

GO RURAL
DISTRICT COUNCIL
RE CITY
LIVING

GORE DISTRICT 10 YEAR PLAN 2018 - 2028

**10
YP** 2018 - 2028
ARE WE READY?



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MISSION STATEMENT

The Mission Statement states the reason the Gore District Council exists. It also sets out a series of goals that contribute to the achievement of the Council's mission. These goals are reflected in the activity summaries for each Council activity.

Role of the Council

Section 10 of the Local Government Act 2002, states that the purpose of local government is to:

- enable democratic local decision-making and action by, and on behalf of, local communities, and
- to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

The Council is accountable to the citizens of the Gore District for the planning, direction, and management of resources to meet present and future needs of the District.

Our Vision

To provide an environment that allows people to enjoy the lifestyle and culture of their choice.

Our Mission

To achieve our vision by:

- Ensuring a sustainable environment for future generations
- Encouraging participation by the people
- Providing efficient quality services and facilities that meet the affordable needs and aspirations of the people.

10 YEAR PLAN

All local authorities are required by the Local Government Act 2002 to develop Long Term or 10 Year Plan for their areas.

A 10 Year Plan outlines:

- Details of the activities undertaken by the Council;
- Identifies the directions or outcomes chosen by the community and the role of councils and other key agencies in achieving those outcomes, over the next 10 years;
- A basis for integrated decision-making and coordination of the resources of the Council;
- A long term focus for the decisions and activities of the Council;
- A basis for accountability of the Council towards residents of the District;
- An opportunity for public participation in the Council's decision-making process.

The 10 Year Plan is therefore developed through a robust process involving broad-based public consultation, as well as technical and political review.

The Council's consultation document, *Are We Ready?* succinctly described the key issues from the 10 Year Plan, as well as making the key choices and implications clear to the public. The rationale for this was that by focusing people's attention on the key issues a community faces, and a council's plans to address the issues, the consultation document encourages the right debate with an informed community.

While the 10 Year Plan sets out the future developments, including the anticipated costs of a council's activities over a 10 year period, more detailed technical and financial information on the more capital-intensive services delivered by the Council was presented in Activity Management Plans. The following Activity Management Plans were used to develop the activity summaries provided in this 10 Year Plan and may be referred to for further information on the Council's operated services:

- Water Supply Activity Management Plan
- Wastewater and Stormwater Activity Management Plan
- Reserves and Community Facilities Activity Management Plan
- Roothing Activity Management Plan
- Southland Region Waste Management Plan¹
- Arts and Heritage Activity Management Plan
- Libraries Activity Management Plan

The other document relevant to this 10 Year Plan is:

- The District Plan

The Gore District Plan was prepared pursuant to the provisions of the Resource Management Act 1991 (RMA) for the purpose of promoting sustainable management of the district's natural and physical resources. The District Plan essentially sets out the framework for considering the use of land and the associated rules, conditions or procedures to follow.

Copies of all the above documents are available for reference at the Civic Centre office, in Gore, and the District libraries.

¹The Southland Region Waste Management Plan was developed collaboratively by the four Territorial Authorities in Southland. The plan sets out the rationale for a regional waste management strategy and the approach to be used by the respective Councils in developing their individual waste management plans.

MAYORAL AND EXECUTIVE FOREWORD

The next 10 years for the Gore District will see a continuation of the momentum foreshadowed in the 2015 Plan, where the Council announced a number of key infrastructure projects.

These are once in a generation projects and will result in steady renewal and improvement to core infrastructure. Our focus is sticking to the basics, while keeping an eye on creating a place that is ready for new businesses and people.

3 Waters

Our investment in 3 Waters activities – that is wastewater, stormwater and drinking water – will be considerable over the next decade, with an estimated \$36.6million of capital expenditure. Water, in particular, is a precious resource and we know from our annual Residents' Survey that reliable, safe drinking water is important to our residents.

A key priority over the next few years is to improve our knowledge of our underground infrastructure. Accurate information about the condition of our pipe network will enable us to more precisely target and schedule pipe replacement projects.

Roading

Roading is another of our key services where we will need to make significant investment during the lifetime of this 10-Year-Plan. Capital expenditure of \$32.9million will be required, as well as an estimated \$22.5million for maintenance operating costs. It is important to note, however, that 55% of roading capital and maintenance expenditure is funded by the New Zealand Transport Agency.

Money Matters

Even though we are looking at carrying out some major projects, we will continue to prudently manage our borrowings and maintain an affordable annual rates cap increase of less than 5% over the 10 years.

The only year we need to go above this rates cap is the coming financial year 2018/19 (as predicted in our last 10 Year Plan). This year sees an average district-wide rates increase of 6.15%.

We will deliver a balanced budget for the next 10 years, and aim to continue to provide quality services in ways that are affordable and sustainable for our community.

Key Priorities

Over the next 10 years we want to:

- Grow our population,
- Provide enhanced opportunities for work and lifestyle,
- Create an environment attractive to business investment, and
- Encourage community resilience and prosperity.

Public Feedback

There were some new initiatives in this year's 10-Year-Plan, such as the replacement of the Gore library roof and structural repairs to the Eastern Southland Gallery.

We also sought feedback on three issues:

- a change to rating boundaries to create a more consistent approach,
- dog exercising parks, and
- the Pyramid Bridge replacement.

This year we received a record 232 submissions. It was heartening to see that our favoured options on the three issues were all supported by the majority of submitters.

After hearing submissions and considering input from staff on various issues, councillors made the following decisions:

Urban rating boundaries

The rating boundary for Gore and Mataura will change, effective from 1 July 2020. The approach we will use to determine whether a property is rated urban or rural will be:

A property would classify as urban if it is less than or equal to four hectares in Gore, or five hectares in Mataura, and:

- a) within 100m of a water or wastewater main (it doesn't have to be connected), OR
- b) is only accessible from inside the Gore and Mataura urban boundary.

If a property meets either of the criteria above, it still must be within 100 metres of an urban property to become part of the urban rating area. This criteria is to avoid properties well outside the existing urban boundary being captured by the proposed change.

There will need to be some fine tuning to recognise some properties coming into the urban rating area may not receive the full array of urban services. This particularly relates to the likes of footpaths, street lighting kerb and channelling and kerbside recycling.

This fine tuning will be done via the introduction of a rates remission policy, which will be prepared over the next nine months and profiled in the draft annual plan for 2019/20.

Dog Parks

The Council will build two dog parks – one in Gore and another in Mataura – in the coming financial year. The estimated total cost for both parks is \$60,000, to be funded by loan. Urban ratepayers will bear most of the cost, although 21% will be paid by rural ratepayers via the fixed targeted rate on parks and reserves.

A report on the potential location of the parks and what they might contain will be provided to councillors in the coming months.

Pyramid Bridge

A decision about whether the new bridge will be one lane or two will be made after tenders are considered. This is expected around December 2018.

Additions made to the 10-Year-Plan following submissions include:

- Providing a one-off grant of \$30,000 to the Hokonui Bikers Group to finish its Hokonui Water Race Trail to an acceptable standard and ready for marketing by the end of this year.
- Investigations into potentially developing a Smokefree Policy for the District.
- Looking into having a dump station for motorhomes built in conjunction with Waikaka's first public toilets, which are scheduled for construction in the 2019/20 financial year.
- Staff working with the Pukerau Cemetery Support Group to address issues raised in its submission, and will review the Council's policy on the pre-purchase of cemetery plots.

In closing, we want to thank everyone who took the time to make a formal submission to the Council, or provide comments via our social media page. The 10-Year-Plan consultation process is when you, our customers, can help shape future projects and our priorities.



Tracy Hicks
MAYOR



Stephen Parry
CHIEF EXECUTIVE



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 Cliff Bolger
Deputy Mayor/District-Wide Ward



Cr Peter Grant
District-wide Ward



Cr Nicky Davis
District-wide Ward



Cr Bret Highsted
Gore Ward



Cr Doug Grant
Gore Ward



Cr Ralph Beale
Gore Ward



Cr Bronwyn Reid
Gore Ward



Cr Glenys Dickson
Gore Ward



Cr Neville Phillips
Mataura Ward



Cr John Gardyne
Waikaka Ward



Cr Graham Sharp
Waimumu-Kaiwera Ward

INDEPENDENT AUDITOR'S REPORT

I am the Auditor-General's appointed auditor for Gore District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Deloitte Limited. We completed our report on 26 June 2018.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages [9 - 12] represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Basis of Opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;

- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

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

Responsibilities of the Council and Auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.


I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to carrying out all legally required external audits, we have carry out engagements in the areas of debenture trust deed reporting and registry audit. Other than these engagements, we have no relationship with or interests in the Council.


Deloitte Limited

Deloitte.

Mike Hawken

Deloitte Limited

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

FINANCIAL PRUDENCE BENCHMARKS DISCLOSURE STATEMENT

WHAT IS THE PURPOSE OF THIS STATEMENT?

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

The Council is required to include this statement in its 10 Year Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations). Refer to the Regulations for more information, including definitions of some of the terms used in this statement.

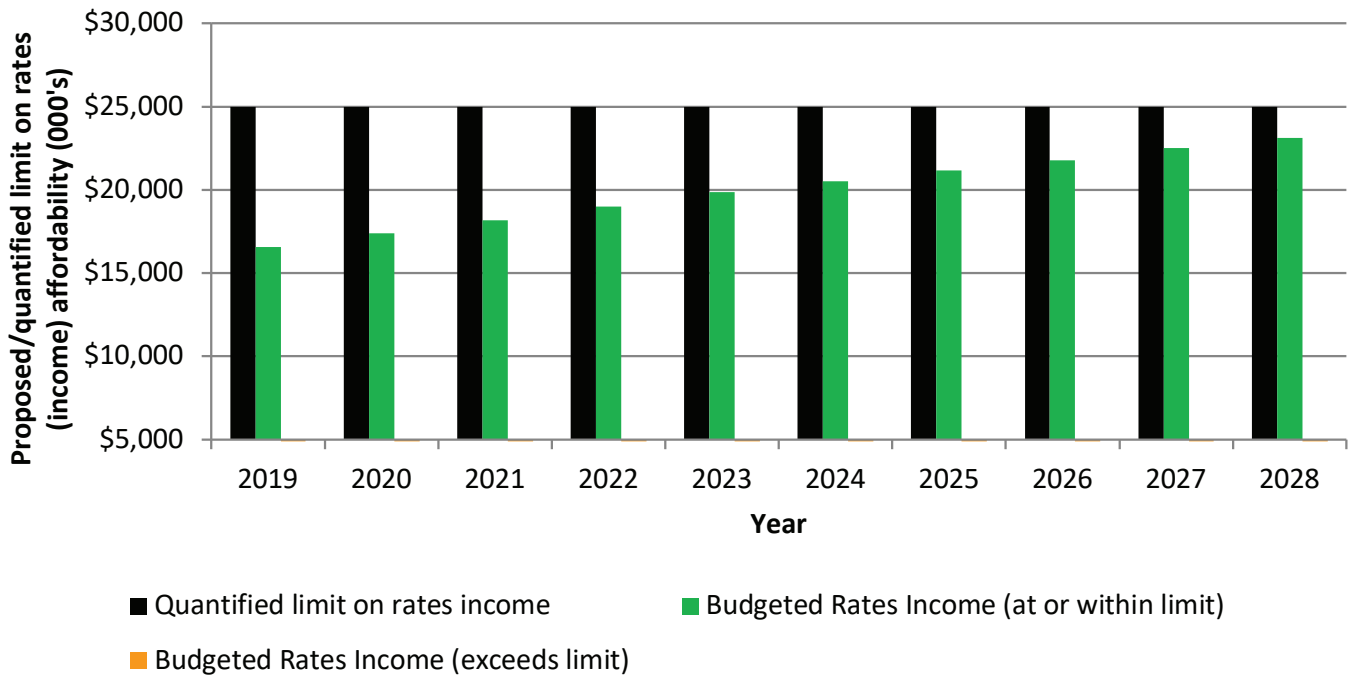
RATES AFFORDABILITY BENCHMARK

The Council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

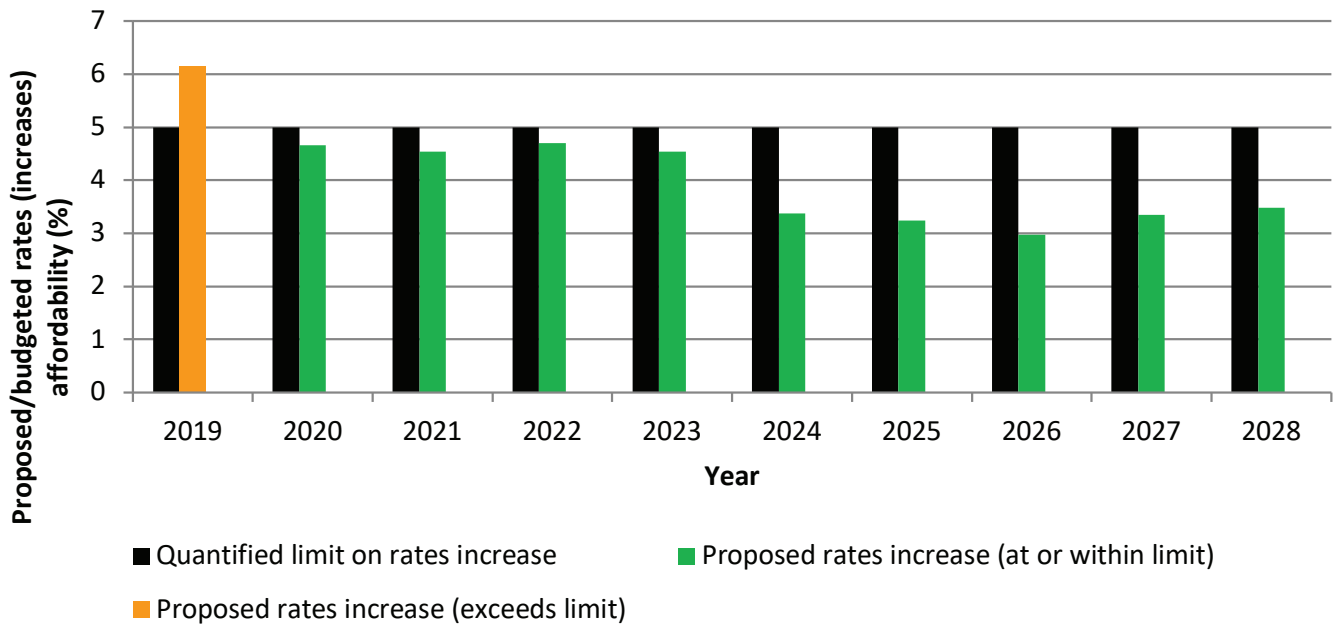
RATES (INCREASES) AFFORDABILITY

The following graph compares the Council's planned rates with a quantified limit on rates contained in the Financial Strategy included in this 10 Year Plan. The quantified limit is \$25 million.



RATES (INCOME) AFFORDABILITY

The following graph compares the Council's planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this 10 Year Plan. The quantified limit is 5% per annum.

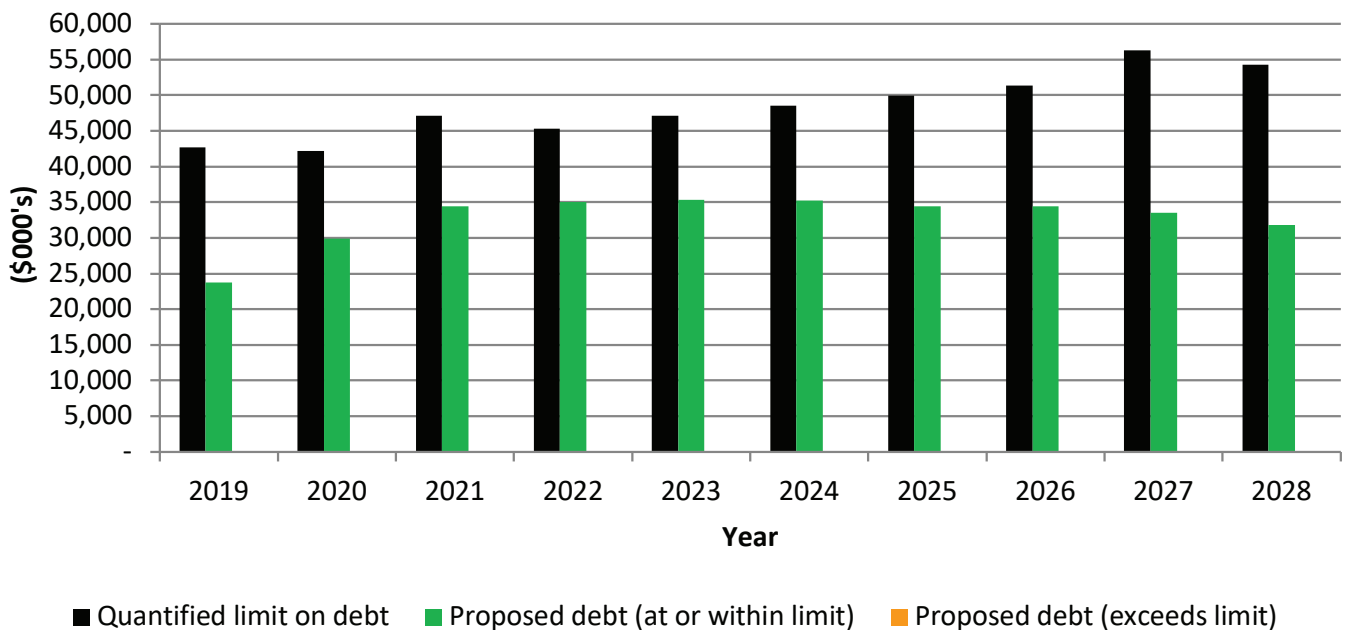


The proposed breach of the rates increase limit in 2019 is due to the Council funding interest directly through rates rather than through depreciation as outlined in the Financial Strategy. Historically the rates collected for depreciation have funded capital work, loan repayments and interest.

DEBT AFFORDABILITY BENCHMARK

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

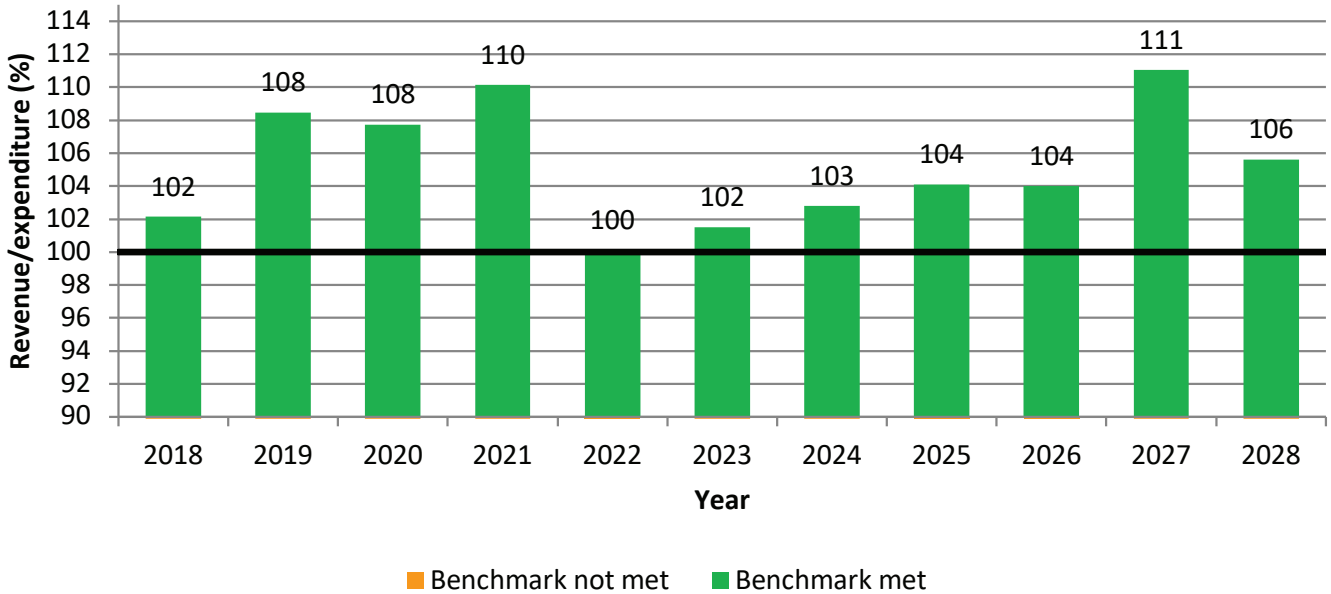
The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this 10 Year Plan. The quantified limit is 175% of total annual revenue.



BALANCED BUDGET BENCHMARK

The following graph displays the Council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

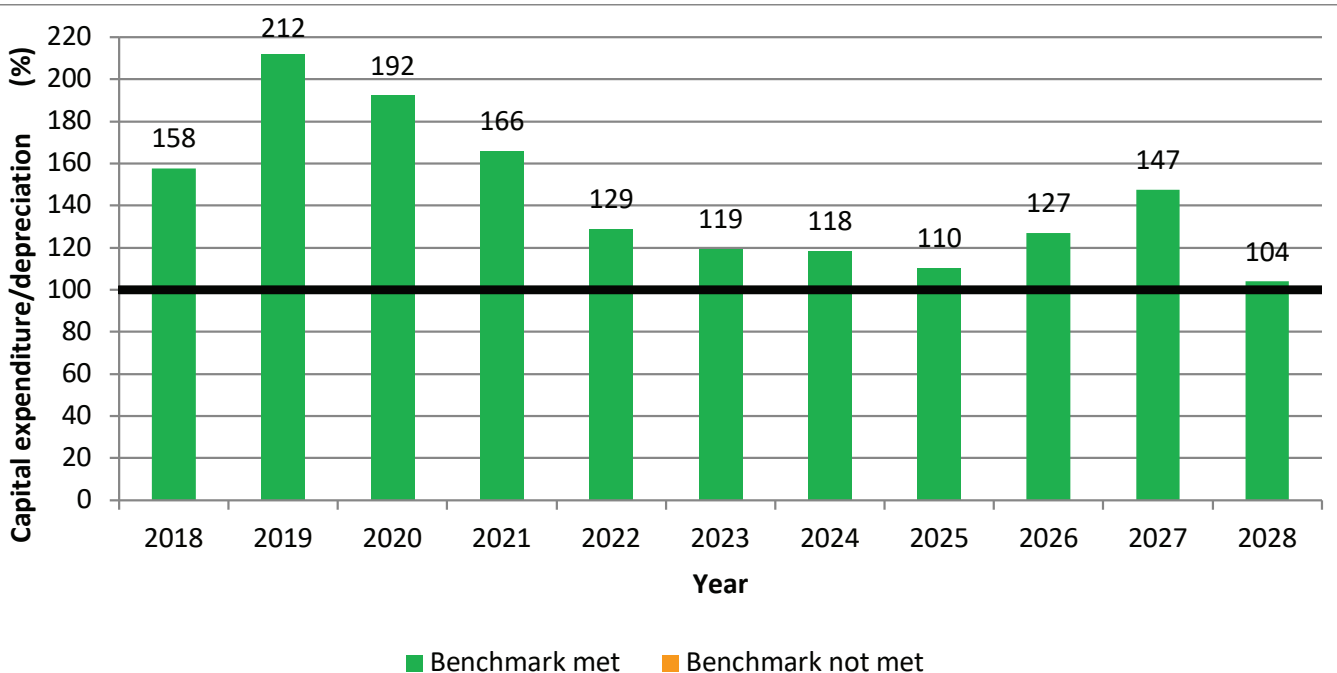


More information can be found about the balanced budget on page 126.

ESSENTIAL SERVICES BENCHMARK

The following graph displays the Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services.

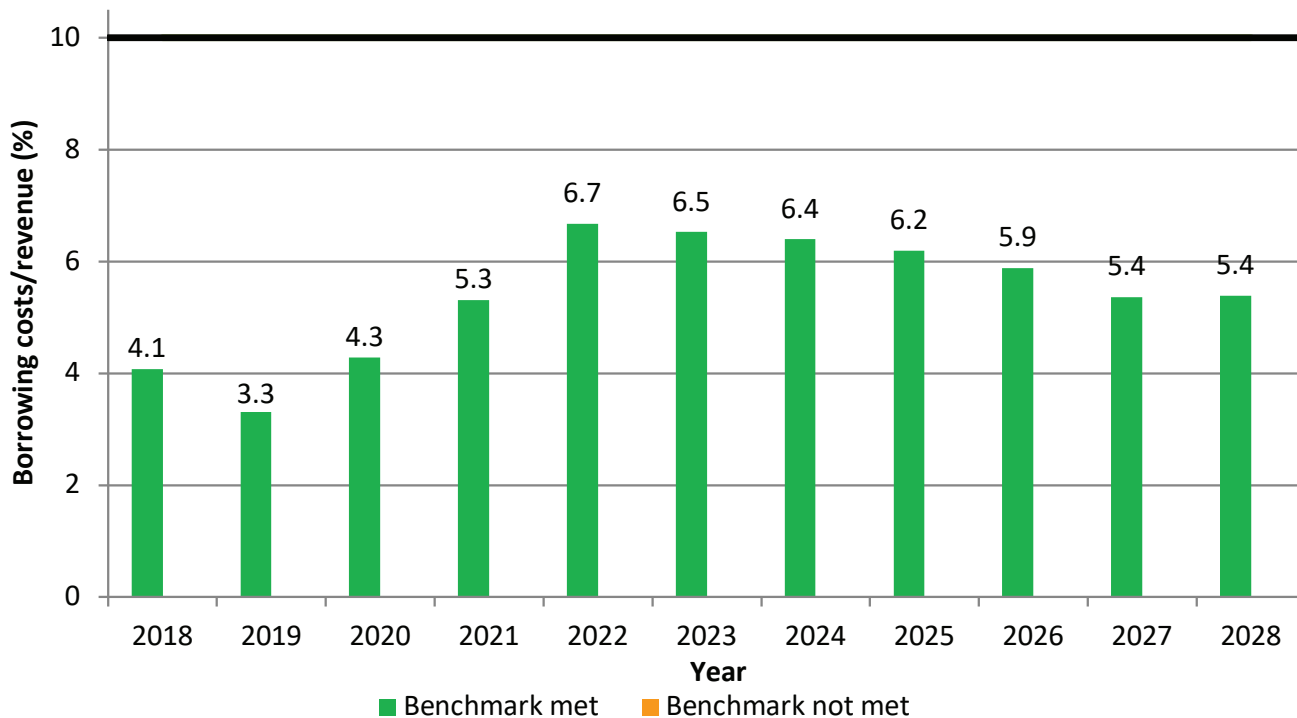
The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



DEBT SERVICING BENCHMARK

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the district's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



FINANCIAL STRATEGY

The key points of this strategy are:

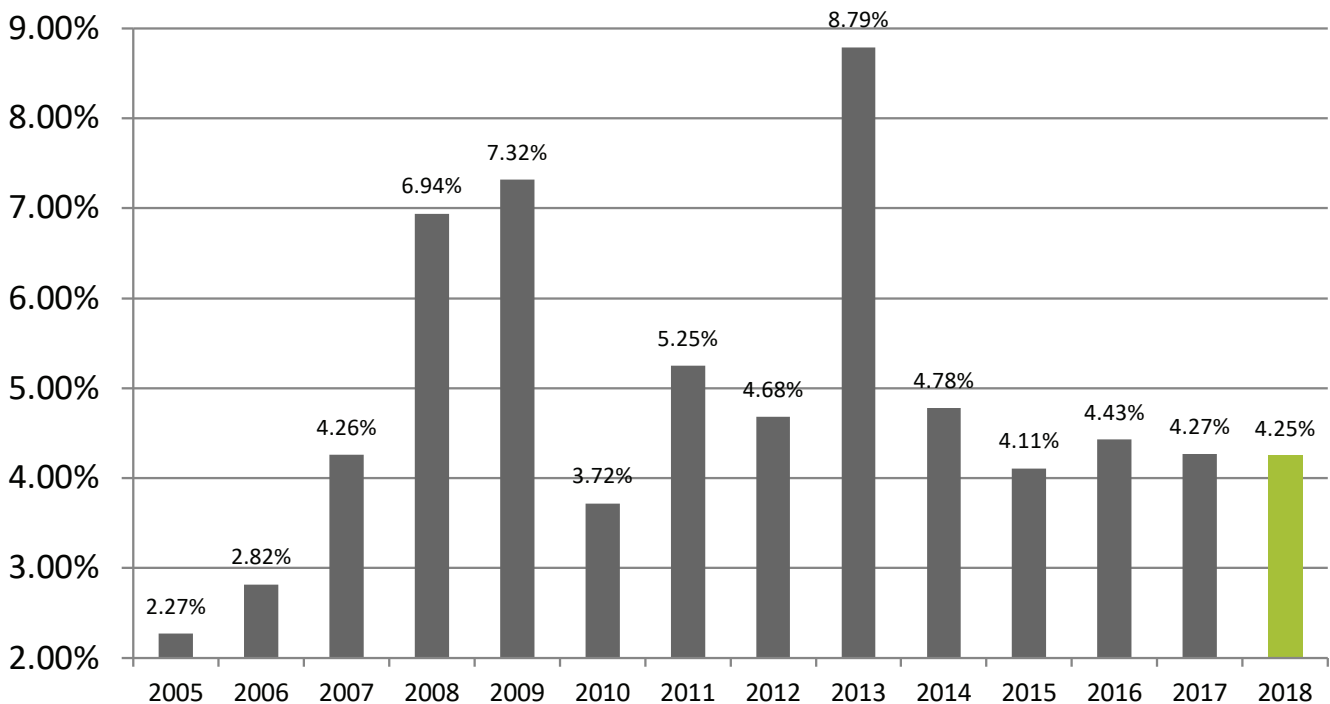
- The Council will continue to apply a cautious and conservative approach to operating expenditure.
- Current levels of service will be maintained, with increased levels of service planned for Gore’s water and wastewater system.
- Rates are the primary source of funding for Council activities.
- Debt levels will increase to accommodate large capital projects, but an active repayment plan is in place throughout the next decade.
- All rate increases are less than the self-imposed 5% limit except for the first year of the plan 2018/19.
- The Council’s budgets balance in every year of the plan.

