 28 September, 2010 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 INCOME AND EXPENDITURE For the Financial Year Ended 30 June 2010

	Notes	2010 \$'000	Budget \$'000	2009 \$'000
Income				
Rates revenue	2 (a)	10,499	10,475	10,076
Other revenue	2 (a)	5,256	5,549	5,696
Other gains/ (losses)	2 (b)	(47)	(76)	(622)
Total income	2(g)	15,708	15,948	15,150
Expenditure				
Employee benefits expense	2 (c)	(4,271)	(4,306)	(4,094)
Depreciation and amortisation expense	2 (d)	(3,978)	(3,718)	(3,767)
Finance costs	2 (e)	(852)	(688)	(725)
Other expenses	2 (f)	(6,503)	(7,049)	(6,507)
Total operating expenditure	2(g)	(15,604)	(15,761)	(15,093)
Surplus for the period		\$104	\$187	\$57

The accompanying notes form part of these financial statements.

GORE DISTRICT COUNCIL
STATEMENT OF FINANCIAL POSITION
As at 30 June 2010

	Notes	2010 \$'000	Budget \$'000	2009 \$'000
Current assets				
Cash and cash equivalents	20(a)	1,258	17	266
Trade and other receivables	5	1,307	900	1,882
Inventories	6	55	-	52
Other financial assets	7	1311	1,134	1,401
Other current assets	8	61	227	78
Total current assets		<u>3,992</u>	<u>2,277</u>	<u>3,679</u>
Non-current assets				
Other financial assets	7	256	68	194
Property, plant and equipment	9	344,832	354,481	311,631
Total non-current assets		<u>345,088</u>	<u>354,549</u>	<u>311,825</u>
Total assets		<u>349,080</u>	<u>356,826</u>	<u>315,504</u>
Current liabilities				
Trade and other payables	10	1,672	1,525	1,747
Employee entitlements	11	561	-	533
Other Financial Liabilities	7	121	-	115
Total current liabilities		<u>2,354</u>	<u>1,525</u>	<u>2,395</u>
Non-current liabilities				
Borrowings	12	10,693	10,928	10,753
Provisions	13	112	138	118
Other Financial Liabilities	7	304	-	247
Total non-current liabilities		<u>11,109</u>	<u>11,066</u>	<u>11,118</u>
Total liabilities		<u>13,463</u>	<u>12,591</u>	<u>13,513</u>
Net assets		<u>\$335,617</u>	<u>\$344,235</u>	<u>\$301,991</u>
Equity				
Reserves	14	200,338	205,924	166,225
Retained earnings	15	135,279	138,311	135,766
		<u>\$335,617</u>	<u>\$344,235</u>	<u>\$301,991</u>

The accompanying notes form part of these financial statements.

GORE DISTRICT COUNCIL
 STATEMENT OF COMPREHENSIVE INCOME
 For the Financial Year Ended 30 June 2010

	Notes	2010 \$'000	Budget \$'000	2009 \$'000
Surplus for the year		104	187	57
Other Comprehensive Income:				
Available-for-sale financial assets valuation gain/ (loss) taken to equity	14(a)	2	-	-
Cash flow hedges transferred to Statement of Financial Performance for the year	14(c)	-	-	(76)
Gain / (loss) on property, plant and equipment revaluation	14(b)	33,520	41,296	(104)
Other Comprehensive Income		<u>33,522</u>	<u>41,296</u>	<u>(180)</u>
Total Comprehensive Income for the year		<u><u>\$33,626</u></u>	<u><u>\$41,483</u></u>	<u><u>\$(123)</u></u>

Statement of Changes in Equity
 For the Financial Year Ended 30 June 2010

	2010 \$'000	Budget \$'000	2009 \$'000
Equity at beginning of year	301,991	302,752	302,114
Total Comprehensive Income for the year	<u>33,626</u>	<u>41,483</u>	<u>(123)</u>
Equity at end of year	<u><u>\$335,617</u></u>	<u><u>\$344,235</u></u>	<u><u>\$301,991</u></u>

The accompanying notes form part of these financial statements.

GORE DISTRICT COUNCIL
CASH FLOW STATEMENT
For the Financial Year Ended 30 June 2010

	Notes	2010 \$ 000	Budget \$ 000	2009 \$ 000
Cash flows from operating activities				
Receipts from customers		16,480	15,894	15,693
Interest received		87	130	130
Dividends received		-	-	6
Payments to suppliers and employees		(11,057)	(11,354)	(11,015)
Finance costs		(842)	(688)	(720)
Net cash inflow/ (outflow) from operating activities	20(c)	4,668	3,982	4,094
Cash flows from investing activities				
Proceeds from maturity of other financial assets		150	-	100
Proceeds from sale of property, plant and equipment		62	-	38
Purchase of property, plant and equipment		(3,708)	(3,973)	(5,821)
Purchase of other financial assets		(120)	-	(235)
Net cash inflow/ (outflow) from investing activities		(3,616)	(3,973)	(5,918)
Cash flows from financing activities				
Proceeds from borrowings		192	366	911
Repayment of borrowings		(252)	(300)	(246)
Net cash inflow / (outflow) from financing activities		(60)	65	665
Net increase (decrease) in Cash and cash equivalents		992	74	(1,159)
Cash and cash equivalents at the beginning of the financial year		266	1,077	1,425
Cash and cash equivalents at the end of the financial year	20(a)	\$1,258	\$1,151	\$266

The accompanying notes form part of these financial statements.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 30 June 2010**

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.

New standards and Interpretations

Standards and Interpretations effective in the current period

GORE DISTRICT COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS
 For the Financial Year Ended 30 June 2010

Those with disclosure impact:

The impact of the adoption of the following Standards and Amendments has been to expand the disclosures provided in these financial statements:

Name	Impact
NZ IAS 1 <i>Presentation of Financial Statements</i> (revised 2007)	The revised Standard has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. However, the revised Standard has no impact on the reported results or financial position of the Group.
Amendments to NZ IFRS 7 <i>Financial Instruments: Disclosures</i>	The amendments to NZ IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.
Improvements to NZ IFRS 2008: Derivative classification current versus non current	Amendments to paragraphs 68 and 71 of NZ IAS 1(2007) to clarify that financial instruments classified as held for trading in accordance with NZ IAS 39 are not always required to be presented as current assets/liabilities. Those derivatives that have a remaining maturity of more than 12 months are now be presented as noncurrent assets/liabilities

Those with no impact:

Other standards adopted during the year have not led to any changes in the Group's accounting policies with measurement or recognition impact on the periods presented in these financial statements.

Standards and interpretations issued and not yet adopted

At the date of authorisation of the financial statements, other than the Standards and Interpretations adopted by the Council in advance of their effective dates (as described above) the following Standards and Interpretations were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Improvements to New Zealand Equivalents to International Financial Reporting Standards 2009	*	30 June 2011
Improvements to International Financial Reporting Standards 2010		
- Improvements to IFRS 3 and IAS 27	1 July 2010	30 June 2011
- Improvements to other standards	1 January 2011	30 June 2012
Amendments to NZ IFRS 2 'Share-Based Payment' – Group Cash-Settled Share-Based Payment Transactions	1 January 2010	30 June 2011
Amendment to NZ IAS 32 'Financial Instruments: Presentation' – Classification of Rights Issues	1 February 2010	30 June 2011
Amendments to NZ IAS 24 'Related Party Disclosures'	1 January 2011	30 June 2012
NZ IFRS 9 'Financial Instruments'	1 January 2013	30 June 2014
NZ IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments'	1 July 2010	30 June 2012
Amendments to NZ IFRIC 14 'Prepayments of a Minimum Funding Requirement'	1 January 2011	30 June 2012

*The effective date and transitional provisions vary by Standard. Most of the improvements are effective for annual periods beginning on or after 1 January 2010, with earlier adoption permitted.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010**

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 the New Zealand Transport Agency, which subsidises part of the Council's costs in maintaining the local roading infrastructure. The New Zealand Transport Agency roading subsidies are recognised as conditions pertaining to eligible expenditure have been fulfilled.

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

Dividends are recognised when the entitlement to the 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.

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.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010**

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.

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

GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010

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 surplus for the period. The net gain or loss is recognised in the surplus for the period and incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described later in this note.

- Held-to-Maturity Investments

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

- 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 in other comprehensive income, with the exception of interest calculated using the effective interest method and impairment losses which are recognised directly in the surplus for the period. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is included in the surplus for the period.

Dividends on available-for-sale equity instruments are recognised in the surplus for the period 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 2010

- Loans and Receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. An allowance for doubtful debts is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is expensed in the surplus for the period.

Loans, including loans to community organisations made by 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 surplus for the period as a grant.

Short term deposits are included within this classification.

- Impairment of Financial Assets

Financial assets, other than those at fair value through 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 surplus for the period.

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 surplus for the period to the extent the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Financial Liabilities

- Trade and Other Payables

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

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

- Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010**

Redemption value being recognised in the surplus for the period 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 24 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 surplus for the period immediately unless the derivative is designated and effective as a hedging instrument, in which the timing of the recognition in the surplus for the period depends on the nature of the hedge relationship.

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

Fair Value Estimation

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market 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 surplus for the period.

Inventories

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

Property, Plant and Equipment

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

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010**

(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 Darroch Limited (Registered Valuers) at market value or depreciated replacement cost as at 30 June 2010. Subsequent additions are valued at cost. Land and buildings are revalued every 3 years.
- Infrastructural assets (except for land under roads) have all been valued at depreciated replacement cost by Opus International Consultants Limited as at 30 June 2010. 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 (via other comprehensive income) for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus for the period.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus for the period will be recognised first in the surplus for the period up to the amount previously expensed, and then credited to other comprehensive income for that class of asset.

GORE DISTRICT COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (Cont.)
 For the Financial Year Ended 30 June 2010

- Depreciation

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

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

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

	Life (years)
Land Under Roads	N/A
Refuse	100
Operational Assets	
Land	N/A
Buildings	20 – 50
Plant and Equipment	4 – 25
Motor Vehicles	4 – 8
Office Furniture and Equipment	4 – 10
Recreation and Cultural	5 – 20
Library Books	N/A
Infrastructural Assets	
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 surplus for the period in the period the asset is derecognised.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010**

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 surplus for the period immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase, via comprehensive income.

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 2010**

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

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010**

- Asset Revaluation Reserve
- Restricted Reserves
- Council Created Reserves

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. The Council created reserves are reserves established by Council decision. The Council may alter them without reference to third party. Transfers to and from these reserves are at the discretion of the Council.

The Council's objectives, policies and processes for managing capital are described in Note 24.

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 Income and Expenditure. The allocation is calculated on the basis of estimated administration staff hours provided to each activity.

Critical Accounting Estimates and Assumptions

In preparing these 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

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 2010:

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 2010

2. SURPLUS FROM OPERATIONS

	Notes	2010 \$ 000	2009 \$ 000
(a) Revenue			
Revenue consisted of the following items:			
<u>Rates Revenue:</u>			
General rates		3,495	3,276
Targeted rates (i)		7,004	6,800
		<u>10,499</u>	<u>10,076</u>
 (i) Targeted rates attributable to activities			
Community Services		392	397
District Assets		6,612	6,403
Leadership		-	-
		<u>7,004</u>	<u>6,800</u>
 <u>Other Revenue:</u>			
Revenue from renderings of services:			
Licence fees, and other revenue		3,032	3,258
		<u>3,032</u>	<u>3,258</u>
Operating lease rental revenue		117	118
Interest revenue:			
Bank deposits		-	-
Other loans and receivables		87	130
		<u>87</u>	<u>130</u>
Dividend revenue		6	6
Government grants – NZ Transport Agency		1,900	2,060
Petroleum tax		114	124
		<u>5,256</u>	<u>5,696</u>

GORE DISTRICT COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (Cont.)
 For the Financial Year Ended 30 June 2010

2. SURPLUS FROM OPERATIONS cont.

	Notes	2010 \$ 000	2009 \$ 000
(b) Other Gains/(Losses)			
Net gain on disposal of property, plant and equipment		16	(7)
Net change in fair value of derivative financial instruments classified at fair value through profit or loss (interest rate swaps)		(63)	(615)
		<u>(\$47)</u>	<u>(\$622)</u>
(c) Employee Benefits Expense			
Salaries and wages		4,186	4,014
Defined contribution plans		85	80
		<u>\$4,271</u>	<u>\$4,094</u>
(d) Depreciation and Amortisation Expense			
Depreciation of property, plant and equipment	9	3,978	3,767
		<u>3,978</u>	<u>3,767</u>
(e) Finance Costs			
Interest on loans carried at amortised cost		858	720
Provisions: discount unwinding (Note 13)		(6)	5
		<u>852</u>	<u>725</u>
(f) Other Expenses			
Net bad and doubtful debts		14	(2)
Minimum lease payments operating lease rental		71	65
Rates remissions		60	60
Grants		426	286
Roading repairs and maintenance		1,434	1,576
Donations		-	-
Landfill aftercare provision		-	-
Other expenses		4,498	4,522
		<u>\$6,503</u>	<u>\$6,507</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 2010

2. SURPLUS FROM OPERATIONS cont.

	2010	2009
	\$ 000	\$ 000

(g) Summary Cost of Services by Activity

Income

Community Services	2,964	2,780
District Assets	12,204	12,252
Leadership	2,593	2,656
Total activity income	17,761	17,688

Add

Net change in fair value of financial assets carried at fair value through profit or loss (interest rate swaps)	(63)	(615)
Gain on disposal of property, plant and equipment	16	(7)
	(47)	(622)

Less

Internal recoveries	(2,006)	(1,916)
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Total Income

	\$15,708	\$15,150

Expenditure

Community services	2,983	2,803
District assets	12,039	11,680
Leadership	2,588	2,526
Total activity expenditure	17,610	17,009

Less

Internal expenditure	(2,006)	(1,916)
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Total Operating Expenditure

	\$15,604	\$15,093

(h) Financial Instruments

Surplus/(deficit) for the year includes the following income and expenses arising from financial instruments classified as:

Loans and receivables:

Interest revenue	2(a) 87	130
Impairment of loans and receivables	7	-
	\$87	\$130

Financial assets at fair value through profit or loss:

Change in fair value of financial assets classified as held for trading	2(b) (63)	(615)
	\$(63)	\$(615)

Financial liabilities at amortised cost:

Interest expense	2(e) (858)	(720)
	\$(858)	\$(720)

GORE DISTRICT COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (Cont.)
 For the Financial Year Ended 30 June 2010

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:

Name	Position
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
D F Dixey	Councillor
S A Dixon	Councillor
H D Gardyne	Councillor
P A Grant	Councillor
J N Heller	Councillor
B R Highsted	Councillor
G E Sharp	Councillor
S F Parry	Chief Executive
R J Duthie	General Manager Corporate Services
P Withers	General Manager District Assets

	2010 \$ 000	2009 \$ 000
Short-term employee benefits	661	631
	<u>\$661</u>	<u>\$631</u>

4. REMUNERATION OF AUDITORS

Audit fees for financial statement audit	76	84
Audit fees for assurance and related services	-	69
	<u>\$76</u>	<u>\$153</u>

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

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 2010

5. TRADE AND OTHER RECEIVABLES

	2010	2009
	\$ 000	\$ 000
Trade receivables (i)	308	326
Rates receivables	484	540
Allowance for doubtful debts (ii)	(65)	(51)
	<u>727</u>	<u>815</u>
Transfund Subsidy	296	354
Sundry receivables and accruals	98	49
Goods and services tax (GST) receivable	136	164
Community Funding	50	500
	<u>\$1,307</u>	<u>\$1,882</u>

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

The Council does not generally provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts (unless the statutory time period for evoking these powers has expired). 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:

	2010	2009
	\$ 000	\$ 000
Past due 1 to 3 months	211	182
Past due 3 to 6 months	92	100
Past due 6 to 9 months	59	99
Past due 9 to 12 months	40	43
Past due > 12 months	145	220
	<u>\$547</u>	<u>\$644</u>

(ii) Movement in the allowance for doubtful debts:

Balance at beginning of year	51	112
Amounts written off during year	-	(59)
Increase/ (decrease) in allowance recognised in Statement of Financial performance	14	(2)
	<u>\$65</u>	<u>\$51</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 2010

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 the New Zealand Transport Agency, 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)	44	42
Other (at cost)	11	10
	<u>55</u>	<u>52</u>

The carrying amount of inventories pledged as security for liabilities is \$Nil (2009: \$Nil).

7. OTHER FINANCIAL ASSETS/(LIABILITIES)

At fair value through profit or loss:

Held for Trading

Current

Interest Rate Swaps	(121)	(115)
	<u>(121)</u>	<u>(115)</u>

Non Current

Interest Rate Swaps	(304)	(247)
	<u>(425)</u>	<u>(362)</u>

Available-for-Sale at fair value:

Non Current

Equity securities - NZ Local Government

Insurance Company shares	136	134
	<u>136</u>	<u>134</u>

Loans and receivables at Amortised Cost:

Current

Short Term Deposits (i)	1,311	1,401
	<u>1,311</u>	<u>1,401</u>

Non-Current

Loans to Community Groups

Less Provision for Impairment	370	310
	<u>(250)</u>	<u>(250)</u>
	<u>120</u>	<u>60</u>
	<u>\$1,142</u>	<u>\$1,233</u>

GORE DISTRICT COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (Cont.)
 For the Financial Year Ended 30 June 2010

7. OTHER FINANCIAL ASSETS/(LIABILITIES) cont.

Disclosed in the financial statements as:

Assets

Current	1,311	1,401
Non-current	256	194

Liabilities

Current	(121)	(115)
Non-current	(304)	(247)

	_____	_____
	\$1,142	\$1,233
	=====	=====

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 \$503,000 (2009: \$480,000).

