

GO RE'S DISTRICT FUTURE

CONSULTATION DOCUMENT
for the proposed Long Term Plan 2015 - 2025

Putting **YOU** in our **FUTURE**
It's time to have **YOUR SAY**

Have your say by 4.00pm Monday 11 May 2015
www.goredc.govt.nz/goresfuture



29 Civic Avenue, Gore 9710
Phone: 03 209 0330
Email: info@goredc.govt.nz
www.goredc.govt.nz



A COUNCIL FOR YOU

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



Cr Peter Grant
District-wide Ward



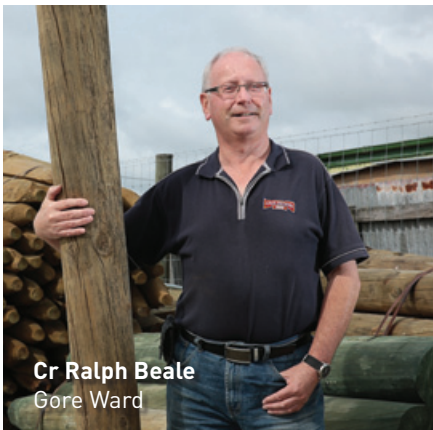
Cr Doug Grant
Gore Ward



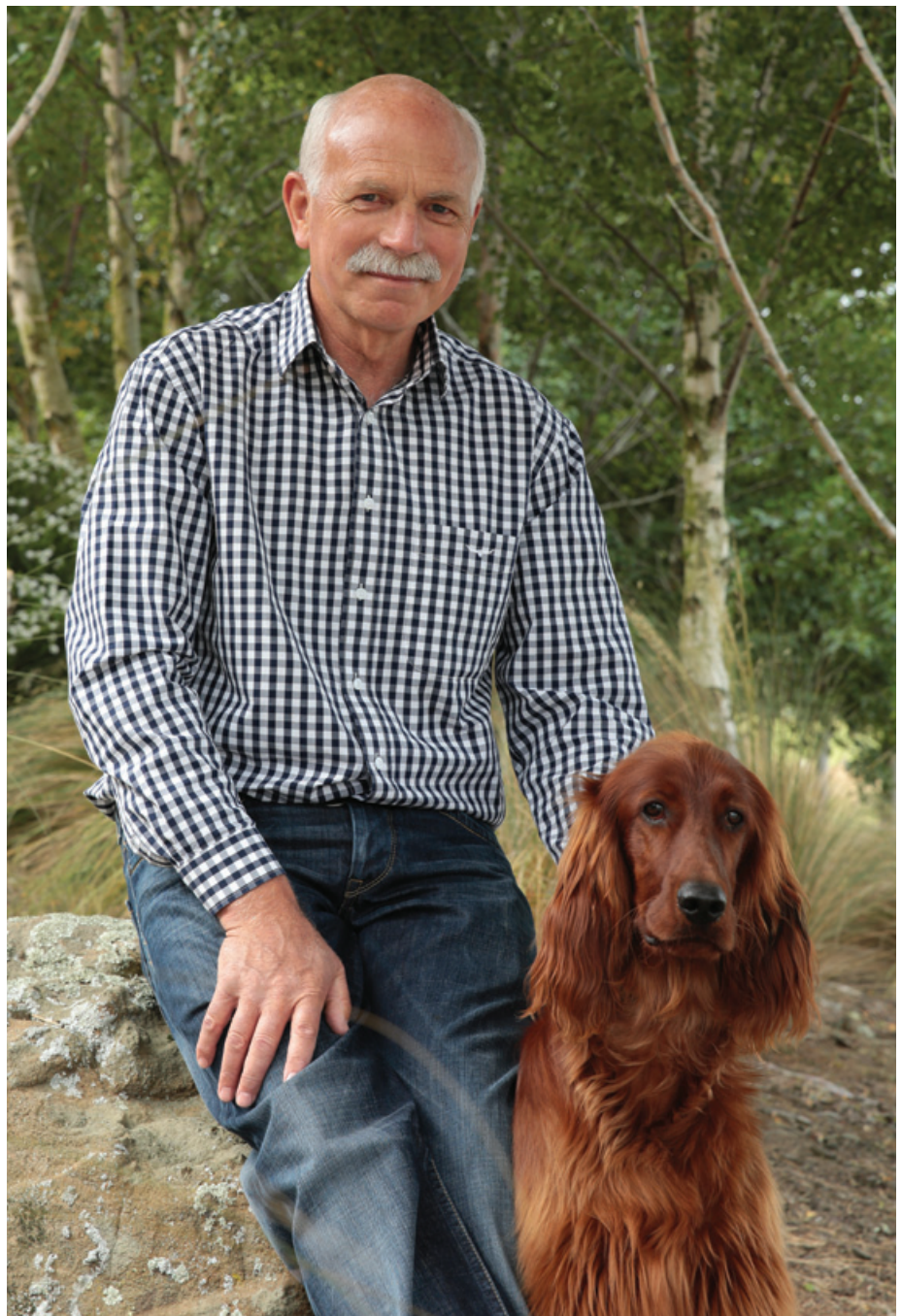
Cr Graham Page
Gore Ward



Cr Anne Gover
Gore Ward



Cr Ralph Beale
Gore Ward





Cr Steve Dixon
Mataura Ward



Cr Bret Highsted
Gore Ward



Cr Diane Byars
Waikaka Ward

MAYOR'S FOREWORD

Your Council is about to make some of the most important decisions it has faced during my term as mayor.

There will be projects and expenditure undertaken over the next few years that are the most significant for a generation. They will define this Council just as the decisions of our forefathers defined Gore as a prosperous rural town.

We will continue to build on that and live up to our reputation as offering the best of a rural lifestyle with all the services, facilities and attractions of our metropolitan cousins. It's what we call **Rural City Living**.

Your councillors are part of the community. We are farmers, retailers, labourers, mothers and grandparents. As you will see, we are proud of our District and proud of being part of its future.

We believe in prudently investing to create a vibrant and satisfying lifestyle, a place where people will want to live and businesses will want to establish.

We can't do it alone though. This is your opportunity to **have your say** on where we are going and how we plan to get there. This consultation document is all about putting your aspirations and desires into our future, so I urge you to take the time to make a submission.

We look forward to talking with you about the Gore District's Future.

A handwritten signature in black ink, appearing to read 'Tracy Hicks'.

Tracy Hicks JP
Gore District Mayor



Cr Cliff Bolger
District-Wide Ward



Cr Nicky Davis
District-wide Ward



Cr Graham Sharp
Waimumu-Kaiwera Ward



SETTING THE SCENE

Where do you see the Gore District in 10 years' time?

Do you see a District where the past is a golden thread in the fabric of our future? A place where our reputation as an arts and culture destination continues to grow and where everyone enjoys the same recreational and sporting opportunities that produced many of those who have worn the silver fern.

Do you see a District where it is safe for everyone from the elderly to young families; a place where new business is encouraged, there's an environment for expansion for existing ones, and an innovative rural sector leads the economy?

Your Council does.



As we have pondered over the big issues, and listened to your feedback via our residents' survey and community consultation, the main message has been that you want us to lay the foundations for the future.

We have refreshed our focus for this planning cycle. Three years ago our Long Term Plan was heavily flavoured by the prospect of Solid Energy's large scale lignite developments. Many of our projections were around major industrial development and the opportunities/challenges of population growth. When Solid Energy's plans vanished we were left facing the same challenges as the rest of rural New Zealand – a declining population and an ageing one.

Our population of 12,033 (2013 Census), is a decrease of 75 on 2006. This means the Gore District is ranked 51 in size out of the 67 districts in New Zealand. We are small not only in terms of population but also size, covering just 1,252 square kilometres.