Overall, the Council’s objective in applying a prudent financial strategy is to balance all of these factors when considering new capital works or other projects.

INTRODUCTION

This strategy informs ratepayers, residents and regular readers of the Council’s Long Term and Annual Plan documents about the approach the Council will take and key self-imposed limits it intends to use to navigate its way through the next 10 years.

HISTORICAL RATE INCREASES



Over the last three years, the Council has delivered rates increases the same or lower than was forecast in the 2015-2025 10 Year Plan. The Council places great emphasis on the 10 Year Planning process and believes the two years between revisions of the 10 Year Plan, when it prepares an Annual Plan, should closely follow the 10-year plan forecasts. This approach gives some certainty to ratepayers about the level of rates they will be asked to pay in the future, and the implications of relevant issues facing the community

This long term planning philosophy is further emphasised by the fact the 10 Year Plan consultation document proposed an average rates increase of 5.93% for 2018/19 which is lower than the 6.5% average increase forecast three years ago. After considering submissions to the 10 Year Plan, changes were made to the budgets resulting in a 6.15% rates increase

A review of rates increases since the first incarnation of long term plans 14 years ago, shows the average rate increase in the Gore District, up until and including the 2017/18 financial year, has been 4.85%.

The 8.79% increase in 2012/13 was due to the introduction of the highly successful kerbside recycling and waste collection service. If the introduction of this service is removed from the calculation, the 14-year average increase would have been 4.47%.

Apart from recycling, the Council has undertaken large capital works in the form of upgrading wastewater treatment processes in Gore and Mataura, as well as the establishment of the refuse transfer station in Gore, and the Council’s share of the establishment of the regional landfill in Southland. The Council is also still completing the upgrade of the Ajax wastewater pump station in south Gore. This project is made up of multiple stages spread over several years.

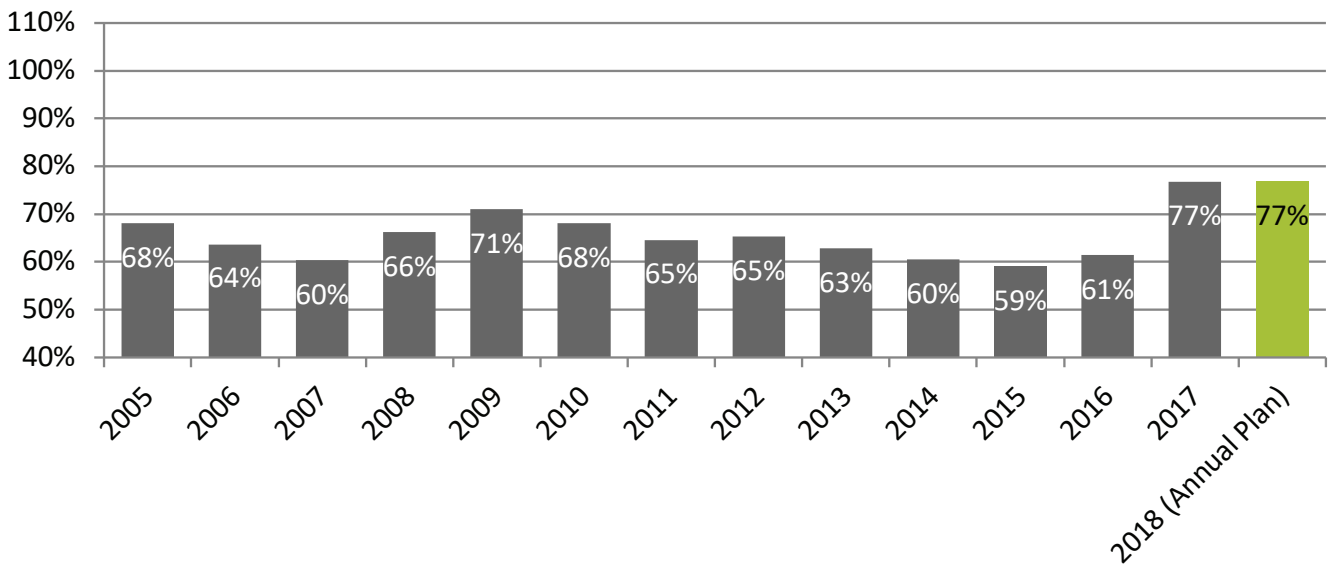
Notwithstanding these large capital investments, the ratio of debt to revenue has been relatively static over this time, only climbing in 2016/17 and 2017/18 due to borrowing for the planned Ajax wastewater pump station upgrade and the oxidation ponds desludging project.

Presently for every dollar of income, the Council owes 77 cents of debt. To use an analogy, this is like a homeowner having an annual income of \$50,000 and a mortgage of \$38,500. This places the Council in a good position to be able to take on new debt to fund once in a generation projects that are on its planning horizon.

In December 2015 the Council refinanced its debt with the Local Government Funding Agency (LGFA). As its name suggests, the LGFA lends only to the local government sector and offers long term funding at rates that are more competitive than trading banks. These savings are passed on to ratepayers through lower interest costs.

HISTORICAL RATIO OF DEBT TO REVENUE

This long term planning philosophy is further emphasised by the fact this 10 Year Plan proposes an average rates increase of 5.93% for 2018/19 which is lower than the 6.5% average increase forecast three years ago.



The next ten years and beyond

The Council is still committed to completing the projects outlined three years ago in the 2015-2025 10 Year Plan. Some of these projects were scheduled to commence during the 2018-2028 10 Year Plan. However, some projects like the Civic Administration Building upgrade and the first stage of the water treatment plant upgrades which were expected to be completed by 30 June 2018 were delayed. These projects will now be completed in the 2018-2028 10 Year Plan.

As was the case in 2015, the most affordable way to fund these projects is by loans. Choosing to fund these projects with loans means one generation of ratepayers is not unfairly burdened with the cost, as future generations will also experience the benefits from these assets.

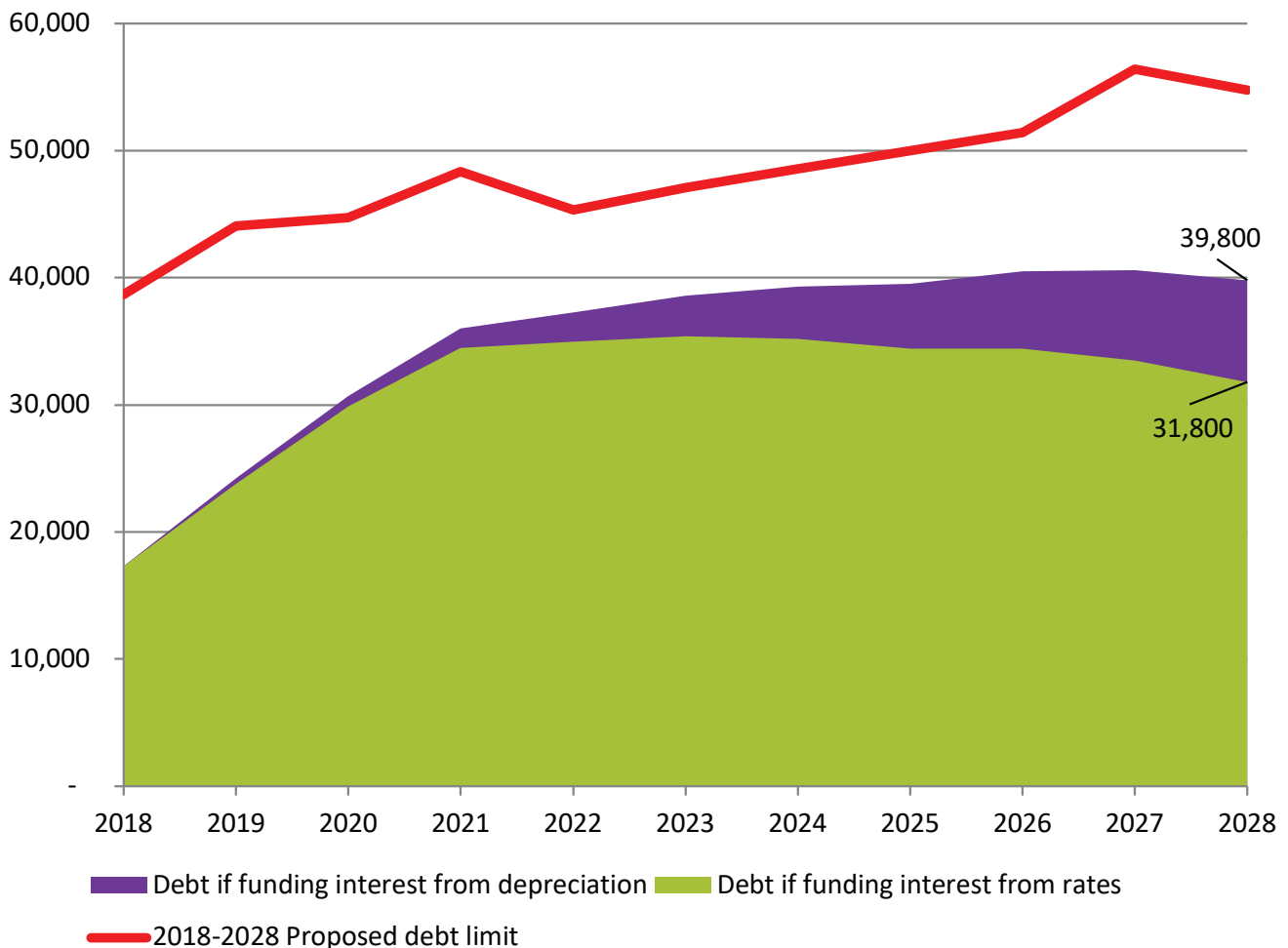
Extensive modelling of our 3 Waters network has shown much of our reticulation infrastructure needs to be renewed over the next 30 years. Some of these projects will be significant. In particular, the Council is planning to spend \$22.5 million over the next 30 years to separate Gore’s stormwater and wastewater network. This project and others will likely be funded by debt. Therefore, it is imperative firm headway be made to reduce the overall debt by the end of this plan.

The 2015-2025 10 Year Plan introduced the strategy of changing the way the Council funds the interest on the loans for 3 Waters assets. Historically the rates collected for depreciation has funded capital work, loan repayments and interest. In the past, this has helped keep rates low. However, this practice also means the Council ran budget deficits or unbalanced budgets. Under an intensified capital work programme funded by borrowing, there is not sufficient funding from the rates collected for depreciation to cover capital work, loan repayments and interest.

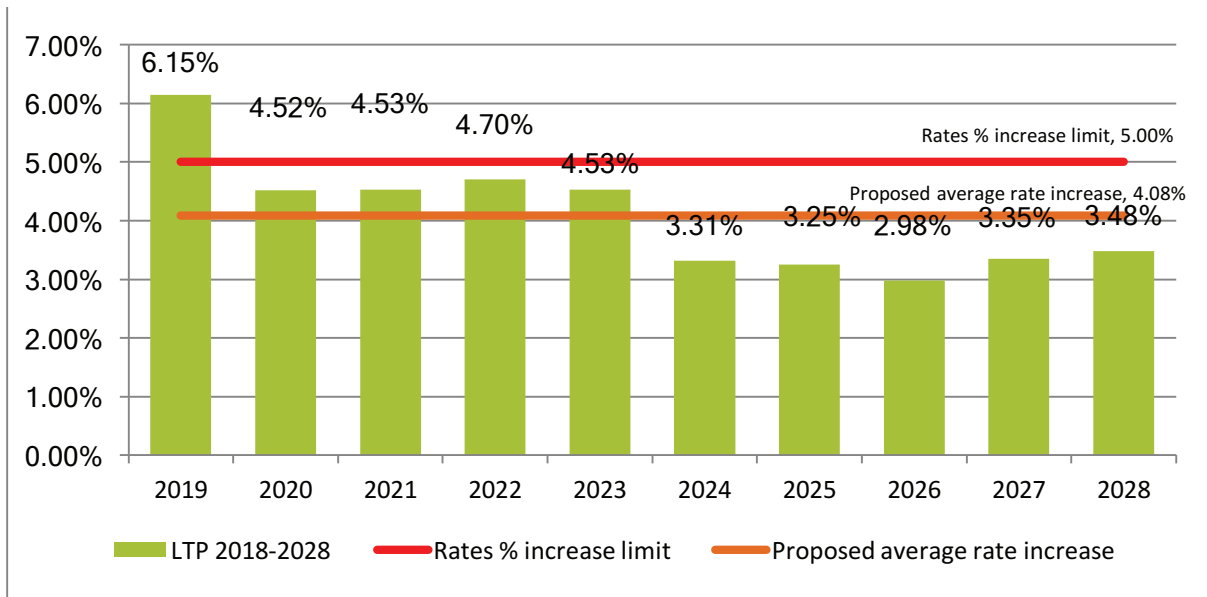
If the Council continued to fund interest from depreciation it would mean the Council would have to borrow more to replace its existing assets as they wear out. The graph below shows the total projected debt in the 2018-2028 10 Year Plan. If the Council continued to fund interest from depreciation for a further 10 years, it would have to borrow another \$8 million. This is shown by the purple line on the graph.

The Council is committed to the strategy set out in 2015. Starting in year one of the 2018-2028 10 Year Plan, we will fund interest separately from depreciation. This means a 6.15% rates increase in the first year, a breach of the self-imposed rate increase limit. However, given the large capital programme, this is a change to a long term sustainable strategy.

EFFECT ON DEBT OF FUNDING INTEREST FROM RATES (\$'000S)



PROPOSED RATES INCREASES



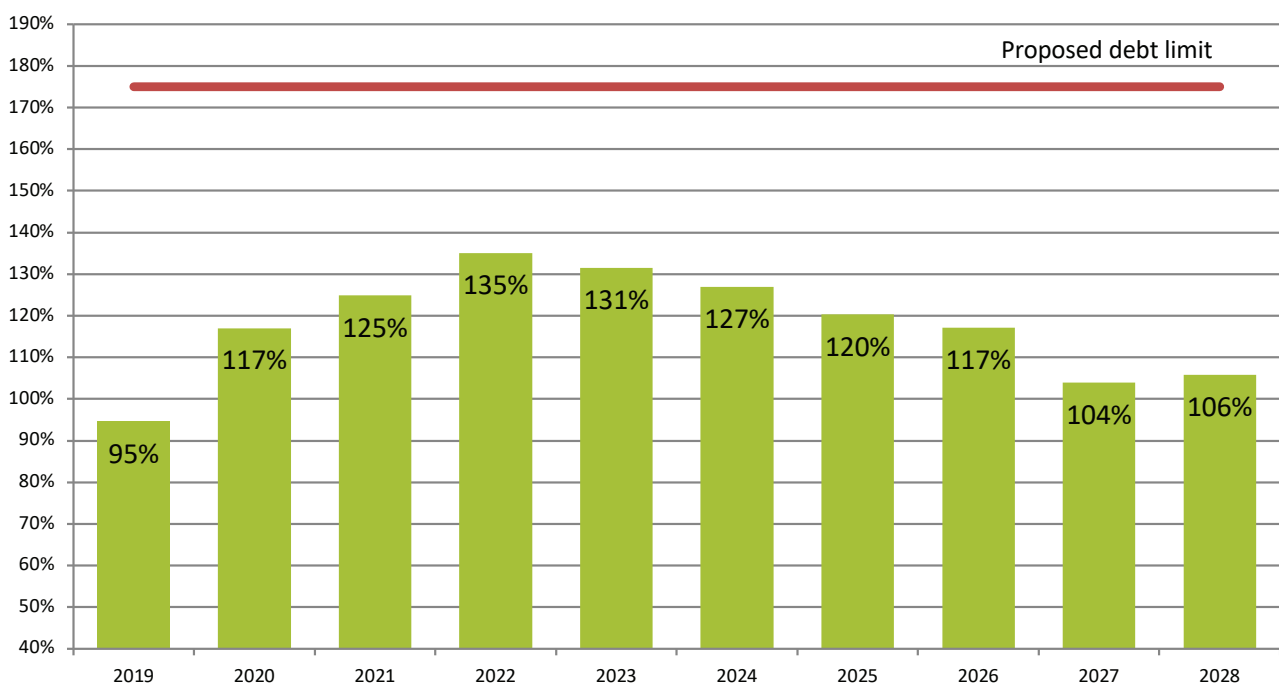
Breaching the rates increase limit once in 2018/19 means the Council:

- can prudently manage the required increased level of borrowing,
- keep the books in surplus for the next 10 years,
- is better placed to undertake large renewal projects scheduled after 2028,
- has more headroom in its self-imposed debt limit to respond to unforeseen infrastructure issues.

The previous long term plan programmed extra debt repayment from the year 2020 onwards, which would have been after the major capital projects were completed. Delays to some of the large projects mean this extra debt repayment cannot start in 2020 as originally scheduled. The Council will continue with this strategy though, with further debt repayment ramping up in the year 2023.

The extra borrowing means our ratio of debt to revenue will increase. However, the initiatives in this strategy will mean that by 2028 our ratio of debt to revenue will fall to 106%. This means that for every \$1 of income the Council would owe \$1.06.

PROPOSED RATIO OF DEBT TO REVENUE



Financial limits

The Council proposes to set the following limits during the next 10 years:

- annual rates increases – not to exceed 5%
- total rates collected not to exceed \$25 million per annum
- debt – not to exceed 175% of revenue.

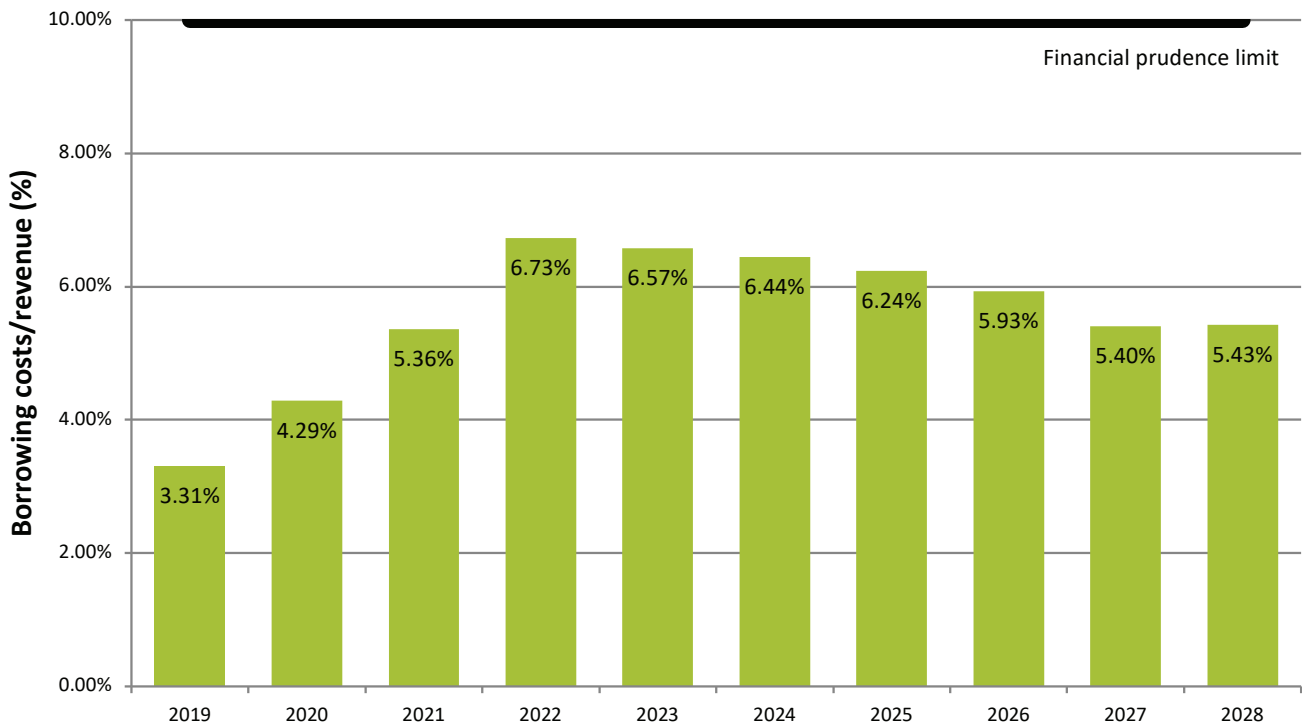
Comment

The 2018-2028 10 Year Plan provides for increases less than 5% for nine of the next 10 years. The only exception is in the 2018/19 financial year in which total rates are expected to rise by 6.15%.

The current debt level of the Council stands at \$17 million which represents a ratio of 77 cents of debt for every dollar of income. The ratio of debt to revenue will peak at \$1.35 of debt for every \$1 of income. To use our previous analogy, this is like having an annual income of \$50,000 and a mortgage of \$67,500.

One of the benchmarks set by central Government assesses the ratio of borrowing costs to revenue. A local authority the size of the Gore District is deemed to have achieved the benchmark if its borrowing costs, as a portion of revenue, are 10% or less. The 2018-2028 10 Year Plan meets this prudence test as shown below.

BORROWING COSTS/REVENUE



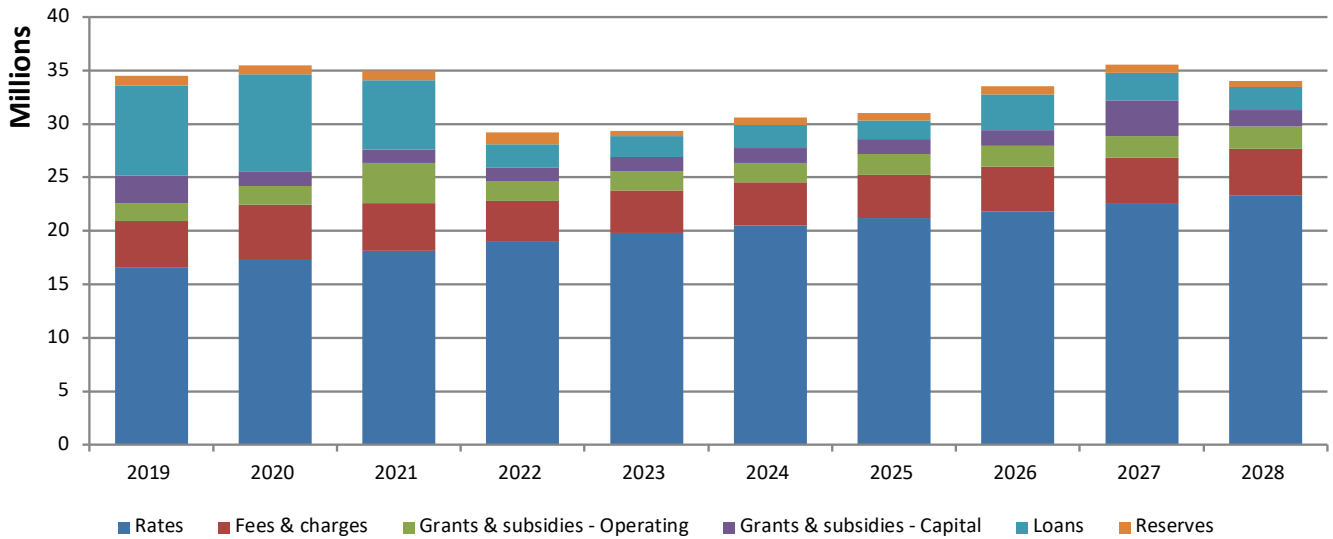
Even though the 2018-2028 10 Year Plan forecasts debt will be higher than in the 2015-2025 plan, the ratio of borrowing costs to revenue remains very similar. This is mainly due to refinancing the Council's debt with the LGFA, which lends at lower interest rates to councils.

FUNDING SOURCES

The Council does not have any investments in trading operations such as a Council controlled organisation. The Council has modest reserves which are set aside for specific purposes and are not available as a general funding mechanism for the Council's operations.

The Council charges fees for certain services and activities. The Council's Revenue and Financing Policy sets out how much each of the Council's activities are funded by fees and charges. Fees and charges are reviewed each year. In general, an annual inflation adjustment is made to most fees and charges. However, some fees, like pool admission charges, are very small. In these cases, care is taken to keep the fee at a sensible rounded amount and increases may only be made every two or three years.

PROPOSED FUNDING SOURCES



The graph above illustrates how reliant the Council is on rates for its primary source of funding. With such a strong reliance on rates, the Council is acutely aware of a need to adopt a conservative position in respect of expenditure expectations, yet not lose sight of the need to front up to infrastructure obligations and the pursuit of Council outcomes, which are considered to be very important to the community.