8. OTHER CURRENT ASSETS

Prepayments	61	78
	_____	_____
	\$61	\$78
	=====	=====

GORE DISTRICT COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (Cont.)
 For the Financial Year Ended 30 June 2010

9. PROPERTY PLANT AND EQUIPMENT

2010

	Cost /Valuation 1 July 2009	Additions	Disposals	Revaluation	Cost /Valuation 30 June 2010	Accumulated depreciation and impairment charges 1 July 2009	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 2010	Carrying amount 30 June 2010
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Council Operational Assets												
At Cost												
Land	72	-	-	-	72	-	-	-	-	-	-	72
Buildings	200	-	-	-	200	(83)	-	(8)	-	-	(91)	109
Plant and equipment	1,604	403	(57)	-	1,950	(1,143)	-	(104)	47	-	(1,199)	751
Motor vehicles	1,262	80	(164)	-	1,179	(818)	-	(179)	130	-	(867)	312
Office furniture and equipment	1,421	192	-	-	1,613	(1,199)	-	(81)	-	-	(1,280)	333
Recreation and cultural	560	-	-	-	560	(373)	-	(26)	-	-	(399)	161
Library Books	1,370	-	-	-	1,370	(3)	-	-	-	-	(3)	1,367
Work in progress Buildings	-	18	-	-	18	-	-	-	-	-	-	18
Work in Progress Office Equipment	-	2	-	-	2	-	-	-	-	-	-	2
At Valuation												
Land	7,442	5	-	2,802	10,250	-	-	-	-	-	-	10,250
Buildings	13,162	52	(59)	(542)	12,613	(760)	(6)	(435)	12	1,189	-	12,613
Total Operational Assets	27,103	753	(279)	2,260	29,836	(4,379)	(6)	(831)	189	1,189	(3,839)	25,997
Council Infrastructural Assets												
At valuation												
Water Reticulation	11,309	314	-	425	12,048	(805)	-	(415)	-	1,220	-	12,048
Sewerage Reticulation	13,173	310	-	829	14,313	(759)	-	(434)	-	1,193	-	14,313
Stormwater Reticulation	8,030	12	-	924	8,966	(500)	-	(252)	-	752	-	8,966
Roads - Formation	147,537	48	-	16,592	164,177	-	-	-	-	-	-	164,177
Roads - Pavement (Non depreciable)	17,054	-	-	1,947	19,001	-	-	-	-	-	-	19,001
Roads - Pavement (Depreciable)	53,013	1,558	-	881	55,453	(2,217)	-	(4,200)	-	3,417	-	55,453
Roads - Footpaths, Kerbs, Bridges & Culverts	23,544	611	-	231	24,387	(1,372)	-	(717)	-	2,089	-	24,387
Roads - Signs, Roadmarkings and Streetlights	1,400	102	-	(682)	820	(192)	-	(108)	-	300	-	820
Land under Roads	18,752	-	-	-	18,752	-	-	-	-	-	-	18,752
Refuse - at cost	1,021	-	-	-	1,021	(81)	-	(20)	-	-	(101)	920
Work in Progress - at cost	-	-	-	-	-	-	-	-	-	-	-	-
Total Infrastructural Assets	294,833	2,956	-	21,147	318,936	(5,926)	-	(3,146)	-	8,971	(101)	318,835
Total Council Property, Plant and Equipment	321,936	3,708	(279)	23,407	348,772	(10,305)	(6)	(3,978)	189	10,160	(3,940)	344,832

GORE DISTRICT COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (Cont.)
 For the Financial Year Ended 30 June 2010

10. TRADE AND OTHER PAYABLES

	2010 \$ 000	2009 \$ 000
Trade payables (i)	1,149	1,029
Other accrued charges	138	402
Rates in advance	237	210
Deposits and retentions	92	66
Accrued interest	56	40
	<u>1,672</u>	<u>1,747</u>

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

11. EMPLOYEE ENTITLEMENTS

Accrued salary and wages	135	112
Annual leave	297	302
Long service leave	72	66
Retirement gratuities	57	53
	<u>\$561</u>	<u>\$533</u>

12. BORROWINGS

At amortised cost

Secured borrowings (i)	10,693	10,753
Unsecured borrowings	-	-
	<u>10,693</u>	<u>10,753</u>
Disclosed in the financial statements as:		
Current	-	-
Non-current	10,693	10,753
	<u>\$10,693</u>	<u>\$10,753</u>

(i) The Council has borrowings of \$10,412,000 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 2013. The security for the borrowings is a general security over future rates.

The Council has a \$281,000 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(b).

Interest is charged on a floating rate basis. At balance date the current weighted average effective interest rate on the bank borrowings is 4.18% (2009: 3.95%).

GORE DISTRICT COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (Cont.)
 For the Financial Year Ended 30 June 2010

13. PROVISIONS

	2010 \$ 000	2009 \$ 000
Landfill aftercare provision (i)		
Balance at beginning of year	118	113
Unwinding of discount and effect of changes in the discount rate	(6)	5
Balance at end of year	<u>\$112</u>	<u>\$118</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 4% (2009: 4%).

14. RESERVES

	2010 \$ 000	2009 \$ 000
Available-for-sale revaluation reserve (a)	34	32
Asset revaluation reserve (b)	196,919	163,399
Hedging Reserve (c)	-	-
Restricted Reserves (d)	2,670	2,398
Council Created Reserves (e)	715	396
	<u>\$200,338</u>	<u>\$166,225</u>

(a) Available-for-Sale Revaluation Reserve

Balance at beginning of year	32	32
Valuation gain/(loss) recognised	2	-
Balance at end of year	<u>\$34</u>	<u>\$32</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 2010

14. RESERVES cont.

	2010 \$ 000	2009 \$ 000
(b) Asset Revaluation Reserve		
Balance at beginning of year	163,399	163,503
Revaluation increase / (decrease)		
• Adjustment due to asset write off	(40)	-
• 2010 asset revaluation	33,560	(104)
	<u>33,520</u>	<u>(104)</u>
Balance at end of year	<u>\$196,919</u>	<u>\$163,399</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

	Water Reticulation	Sewerage & Stormwater Reticulation	Roads, Bridges & Lighting	Land	Buildings	Total
Balance 30 June 2008	3,710	5,651	146,546	4,942	2,654	163,503
Revaluation increase/ (decrease)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104)</u>	<u>(104)</u>
Balance at 30 June 2009	3,710	5,651	146,546	4,942	2,550	\$163,399
Revaluation increase/ (decrease)	<u>3,697</u>	<u>1,645</u>	<u>24,775</u>	<u>2,802</u>	<u>601</u>	<u>33,520</u>
Balance at 30 June 2010	<u>7,407</u>	<u>7,296</u>	<u>171,321</u>	<u>7,744</u>	<u>3,151</u>	<u>\$196,919</u>

	2010 \$ 000	2009 \$ 000
(c) Hedging Reserve		
Balance at beginning of year	-	76
Transferred to Statement of Financial Performance - Interest Rate Swaps	<u>-</u>	<u>(76)</u>
Balance at end of year	<u>\$-</u>	<u>\$-</u>

GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010

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.

	2010	2009
	\$ 000	\$ 000
(d) Restricted Reserves		
Balance at beginning of year	2,398	2,317
Transfer from/(to) Retained Earnings	272	81
Balance at end of year	<u>\$2,670</u>	<u>\$2,398</u>

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	396	269
Transfer from/(to) Retained Earnings	319	127
Balance at end of year	<u>\$715</u>	<u>\$396</u>

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

15. RETAINED EARNINGS

	2010	2009
	\$ 000	\$ 000
Retained Earnings		
Balance at beginning of year	135,766	135,917
Net surplus/(deficit)	104	57
Transfers from/(to) reserves:		
Restricted and Council Created Reserves	(591)	(208)
Balance at end of year	<u>\$135,279</u>	<u>\$135,766</u>

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010**

16. COMMITMENTS FOR EXPENDITURE

(a) Capital and Other Expenditure Commitments

Capital and other expenditure commitments at 30 June 2010 were \$Nil (30 June 2009: \$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

Council is a contributing member to New Zealand Mutual Liability Riskpool, a mutual fund established to provide liability insurance cover to 78 local authorities in New Zealand. The fund has significant exposure to prospective settlements made under the Weathertight Home phenomenon and has signalled to all participating authorities that calls will be made on the members to shore up the cash funds available to settle these claims. Whilst the actual amounts of these calls are yet to be confirmed the contingent liability is estimated to be approximately \$87,000 in Gore District Councils case. (2009: Nil).

The Council has provided a loan guarantee to Ice Sport Southland at 30 June, 2010 of \$65,000 (2009: \$65,000).

18. LEASES

(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.

	2010	2009
	\$ 000	\$ 000
(b) Non-Cancellable Operating Lease Payments		
Not longer than 1 year	43	49
Longer than 1 year and not longer than 5 years	42	85
Longer than 5 years	-	-
	<u>85</u>	<u>134</u>
	<u>\$85</u>	<u>\$134</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.

GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010

19. RELATED PARTY DISCLOSURES cont.

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

	2010	2009
	\$ 000	\$ 000
Necklen-McDonald (owned by Councillor Nicky Davis)		
- purchase of stationery items	21	(4)

(b) Other Transactions Involving Related Parties

Phoenix Aviation (Councillor Peter Grant is a Director) – Lease of Airport	6	6
Central Saleyard Limited	1	-
Hokonui Runanga Development Holdings Ltd	2	-
Community Trust of Southland	12	1
Auto Funds Ltd	32	-
Southern Flora	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:

	2010	2009
	\$'000	\$'000
Cash and cash equivalents	1,258	266
	<u>\$1,258</u>	<u>\$266</u>

(b) Borrowings – Facilities

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

• 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	10,412	10,466
• Amount unused	2,729	2,675
	<u>\$13,141</u>	<u>\$13,141</u>

Secured bank loan facility with SBS.

GORE DISTRICT COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (Cont.)
 For the Financial Year Ended 30 June 2010

20. NOTES TO THE CASH FLOW STATEMENT cont.

	2010 \$ 000	2009 \$ 000
• Amount used	281	287
	<u>\$281</u>	<u>\$287</u>

(c) Reconciliation of Surplus for the Period to Net Cash Flows From Operating Activities

Surplus for the period	104	57
Add/(less) non-cash items:		
Depreciation	3,978	3,767
Gain on sale of property, plant and equipment	(16)	7
Net change in fair value of derivative financial instruments	63	615
Net change in the landfill provision	(6)	5
Non-current employee entitlements	-	-
Impairment of Financial Assets	-	-
	<u>4,019</u>	<u>4,394</u>
Movement in working capital:		
Trade and other receivables	578	(150)
Inventories	(3)	(4)
Other current assets	17	(48)
Trade and other payables	(75)	(187)
Employee entitlements	28	32
	<u>545</u>	<u>(357)</u>
Net cash inflow from operating activities	<u>\$4,668</u>	<u>\$4,094</u>

21. SEVERANCE PAYMENTS

For the year ended 30 June 2010 Council made no severance payments to employees (2009: \$Nil).

GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010

22. REMUNERATION

During the year to 30 June 2010, 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:

Elected Representatives

	2010	2009
	\$ 0.00	\$ 0.00
Tracy Hicks JP (Mayor)	58,817	57,347
C S Bolger (Deputy Mayor)	19,398	19,013
N J Davis	19,663	19,013
N A Harvey	19,398	19,013
D F Dixey	10,698	10,486
S A Dixon	10,698	10,486
H D Gardyne	11,393	10,486
P A Grant	10,699	10,486
J N Heller	10,950	10,486
B R Highsted	10,698	10,486
A J McLennan	19,621	19,013
G E Sharp	10,934	10,486

Chief Executive

Stephen Parry, the Chief Executive of the Council appointed under Section 42 of the Local Government Act 2002 received a salary of \$195,186 (2009: \$185,963).

For the year ended 30 June 2010, the total annual cost including fringe benefit tax to the Council of the remuneration package being received by the Chief Executive is calculated at \$201,033 (2009: \$191,325).

23. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanation of major variations from Council's estimated figures in the 2009/2010 budget, as reflected in the Long Term Council Community Plan, are as follows:

Statement of Financial Performance

- (a) Actual Other Revenue is lower than Budget by \$293,000, principally due to the level of expenditure subsidised in the Roothing activity being revised downward by New Zealand Transport Authority (NZTA) subsequent to the 2009/10 budgets being set. There have also been some delays in projects this area which attract subsidies from NZTA and the combined effect of these has been \$479,000. These have been offset by additional revenues in the Aquatic Services section (\$72,000) resulting from increased attendances at the Multisport complex. The Drainage section (\$65,000) resulting from increased income from trade waste agreements and the Solid Waste section \$66,000) resulting from increased tonnages received through the transfer station and the partial refund of the waste minimisation levies.
- (b) Actual depreciation is higher than Budget by \$260,000, due to the increased charge from the commissioning of the Actiflo plant and the general impacts of increased depreciated replacement cost of assets revalued in June 2007.
- (c) Actual Finance costs are higher than the Budget by \$164,000, due to the increase bank margins payable resulting from the global financial crises.
- (d) Actual Other Expenses are lower than Budget by \$546,000, due partly reduced Roothing expenditure resulting from the amendments to the NZTA approved programme as alluded to in (a) and partly due to deferral of planned maintenance expenditure of \$235,000 whilst studies were carried out on the provision of office space in the administration building along with a study on the future of the Mataura pool.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010**

23. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET contd.

Statement of Financial Position

The asset revaluation reserve and fixed assets are impacted by \$7,776,000 due to the revaluation being somewhat lower than anticipated. Again replacement price adjustments have been affected by the global financial crises and general contract price movements. Fixed assets are further impacted by projects delayed from 2009 and 2010 of \$1,325,000 and addition depreciation charges over those years of \$436,000.

Cash Flow Statement

- (a) Actual receipts from customers exceeds Budget by \$586,000, principally due to the receipt of funding of \$450,000 received from community funders for construction of the Matura Community Centre which was expected in 2009. In addition admissions fees at the Aquatic facilities exceeded Budget by \$68,000 and Drainage Revenue exceeded Budget by \$65,000.
- (b) Actual payments to suppliers was lower than Budget by \$297,000 due to reductions in the New Transport Authority's approved roading programme.
- (c) Actual interest costs exceeded Budget by \$154,000 due to increased bank margins payable as a result of the global economic crisis.
- (d) Actual purchases of property, plant and equipment was lower than budget by \$265,000 due to delays in project completion.
- (e) Actual proceeds from borrowing was lower than budget by \$174,000 due to delays in completion of deferred maintenance.

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.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010**

24. FINANCIAL INSTRUMENTS contd.

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 2009.

(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.

(c) Categories of Financial Instruments

	2010	2009
	\$ 000	\$ 000
Financial Assets		
Cash and cash equivalents	1,258	266
Trade and other receivables	1,307	1,882
• Loans and receivables	1,431	1,461
• Available-for-sale financial assets	136	134
Financial Liabilities		
Bank overdraft	-	-
Trade and other payables	1,672	1,747
Borrowings	10,693	10,753
Fair value through profit or loss- held for trading	425	362

(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

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010**

24. FINANCIAL INSTRUMENTS contd.

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.

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	
	2010 %	2009 %	2010 \$ 000	2009 \$ 000	2010 \$ 000	2009 \$ 000
Less than 1 year	-	-	-	-	-	-
1 to 2 years	-	7.86	-	1,350	-	(109)
2 to 5 years	6.06	5.93	8,100	6,750	(425)	(253)
			<u>8,100</u>	<u>\$8,100</u>	<u>(\$425)</u>	<u>(\$362)</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 the New Zealand Transport Agency, 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.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010**

24. FINANCIAL INSTRUMENTS contd.

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 its 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.

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. The 'adjustment' column reconciles the undiscounted cash flows to the total carrying amount recognised at 30 June 2010.

2010	Weighted Average	Fixed Maturity Dates			Adjustment	Total
	Effective Interest Rate %	Less than 1 year \$ 000	1-2 Years \$ 000	2-5 Years \$ 000		
Financial assets:						
Cash and cash equivalents	3.00	1,258	-	-	-	1,258
Trade and other receivables	-	1,307	-	-	-	1,307
<u>Other financial assets:</u>						
Equity Securities -NZ Local Government Insurance Company Shares	-	136	-	-	-	136
Short Term Deposits	4.83	1,374	-	-	(63)	1,311
Loans to Community Groups	-	120	-	-	-	120
<hr/>						
Financial liabilities:						
Bank overdraft	-	-	-	-	-	-
Trade and other payables	-	1,672	-	-	-	1,672
Borrowings	4.18	447	447	11,140	(1,341)	10,693
<hr/>						

GORE DISTRICT COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (Cont.)
 For the Financial Year Ended 30 June 2010

24. FINANCIAL INSTRUMENTS cont.

2009	Weighted Average Effective Interest Rate %	Fixed Maturity Dates			Adjustment	Total
		Less than 1 year	1-2 Years	2-5 Years		
		\$ 000	\$ 000	\$ 000		\$ 000
Financial assets:						
Cash and cash equivalents	0.75	268	-	-	(2)	266
Trade and other receivables	-	1,882	-	-	-	1,882
<u>Other financial assets:</u>						
Equity Securities -NZ Local Government Insurance Company Shares	-	134	-	-	-	134
Short Term Deposits	8.16	1,515	-	-	(114)	1,401
Loans to Community Groups	-	60	-	-	-	60
Financial liabilities						
Bank overdraft	-	-	-	-	-	-
Trade and other payables	-	1,747	-	-	-	1,747
Borrowings	3.95	425	425	11,178	(1,275)	10,753

(h) Fair Value of Financial Instruments

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly, (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010

24. FINANCIAL INSTRUMENTS cont.

	2010			
	Level 1 \$ 000	Level 2 \$ 000	Level 3 \$ 000	Total \$ 000
Available for sale financial assets				
Shares	-	-	136	136
	-	-	136	136
Financial liabilities at FVTPL				
Interest rate swaps	-	-	-	-
	-	(425)	-	(425)
	-	(425)	-	(425)
	2009			
	Level 1 \$ 000	Level 2 \$ 000	Level 3 \$ 000	Total \$ 000
Available for sale financial assets				
Shares	-	-	134	134
	-	-	134	134
Financial liabilities at FVTPL				
Interest rate swaps	-	-	-	-
	-	(362)	-	(362)
	-	(362)	-	(362)

There were no transfers between Level 1 and 2 in the period.