However, we have huge potential and are in a great position to shape the place we live in.

Where that means facing up to the hard issues and making some tough decisions, we are prepared to step up. We have dared to be different already with our District and Council branding. This has set the Council on a path of progressive local government, where we make it easy for you to do business with us and in the District.

Everything we do is underpinned by our core values:

- We value our history and heritage
- We live in a creative place
- We have a choice of quality places to go and things to do
- We have a quality infrastructure with potential for growth
- We live in a compassionate caring community
- We value and respect our environment

When it comes to development, we have experienced good growth. An example of this is the steady rise in building consent figures over the last few years. We have seen multi-million dollar developments, such as the construction of the Southern Field Days event centre at Waimumu, during a time of global economic recession. The total value of our building consent figures for 2013/14 was \$33.2million. This is an increase of over \$12million on the previous year.

The Open for Business sign is up in the Gore District. As such, we want to be in a position to enable industries to expand and residential development to go ahead.

To enable this we need good infrastructure in place, which means some big ticket projects over the next 10 years. You may be familiar with some of them as they were flagged three years ago in our last Long Term Plan. Others are more recent additions to our capital works programme.

They are all once in a generation-type projects that through necessity all come to fruition in the first six years of this Plan.

HAVE YOUR SAY

The Council wants to make it as easy as possible for you to have your say on our future. **We welcome feedback from you between now and Monday 11 May at 4.00pm.**

You can tell us what you think via a number of different ways, depending on what suits you. These are:

Written feedback

- Use the form contained in the back of this document. Just scan and email it to us at info@goredc.govt.nz, or drop it in to the **Civic Centre in Gore**, the **Mataura Service Centre** or **Gore Library**; or send it **Freepost** using the address provided.
- You can provide written feedback online as well. Just go to www.goredc.govt.nz/goresfuture and fill in the form provided. You will receive an email confirming we have received your feedback. If you don't then please contact us on **2090330**.

Everything you need to provide us with feedback can be found on the Long Term Plan page of our website www.goredc.govt.nz/goresfuture. This includes all supporting documentation.

If you want to make comments via social media, please use **#goresfuture**. These comments will be provided to councillors when they are considering all feedback to the plan. However, please note the comments will not be

The challenge we face is how to balance the need for significant investment in public infrastructure with sustainable debt levels and affordable rates. In some cases, we will be looking for your input about the options we face.

We also propose to take an active role in supporting the creation of a more resilient retail area and providing funding to help look after our heritage buildings. We are aware the effects of the Canterbury earthquake are still being felt among building owners, including the Council with our Civic Centre.

What we want now is to put YOU into our future. This consultation document is our new way of engaging with YOU on our Long Term Plan. It summarises our key issues and challenges for the next 10 years.

Once you have read this consultation document, please tell us what we have got right, your preferred options for building a vibrant community and how we should best manage our finances.



given the same weight as feedback made on our form and the writer will not have the opportunity to speak at any hearings.

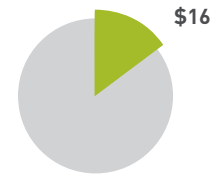
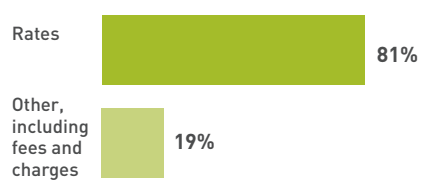
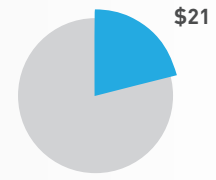
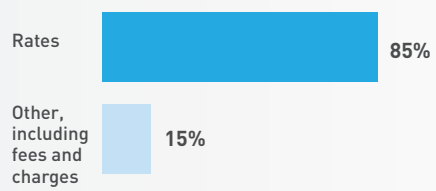
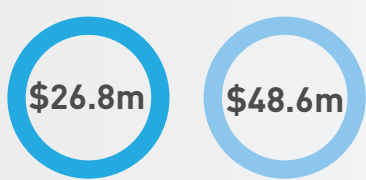
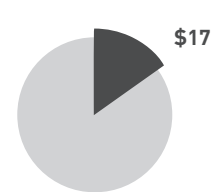
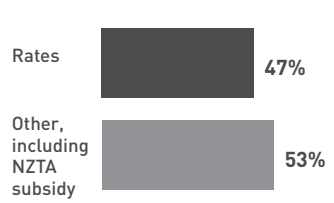
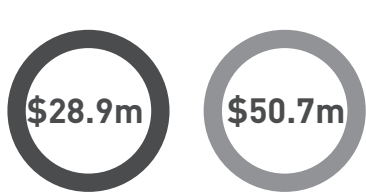
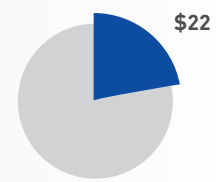
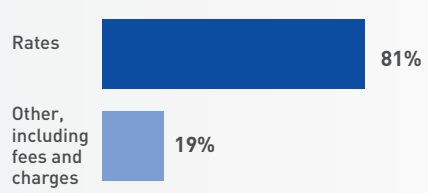
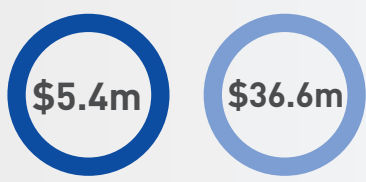
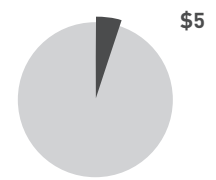
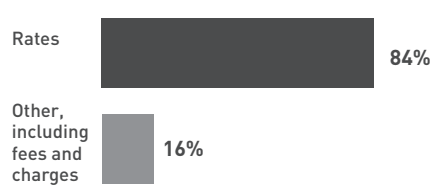
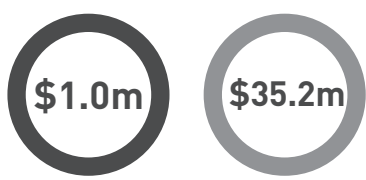
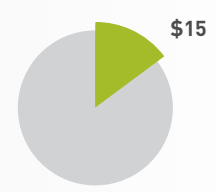
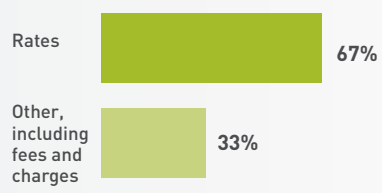
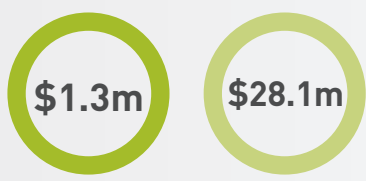
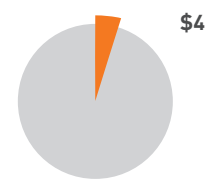
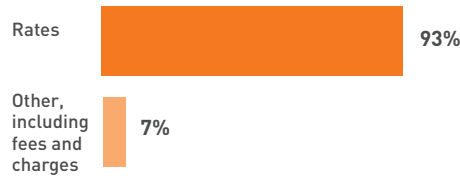
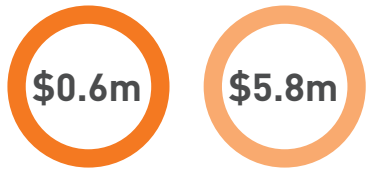
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Have your say before **Monday 11 May at 4.00pm**
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DRAFT 10 YEAR BUDGET AT A GLANCE

Area of Spend	Capital spend 2015-2025 (\$M)	Operating Spend 2015-2025 (\$M)	How operating costs are funded	Rates Value per \$100
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OUR INFRASTRUCTURE

We need good infrastructure if we are to fulfil our vision of a District ready to grow and prosper.