LEVELS OF SERVICE

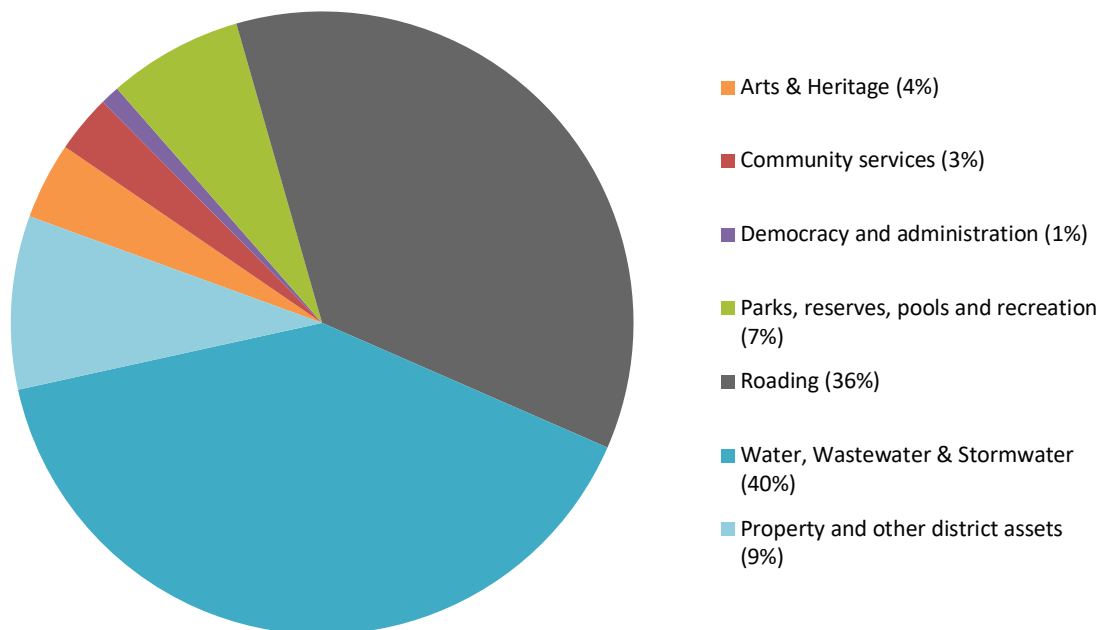
The Council is confident, based on its experience over the past 10 years as illustrated in the historical rates increases graph shown earlier, that it can maintain existing levels of service and the planned increases in levels of service for its water and wastewater activities, within the rates limits set out above.

CAPITAL EXPENDITURE ON NETWORK INFRASTRUCTURE

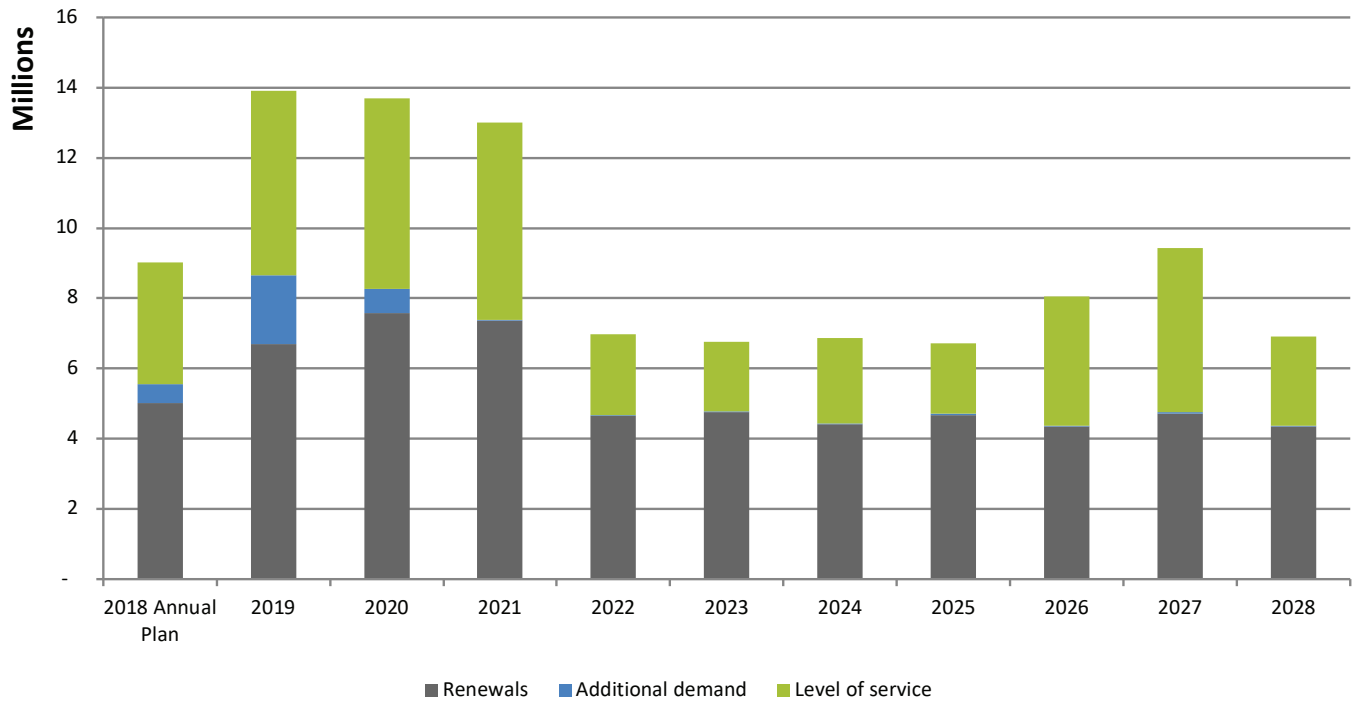
With its large capital projects mentioned previously, the Council is forecasting a relatively stable level of capital expenditure for the renewal of its roading and 3 Waters assets with the exception of the renewal of the Pyramid Bridge in year one.

Further details of the projects are contained in the relevant areas of the plan.

CAPITAL EXPENDITURE BY THEME



CAPITAL EXPENDITURE BY TYPE



Population growth and land use assumptions

The Council is expecting a small growth in population over the life of this plan. This is based on the latest forecasts from Statistics New Zealand, Infometrics and incorporates observed growth and property demand trends based on the recent Mataura Valley Milk development.

At the time of the 2013 Census, the Gore district experienced a very slight drop in population. This was the second consecutive census where the district's population had declined. While our culture is becoming more diverse as the Gore District's strong agricultural sector draws migrant workers, our demographic profiles show there is still an increasing percentage of elderly in the district.

There are no expected changes in the use of land in the District.

Policy on borrowing security

The Council policy on security is to ensure it is able to provide suitable security to the lender whilst retaining the maximum flexibility and control over assets. The security for Council debt is the ability to set rates.

Objectives for holding and managing financial investments and equity securities

The principle objectives for holding financial investments and equity securities are as follows:

- To ensure the Council has appropriate working capital funds available to carry out its strategic plans as outlined in the 10 Year Plan and annual plans.
- To ensure the Council has sufficient funds available to meet its liabilities as they fall due.

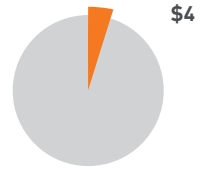
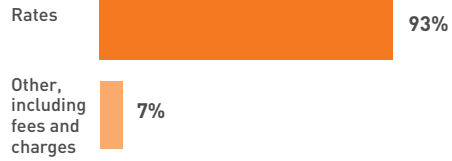
The Council has determined that funds should be invested so as to limit the Council's exposure to loss. With this objective in mind, security of investment shall take precedence over financial return. The Council's investment policy, which is included in this 2018-2028 10 Year Plan, requires that investments are held with appropriately rated financial institutions, e.g. institutions rated by Standard and Poors.

10 YEAR FINANCIAL OVERVIEW

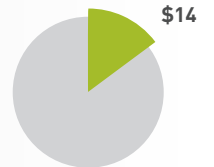
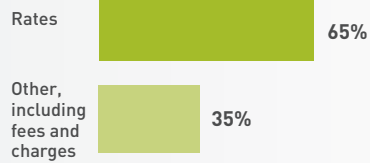
Area of Spend	Capital spend 2015-2025 (\$M)	Operating Spend 2015-2025 (\$M)	How operating costs are funded	Rates Value per \$100
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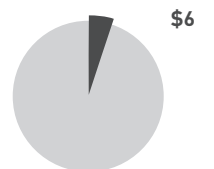
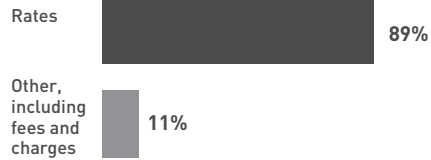
Arts & Heritage



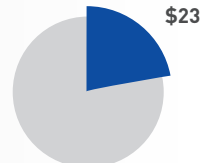
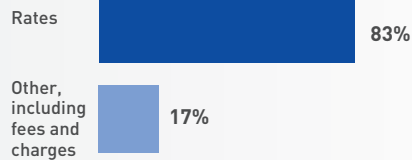
Community Services



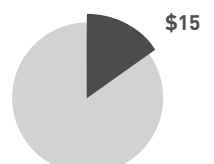
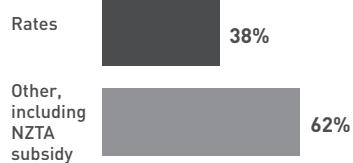
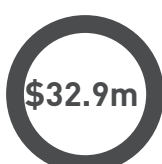
Democracy & Administration



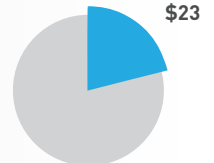
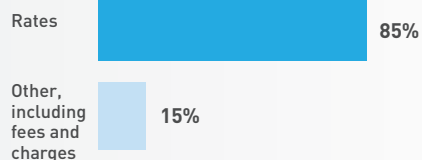
Parks, Reserves, Pools & Recreation



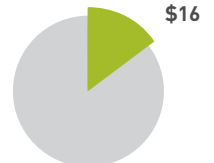
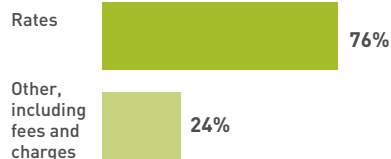
Roading



Water, Wastewater & Stormwater



Property, Solid Waste & other district assets



INFRASTRUCTURE STRATEGY 2018-2048

INTRODUCTION

This is our second Infrastructure Strategy. It has been prepared from our 2018 suite of Activity Management Plans and contributes to the 10 Year Plan, of which it forms part.

The issues discussed reflect the current legislative environment and our communities' priorities across the district.

The financial forecasts are estimates and the reliability of the forecasts decreases beyond ten years and towards the thirty year planning horizon.

Strategy Layout

The Strategy's sections and corresponding LGA Amendment Bill sections are tabled below:

Table 0.1 Strategy Layout

Strategy Section	LGA 2002 as amended (Section 101B)
Identifies the purpose of the Infrastructure Strategy and the core infrastructure included in this strategy	2(a) and 6
Describe the district/city and illustrate the linkage between strategic documents	2(a)
Describe the core infrastructure, its condition and performance while recording the significant assumptions, risks and mitigation	2, 3(e), 4 (c) & (d)
Discuss the emerging issues that will impact on the core infrastructure assets	3 (b) to 3(e)
Discuss Council's response to the emerging issues and the significant decisions to be made during the term of this strategy	2(b), 4(b)
Identifies the response options for the significant issues and documents the benefits, cost, when and funding source	2(b); 3(a) to (e) & 4(a) to (c)
Identifies the costs associated with the actions proposed	4(a)

Purpose

Section 101B – Infrastructure Strategy states:

- (1) A local authority must, as part of its long-term plan, prepare and adopt an infrastructure strategy for a period of at least 30 consecutive financial years.

The stated purpose of the Infrastructure Strategy is to;

- a) Identify significant infrastructure issues for the local authority over the period covered by the strategy; and
- b) Identify the principal options for managing those issues and the implications of those options.

Section (6) defines infrastructure assets as including:

- a) existing or proposed assets to be used to provide services by or on behalf of the local authority in relation to the following groups of activities:
 - i. water supply:
 - ii. Wastewater and the treatment and disposal of sewage:
 - iii. stormwater drainage:
 - iv. flood protection and control works:
 - v. the provision of roads and footpaths; and
- b) any other assets that the local authority, in its discretion, wishes to include in the strategy.

Gore District Core Infrastructure

The core Gore District Infrastructure Assets are tabled with replacement values as at the last valuation appraisal (2016) below:

Table 0.2 Gore District Infrastructure Assets

Asset	Description	Replacement Value	% of total
Water	Water extraction, treatment and distribution	\$35.1M	7.5%
Wastewater	Wastewater collection, treatment and discharge	\$40.9M	8.7%
Stormwater	Stormwater collection and discharge	\$23.3M	5.0%
Roads and footpaths	Roads (arterial, collectors, local; curbs and gutters), bridges, footpaths	\$369.3M	78.8%
TOTAL		\$469.1M	100%

Other Activities

In time the Parks and Recreation assets and Community Buildings may be added to the above list of core infrastructure as our long term planning for those activities are further developed.

However, at this time key significant long term issues that the Council wishes to focus on in this strategy are associated with roading and three waters activities.

GORE DISTRICT

Our council is a local authority situated in the South Island of New Zealand. The Gore District was formed in 1989, as a result of amalgamation driven by central government.

Our district is located within the Southland region. The District covers 1,251 km². Our neighbouring councils are Southland District and Clutha District. The main township of Gore is 50 minutes from Invercargill and 1.5 hours from Queenstown.

The Mataura River runs through the district with both the townships of Gore and Mataura situated on its banks. The river is a focus for the district and provides many recreational opportunities.

The district has a strong agricultural-led economy with complementary industries established. Our population was 12,033 in the 2013 Census.

We have 3996 rating units in Gore, 800 rating units in Mataura and 1374 rural rating units. The urban rating units consist of 4212 residential, 392 commercial and 6 industrial properties. Gore is the largest urban area with a population of 7350. Mataura has a population of 1509.

Our council is in many ways a typical example of the majority of its namesakes as a provider of “core” activities. Core activities are considered to be delivery of roads, water (urban and rural), wastewater (Wastewater), and stormwater services.

Location of Gore District:

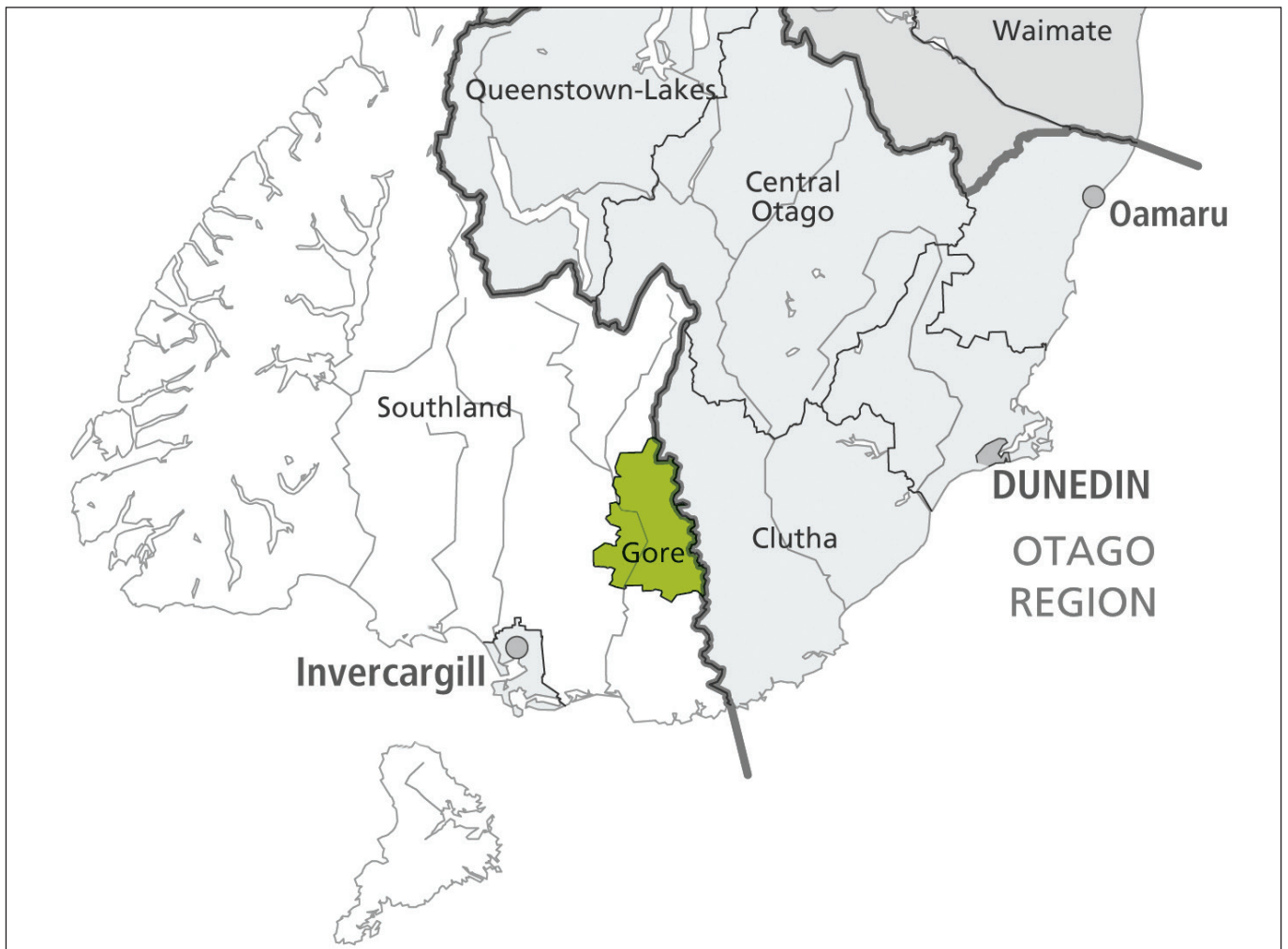


Figure 1 Location of the Gore District

Significance and Engagement Policy

This strategy is a key component of infrastructure management. A number of other strategic, tactical and operational plans relate to and support the delivery of our infrastructure and are linked with this strategy. These are highlighted in the following figure. Infrastructure Strategy- Linkages with other Documents.

The Policy was adopted in 2014 and shows how we will assess importance during a decision-making process, such as its level of significance. The level of significance is a guide to the degree of community engagement that may be required to gain an understanding of community views and preferences on an issue.

We want to ensure we have a clear and consistent approach to how we engage with residents, ratepayers and stakeholders. We want to provide accurate information in a timely manner so they can make informed comment during the decision making process.

The Policy identifies the following Strategic assets:

- Water Supply
- Community Services
- Roading
- Land Drainage
- Wastewater

The Significance and Engagement Policy provides a procedure to determine significance and a community engagement guide.

The decision on a matter's significance rests with the Council. We will evaluate significance on a case-by-case basis. We take into account the impact on or consequences for the District, affected parties, our community outcomes (10 Year Plan), benefits and costs, and the view of local iwi. Decisions of low significance, including some decisions made under delegated authority, may not explicitly state the degree of significance.

Engagement occurs at all levels of our interaction with the community, from the provision of services and information through to special consultation and significant decisions.

What matters is the needs and expectations of the community are continually delivered in a cost-effective manner, and the level of engagement is appropriate to the issue in question.

Community services assets are not included within this infrastructure strategy. In time those strategic assets may be added as Council's plans for those activities are developed. At this time key significant long term issues that the Council wishes to focus on in this strategy are associated with roading and three waters activities.

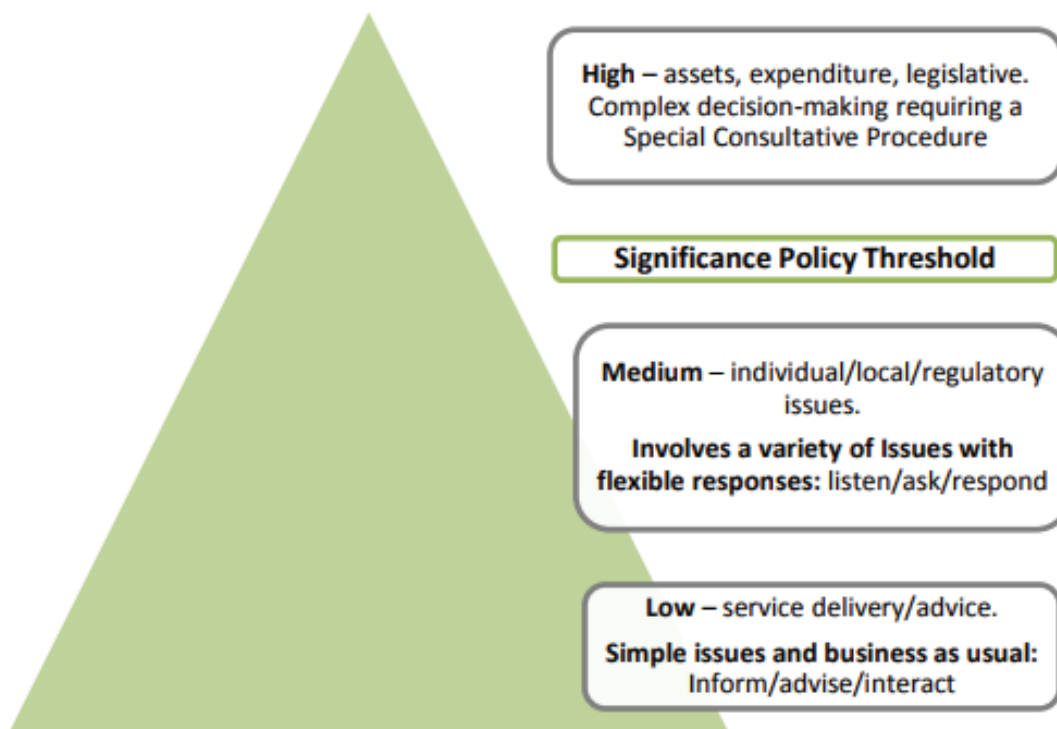


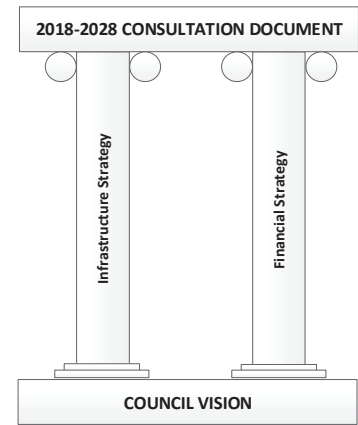
Figure 3 Degree of Significance

Financial Strategy

The Infrastructure Strategy and Financial Strategy form the pillars that support the 10 Year Plan Consultation document.

Our Financial Strategy sets out how we intend to fund our capital and operational expenditure long term. The strategy ensures that rates and debt levels are sustainable over the long term.

While initial financial forecasts from AMPs are a key input, the 10-Year Plan needs to balance the forecasted spending needs with the affordability of our Financial Strategy. This affordability is determined by Council imposed limits on rates and debt levels. It's usual that not all of the forecasted expenditure requirements for assets can be afforded within funding availability. In these cases, the budgeting process prioritises expenditure on existing assets rather than creating new ones.



Gore District Council 2018-2048

Where we want to be

We have aspirations and goals as a Council to continue to develop our communities and district to become an even better place to live and work by providing efficient, quality services and facilities that meet the affordable needs and aspirations of our community.

We believe by 2048 we can provide our residents with the Best Quality of Life in New Zealand.

We want to encourage more tourism ventures and attract more visitors. A tourism strategy is to be developed in the near future. We know we have an aging population and these residents wish to remain active in society during their retirement, they will expect different levels of service in the future. We want to continue to maintain facilities and recreational amenities that are exceptional for the size of our district whilst meeting expected levels of service.

We wish to maximise our opportunities whilst we have a buoyant economy and encourage more industry and businesses to establish or grow within our district. This will create employment opportunities and attract new residents.

To reach our goal, we need to ensure our core infrastructure is working effectively and efficiently whilst providing an affordable service that meets the expectations of our residents. We want to combine best practice infrastructure management with enhancing our districts liveability.



Where we have come from

The European history of the District started in 1855 with the arrival of Scottish settlers. After the Gore town site was surveyed, the provincial superintendent, James Alexander Robertson Menzies, named the site for his friend, the Governor of New Zealand, Thomas Gore Browne. The township of Gore was incorporated and became a borough council in 1885.

In the local government reform in 1989, the Gore and Mataura borough councils and parts of Southland County Council were amalgamated to form Gore District.

Our district has always been focussed on enabling the agriculture sector, we have ridden the highs and lows of the industry as many of the businesses in our urban areas are connected to servicing this sector.

Where are we now?

Our district consists of two prominent urban areas – Gore and Mataura. Gore is a well-established town and the primary focus of businesses and industries is to service the robust agricultural sector in the surrounding rural areas.

We are known for the events that take place here such as the Hokonui Fashion Design Awards, Southern Field Days and Hokonui Moonshiners' Festival. We have many recreational attractions that appeal to national and overseas visitors. The district is a very safe place to live. It's family friendly, we are aware that people return to Gore to start their families due to the facilities and community vibrancy.

We are committed to prudently investing to create a vibrant and satisfying lifestyle, a place where people want to live and businesses want to establish.

We are focused on providing our core services to our communities. We are financially responsible and consider affordability for our residents. We strive to continuously improve our services for everyone in our district. We are positive towards facilitating appropriate growth in our district.

As part of our activity, we provide 3 Waters and Rooding services to the district's communities. These services are managed and operated by our Rooding and 3 Water Services teams as the core Infrastructure Asset services group. We aim to provide services that are affordable, integrated, responsive and sustainable.

We have been making some big decisions recently. We are currently working on generational projects such as water treatment plant replacements and wastewater treatment facility upgrades. We want to meet drinking water standards and ensure we have appropriate treatment capacity for both water and wastewater. We are aware that we have capacity issues in our pipe networks for wastewater and stormwater, particularly when it rains. We are working on strategies to address these matters and improve our performance. We have protected our main water supply intake to reduce contamination risk.

These significant projects come at a cost and the challenge we worked very hard to meet in our last 10 Year Plan was how to balance our once-in-a-generation projects with rates affordability and prudent debt management. Affordability and balance will continue to be our theme for our services.

Overall, economic and social changes are not expected to drive any significant changes in demand for services; however, rates levels are likely to be a key area of concern for our community.



Figure 3 Map of Gore

CORE INFRASTRUCTURE

We provide Water, Wastewater, Stormwater (3 Waters) and Rooding services to the district's communities. These activities are managed and operated as core "Infrastructure Asset" services, as per the Local Government Act 2002 Amendment Bill (No.3); Section 101B. How and where infrastructure is utilised for human, agricultural, cultural and recreational uses, sustainable management is of considerable importance. Council has consistently regarded the provision of utility services and roading assets as vital to maintaining our community's health and well-being. These assets are fundamental to Council's statutory responsibilities and strategies for conserving public wellbeing in pursuit of its mission to enhance the quality of life of residents in the District.

Asset Description

Provision of 3 waters services and roading assets is essential for the benefit of residents and businesses throughout the District. Our activities protect the health, physical environment, safety and wellbeing of the community and also enable the districts economy. These factors are indispensable to a vibrant district with economic growth and development. Environment Southland leads flood protection and control works, with which Gore co-ordinates responses, but this is not part of the core infrastructure maintained by the Council.

Rooding Asset Description	Water Asset Description	Wastewater Asset Description	Stormwater Asset Description
<ul style="list-style-type: none"> We provide a sealed and unsealed road network within the urban and rural areas of our district. All of our footpaths are located within the urban areas. Our roads serve a primary purpose of connectivity between farm land, processing plants and ports. Overall there are 896km of carriageway, 99km of footpaths, 130km of surface drainage, 90 bridges and 2675 culvert. Our road network spans a comparatively large geographic area for our ratepayer base. Our local road network is subsidised approximately 55% by the New Zealand Transport Agency. We consider the condition and performance of our Road and Footpath assets overall to be good. We have our roads classified under ONRC as 24km Primary collector, 167km Secondary collector, 301km Access and 405km Low Volume. 	<ul style="list-style-type: none"> We own and operate two urban water supply systems in Gore and Mataura as well as the Otama Rural Water Supply We manage and operate the water supplies ourselves, with Otama governed through a private scheme committee. A referendum amongst Otama residents to determine ownership of the Otama Water Scheme was completed in 2017. Residents voted in favour of forming a new company with directors appointed by residents to own, govern and manage the scheme. To complete the transfer of ownership from the Council to residents, the Otama Rural Water Scheme Committee must present a Local Members' Bill to parliament. The timing of when this Bill is likely to be presented is not known. Our water supply assets are valued at \$35.1 million. We provide potable water to approximately 5,101 households. 	<ul style="list-style-type: none"> We own three wastewater schemes that provide service to Gore, Mataura and Waikaka. We manage and operate our wastewater assets ourselves. 40% of our network is a combined stormwater and wastewater service. Our wastewater assets are valued at \$40.9 million. We provide wastewater services to approximately 4,474 households. The wastewater network collects untreated wastewater from private households and business. This wastewater is piped to treatment plants for treatment prior to being discharged to the environment. We have agreements with significant Trade Waste customers such as Silver Fern Farms. A tradewaste agreement is currently being negotiated with Mataura Valley Milk to accept, treat and discharge their industrial waste. The discharge of wastewater is closely monitored and controlled by discharge consents that are managed by Environment Southland. 	<ul style="list-style-type: none"> We own five separate stormwater systems located in Gore, Mataura, Mandeville, Pukerau and Waikaka. We manage and operate the stormwater systems ourselves. Our stormwater assets are valued at \$23.3 million. Stormwater services are provided for for approximately 3,858 households. Network collects stormwater from private households and business. This stormwater is discharged to the Mataura River, the Waikaka Stream and the Pukerau Stream. The disposal of stormwater is closely monitored and controlled by discharge consents that are managed by Environment Southland. Overall there are 48 kilometres of reticulation, 414 manholes, and 4 pump stations. The reticulation varies from 100mm to 1,500mm in diameter. We consider the condition and performance of the piped assets and facilities to be moderate to good.