Level 3 fair value assessments have been calculated by taking the Council's shareholding as a proportion of the total shares issued in New Zealand Local Government Insurance Company Limited and applying it against the Net Assets of the company at year end.

Reconciliation of Level 3 fair value measurements of financial assets

	2010 \$ 000	2009 \$ 000
Shares		
Balances at the beginning of the year	134	134
Gains/(losses) recognised in other comprehensive income	2	-
Balance at the end of the year	136	134

Of the total gains or losses for the period included in profit or loss \$nil relates to assets and liabilities held at the end of the reporting period. Fair value gains or losses on those assets and liabilities are included in other income and other expenses in the statement of comprehensive income. All gains and losses included in other comprehensive income relate to shares held at the end of the reporting period and are reported as a gain on revaluation of available-for-sale financial assets.

(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:

GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2010

24. FINANCIAL INSTRUMENTS cont.

- 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 \$69,000 (2009: \$60,000). 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 \$14,000 (2009: \$13,000) 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

Community outcomes enable communities to discuss and prioritise their 'desired outcomes' as they relate to 'the present and future social, economic, environmental, and cultural well-being of the community'. In order to facilitate this process, local authorities determine how best to measure progress towards the achievement of outcomes, while local authorities and 'other organisations' utilise the identified outcomes in order to better coordinate and prioritise the delivery of resources and activities so as to achieve the desired outcomes.

Section 91 of the Local Government Act (LGA) 2002 requires local authorities to identify community outcomes not less than once every six years. The identification and realisation of outcomes requires a coordinated whole of community approach which is coordinated by local authorities but also includes central government and the business and volunteer sectors. Section 92 of the Act requires local authorities to monitor and report on the progress being made towards the achievement of the outcomes not less than once every three years.

Additionally, Schedule 10 of the LGA 2002 requires local authorities to incorporate community outcomes into Long-Term Council Community Plans (LTCCPs) and Annual Reports.

The effect of Sections 91 and 92 of the LGA 2002 is to devolve responsibility for community outcomes to the regional, District or local level best suited to their delivery. Furthermore, all sectors of a community with a responsibility for the achievement of outcomes can be seen to be accountable to that same community. Once the community has identified its preferred outcomes, stakeholder agencies and service providers have, in effect, received a clear mandate to promote these outcomes by incorporating them into existing programmes, altering existing programmes to take due cognisance of the outcomes, or to create new programmes as required.

OUR WAY SOUTHLAND

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

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.*

These measures of the community's collective well-being are known as "community outcomes". Southland's community outcomes have, since 2003, been identified and monitored on a collaborative regional basis by the Our Way Southland project. This project is supported by all of the four Southland local authorities – the Invercargill City Council, the Gore and Southland District Councils, and Environment Southland – and reports to the joint-council body, the Shared Services Forum.

The outcomes have been incorporated into this Annual Report as guiding principles. Local Government has a legal responsibility under the Local Government Act 2002 to take community outcomes into account when setting our programmes and activities, so we can do our part in helping realise our community's aspirations. Government departments, private businesses, volunteer groups and other agencies also have a role to play, but the responsibility to facilitate the process sits with Southland's councils. Southland councils have a history of collaboration with other councils, Maori, organisations and the private sector. By working together we have been able to develop the first Monitoring Report of the Community Outcomes for Southland. Forums of key stakeholders are planned to formally review the results, prioritise areas for action along with identifying responsible parties.

Sections 91 and 92 of the Act require councils to coordinate a whole of community approach, involving local and central government and the business and volunteer sectors, in order to identify and realise community outcomes. Section 91 of the Act says that we must consult the community and define its

desired outcomes not less than once every six years. Section 92 requires that councils monitor and, at least once every three years, report on what progress has been made towards achieving the community's outcomes. Each council must weave the community's desired outcomes into its strategic and annual plans, in accordance with Parts 1 and 3 of Schedule 10 of the Act, so that we are consciously working towards the same ends.

A Community Outcomes Regional Coordinator was appointed in March 2008 to monitor and report on the progress which has been made towards achieving Southland's community outcomes for the period August 2005 to August 2008. The monitoring report establishes baselines from which further measurements of community progress towards collective well-being can be gauged. This report has now been adopted by the four constituent councils of the Our Way Southland project.

How do we Measure Progress?

Depending on your perspective and circumstances, all or some of the seven community outcomes may already have been substantially realised, or we may have a long way to go. Each outcome itself has intermediate outcomes, which were also identified by the Southland community, and a series of indicators that help us measure progress. Steps towards achieving the intermediate and long-term outcomes are being monitored as part of the Our Way Southland project. Further community consultation will be undertaken in order to confirm or revise the outcomes, which will be redefined by August 2011.

Monitoring and Reporting Southland's Community Outcomes 2005 - 2008

The first monitoring report covers the period August 2005 to August 2008 and establishes baselines from which further measurements of community progress towards well-being can be gauged. It has been compiled using data from many official sources, including central and local government and gives a snapshot of Southland's collective state of well-being.

The information will help councils and the community set future regional policies and funding allocations so that the delivery of resources and activities can be better coordinated and prioritised to best achieve the desired outcomes.

A key feature of the Southland regional economy between August 2005 and August 2008 has been the significant transfer of agricultural activity from sheep and beef farming into dairying and dairy support, with the regional dairy herd increasing six-fold between 1993 and 2007. Regional sheep numbers fell by over two million over the same period, while the deer herd doubled. The correlation between dairy commodity prices, regional farm sales and dairy conversions is evident, particularly with high dairy commodity prices realised since mid-2007.

Other Reporting

Our Way Southland has commissioned a regional Quality of Life survey of 1,520 people to better gauge Southlanders' perceptions of local and national social, economic and environmental conditions. The survey used a questionnaire based on that used for the www.bigcities.govt.nz project, modified in order to better capture trends at a regional and local level, incorporate both rural and urban perspectives, and provide baseline qualitative data for ongoing outcomes monitoring.

The results of the telephone survey, which was conducted in May 2010, indicated that 91% of Southlanders consider that they have a 'good' or 'extremely good' quality of life compared with the 90% of New Zealanders surveyed for the New Zealand *12 Cities Quality of Life* report, a 'key result [which] reflected a trend across many indices measured.'

Details of results to date are contained in the following progress report table:



Southland's Community Outcomes were identified in 2005:

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.

Since August 2009, and the release of the first Community Outcomes Monitoring Report, Our Way Southland has worked to identify key regional issues which would help achieve one or more community outcomes by a collaborative 'whole of community' approach.

Our Way Southland is facilitating two cross-sector focus groups to develop action plans and initiate collaborative projects based on the two leading key issues identified at the September 2009 Southland Leaders' Forum:

- Engage Parents – parenting strategy
- Develop a leadership academy

The Parenting Focus Group is developing the concept of a regional parenting strategy and associated regional charter for children, together with a regional charter consisting of a simple and clear statement of the rights of Southland children.

The Leadership Focus Group is examining how a leadership academy might operate within Southland. The group recognises that future leaders would be best sourced from those who choose to live and work in the region, that potential leaders need to be identified and 'shoulder-tapped', and that training and mentoring should be of a practical nature

Another key issue identified at the September 2009 Leaders' Forum was:

- Youth
 - Early intervention/prevention
 - Get them involved in activities such as sport
 - Mentors

The Our Way Southland Youth Forum, held in Invercargill on 17 June 2010, brought together 170 young Southlanders aged between 12 and 24 from secondary schools, training providers and Councils from around the region. The purposes of this Forum were to identify, clarify and report to Southland's Councils - and the wider community - the issues of importance for Southland's youth, and to assist with the development of leadership. This Youth Forum was an initiative of the Invercargill, Gore and Southland Youth Councils, with \$20,000 of funding from the Ministry of Youth Development and support from the Invercargill City Council, the Southland District Council, the Gore District Council, and Our Way Southland.

A final vote by the attendees (three votes each) on the issues identified by the breakout groups produced the following short-list of key regional issues for Southland youth:

- We don't have a lot to do at Night (weekends etc)
- Foster a Love of Learning and a want for knowledge will follow
- Police – positive relationships with Youth
- Peer Pressure

The regional youth focus group, convened by Our Way Southland with the assistance of Southland Youth Workers, will identify how best to address the key issues identified at the forum.

The 2009 Leaders' Forum also identified managed development as a key issue for Southland:

- Ensure growth is managed so things we like are not lost

Our Way Southland therefore commissioned a regional Quality of Life survey of 1,520 people to better gauge Southlanders' perceptions of local and national social, economic and environmental conditions. The survey used a questionnaire based on that used for the www.bigcities.govt.nz project, modified in order to better capture trends at a regional and local level, incorporate both rural and urban perspectives, and provide baseline qualitative data for ongoing outcomes monitoring.

The results of the telephone survey, which was conducted in May 2010, indicated that 91% of Southlanders consider that they have a 'good' or 'extremely good' quality of life compared with the 90% of New Zealanders surveyed for the New Zealand *12 Cities Quality of Life* report, a 'key result [which] reflected a trend across many indices measured.'



Executive Summary

The New Zealand *12 Cities Quality of Life* report identified that 90% of New Zealanders believe they have a 'good' or 'extremely good' quality of life. Detail from the Southland Quality of Life report demonstrates more Southlanders (91%) believe they have this level of quality of life than the national average. This key result reflected a trend across many indices measured:

Southland residents are proud of, and connected to their communities

- Nearly three quarters of respondents agreed that they feel a sense of pride in the way their location looks and feels;
- Over three-quarters of respondents noted that community was important to them. A similar number identified strong family connections, with over half identifying strong connections to school or work colleagues;
- Similarly, over 80% of residents rarely or never feel lonely; and over 95% have access to personal support.
- Residents generally acknowledge they feel safe in most circumstances. Perceptions of safety are higher than those identified nationally;
- Nine out of ten Southlanders identified that they were happy or very happy;
- 60% identified their sense of happiness and wellbeing was influenced by the Southland environment.

Southlanders generally feel safe, and are trusting

- When considering safety in various circumstances, over 80% of Southland residents feel very safe in their homes, the neighbourhood, and their city or town. Over half of Southlanders feel safe in their neighbourhood or town/ city after dark;
- Similarly, four out of five Southlanders felt that it was safe for children under 14 to play without supervision;
- Southlanders rating of trust of other people was higher than the national average, with three quarters responding that people could be trusted 'almost always' or 'usually';
- The major public issues that concern Southlanders are similar to those affecting the New Zealand population as a whole, with dangerous and/ or drink driving, rubbish and litter, pollution, vandalism and car theft being the leading issues identified.

Southlanders have a favourable work/ life balance

- Nearly half the Southland population is employed full time, while a further 20% are employed on a part-time basis;
- Nine out of ten Southlanders have at least enough financial resource to meet their regular requirements for food, accommodation, and other necessities;
- Half the respondents 'never' or 'rarely' experienced stress that had a negative effect in the last twelve months;
- Over 80% of residents of Southland are satisfied with their leisure time;
- Of working residents, 80% are satisfied with the balance between their work life and other aspects of their life
- Half the respondents were active six or seven days per week;

Southlanders are satisfied with the condition of their environment

- Three quarters of Southlanders are happy with the state of their environment;

- There is awareness of environmental issues, with the leading issue being dairying and the resulting concerns regarding effluent and water quality.

Southlanders are satisfied with their leadership

- Two thirds of Southlanders are satisfied or very satisfied with their leadership;
- A similar proportion have confidence that the decisions made by Southland's leaders are in the best interest of the community;
- Over 90% of respondents believe that the community has an influence on decisions made by Southland's leaders, with two thirds believing they have 'a large' or 'some' influence;
- Nearly seven out of every ten Southlanders believe they are adequately informed with regard to key regional issues.

Southlanders are generally healthy

- 86% of Southlanders rated their health as 'excellent', 'very good' or 'good';
- Despite the high rating of health, nearly 40% of respondents noted that they experienced a long-term health condition or disability. Of these, nearly half noted that the disability had a daily impact on their lives;
- Access to medical care was high, with 94% of respondents able to see a GP or doctor when they required attention.

Southlanders feel there is some level of cultural diversity within the region

- Over half of Southlanders believe that the city, town or area in which they live is culturally rich and diverse;
- Nearly half of Southlanders believe that the presence of people with different lifestyles and cultures makes minimal difference to the local area. Over 40% believed that the presence of migrants provided a positive influence, providing broader perspectives, the opportunity to learn from other cultures, and reducing racism.

Further information on Our Way Southland, including copies of the Community Outcomes Report (2005), Southland's Community Outcomes Monitoring Report for the period 2005 – 2008 (2009) and the Southland Quality of Life Research Report (2010) can be accessed on the Our Way Southland website: www.ourwaysouthland.org.nz

Printed copies of the reports are available from: Our Way Southland, Private Bag 90116, Invercargill 9840.

Outcome	Intermediate outcomes	Indicators	Progress
<p>Outcome 1 "Southland is a great place to live"</p>	<ul style="list-style-type: none"> • We value our history and heritage • We have a choice of quality places to go and things to do • We embrace and respect a diverse community • We are proud to be Southlanders • We live in a creative place 	<p>Indicator 1:</p> <ul style="list-style-type: none"> • New Zealand Historic Places Trust registrations of Category 1 and 11 buildings and Historic Areas in the Southland Region by Territorial Local Authority • Southland Coastal Heritage Inventory Project results 2008 <p>Indicator 2:</p> <ul style="list-style-type: none"> • Heritage sites within the Southland Region have been progressively made available to the local community and visitors alike with the development of heritage trails • Museum developments within the Southland Region ensure that local and regional history is preserved and presented for the education and enjoyment of local residents and visitors alike. Museum developments within the August 2005 – August 2008 reporting period • Southland 150th celebrations 2006 <p>Indicator 3:</p> <ul style="list-style-type: none"> • Community Funding within the Southland Region <p>Indicator 4:</p> <ul style="list-style-type: none"> • Quality of Life Survey 2008 	<p>The region's history and heritage continues to be recognised, preserved and made available for the enjoyment of the local community and visitors alike. Heritage trails cover a significant portion of the region. The activities of community funding agencies ensure that approximately \$20m per annum is made available for community based activities. However, Southland residents identified the region's nightlife and arts and culture as two of the five least favourable ratings for 2008.</p>

Outcome	Intermediate outcomes	Indicators	Progress
<p>Outcome 2 "A diverse economy built from our strengths for growth and prosperity"</p>	<ul style="list-style-type: none"> • We have a quality infrastructure with potential for growth • We have an innovative and vibrant culture that supports business • We have a business friendly environment in which to operate • We have an economy built on our competitive advantage • We have full employment and rewarding careers • We retain and build on our skills base • We keep the things about living here that we value 	<p>Indicator 1:</p> <ul style="list-style-type: none"> • Regional GST (\$M) <p>Indicator 2:</p> <ul style="list-style-type: none"> • Economic Activity <p>Indicator 3:</p> <ul style="list-style-type: none"> • Employee Count <p>Indicator 4:</p> <ul style="list-style-type: none"> • Unemployment Rate <p>Indicator 5:</p> <ul style="list-style-type: none"> • Income <ul style="list-style-type: none"> a. Average Hourly Earnings b. Average Weekly Income 	<p>Southland's economic activity ran counter to the general regional trend of slower economic growth. The region has a low unemployment rate compared to the national average for the year ending March 2008, although the average hourly earnings of both male and female workers throughout the region and the average weekly income are consistently below the New Zealand average.</p>
<p>Outcome 3 "Safe places in a caring society that is free from crime"</p>	<ul style="list-style-type: none"> • We have safe roads • We have safe homes • We have public places safe for children and families • We apprehend and hold law breakers appropriately accountable • We support the victims of crime 	<p>Indicator 1:</p> <ul style="list-style-type: none"> • Road Crash Statistics for the Southland Region 2005 – 2007 <ul style="list-style-type: none"> a. Road trauma and casualties by environment per Territorial Local Authority b. Crash trends per Territorial Local Authority <p>Indicator 2:</p> <ul style="list-style-type: none"> • Recorded and Resolved Crime Southland Police Area 2005 – 2007 <p>Indicator 3:</p>	<p>New Zealand Transport Agency has estimated that the social cost of road crashes within the Southland Region in 2007 totalled \$129.2M. General crash trends show that in the Invercargill City Council and Gore District Council areas, significant numbers of crashes occur on wet roads or at intersections, while wet roads or night time crashes account for a significant number of crashes in the Southland District Council area. Recorded violent offending statistics have been skewed by Southland Police targeting particular categories of offending and</p>

Outcome	Intermediate outcomes	Indicators	Progress
<p>Outcome 4 "We are healthy people"</p>	<ul style="list-style-type: none"> • We are able to live healthy lifestyles • We have good quality affordable housing • We live in a compassionate caring community • We have equity of access to health services 	<ul style="list-style-type: none"> • Percentage of residents who feel safe in their homes, neighbourhoods and communities <p>Indicator 1:</p> <ul style="list-style-type: none"> • Life Expectancy at birth <p>Indicator 2:</p> <ul style="list-style-type: none"> • Regular physical activity for adults by District Health Board Area 2006/07 <p>Indicator 3:</p> <ul style="list-style-type: none"> • Housing – quality/age/affordability of housing stock <p>Indicator 4:</p> <ul style="list-style-type: none"> • Access to Primary Health Providers <ul style="list-style-type: none"> a. Children and adults who saw a general practitioner in the previous 12 months, by District Health Board area (2006/07 health survey) b. Unmet need for GP services by District Health Board area <p>Indicator 5:</p> <ul style="list-style-type: none"> • Publicly-Funded Hospital Discharges by Diagnosis 2004-2006 by Territorial Local Authority <p>Indicator 6:</p> <ul style="list-style-type: none"> • General Health Summary by District Health Board area 2006/07 <p>Indicator 1:</p>	<p>Recorded crime in the categories of drugs and antisocial behaviour, dishonestly, property damage, property abuse and administrative did not vary significantly for the 2005- 2007 period.</p> <p>The available information suggests that the life expectancy of Southland males and females is lower than national and OECD figures. The results of the 2006/07 Health Survey conducted by the Ministry of Health indicates that Southlanders are more likely to undertake 30 minutes of physical activity a day. Housing in the region has become steadily less affordable since May 2005, although Southland's housing is still the most affordable housing in New Zealand. The quality of the regional housing stock does not compare favourably with the rest of the country, with an estimated 86% of houses having been built before 1980 and therefore lacking insulation. Southlander children and adults appear less likely to see a general practitioner than the national trend, although the proportion of children and adults who had an unmet need to visit a general practitioner was significantly lower than the national average.</p>
<p>Outcome 5</p>	<ul style="list-style-type: none"> • Citizens and communities are 	<p>Indicator 1:</p>	<p>Voter participation in local authority and</p>