One of the positives to come out of Solid Energy's plans was it provided the impetus and funding assistance for the modelling of Gore's wastewater and stormwater networks. The issues we found have been one of the drivers for many of our big projects over the next 10 years and beyond.

The other major factor has been the need to comply with rules and standards set by central government. There have been a lot of legislative changes around the 3 Waters (drinking water, stormwater and wastewater) and Building Act in recent years, which have forced us to factor some significant projects into our future planning.

Taking a long term view of the management of infrastructural assets, we need to make key decisions in a timely manner. To meet our community's desires and priorities, as well as compliance with national standards, we have identified the following key decisions:

- Removing sludge from the Gore oxidation pond
- Increasing wastewater capacity in West Gore
- Removing manganese and oxides from Gore's water
- Hilbre Avenue reservoir replacement
- New Zealand Drinking Water Standards compliance

We have already started two of these projects to ensure our wastewater network has the capabilities to meet future demands in the South Gore/West Gore area.

They were flagged in our last Long Term Plan, and will have a financial impact during the lifetime of this plan and beyond. Combine them with projects we talk about later to address challenges with drinking water and we have what could be described as the perfect infrastructure storm.

After years of looking for the best and most cost effective technological solutions on offer, it is time to act.



FOCUS ON FIVE:

- ⚙ Removing sludge from the Gore oxidation pond
- ⚙ Increasing wastewater capacity in West Gore
- ⚙ Removing manganese and oxides from Gore's water
- ⚙ Hilbre Avenue reservoir replacement
- ⚙ New Zealand Drinking Water Standards compliance

Key Decision	Indicative Timeframe
3 Waters	
Funding of 3 Waters renewals programme vs affordability	2017/18 to 2044/45
Replace Hilbre Avenue Water reservoir	2018/19
Upgrade all water plants to meet NZ Drinking Water Standards	2015/16 to 2020/21
Level of service review – 3 Waters service extensions to North Gore/West Gore	2029/30 to 2039/40
Council's trade waste treatment capabilities meet expectations of industry	2025/26 to 2029/30
Remove sludge from wastewater pond #1 at Gore	2016/17
Address iron and manganese issues in water for North Gore/West Gore	2015/16 to 2016/17
Meeting regulatory requirements of stormwater discharge quality	2025/26 to 2029/30
Proceed with water strategy projects	2025/26 to 2037/38
Improve 3 Waters environmental impacts	2025/26 to 2029/30
Roading	
Replacement of bridges as they reach the end of their service life	2015/16 to 2024/25
Continue accelerated programme of renewal of faulty footpaths	2015/16 to 2024/25
Widening of footpaths on strategic routes	2015/16 to 2024/25
Disposal of unformed (paper) roads and bridges on these roads	2015/16 to 2024/25
Upgrade existing high pressure sodium street lights to light emitting diode (LED) technology	2025/26 to 2029/30

Roading - getting you there

Roading is one of our more significant activities and one we know many of you take a keen interest in.

Historically the 896km of roads in our District have been maintained to a very high standard for a relatively low cost, compared to other roading networks in New Zealand.

The New Zealand Transport Agency ranks our network sixth overall, out of 65 local authorities, in terms of maintenance cost and the high standard we achieve. It also ranks our roads as among the safest in the country, based on accident statistics.

We plan to continue this with our business as usual approach to roading over the next 10 years.

Removing sludge from the oxidation pond

The water that goes down the sink after you have washed the dishes or down the drain after you have flushed the toilet is called wastewater.

The oxidation pond in south Gore is where the town's wastewater ends up for treatment. It was commissioned in 1974 and is now in need of its first clean out.

We estimate 3000 tonnes of sludge is sitting in the bottom of the pond. This is compromising our ability to efficiently treat wastewater or handle any increase in volume.

Removing the sludge will improve effluent treatment. It also lowers the risk of us breaching the conditions of our discharge into the Mataura River.

Just as important is the ability it will give us to take more wastewater when there's industrial or residential development in the town.

Project cost: \$2.63million

Impact on debt: \$318 per rating unit

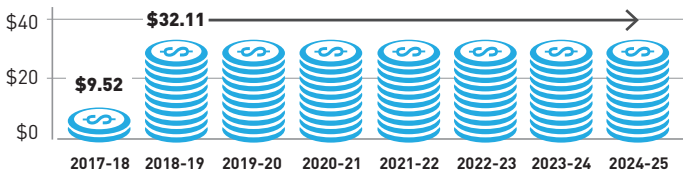
Proposed funding: A loan, with the repayment of the interest and principle by urban rates.

Impact per rating unit a year:

In 2017/18: **\$9.52** (18c a week)

In 2018/19: **\$32.11** (43c a week)

10 year rating impact for sludge removal - per rating unit



This work is due to start in 2016/17. However, we may start it sooner to take advantage of market rates.

Wastewater capacity for West Gore

Our wastewater network in West Gore is at least 35 years old with some sections possibly dating back to the 1940s. We have certainly grown since then.

Today this part of our network simply cannot take any more wastewater. There are times when our Ajax pump station, in south Gore, is overwhelmed and the network overflows. We have also had reports of overflows into residential properties in West Gore after heavy rainfall.

The net effect of this is the area cannot grow. Demand for residential sub-division in West Gore and opportunities for industrial expansion are hampered by our inability to take their wastewater.

Our plan is to create an environment where development can easily occur while meeting our need to carefully manage our finances. We have spent three years investigating options to find the best solution.

We started the project this year and it will continue into the coming financial year.

Project cost: \$1.1million in 2015-16

Impact on debt: \$154 per rating unit

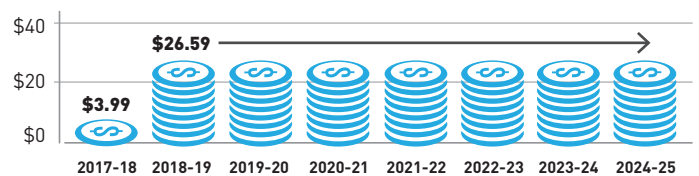
Proposed funding: A loan, with the repayment of the interest and principle by urban rates.

Impact per rating unit a year:

In 2016/17: **\$3.99** (08c a week)

In 2018/19: **\$26.59** (51c a week)

10 year rating impact for wastewater improvements - per rating unit



MAKING EVERY DOLLAR COUNT

As we all know from personal experience, balancing the budget can be challenging.

The major projects we already have underway, together with those waiting in the wings, will have an impact on our budget. It is our job to ensure we can afford what we are doing and that costs are shared fairly.

Rates are our main source of revenue. We have 6,025 rating units in the District and our rating system is capital-value based. This means the value of your property is used to calculate the percentage you pay for certain activities. We have two types of rates – general rates and targeted rates.

We are committed to the 5% cap on annual rates increases we imposed in our financial strategy three years ago. However, the extraordinary circumstances we face with these once-in-50-year projects and our focus on ensuring debt retirement keeps pace with debt creation, means we expect to exceed the cap once during the life of this Long Term Plan.

While we have carried out large capital investments in the past, our debt to rates ratio has been falling over the

last decade. This puts us in a solid position to take on new debt to fund the major projects now on the horizon.

We think the most affordable way to pay for these projects is by loan, although a small portion of each could also be funded from existing budgets. By choosing to fund these projects by loans it means one generation of ratepayers is not unfairly burdened with the cost, since future generations will also experience the benefits from these assets.

See **Rating Samples 2015-16** Table, page 9.