Roading Asset Description	Water Asset Description Asset Description	Wastewater Asset Description	Stormwater Asset Description
<ul style="list-style-type: none"> 60% of our roads are unsealed and 40% are sealed. We have annual total journeys of 54 million vehicle kilometres. 	<ul style="list-style-type: none"> Gore & Mataura supplies provide water for domestic and industrial use with firefighting capabilities; while the Otama Rural Water Supply is a restricted supply only. The water supply network collects untreated water from rivers and bores, treats it to appropriate water supply standards and then distributes potable water to private households and business across the two townships. Consents for water takes are managed by Environment Southland and required treatment standards are directed by the New Zealand Drinking Water Standards. Overall there are 11 operational water sources/ intakes, 18 storage facilities and 16 Pump Stations. Total length of reticulation is 387 km that varies from 15 mm to 300 mm in diameter We consider the condition and performance of the piped assets and facilities to be moderate however there is significant uncertainty associated with this. To meet the requirements of the Health Amendment Act 2007, many facilities or components of facilities will be upgraded in the short term. We are directing more effort and resources towards water demand management. Leak detection surveys have been successful in reducing water consumption. Water main replacements are a priority for renewal funding in this activity. 	<ul style="list-style-type: none"> Overall there are 103 kilometres of reticulation, 878 manholes, 14 pump stations, 3 treatment plants. The reticulation varies from 100mm to 1,000mm in diameter. We consider the condition and performance of the piped assets and facilities to be moderate however there is significant uncertainty associated with this. We have become aware that our wastewater network is under pressure to provide capacity at key points (particularly during heavy rainfall events) and suffers from infiltration. 	<ul style="list-style-type: none"> Planned separation of the combined wastewater system will put pressure on the existing stormwater assets and is likely to require significant upgrades to the stormwater network

Significant Assumptions

Assumption	Risk	Level of Uncertainty Year 1-10	Level of Uncertainty Year 11-30	Potential Impact Consequence if Assumption wrong	Mitigation Measures
Financial data as provided in the June 2016 asset valuation, using escalated unit rates has been used for planning purposes.	Unit rates do not reflect actual market values.	Med	Med	Financial forecasts for operational and capital programmes do not reflect actual market values	Utilise valuation and known market rates for construction where available for budget planning.
Cost figures are based upon the best estimates at the time of preparation of the plan	Cost estimates do not reflect actual market values.	Low	Med	Financial forecasts for operational and capital programmes do not reflect actual market values.	Utilise valuation and known market rates for construction where available for budget planning.
Outside of capital projects identified in the previous strategy to replace/improve assets, levels of service within the planning period shall remain the same.	Demand for services may change due to changes in zoning, and new industrial activities	Med	Med	Unplanned increase or decrease in levels of service expectations. Non-forecast capital or operational expenditure.	Review of Levels of Service triennially. Annual customer satisfaction survey to audit asset performance from residents point of view. 6 weekly levels of service performance reporting to Council.
Growth predictions are based upon Statistics New Zealand Data and historical data collated by council e.g. consents data.	That population growth is higher or lower than projected, putting pressure on Council to provide appropriate infrastructure and services	Low	Med	Population increase should be accommodated within existing system capacities. Where additional infrastructure is required this will be a combination of development contributions and loan funded. Small decreases in population may not necessarily result in a lower number of ratepayers as on average the number of people per house is decreasing. A consistent decline in population would adversely affect the ability of the Council to set rates at a level that was affordable to the community	Use of best information available for population forecasting. Financial strategy consider affordability across the long term.

Assumption	Risk	Level of Uncertainty Year 1-10	Level of Uncertainty Year 11-30	Potential Impact Consequence if Assumption wrong	Mitigation Measures
Appropriate community consultation has been undertaken via the 10 Year Plan process and recent Annual Plans and customer feedback surveys	Unexpected demands on levels of service and operations.	Low	Med	Insufficient operational funding available to provide service expectation.	Review of Levels of Service triennially. Annual community satisfaction survey to audit asset performance from residents point of view. 6 weekly levels of service performance reporting to Council. Annual review of operational budgets for minor adjustments if required.
The forecasts and capital programme are based upon the best data and knowledge available at the time of preparation	That the data and knowledge is incorrect and AM planning is under or over stated	Med	High	Capital, operational and financial forecasts are inadequate for actual asset requirements.	Asset Management improvement programmes are established in all AMPs. Continuous improvement in this area is a priority for the organisation. Auditing of AMPs by an independent party has been introduced.
Deficiencies, where identified, have been prioritised for on-going AM and operational improvement	That not all deficiencies have been identified.	Med	High	Insufficient operational funding available to address unexpected deficiencies.	Annual review of budgets for minor adjustments if required. Ability to approach the Council for funding if deficiency is significant or requires urgent action.

EMERGING ISSUES

Our task of building, operating and maintaining our infrastructure assets in an **affordable** and **sustainable** manner is becoming increasingly difficult in view of:

- Demographic changes
- Environmental impacts
- New technologies
- Continually changing legislative environment (Central & Regional Government)
- Infrastructure resilience
- Aging of infrastructure

Increasing demand for a service may generate a requirement for the development of additional infrastructure. Funding needs to be planned for the expenditure on capital works and associated on-going operational expenditure. Alternatively, it may be possible to manage demand within the existing system capacity.

Where a reduced demand is forecast it may be appropriate to renew assets with a lesser capacity, operation expenses may decrease, or an asset may become surplus to our requirements.

Demographic Changes

Population: Our population is likely to grow slightly.

Gore doesn't attract as many "out of town" people as other towns and cities so it is reasonably dependent upon locals staying in the District or being attracted back to start families. However, the percentage of people born overseas have increased in our District statistic. This indicates that Gore is an attractive place for immigrants. Demand for overall services is likely to remain static with minor extension of existing services in approved areas.

It is important to note that the Southland Regional Development Strategy (SoRDS) aims to grow Southlands population by 10,000 over the next ten years. We are mindful of the goals of this strategy, however we have elected to plan for our infrastructure based on current information that indicates a slight long term population and aim to be fluid enough to react to any significant developments that may be a result of SoRDS.

The population growth below shows an increase during 2014 then stabilising during 2015, with 0.4% population growth during 2016 compared to 2.1% for New Zealand. This is due to net migration rather than natural increase.

Economic Growth: We want to see our district continue to prosper and attract residents.

The recent development of the Maitava Valley Milk Plant will provide new employment opportunities and we expect a complimentary maintenance and service sector to establish in our district to provide services to the MVM site. Our district is heavily dependent on the economic success of our agricultural sectors. Our communities flourish when these sectors are buoyant. Many of our residents are employed within this sector. We expect agriculture to remain buoyant for the short term, however we are aware that these industries experience cyclical highs and lows. Affordability is regularly considered in our financial planning and reporting.

In 2016 the average annual GDP growth for the district was 2.9% compared to the national average of 2.5%.

Primary industries (e.g. Agriculture, Forestry) accounted for the largest proportion of GDP in the district followed by secondary industries (e.g. mining, manufacturing).

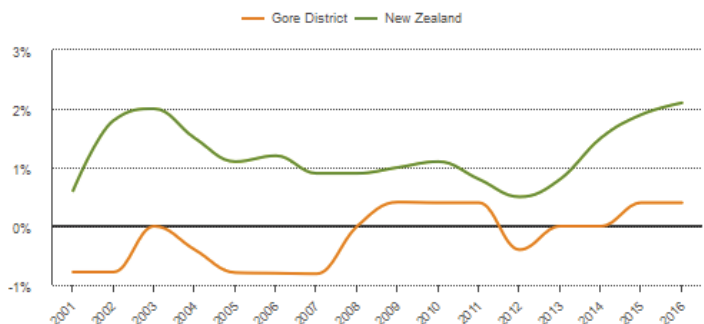


Figure 6 Population Growth (Source: Infometrics)

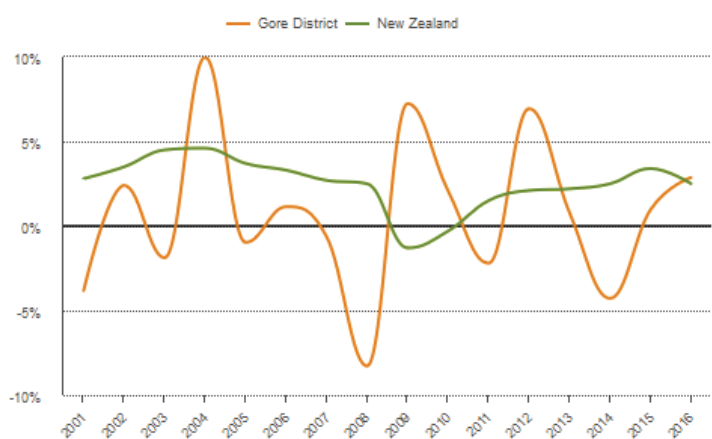


Figure 7 Average Annual GDP Growth (Source: Infometrics)

Household Occupancy and Elderly: We have a lower occupancy rate than average and we expect our residents will remain active throughout their retirement.

The household occupancy rates remained the same from 2006 to 2013 at 2.4 compared with the national average of 2.7. The 65+ age group makes up 19% of the population. It is also important to note that people are generally healthier than 40 years ago and with the predicted wave of baby boomers only starting to retire, they are more active and likely to travel. This generation are expected to remain very active in society during retirement and want recreational opportunities.

This could lead to requirements for additional smaller properties (units etc.) and increases in the number of people living alone. Single person households also have a higher per capita water consumption as economies of scale are lost. As a result, the wastewater discharge volume is likely to increase. The demand for connections is likely to increase.

The increasing 65+ age group want to utilise good quality footpaths and road infrastructure with low risk of trip hazards. This generation tend to utilise pedestrian assets much more and planning for asset upgrades and replacements takes this expectation into account.

Employment: Employment is heavily dependent upon local industries. If any industry was to close there would be a corresponding impact upon population. Local industries are currently buoyant and employment opportunities are reasonably sound with the current low unemployment rate.

The Council continues to encourage economic development within the district to attract new residents due to the employment opportunities it creates. The latest major development, Matura Valley Milk, is expected to generate jobs within the milk processing factory and also have a wider impact on smaller complimentary service industries that are likely to establish within the district.

Major industry developments can have a major impact on our infrastructure so we work closely with developers to make sure the best outcomes are found for all parties in an affordable manner.

Employment growth below has recovered well since 2014 with 2.1% growth in 2016 compared to the national average of 2.7% for the same period.

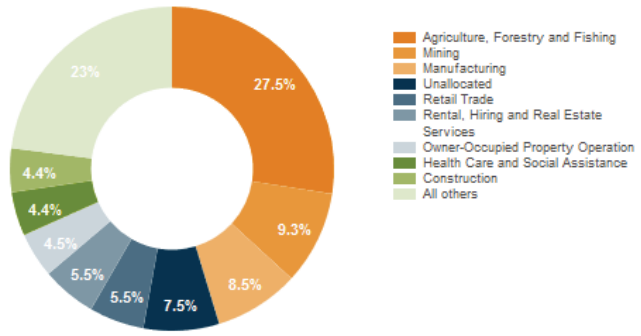


Figure 8 Share of total GDP (Source: Infometrics)

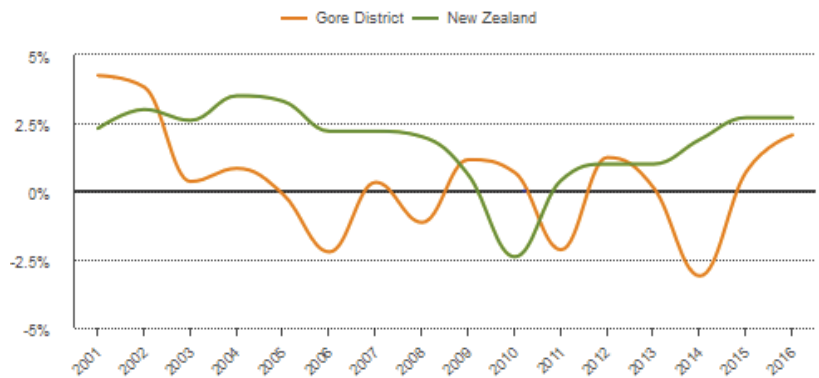


Figure 9 Employment Growth (Source: Infometrics)

New Technologies

Outlined below are some possible technological advances and trends which could affect the management of our core infrastructure over the next thirty years:

Roading	Water	Wastewater	Stormwater
<ul style="list-style-type: none"> • Movement towards regional management of roading networks in New Zealand. • Change in vehicle technology – autonomous/ driverless vehicles changing level of service expectations • Focus on economic benefits of roading networks. • Focus on infrastructure resilience - particularly in dealing with natural disasters and weather events. • New funding models including user pays systems to fund uptake of new technology and road improvements. • Public interest in the environmental impact of road use. 	<ul style="list-style-type: none"> • Improved construction materials. Cost savings and asset life extension. • Technological improvements in treating raw water. • Improved technology in water monitoring. • Improved technology for conserving, purifying, recycling, reclaiming and desalinating water. • Improved technology in stand-alone (private) systems and greater uptake of this. • Movement towards regulated management of potable water networks in New Zealand. • Higher standards for drinking water quality and monitoring (as part of national drinking water standards) • Water conservation becoming more of a focus, and water being used more efficiently. • Recycling and reuse of water. • Rainwater harvesting • Water takes/ usage becoming more regulated. • Climate change resulting in more inconsistent and extreme weather patterns 	<ul style="list-style-type: none"> • Improved construction materials. Cost savings and asset life extension. • Improvements to treatment technology resulting in high quality cost efficient wastewater treatment. • Improved technology and techniques in pipeline rehabilitation. • Alternative wastewater systems (i.e. low pressure, vacuum) which eliminate the need for deep pipe systems. • Improved technology in self-contained private wastewater systems (e.g. composting toilets). • Higher environmental standards for discharge from wastewater systems into waterways. 	<ul style="list-style-type: none"> • Improved construction materials. Cost savings and asset life extension. • Low Impact Design Stormwater management – mimicking the natural environment and reducing the impact of stormwater run-off and discharge on the environment. • Stream restoration and riparian planting replacing standard, stormwater channels. • Treatment train systems which use of two or more treatment methods, such as ground soakage and riparian planting, to improve discharge quality. • Focus on working with the natural environment to provide effective stormwater systems, and to lessen environmental impacts. • Rising environmental standards for discharge into waterways. • Increased interest in private, self-sufficient stormwater systems. • private water systems and storage • Climate change resulting in more inconsistent and extreme weather patterns • Changing customer expectations regarding level of service

Changing Government Priorities and Legislative Environment

In providing our core infrastructure services, we keep an eye on the Central Government and Industry direction for the national infrastructure assets and public service provision. This is done through attending conferences and seminars, studying reports released by Central Government agencies and membership of industry organisations e.g. IPWEA, Water NZ, etc.

Presently, the New Zealand Drinking Water Standards issued by the Ministry of Health is driving the significant investment in water treatment facilities. This is also exacerbated by the outcome of the Havelock North drinking water contamination event in 2016.

National Infrastructure Plan:

The government's objective under the National Infrastructure Plan 2015 is that, by 2045, New Zealand's infrastructure should be resilient and coordinated and contribute to growth and increased quality of life. Although we are a small district, our residents and customers deserve well managed, adequately performing infrastructure they can rely on with certainty.

We aim to achieve development towards the goals of the government by aligning our asset management planning with the expectations set out below:

- We will have a long-term view of our investment requirements to make more informed decisions by completing an infrastructure strategy for a 30-year period;
- We will develop a more sophisticated approach to understanding the condition of our assets, the timing of renewals, and how they are performing in comparison to similar networks as part of our asset management improvements.
- We support the establishment of shared metadata standards across roading, the three waters, and government built assets.
- We will continue to work towards understanding how our networks interact with other infrastructure networks as well as the implications for land use planning and our customers.

National Policy Statements:

National Policy Statements are issued by the government to provide direction to regional and local government about matters of national significance which contribute to meeting the purposes of the Resource Management Act 1991.

The National Policy Statement on Urban Development Capacity 2016 (NPS-UDC) sets out the objectives and policies for providing development capacity. The NPS-UDC requires the Council to ensure that there is "sufficient housing and business development capacity" to meet expected short, medium and long-term demand. In the interests of integrated management, and meeting our vision to be "ready for business", more land is likely to be required for development and it is appropriate that we, in consultation with the community, to have regard to our alternative futures.

There is a clear benefit in identifying the needs of industry that potentially may wish to locate in the district and ensuring they are provided for both in terms of sites and appropriate infrastructure. Given the strategic significance of a spatial plan across a number of functions and activities of the Council, it is considered appropriate to commence the spatial plan project as soon as practical.

The National Policy Statement for Freshwater Management 2014 (NPS-FM) sets out the objectives and policies for freshwater management. This NPS-FM is part of initiatives developed for the Government's programme of water reform. The expectations of the NPS-FM flow through respective Environment Southlands Policy Statements & the proposed Southland Land and Water Plan.

This proposed plan is likely to require significant investment in our 3 Waters infrastructure to meet the proposed rules. We are monitoring the implementation of this regional plan and are in close contact with Environment Southland to ensure the impact on our communities is considered. Our capital programmes include funding for improvements to meet the expectations of the plan but depending on the final plan we may need to invest further.

We are also taking part in the Southland Economic Project as part of a Territorial Authority working party which will assist decision making for the limit setting process.

Climate Change

The issue of climate change is expected to increase in intensity and evolve in terms of our response to these challenges, over a period of time. Both sustainable development and climate change will in all probability form key components of our decision making process in the future.

At this stage we are operating under a "watching brief" and will actively monitor weather and climatic changes to determine if there are likely impacts on our core infrastructure. Our initial responses to climate change include the development of mitigation actions from the Risk Management assessments undertaken across Council.

We expect that our district will not be physically impacted by coastal erosion or sea level rise; however, the District may gain new residents that are required to relocate due to the effects of these phenomenon. We expect that rain events may become more frequent and more significant in size, this impact is considered within our infrastructure design standards. In addition to this we expect to experience longer and more extreme dry periods putting pressure on limited water supply sources.

We are working closely with other local authorities and the Regional Council to ensure that a co-ordinated approach is taken to assess climate change and develop an appropriate response, particularly regarding hazard and emergency management.

We are acutely aware of that our district is exposed to flood risk from the Mataura River and its tributaries. The existing flood protection system consists of flood banks. The flood bank system is maintained by Environment Southland and has contained all flood events since it was installed. A review of the flood bank system in light of predicted 100 year flood event modelling is underway, being led by Environment Southland.

Infrastructure Resilience

Resilience is about the ability to plan and prepare for adverse events, the ability to absorb the impact and recover quickly, and the ability as a community to adapt to a new environment. Risk management is an important element in the development and management of assets. For our asset management planning to be robust and sustainable, it must be integrated with other corporate risk management processes. Resilience in our infrastructure underpins economic, environmental and social resilience our community. Council has a responsibility to manage its assets in a way that provides resilience and protection for the community. Customers have a high expectation of continuing functionality and service delivery.

Southland Region is prone to seismic activity. Recent events in Christchurch have provided the infrastructure engineering community with significant learning opportunities. Ensuring critical assets will perform in a seismic event is critical to our district being able to continue to function.

We have resilience challenges in our roading infrastructure such as increasing numbers of HT trucks using our road network, which will shorten the economic lives of our assets over time. Weights across bridges can vary greatly particularly when forestry operations are completed nearby, these weights can dramatically affect bridge condition.

Our ability to manage significant rainfall events in our urban areas needs to be better understood. We are aware we have capacity issues in our piped stormwater and wastewater networks, particularly when it rains. We need to know what our critical infrastructure is and understand the likely seismic behaviour for recovery planning purposes.

We discuss how we address resilience on page 40.

Aging infrastructure

The infrastructure is aging and the district is approaching an important period to ensure that its infrastructure assets continue to meet the needs of the community in the future. Selection criteria for asset renewal uses a combination of customer feedback, condition assessment, modelling results, optimised decision making, capacity/criticality assessment. This information is then used for prioritising the replacements in accordance with priority ranking.

Failure to maintain an adequate renewal programme will be reflected in a greater decline in the overall standard of the system of assets than would be expected from the age profile of the asset system.

Our confidence levels in our data and information need to be improved so we can make better decisions about where to invest our community's funds. To do this we are investing in better asset management practices and processes for data management, condition and performance assessments over the next few years. As this information improves we will be able to improve the quality of our renewal decision making.

Given that we intend to review this infrastructure strategy with each renewal of the 10 Year Plan we believe that a 30-year term for our strategy is appropriate. We are aware that parts of our core infrastructure has a life expectancy beyond this horizon.

• Roading Renewals

A recent review of this activity's asset management practices has identified that we are managing our assets at a basic level. Previously a lot of decision making for renewals was based on institutional knowledge of key staff. It is clear there needs to be a re-focus on the fundamentals of asset management for the roading activity to ensure renewals programming is adequate.

It appears that the rehabilitation of pavement via Area Wide Treatments and bridge replacements has been underfunded historically. We want to ensure we have an accurate understanding of the remaining life of these assets. We plan to assess condition and performance of these assets in the short term and develop our asset management practices to be able to better interpret information for planning purposes.

• 3 Waters Renewals

Renewal planning for piped assets is a work in progress. We wish to make sure our renewals also compensate for the capacity issues we have so a long term planning project is underway incorporating capacity improvement planning along with renewal planning. It is intended to develop a more robust and repeatable method for the identification of 3 Waters assets due for renewal based on optimised decision making (ODM). This will be developed for future revisions of this strategy.

In the meantime, as we are aware of the need for renewal planning to reduce the impact of a bow wave of pipe renewals we have annual capital expenditure for replacing pipe that is reaching the end of its economic life. We are also funding significant replacement projects for our treatment sites.

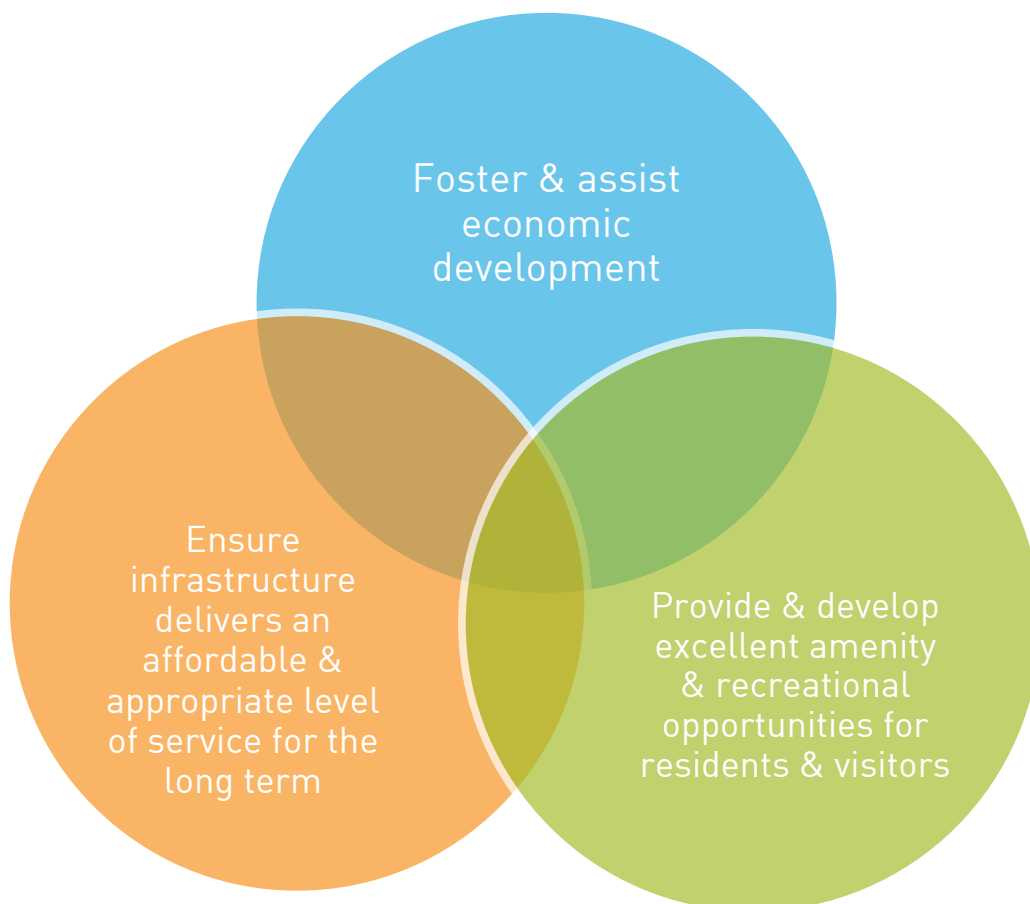
Funding amounts for the renewal programme are likely to be adjusted once the long term project plan is developed and prioritised renewals and upgrades can be incorporated into it.

Very limited condition assessments of reticulated assets have been completed at this time, but Council have implemented a process whereby the condition of assets is ascertained when carrying out repairs or renewals. While small amounts of Asbestos cement pipe assets have had condition assessments completed in the last 10 years this is not believed to be sufficient. In the short term future, a focus will be placed on formal condition assessment of underground assets. This will assist in the long term planning of asset renewals. These assessments indicated the pipes were in moderate condition. Approximately 42km of AC pipe will reach the end of its economic life within the 30-year term of this plan.

THIRTY YEAR STRATEGY

The Organisations' Priorities

Our goal is to shape our district to provide the 'Best Quality of Life in NZ'. We wish to continue to encourage the trend of being a family friendly district. We are a place that people want to 'come home to' and start their families. We also wish to explore and develop tourism opportunities and enhance the existing tourism economy, bringing visitors to our district. To do this we need to provide infrastructure that is affordable yet also performs appropriately. We want to continue to ensure our district is 'A Great Place to Live' by enhancing the liveability of our urban areas.



Asset and Service Management Strategy

The most critical enabler of efficient and effective service delivery is the capability of an organisation, its people and the systems in place. We have established an updated asset management policy in June 2017. This defines the appropriate level of asset management planning in line with the discussion contained in the International Infrastructure Management Manual (2015).