Outcome	Intermediate outcomes	Indicators	Progress
<p>"Strong, effective leadership taking us into the future"</p>	<ul style="list-style-type: none"> inspired, motivated and empowered Decisions are progressive, forward looking and robust. The community has confidence in its leaders 	<ul style="list-style-type: none"> Participation in 2004 local authority elections compared with national trends a. Voter turnout by Southland local authority 2004 b. Voter turnout for mayoral/council chairmen elections 2004 <p>Indicator 2:</p> <ul style="list-style-type: none"> Voter turnout in the Invercargill and Clutha-Southland electorates in the 2005 general election compared with national trends a. Party Votes and Turnout by Electorate 2005 General Election b. Electorate Candidate Votes and Turnout by Electorate 2005 General Election 	<p>general elections compared favourably with national trends, with voter turnout in the 2004 local authority elections exceeding the national turnout, and voter turnout in the 2005 general election only slightly lower than the national turnout.</p>
<p>Outcome 6 "A treasured environment which we care for and which supports us now and into the future"</p>	<ul style="list-style-type: none"> We have an informed community caring for the environment We have a healthy, safe and accessible built environment We have an environment protected from the negative effects of human activities. 	<p>Indicator 1:</p> <ul style="list-style-type: none"> Environmental Education – Enviro-schools <p>Indicator 2:</p> <ul style="list-style-type: none"> Air quality. Summary of PM10 measured in Invercargill and Gore from 2003 to 2007 <p>Indicator 3:</p> <ul style="list-style-type: none"> Drinking water <p>Indicator 4:</p> <ul style="list-style-type: none"> Southland's Marine Reserves <p>Indicator 5:</p> <ul style="list-style-type: none"> Recycling depots – Southland 	<p>The Enviro-schools initiative is well supported by the region's local authorities and other agencies such as the Department of Conservation and the Southland Museum and Art Gallery. Thirteen schools in Southland are currently part of the Enviro-schools programme, and a further four schools expected to join in 2009. The monitoring of air quality in Invercargill and Gore indicates that emissions from home fires exceed the maximum guidelines between mid-May and mid-August. Southland's marine reserves in the Fiordland and Rakiura National Parks preserve a remarkable range of diverse habitats and species. Southland faces the challenge of how best to recycle an annual amount of waste equivalent to an average</p>

Outcome	Intermediate outcomes	Indicators	Progress
<p>Outcome 7 "A well-educated and skilled community continually seeking further opportunities to learn"</p>	<ul style="list-style-type: none"> • We have accessible learning opportunities • We have high quality learning opportunities available to meet community needs and demands • We deliver innovative, integrated and effective learning programmes • We have a culture of continuous learning. 	<p>Indicator 1:</p> <ul style="list-style-type: none"> • Education participation rates in the Southland Region 2006 a. Number of enrolments in early childhood education services by type of service at 1 July 2006 b. Number of students enrolled in Southland by Governing Authority and School Type at 1 July 2006 <p>Indicator 2:</p> <ul style="list-style-type: none"> • Students leaving Southland secondary schools during 2005 by level of highest attainment a. Students leaving Southland secondary schools during 2005 by level of highest attainment b. Students leaving Southland secondary schools during 2006 by level of highest attainment <p>Indicator 3:</p> <ul style="list-style-type: none"> • Highest qualification for people aged 15 years and over, Southland Region and New Zealand, 2006 <p>Indicator 4:</p> <ul style="list-style-type: none"> • Number of people participating in continuing education 	<p>rugby field, filled six storeys high with rubbish.</p> <p>The current shortage of early childhood services in the Southland Region shows no signs of easing. The number of students who leave secondary school with little or no formal attainment has dropped from 10% in 2004 to 8.2% in 2006, although 35.6 percent of people aged 15 years and over in Southland have no formal qualifications, compared with 25.0 percent for New Zealand. The Zero Fees scheme offered by the Southern Institute of Technology has enhanced educational opportunities for all students, including non-traditional users of tertiary education.</p>

Conclusion

Overall, good progress has been made towards achieving the seven Community Outcomes identified in August 2005. Improvements can nevertheless be made within the areas of Outcome Two (average hourly earnings and average weekly earnings), Outcome Three (road safety and resolution rates for recorded crimes), Outcome Four (quality of Southland's housing stock), Outcome Six (air and water quality) and Outcome Seven (provision of early childhood services and NCEA attainment levels).

Local authorities will continue to consult the community and the public debate on the future well-being of the region will be reinvigorated. Community-based monitoring will be established, as appropriate, to provide more localised and timely data against which to monitor the achievement of community outcomes.

Further monitoring and reporting

A further report will be prepared during the second monitoring and reporting period for the project, which ends in August 2011. The community outcomes themselves will be re-identified no later than August 2011 as well.

A longer-term goal of the Our Way Southland monitoring and reporting programme is to produce a series of linked indicators, whereby a collective description of local conditions will provide a regional perspective. Similarly, regional indicators with local variations will enable us to make comparisons with other regions and with national trends. The combination of indicators may also permit a more sophisticated understanding of regional and local issues. For instance, mapping areas of socio-economic deprivation, and then comparing or overlaying this indicator with other indicators such as the quality of housing stock, methods of home heating, reported medical conditions, levels of educational achievement, recorded crime and so on can build up a detailed picture of a community in need, and help indicate where assistance might best be directed.

Realising Community Outcomes

The monitoring report will form the basis of further discussion with key stakeholders and councils about how best to collaborate in achieving the community outcomes. These stakeholders include Maori, community groups, business groups, government departments and many other organisations. All of these have a key role to play in the development and delivery of initiatives to work towards outcomes.

GORE DISTRICT COUNCIL'S CONTRIBUTION TO COMMUNITY OUTCOMES

As mentioned in the previous section, the responsibility for delivering the services required to achieve the community outcomes does not rest with the Council alone. A number of other government agencies and non-government organisations, private enterprises and business concerns, iwi groups, informal community groups and individuals influence the achievement of the community outcomes, and by extension, the social, economic, cultural and environmental well-being of communities in Gore District.

Nevertheless, the Council's activities directly and indirectly contribute to all seven of the community outcomes identified in the Our Way Southland process. The Council's governance functions and services provide an enabling environment which allows residents, businesses and visitors to the District to go about their everyday lives with relative ease and safety, earn their livelihoods, run their businesses, enjoy leisure and recreational activities, as well as participate in community and other social activities essential to their quality of life and fulfilling their expectations of living in a democratic and inclusive society.

The next section/chapter on the 'Council's Activities' provides a summary of each of the different activities undertaken by the Council and the ways in which these activities contribute to achieving the seven community outcomes. The council's activities have been categorised under three different headings or activity groups: Community Services, District Assets and Leadership.

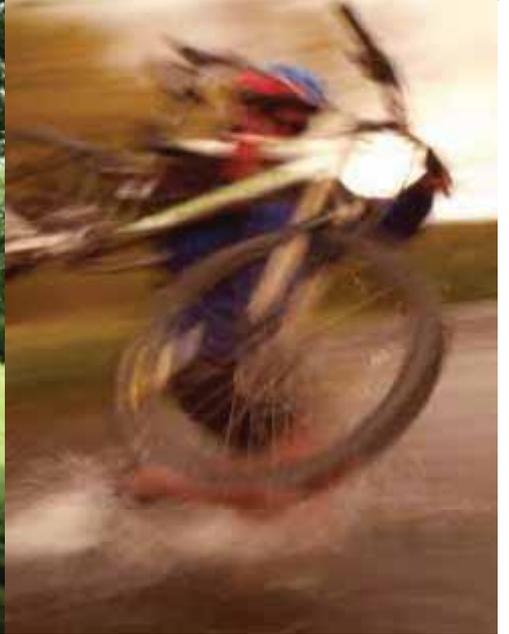
In addition to the services and legislative or regulatory functions performed by the Council, which are detailed in the subsequent sections/chapters of this plan, the Council also promotes the achievement of community outcomes by:

- providing leadership, representing, and being an advocate for community interests;
- providing information necessary for sustainable development and other activities within the District;
- acting as a facilitator, mediator, organiser and/or motivator of community-based initiatives and/or collaboration at the grass roots level;
- engaging in partnerships with key agencies, and community groups; and
- monitoring and reporting on progress towards achievement of community outcomes.

Each of the activity summaries included in the next section/chapter provides details on the following:

- an introduction: which explains the type/nature of the service provided;
- a rationale for the service: why is the service provided?
- its contribution to community outcomes;
- the levels of service and performance measures over the ten-year duration of the plan;

COUNCIL'S ACTIVITIES



COMMUNITY SERVICES

ARTS, HERITAGE AND VISITOR SERVICES

DISTRICT LIBRARIES

GRANTS

REGULATORY

COMMUNITY SERVICES - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000	Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
REVENUE			
14	Arts & Heritage	20	10
32	Library	25	31
34	Visitor Services	37	28
-	Grants	141	141
733	Regulatory	812	727
814	TOTAL OPERATING REVENUE	1,036	937
EXPENDITURE			
421	Arts & Heritage	412	421
640	Library	685	658
326	Visitor Services	360	355
300	Grants	471	443
1,116	Regulatory	1,072	1,107
2,803	TOTAL OPERATING EXPENDITURE	3,000	2,984
(1,989)	OPERATING SURPLUS/(DEFICIT)	(1,965)	(2,047)
CAPITAL			
-	Arts & Heritage	-	-
-	Library	46	128
-	Visitor Services	5	1
-	Regulatory	-	-
-	TOTAL CAPITAL	51	129
74	DEBT REPAYMENT	116	106
<u>(2,063)</u>	NET COST OF THIS FUNCTION	<u>(2,132)</u>	<u>(2,282)</u>
FUNDED BY:			
1,568	Rates - General	1,629	1,636
398	Rates - Targeted	392	392
101	Depreciation	103	96
(4)	Reserves	(1)	159
-	Loan	9	-
<u>2,063</u>		<u>2,132</u>	<u>2,282</u>

ARTS, HERITAGE AND VISITOR SERVICES

INTRODUCTION

Arts and 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.¹ The department manages the District's Visitor Information 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. 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,² 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 the Gore District, as indicated by the table below. 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 ongoing management of related collections and programmes.

Facility	Components and status
Hokonui Heritage Centre	Hokonui Moonshine Museum - complete Gore Historical Museum - complete Hokonui Heritage Research Centre – complete
Eastern Southland Gallery	Eastern Southland Gallery – complete John Money Wing - complete Muka Studios – pending
Croydon Aviation Heritage Centre	In progress
Mataura Heritage Centre	In progress
Hokonui Pioneer Park	In progress
Former East Gore Presbyterian Church upgrade to Artist in Residence Centre	In progress

The department fills a wider cultural and developmental brief by entering into community partnerships that meet agreed criteria articulated in Council policies relating to events, community and economic development.

Through its 'heritage' brief, the department actively participates in the work of key regional heritage organisations, including: the NZ Historic Places Trust (Southland Branch) and Southland Regional Heritage Committee.

By virtue of its 'arts' brief, the department is an active participant in the work of key regional arts organisations, including: Creative Communities Scheme (Gore District) and Creative Southland.

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.

¹ This department provides a range of management services and advice to various community-based arts, culture and heritage organisations in the District, with a view to facilitating the development of high quality, self-sustaining (non-profit), community-owned arts and heritage facilities. The key ² The Arts and Heritage Centre and staff have been awarded local government awards over three consecutive years, including the 2004 Creative Places Premier Award and the 2005 Outstanding Individual Contribution Award (to Curator, Jim Geddes).

In addition, the department networks with local business and community development entities, such as Focus Forum (Eastern Southland Chamber of Commerce) and Venture Southland, in the interest of promoting and facilitating cultural tourism opportunities in the Gore District.

With regard to public education, the department actively encourages the interest of education providers, groups and organisations 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)

WHY IS THE SERVICE PROVIDED?

The current arts and heritage infrastructure in the Gore District is the result of considerable investment on the part of individuals, groups, businesses, public sector funding agencies and major philanthropists. The desire for a significant local cultural infrastructure is clearly articulated by the seven public stakeholder organisations (listed above) and their substantial combined membership.

The current combined arts and heritage asset value of \$10 million is the product of gifts and donations from the people of Gore and key supporters of the District. In the interests of preserving, promoting and interpreting these holdings, a partnership has been developed between the Gore District Council and local culture and heritage organisations to provide a professional service for the management, care and development of facilities and collections.

Collectively these assets and services combine to provide the District's residents an avenue for preserving, appreciating and demonstrating their cultural heritage. This cannot be easily replicated by private or commercial providers.

Further, the investment in arts and heritage has given the Gore District a distinct point of difference and advantage in attracting visitors and instilling local pride.

The provision of tourism support services via the Visitor Information Centre assists in developing the arts and heritage profile of the District and encourages visitor, residential and commercial growth.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution from the Council's arts and heritage department	Level of Service
<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.	<ul style="list-style-type: none"> To maintain an arts and heritage programme. To provide a Heritage Centre that meets the needs of the community.
<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.	<ul style="list-style-type: none"> Educate and foster an appreciation for arts, culture and heritage resources located in the District. To provide a professional information service that meets the needs of locals and visitors.
<i>Economy and Employment</i> 'A diverse economy built from our strengths for growth and prosperity'	The Council's Visitor Information Centre promotes Gore District as an amazing place to visit and do business, thereby benefiting local enterprises and the economy.	



LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
To maintain an arts and heritage programme.	Offering an interesting array of arts and heritage programmes contributes to an enhanced lifestyle and culture and the primary community outcome of Southland being a great place to live.	A minimum number of projects and performances are completed each year.	Arts and Heritage Department calendar of events.	10 exhibitions 10 performances	8 exhibitions 11 performances Due to the size and cost of exhibitions, the target for the year was not attained.
To provide a Heritage Centre that meets the needs of the community.	Knowledge of the District's history and heritage enables people to feel proud and positive about their community, which supports the primary community outcome of Southland being a great place to live.	Percentage of users are satisfied with the service as measured by comments in the visitor book.	Comments of users in visitor book.	80%	94%
Educate and foster an appreciation for arts, culture and heritage resources located in the District.	Educating children and the public about arts and culture contributes to the primary community outcome of a well educated and skilled community continually seeking further opportunities to learn.	Knowledge about arts, culture and heritage is shared with schools and interest groups. The public appreciates the services and assets of arts and heritage.	Arts and Heritage Department calendar of visits by school and interest groups. Biennial customer satisfaction survey.	50 visits 90% satisfaction rate	56 visits 98% satisfaction rate
To provide a professional information service	Satisfied visitors will help promote Gore by giving positive	Visitors are satisfied with the service received and the	Survey of customers.	95% satisfaction	99% satisfaction

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
that meets the needs of locals and visitors.	feedback to others which in turn helps increase visitors and contributes to a stronger economy.	selection of tourism products on display. The Gore Visitors Centre continues to be a member of the i-SITE Visitors Centre Network.	Annual VIN inspection and audit.	Full membership retained.	Full membership retained.

ARTS & HERITAGE - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
	REVENUE			
14	Other Income		20	10
14	TOTAL OPERATING REVENUE		20	10
	EXPENDITURE			
233	Staff Expenses		244	259
26	Depreciation		26	26
127	Other Expenses	F	110	93
35	Interest: Public Debt		32	43
421	TOTAL OPERATING EXPENDITURE		412	421
(406)	OPERATING SURPLUS/(DEFICIT)		(393)	(411)
8	TRANSFER TO RESERVES		-	6
<u>(414)</u>	TOTAL FUNDING REQUIRED		<u>(393)</u>	<u>(417)</u>
	FUNDED BY			
388	General Rates		367	367
26	Depreciation		26	26
-	Transfer from Reserves		-	24
<u>414</u>			<u>393</u>	<u>417</u>

VISITOR SERVICES - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000	Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
REVENUE			
19	Agency fees Collected	22	11
15	Other Income	15	17
34	TOTAL OPERATING REVENUE	37	28
EXPENDITURE			
138	Staff Expenses	144	151
3	Depreciation	3	1
186	Administration Expenses	213	203
326	TOTAL OPERATING EXPENDITURE	359	355
(292)	OPERATING SURPLUS/(DEFICIT)	(323)	(327)
-	CAPITAL	5	1
2	TRANSFER TO RESERVES	-	-
<u>(294)</u>	TOTAL FUNDING REQUIRED	<u>(328)</u>	<u>(328)</u>
FUNDED BY			
287	General Rates	312	313
3	Depreciation	3	1
5	Transfer from Reserves	13	14
<u>294</u>		<u>328</u>	<u>328</u>

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.

As of 30 June 2010, the District libraries had a membership of 7,138 and over 64,800 items in its collection.

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, Toddler Time, school holiday programmes 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.

WHY IS THE SERVICE PROVIDED?

By providing access to information, the library service directly contributes to the community's aspiration to provide opportunities for creativity, leisure, diversity, and being involved. The library collections and facilities are a collective resource that is greater than any individual ratepayer could accommodate.

The libraries serve the community's cultural, economic, and social needs by:

- supporting recreational reading;
- providing a repository for local history;
- enriching the Gore District's cultural heritage through the acquisition and preservation of items in the library's collections;
- providing opportunities for the development of literacy and information skills; and
- maintaining relationships with the community

ISSUES AND PROJECTS

Over the last two years developments at the Gore Library have been planned to improve the heating system and replace the carpets, which were in excess of 25 years old. It is very pleasing to report that these major projects were completed in the year in review and the carpet replacement has received many favourable comments.