We also need to proactively reduce our overall debt because we know from extensive modelling work on our 3 Waters network, there will be more major projects required beyond this 10 year planning cycle.

Historically, the rates collected for depreciation have funded capital work, loan repayments and interest. This has helped us keep rates low. However, an intensified capital works programme drives increased borrowing, and there is not enough funding from the rates collected for depreciation to cover all three areas.

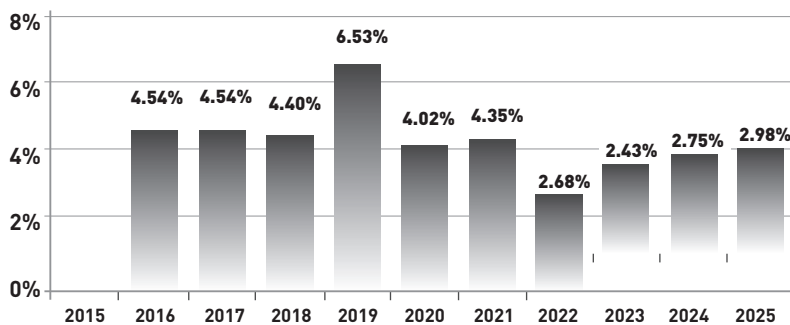
Rating Samples 2015-16 (\$)

Property Value	51,000	152,000	254,000	376,000	508,000	660,000	-	-
Gore Urban	1,957	2,161	2,367	2,613	2,879	3,186	-	-
Property Value	12,000	45,000	72,000	135,000	226,000	339,000	-	-
Mataura Urban	1,869	1,909	1,943	2,021	2,133	2,273	-	-
Property Value	37,000	154,000	256,000	410,000	717,000	1,399,000	2,870,000	-
Gore Commercial	2,185	2,970	3,896	5,294	8,031	11,971	18,489	-
Property Value	14,000	48,000	94,000	161,000	382,000	603,000	-	-
Mataura Commercial	2,089	2,253	2,474	3,096	5,137	7,280	-	-
Property Value	108,000	404,000	819,000	1,657,000	2,485,000	3,508,000	5,858,000	7,811,000
Rural	1,007	1,518	2,040	3,093	3,459	5,509	8,372	10,813
Property Value	365,000	918,000	28,674,000	-	-	-	-	-
Industrial	22,492	13,267	231,474	-	-	-	-	-

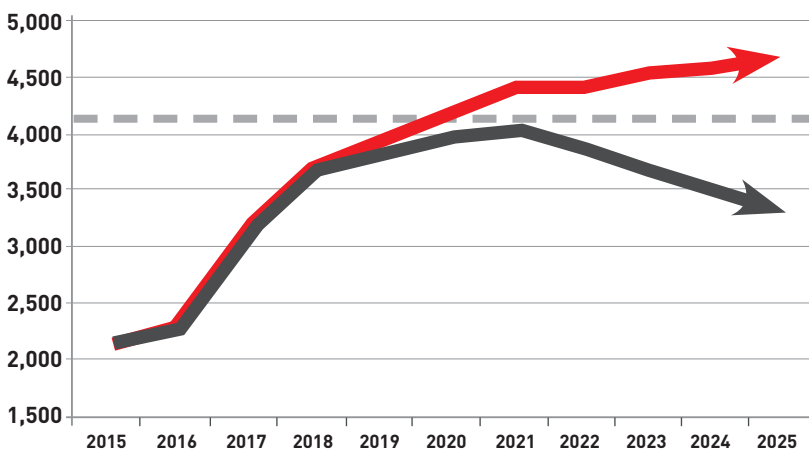
For more details about existing and future rates for these sample properties please go to www.goredc.govt.nz/goresfuture.

Proposed Rates Increases (%)

These proposed increases are outlined on page 17, option 1.



Debt per rating unit



- Debt per rating unit if no change is made
- Debt per rating unit, with proposed rates increases
- - - Maximum debt limit

To help us get the debt down, we propose to fund the interest costs by rates. This is in addition to the rates we already collect for depreciation. This will start in 2018/19 and contributes to a 6.53% rates increase, which is above our 5% self-imposed rates increase limit. However, without this change in direction debt would soon start to rise to unacceptably high levels, given the scale of the capital projects.

In addition to the 5% rates cap, we have set the following limits for the next 10 years:

- The total rates collected in any one year will be under \$25million (currently \$15million)
- A maximum debt of \$4,150 per rating unit (currently \$1,919)

Even if we borrow to the extent we are forecasting, our ratio of borrowing costs to revenue is below the 10% benchmark set by central Government. At present for every dollar of rates income, we pay 3.5cents interest. We see this peaking at 6.3cents in 2019 before dropping back to 5cents in 2025.

We are forecasting a relatively stable level of capital expenditure in our roading and 3 Waters activities, outside of the Big 5 projects and renewal of the Pyramid Bridge. This means it is a business as usual approach to the services we deliver.

KEY ISSUES

As we grow our community, there are several major projects we would like your feedback on.

Putting **YOU** in our **FUTURE**
It's time to have **YOUR SAY**



1. FIXING OUR WATER

Water is our most precious resource and ensuring everyone has access to clean water to use in their home or business is a priority. This has been a consistent message from you in our resident surveys.

Drinking water issues are among the significant projects coming up in our 3 Waters activities over the next 10 years. These projects focus on wastewater and drinking water, and relate to the replacement, upgrading or maintenance of assets. We also have to factor in growth and meeting increasing demand or land use changes.

Discoloured water

Having brown water come out of your tap, staining your washing or preventing you from bathing the children is far from satisfactory. Unfortunately, this has been the case for residents in West Gore/North Gore in recent years.

The discolouration is caused by manganese and iron oxides in the water we are drawing from a well at Jacobstown. It was only after the well was commissioned in 2010 that high levels of these trace elements were found. The presence of trace elements is probably due to a nearby underground layer of lignite. We have limited the use of the well but when we have had to draw water from it, there have been significant issues and complaints from the public.

The Council is obligated to supply quality, wholesome drinking water. While the presence of manganese and iron oxides does not compromise personal health, we

see fixing this problem as a priority. It will ensure people don't have to endure dirty water coming out of their tap and it will enable us to make better use of the well.

Our plan is to install equipment at the Hilbre Avenue water treatment plant to capture the dissolved minerals in a filter.

We want to start the project in 2015/16 and have it finished by the following year. We estimate the project will cost \$1.7million and it will be funded by urban ratepayers.

If we go ahead

- We can pump from the second well without fear of delivering discoloured water to people's homes
- We can use the second well at Jacobstown to its full potential
- Gives us more water supply capacity to meet any increase in demand
- All residents of Gore will have equal access to quality water

If we do nothing the result is

- We cannot utilise the second well to its full potential to supply water to Gore
- We are failing in our obligation to supply clean water
- No direct impact on rates

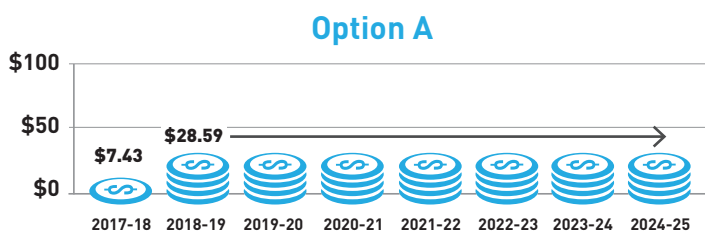
Do you agree removing the manganese and iron oxides from the water should be a priority?
See question 1A on the feedback form.