The policy definitions are as follows:

- Water – Intermediate
- Wastewater – Intermediate
- Stormwater – Intermediate
- Roading - Intermediate

The objectives of the Asset Management Policy are:

- ensure service delivery is optimized to deliver agreed community outcomes and levels of service for both residents, visitors and the environment
- optimize expenditure over the life cycle of the assets
- ensure risks are managed appropriately
- provide a service delivery that is sustainable

The policy aligns with our strategic goals to:

- ensure that the Gore District remains a great place to live
- promote economic development
- protect our water resources and use them wisely
- maintain the quality infrastructure that we have
- keep rates and debt affordable

The approach we take to managing our assets reflects in the level of service we provide to our residents and customers. Our principles for asset management of our infrastructure services are outlined in the table below:

Asset Management Principle	Approach	Level of Service Effect
Component Age and Condition	Utilise data in renewal planning for assets and decision making for asset upgrades.	Ensures overall performance of networks do not deteriorate and remain at an appropriate level at all times.
Network Performance	Investigate & resolve customer complaints. Monitor reactive assets. Utilise minimum design standards. Consider annual customer survey results.	Networks responds appropriately during peak use and during average demand. Poor performing assets are identified and remedied.
Deterioration and Renewals	Monitor assets nearing end of economic life. Fund renewals via appropriate renewal planning. Consider rehabilitation opportunities.	Renewal of assets occurs just in time before failure. Rehabilitation options may be more cost effective and affordable without decreasing service provision.
Maintenance Regime	Regular scheduled maintenance of key assets and known problem areas in network. In-house services provide low cost service provision.	Network performs adequately during demand periods. Operations are completed at a low cost, assisting affordability.

Cost Effective Delivery of Services

We are aware that there is a clear requirement to meet the current and future needs of communities with good-quality local infrastructure, local public services, in a way that is most cost-effective for households and businesses. Our population is expected to have a slight increase in the long term but with a larger portion of retired or elderly. This means we need to ensure our asset renewal planning and decision making does not significantly impact on rates affordability for our communities as many of our residents may be on fixed incomes.

As part of the 10 Year Plan process, delivery of the activity is discussed in detail and reviewed every 3 years. Measurement of the success of the operation of the asset for any activity is assessed using the results of:

- Customer satisfaction surveys
- Level of Service objectives compliance
- Benchmarking surveys.

These measurements determine whether the management practices are providing an efficient, effective and appropriate service for the community's current and future needs.

It is critical that our services are managed in an affordable and efficient manner to ensure our residents can afford to continue to live in our district and to ensure we are an attractive district for economic development opportunities.

• 3 Waters

In order to demonstrate that the delivery of services is efficient, effective and appropriate; we have recently completed a review of our core infrastructure services under Section 17A of the Local Government Amendment Act 2014. That review recommended that the Council investigate opportunities for lower-order shared services or collaboration opportunities in the 3 waters area. This might include neighbours in the Southland District, Clutha District and/or Invercargill City.

The review also identified a number of key enhancements to the status quo for the management practices of 3 Waters. The review concludes that the Gore District Council is performing satisfactorily in the 3 Waters area. Importantly, from a cost effective perspective, the report also identifies the present method of in-house service delivery being economic when compared to other Councils.

• Roothing

By national standards we have one of the smallest roading networks and land transport investment programmes in New Zealand. Our annual roading expenditure is just below \$4 million per annum which is less than 0.3% of the national total spent each year. However, this is still a substantial amount for our 12,500 residents. Our road network spans a comparatively large geographic area for our population base, meaning the amount our ratepayers spend each year to keep our roads functioning is very high on a per rating unit basis.

Transitioning the current service levels to a more nationally and customer consistent levels, is aimed at improving the efficiency of delivery through consistent specification of service requirements. We feel we are most likely delivering varying levels of service within like road classification. The cost and quality of the services provided, are not measured and reported in a way that allows customers to establish if they are receiving relative value. Enabling and enhancing internal capabilities will allow us to measure our efficiencies and cost effectiveness going forward.

Addressing Resilience

We understand that both physical and system resilience are crucial. We ensure our design and construction standards are cost effective yet ensure infrastructure is able to withstand natural hazards and long term changes in circumstances such as those resulting from climate change. We work with other organisations and share our knowledge and asset information to assist in emergency response. We are represented within a regional Lifelines group.

As we improve our level of understanding of our assets and their condition we can more effectively manage and plan for events and influences that may affect our assets. A project is underway to map the location of the critical assets that have been identified.

We need to determine our critical assets, capture better data and maintenance information and use optimised decision making processes for our capital programmes.

In order to improve resilience Councils approach is to complete an organisational risk assessment identifying where the organisation may be exposed to areas of risk across a broad range of topics.

We have to consider managing and mitigating the risks to, and the resilience of, our infrastructure assets from natural disasters. Adverse events/natural disasters/climate change and the related impacts cannot be avoided and as a result we have to factor this into long term planning, civil defence planning and determining the infrastructure requirements moving forward to ensure the community's expectations are met.

In order to improve resilience, we plan to:

- Continue to actively participate in CDEM planning and activities, at both regional and local levels
- Consider opportunities for alternative service provision and system redundancy
- Identify critical assets and ensure mitigation methods are developed
- Obtain insurance where this is deemed to be the most cost effective approach

The main plans and emergency management processes are outlined below:

• **Business Continuity Plans**

Currently we are undertaking an organisational risk assessment to determine what business continuity plans we need to create. The Council has developed Standard Operating Procedures for emergency management which will provide the basis for its Business Continuity Plan. The Council is continuing to discuss development of its Business Continuity Plan with Emergency Management Southland (EMS). Time frames for delivery, reviews and alignment with our neighbouring authorities are included in EMS discussions.

A number of actions have been completed already, by the Council, to assist with continuity of its business during emergency events.

These include:

- Installation of a new generator above the flood plain to serve the Council building;
- Investigating systems across the councils to see how to align them to allow information sharing;
- All parks and reserves and essential services vehicles are equipped with radio telephones;
- Remote hosting of the Council roading database (RAMM);
- Creating a second Datran base station at the Council building.
- Seismic assessment of bridges;
- Plan to replace the Pyramid Bridge which carries road traffic as well as the supply main for the Otama Water Scheme.

Key risks for the us are failure of the Mataura River flood banks protecting Gore and Mataura. Flood bank failure in Gore would result in the inundation of the Council building and disruption of power and telephone lines.

Another key risk is the failure of the bridges that cross the Mataura River in both Gore and Mataura. Both of these bridges are not only key transport routes but also support critical water supply and wastewater pipelines. Failures of the bridges would likely result in large parts of the towns not having drinking water and require raw waste water to be discharged to the river for a sustained period of time.

• **Civil Defence**

Emergency Management is based in Invercargill where three advisors and one manager are in residence. In 2009 a Regional Civil Defence plan was put in place and Emergency Management Southland (EMS) was charged with managing civil defence and the lifelines plans at a high level with involvement from the TLAs. We are an active member of EMS ensuring our staff attend training and practice scenarios regularly to be ready for any event that may occur.

• **Lifelines**

The Southland Lifelines Group is a collective non-executive organisation where lifeline utilities within the Southland Region contribute to joint initiatives in an effort to reduce the vulnerability to natural hazards, establish their interdependencies and identify their critical infrastructure locations. Schedule One of the Civil Defence Emergency Management Act 2002 defines lifeline utilities as entities that provide infrastructure services to the community such as transport, water, wastewater, energy, communications, ports and airports. The Southland Region Lifelines Group developed the Vulnerability Study 2012 and Critical Infrastructure Report during 2013.

This Vulnerability Study 2012 and Critical Infrastructure Report aims to assist in addressing the social, economic and environmental aspects a failure in the supply of water, Wastewater, electricity and communication or transport services is likely to cause following a natural hazard event. From the vulnerability study it was determined we are most vulnerable to Flooding, Earthquake or Power loss. We continue to be an active participant in the lifelines group.

3 Waters Specific:

There are three main areas of risk to the activity in supporting the community’s lifelines –flooding, power loss and earthquake.

The flood bank system is maintained by Environment Southland and has contained all flood events since their construction. All of the pumps stations can still be operated during a flood due to the key electrical components being located well above known flood levels. Environment Southland monitor river levels on a daily basis and the Council has website access to the data. The Council generally have 12-24 hours warning to shut off equipment and gates etc. A criticality assessment is programmed to be completed by the next 10 Year Plan to allow the Council to plan appropriate measures to protect and manage critical assets. A major earthquake has not been experienced in recent times in the District. However, there are areas that could be prone to liquefaction and there is a known fault in the north of the District. The main Council building has back up emergency power supply; there is a mix of permanent and portable generators that ensure critical sites can be kept operational.

Roading Specific:

The most significant risks to the roading network are flooding, earthquake and snow/ice.

Fortunately, both flooding and snow/ice events can be predicted and preparations made in the lead up to the event. The area’s most likely to be affected are also well known. However, earthquakes are unpredictable and preparation for these consists of ensuring that the potential effects on each of our structures is understood and where possible protected against.

Evidence Base

Council acknowledges there are limitations with its data that affect decision-making. It has become clear whilst preparing the AMPs and this strategy that asset management practices for core infrastructure activities need to be refocussed and improved. We need to be as efficient as possible in managing our assets and this goal cannot be achieved without sound asset management planning practices being undertaken. The AMPs have comprehensive asset management improvement programmes. A commitment to improving data collection and analysis is indicated below by identifying key data improvement actions.

Activity	Data to be collected	Data to be analysed	Value this data provides
Roading	Condition and performance of pavement assets	Remaining life	Improve confidence for decision making and prioritisation for Area Wide Treatments.
Roading	Condition and performance of bridge assets	Remaining life	Assist with developing an affordable long term bridge replacement programme
Water supply	Condition and performance of piped assets & non piped assets	Remaining life, capacity	Assist in developing an affordable long term renewal programme with priorities.
Wastewater	Condition and performance of piped & non-piped assets	Remaining life, capacity	Assist in developing an affordable long term renewal and separation programme with priorities.
Stormwater	Condition and performance of piped & non-piped assets	Remaining life, capacity	Assist in developing an affordable long term renewal and separation programme with priorities.

The approach to data collection and management will be discussed in the respective asset management plans and budgets included where appropriate.

Significant Decisions Required

Taking a long term view to the management of core infrastructural assets, we need to make key decisions in a timely manner.

In addressing Community desires and priorities, the following key decisions have been identified.

Activity	Key Decision	Indicative Timeframe
Wastewater	<p>1. Wastewater pipe renewals programme to be established and adopted to improve system performance, alleviate capacity issues and reduce environmental impacts. The wastewater system lacks capacity in rainfall events and a number of overflows to the Mataura River occur at specific overflow structures. Consent needs to be obtained for these overflows and a renewal programme commenced to start improving the network.</p> <p>2. The appropriateness of current wastewater treatment facilities (predominately oxidation ponds) and long term operational viability of these systems need to be considered against more advanced treatment technologies.</p>	<p>2021-2048</p> <p>2018 - 2028</p>
Roading	<p>1. Development and adoption of an affordable pavement rehabilitation and bridge replacement strategy to ensure timely renewal of pavements before failure and appropriate structural integrity of bridges.</p> <p>We have approximately 128 bridges. 33 of these are on access roads and are critical connections for these customers. While the overall condition of bridges was assessed as being in fair to good condition in 2014, there were some structures that required urgent attention and some being close to the end of their serviceable life. It is anticipated that our bridge assets will require substantial investment through maintenance and renewal over the next 20-30 years, as they age and approach the end of their useful lives. They form a vital part of providing reliable access into our productive farm lands.</p> <p>Anticipated demand increases from heavy vehicles and tourism means we are more exposed to customer and asset performance failures which leads to customer dissatisfaction and more unplanned expenditure.</p> <p>2. With the increase in traffic and HCV from dairying, we expect that further pavement rehabilitations may be required in future.</p> <p>We want to ensure our roads and bridges are managed appropriately, are fit for purpose and safe to use.</p>	2021-48
Stormwater	<p>1. Development and adoption of a stormwater separation plan to alleviate capacity issues, reduce environmental impact and remove stormwater from the wastewater system. 40% of the Gore wastewater system is a combined stormwater and wastewater system. This characteristic of the network creates significant capacity issues during rainfall events and peak demand. There are public health, environmental and level of service challenges associated with this issue.</p> <p>2. Determine the appropriate and affordable level of service in the stormwater network. In addition to the ongoing separation of the combined wastewater system there are already capacity issues in the existing stormwater network. Upgrading this to our current 1 in 10 year level of service is expected to require significant capital investment.</p> <p>3. Determine the appropriate level of treatment for stormwater discharges. There is an ever increasing awareness of the impact urban developments have on their receiving environment. Improved treatment of stormwater discharges will need to be considered in the future to reduce this impact. It however must be ensured that this is affordable and good value for money.</p>	<p>2021-2048</p> <p>2018 – 2023</p> <p>2021-2028</p>
Water	<p>1. Water treatment plants require significant renewals. We plan to upgrade our water treatment plants for the urban areas to meet NZ drinking water standards compliance requirements. We are considering consolidation of water plants to service urban residents. We are currently non-compliant with the standards because of the type of treatment facilities we currently have in place.</p> <p>2. Our existing water supplies have limited capacity, particularly during prolonged dry periods. The frequency and severity of these dry periods will potentially increase as a result of climate change. In addition to this any significant increase in water demand is likely to put further pressure on our existing water sources. The more efficient use of our existing water sources and potential alternative water sources must be considered to ensure a reliable supply.</p> <p>3. Many of our watermain assets will be coming to the end of their life within the time period of this strategy. Currently, \$22.2 million of renewals are expected over the next 30 years. We have to make some decisions about replacing these assets at the right time and in an affordable manner so we don't end up with a large amount to replace at once. We need to create a financially viable, robust watermain replacement programme for the next 30 years</p>	<p>2018-2021</p> <p>2028-2035</p> <p>2018-48</p>

SIGNIFICANT INFRASTRUCTURE ISSUES

In developing this 30 Year Strategy we identified the anticipated significant infrastructure issues over the 30 years and considered each significant action and the benefits of the action.

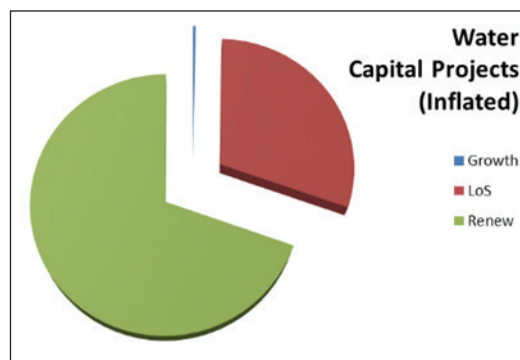
The significant infrastructure issues we are facing, with the benefits and costs, are tabled below. A table of all core infrastructure projects over the next 30 years is included in Appendix A.

Water

Council's goal for the water activity is:

- complete renewals at an appropriate time to optimise investment
- provide sustainable and safe water for domestic, commercial and industrial use, as well as for firefighting purposes
- improve water consumption through demand management practices

Significant infrastructure issues are tabled below. The highlighted option is the current preferred approach for addressing the identified issue.



Issue 1 Upgrade and Renew Water Treatment Plants to meet Drinking Water Standards

Main Options	Implication of Options
Option 1 Upgrade each individual plant East Gore, Hilbre & Mataura	<ul style="list-style-type: none"> • Operation and compliance management for three separate sites • Managing public health risk at three separate sites • Small area and population served by each plant • Pluera dam rising main would need renewed • Medium Cost Option
Option 2 Consolidate plant sites to one single water treatment plant to service both Gore and Mataura	<ul style="list-style-type: none"> • Will need to pump water to Mataura • Easier to manage public health risk and compliance at one single site • Both communities reliant on one single treatment plant – resilience issue • Would require new raw water rising main from Jacobstown source to the East Gore site • High Cost Option
Option 3 Preferred Option Only upgrade East Gore and Mataura sites, utilise Hilbre site for water storage and pumping only.	<ul style="list-style-type: none"> • Individual communities have own water treatment plant. • Pluera dam rising main would need renewed or alternative water source considered • Resilience improved with two separate water plants. • Operational and compliance savings from only two sites versus three. • Low Cost Option.
Time period	2018-2021
Cost	\$ 8.125M (2018) \$ 8.57M (inflated)
What is the benefit?	Many of our water treatment plant assets are at end of life or near to end of life. Replacement of these assets with compliant equipment will ensure service levels continue to be met for our communities and the businesses that are dependent on our water supplies. Capacity would be built into the upgraded plants to allow for growth for the next 30 years. Water quality would be greatly improved, particularly in West Gore where discolouration can occur. Public Health Risk would be better managed and align with the New Zealand Drinking Water Standards. Technology opportunities can be utilised in the operational management of the sites and the equipment installed.
Assumption	<ul style="list-style-type: none"> • Levels of service within the planning period shall remain the same. • Cost figures are based upon the best estimates at the time of preparation of the plan. • That a wet industry will not establish in our district that requires significant amounts of water from our supplies.

Issue 2 Our Water Sources has limited capacity

Main Options	Implication of Options
<p>Option 1 Do Nothing</p> <p>Make no change to current situation for water sources.</p>	<ul style="list-style-type: none"> Limits growth capabilities of water infrastructure. Water shortages or long periods of water restrictions will continue to be frequent.
<p>Option 2 Preferred Option</p> <p>Demand Management</p> <p>Undertake significant demand management practices to reduce water consumption.</p>	<ul style="list-style-type: none"> Can reduce leakage in the network Encourages responsible water use. Demand management takes time and water saving occur in incremental improvements. Residents may not wish to have water meters. Pressure management infrastructure can be expensive Reduce daily consumption and assists with water demand in dry periods. Does not reduce risk of water sources drying up or losing production capability in dry times.
<p>Option 3</p> <p>Secure alternative water source for urban supplies</p>	<ul style="list-style-type: none"> Increase capability of infrastructure to respond to growth in demand or new industry. Reduce risk of supply issues during prolonged dry periods. Increases resilience of water infrastructure by having another source option Hydrological influences may be a risk to identify a new source. Investment in a new source may not result in a sustainable, consented water source due to not finding a suitable source.
<p>Time period</p>	<p>2028-35</p>
<p>Cost</p>	<p>At this point in time, funding for initial investigations regarding this issue is included within the budget for Water Consent Renewals.</p>
<p>What is the benefit?</p>	<p>The benefit of improving the capabilities of our water sources will affect growth, demand and improve levels of service. Water is a finite resource and managing it appropriately is critical for our district. We will reduce the frequency and severity of water restrictions. A stable, secure water infrastructure will assist in attracting business to our district in line with our long term vision.</p>
<p>Assumption</p>	<ul style="list-style-type: none"> Levels of service within the planning period shall remain the same. That existing water sources will have their consents renewed with the same permitted volume for extraction. Cost figures are based upon the best estimates at the time of preparation of the plan. That a wet industry will not establish in our district that requires significant amounts of water from our supplies.

Issue 3 Our Water Mains will be due to be replaced

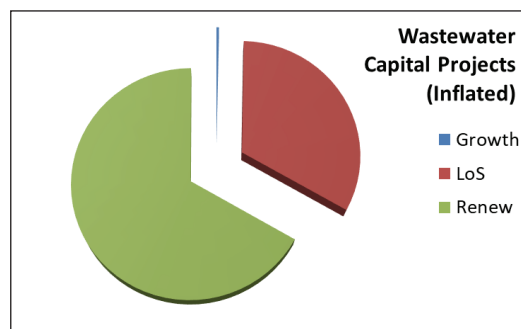
Main Options	Implication of Options
<p>Option 1 Do Nothing</p> <p>Continue to replace water mains as per current replacement schedule and funding.</p>	<ul style="list-style-type: none"> • Currently affordable. • Existing watermain schedule may not be replacing enough assets per year to avoid a renewal bow-wave. • Poor condition or poor performing assets may not be prioritised appropriately. • Renewal programme mainly based on age of asset and staff knowledge of performance. • If a renewal bow-wave occurs this could lead to Level of Service problems for customers and impact our financial strategy. • Operational costs are likely to increase if renewals are not at an appropriate rate.
<p>Option 2 Preferred Option</p> <p>Develop robust and affordable long term watermain renewal programme</p>	<ul style="list-style-type: none"> • Will require funding to create a programme • We will collect good information on watermain asset performance and condition • Appropriate decision making for renewals will be completed. • A long term programme for watermain renewals will provide some stability for funding expectations for the water activity. • Water mains will be prioritised based on a number of factors including age, condition, performance, location and criticality. • We will optimise renewals so that operational costs do not increase due to unexpected failures. • Approach to renewals will be to 'sweat the asset' based on asset knowledge and replace 'just in time' prior to failure. This will allow a programme to be created that is financially viable for the community.
Time period	2018 – 2048, 30 year renewal strategy to be developed by 2021 and updated throughout this period
Cost	\$22.2 million of renewals required before 2048
What is the benefit?	Appropriate asset management planning for piped asset renewals provides a level of service benefit to the community and commercial customers. Water mains will be replaced based on knowledge of the asset condition to allow the water mains' economic life to be maximised. Collecting and managing robust asset data allows good decision making for asset management planning.
Assumption	<ul style="list-style-type: none"> • Levels of service within the planning period shall remain the same. • Cost figures are based upon the best estimates at the time of preparation of the plan. • Preferred option is selected based on best available current asset condition and performance information and staff knowledge.

Wastewater

Council’s goal for the wastewater activity is:

- the collection, treatment and disposal of wastewater in order to safeguard public health and safety.
- protect property
- minimising to the extent possible, adverse environmental impacts.

Significant infrastructure issues are tabled below. The highlighted option is the current preferred approach for addressing the identified issue.



Issue 1 Wastewater pipe renewals programme

Main Options	Implication of Options
Option 1 Do Nothing	<ul style="list-style-type: none"> • This option is unacceptable, if nothing is done the network will continue to be at capacity at some locations. Restricting the ability to allow new connections. • This option does not improve level of service. • The capacity problems impact the environment. <p>This is unacceptable for Gore and does not align with our long term vision for our district.</p>
Option 2 Programme to address critical points in the short – medium term.	<ul style="list-style-type: none"> • The capacity issue requires a lot of investment in new infrastructure such as new pipelines and upgrading some pump stations. • Improvements after each stage need to be measured and modelled to confirm we are on the right track and determine the next stage of capital works. • It would be financially irresponsible to try and achieve significant capital works in a short space of time given our debt levels and the other significant projects we have been undertaking <p>Partial improvement to the wastewater system may alleviate some issues in the short term but will still restrict our ability to meet the needs of residents and trade waste customers.</p>
Option 3 Preferred Option Create programme to address a majority of the issues over the long term.	<ul style="list-style-type: none"> • There will be significant financial investment in this option over a long period of time. • This option allows for affordable capital works to be completed annually over a long period of time. • A long term strategy will allow us to make some quick improvements but also allows us to monitor the impacts of our capital replacements on network performance.
Time period	2018-2048
Cost	\$ 11.38M (2018) \$ 16.99M (inflated)
What is the benefit?	There is wastewater pipe that requires renewal because it is at the end of its life. Pipe diameter upgrades will improve capacity in the system and reduce environmental impacts therefore improving level of service to our communities. Improving the performance of our system will allow us to support our goals for our district. New connections will be able to be added to the network and we will be attractive to new trade waste customers. As the programme is completed over time, our customers will encounter less problems with the network.
Assumption	<ul style="list-style-type: none"> • Levels of service within the planning period shall remain the same. • Cost figures are based upon the best estimates at the time of preparation of the plan.

Issue 2 Our Wastewater Treatment facilities may no longer meet Our Needs.

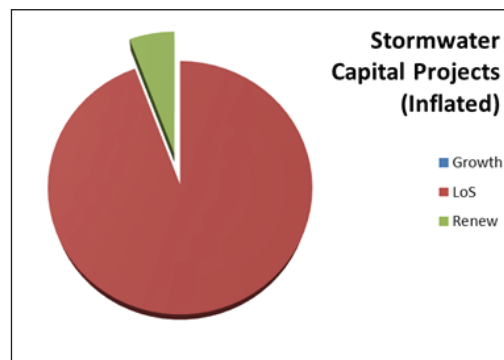
Main Options	Implication of Options
<p>Option 1 Do Nothing</p>	<ul style="list-style-type: none"> • We must consider our treatment capabilities as part of consent renewal for our existing discharges so this option is untenable.
<p>Option 2 Additional treatment to complement existing treatment processes</p> <p>Option 3 New treatment processes</p>	<ul style="list-style-type: none"> • Incorporate new, efficient treatment processes, additional and complementary to the existing treatment system • Moderate capital investment will be required. • Additional treatment processes may assist in discharge consent renewal being gained. • Could improve ability to manage a variety of tradewaste. • Increases resilience of wastewater treatment infrastructure (i.e. Standby or Bypass mechanisms). • Possible to alter treatment timeframes so daily capacity could be increased. • Replace existing treatment processes with new, efficient processes that meets current and future demands for our wastewater systems. • Opportunity to significantly increase resilience of wastewater infrastructure.
	<ul style="list-style-type: none"> • High capital cost. • Must cater for existing tradewaste demands. • Will allow for opportunities for further tradewaste partnerships. • Ability to improve treatment timeframes so level of service improved due to capacity increase. • Must be capable of handling stormwater infiltration and rain event surges.
<p>Time period</p>	<p>2018-28</p>
<p>Cost</p>	<p>At this point in time, funding for initial investigations regarding this issue is included within the budget for Wastewater Consent Renewals.</p>
<p>What is the benefit?</p>	<p>Addressing the long term viability of our wastewater treatment facilities will give us benefits for growth, managing demand, renewals and improving our levels of service. Improved treatment capabilities will provide less impact on the environment. We will have greater capacity to treat wastewater volumes and strength. We will take advantage of new knowledge and technology to ensure our new assets are economically viable for their lifecycle.</p>
<p>Assumption</p>	<ul style="list-style-type: none"> • That existing discharge consents to surface water will be renewed. • Levels of service within the planning period shall remain the same. • Cost figures are based upon the best estimates at the time of preparation of the plan.

Stormwater

Council’s goal for the stormwater activity is:

- the collection and disposal of stormwater to safeguard public health and safety
- to protect property
- minimising any adverse environmental impacts

Significant infrastructure issues are tabled below. The highlighted option is the current preferred approach for addressing the identified issue.



Issue 1 Stormwater Separation Strategy

Main Options	Implication of Options
Option 1 Do Nothing	<ul style="list-style-type: none"> • This option is unacceptable due to the issues associated with the combined network. • The capacity problems in this area of Gore create public health issues as well as impacting the environment. • This is unacceptable for Gore and does not align with our long term vision for our district.
Option 2 Develop a short term or partial strategy to achieve separation of the networks	<ul style="list-style-type: none"> • The capacity issue requires a lot of investment in new infrastructure such as new pipelines and some pump stations • It is likely that significant consultation will need to be undertaken to determine how we separate private connections. • It would be financially irresponsible to try and achieve significant capital works in a short space of time given our debt levels and the other significant projects we have been undertaking • Attempting to rectify the problem partially will not solve the environmental impacts that we are aware of.
Option 3 Preferred Option Develop a long term affordable strategy to achieve separation of the networks	<ul style="list-style-type: none"> • The capacity issue requires significant investment in new infrastructure such as new pipelines and some pump stations • This option allows for affordable capital works to be completed annually over a long period of time. • It is likely that significant consultation will need to be undertaken to determine how we separate private connections. • A long term strategy will include some short term quick gains whilst also being affordable for our district. Appropriateness of current design level of service will need to be reviewed
Time period	2018-48
Cost	\$ 14.5M (2018) \$ 22.5M (inflated)
What is the benefit?	The separation of the combined system will improve the wastewater and stormwater network performance in Gore. There will be a reduction in surface flooding and overflows. There will be a risk reduction for public health and safety. Climate change impacts will be considered in the design of the new infrastructure. Environmental impacts will be greatly reduced as the strategy is completed. Residents and businesses will receive an improved level of service from the wastewater and stormwater networks.
Assumption	<ul style="list-style-type: none"> • Levels of service within the planning period shall remain the same. • Cost figures are based upon the best estimates at the time of preparation of the plan.

Issue 2 Identify the Appropriate and Affordable Level of Service for the Stormwater Network

Main Options	Implication of Options
Option 1 Do Nothing	<ul style="list-style-type: none"> • The appropriate level of service for the stormwater system needs to be assessed to ensure that we are planning and constructing affordable urban stormwater systems which are adequate for our needs now and in the future. It would be inappropriate for us to not consider all options given the anticipated cost of establishing and upgrading our stormwater system.