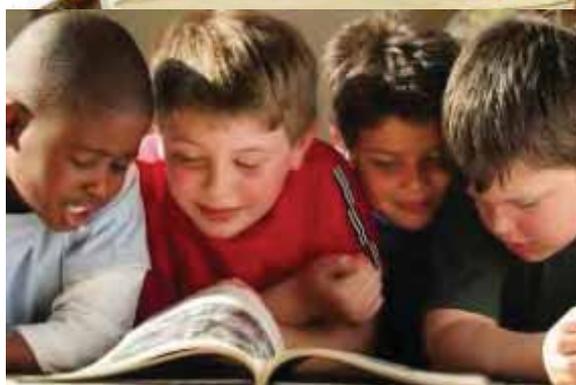
In addition, the Council has entered into the Aotea Peoples Network free internet access initiative. This has been extremely well patronised during the year.

As signalled in the LTCCP, staff have over several months carried out an efficiency review of how services are provided at the District's two library facilities. This has involved completion of an in depth survey of service provision by similarly sized libraries throughout New Zealand.

A report on the findings of the review is expected to be presented to the Council before Christmas 2010.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution from the District Libraries	Level of Service
<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.	<ul style="list-style-type: none"> • Libraries are clean, welcoming and open at the times suited to the community. • Library staff are friendly and knowledgeable. • A range of programmes are delivered to the community.
<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, including computers, photocopiers and other equipment, provide people with information and educational tools. The District libraries work with schools and other community organisations to provide fun and interactive learning experiences for children.	<ul style="list-style-type: none"> • The range of books and materials within the library collections meet most customer demands.
<i>Law and Order</i> 'We have public places safe for children and families'	The District libraries provide a safe learning, recreational and meeting environment.	



LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
Libraries are clean, welcoming and open at the times suited to the community.	Health, cohesive communities have accessible learning opportunities and access to a wide range of up-to-date library materials.	Membership numbers and number of visitors.	Liberty library management computer database. Door counter. In house survey (alternate years).	60% of District residents are members of a library. Greater than 73,000 visitors 95%	59% of District residents are members of a library. 75,238 visitors This will be measured in 2010/11
Library staff are friendly and knowledgeable.	Friendly and helpful staff enable the public to have high quality learning opportunities aspired to in an intermediate education and training outcome, together with giving the community a choice in terms of lifestyle and culture of a quality service.	Percentage of customers satisfied with customer service from the staff.	Gore District Council biennial resident's survey. In house survey (alternative years).	Greater than 95% Greater than 95%	98% of respondents to the biennial survey were either very satisfied, satisfied or neutral about the level of services received from library staff.
A range of programmes are delivered to the community.	A good range of programmes in the library will help towards progression of education and training outcome in respect of the delivery of innovative and effective learning and the pursuit of a lifestyle which offers interesting things to do.	Numbers of programmes/activities delivered per annum.	Library diary.	4 programmes for children. 2 programmes for adults.	5 programmes for children. 3 programmes for adults.
The range of books	Access to a wide range	At least 80% of the	Liberty	More than 80% of the	Due to the way data

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
and materials within the library collections meet most customer demands.	of quality resources provides the community with high quality learning opportunities	collection is no more than 20 years old (by date of acquisition) excluding local history titles. There is a minimum of 3.5 items per capita within the collection. 95% of requests for material are satisfied from the local collection.		collection is no more than 20 years old (by date of acquisition) excluding local history titles. There is a minimum of 3.5 items per capita within the collection. 97% of requests for material are satisfied from the local collection.	was previously migrated to the current computer system, reliable data will not be available until 2011. 5.3 items per capita within the collection. 98.4% of requests for material are satisfied from the local collection.

LIBRARY - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
	REVENUE			
32	Other Revenue		25	31
32	TOTAL OPERATING REVENUE		25	31
	EXPENDITURE			
335	Staff Expenses		341	335
-	Interest: Public Debt		-	-
46	Depreciation		46	54
260	Other Expenses		298	269
640	TOTAL OPERATING EXPENDITURE		685	658
(608)	OPERATING SURPLUS/(DEFICIT)		(660)	(627)
-	CAPITAL	1.	46	128
44	TRANSFER TO RESERVES			-
<u>(652)</u>	TOTAL FUNDING REQUIRED		<u>(706)</u>	<u>(755)</u>
	FUNDED BY			
245	General Rates		302	303
361	Targeted Rates		350	350
46	Depreciation		46	54
-	Transfer from Reserves		-	49
-	Loan Funding		9	-
<u>652</u>			<u>706</u>	<u>755</u>

- Actual Capital Expenditure includes the replacement of the Gore Library heating system and carpet, costing \$111,000. The heating system had been budgeted for completion in the 2008 year and was funded from Reserves.

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.

The Council also provides support to selected community organisations by appointing a representative to sit on the organisation's board.

WHY IS THE SERVICE PROVIDED?

The provision of grants to organisations assists them to provide valuable community services which are not provided by the Council or main stream providers, and/or where there are significant gaps in service delivery from existing providers.

The appointment of Councillors to the Boards of recipient organisations provides the organisations with independent advice, as well as a 'voice' around the Council table.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution from the Council's Grants	Level of Service
<i>Economy and Employment</i> 'A diverse economy built from our strengths for growth and prosperity'	Council grants for the A & P Association and regional enterprise activities undertaken by Venture Southland promote economic growth and potentially attract skilled workers to the District.	<ul style="list-style-type: none"> Provision of funding for programmes and services that aim to improve the social, cultural and economic wellbeing of the community.
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	Council grants to local arts and heritage organisations contributes to the quality of arts and heritage facilities and events hosted in the District and help to make Gore District a great place to live.	
<i>Health and Wellbeing</i> 'We are healthy people'	Council grants to Total Mobility and the Hospital Incentives programme contribute to the health and wellbeing of people in Gore District.	

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
Provision of funding for programmes and services that aim to improve the social, cultural and economic wellbeing of the community.	The Council supports the social, cultural and economic development of the community by providing funding to agencies where it sees that such funding will positively support and make safer and healthier, our communities, families and the vulnerable, together with enhancing the cultural life of residents and creating economic opportunities with the likes of Venture Southland.	Funding is provided to organisations and agencies to help them deliver their programmes and services to the community and the Council receives information in regard to audited annual accounts, annual report performance and a list of objectives for the coming year.	Reporting in compliance with the Council policy on Monitoring of Performance of Community Organisations.	100% compliance with Council policy on Monitoring of Performance of Community Organisations.	Council has obtained financial information from all of its major donees (over \$10,000)

SCHEDULE OF GRANTS FOR THE YEAR ENDED 30 JUNE 2010

	Budget	Actual
Gore A & P Association	\$74,989	\$70,725
Eastern Southland Art Gallery	8,500	8,500
Young Ambassador	4,000	4,000
Emergency Housing	2,500	2,427
Gore Museum	4,500	4,475
Hokonui Heritage Centre Trust	4,500	4,475
John Money Wing	8,500	8,500
Rural Halls	17,000 ¹	4,576
Amenity Hire Refunds	3,500	2,935
Venture Southland	52,452	50,000
Clematis Cottage	1,000	1,000
Croydon Aviation	6,000	6,000
Hokonui Pioneer Park	3,500	3,500
Hospital Incentives	2,000	0
Moonshine Committee	1,000	1,000
Total Mobility	18,625	14,341
Salvation Army	2,000	0
Mataura Heritage Centre	5,000	5,000
Rural Fire Committee	41,965	41,965
Waikaka Cemetery	545	500
Community Pools	2,725	2,000
Heartland Education Trust	2,500	2,500
Enviro Schools	5,000	5,000
Christmas Day	500	500
Healthy Homes Initiative	15,000	15,000
Gore Counselling Centre	1,500	1,500
Red Cross	7,500	2,500
Cycle Tour of Southland	1,000	1,000
Citizens Advice Bureau	1,500	1,500
Eastern Southland Chamber of Commerce	1,500	1,500
Southland Regional Heritage Trust	157,148 ²	157,673

1. The unspent budget of \$12,424 has been carried over to subsequent years.
2. \$141,270 is a grant back to Gore District Council from this grant to fund local heritage organisations.

GRANTS - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		LTCCP 2010 \$000	ACTUAL 2010 \$000
	REVENUE		
-	Other Income	141	141
-	TOTAL OPERATING REVENUE	141	141
	EXPENDITURE		
286	Grants	458	426
14	Interest: Public Debt	13	17
300	TOTAL OPERATING EXPENDITURE	471	443
(300)	OPERATING SURPLUS/(DEFICIT)	(330)	(302)
22	TRANSFER TO RESERVES	-	29
50	DEBT REPAYMENT	50	50
<u>(372)</u>	TOTAL FUNDING REQUIRED	<u>(380)</u>	<u>(381)</u>
	FUNDED BY		
334	General Rates	338	339
<u>38</u>	Targeted Rate	<u>42</u>	<u>42</u>
<u>372</u>		<u>380</u>	<u>381</u>

REGULATORY

INTRODUCTION

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

• Building Act 2004	• Litter Act 1979
• Dangerous Goods Act 1974	• Local Government Act 2002
• Dog Control Act 1996	• Reserves Act 1977
• Food Act 1981	• Resource Management Act 1991
• Health Act 1956	• Sale of Liquor Act 1989
• Council Bylaws	

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.

WHY IS THE SERVICE PROVIDED?

The provision of these activities is required under the legislation listed above and provide for the protection and safety of the people and resources that make up Gore District. They are also fundamental to the achievement of a clean, green environment.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution of the Council's Regulatory Activities to Community Outcomes	Level of Service
<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.	<ul style="list-style-type: none"> • Food services used by the public are healthy and safe. • The sale of liquor is controlled to prevent bad behaviour. • Dogs don't wander freely in the street. • The Council provides a timely resource consent processing service.
<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.	<ul style="list-style-type: none"> • The Council will respond when help is sought for aborting noise.
<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	<ul style="list-style-type: none"> • The Council processes, inspects and certifies building work in the Gore District. • Building consent applications are processed within a reasonable timeframe. • All reported cases of illegal building work are investigated.

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
Food services used by the public are healthy and safe.	Having healthy food helps achieve safe communities.	Percentage of premises failing to comply with food hygiene regulations that are reinspected within a three month period. (All premises to be inspected).	Contractor's (SDC) file notes.	0%	0%
The sale of liquor is controlled to prevent bad behaviour.	The Council will help to achieve safe and healthy communities through preventing bad behaviour as a result of liquor supply.	Percentage of premises that are checked to make sure they are following the rules.	Senior Officer's inspection records.	50%	51.61% 16 of 31` premises were inspected.
Dogs don't wander freely in the street.	Through this service the public feel safe from roaming dogs.	Percentage of dogs impounded. Complaints about roaming dogs are responded to.	Council pound records maintained by the contractor.	Less than 5%	3.19% There were 201 roaming dog complaints registered. All were responded to.
The Council provides a timely resource consent processing service.	Timely resource planning and control directly contributes to the achievement of several community outcomes – most notably those relating to the natural environment, heritage preservation and a business-friendly environment in which to operate.	Percentage of resource consent applications processed in accordance with statutory timeframes (within 20 days of filing).	Staff reports.	100%	78% Target not achieved. This was due to resourcing where the Council is reliant on a part-time, but very experienced Planning Consultant. Workloads in other Council departments also have an impact on providing timely reports on matters raised in consent applications. The employment of a

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
The Council will respond when help is sought for aborting noise.	This promotes a healthy and safe community by limiting behaviour that negatively affects people's wellbeing.	Percentage of calls received by the Council regarding noise control that has been responded to.	Noise control contractor's log.	100%	graduate planner in 2010/11 will boost resources in this important area. 100%
The Council processes, inspects and certifies building work in the Gore District.	The Council remains a Building Consent Authority to ensure buildings are safe.	The Gore District Council maintains its processes so that it meets BCA accreditation every two years.	IANZ Accreditation Certificate.		Yes
Building consent applications are processed within a reasonable timeframe.	The Council certifies all consented building work complies with the building code – ensuring our communities are safe, but also growing the local economy by providing a business-friendly environment.	Building consent applications are processed within the statutory 20 day maximum timeframe.	Staff reports.	100%	96.79% (543) Processed within statutory timeframe. 3.21% - 18 were over statutory timeframe. This was due partly to the departure of a staff member in May 2010, and to the increased workload associated with maintaining building accreditation.
All reported cases of illegal building work are investigated.	This service ensures that illegal projects are stopped to maintain the health and safety of communities.	Percentage of illegal projects have been issued with a notice or works have been stopped.	Staff reports.	100%	There was one instance of illegal work for which a stop work notice was issued pending lodgement of the required consent.

REGULATORY - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
	REVENUE			
352	Inspection & Licensing	1.	431	364
35	Resource Management		55	31
104	Dog Control		93	100
152	Parking Control		136	159
89	Other Income		98	73
733	TOTAL OPERATING REVENUE		812	727
	EXPENDITURE			
462	Staff Expenses		406	417
26	Depreciation		29	15
588	Other Expenses	2.	605	635
40	Interest: Public Debt		32	40
1,116	TOTAL OPERATING EXPENDITURE		1,072	1,107
(383)	OPERATING SURPLUS/(DEFICIT)		(259)	(380)
-	CAPITAL		-	-
19	TRANSFER TO RESERVES		13	5
24	DEBT REPAYMENT		66	56
<u>(426)</u>	TOTAL FUNDING REQUIRED		<u>(339)</u>	<u>(442)</u>
	FUNDED BY			
314	General Rates		311	314
26	Depreciation		29	15
86	Transfer from Reserves	3.	-	113
<u>426</u>			<u>339</u>	<u>442</u>

1. Actual revenue in the Building section was lower than budget by \$86,000 due to consented building activity being lower than anticipated.
2. Actual Other Expenses includes additional Building Accreditation fees of \$17,000, these being charged on a biennial cycle.
3. The overall deficit of the Building section of \$82,000 is being funded from Council reserves pending further investigation of funding options once the 2011 operating results are known.

DISTRICT ASSETS

AQUATIC SERVICES

PARKS AND RESERVES

ROADING

WATER SUPPLY

WASTE WATER AND STORM WATER

SOLID WASTE

CIVIL DEFENCE

CEMETERIES

PUBLIC CONVENIENCES

COMMUNITY AND CIVIC BUILDINGS

DISTRICT ASSETS - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000	Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
REVENUE			
366	Aquatic Services	331	421
31	Parks & Reserves	31	67
604	Property	97	102
2,388	Roading	2,831	2,320
256	Water	253	253
26	General Works	-	-
218	Waste water & Storm Water	190	258
708	Solid Waste	660	802
2	Civil Defence	3	1
112	Cemeteries	96	109
4,711	TOTAL OPERATING REVENUE	4,492	4,334
EXPENDITURE			
1,324	Aquatic Services	1,252	1,334
1,636	Parks & Reserves	1,841	1,694
524	Property	716	625
3,886	Roading	4,038	3,851
1,381	Water	1,372	1,386
-	General Works	-	9
1,463	Waste water & Storm Water	1,517	1,594
1,094	Solid Waste	1,117	1,187
65	Civil Defence	75	38
115	Public Conveniences	127	123
203	Cemeteries	211	206
11,690	TOTAL OPERATING EXPENDITURE	12,267	12,047
(6,980)	OPERATING SURPLUS/(DEFICIT)	(7,775)	(7,713)
CAPITAL			
-	Aquatic Services	-	91
126	Parks & Reserves	178	131
1,079	Property	124	102
2,350	Roading	2,889	2,345
243	Water	354	314
27	General Works	56	109
1,533	Waste water & Storm Water	267	323
-	Solid Waste	-	-
-	Civil Defence	-	2
319	Public Conveniences	-	-
4	Cemeteries	55	47
5,681	TOTAL CAPITAL	3,923	3,464
172	DEBT REPAYMENT	184	151
(12,833)	NET COST OF THIS FUNCTION	(11,881)	(11,328)
FUNDED BY:			
1,139	Rates - General	1,279	1,282
6,416	Rates - Targeted	6,597	6,612
3,596	Depreciation	3,532	3,760
(118)	Reserves	115	(527)
1,801	Loan	357	201
12,834		11,881	11,328

AQUATIC SERVICES

INTRODUCTION

The Gore District Council operates two public swimming facilities, the Mataura War Memorial pool and the Gore swimming pool (located in the Gore District Multi-Sports 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.

WHY IS THE SERVICE PROVIDED?

The two swimming pools provide recreational and sporting opportunities for people living in the District. The swimming pools provide high quality services, including a number of specialised swimming programmes, at a subsidised rate, to all residents in the District. The facilities therefore enable all members of the community to engage in healthy leisure and competitive sporting activities and enables residents to enjoy a high quality of life. The provision of these services also contributes to the Southland Leisure Strategy, which seeks to increase people's participation in sporting and other active leisure time activities.

ISSUES AND PROJECTS

During preparation for start-up of the Mataura Pool in late Winter 2009, it was discovered that the existing boiler was suffering from excessive corrosion. This failure delayed the opening of the Mataura Pool until December 2009 after the Council approved its purchase and installation. This issue created the situation when the Mataura pool was open 103 days, when the target was 205 days.

During the year the MLT Event Centre, attached to the Multi-Sports Complex, was completed. At the request of the Trustees responsible for construction of the Centre, the Council has agreed to take over the operational aspects of the Centre.

An agreement has been entered into with the Mataura Licensing Trust and Community Trust of Southland to fund the operation of the Centre, with the Gore District Council contributing 50% of any funding shortfall and the others contributing 25% each.