If we go ahead, we have two payment options. They are:

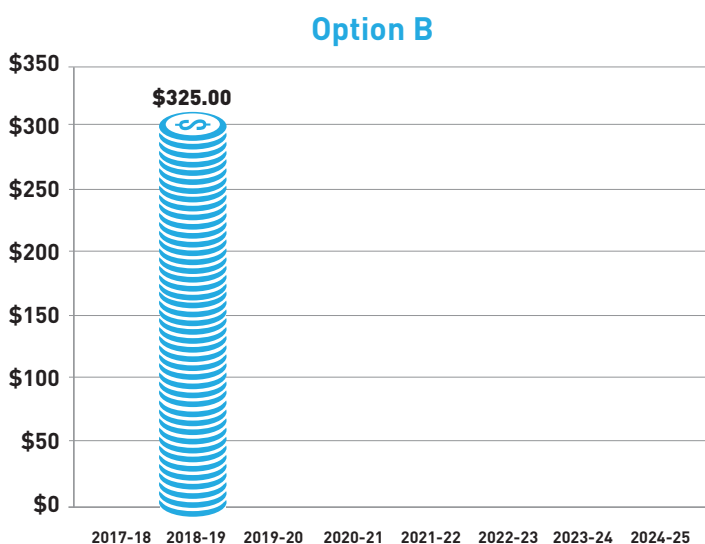
Option A – funding the bulk of the project by loan and a small amount from existing rates.

We would borrow \$1.5million (impact on debt \$249 per rating unit). Impact on rates will be \$28.59 a year from 2018-19. This is equivalent to 55c a week.



Option B – funding the entire project by rates

The impact on rates will be a one-off 9.5% rates increase. This would put an extra \$325 on your rates account.



How do you think this \$1.5m project should be funded? Either by loan with a small amount from existing rates, or entirely by rates?
See question 1B on the feedback form.

Hilbre Avenue Reservoir

The iconic Hilbre Ave water tower will remain a part of our landscape for years to come. However, the reservoir beside it has reached the end of its life and fails to meet present day water storage standards.

It also does not have enough storage capacity for Gore’s current needs. Its maximum storage is 1000 cubic metres. Compare this to the main pool at the Gore Aquatic Centre, which contains 600 cubic metres.

We need to replace the reservoir to protect our water quality and to ensure we have enough storage capacity should our ability to pump water from our wells be compromised.

Difficulties caused by the reservoir’s location have added to the cost of demolishing it and building a new one. We estimate the project will cost \$1.1million, which we plan to fund by loans and depreciation.

Drinking water standards

Our aim is to provide quality drinking water.

Over the last five years our intensive search for new water sources has not been successful. Therefore we have redirected our efforts to maximising our existing water sources and managing them to meet the New Zealand Drinking Water Standards.

Protecting Gore’s main water source, Cooper’s Wells, was one of our first initiatives. Our next step is to upgrade our existing treatment plants at East Gore, Hilbre Avenue and Mataura. Initial investigations will be carried out in the next two years to decide the best options for these treatment plants.

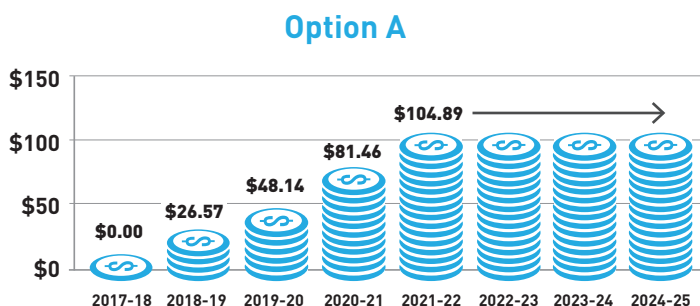
We have budgeted \$4.9million for what we believe is the most cost effective upgrade for these treatment plants, to meet national drinking water standards.

How we propose to pay for these projects?

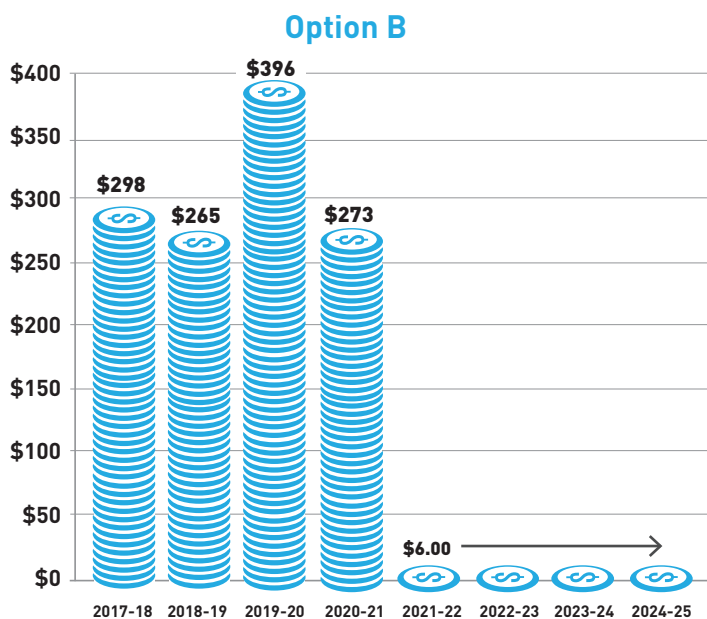
We have combined the Hilbre Avenue reservoir and upgrades to our three water treatment plants to make it easier to understand the impact these projects will have on your rates. These are big projects and will be staged over several years. Consequently, the impact on urban rates will also be spread over several years.

It will cost \$6million to carry out these projects. Our preference is Option A, which sees us borrowing \$5.6million (impact on debt \$929 per rating unit) over four years.

Option A - The effect of the loan on each serviced unit is an extra \$104 per annum, but we are staging this increase over four years (average \$26 increase per year)



Option B - Funding these projects entirely by rates will require, on average, an extra \$308 each year (or \$6 per week) for four years from each serviced unit.



How do you think the \$6million upgrades to our water storage and water quality should be funded? Should it be by loan, with a small amount from existing rates, or entirely by rates?

See question 1C on the feedback form.



2. LOOKING AFTER OUR HERITAGE

Without a past we have no future. We believe it is a priority to preserve and showcase the District's heritage. We see the following two projects being major contributions to achieving this.

Heritage precinct redevelopment

The Gore District is renowned for its arts and heritage. We have become a destination in our own right for aficionados of the arts and host exhibitions more befitting our metropolitan cousins.

We believe we can build on our success and develop an area that will be a major visitor attraction. We see the promotion of heritage tourism as one of the key drivers of economic development in the District.

The heritage precinct in Hokonui Drive is currently home to a cluster of heritage and arts attractions, such as the Hokonui Moonshine Museum and Eastern Southland Gallery. It is also home to the Hokonui Moonshiners' Festival, and key Council services the Gore Visitor Centre and Gore Library.

Our vision for 28 Irwell Street is to transform it into a home for four different facilities. They are:

- a working moonshine distillery,
- the Hokonui Moonshine Museum,
- Gore Visitor Centre, and
- a public exhibition/information space.

The vacant space created by moving the museum and visitor centre will provide a new collection storage facility in the existing Win Hamilton Wing. We will make our busy heritage research centre more accessible to the public by relocating it to the ground floor, while also extending and upgrading the Gore Historical Museum displays.

Creating a more pedestrian friendly streetscape and a makeover for precinct signage are also included in our plans.

In 2015/16 we want to develop a concept plan to give us a firm direction and timeline, as well as something tangible to enable us to share our vision.

The total cost of the project is estimated to be \$2.2million, of which we have already pledged \$1million. The Council's support and financial commitment has been integral in enabling this project to access external funding sources.