Issue 2 Identify the Appropriate and Affordable Level of Service for the Stormwater Network *continued...*

Main Options	Implication of Options
<p>Option 2 Preferred Option</p> <p>Understand the financial impacts of the current and potential alternative levels of service.</p>	<ul style="list-style-type: none"> • Will ensure an affordable level of service is determined, that can be applied to the entire network within an acceptable timeframe • Requires public consultation. Through this process the public will gain an appreciation of what an affordable level of service looks like • Altering primary system design will have long term effects for level of service as these assets have a long asset life and cannot be easily changed once constructed. • Reduction of primary system design standard may increase minor surface flooding • Improved use of secondary stormwater system such as retention areas, swales and overland flow paths may be effective in controlling level of service outcomes in large rain events. • This option may not meet the long term expectations of residents and ratepayers. • If climate change increases frequency of rain events, surface flooding would also be more frequent. • Cost savings in primary system construction but secondary system assets would need to be upgraded or constructed which will result in cost. • Reduced design standard may only be effective where there is low risk to people and property.
<p>Option 3</p> <p>Remain with existing design standard for primary system. Prioritise upgrades and new asset construction using a risk management based approach</p>	<ul style="list-style-type: none"> • Utilises risk management principles to determine upgrade or new asset priorities and locations. • Focusses investment to critical areas of network. • Capital programme managed to fund selected projects rather than whole network upgrade. • Ensures investment in assets will be effective and adequate for future needs. • Minor issues that are causing residents issues may not be addressed due to risk classification. • Allows for climate change. • Ability to incorporate secondary system assets into design such as retention basins.
Time period	2018-23
Cost	At this point in time, funding for initial investigations regarding this issue is included within the budget for the Stormwater Strategy
What is the benefit?	<ul style="list-style-type: none"> • Will allow an affordable and sustainable level of service to be determined
Assumption	<ul style="list-style-type: none"> • Levels of service within the planning period shall remain the same. • Cost figures are based upon the best estimates at the time of preparation of the plan.

Issue 3 Determine the appropriate Level of Treatment for Stormwater Discharges

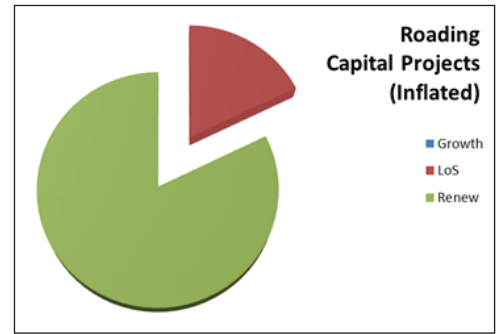
Main Options	Implication of Options
<p>Option 1</p> <p>Do Nothing</p>	<ul style="list-style-type: none"> • It is likely that some level of treatment of stormwater discharges will be required given the rules and policies of the proposed Southland Land and Water Plan. We must consider treatment level options and plan to fund these upgrades as they will require capital expenditure.
<p>Option 2</p> <p>Treatment at all discharge points for nutrients (N & P), e-coli and suspended solids during dry weather flows with a maximum rain event design standard for treatment assets.</p>	<ul style="list-style-type: none"> • Large amount of sites with ongoing maintenance and operational costs, these costs will need funded via rates. • Capital investment extremely high, will impact rates. • May require land to be purchased at discharge point locations. • Some catchments may not gain significant water quality improvement after treatment.
<p>Option 3 Preferred Option</p> <p>Investigate and understand the costs and benefits of stormwater treatment and how this can be optimised.</p>	<ul style="list-style-type: none"> • Will allow investment to be prioritised to discharge points with a high risk for contamination. • Treatment of residential catchments with a history of low or no contamination may not be required. • Could consider funding capital projects via a special rating area specific to high risk catchments. • Focusses treatment to discharges with proven records of contamination. • May require land to be purchased at discharge point locations.
Time period	2021-28
Cost	At this point in time, funding for initial investigations regarding this issue is included within the budget for the Stormwater Strategy
What is the benefit?	<ul style="list-style-type: none"> • Understanding the cost and benefit of stormwater treatment will allow investment to be prioritised and optimised.
Assumption	<ul style="list-style-type: none"> • Levels of service within the planning period shall remain the same. • Cost figures are based upon the best estimates at the time of preparation of the plan.

Roading

Council’s goal for the roading activity is:

- A transport system that is safe
- A transport system that delivers appropriate levels of service
- A transport system that supports economic activity and productivity
- A transport system that provides appropriate transport choices

Significant infrastructure issues are tabled below. The highlighted option is the current preferred approach for addressing the identified issue.



Issue 1 Pavement rehabilitation and bridge replacement programme.

Main Options	Implication of Options
Option 1 Status Quo	<ul style="list-style-type: none"> • It is likely that some pavements would fail unexpectedly or provide a rougher ride. • Does not require any extra funding. • Some bridges may become a safety hazard due to lack of renewal planning. • Level of service would decrease over time.
Option 2 Preferred Option Development of programmes	<ul style="list-style-type: none"> • Asset management practices will improve • Cost efficiencies will need to be found to assist with funding of any new capital work. • It is likely the programmes will be outside of current budget projections.
Time period	2018-48
Cost	A total budget is unknown at this time. Funding for network management has been increased to assist with developing a programme.
What is the benefit?	We will be able to be more responsive to changing network demands and be an enabler for all community opportunities. We will provide a safe and reliable network that continually meets public expectations. We will be confident we are receiving value for money.

Summary of Significant Infrastructure Issues

The chart shows the long term estimated capital programme for the significant issues (excluding Roading) as discussed above.

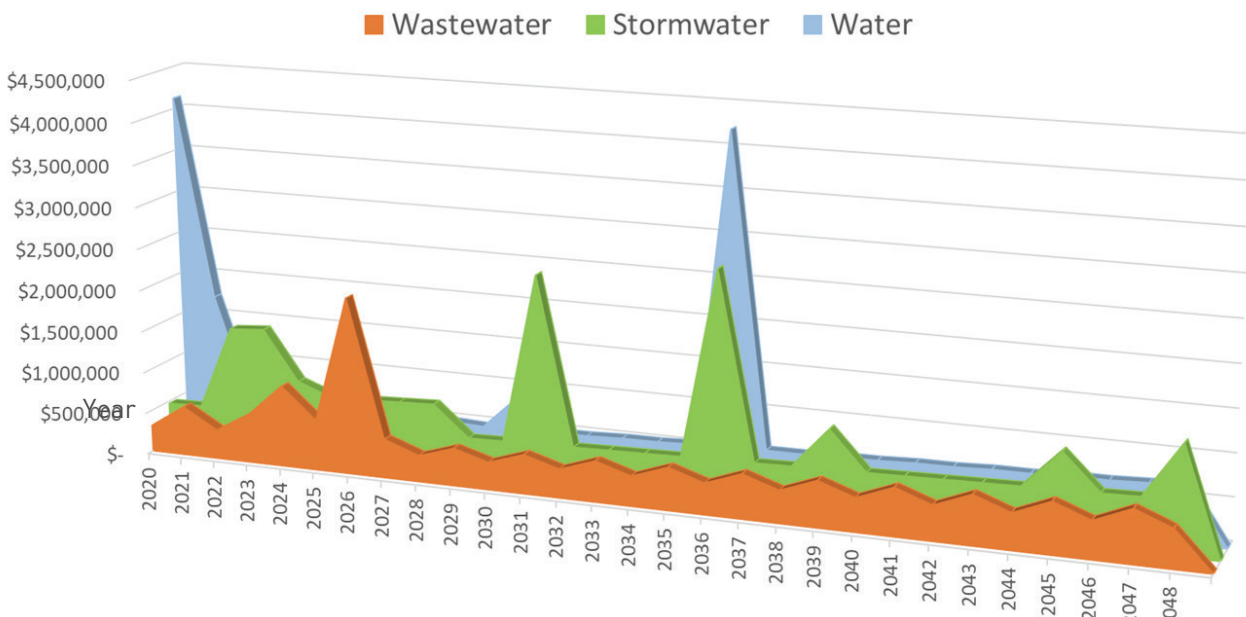


Figure 11 Summary of Significant Issues Estimates

FINANCIAL ESTIMATES

The Local Government Act 2002 Section 101B – Infrastructure Strategy states:

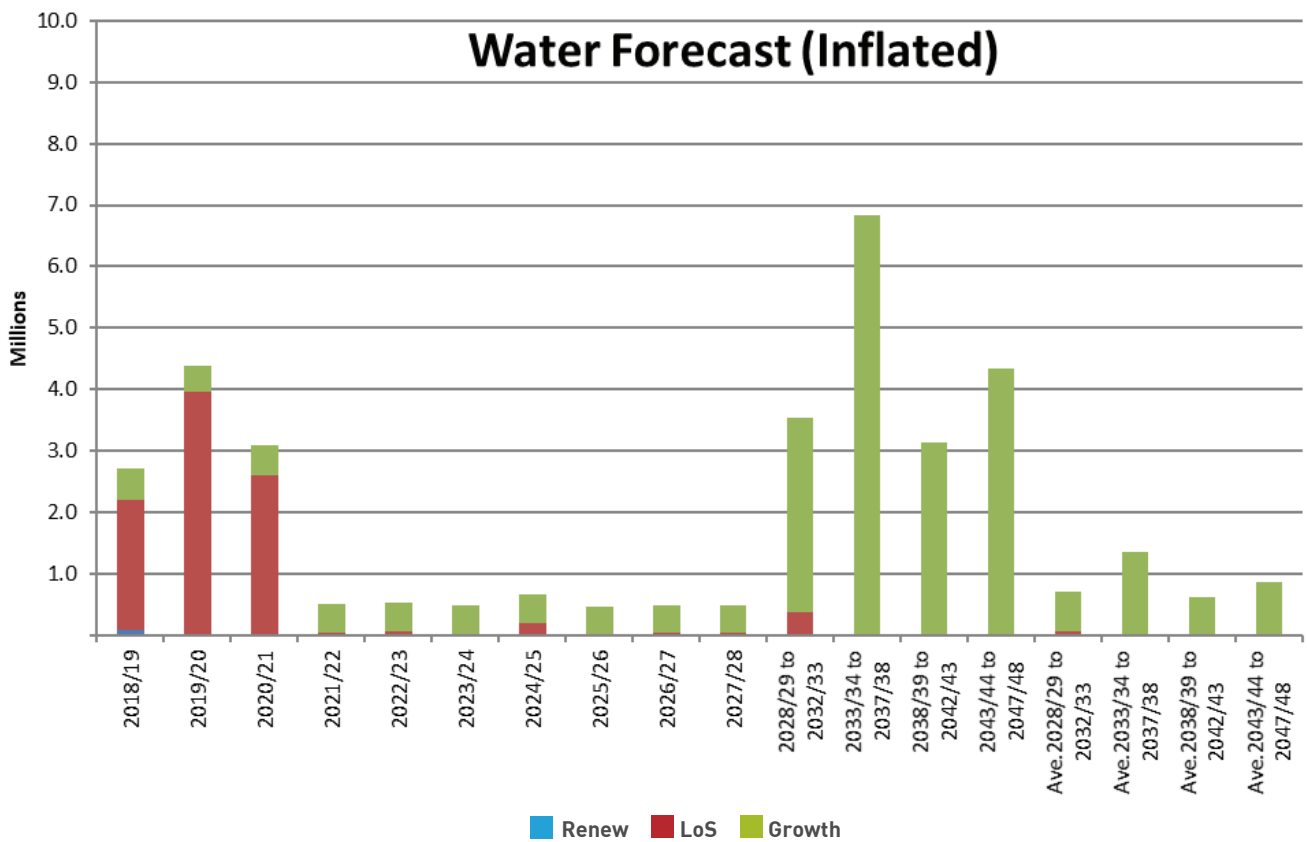
(4) The infrastructure strategy must outline the most likely scenario for the management of the local authority’s infrastructure assets over the period of the strategy and, in that context, must—

“(a) show indicative estimates of the projected capital and operating expenditure associated with the management of those assets—

“(i) in each of the first 10 years covered by the strategy; and

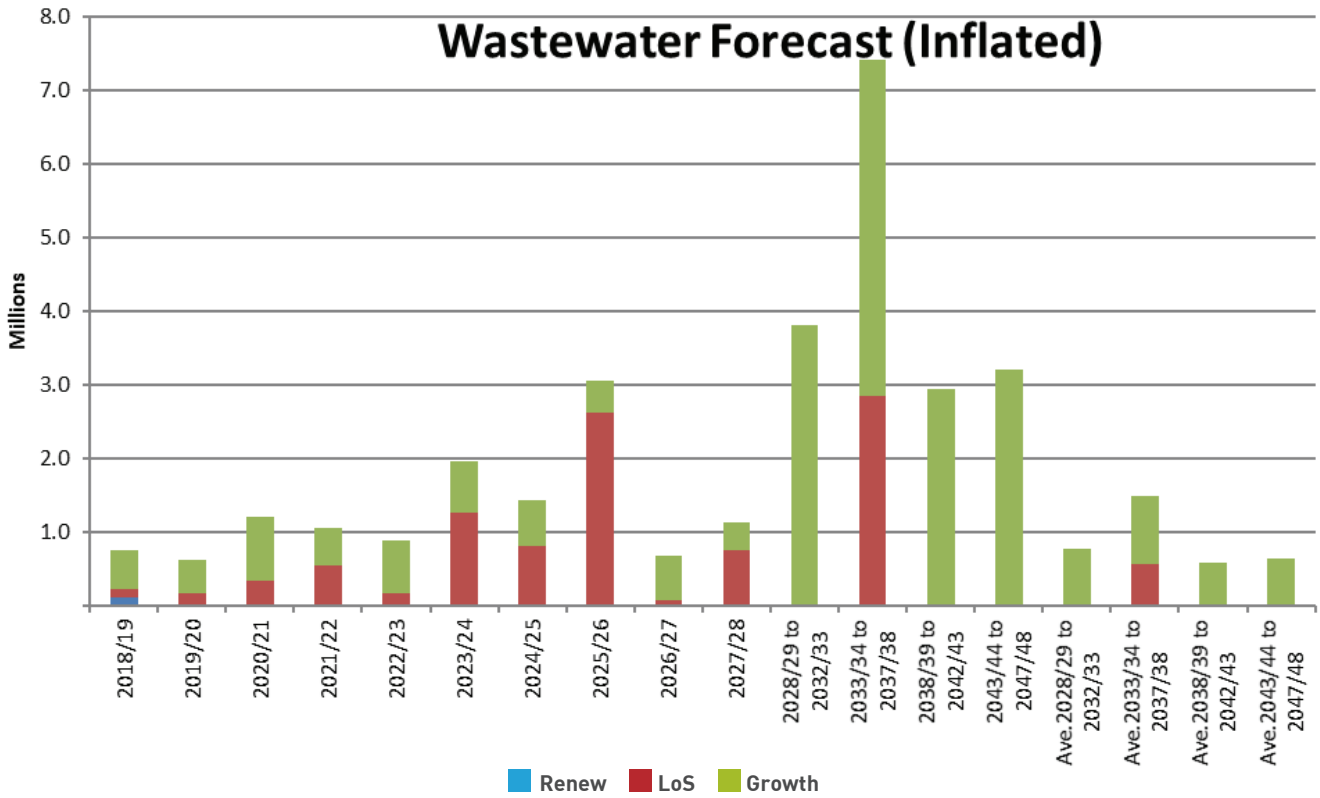
“(ii) in each subsequent period of 5 years covered by the strategy

WATER



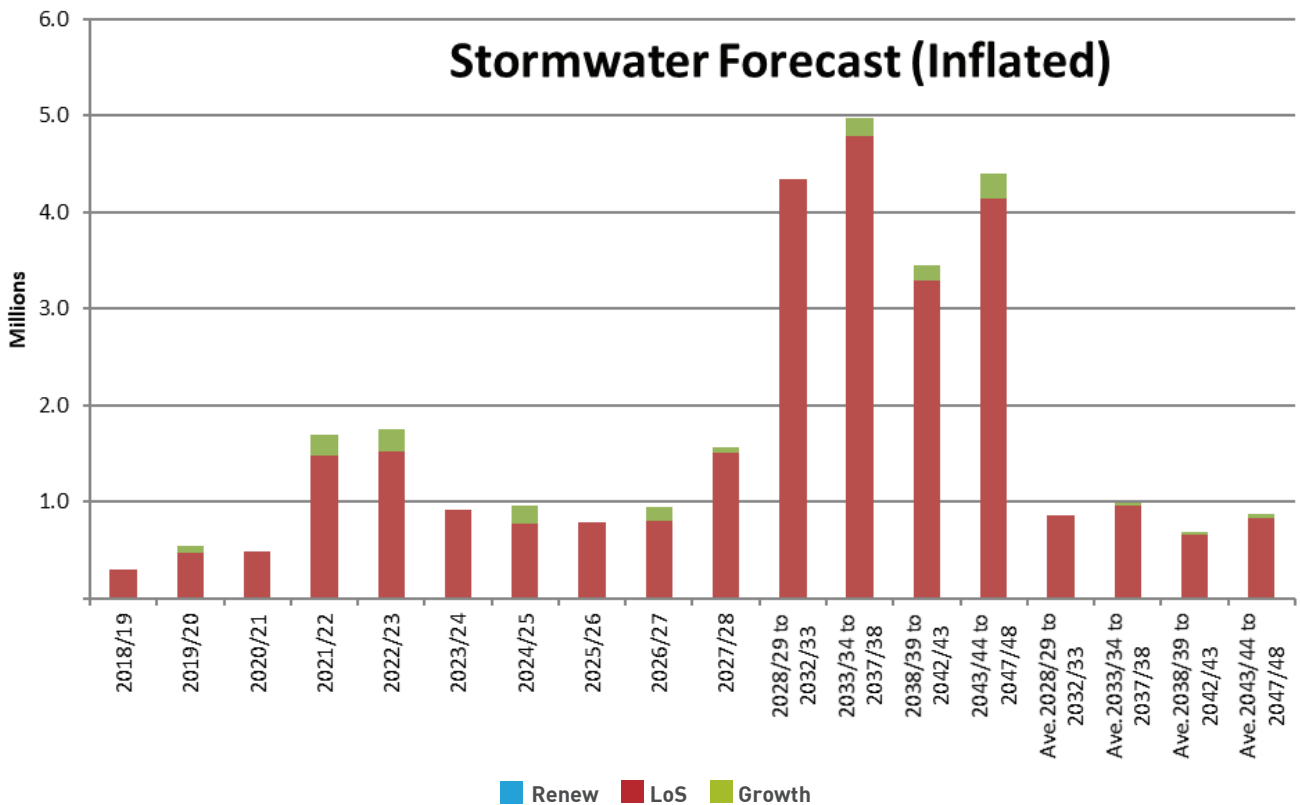
WASTEWATER

Figure 0.13 Projected Capital Expenditure - Wastewater



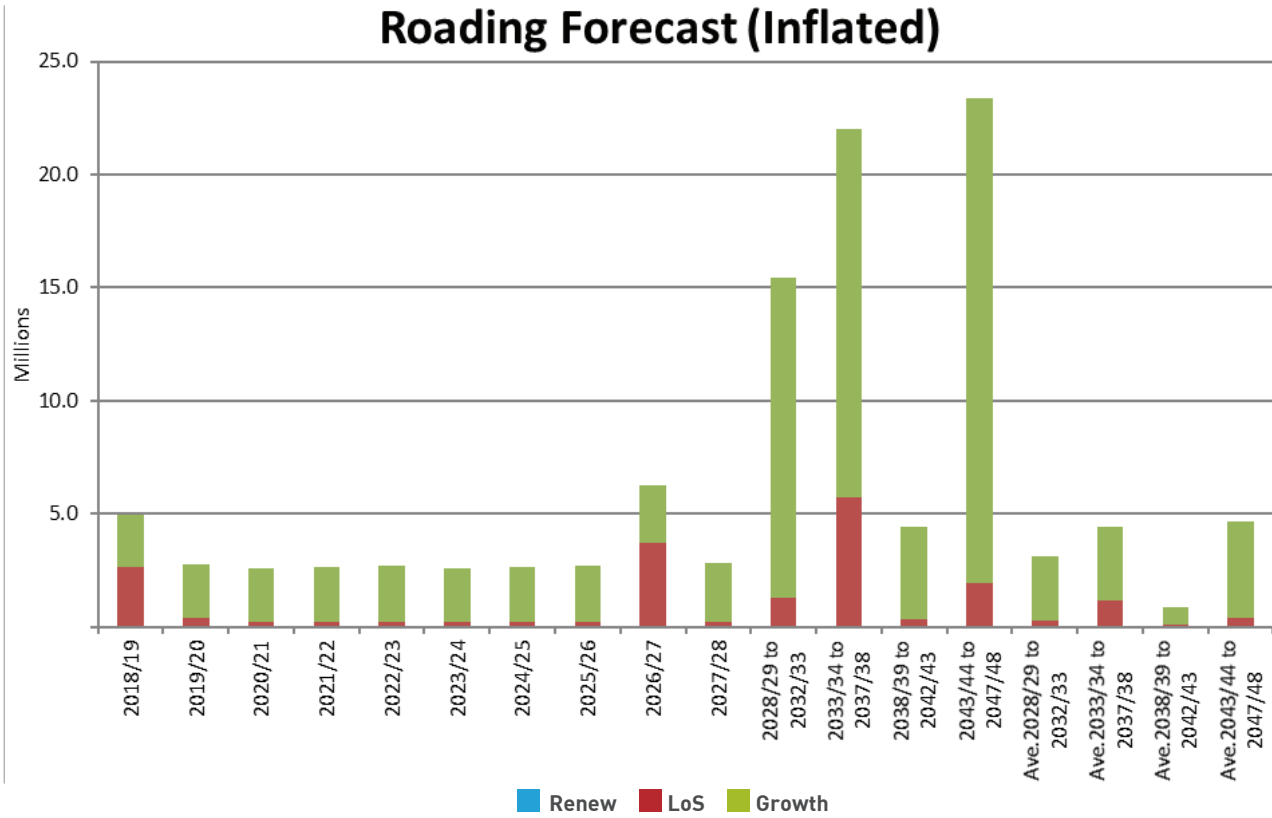
STORMWATER

Figure 0.14 Projected Capital Expenditure - Stormwater



ROADING

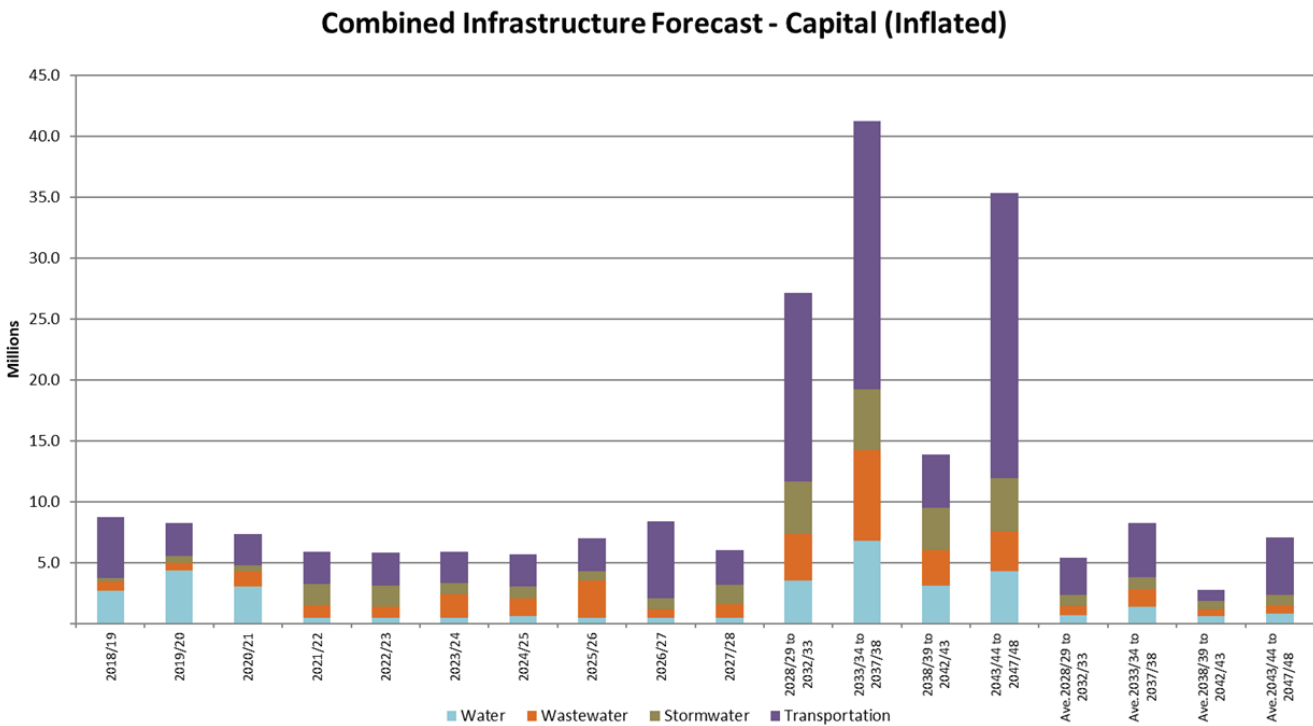
Figure 0.15 Projected Capital Expenditure – Transportation



TOTAL EXPENDITURE

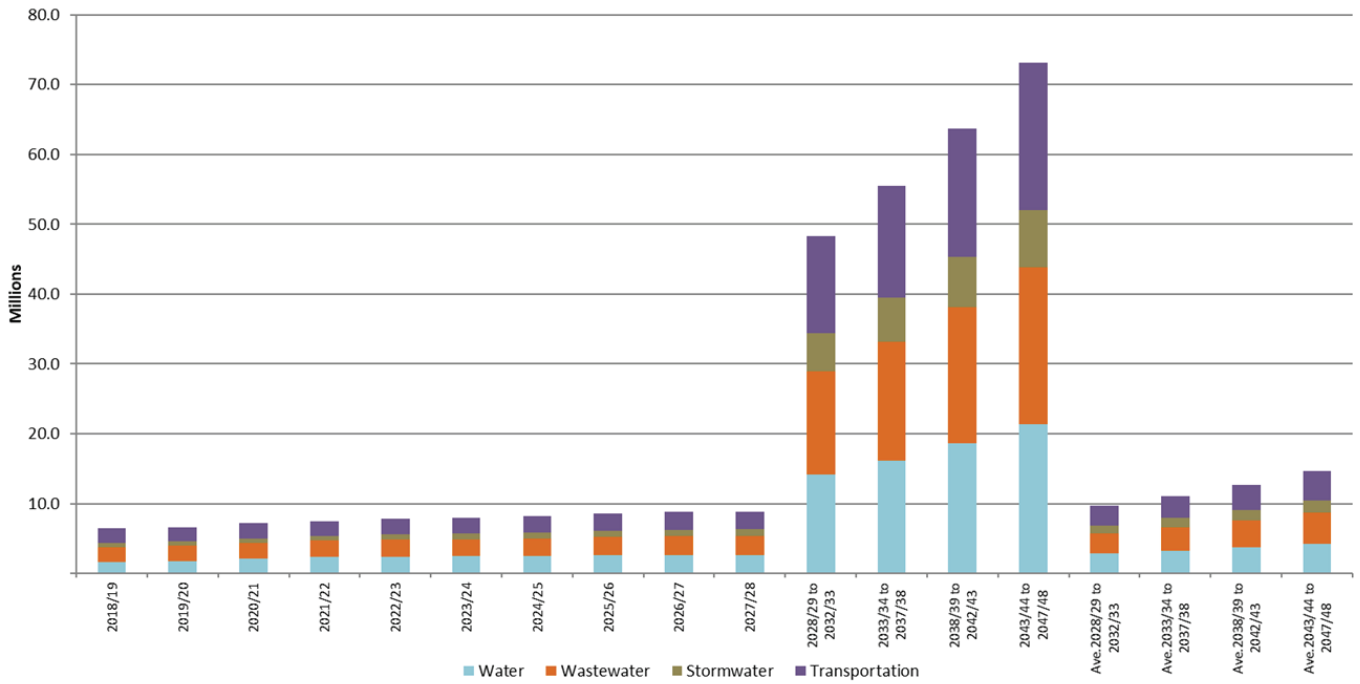
The projected capital expenditure associated with the significant infrastructure assets are graphically represented below:

Figure 0.16 Projected Capital Expenditure- Infrastructure Assets



The projected operations & maintenance expenditure associated with the significant infrastructure assets are graphically represented below:

Combined Infrastructure Forecast - Operations & Maintenance (Inflated)



APPENDIX A

Capital Programme Summary

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Stormwater										
Stormwater LOS Discharge Quality Improvements				\$ 219,000	\$ 223,800	\$ 228,800	\$ 234,000	\$ 239,200	\$ 244,600	\$ 250,200
Stormwater Separation Strategy	\$ 204,600	\$ 366,800	\$ 374,850	\$ 1,095,000	\$ 1,119,000	\$ 400,400	\$ 409,500	\$ 418,600	\$ 428,050	\$ 437,850
Stormwater Reticulation Renewal				\$ 76,650	\$ 123,090		\$ 198,900		\$ 134,530	\$ 62,550
Stormwater Reticulation LOS Performance Improvements	\$ 102,300		\$ 107,100			\$ 114,400	\$ 117,000	\$ 119,600	\$ 122,300	\$ 125,100
Stormwater Plant Asset replacements		\$ 78,600		\$ 142,350	\$ 111,900					
Stormwater New Pumpstation										
Stormwater Plant Asset upgrades		\$ 104,800		\$ 164,250	\$ 167,850	\$ 171,600				
Stormwater Total	\$ 306,900	\$ 550,200	\$ 481,950	\$ 1,697,250	\$ 1,745,640	\$ 915,200	\$ 959,400	\$ 777,400	\$ 929,480	\$ 875,700

	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38
Stormwater										
Stormwater LOS Discharge Quality Improvements										
Stormwater Separation Strategy	\$ 447,650	\$ 457,450	\$ 467,250	\$ 477,050	\$ 486,850	\$ 496,650	\$ 506,450	\$ 516,250	\$ 526,050	\$ 535,850
Stormwater Reticulation Renewal										
Stormwater Reticulation LOS Performance Improvements										
Stormwater Plant Asset replacements									\$ 192,685	
Stormwater New Pumpstation			\$ 2,002,500					\$ 2,212,500		
Stormwater Plant Asset upgrades										
Stormwater Total	\$ 447,650	\$ 457,450	\$ 2,469,750	\$ 477,050	\$ 486,850	\$ 496,650	\$ 506,450	\$ 2,728,750	\$ 718,735	\$ 535,850

	2038/39	2039/2040	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48
Stormwater										
Stormwater LOS Discharge Quality Improvements										
Stormwater Separation Strategy	\$ 545,650	\$ 555,450	\$ 565,250	\$ 575,050	\$ 584,850	\$ 594,650	\$ 604,450	\$ 614,250	\$ 624,050	\$ 633,850
Stormwater Reticulation Renewal										
Stormwater Reticulation LOS Performance Improvements										
Stormwater Plant Asset replacements	\$ 127,526		\$ 33,915				\$ 77,370			\$ 180,195
Stormwater New Pumpstation										
Stormwater Plant Asset upgrades	\$ 467,700						\$ 431,750			\$ 633,850
Stormwater Total	\$ 1,140,876	\$ 555,450	\$ 599,165	\$ 575,050	\$ 584,850	\$ 594,650	\$ 1,113,570	\$ 614,250	\$ 624,050	\$ 1,447,895

Wastewater	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Wastewater Demand New Reticulation	\$ 102,300									
Wastewater LOS New Discharge Consent		\$ 31,440	\$ 32,130	\$ 131,400						
Wastewater Consent Renewal	\$ 76,725	\$ 104,800	\$ 139,230	\$ 87,600	\$ 128,685		\$ 17,550	\$ 17,940	\$ 36,690	
Wastewater Reticulation Renewal	\$ 445,005	\$ 209,600	\$ 449,820	\$ 257,325	\$ 391,650	\$ 286,000	\$ 409,500	\$ 299,000	\$ 428,050	\$ 312,750
Wastewater Pumpstation Capacity Upgrade			\$ 21,420	\$ 109,500	\$ 33,570	\$ 457,600				
Wastewater Treatment LOS Minor Improvements	\$ 51,150	\$ 52,400								
Wastewater Treatment LOS Discharge Improvement					\$ 67,140	\$ 686,400	\$ 175,500	\$ 1,794,000		
Wastewater Reticulation Improvement	\$ 61,380	\$ 73,360	\$ 278,460	\$ 306,600	\$ 67,140	\$ 102,960	\$ 620,100	\$ 789,360	\$ 73,380	
Wastewater Plant Asset replacements	\$ 46,035	\$ 146,720	\$ 283,815	\$ 180,675	\$ 179,040	\$ 400,400	\$ 187,200	\$ 113,620	\$ 122,300	\$ 50,040
Wastewater Plant Asset structural renewal										
Wastewater Total	\$ 782,595	\$ 618,320	\$ 1,204,875	\$ 1,073,100	\$ 867,225	\$ 1,933,360	\$ 1,409,850	\$ 3,013,920	\$ 660,420	\$ 362,790

Wastewater	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38
Wastewater Demand New Reticulation										
Wastewater LOS New Discharge Consent										
Wastewater Consent Renewal										
Wastewater Reticulation Renewal	\$ 447,650	\$ 326,750	\$ 467,250	\$ 340,750	\$ 486,850	\$ 354,750	\$ 506,450	\$ 368,750	\$ 526,050	\$ 382,750
Wastewater Pumpstation Capacity Upgrade						\$ 2,838,000				
Wastewater Treatment LOS Minor Improvements										
Wastewater Treatment LOS Discharge Improvement										
Wastewater Reticulation Improvement										
Wastewater Plant Asset replacements		\$ 93,320	\$ 130,029	\$ 19,082	\$ 155,653	\$ 348,223	\$ 127,915	\$ 39,973	\$ 60,120	\$ 58,178
Wastewater Plant Asset structural renewal			\$ 361,785	\$ 625,821	\$ 347,750	\$ 170,280	\$ 618,882	\$ 504,893	\$ 508,014	
Wastewater Total	\$ 447,650	\$ 420,070	\$ 959,064	\$ 985,653	\$ 990,253	\$ 3,711,253	\$ 1,253,247	\$ 913,615	\$ 1,094,184	\$ 440,928

Wastewater	2038/39	2039/2040	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48
Wastewater Demand New Reticulation										
Wastewater LOS New Discharge Consent										
Wastewater Consent Renewal										
Wastewater Reticulation Renewal	\$ 545,650	\$ 396,750	\$ 565,250	\$ 410,750	\$ 584,850	\$ 424,750	\$ 604,450	\$ 438,750	\$ 624,050	\$ 452,750
Wastewater Pumpstation Capacity Upgrade										
Wastewater Treatment LOS Minor Improvements										
Wastewater Treatment LOS Discharge Improvement										
Wastewater Reticulation Improvement										
Wastewater Plant Asset replacements	\$ 131,424		\$ 194,769		\$ 100,260		\$ 6,563	\$ 263,250	\$ 62,405	
Wastewater Plant Asset structural renewal						\$ 323,660				
Wastewater Total	\$ 677,074	\$ 396,750	\$ 760,019	\$ 410,750	\$ 685,110	\$ 748,410	\$ 611,013	\$ 702,000	\$ 686,455	\$ 452,750

Water	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Water Consent Renewal	\$ 97,185	\$ 36,680		\$ 10,950	\$ 16,785	\$ 45,760	\$ 23,400			
Water Demand Management Improvements	\$ 30,690	\$ 31,440		\$ 32,850	\$ 33,570					
Water Demand New Reticulation	\$ 102,300									
Water Drinking Water Safety Improvements	\$ 2,076,690	\$ 3,715,160	\$ 1,338,750	\$ 21,900	\$ 33,570	\$ 34,320	\$ 35,100	\$ 35,880	\$ 36,690	\$ 37,530
Water Reticulation Renewal	\$ 373,395	\$ 377,280	\$ 390,915	\$ 394,200	\$ 408,435	\$ 411,840	\$ 427,050	\$ 430,560	\$ 446,395	\$ 450,360
Water Plant Asset replacements	\$ 40,920	\$ 220,080	\$ 1,360,170	\$ 54,750	\$ 33,570		\$ 175,500			
Water Total	\$ 2,721,180	\$ 4,380,640	\$ 3,089,835	\$ 514,650	\$ 525,930	\$ 491,920	\$ 661,050	\$ 466,440	\$ 483,085	\$ 487,890

Water	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38
Water Consent Renewal					\$ 139,100					
Water Demand Management Improvements		\$ 392,100								
Water Demand New Reticulation										
Water Drinking Water Safety Improvements										
Water Reticulation Renewal	\$ 466,835	\$ 470,520	\$ 487,275	\$ 490,680	\$ 507,715	\$ 510,840	\$ 528,155	\$ 4,218,500	\$ 548,595	\$ 551,160
Water Plant Asset replacements			\$ 578,682	\$ 16,629			\$ 78,283		\$ 400,669	
Water Total	\$ 466,835	\$ 862,620	\$ 1,065,957	\$ 507,309	\$ 646,815	\$ 510,840	\$ 606,438	\$ 4,218,500	\$ 949,264	\$ 551,160

Water	2038/39	2039/2040	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48
Water Consent Renewal	\$ 77,950		\$ 80,750							
Water Demand Management Improvements										
Water Demand New Reticulation										
Water Drinking Water Safety Improvements										
Water Reticulation Renewal	\$ 569,035	\$ 571,320	\$ 589,475	\$ 591,480	\$ 609,915	\$ 611,640	\$ 630,355	\$ 631,800	\$ 650,795	\$ 651,960
Water Plant Asset replacements	\$ 42,249									\$ 1,177,519
Water Total	\$ 689,234	\$ 571,320	\$ 670,225	\$ 591,480	\$ 609,915	\$ 611,640	\$ 630,355	\$ 631,800	\$ 650,795	\$ 1,829,479

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Roading Renewals										
Renewals - Traffic Services	\$ 48,836	\$ 49,910	\$ 51,008	\$ 52,182	\$ 53,434	\$ 54,716	\$ 56,084	\$ 57,542	\$ 59,096	\$ 60,751
Renewals - Sealed Road Resurfacing	\$ 600,483	\$ 613,694	\$ 627,195	\$ 641,620	\$ 657,019	\$ 672,788	\$ 689,607	\$ 707,537	\$ 726,641	\$ 746,987
Renewals Unsealed Road Metalling	\$ 324,197	\$ 331,329	\$ 338,619	\$ 346,407	\$ 354,721	\$ 363,234	\$ 372,315	\$ 381,995	\$ 392,309	\$ 403,293
Renewals Drainage Renewals	\$ 89,197	\$ 91,159	\$ 93,165	\$ 95,308	\$ 97,595	\$ 99,937	\$ 102,436	\$ 105,099	\$ 107,937	\$ 110,959
Renewals Associated Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewals Structures Component Replacement	\$ 177,000	\$ 180,894	\$ 184,874	\$ 189,126	\$ 193,665	\$ 198,313	\$ 203,271	\$ 208,556	\$ 214,187	\$ 220,184
Renewals Traffic Services	\$ 33,924	\$ 34,670	\$ 35,433	\$ 36,248	\$ 37,118	\$ 38,009	\$ 38,959	\$ 39,972	\$ 41,051	\$ 42,201
Renewals Pavement Rehabilitation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewals - Sealed Road Resurfacing	\$ 507,987	\$ 519,163	\$ 530,584	\$ 542,788	\$ 555,815	\$ 569,154	\$ 583,383	\$ 598,551	\$ 614,712	\$ 631,924
Renewals - Unsealed Road Metalling	\$ 4,197	\$ 4,289	\$ 4,384	\$ 4,485	\$ 4,592	\$ 4,702	\$ 4,820	\$ 4,945	\$ 5,079	\$ 5,221
Renewals - Drainage Renewals	\$ 233,697	\$ 238,838	\$ 244,093	\$ 249,707	\$ 255,700	\$ 261,837	\$ 268,383	\$ 275,361	\$ 282,795	\$ 290,714
Renewals - Associated Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewals Footpath Reconstruction	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Roading Total	\$ 2,319,518	\$ 2,363,946	\$ 2,409,355	\$ 2,457,871	\$ 2,509,659	\$ 2,362,690	\$ 2,419,258	\$ 2,479,558	\$ 2,543,807	\$ 2,612,234

	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38
Roading Renewals										
Renewals - Traffic Services	\$ 62,452	\$ 64,201	\$ 65,998	\$ 67,846	\$ 69,746	\$ 71,699	\$ 73,706	\$ 75,770	\$ 77,892	\$ 80,073
Renewals - Sealed Road Resurfacing	\$ 767,903	\$ 789,404	\$ 811,507	\$ 834,229	\$ 857,588	\$ 881,600	\$ 906,285	\$ 931,661	\$ 957,748	\$ 984,565
Renewals Unsealed Road Metalling	\$ 414,585	\$ 426,194	\$ 438,127	\$ 450,395	\$ 463,006	\$ 475,970	\$ 489,297	\$ 502,997	\$ 517,081	\$ 531,559
Renewals Drainage Renewals	\$ 114,066	\$ 117,260	\$ 120,543	\$ 123,918	\$ 127,388	\$ 130,955	\$ 134,621	\$ 138,391	\$ 142,266	\$ 146,249
Renewals Associated Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewals Structures Component Replacement	\$ 226,349	\$ 232,687	\$ 239,202	\$ 245,900	\$ 252,785	\$ 259,863	\$ 267,139	\$ 274,619	\$ 282,308	\$ 290,213
Renewals Traffic Services	\$ 43,383	\$ 44,597	\$ 45,846	\$ 47,130	\$ 48,449	\$ 49,806	\$ 51,201	\$ 52,634	\$ 54,108	\$ 55,623
Renewals Pavement Rehabilitation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewals - Sealed Road Resurfacing	\$ 649,618	\$ 667,807	\$ 686,506	\$ 705,728	\$ 725,488	\$ 745,802	\$ 766,684	\$ 788,152	\$ 810,220	\$ 832,906
Renewals - Unsealed Road Metalling	\$ 5,367	\$ 5,517	\$ 5,672	\$ 5,831	\$ 5,994	\$ 6,162	\$ 6,334	\$ 6,512	\$ 6,694	\$ 6,882
Renewals - Drainage Renewals	\$ 298,854	\$ 307,222	\$ 315,824	\$ 324,667	\$ 333,758	\$ 343,103	\$ 352,710	\$ 362,586	\$ 372,738	\$ 383,175
Renewals - Associated Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewals Footpath Reconstruction	\$ 102,800	\$ 105,678	\$ 108,637	\$ 111,679	\$ 114,806	\$ 118,021	\$ 121,325	\$ 124,723	\$ 128,215	\$ 131,805
Roading Total	\$ 2,685,377	\$ 2,760,567	\$ 2,837,863	\$ 2,917,323	\$ 2,999,008	\$ 3,082,980	\$ 3,169,304	\$ 3,258,044	\$ 3,349,270	\$ 3,443,049

	2038/39	2039/2040	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48
Roading Renewals										
Renewals - Traffic Services	\$ 82,315	\$ 84,620	\$ 86,989	\$ 89,425	\$ 91,928	\$ 94,502	\$ 97,149	\$ 99,869	\$ 102,665	\$ 105,540
Renewals - Sealed Road Resurfacing	\$1,012,132	\$1,040,472	\$1,069,605	\$1,099,554	\$1,130,342	\$1,161,991	\$1,194,527	\$1,227,974	\$1,262,357	\$1,297,703
Renewals Unsealed Road Metalling	\$ 546,443	\$ 561,744	\$ 577,472	\$ 593,642	\$ 610,264	\$ 627,351	\$ 644,917	\$ 662,974	\$ 681,538	\$ 700,621
Renewals Drainage Renewals	\$ 150,344	\$ 154,554	\$ 158,881	\$ 163,330	\$ 167,903	\$ 172,605	\$ 177,438	\$ 182,406	\$ 187,513	\$ 192,764
Renewals Associated Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewals Structures Component Replacement	\$ 298,339	\$ 306,692	\$ 315,280	\$ 324,108	\$ 333,183	\$ 342,512	\$ 352,102	\$ 361,961	\$ 372,096	\$ 382,515
Renewals Traffic Services	\$ 57,180	\$ 58,781	\$ 60,427	\$ 62,119	\$ 63,859	\$ 65,647	\$ 67,485	\$ 69,374	\$ 71,317	\$ 73,314
Renewals Pavement Rehabilitation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewals - Sealed Road Resurfacing	\$ 856,227	\$ 880,202	\$ 904,847	\$ 930,183	\$ 956,228	\$ 983,003	\$1,010,527	\$1,038,821	\$1,067,908	\$1,097,810
Renewals - Unsealed Road Metalling	\$ 7,074	\$ 7,272	\$ 7,476	\$ 7,685	\$ 7,900	\$ 8,122	\$ 8,349	\$ 8,583	\$ 8,823	\$ 9,070
Renewals - Drainage Renewals	\$ 393,904	\$ 404,933	\$ 416,271	\$ 427,927	\$ 439,909	\$ 452,226	\$ 464,889	\$ 477,905	\$ 491,287	\$ 505,043
Renewals - Associated Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewals Footpath Reconstruction	\$ 135,495	\$ 139,289	\$ 143,189	\$ 147,199	\$ 151,320	\$ 155,557	\$ 159,913	\$ 164,390	\$ 168,993	\$ 173,725
Roading Total	\$ 3,539,455	\$ 3,638,559	\$ 3,740,439	\$ 3,845,171	\$ 3,952,836	\$ 4,063,515	\$ 4,177,294	\$ 4,294,258	\$ 4,414,497	\$ 4,538,103

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Roading Level of Service										
LOS - Minor Improvements	\$ 157,000	\$ 160,454	\$ 163,984	\$ 167,756	\$ 171,782	\$ 175,905	\$ 180,302	\$ 184,990	\$ 189,985	\$ 195,304
LOS - Bridge Replacement	\$ 2,012,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,509,272	\$ -
LOS - Rural Roads - Subsidised - Increased Level of Service Total	\$ 2,169,500	\$ 160,454	\$ 163,984	\$ 167,756	\$ 171,782	\$ 175,905	\$ 180,302	\$ 184,990	\$ 3,699,257	\$ 195,304
LOS - Minor Improvements	\$ 469,000	\$ 235,060	\$ 31,335	\$ 32,055	\$ 32,825	\$ 33,612	\$ 34,453	\$ 35,348	\$ 36,303	\$ 37,319
LOS - Urban Roads - Subsidised - Increased Level of Service Total	\$ 469,000	\$ 235,060	\$ 31,335	\$ 32,055	\$ 32,825	\$ 33,612	\$ 34,453	\$ 35,348	\$ 36,303	\$ 37,319
Roading Total	\$ 4,958,018	\$ 2,759,460	\$ 2,604,674	\$ 2,657,682	\$ 2,714,266	\$ 2,572,207	\$ 2,634,013	\$ 2,699,896	\$ 6,279,367	\$ 2,844,857

	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38
Roading Level of Service										
LOS - Minor Improvements	\$ 200,773	\$ 206,394	\$ 212,173	\$ 218,114	\$ 224,221	\$ 230,499	\$ 236,953	\$ 243,588	\$ 250,409	\$ 257,420
LOS - Bridge Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,257,639	\$ -	\$ -	\$ -
LOS - Rural Roads - Subsidised - Increased Level of Service Total	\$ 200,773	\$ 206,394	\$ 212,173	\$ 218,114	\$ 224,221	\$ 230,499	\$ 4,494,592	\$ 243,588	\$ 250,409	\$ 257,420
LOS - Minor Improvements	\$ 38,364	\$ 39,438	\$ 40,542	\$ 41,678	\$ 42,845	\$ 44,044	\$ 45,277	\$ 46,545	\$ 47,848	\$ 49,188
LOS - Urban Roads - Subsidised - Increased Level of Service Total	\$ 38,364	\$ 39,438	\$ 40,542	\$ 41,678	\$ 42,845	\$ 44,044	\$ 45,277	\$ 46,545	\$ 47,848	\$ 49,188
Roading Total	\$ 2,924,513	\$ 3,006,399	\$ 3,090,579	\$ 3,177,115	\$ 3,266,074	\$ 3,357,524	\$ 7,709,174	\$ 3,548,178	\$ 3,647,527	\$ 3,749,657

	2038/39	2039/2040	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48
Roading Level of Service										
LOS - Minor Improvements	\$ 264,628	\$ 272,037	\$ 279,654	\$ 287,485	\$ 295,534	\$ 303,809	\$ 312,316	\$ 321,061	\$ 330,050	\$ 339,292
LOS - Bridge Replacement	\$ -	\$ -	\$ -	\$ -	\$ 5,310,235	\$ -	\$ -	\$ -	\$ -	\$ -
LOS - Rural Roads - Subsidised - Increased Level of Service Total	\$ 264,628	\$ 272,037	\$ 279,654	\$ 287,485	\$ 5,605,769	\$ 303,809	\$ 312,316	\$ 321,061	\$ 330,050	\$ 339,292
LOS - Minor Improvements	\$ 50,565	\$ 51,981	\$ 53,437	\$ 54,933	\$ 56,471	\$ 58,052	\$ 59,678	\$ 61,349	\$ 63,067	\$ 64,832
LOS - Urban Roads - Subsidised - Increased Level of Service Total	\$ 50,565	\$ 51,981	\$ 53,437	\$ 54,933	\$ 56,471	\$ 58,052	\$ 59,678	\$ 61,349	\$ 63,067	\$ 64,832
Roading Total	\$ 3,854,648	\$ 3,962,578	\$ 4,073,530	\$ 4,187,589	\$ 9,615,077	\$ 4,425,377	\$ 4,549,288	\$ 4,676,668	\$ 4,807,614	\$ 4,942,228

COMMITTEE STRUCTURE

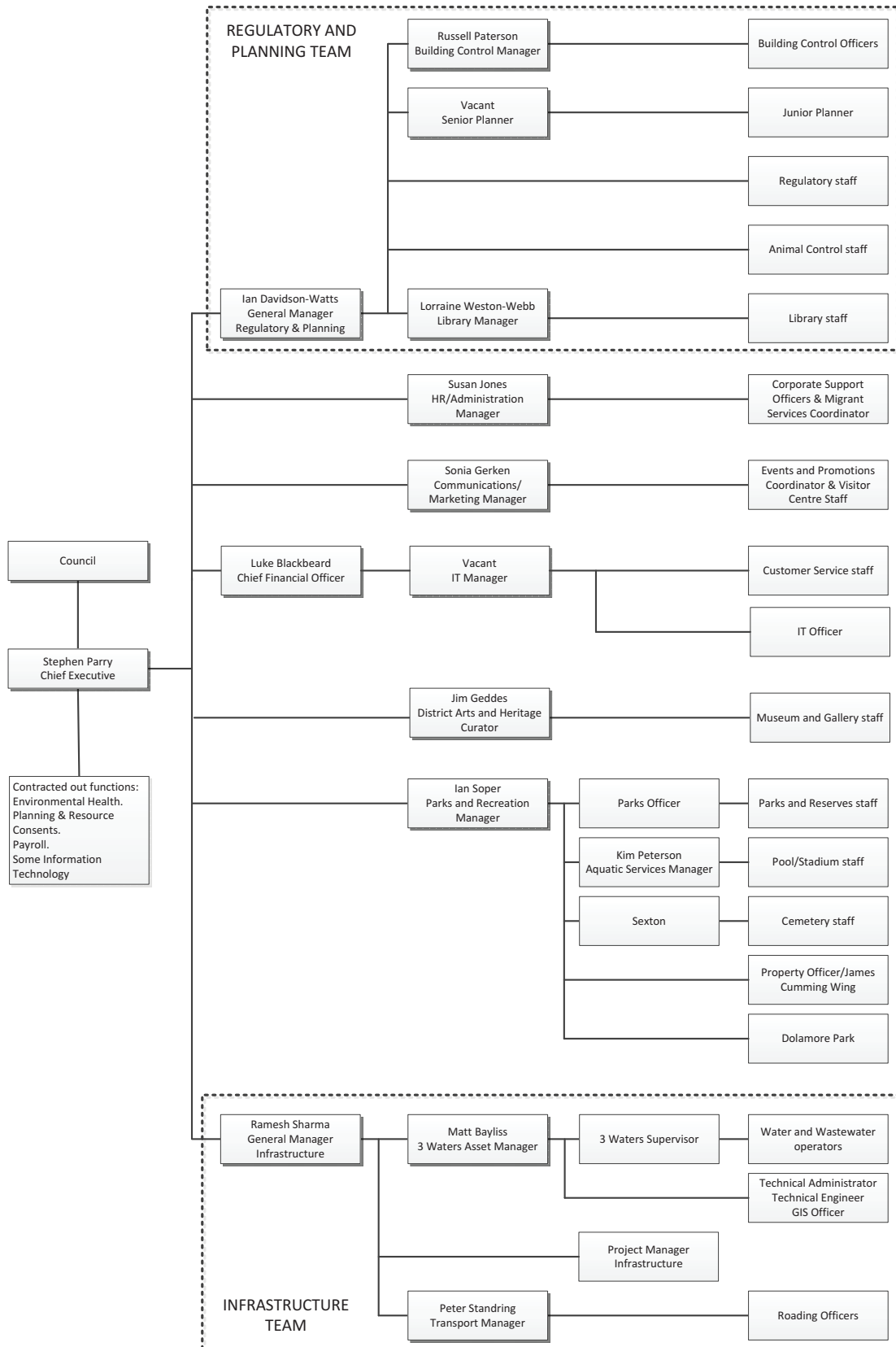
The Council has six committees which meet to discuss various issues.

Committee	Area of responsibility	Chairperson	Members	Meeting frequency
Finance and Policy	To cover financial and management services, including policies.	Cr Cliff Bolger	All Councillors	Six weekly
Operations	To cover water, stormwater and wastewater treatment, roading and works operations, and recreational and community facilities.	Cr Nicky Davis	All Councillors	Six weekly
Regulatory and Planning	To cover policy governing regulatory matters.	Cr Bret Highsted	All Councillors	Six weekly
Community Services	To cover provision, maintenance and development of community services.	Cr Peter Grant	All Councillors	Six weekly
Audit and Risk	To provide governance and oversight of the effectiveness of risk management and internal control practices	Cr Bret Highsted	HW the Mayor Cr Cliff Bolger Cr Nicky Davis Cr Peter Grant Cr Doug Grant Michael Chamberlain (Independent)	Quarterly
District Growth	To identify opportunities and how best to meet any challenges when it comes to people making the District their first choice to live, work and play.	Cr Doug Grant	Mayor Tracy Hicks Cr Cliff Bolger Cr Nicky Davis Cr Peter Grant Cr Doug Grant Terry Nicholas (representing Hokonui Runanga) Chris Wilkinson (Independent)	As required

The Gore District has one community board. It serves the second largest urban area in the district, Mataura.

Committee	Chairperson	Members	Meeting frequency
Mataura Community Board	Alan Taylor	Greg Chaffey Geoff Colvin Linda Sinclair Susan Taylor Cr Neville Phillips (Council representative)	Six weekly

MANAGEMENT STRUCTURE



OUR ONGOING COLLABORATION WITHIN LOCAL GOVERNMENT

Building on several years of successful initiatives across a wide spectrum of services and core business activities, Southland's councils and their neighbouring Otago local authorities look to continue the collaborative efforts achieved to date.