Current year costs and revenue are now shown for the MLT Event Centre within this activity.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution from the Council's Aquatic Services	Level of Service
<p><i>Lifestyle and Culture</i> 'Southland is a great place to live'</p>	<p>The Council's swimming pools provide residents with easy access to recreational facilities, thus offering them a better quality of life.</p>	<ul style="list-style-type: none"> • To provide safe, accessible swimming pools with good opportunities for learning.
<p><i>Health and Wellbeing</i> 'We are healthy people'</p>	<p>The Council's swimming pools provide residents with a safe environment to pursue physical activities, which are important for personal health and well-being.</p>	
<p><i>Education and Training</i> 'A well-educated and skilled community continually seeking further opportunities to learn'</p>	<p>The Council's swimming pools provide residents with opportunities for learning about water safety, and a chance to obtain new skills and abilities.</p>	
<p><i>Environment</i> 'We have a healthy, safe and accessible built environment'</p>	<p>The Council's swimming pools provide a safer, recreational environment for children, families, athletes and senior citizens, supported by ACC Poolsafe accreditation.</p>	

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance		
				Target	Achieved	
To provide safe, accessible swimming pools with good opportunities for learning.	Participation in swimming activities enables people to live healthy lifestyles, which contributes to the primary community outcome of a healthy community.	Increase in people using the aquatic facilities in their community as measured by the number of swims per year.	Point of sale software package which records daily swims (Centaman).	Increase annually by 1,000 swims towards an ultimate target of 100,000 swims.	Total Swims: 2010 98,419 2009 88,556 Increase 9,863 This target was not achieved, but only by a small margin	
	Having access to public swimming facilities enables the community to have a choice of things to do as stated in the intermediate outcome for lifestyle and culture, as well as being able to maintain a healthy lifestyle.	The pools are available for use as measured by the number of days the facilities are open each year.	Point of sale software package which records daily swims (Centaman).	Gore pool: 360 days	Gore pool: 360 days	
	The community is proud of its aquatic facilities which contribute to the intermediate community outcome of the provision of quality places to visit.	The pools are available for use as measured by the number of days the facilities are open each year.	Point of sale software package which records daily swims (Centaman).	Mataura pool 205 days	Mataura pool 103 days The target for Mataura was not met due to the prolonged closure of the pool awaiting a replacement boiler unit.	
	Ensuring that the public's access to safe swimming facilities helps create	People are satisfied with the provision of the aquatic facilities in their community as measured by the customer satisfaction survey.	Biennial customer satisfaction survey.	80%	99% of customers surveyed were either very satisfied, satisfied or neutral with the Gore Aquatic Centre. 95% of customers surveyed were either very satisfied, satisfied or neutral with the Mataura Pool.	Maintained accreditation throughout the year.
	ACC accreditation achieved and maintained for Gore	ACC Poolsafe is achieved and maintained for Gore	Annual assessment by Poolsafe.	Maintain accreditation		

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achieved
	safe communities. Ensuring that the public's access to safe public swimming facilities helps create safe communities.	and Mataura pools. Number of health and safety incidents per year at the Council pool	Health and Safety Committee minutes and reports. Ensure that facilities are safe. Serious Harm Ensure that facilities are safe. Potential Harm (Rescues)	No (0) Serious Harm Incidents per year. Maximum of one incident per month	2010 – No incidents during the year. There were 15 incidents during the year meaning this measure was not achieved. As this is a new performance measure, staff will monitor this measure closely to determine whether the target of one incident per month is realistic given increased patronage produces a more congested facility when swimmers are potentially more likely to incur injuries. The Gore District Council employs fully qualified pool attendants who are trained and equipped to deal with issues. All issues are investigated fully to ascertain if safety improvements are required. 2010 – There were 97 incidents during the

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achieved
			Minor/Slight (scrapes, bumps)		year, which given that the aquatic facilities were open for 360 days, means this particular performance measure was achieved.
	Increased participation in swimming lessons contributes to a safer community and the educational intermediate outcome of having high quality learning opportunities available to meet community needs.	Increase in number of swim lessons per pool per year as measured by swim school participants.	Point of sale software package which records daily swims and swim lessons.	More than 1900 per year	There were 1850 swim lessons delivered while this is below the target of 1900, the Council is seeing a steady increase in participation with staff being confident of achieving this target in the near future. The Gore District Council has taken a prominent role in this particular activity over the last three years and has seen an average 10% increase in patronage annually. With enhancements to the lesson content and ongoing promotion, there seems to be no reason why this trend should not continue.

AQUATIC SERVICES - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
	REVENUE			
250	Admissions		236	274
116	Other Revenue		95	117
-	MLT Event Centre Income		-	31
366	TOTAL OPERATING REVENUE	1.	331	421
	EXPENDITURE			
455	Staff Expenses		458	491
159	Interest: Public Debt	2.	147	175
173	Depreciation		173	173
537	Other Expenses		472	494
1,324	TOTAL OPERATING EXPENDITURE		1,251	1,334
(958)	OPERATING SURPLUS/(DEFICIT)		(920)	(913)
-	CAPITAL		-	91
5	DEBT REPAYMENT		-	11
18	TRANSFER TO RESERVES		26	-
(981)	TOTAL FUNDING REQUIRED		(946)	(1,016)
	FUNDED BY			
372	General Rates		334	335
436	Targeted Rates		387	388
173	Depreciation		173	173
-	Transfer from Reserves		-	21
-	Loan Funding		52	99
981			946	1,016

1. Actual Operating Revenue exceeds Budget by \$60,000 due to a significant increase in patronage at the Gore Multisport Complex.
2. Actual interest cost exceeds budget by \$28,000 due to the increased bank margins charged resulting from the global financial crises.

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:

- premier parks;
- neighbourhood reserves and playgrounds;
- sports and facility parks;
- amenity reserves; and
- trees.

These recreational assets 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.

WHY IS THE SERVICE PROVIDED?

The provision and maintenance of parks, reserves, sportsgrounds and street gardens creates a pleasant environment in which to live and work, and thereby promote the quality of life. The District’s network of safe, functional, and attractive parks and reserves has a positive effect on the community’s sense of place and provides it with a variety of locations to pursue outdoor activities. Providing and maintaining these areas also help to ensure that our environment is appreciated, protected and sustained for future generations.

Likewise, the development and maintenance of sports areas by the Council helps fulfil the community’s need for sports and recreational facilities.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution from the Council’s Parks and Reserves	Level of Service
<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.	<ul style="list-style-type: none"> • To provide playgrounds and reserves that are accessible to the community. • Premier parks are accessible and meet the needs of users.
<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.	<ul style="list-style-type: none"> • Playgrounds are accessible and meet the needs for users. • Provision of sports fields and reserve land for other recreation facilities that meet the needs of the major field based sports. • Play areas are safe.

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

The goal of the parks and reserves activity is to provide the residents of the District with a range of safe, well maintained, parks, reserves and sportsgrounds, which is consistent with community outcomes identified above.

The table below provides a summary of the Council's present and planned levels of service over the 10 year life of this plan, together with targets and the means by which they will be measured. Further details on the full range of levels of service and performance measures can be found in the parks and reserves activity management plan.

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
To provide playgrounds and reserves that are accessible to the community.	Access to parks and reserves provides opportunities to promote healthy and active communities, with their abundance assisting in the creation of attractive, environmentally friendly urban areas.	Percentage of urban homes located within 500m of a playground or neighbourhood reserve.	Staff audit reports and New Zealand Recreation Association (Yardstick reports).	More than 75%	Assessment during 2010 confirms that 87.8% of Gore urban homes are located within 500m of a playground or neighbourhood reserve. Target achieved. Assessment during 2010 confirms that 98% of Mataura urban homes are located within 500m of a playground or neighbourhood reserve. Target achieved.
Premier parks are accessible and meet the needs of users.	Parks and reserves provide a sense of place, active recreation spaces and opportunities for communities to interact and beautify urban environments. All of these positive attributes contribute to the attainment of community outcomes.	Percentage of the Community that is satisfied with the Parks and Reserves provided as measured in the biennial customer satisfaction survey.	Biennial customer satisfaction survey.	More than 90%	This measure is achieved. In the 2010 Custom Satisfaction Survey 99% of respondents were very satisfied, satisfied or neutral in their response to community satisfaction with Parks and Reserves.

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
Playgrounds are accessible and meet the needs for users.	Playgrounds provide a sense of place, active recreation spaces and opportunities for communities to interact and beautify urban environments. All of these positive attributes contribute to the attainment of community outcomes.	Percentage of the Community that is satisfied with the Playgrounds provided as measured in the biennial customer satisfaction survey.	Biennial customer satisfaction survey.	More than 90%	This measure is achieved. In the 2010 Custom Satisfaction Survey 99% of respondents were very satisfied, satisfied or neutral in their response to community satisfaction with District Playgrounds.
Provision of sports fields and reserve land for other recreation facilities that meet the needs of the major field based sports.	Residents have a choice of quality places to go and things to do, which contributes to the primary community outcome of Southland is a great place to live.	Complaints per field per season regarding the quality and availability of sports fields (unless due to abnormal weather events).	Customer services request.	Less than 5 complaints on quality Less than 5 complaints on availability	This measure has been achieved as in the Customer Service Request log in which there were no complaints lodged regarding either quality or availability of sports fields within the district.
Play areas are safe.	Playgrounds are safe for children and families which contributes to the primary community outcome of safe places in a caring community.	Percentage of playgrounds that meet the NZ playground standard.	Measured by staff audit reports	More than 75%	This measure has been achieved. 8 audits carried out during the year, but percentages in terms of compliance, were not recorded. The final audit conducted in June 2010 recorded a compliance rate of 82%.

PARKS & RESERVES - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
	REVENUE			
14	Rent Received		12	13
16	Other Revenue		20	54
718	Internal Recoveries		811	813
748	TOTAL OPERATING REVENUE		843	881
	EXPENDITURE			
752	Staff Expenses		732	733
-	Interest: Public Debt		-	-
169	Depreciation		175	183
715	Other Expenses	1.	929	778
542	Internal Expenses		612	614
2,178	TOTAL OPERATING EXPENDITURE		2,447	2,308
(1,430)	OPERATING SURPLUS/(DEFICIT)		(1,605)	(1,428)
126	CAPITAL		178	131
96	TRANSFER TO RESERVES	2.	21	195
<u>(1,653)</u>	TOTAL FUNDING REQUIRED		<u>(1,803)</u>	<u>(1,754)</u>
	FUNDED BY			
1,475	Targeted Rates		1,552	1,554
169	Depreciation		175	161
9	Transfer from Reserves		-	24
-	Loan Funding		76	14
<u>1,653</u>			<u>1,803</u>	<u>1,754</u>

1. Actual Other Expenses are lower than Budget by \$151,000 due to the following major factors:
 - a. Deferred maintenance not yet completed \$62,000, to be funded by loan.
 - b. Various maintenance projects incomplete at year end totalling \$87,000 held over in Reserves to be spent in 2011.
2. Actual Reserves Transfers includes the projects above of \$87,000 along with additional Plant Replacement transfers of \$30,000 and Reserve Contributions held over of \$22,000.

ROADING

INTRODUCTION

The Gore District roading network comprises of 341 kilometres of sealed roads and 553 kilometres of 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 the New Zealand Transport Agency to improve road safety and sustainable transport throughout the region. Council staff work with other Councils and transport stakeholders to further New Zealand Transport Agency initiatives – e.g. targeting excessive speed, drink driving campaigns, developing and promoting safety management systems.

The Council compiles a triennial 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.

WHY IS THE SERVICE PROVIDED?

Roads, bridges, and footpaths are provided and maintained to ensure safe and efficient passage of people and goods throughout the community, contributing to the effective functioning of the community and economy. Public ownership of the roading network ensures appropriate property access and freedom of travel throughout the District for all residents and visitors. Well maintained roads, footpaths, and street lighting provide for the safe and efficient travel of motor vehicles, cyclists, and pedestrians.

As the Council is the road controlling authority under the Local Government Act 1974, it has responsibility for all of the roads (state highways excluded) in the Gore District.

ISSUES AND PROJECTS

Budget Reductions

The NZ Transport Agency was unfortunately unable to provide confirmation of its funding of the subsidised components of the roading budget contained in the LTCCP until several months after the LTCCP was finalised. During the interim an election took place and a change of government occurred.

The new government published its own Government Policy Statement (GPS) covering transport, replacing that of the previous government. The new GPS introduced some subtle but significant changes to the transport priorities and funding. As a consequence rural territorial local authorities (TLA's) all suffered reductions in the amount of subsidised funding, from that requested, in their roading programmes. Fortunately Gore District suffered a much lesser reduction than many other TLA's especially compared to its close neighbours, Southland and Clutha Districts.

Significant casualties in the Gore District roading budget were as follows:

- Unsealed pavement maintenance – \$162,000 less than budget amount
- Network and asset management - \$48,000 less than budget amount
- Pedestrian facilities - \$23,000 less than budget amount

In all these cases the funding reduction reduced or eliminated an increase in the level of service the Council had proposed providing to its ratepayers. Funding to maintain the level of service previously provided fortunately was unaffected. The reduced unsealed pavement maintenance budget meant that the proposed increased frequency of inspection and possibly grading of gravel roads was not funded. However some changes in practice by the contractor helped to mitigate this. Some projects, particularly those further developing the activity management plan were modified or deferred as a result of the

reduced network and asset management budget. The funding of some new pedestrian facilities was able to be accommodated within the existing budget.

Project Completion

Most capital expenditure roading projects programmed for the year were successfully completed. However several projects had to be deferred to the 2010/2011 financial year. The most significant of these were as follows:

- Rural pavement rehabilitation - \$273,000 of work deferred
- Rural associated improvements - \$64,000 of work deferred
- Urban reseals - \$100,000 of work deferred

The pavement rehabilitation and associated improvement works sites were unfortunately identified, investigated and details finalised relatively late in the season and the early onset of unsuitable weather meant that the risk of an unsuccessful outcome if these projects were started was too great. Although most of the urban reseals were completed a decision was made to defer sealing of four sites late in the season due to ground temperatures being too low. These sites were deleted from the 2010 reseat contract and have been included in the 2011 contract.

Positive feedback has been received from the public regarding the completion of several capital roading projects during 2009/10. In particular the traction seals carried out under the rural minor works budget and several sections of new footpath in the urban area attracted positive comments.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution of the Council's Roothing Activities	Level of Service
<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 the New Zealand Transport Agency NZTA) are part of the essential infrastructure for economic growth and development	<ul style="list-style-type: none"> • We will provide safe roads. • Road work construction areas are safe. • The average roughness of sealed roads is better than the target levels as measured by NAASRA roughness surveys. • Unsealed roads are maintained to specific requirements. • To provide a roading network that meets the needs of the community.
<i>Law & 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	
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	We have a choice of quality places to go and things to do. Sufficient safe and well maintained walking and cycling facilities are provided. Appropriate parking is provided and maintained at destinations.	
<i>Health and Wellbeing</i> 'We are healthy people'	We are able to live healthy lifestyles. We live in a compassionate, caring society. Sufficient safe and well maintained walking and cycling facilities are provided. Appropriate parking is provided and maintained at destinations.	

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
We will provide safe roads.	Safe places in a caring society that is free from crime. We have safe roads.	Injury crashes per 100 million kilometres travelled over five years.	As reported by NZTA. Gore District Road Safety Report – Peer group crash rates.	<p>Less than 43 injury crashes per 100 million vehicle km in urban area.</p> <p>Less than 22 injury crashes per 100 million vehicle km in rural area.</p> <p>This information is contained in the NZTA Gore District Road Safety Report published annually and covering the preceding five year period. Deliberately challenging targets were set using the 2003-2007 actual recorded numbers of 56 for urban and 24 for rural as a starting point and seeking significant reductions from there.</p>	<p>2005-2010 (latest) Urban 47 Rural 24</p> <p>2004-2009 (previous) Urban 49 Rural 25</p> <p>Although neither target was achieved, some improvement was achieved in the rural area. The crash rate for the rural area continued to be at a lesser rate than for the averages for districts with similar characteristics and for all local authorities. The urban rate for Gore was significantly worse than both of these groups. Data on all crashes is collated in a national crash database with input from police, local authorities and other monitoring organisations. The Council analyse these to see if there are any issues with the road surface or alignment in any identified problem areas and takes remedial action regarding reseals</p>

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
	Safe places in a caring society that is free from crime. We have a healthy, safe and accessible built environment.	The number of complaints relating to the condition of footpaths each year.	As measured by the customer services log.	Less than 24 complaints relating to condition of footpaths.	etc. as appropriate. 2010 – 39 While this particular target was not achieved, it is a significant improvement on the number of complaints recorded in 2009 (53), which is perhaps reflective of the Council's increased investment in new footpaths.
	Safe places in a caring society that is free from crime. We have a healthy, safe and accessible built environment.	The number of complaints relating to unsafe parking facilities.	As measured by the customer services log.	Maximum of 6 complaints relating to unsafe parking facilities.	2010 – 1 (new measure)
Road work construction areas are safe.	Safe places in a caring society that is free from crime. We have safe roads.	No crashes occur as a result of negligence provision at road works sites.	TMP auditing (COPTM and LRS standards).	No crashes occur as the result of substandard safety provisions at work sites.	2010 - nil
The average roughness of sealed roads is better than the target levels as measured by NAASRA roughness surveys.	A treasured environment which we care for and which supports us now and into the future.	The average roughness of sealed roads is better than the target levels: *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.	NAASRA roughness surveys.	Roads shall have roughness counts within specified limits depending on numbers of vehicle movements. Number of traffic movements/day (VPD) Rural Less than 50 50-200 200-1000 1000-5000	As measured during April 2009: Target Measured 140 70 120 65 110 59 100 68

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
				<p>Urban Less than 200 200-1000 1000-5000</p>	<p>140 98 120 97 110 97</p> <p>With all roads having roughness counts less than the target specified for the relevant category of road concerned, sealed roads were smoother than expected. These performance measures were therefore achieved.</p>
Unsealed roads are maintained to specific requirements.	A treasured environment which we care for and which supports us now and into the future.	The roading maintenance contractor maintains gravel roads, as per specifications in the network maintenance contract.	As measured by contract audits conducted by staff.	90% of gravel roads are maintained to specification in the network maintenance contract.	2010 – 94% 2009 – 92%
To provide a roading network that meets the needs of the community.	A treasured environment which we care for and which supports us now and into the future.	Communities in the Gore District are satisfied with the local gravel roads as measured in the customer satisfaction survey.	Community surveys are conducted every two years.	50%	Satisfied 2010 – 77% Only 23% expressed dissatisfaction with local gravel roads in the 2010 Resident Satisfaction Survey.
	A treasured environment which we care for and which supports us now and into the future.	Communities in the Gore District are satisfied with the footpaths.	As measured in the customer satisfaction survey. Community surveys are conducted every two years.	75%	Satisfied 2010 – 75% Only 25% expressed dissatisfaction with footpaths in the 2010 Resident Satisfaction Survey.
	A treasured environment which we care for and which supports us now and into the future.	The percentage of request for service and complaints (e.g. streetlight failures, pot	Customer services request log.	More than 90% of requests for service and complaints are dealt with	Unable to be measured. The internal database has been modified to provide the required data for the

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
	into the future.	holes, pavement markings) dealt with within the contractually specified response times.		contractually specified response times.	2010/11 year.