Of the funding already budgeted for, we have spent \$500,000 on purchasing the Irwell Street building and a further \$500,000 is tagged for expenditure over the next six years. It will be used as seed funding for a staged development, starting with the concept plan.

We plan to borrow the \$500,000 flagged in this consultation document (impact on debt \$83 per rating unit). Repayment of the loan will be split between the uniform annual general charge and general rates. This will cost each ratepayer, on average, \$7.20 a year.

This second stage is conditional on the remaining \$1.2million being secured from external sources.

Do you support our proposals for the heritage precinct?
See question 2A on the feedback form.

Heritage building preservation fund

We know the earthquake strengthening standards are creating a headache for commercial property owners, particularly those with heritage buildings. We are also aware that since the Christchurch earthquake, the public's perception of heritage and its preservation has shifted.

Against this backdrop there are some residents concerned about how quickly our central business district has changed with the demolition of several notable buildings.

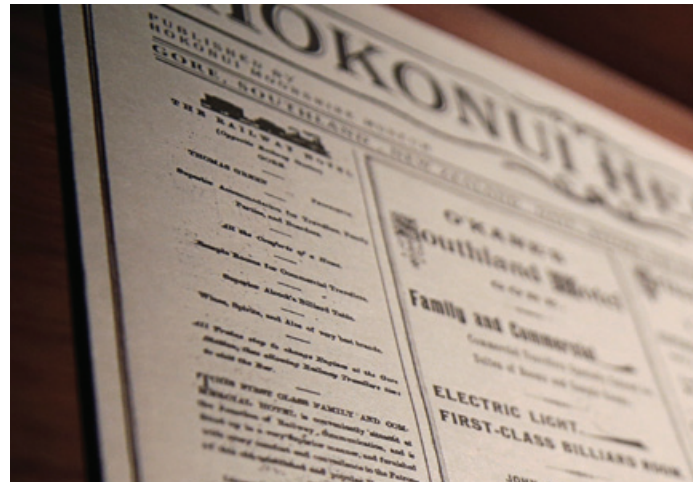
A number of heritage buildings in the CBD are identified in the District Plan as worth protecting. We plan to create a heritage preservation fund, setting aside \$40,000 a year for 10 years, to help the owners of these buildings as they work through meeting building code compliance standards.

We are also embarking on a review of the District Plan heritage building list, in recognition of the events in Christchurch and shifts in public opinion.

Every ratepayer will contribute, on average, \$6.60 to the heritage preservation fund via the general rate. This rate is based on capital value, which means the owners of low value properties will pay less and those who own high value properties will pay more.

Do you agree with the creation of a heritage preservation fund and the annual amount we have set?
See question 2B on the feedback form.

Decreasing or increasing the annual amount will have a corresponding effect on how much each ratepayer contributes.



Putting **YOU** in our **FUTURE**
It's time to have **YOUR SAY**



Have your say before **Monday 11 May at 4.00pm**
www.goredc.govt.nz/goesfuture



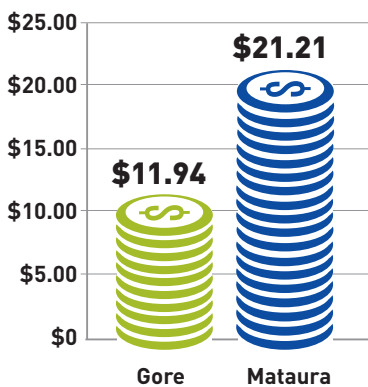
3. MATAURA RECREATIONAL OPPORTUNITIES

Mataura is a town with a proud history that has faced its share of challenges in recent years with the closure of its major industries. The Mataura Community Board and the Council want to provide the catalyst for residents to have something to be proud of once again by developing a recreational attraction unique to the District.

The vision is to develop Tulloch Park into a recreational hub catering to a wide range of ages. It will be a place for families from throughout the District and beyond to gather and have fun.

The initiative came about amid concern about falling patronage at the Mataura Centennial Pool, and rising operational and capital costs at the 50-year-old plus facility. Each time someone swims at the Mataura pool it costs \$21.21. Each time someone swims at the Gore Aquatic Centre it costs \$11.94.

What is the cost per swim?

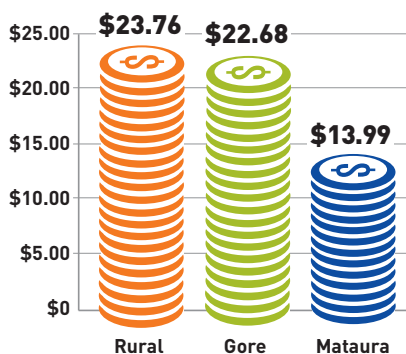


Through two rounds of community consultation, we were told an outdoor gym/fitness station and climbing nets were the adults' favoured options. The children, on the other hand, overwhelmingly voted for outdoor play structures.

We have worked with the Mataura community board to look at all the options.

We could keep the pool open despite falling patronage. This requires \$135,706 a year of ratepayer funding.

The annual cost to you is




Alternatively, we could apply the money we spend each year on the pool and create a destinational recreation facility, something unique for Mataura and the Gore District. The pool would be closed once there were definitive plans for something else.

This would not impact on your rates in the short term. The estimated \$500,000 for the project will be funded by a loan, which will be paid back over four years using the \$135,706 ratepayers currently contribute to the pool.

In the long term, we will probably need a modest contribution from ratepayers but operational costs will be considerably less than those we presently face with the pool.

Do you agree we should apply the money we currently spend each year on the Mataura pool to create a destinational recreational facility unique to Mataura and the Gore District?
See question 3 on the feedback form.






4. YOUR RATES

The challenge we face is how to balance our once-in-a-generation projects with rates affordability and prudent debt management.

Over the next 10 years we plan to complete about \$13.8million worth of work on key infrastructural projects.

They are

- \$2.6m to remove sludge from the oxidation pond
- \$1.1m in 2015-16 to upgrade the West Gore wastewater network
- \$1.7m to provide clean water to residents in North and West Gore
- \$1.1m Hilbre Avenue reservoir replacement
- \$4.9m upgrade water treatment plants to meet NZ Drinking Water Standards
- \$3.2m to upgrade the Civic Centre to meet earthquake strengthening standards
- \$500,000 for the heritage precinct redevelopment

Everything we do affects your rates and the amount they increase from year to year. In 2013 we put in place a 5% cap on rates increases. This came after annual rates increases that fluctuated as high as 8.79% and 7.32%.

We have considered two options to complete our big projects and manage the debt. Foremost in our minds was the need to make it all affordable to ratepayers while ensuring our rates income is realistic enough to retain levels of service.

The options are:

Option 1 - We will carry out the five critical capital works projects when they need to happen and not delay some to smooth the effect on rates. Debt will be proactively retired. This is our preferred option.

Advantages

- We balance the books for nine out of the 10 years of this plan
- The timing of the projects aligns with the needs identified in our asset management plans
- The Gore Aquatic Centre's debt is paid off at the end of the 10 years
- We can predict, with some confidence, that we will not exceed the self-imposed 5% rates increase cap in every year bar one
- Our debt peak of \$24m will be reduced by \$4m by 2024/25

Disadvantages

- We have a one-off breach of the self-imposed 5% rates increase in 2018/19. We predict the rates increase that year will be approximately 6.5%.

Option 2 - We will carry out the five critical capital works projects when they need to happen. However, we will lift the rates increases we have flagged for 2017/18 and 2019/2020 so that we can lower the 2018/19 projected increase. This delivers three years of rates increases that will be perilously close to our 5% cap.

Advantages

- All rate increases for the next 10 years remain under the self-imposed 5% cap
- There is strong alignment to the needs identified in asset management plans, with the Civic Centre upgrade still scheduled to start in 2016/17

Disadvantages

- We balance the books for eight out of the 10 years of this Plan
- The likelihood of staying under the cap is slim, given there is almost no capacity in the budgets for unforeseen expenditure
- The lack of capacity in our operating budgets puts at risk our levels of service and ability to respond to emergencies
- It gives us less control over our ability to manage assets and levels of service

Which option do you agree with? Or maybe you have an alternative? **See question 4A on the feedback form.**



Setting the fixed charge for each property

The Uniform Annual General Charge (UAGC) is the fixed portion of your rates. Every ratepayer pays it regardless of their property's value. It is charged on each separately used or inhabited part of a rating unit – for example a house in Gore with a granny flat on the same section pays two UAGCs. The use of a fixed charge ensures every ratepayer pays the same minimum amount for council services. We use it to pay for activities such as the Gore A&P showgrounds, arts and heritage, and grants.

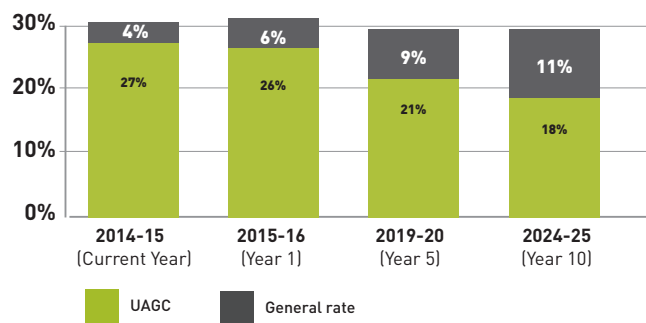
Councils can collect a maximum of 30% of their total rates via the UAGC. Historically, we have set our UAGC level close to this maximum so that when our total rates

take increased, so did our UAGC. This year it was \$679, next year it was set to hit \$706.

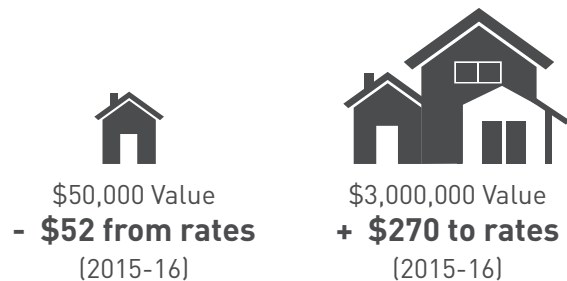
We propose to freeze the UAGC at \$650 for 10 years. This is because we consider ongoing increases in this charge to be inequitable as it would unfairly disadvantage people with lower value properties.

We will combine the freeze with gradually increasing our use of the valuation-based general rate. This is a district-wide rate based on a property's capital value. By shifting our use of the UAGC in this way it means people who own lower value properties will be less vulnerable to rates increases than owners of more expensive properties.

Change in the UAGC and the General Rate as % of total rates



(Approximately 30% of annual rates is divided between UAGC and the general rate)



Do you agree with freezing the UAGC at \$650 for 10 years? **See question 4B on the feedback form.**

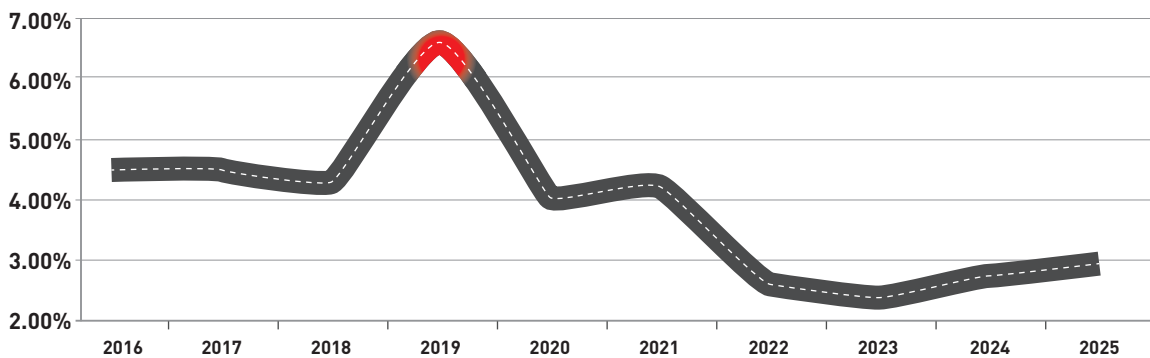


Impact of UAGC & General rate change (all Wards) in 2015-16

Property Value	50,000	150,000	250,000	350,000	500,000	750,000	1,500,000	3,000,000
UAGC \$650 (proposed)	668	703	738	773	825	913	1,176	1,702
UAGC \$706 (no change)	719	743	757	792	828	888	1,069	1,432
Impact on rates	- 51	- 40	- 29	- 19	3	25	107	270

The Long Term Plan is our blueprint for managing our infrastructure not only in the next 10 years but also 30 years from now. **The important choices we make now will determine WHERE WE ARE IN 2025.**

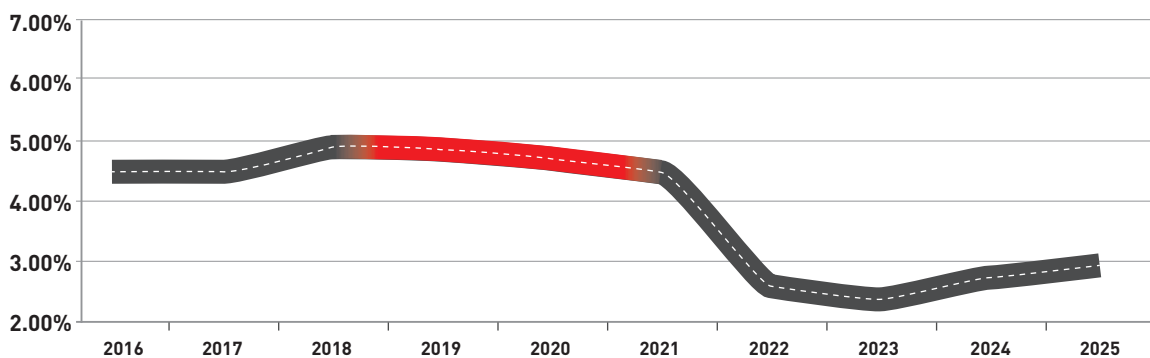
Option One - Proposed rates % increases (this is our preferred option)



Option One - By 2025:

- We will have the Gore Aquatic Centre debt paid off
- We will have infrastructure that allows for residential and industrial growth
- We will have residents who won't have to worry about discoloured water
- We will have a heritage precinct attracting international and domestic tourist dollars to the District.
- We will have paid off \$4million in debt
- We will have likely breached the 5% rates increase cap in at least one of the 10 years, due to the Civic Centre upgrade and funding interest from rates (refer P8 & P9)
- We will have coped with any unforeseen expenditure – for example a major asset failure, or a significant community initiative

Option Two - Proposed rates % increases



Option TWO - By 2025:

- We will have the Gore Aquatic Centre debt paid off
- We will have infrastructure that allows for residential and industrial growth
- We will have residents who won't have to worry about discoloured water
- We will have a heritage precinct attracting the international and domestic tourist dollars to the District.
- We will have paid just under \$4million in debt
- We will have likely breached the 5% rates increase cap in at least three of the 10 years, due to the Civic Centre upgrade and funding interest from rates (refer P8 & P9)
- We will have taken on more debt to pay for any unforeseen expenditure



YOU ALSO NEED TO KNOW

For many of our activities there will be little change to our levels of service and we are anticipating business as usual. We will continue to look after the roads, make sure school children get free swimming lessons, have the gardens and Main Street plots looking picturesque, and keep the public toilets clean. That's because these are just some of our core activities.