ROADING - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
REVENUE				
410	Administration		485	461
539	Urban	1.	653	511
1,439	Rural	1.	1,692	1,348
2,388	TOTAL OPERATING REVENUE		2,830	2,320
EXPENDITURE				
425	Urban Road Maintenance	1.	483	362
28	Urban Footpath Maintenance		37	40
1,038	Rural Road Maintenance	1.	1,060	898
77	Rural Noxious Weed Control		73	76
369	Road Administration		457	439
1,949	Depreciation		1,925	2,036
3,886	TOTAL OPERATING EXPENDITURE		4,036	3,851
(1,498)	OPERATING SURPLUS/(DEFICIT)		(1,206)	(1,531)
CAPITAL EXPENDITURE				
815	Urban Roads	1. & 2.	965	832
1,535	Rural Roads	1. & 2.	1,865	1,490
-	Road Administration	2.	28	23
2,350	TOTAL CAPITAL WORKS		2,858	2,345
244	TRANSFER TO RESERVES		-	445
<u>(4,092)</u>	TOTAL FUNDING REQUIRED		<u>(4,063)</u>	<u>(4,321)</u>
FUNDED BY				
1,931	Targeted Rates		2,038	2,057
1,949	Depreciation		1,925	2,036
167	Transfer from Reserves		-	160
45	Loan Funding		100	68
<u>4,092</u>			<u>4,063</u>	<u>4,321</u>

1. (a) Subsequent to setting of the budgets adopted in the LTCCP the New Zealand Transport Agency amended their accepted works programme for subsidy allocation. Casualties in the budgets finally approved were:

• Unsealed pavement maintenance	\$162,000
• Network and Asset management	\$48,000
• Pedestrian facilities	\$23,000

These have impacted on actual expenditure and revenue.

- (b) Due to inclement weather conditions several projects were deferred at year end. These were as follows:

• Rural pavement rehabilitation	\$273,000
• Rural associated improvements	\$64,000
• Urban reseals	\$100,000

Councils share of these projects are set aside in Reserves for completion in 2010/11 with the remaining 56 per cent to be subsidised by New Zealand Transport Agency.

2. Council has expended \$2,345,000 on renewal capital expenditure.

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 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. The Council water supply currently complies with the New Zealand Drinking Water Standards 2005, in terms of the absence of E-coli in supplies. However, installation of ultraviolet treatment, planned for Gore in 2009, and Mataura in 2010, needs to occur to achieve full compliance. The Council is looking for additional water sources to improve security of supply. Ultraviolet treatment has been delayed until these investigations are complete. Investigations are still in progress and work is not expected to be completed until 2012. 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. Public Health Risk Management Plans have been reviewed 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.



WHY IS THE SERVICE PROVIDED?

Water supply activities undertaken by the Council are in keeping with its statutory obligations to protect public health and property, as well as the need to ensure efficient and sustainable management of water resources in the District. The Council's water supply activities are also crucial for economic well-being and the success of commercial and industrial activities in the District. The following table sets out the 'Community Outcomes' which are served through the Council's water supply activities.

ISSUES AND PROJECTS

Further works are required to locate additional water supplies for Gore. Wells have been drilled at three sites to try and locate a water source. These investigations have not been successful to date.

A well at Coopers will be refurbished this year to improve the volume of water able to be extracted from the well. Investigations for additional water sources will continue.

New water mains were installed in Vogel and Onslow Streets, and a section of Johnston Street last year.

There were discolouration issues which arose from the commissioning of a new well at Jacobstown. Elevated levels of manganese were detected, however the level detected was still within NZ Drinking Water Standards 2008 limits. With continued operation of the new well, the manganese is no longer present.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution of water supply activities	Level of Service
<i>Health & 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.	<ul style="list-style-type: none"> • A potable (safe to drink) water supply in urban areas. • Adequate pressure and volume of water to permit effective fire fighting.
<i>Economy & 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.	<ul style="list-style-type: none"> • A reliable water supply service (disruption). • A reliable water supply service (response).
<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.	<ul style="list-style-type: none"> • A reliable water supply service (community).

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
A potable (safe to drink) water supply in urban areas.	Providing a continuous, efficient, quality water supply to communities ensures the health of the community.	Compliance with the microbiological criteria of the NZ Drinking Water Standards: - No detectable E-coli in water leaving water treatment plant - No E-coli in 98% of the distribution sample	Water testing at frequency specified in Public Health Risk Management Plan (PHRMP).	100%	Achieved. All weekly samples taken from the water treatment plants in Gore and Mataura and samples taken every 9 days from 2 of the 9 sites in Gore and 1-2 samples taken from the 5 sites in Mataura, had no E-coli present. The testing was done by Envirolab in Invercargill.
		Weekly complaints regarding unusual taste or colour. Weekly complaints smell, or taste or colour.	Customer Request. Service	Less than 2 complaints per week	Target achieved. 54 complaints were received throughout the year, which equates an average of 1.04 complaints per week. As alluded to below, the Council undertook extraction from a new well in the January-March period which caused some discolouration issues, with 25 complaints. There were only 29 complaints in the remaining nine months when conditions were settled, so in general, the target was met.
A potable (safe to drink) water supply in urban areas.	Providing a continuous, efficient, quality water supply to	Compliance with resource consent conditions.	Monitoring results of Environment Southland.	100%	All resource consent conditions for extraction of water for

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
	communities ensures the health of the community.				urban supplies were complied with.
Adequate pressure and volume of water to permit effective fire fighting.	This allows communities to be safe.	Tested urban fire hydrant flows exceed 12.5 l/s.	In accordance with Fire Service Code of Practices measured through biennial surveys of a sample of hydrants.	90% Gore 80% Mataura	Achieved. 49 hydrants tested in Gore 2009 – 100% passed. 21 hydrants tested in Mataura 2010 – 81% passed. Hydrants selected by NZ Fire Service.
A reliable water supply service (disruption).	A reliable water supply assists the community to be healthy as well as providing an effective infrastructure for economic activity.	Compliance with the maximum duration of disruption to service: Urban areas maximum of 8 hours Rural areas maximum of 48 hours, with 75% of disruptions being: Urban areas < 4 hours Rural areas <24 hours	Customer services log.	100%	Achieved. No disruption exceeded the maximum times of disruption.
A reliable water supply service (response).	A reliable water supply assists the community to be healthy as well as providing an effective infrastructure for economic activity.	Compliance with the following response times for water reticulation faults and emergencies: 2 hours for emergency Major urban leak – 8 hours Major rural leak – 24 hours Minor leaks – within 21 days Compliance with the following response time for new connections: 5 working days	Customer services log.	100%	No major leaks in the reticulation. There was one main supply line failure, which was repaired the same day.

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
A reliable water supply service (community):	A reliable water supply assists the community to be healthy as well as providing an effective infrastructure for economic activity.	The community agrees that it has good water supply according to the biennial customer satisfaction survey.	Biennial customer satisfaction survey.	80%	Not achieved. Results recorded in the 2010 Resident Survey Satisfaction were: Reliability 78% Quality 69% Gore had occasionally experienced discolouration issues with the commencement of extracting water from a new well for the previous 2-3 months. This may have impacted on the results of the survey. By way of explanation, the results for the January-June 2010 period are as follows: Complaints regarding colour/smell/taste January-March 25 April-June 2

WATER - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000	Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
REVENUE			
164	Water Charges	160	152
92	Other Revenue	93	101
256	TOTAL OPERATING REVENUE	253	253
EXPENDITURE			
164	Staff Expenses	232	163
72	Interest: Public Debt	66	75
407	Depreciation	405	415
737	Other Expenses	668	733
1,381	TOTAL OPERATING EXPENDITURE	1,371	1,386
(1,125)	OPERATING SURPLUS/(DEFICIT)	(1,119)	(1,133)
243	CAPITAL	354	314
49	DEBT REPAYMENT	50	50
128	TRANSFER TO RESERVES	(19)	21
<u>(1,545)</u>	TOTAL FUNDING REQUIRED	<u>(1,503)</u>	<u>(1,517)</u>
FUNDED BY			
-	General Rates	-	-
1,050	Targeted Rates	1,098	1,102
407	Depreciation	405	415
88	Transfer from Reserves	-	-
<u>1,545</u>		<u>1,503</u>	<u>1,517</u>

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, Mataura 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.

WHY IS THE SERVICE PROVIDED?

The collection, treatment and disposal of waste water is an essential service for the benefit of residents and businesses throughout the District. The Council's waste and storm water activity protects the health and physical environment of the community, and is indispensable to economic growth and development. The effective control of storm water is also necessary to safeguard public safety and minimise risks to property. The Local Government Act 2002 requires that Councils must continue to provide waste water services to their communities and maintain Council capacity to provide such services.

ISSUES AND PROJECTS

One trade waste operator has increased loading to the Gore oxidation pond. This has been reflected in the additional charges they have received. The operator is installing additional treatment processes on site to reduce the load to the oxidation ponds.

A major section of the Gore sewer main in Salford Street was upgraded in the past year. This required additional money that was carried over from the previous year.

In addition, the majority of work has been completed, with new pumps ordered and to be fitted on arrival.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution from the Council's waste & storm water management activities	Level of Service
<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	<ul style="list-style-type: none"> • A reliable service for removal of waste and stormwater is provided. • Waste and storm water systems that comply with environmental standards.
<i>Economy and employment</i>	An efficient waste and storm	

Community Outcome	Contribution from the Council's waste & storm water management activities	Level of Service
'A diverse economy built from our strengths for growth and prosperity'	water management infrastructure is a core component of the infrastructure needed to foster a diverse and vibrant economy	<ul style="list-style-type: none"> • Waste and storm water systems that are effective and comply with environmental standards.
<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 District's water ways	<ul style="list-style-type: none"> • Waste and storm water systems that are effective and comply with environmental standards.

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
A reliable service for removal of waste and stormwater is provided.	Safeguards the health of the community and ensures that the environment is protected from the negative effects of human activities.	Compliance with the maximum response times of: 2 hours for emergency or pump station failure. 4 hours for sewer blockage. 12 hours for urban surface flooding.	Initial response recorded by telemetry system/pager for pump stations and in Customer Services Request for sewer blockage and flooding. Actual response time recorded in customer services log.	100%	Achieved. 16 incidents all attended to within the maximum response times.
Waste and storm water systems that comply with environmental standards.	Safeguards the health of the community and ensures that the environment is protected from the negative effects of human activities.	Annual complaints relating to smell from oxidation ponds. Trade waste discharges comply with the Trade Waste Bylaw 2008 based on a minimum sampling of 2 trade waste per discharge.	Customer Services Request. Actual trade waste discharges (quantity and quality) sampled and recorded in the Trade Waste sampling spreadsheet.	Less than 10 per annum	Achieved. No complaints received.
Waste and storm water systems that are effective and	Safeguards the health of the community and ensures that the	Biennial customer satisfaction survey shows the community	Biennial Customer Satisfaction survey.	More than 90% for waste water More than 85% for	Achieved. Of the 16 samples taken by the Gore District Council, all complied, however additional sampling information supplied to the Council showed on some occasions limits were exceeded. This was due to insufficient pre-treatment processes at one of the major district businesses. They are installing additional equipment to lessen the load on discharges to the treatment ponds. Achieved. 97% satisfaction for waste water.

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
<p>comply with environmental standards.</p> <p>Waste and storm water systems that are effective and comply with environmental standards.</p>	<p>environment is protected from the negative effects of human activities.</p> <p>Safeguards the health of the community and ensures that the environment is protected from the negative effects of human activities.</p>	<p>is satisfied with the wastewater service.</p> <p>Percentage of resource consent conditions complied with.</p>	<p>Monitoring results of Environment Southland.</p>	<p>storm water</p> <p>100%</p>	<p>86% satisfaction for storm water.</p> <p>Achieved. 10 samples at the Gore oxidation pond discharge. 8 samples at Mataura. 2 samples at Waikaka. Consented sampling frequencies and quantity were met. Both Gore and Mataura had slightly elevated levels of E-coli on occasion. This did not effect the quality of water in the river as stated by Environment Southland.</p>

WASTE WATER & STORM WATER - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
REVENUE				
206	Fees & Charges	1.	190	255
12	Other Revenue		-	3
218	TOTAL OPERATING REVENUE		190	258
EXPENDITURE				
83	Staff Expenses		81	76
210	Interest: Public Debt	2.	196	262
653	Depreciation	3.	611	686
518	Other Expenses		628	570
1,463	TOTAL OPERATING EXPENDITURE		1,516	1,594
(1,245)	OPERATING SURPLUS/(DEFICIT)		(1,326)	(1,336)
1,533	CAPITAL	4.	267	323
118	DEBT REPAYMENT	5.	147	90
323	TRANSFER TO RESERVES		30	96
<u>(3,219)</u>	TOTAL FUNDING REQUIRED		<u>(1,770)</u>	<u>(1,845)</u>
FUNDED BY				
-	General Rates		-	-
1,123	Targeted Rates		1,160	1,159
653	Depreciation		611	686
1,443	Loan Funding		-	-
<u>3,219</u>			<u>1,770</u>	<u>1,845</u>

1. Actual Fees Charged exceed Budget by \$65,000 due to one Trade Waste agreement holder being unable to meet their discharge conditions throughout the year, and thereby incurring additional charges.
2. Actual Interest Costs exceed Budget by \$66,000 due to increased bank margins payable resulting from the global financial crisis.
3. Actual depreciation exceeds Budget due to additional depreciation on the now completed Actiflo plant.
4. Council spent \$323,000 on renewal capital expenditure. This total includes \$54,000 of projects carried over from the 2008/09 financial year.
5. Actual debt repayment has been reduced to compensate for the additional interest costs incurred as alluded to in note 2.

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.

WHY IS THE SERVICE PROVIDED?

Solid waste management is necessary for the health and quality of life of the community, the local economy, and the environment. The Council's aim is to provide for the safest, most cost-effective and efficient disposal of the District's solid waste.

ISSUES AND PROJECTS

In the last year the Government introduced a waste minimisation levy of \$10 per tonne of refuse going to landfill. A portion of this levy has been returned to the Council (\$22,000). This money is to be used in waste minimisation initiatives.

A regional proposal for solid waste management and recycling services was put to public tender. The proposals proved to be economically attractive to the Council and then public opinion was sought through an extensive public consultation.

The consultation brought a number of concerns to the fore. At the time of writing the Council was very close to making a final decision on this very important matter. It is expected that the Council will make a decision, in principle, in terms of which option it prefers, prior to the local authority elections on 9 October 2010. The Council has received a clear message from the community in the Resident Satisfaction Survey, that a decision and unambiguous direction on recycling, is now overdue.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution of the Council's Solid Waste Activity	Level of Service
<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.	<ul style="list-style-type: none"> • A transfer station is provided to meet the needs of the community. • An effective kerbside refuse collection service is provided in urban areas.
<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	<ul style="list-style-type: none"> • Waste minimisation is promoted to improve the environment.

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
A transfer station is provided to meet the needs of the community.	A tidy, well maintained, odour free transfer station and waste collection and disposal system provides an environment that is protected from the negative effects of human activities.	Percentage of urgent requests responded to in one day. (Urgent requests being defined as rubbish bags not collected, being destroyed by dogs or streets not collected in error).	Customer service log.	100%	6 complaints were received relating to bags either not picked up or damaged by dogs. All were responded to within one day.
An effective kerbside refuse collection service is provided in urban areas.	Timely uplifting and removal of kerbside rubbish bags helps provide an urban environment that is protected from the negative effects of human activities.	Number of complaints received each year about the effectiveness of the kerbside refuse collection service.	Customer service log.	Less than 5 complaints per annum.	4 complaints received. Target achieved.
Waste minimisation is promoted to improve the environment.	The reduction of waste disposed of reduces costs to residents and places less pressure on the environment. This has a positive impact on economic and environmental outcomes.	Volume of waste per capita being disposed of at the regional landfill.	Regional landfill weighbridge records.	Decreasing by 1%	6747 tonnes in 2010 6865 tonnes in 2009 1.7% reduction achieved. Target achieved. The Council continues to work closely with Pakeke Lions to remove paper from the waste stream and has increased funding to the organisation to assist their collection operation. Investigation into kerbside recycling is continuing.

SOLID WASTE - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
	REVENUE			
586	Fees Collected	1.	550	663
122	Other Revenue	2.	110	139
708	TOTAL OPERATING REVENUE		660	802
	EXPENDITURE			
99	Staff Expenses		104	94
100	Interest: Public Debt		92	112
38	Depreciation		38	38
857	Other Expenses	3.	883	943
1,094	TOTAL OPERATING EXPENDITURE		1,117	1,187
(385)	OPERATING SURPLUS/(DEFICIT)		(457)	(385)
8	TRANSFER TO RESERVES	4.	-	73
<u>(394)</u>	TOTAL FUNDING REQUIRED		<u>(457)</u>	<u>(458)</u>
	FUNDED BY			
178	General Rates		210	210
178	Targeted Rates		210	210
38	Depreciation		38	38
<u>394</u>			<u>457</u>	<u>458</u>

- Actual Fees collected exceed Budget by \$104,000 partly due to higher tonnages processed through the Transfer Station than anticipated that attract the full gate fee. Two major providers have a significantly discounted rate from the public rate of \$130, and the revenue is affected by the mix of tonnages supplied by the public and those two major commercial providers. A second major factor is the \$10 waste minimisation levy which was not provided for when the Budget was set, as the Council passes this fee on to the Ministry for the Environment.
- Actual other Revenue includes \$22,000 in reimbursements from the newly charged Waste Minimisation levy, given back to Council for recycling initiatives.
- Actual Other Expenses exceed Budget by \$60,000 due to the waste minimisation fee being passed on to the Ministry of the Environment not being included in the Budgets.
- Transfers to Reserves include the \$22,000 recycling initiative funding along with \$51,000 set aside for future developments from the net revenue gained from increased tonnages.