However, there are some important matters coming up over the next 10 years, which we would welcome your feedback on.

Civic Centre upgrade

Issues with our Civic Centre offices and potential need for an upgrade were first raised in 2009. The project was put on hold in the midst of the national debate on local government reform and amalgamation.

The Christchurch earthquake and the question of meeting current earthquake strengthening standards in the Building Code has further complicated and delayed any progress in the Civic Centre project.

The time has now come for this project to be undertaken.

Built in the 1960s, the building's architects could not have envisaged the advancements in technology and today's

requirements to do business. Health and safety, as well as security and privacy for staff to carry out their everyday duties, are among the issues we need to address as a responsible employer.

We plan to complete the project by 2017-18. We have estimated it will cost \$3.2million (impact on debt \$528 per rating unit), which we will borrow. To pay back the loan and interest will cost each ratepayer, on average, \$57.60 a year.

We considered delaying the project until 2022-23 but rejected this option. We did not believe it was financially prudent and that the risks outweighed any perceived benefits. The consequences of such a move included unbalanced books for six out of the 10 years of this Plan and our projected debt would be \$22.5m. This was \$2.5m more than our preferred option.

Pyramid Bridge renewal

The renewal of this one-lane bridge across the Matura River is scheduled for 2017-18. It is a joint project with the Southland District Council (SDC) and will cost about \$1million. We are working to have the project fully funded by central Government. However, the scenario at present is that the New Zealand Transport Agency (NZTA) will contribute 55% of the project's cost and the remaining 45% would be split between us and SDC. This project will be funded from rural rates. We have tried to minimise the impact by rescheduling other capital works projects

Footpath upgrade and renewal programme

We plan to spend \$300,000 a year over the next 10 years on footpath renewal in Gore and Mataura. This is in line with our commitment to ensure all the town's footpaths meet current standards. We intend to widen some footpaths, especially those with high foot traffic volumes, so they are more user friendly for people on mobility scooters. The need for wider footpaths is in our Streetscape Strategy and recognises our ageing population. The work is funded by urban ratepayers and there will be little impact on rates.

Playground renewal

We will be reviewing, replacing or renewing certain items of play equipment at all of the District's 26 playgrounds over the next 10 years. The reason is to ensure all our playground equipment is safe and meets present day safety standards. We will be working to an independently assessed schedule, starting in 2015-16 with work on nine playgrounds. The estimated cost for the first year is \$105,900, which will be paid by all ratepayers.

Gore Aquatic Centre shutdown

We have programmed a shutdown of the Aquatic Centre in 2022-23. The need for regular programmed work was highlighted last year when the centre had its first major shut down for maintenance, 12 years after it opened. We have a tentative maintenance plan in place but will undertake further investigations so we can get a clearer understanding of the work required. We have budgeted \$236,000 for this work, which will be paid for by all ratepayers.

Gore Aquatic Centre debt repayment

The Gore Aquatic Centre opened 13 years ago and has become one of our more popular recreational facilities. We have been consistently told we need to pay off the centre's debt sooner rather than later, so have planned a proactive debt retirement plan through a gradual year on year increase in loan repayments. This will see the Aquatic Centre's debt, which presently sits at \$2.3 million, repaid in 10 years.

Derelict building fund

We believe Mataura is vital to our District's future. For a long time derelict buildings in the town's main thoroughfares have not only given visitors a false impression of the town but also undermined the morale of its residents. We want to change that. It is proposed to set aside \$20,000 for two years, starting in 2015/16, for the strategic acquisition of some of these long

standing eyesores and their demolition. This will be funded district-wide on the valuation-based general rate. This means the amounts will vary, depending on a property's value, although the average cost per rating unit will be \$3.30.

Putting **YOU** in our **FUTURE**
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Have your say before **Monday 11 May at 4.00pm**
www.goredc.govt.nz/goesfuture



Independent auditor's report on Gore District Council's Consultation Document for its proposed 2015/25 Long-Term Plan

I am the Auditor-General's appointed auditor for Gore District Council (the Council). Section 93C of the Local Government Act (the Act) requires an audit report on the Council's consultation document. I have carried out this audit using the staff and resources of Deloitte. We completed this audit on 1 April 2015.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2015/25 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long term plan, and
 - identifies and explains the main issues and choices facing the Council and Gore District, and the consequences of those choices and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.¹

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the electronic publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing the consultation document and long-term plan;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long term plan that meet the purposes set out in the Act; and
- Ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

¹ The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and The International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

The Council is also responsible for the publication of the consultation document, whether in printed or electronic form.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



B E Tomkins



On behalf of the Auditor-General, Dunedin, New Zealand



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Have your say before **Monday 11 May at 4.00pm**
www.goredc.govt.nz/goesfuture

CONSULTATION DOCUMENT FEEDBACK FORM

Feedback must be received by the Gore District Council by 4.00pm Monday 11 May 2015

Visit our website www.goredc.govt.nz/goresfuture and read the consultation document before providing your feedback. You will also find all the supporting documents and information there, and you can provide feedback online. Alternatively, fill in this feedback form and return it to us as outlined below.

Email Just scan your completed form and email it to us at info@goredc.govt.nz

In person You can drop off your completed form at our Civic Centre office, 29 Civic Avenue; the Gore Library, or the Mataura Library/Service Centre.

By Post Put your completed form in an envelope and post it using our Freepost address.

**Long Term Plan 2015-2025
Gore District Council
FreePost Authority 213
PO Box 8
GORE 9740**

Your name and feedback will be public documents. All other personal details will remain private.

Mr / Mrs / Miss

First name _____

Last name _____

Postal address _____

Email address _____

How would you prefer to be contacted?

Email Post

Do you wish to speak to councillors in support of your feedback?

Yes No

Would you like to receive our ChinWag email newsletter from the Council?

Yes No



1. FIXING OUR WATER See pages 10-12

Question 1A Do you agree removing manganese and iron oxide from the Gore water supply should be a priority?

Yes No

Your comments please

Question 1B How do you think this \$1.5m project should be funded?

By loan with a small amount from existing rates?

Entirely by rates?

Your comments please

Question 1C How do you think the \$6million upgrades to our water storage and water quality should be funded?

- By loan with a small amount from existing rates?
 Entirely by rates?

Your comments please

 **2. HERITAGE** See pages 12-13

Question 2A Do you support our proposals for the Heritage Precinct Redevelopment?

- Yes No

Your comments please

Question 2B Do you agree with the creation of a Heritage Preservation Fund and the annual amount of \$40,000?

- Agree Disagree

Your comments please

 **3. MATAURA RECREATIONAL OPPORTUNITIES** See page 14

Question 3 Do you agree we should apply the money we spend on the Matura Pool each year to create a destinational recreational facility unique to Matura and the Gore District?

- Agree Disagree

Your comments please

 **4. YOUR RATES** See pages 15-17

Question 4A We have presented two options to you in our consultation document for managing our debt and rates affordability, while undertaking major capital works projects. Which option do you agree with?

- Option 1 Option 2

Do you have an alternative option?

Your comments please

Question 4B Do you agree with freezing the UAGC at \$650 for 10 years?

- Yes No

Your comments please

Any other feedback? Please provide any additional feedback below. If you are providing feedback on a specific question then please include the question number.

NEED MORE ROOM? You can attach extra pages to your feedback but please make sure they are A4. Also check to include your name and contact details on the extra pages.