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.

The Forest and Rural Fires Act 1977 requires Councils to provide rural fire fighting services. In 2003 the Gore District joined with the Department of Conservation, Southern Plantations Rural Fire and the other local authorities in Southland to form the Southern Rural Fire District, which deals with all rural fire related issues in Southland.

WHY IS THE SERVICE PROVIDED?

Legislation requires councils to take a lead role in promoting community awareness, resilience, and preparedness to respond to an emergency situation.

The safety and welfare of the Districts residents are enhanced when the District has plans in place to ensure that natural disasters and civil emergencies have minimal negative effects on communities, and when there is well-trained group of individuals who can provide leadership in the event of an emergency.

ISSUES AND PROJECTS

During the year the Gore District Council, Environment Southland, Invercargill City Council and Southland District Council resolved to consolidate the Civil Defence activity as a joint operation of all Councils, rather than each Council having their own completely autonomous unit.

The new joint operation is known as Emergency Management Southland and is based at Environment Southland, having officially commenced its operation in May 2010. Each constituent authority contributes resources to the new entity whilst maintaining local links and infrastructures.

The Council's long standing Civil Defence Officer, Joe Cummings retired during the year and due to the impending reorganisation alluded to above, his position has not been filled.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution from the Council's Civil Defence Activities	Level of Service
<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 rural fires, natural disasters, civil emergencies and other untoward events	<ul style="list-style-type: none"> • Emergency equipment is ready for use at all times. • To have a skilled and knowledgeable team ready to manage an emergency response when required. • People prepared for a civil defence emergency.

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
Emergency equipment is ready for use at all times.	Equipment is ready for use to protect the health and wellbeing of the community.	Percentage of equipment available.	Staff report to Council verifies equipment availability.	100% of equipment is available.	2010 - Achieved
To have a skilled and knowledgeable team ready to manage an emergency response when required.	Knowledgeable leaders with ability to manage and ensure the safety of the community in an emergency.	Key response personnel receive at least one training opportunity each year.	Staff civil defence training records.	100% of key response personnel receive at least one training opportunity each year.	2010 – 30% - Not achieved. This year civil defence has changed from an individual Council responsibility to a joint operation and the primary focus has been on the reorganisation. With the reorganisation nearing completion, the focus will now shift to training of key response personnel.
People prepared for a civil defence emergency.	The Council has a direct role in ensuring communities are prepared for an emergency.	Percentage of residents that have personally taken steps to prepare for a civil defence emergency as per the biennial survey.	Gore District Council resident survey.	50% as measured in resident survey.	44% of residents stated that they had personally taken steps to prepare for a civil defence emergency in the 2010 Resident Satisfaction Survey. This target was therefore, not achieved.

CIVIL DEFENCE - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
	REVENUE			
2	Other Revenue		3	1
2	TOTAL OPERATING REVENUE		3	1
	EXPENDITURE			
33	Staff Expenses	1.	32	19
-	Interest: Public Debt		-	-
	Depreciation			
31	Other Expenses	1.	43	19
65	TOTAL OPERATING EXPENDITURE		75	38
(63)	OPERATING SURPLUS/(DEFICIT)		(72)	(37)
-	CAPITAL		-	2
4	TRANSFER TO RESERVES	1.	-	34
<u>(66)</u>	TOTAL FUNDING REQUIRED		<u>(72)</u>	<u>(73)</u>
	FUNDED BY			
65	General Rates		72	73
<u>66</u>			<u>72</u>	<u>73</u>

1. Due to the retirement of Council's Civil Defence Officer during the year, and the reorganisation regionally of the civil defence activity there are a number of expenditure "savings". These have been set aside in Reserves to fund the replacement of the Council's aging generator.

CEMETERIES

INTRODUCTION

The Gore District has five designated cemeteries. Four are operated by the 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 20.2766ha 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.

WHY IS THE SERVICE PROVIDED?

The Burial and Cremation Act 1964 requires all local authorities to ensure that sufficient provision is made for the burial of bodies and to establish and maintain suitable cemeteries.

The cemeteries are regarded as a community asset in terms of public health, history, heritage, architecture, monumental artistry, open spaces, and recreational potential contained in them. They are also regarded as having educational potential by schools, churches and historical groups, as well as spiritual value.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution of the Council's cemeteries	Level of Service
<p><i>Health and wellbeing</i> 'We live in a compassionate caring society' 'People and communities provide for their own wellbeing'</p>	<p>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.</p>	<ul style="list-style-type: none"> • Cemeteries are provided that meet the needs of users.. • Cemeteries are provided that meet the needs of users.. • Safe facilities are provided.
<p><i>Environment</i> 'We have a healthy, safe and accessible built environment'</p>	<p>Cemeteries provided are of a high quality, accessible, healthy and safe.</p>	

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to out Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
Cemeteries are provided that meet the needs of users..	Well maintained cemeteries provide a pleasing environment and reinforce the intermedate community outcome of a compassionate caring community.	Complaints received annually regarding the standard of the cemeteries.	Customer service request.	Less than 3	This measure has been achieved. There have been no customer service requests registered regarding the standard of cemeteries provided to the community.
Cemeteries are provided that meet the needs of users..	Well maintained cemeteries provide a pleasing environment and reinforce the intermedate community outcome of a compassionate caring community.	Percentage of residents and ratepayers satisfied with cemeteries.	Biennial customer satisfaction survey.	95%	This measure has been achieved. In the 2010 Customer Satisfaction Survey 99% of respondents were very satisfied, satisfied or neutral in their response to satisfaction with the Cemeteries Division.
Safe facilities are provided.	Providing a safe environment for the public in our cemeteries is consistent with the intermedate community outcome of having public places that are safe for children and families.	Annual public incidents at cemetery.	Customer service request.	0	This measure is achieved. There were no specific incidents reported in the Customer Service Reports.

CEMETERIES - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000	Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
	REVENUE		
112	Fees	96	109
112	TOTAL OPERATING REVENUE	96	109
	EXPENDITURE		
95	Staff Expenses	94	87
-	Interest: Public Debt	-	-
14	Depreciation	13	18
93	Other Expenses	104	101
203	TOTAL OPERATING EXPENDITURE	211	206
(91)	OPERATING SURPLUS/(DEFICIT)	(115)	(97)
4	CAPITAL	55	47
21	TRANSFER TO RESERVES	(54)	(23)
<u>(117)</u>	TOTAL FUNDING REQUIRED	<u>(116)</u>	<u>(121)</u>
	FUNDED BY		
95	General Rates	102	103
-	Targeted Rates	-	-
14	Depreciation	13	18
<u>8</u>	Transfer from Reserves	<u>-</u>	<u>-</u>
117		116	121

PUBLIC CONVENIENCES

INTRODUCTION

The Council provides 15 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.

WHY IS THE SERVICE PROVIDED?

Public toilets are essential for public hygiene. The strategic location of these facilities in the central business area and parks and reserves directly support economic and recreational activities, including tourism.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution of Public Conveniences to Community Outcomes	Level of Service
<i>Health and Wellbeing</i> 'We are healthy people'	The Council's public conveniences are hygienic and well maintained,	<ul style="list-style-type: none"> Public conveniences are provided that meet the needs of users.
<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.	
<i>Environment</i> 'We have a healthy, safe and accessible built environment'	Public toilets at appropriate locations which are attractive to use, maintained to a high standard of cleanliness, support the immediate environment in which they are located.	

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
Public conveniences are provided that meet the needs of users.	Clean, well maintained toilets contribute to a healthy, safe, built environment.	Number of complaints in any one week regarding cleanliness of the facilities (including graffiti). Percentage of the community that is satisfied with public conveniences as measured by the biennial customer satisfaction survey.	Customer services log. Biennial customer satisfaction survey.	Less than 3 per week More than 70%	This has been achieved. There were seven complaints lodged in the Customer Services Request system for the entire year. This measure has been achieved. In the 2010 Customer Satisfaction Survey there were 88% of respondents either very satisfied, satisfied or neutral in response. This result is a marked improvement from the 2008 survey where 65% of customers were satisfied showing a 23% increase in satisfaction.

PUBLIC CONVENIENCES - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
	EXPENDITURE			
	Staff Expenses		-	
12	Interest: Public Debt		27	33
15	Depreciation		7	35
87	Other Expenses	1.	93	55
4	Internal Expenses		4	4
118	TOTAL OPERATING EXPENDITURE		131	127
(118)	OPERATING SURPLUS/(DEFICIT)		(131)	(127)
319	CAPITAL		-	-
-	DEBT REPAYMENT		-	-
(5)	TRANSFER TO RESERVES		-	20
<u>(432)</u>	TOTAL FUNDING REQUIRED		<u>(131)</u>	<u>(147)</u>
	FUNDED BY			
27	General Rates		33	35
63	Targeted Rates		77	77
31	Depreciation		7	35
312	Loan Funding		13	-
<u>432</u>			<u>131</u>	<u>147</u>

1. Actual Other Expenses is lower than Budget by \$38,000 due to delays in carrying out routine and deferred maintenance.

COMMUNITY AND CIVIC BUILDINGS

INTRODUCTION

The Gore District Council owns a number of properties within the District. Properties include the civic administration building and accompanying James Cumming Wing in Gore, the Gore library and Carnegie building, as well as community halls and rental housing in Canning Street, Gore.

WHY IS THE SERVICE PROVIDED?

Community buildings are provided to allow a diverse range of social, cultural and recreational activities to be pursued. The buildings provide meeting space for community organisations and gatherings, along with a venue for community events, recreation and cultural activities.

Civic buildings on the other hand are provided to meet the operational needs of the Gore District Council. This includes the provision of the Council chambers and meeting rooms to facilitate democratic and public debate, and decision making, offices to accommodate managerial, administration staff and customer services, and buildings that are dedicated for outside works staff, plant storage and workshops.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution from the Council's Property Activities	Level of Service
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	Community halls provide places for meeting, socialising and recreation thus improving the quality of life.	<ul style="list-style-type: none"> All buildings maintained in a healthy and safe condition over the life of the asset. Provision of buildings that assist in meeting community demand for indoor meeting and recreation spaces.
<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.	
<i>Environment</i> 'We have a healthy, safe and accessible built environment'	All community and civic buildings are maintained in a healthy and safe condition over the life of the asset to meet present and future community needs.	

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance Target	
				Target	Achievement
All buildings maintained in a healthy and safe condition over the life of the asset.	Well maintained buildings assist the community in enjoying a safe built environment.	All buildings requiring a warrant of fitness are compliant and the certificates are displayed correctly. Number of complaints received annually relating to Council owned buildings.	Measured by building warrant of fitness. Customer services request log.	100%	This measure has been achieved with all buildings and building warrant of fitness compliant with certificates displayed. This measure has been achieved. There were two Customer Service Requests lodged by members of the community relating to Building being maintained in a healthy and safe condition.
Provision of buildings that assist in meeting community demand for indoor meeting and recreation spaces.	The public having access to indoor meeting and recreation spaces helps achieve healthy, cohesive and supportive communities.	Percentage of the community that is satisfied with the provision of community buildings or halls as measured by the biennial customer satisfaction survey.	Biennial customer satisfaction survey.	80%	This measure has been achieved. In the 2010 Customer Satisfaction Survey, 98% of respondents were either very satisfied, satisfied or neutral in their response to community satisfaction with community buildings.

PROPERTY - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
	REVENUE			
57	Rent Received		57	60
547	Room/Hall Hire		40	42
604	TOTAL OPERATING REVENUE		97	102
	EXPENDITURE			
57	Staff Expenses		58	61
79	Interest: Public Debt		72	89
128	Depreciation		151	157
260	Other Expenses	1.	436	318
172	Internal Expenses		195	195
696	TOTAL OPERATING EXPENDITURE		911	820
(92)	OPERATING SURPLUS/(DEFICIT)		(814)	(718)
1,079	CAPITAL		124	102
70	TRANSFER TO RESERVES			(21)
<u>(1,241)</u>	TOTAL FUNDING REQUIRED		<u>(938)</u>	<u>(799)</u>
	FUNDED BY			
500	General Rates		526	526
66	Targeted Rates		65	65
128	Depreciation		151	163
548	Transfer from Reserves		68	25
-	Loan Funding		129	20
<u>1,241</u>			<u>938</u>	<u>799</u>

1. Actual Other Expenses is lower than budget by \$117,000 due to proposed deferred maintenance being held over pending a report on the proposed structural changes to the Administration building planned for the 2010/11 year.

LEADERSHIP

DEMOCRACY

CENTRAL ADMINISTRATION

LEADERSHIP - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
	REVENUE			
367	Central Administration		288	251
1,713	Internal Recoveries		1,763	1,764
2,080	TOTAL OPERATING REVENUE		2,050	2,015
	EXPENDITURE			
565	Democracy		583	596
1,951	Central Administration		1,938	1,992
2,516	TOTAL OPERATING EXPENDITURE		2,521	2,589
(436)	OPERATING SURPLUS/(DEFICIT)		(471)	(573)
	CAPITAL			
4	Democracy		-	-
98	Central Administration		-	29
101	TOTAL CAPITAL		-	29
<u>(537)</u>	NET COST OF THIS FUNCTION		<u>(471)</u>	<u>(602)</u>
	FUNDED BY:			
555	Rates - General		575	578
86	Depreciation		83	96
<u>(105)</u>	Reserves		<u>(188)</u>	<u>(72)</u>
<u>536</u>			<u>471</u>	<u>602</u>

DEMOCRACY

INTRODUCTION

Democracy is the political arm of the Council's operations, comprising:

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

WHY IS THE SERVICE PROVIDED?

New Zealand law requires Councils to hold elections and provide the support services needed to enable elected representatives to hold regular meetings and deliberate on community issues in an informed and timely manner. The democratic function of the Council is provided in order to ensure that the aspirations, concerns, and initiatives of residents and ratepayers of Gore District are represented at the Council.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcomes	Contribution of the Council's Democracy activities	Level of Service
<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>	<ul style="list-style-type: none"> • An avenue is provided through which the community can have its views heard. • Direction is set to determine what activities the Council should engage in.
<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>	

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS 2009-2010

Level of Service	How it Contributes to our Community Outcomes	Specific Measure	Performance monitoring methodology/ source (how do we measure, or where do we get data from)	Performance	
				Target	Achievement
An avenue is provided through which the community can have its views heard.	An active, supportive community is achieved through the Council providing opportunities for residents and ratepayers to contribute to decision-making processes by providing their views.	Percentage of residents and ratepayers feel that they can contact a Council member to raise an issue or problem.	Biennial community satisfaction survey.	85%	Achieved. 94% of those surveyed were satisfied with how they had been treated.
Direction is set to determine what activities the Council should engage in.	Strong community leadership is achieved through setting direction to provide clear guidelines for achievement of community outcomes.	Percentage of residents and ratepayers satisfied with the Council's decisions and actions.	Biennial community satisfaction survey.	70%	Achieved. 90% of those surveyed were satisfied with the Council's performance. The relevant breakdowns were: Very satisfied 10% Satisfied 46% Neutral 34%

DEMOCRACY - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000	Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
	REVENUE		
13	Election Fees & Recoveries	-	14
13	TOTAL OPERATING REVENUE	-	14
	EXPENDITURE		
9	Staff Expenses	9	12
212	Elected Members	215	215
(2)	Election Expenses	5	10
16	Depreciation	16	16
330	Administration Expenses	338	343
-	Community Halls Expenses	-	-
565	TOTAL OPERATING EXPENDITURE	583	596
(552)	OPERATING SURPLUS/(DEFICIT)	(583)	(582)
	CAPITAL		
4		-	-
15	TRANSFER TO RESERVES	8	12
<u>(571)</u>	TOTAL FUNDING REQUIRED	<u>(591)</u>	<u>(594)</u>
	FUNDED BY		
555	General Rates	575	578
-	Targeted Rates	-	-
16	Depreciation	16	16
<u>571</u>		<u>591</u>	<u>595</u>

CENTRAL ADMINISTRATION

The administrative activities of Council include customer service functions for Council services, accounting and finance, information technology, and senior management functions.

The operational costs for this activity have been allocated across the other activities performed by the Council. The forecast information included in relation to Central Administration is therefore provided to maximise transparency.



CENTRAL ADMINISTRATION - STATEMENT OF COST OF SERVICE

ACTUAL 2009 \$000		Note	LTCCP 2010 \$000	ACTUAL 2010 \$000
REVENUE				
130	Interest & Dividends		130	87
87	Other Income		23	15
137	Rates Penalties		135	134
1,713	Internal Recoveries		1,763	1,764
2,067	TOTAL OPERATING REVENUE		2,050	2,001
EXPENDITURE				
1,078	Staff Expenses		1,136	1,107
70	Depreciation		67	75
802	Administration Expenses	1.	735	810
1,951	TOTAL OPERATING EXPENDITURE		1,938	1,992
117	OPERATING SURPLUS/(DEFICIT)		112	9
98	CAPITAL	2.	-	29
136	TRANSFER TO RESERVES		179	104
<u>(117)</u>	TOTAL FUNDING REQUIRED		<u>(67)</u>	<u>(123)</u>
FUNDED BY				
70	Depreciation		67	80
46	Transfer from Reserves	3.	-	44
<u>117</u>			<u>67</u>	<u>124</u>

1. Actual Administration Expenses includes \$43,000 as Council's initial contribution to the costs of the Weathertight Homes phenomenon in New Zealand resultant from its membership of New Zealand Mutual Liability Riskpool.
2. Actual Capital Expenditure of \$29,000 relates to the early replacement of one of Council's vehicle fleet. Replacement was programmed for the 2010/11 financial year.
3. Actual Transfers from Reserves are for the replacement of the vehicle in note 2 above and the short term funding of the Weathertight Homes cost which is to be recovered via the rating mechanism in 2010/11.