Commonly referred to as "shared services", the local authorities have co-ordinated their efforts into common aspects that Councils have a legal obligation to deliver to their respective communities, with the overall aim of delivering more for least cost. The economies of scale and the cost-effectiveness of working jointly or collaboratively and avoiding duplication, provide the rationale for the sharing of ideas and effort.

A 2014 review of the shared service model confirmed the value of the activity to the councils and the wider community. The review identified a further opportunity to jointly develop a Regional Strategy relating to the development options and opportunities for the region. This Strategy would form the platform for consideration of other collaborative and shared service opportunities into the future. The Southland Regional Development Strategy (SoRDS) was developed and launched in October 2015 with the Action Plan released in November 2016.

One of the outcomes from the Regional Strategy work, is the pending development of the Southland Regional Development Agency which will involve all four Southland councils, plus iwi and the business community.

The following table shows examples of significant collaborative projects achieved or currently underway:

	Maori Involvement	Emergency Management	Heritage Strategy	Transport Planning	Regional Strategy	Computer Services
Gore District Council	✓	✓	✓		✓	
Southland District Council	✓	✓	✓		✓	✓
Invercargill City Council	✓	✓	✓		✓	✓
Environment Southland	✓	✓	✓	✓	✓	✓
Otago Regional Council	✓			✓		
Queenstown Lakes District Council	✓					
Clutha District Council	✓					✓

The Councils continuously look at opportunities for effectiveness and efficiency gains throughout the range of activities and outcomes that they are expected to deliver to their communities and businesses.

The Council through this 10 Year Plan commits to continuing its involvement in investigating and joining collaborative processes and shared projects with its neighbouring councils, where there are advantages and efficiencies in doing so for the council and the community.

INVOLVING MĀORI IN OUR DECISION-MAKING

Maori & Gore District Council

The Local Government Act provides principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes. This is to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes.

These principles and requirements are outlined as follows:

- Local authority decision-making – where, in the course of the decision-making process, a significant decision relates to land or a body of water, the Council will take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.
- Contributions to and involvement in decision-making processes – the Council will provide opportunities for Māori to contribute to and be involved in the decision-making processes of the council and will also consider ways to foster the development of Māori capacity. This includes tangata whenua appointments to hearing panels, and appointments on to Standing Committees.
- Consultation with Māori – the Council has in place processes for consulting with Māori which are in accordance with the principles of consultation as set out in section 82 of the Local Government Act.
- Supporting implementation, use and understanding of *Te Tangi a Tauria – The Cry of the People* Ngāi Tahu ki Murihiku Resource and Environmental Management Plan 2008.
- Supporting projects initiated by Māori that involve direct management of the region's natural resources.
- Development of Māori capacity to contribute to the decision-making processes of the local authority. These opportunities include:
 - Provision of information to all Māori to underpin processes that assist effective contribution to the decision-making processes of the Council;
 - The Council, where practicable, will continue to make available resources such as maps and GIS services;
 - Building capacity to enable contribution of all Māori to the decision-making processes of the Council. Related to this process is the need for the Council to gain a clear understanding of expectations through hui and ongoing relationships with all Māori to agree and commit to practicable steps to building capacity. This includes shared capacity support for an Iwi Policy Officer position;
 - Support for the development of Independent Hearing Commissioners within tangata whenua.
 - Ongoing consideration on a case-by case basis for the provision of support to assist all Māori with resourcing, opportunities for training and engagement and promotion of matters that are of mutual benefit;
 - Ongoing promotion and education of staff and governors to develop skills in Māoritanga, Tikanga Māori and Te Reo Māori and gain an appreciation of the needs and expectations of all Māori in relation to the Local Government Act and the Resource Management Act;
 - Effective and efficient consultation to improve existing relationships, processes and protocols related to local government and resource management issues.

Tangata whenua & Gore District Council's Relationship

While the Local Government Act sets out provisions relating to all Māori, it is recognised that within the Southland region, Ngāi Tahu are the tangata whenua. They have a special status in terms of the Council's resource management activities, and are not just another interest group. The evolution of the relationship between the Council and tangata whenua has reached the point where that relationship is now recognised as a productive partnership.

The Council is an active participant and signatory to a Charter of Understanding – *He Huaraki mō Ngā Uri Whakatupu* in place between the four Southland councils and four Southland/Murihiku papatipu rūnanga. The Charter sets out the basis and conduct of the councils and rūnanga in the context of the Local Government Act 2002 and Resource Management Act 1991.

The Charter provides the basis for an ongoing relationship between relevant local authorities and tangata whenua of Southland/Murihiku to assist in developing the capacity of Māori to contribute to the decision-making processes. It further provides

principles and opportunities, is a foundation for consultation on a wide range of local government issues including Long-term and Annual Plans and assists councils through Te Ao Mārama Inc (Iwi liaison entity representing Southland rūnanga for resource management and local government issues), to consult with all Māori, those that hold manawhenua and matawaka (other tribal groups) living in Southland.

In addition to the Local Government Act obligations set out above under Māori relationships, the Resource Management Act 1991 gives regional councils specific obligations regarding kaitiakitanga, the principles of the Treaty of Waitangi and the relationship between Māori and their culture and their traditions with their ancestral lands, water, sites, wāhi tapu and other taonga. To give effect to the obligations under the Local Government Act and the related obligations under the Resource Management Act, the Council will continue to develop its relationships with all runanga in Southland through Te Ao Marama and with Te Rūnanga o Ngāi Tahu, the iwi authority. This is essential for achieving the sustainable management of the natural resources within the Southland region.

GORE DISTRICT COUNCIL COMMUNITY OUTCOMES

Detailed below are the six identified Council community outcomes, which are a cornerstone to the development of the 10 Year Plan. Progress towards the attainment of these outcomes is reported to the Council's standing Committees at their meetings, held at six weekly intervals throughout the year. These progress reports culminate in the Annual Report where a 12 month review of what has been achieved is given.

OUTCOME 1

We value our history and heritage

Objectives

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

OUTCOME 2

We live in a creative place

Objectives

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

OUTCOME 3

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

Objectives

- a) To provide high class recreational facilities at the Gore Multi-Sports Complex and to promote and pursue an increase in participation at the aquatic centre and adjoining event centre.
- b) To provide a library service in the District that informs and stimulates an interest in reading, both for leisure and personal growth.
- c) To provide support for events in the District, which cater for local residents and visitors, offer fun and entertainment, together with engendering pride in the District and what it has to offer.

OUTCOME 4

We have a quality infrastructure with potential for growth

Objectives

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

OUTCOME 5

We live in a compassionate caring community

Objectives

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

OUTCOME 6

We value and respect our environment

Objectives

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

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 Council's six 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
- 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 it is provided
- a description of any significant negative effects of the activity
- its contribution to the Council's community outcomes
- the levels of service and performance measures over the 10-year duration of the Plan
- how the services are funded
- the assets that are used to provide the service, and how the Council manages, maintains and funds replacement of the assets
- future changes highlighting the envisaged developments or changes in that activity, including details on proposed changes to the existing levels of service or way in which the services are delivered

It is pertinent to note that as the Council community outcomes 'sit' within the broader framework of the 10 Year Plan, the Council sees the outcomes as a guide for planning and decision-making.

Thus, the Council has integrated community outcomes within its planning documents, such as the activity management plans. It also seeks to ensure that activities or initiatives presented in other planning documents such as the District Plan, regional reports such as the Southland Region Waste Management Plan, and the Southland Leisure Strategy are implemented in ways that serve to promote the achievement of community outcomes.

GROUPS OF ACTIVITIES

The Ten Year Plan is our 10 year comprehensive business plan detailing the Council's policies, and outlining the work programme and the associated financial implications, it also provides detailed information about each activity and the contribution it made to achieve the specified Community Outcomes.

Each group of activities includes information about each activity and the major plans for the next ten years. There is a funding impact statement provided for each group of activities which set out the financial forecasts for the ten years covered by the plan.

WATER SUPPLY

Activities:

How and where water for human, agricultural, cultural and recreational uses is sustainably managed is of considerable importance. The Council has consistently regarded the provision of the water services as vital to maintaining the community's health and well-being.

The Council owns and manages water assets valued at \$33.9 million, and acts as maintenance contractor for the Otama Water Supply. The management and operation of the water supplies are mainly through the Council with only Otama managed through a private scheme committee. Reticulated water supply services are provided to approximately 5,101 properties for domestic and industrial use with firefighting capabilities in the townships of Gore and Mataura, and rural stock water to the Otama area. It is estimated that 74% of the usually resident population receive their water from the Council's reticulated water supplies.

The water supply network collects untreated water from both surface and groundwater sources. The volume of water abstracted is closely controlled and monitored through consents.

The Mataura and Gore schemes treat this raw water prior to distribution throughout the towns' distribution networks. The treatment of water is also closely monitored to ensure appropriate treatment standards are in place to protect public health. Water is gravity fed to the majority of consumers, however, it is pumped to some suburbs at higher levels.

The Otama scheme is a rural scheme and is only for stock drinking water purposes.

Assets provided within the network include:

- Pipes (gravity and rising mains)
- Valves
- Hydrants
- Meters
- Water reservoirs
- Water intakes, bores and wells
- Control Equipment
- Water treatment plants and pumping stations.

Rationale:

The collection, treatment and distribution of potable water are essential services for the benefit of residents and businesses throughout the District. The Council's water supply activity protects the health and wellbeing of the community, and is indispensable to economic growth and development.

The following key issues are associated with the water supplies:

- Compliance with the Health Act and meeting the DWSNZ - Water Treatment Plant Upgrades
- Treatment Plant Upgrades totalling \$8.13million over the next six years
- Increased operation and maintenance costs associated with the new treatment plants
- Improving asset data and management
- Investigating and implementing improved efficiencies
- Ongoing affordability of the water supply.
- Managing water demand.

The Local Government Act 2002 determines infrastructure services, including wastewater, to be a core service provided by local authorities and this legislation provides guidance on the way the Council manages and reports on the service.

Section 23 of the Health Act 1956 also dictates that it is every local authority's duty to "improve, promote, and protect public health within its district".

This permits the Council to make bylaws for the protection of public health and requires it to present reports from time to time to provide the Medical Officer of Health with an understanding of diseases, drinking water and sanitary conditions within the District.

Therefore the reasons that the Council continues to provide water supply services include:

- to address legislative requirements
- to protect public health
- to support and enable economic growth

The Council's objectives for the community under this 10 Year Plan and this Infrastructure Strategy are:

- a district ready to grow and prosper
- to shape the place we live in now and into the future
- balance the need for significant investment in public infrastructure with sustainable debt levels and affordable rates

The Council Community Outcome, to which this group of activities contributes, is:

Outcome 4: We have a quality infrastructure with potential for growth

Significant Negative Effects

While the Council acknowledges its water supply activity may have some adverse impacts, these relatively minimal impacts are outweighed by the public good that is served by the benefits of managing water supply, and most notably, public health and safety.

To mitigate the potentially negative effects of water abstraction from ecosystems, the Council is required to operate within consent requirements in accordance with the requirements of the Resource Management Act. As per the requirements of the Resource Management Act, local Iwi are consulted during resource consenting processes.

Future Changes

Drinking water issues are among the significant projects coming up in our 3 Waters activities over the next 3 years. These projects focus on upgrading the Council's water treatment plants to ensure the ongoing provision of a safe and reliable drinking water supply.

The Council currently has two water treatment plants in Gore (Hilbre and East Gore water treatment plants). However, plans to rationalise these into one single treatment plant, located at the existing East Gore site. A media filtration and UV disinfection system will also be installed at the East Gore Treatment plant to ensure compliance with the Drinking Water Standards 2005 (revised 2008). The estimated cost of this project is \$5.6 million.

Once the Hilbre Treatment plant has been decommissioned the existing reservoir at this site will be replaced. This project is vital to ensure there is enough storage capacity to supply water to homes and businesses in North and West Gore should the Council's ability to pump water from its wells and/or treat the raw water be compromised. The replacement of the reservoir is estimated to cost \$1.1 million.

A significant upgrade of the Mataura Water Treatment Plant to ensure it complies with the Drinking Water Standards New Zealand is also required. The estimated cost of the required upgrade is \$1.3 million.

In June 2017, a referendum of the Otama scheme users was undertaken to determine the preferred future ownership structure of the scheme. As a result of this, a preferred ownership structure consisting of a new company with directors appointed by scheme users to own, govern and manage the scheme was identified. Transfer of ownership of the scheme will be managed as outlined in section 131 of the Local Government Act 2002. This requires, the Otama Rural Water Scheme Committee to submit a Local Members' Bill to parliament. The timeframe for the transfer of ownership is currently not clear.

Currently, no treatment is provided for the Otama Rural Water Scheme, while this has previously been deemed acceptable, a risk of contamination has recently been identified. As a result of this, a "permanent" boil water notice has been put in place, and a project is currently underway to chlorinate the supply. In addition to this, an options assessment for the long term upgrade of the scheme headworks is also underway.

Statement of Service Performance

Council Outcome	Customer Levels Levels of Service	Performance Measures	Target 2019	Target 2020	Target 2021	Target 2022-2028	
We have a quality infrastructure with potential for growth.	A potable water supply is provided in urban areas	Compliance with the bacterial criteria of the NZDWS: (NFPM 1a)	100% compliant	100% compliant	100% compliant	100% compliant	
		1) Wentworth St WTP (Gore East)	100% compliant	100% compliant	100% compliant	100% compliant	
		2) Hilbre Ave WTP (Gore West)	100% compliant	100% compliant	100% compliant	100% compliant	
		3) Mataura WTP					
			Compliance with the protozoa criteria of the NZDWS: (NFPM 1b)	0% compliant	0% compliant	0% compliant	100% compliant
			1) Wentworth St WTP (Gore East)	0% compliant	0% compliant	0% compliant	100% compliant
			2) Hilbre Ave WTP (Gore West)	0% compliant	0% compliant	0% compliant	100% compliant
			3) Mataura	8	8	8	8
			Water quality complaints received (per 1,000 connections) concerning water clarity, taste, odour, pressure, flow, continuity of supply and the Council's response (NFPM 4)	30%	30%	30%	20%
	A reliable service and effective response to queries		Real water losses from the reticulation network. Water losses are calculated based on the actual water produced compared to the expected water demand. (NFPM 2)	60 min	60 min	60 min	60 min
		Resolution of an urgent customer request. (Urban, no water) (NFPM 3b)	8 working hours	8 working hours	8 working hours	8 working hours	
		Response to a non-urgent customer request (NFPM 3c)	5 days	5 days	5 days	5 days	
		Resolution of a non-urgent customer request (NFPM 3 d)	14 days	14 days	14 days	14 days	
		Average consumption of drinking water (NFPM 5)	500 L/p/day	500 L/p/day	500 L/p/day	450L/p/day	

Funding Impact Statement - Water

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	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
Sources of operating funding										
General rates, uniform annual general charge, rates penalties	-	-	-	-	-	-	-	-	-	-
Targeted rates	1,618	1,575	1,692	2,340	2,384	2,517	2,632	2,797	2,804	2,818
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
Fees and charges	243	327	334	348	355	364	372	381	390	400
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	1,861	1,902	2,026	2,441	2,739	2,881	3,004	3,178	3,194	3,218
Applications of operating funding										
Payments to staff and suppliers	701	741	755	877	948	970	992	1,016	1,041	1,067
Finance costs	88	37	144	346	468	462	449	439	412	385
Other operating funding applications	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	619	593	606	628	651	671	680	696	710	730
Total applications of operating funding (B)	1,407	1,370	1,506	1,851	2,067	2,103	2,121	2,151	2,163	2,183
Surplus (deficit) of operating funding (A-B)	454	533	520	637	672	777	883	1,027	1,031	1,036
Sources of capital funding										
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,377	2,221	3,893	(98)	(122)	(264)	(199)	(541)	(530)	(531)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,377	2,221	3,893	(98)	(122)	(264)	(199)	(541)	(530)	(531)
Applications of capital funding										
Capital expenditure to meet additional demand	-	102	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	104	512	414	461	461	461	455	437	455	461
Capital expenditure to improve the level of service	1,700	2,107	3,969	55	67	35	213	36	37	38
Increase (decrease) in reserves	27	33	30	23	22	18	15	12	9	5
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,831	2,754	4,413	539	550	514	684	485	501	505
Surplus (deficit) of capital funding (C-D)	(454)	(533)	(520)	(637)	(672)	(777)	(883)	(1,027)	(1,031)	(1,036)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-

WASTEWATER

Activities:

The Council owns and manages wastewater assets valued at \$40.9 million. It provides Wastewater services to about 4,474 households and businesses in Gore, Mataura and Waikaka.

The network collects untreated wastewater. It is both pumped and gravity fed to three treatment plants for treatment before being discharged to the environment. The disposal of wastewater is closely monitored and controlled by discharge consents that the Council holds with Environment Southland.

The Council's asset network include:

- Pipes (gravity and rising mains)
- Manholes
- Mud tanks (for the combined wastewater and stormwater network)
- Cleaning eyes
- Pump stations (including buildings and pumps)
- Control equipment
- Wastewater treatment plants

Rationale:

The collection, treatment and disposal of wastewater are essential services for the benefit of residents and businesses throughout the District. The Council's wastewater activity protects the health and physical environment of the community and is indispensable to economic growth and development.

The Local Government Act 2002 determines infrastructure services, including wastewater, to be a core service provided by local authorities and this legislation provides guidance on the way the Council manages and reports on the service.

Section 23 of the Health Act 1956 also dictates that every local authority must "improve, promote, and protect public health within its district". This requirement permits the Council to make bylaws for the protection of public health and requires the Council to present reports from time to time to provide the Medical Officer of Health with an understanding of diseases, drinking water and sanitary conditions within the District.

Therefore the reasons the Council continues to provide wastewater services include:

- to address legislative requirements;
- to protect public health;
- to afford the environment protection; and
- to support economic growth

The Council objectives for the community under this Long Term Plan and accompanying Infrastructure Strategy are:

- a district ready to grow and prosper
- to shape the place we live in now and into the future
- to balance the need for significant investment in public infrastructure with sustainable debt levels and affordable rates

The Council Community Outcomes to which this group of activities contributes are:

Outcome 4: We have a quality infrastructure with potential for growth

Outcome 6: We value and respect our environment

Significant Negative Effects

While the Council acknowledges its wastewater activity may have some adverse impacts, these are relatively minimal and are outweighed by the public good that is served by the benefits of managing wastewater, most notably public health and safety.

To mitigate the potentially negative effects of discharging treated wastewater into the Maitara River and the Waikaka Stream, the Council has established a robust system for monitoring discharges in accordance with the requirements of the Resource Management Act.

As treated wastewater is discharged into rivers and waterways, the Council's wastewater and stormwater activities potentially have negative effects on the socio-economic and cultural interests of tangata whenua. In accordance with the requirements of the Resource Management Act, local Iwi are consulted during resource consenting processes.

Future Changes

The Council is currently undertaking a \$3.7 million upgrade of the Ajax Pump station and associated pipework to improve the capacity of this part of the network in West Gore. This project has been completed with the expectation that there will be future development and expansion in this part of Gore. Completion of this project is currently planned for late 2018.

In addition to this, a \$7.8 million wastewater treatment plant is currently under construction. This has been designed to specifically treat wastewater from the new Maitara Valley Milk Infant Formula Plant currently under construction at McNab. While the treatment plant will be owned and operated by the Council, it has been funded by Maitara Valley Milk.

The Council's consent to discharge treated wastewater from the Maitara and Gore Wastewater Treatment Plants expire in 2021 and 2023 respectively. Significantly stricter consent conditions are anticipated for any new wastewater discharge consents as a result of the proposed Southland Water and Land Plan. Consideration of the ongoing suitability and viability of the Council's existing wastewater treatment plants will need to be given as part of the consent renewal process.

In anticipation of the expiring consents, Council has budgeted \$1m over the first three years of the 10 Year Plan to develop a renewal programme to ensure it is effectively and efficiently replacing the wastewater network. Beyond this, \$4.3m is budgeted for 2024-2026 specifically to invest in separating waste and storm water which will increase each network's capacity as is needed during heavy rain events

Statement of Service Performance

Council Outcome	Customer Levels Levels of Service	Performance Measures	Target 2019	Target 2020	Target 2021	Target 2022-2028
We have a quality infrastructure with potential for growth.	A reliable service: effective response to queries	The number of dry weather overflows from Council's sewerage system, (NFPM 1)	1	1	1	1
		Response to a customer request. (Blockage or fault) (NFPM 3a) (Median Value Used)	Urgent 120 mins General < 8 hours	Urgent 120 mins General < 8 hours	Urgent 120 mins General < 8 hours	Urgent 120 mins General < 8 hours
We value and respect our environment.	Wastewater systems are effective and comply with environmental standards	Resolution of a customer request. (Blockage or fault) (NFPM 3b)(Median Value Used)	Urgent < 8 hrs General 5 days	Urgent < 8 hrs General 5 days	Urgent < 8 hrs General 5 days	Urgent < 8 hrs General 5 days
		Wastewater complaints received (per 1,000 connections) (NFPM 4)	< 10	< 10	< 10	< 10
We value and respect our environment.	Our waterways and environment are protected from adverse impacts of providing the wastewater service.	Compliance with Council's resource consents for discharge from its sewerage system measured by the number of abatement notices, infringement notices, enforcement orders and convictions (NFPM 2)	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0

Funding Impact Statement - Wastewater

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Sources of operating funding

General rates, uniform annual general charge, rates penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	1,328	1,624	1,718	1,716	1,787	1,861	1,995	2,163	2,405	2,583	2,730	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	251	516	521	526	532	538	544	551	558	565	573	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Total operating funding (A) 1,579 2,140 2,239 2,242 2,319 2,399 2,539 2,713 2,962 3,148 3,302

Applications of operating funding

Payments to staff and suppliers	402	430	439	448	457	467	478	489	500	513	526	-	-	-	-	-	-	-	-
Finance costs	341	328	332	325	330	327	310	341	339	408	352	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	385	369	377	391	404	405	418	423	433	442	454	-	-	-	-	-	-	-	-

Total applications of operating funding (B) 1,129 1,127 1,148 1,164 1,191 1,199 1,206 1,253 1,273 1,362 1,332

Surplus (deficit) of operating funding (A-B)

450 1,014 1,091 1,079 1,127 1,200 1,333 1,460 1,689 1,786 1,970

Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	141	(292)	(483)	103	(73)	(329)	615	(35)	1,369	(1,113)	(849)	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Total sources of capital funding (C)

141 (292) (483) 103 (73) (329) 615 (35) 1,369 (1,113) (849)

Applications of capital funding

Capital expenditure to meet additional demand	-	102	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	206	542	451	874	505	703	692	621	437	598	372	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	385	113	157	333	549	169	1,257	804	2,621	75	750	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	(35)	-	(25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Total applications of capital funding (D)

591 722 608 1,182 1,054 872 1,948 1,425 3,058 673 1,121

Surplus (deficit) of capital funding (C-D)

(450) (1,014) (1,091) (1,079) (1,127) (1,200) (1,333) (1,460) (1,689) (1,786) (1,970)

Funding balance ((A-B)+(C-D))

- - - - - - - - - - -

STORMWATER

Activities:

The Council owns and manages stormwater assets valued at \$23.3 million. The Council provides Stormwater services to about 3,800 households and businesses in Gore, Mataura, Waikaka, Pukerau and Mandeville.

The stormwater network collects runoff from roads as well as households and businesses. It is both pumped and gravity fed to discharge into the environment. The quality of discharge is monitored and controlled by discharge consents that the Council holds with Environment Southland.

The Council's asset network include:

- Pipes (gravity and rising mains)
- Manholes
- Cleaning eyes
- Pump stations (including buildings and pumps)
- Control equipment
- Outfalls

Rationale:

The collection and disposal of stormwater is an essential service for the benefit of residents and businesses throughout the District. The Council's stormwater activity protects the health and physical environment of the community and is indispensable to economic growth and development.

The Local Government Act 2002 determines infrastructure services, including wastewater, to be a core service provided by local authorities and this legislation provides guidance on the way the Council manages and reports on the service.

Section 23 of the Health Act 1956 also dictates that every local authority must "improve, promote, and protect public health within its district".

This permits the Council to make bylaws for the protection of public health and requires the Council to present reports from time to time to provide the Medical Officer of Health with an understanding of diseases, drinking water and sanitary conditions within the District.

Therefore the reasons that the Council continues to provide stormwater services include:

- To address legislative requirements
- To protect public health
- To afford the environment protection
- To support economic growth

The Council objectives for the community under this Long Term Plan and this Infrastructure Strategy are:

- a district ready to grow and prosper
- to shape the place we live in now and into the future
- to balance the need for significant investment in public infrastructure with sustainable debt levels and affordable rates

The Council Community Outcomes to which this group of activities contributes are:

Outcome 4: We have a quality infrastructure with potential for growth

Outcome 6: We value and respect our environment.

Significant Negative Effects

While the Council acknowledges its stormwater activity may have some adverse impacts, these relatively minimal impacts are outweighed by the public good that is served by the benefits of managing stormwater, and most notably, public health and safety.

To mitigate the potentially negative effects of discharging stormwater into the Mataura River and the Waikaka and Pukerau Streams, the Council has established a robust system for monitoring discharges in accordance with the requirements of the Resource Management Act.

As stormwater discharges into rivers and waterways, the Council's stormwater activity potentially has negative effects on the socio-economic and cultural interests of Tangata Whenua. In accordance with the requirements of the Resource Management Act, local Iwi are consulted during resource consenting processes.

Future Changes

Although there is a forecast declining/static population, there is the possibility of population growth from industry developments. Supporting industries may create demands on the network from increased hardstand areas and an increased risk of discharge quality contamination.

The Council is currently developing a long term stormwater strategy to enable the ongoing separation of stormwater from the Council's wastewater system.

The separation of stormwater from the wastewater system will reduce the pressure on the Council's wastewater network and treatment system as well as reducing the likelihood of untreated wastewater overflows to the environment occurring. As this project progresses, more stormwater will be entering the network. Demand for stormwater pump stations will need to be monitored to ensure this extra capacity can be managed.

The Council plans to spend \$3.4 million in its 2018 – 2028 10 Year Plan on separation of stormwater from the wastewater system.

Statement of Service Performance

Council Outcome	Customer Levels Levels of Service	Performance Measures	Target 2019	Target 2020	Target 2021	Target 2022-2028
We have quality infrastructure with potential for growth.	A reliable service and effective response to queries	Response to a customer request (Flooding event) (NFPM 3)	60 min	60 min	60 min	60 min
		Stormwater complaints received (per 1,000 properties connected) (NFPM 4) Faults or blockages	8	8	8	8
		Number of flooding events (NFPM 1a)	3	3	3	3
Homes and properties are not affected by surface flooding caused by the Stormwater Activity		Number of habitable floors affected per 1,000 connected properties (per event) (NFPM 1b)	2	2	2	2
		Compliance with Council's resource consents for discharge from its stormwater system measured by the number of abatement notices, infringement notices, enforcement orders and convictions (NFPM 2a-d)	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0
We value and respect our environment	Our waterways and environment are protected from adverse impacts of providing the Stormwater service.					

Funding Impact Statement - Stormwater

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	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
Sources of operating funding										
General rates, uniform annual general charge, rates penalties	-	-	-	-	-	-	-	-	-	-
Targeted rates	490	565	587	627	720	822	866	929	963	1,080
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	490	565	587	627	720	822	866	929	963	1,080
Applications of operating funding										
Payments to staff and suppliers	102	166	127	132	135	138	142	145	149	152
Finance costs	4	-	6	11	77	144	168	194	209	231
Other operating funding applications	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	93	89	91	97	98	101	102	104	106	109
Total applications of operating funding (B)	199	254	218	241	310	383	412	443	464	493
Surplus (deficit) of operating funding (A-B)	291	311	369	386	410	439	455	485	498	587
Sources of capital funding										
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(104)	(44)	181	1,316	1,345	483	515	304	449	983
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(104)	(44)	181	1,316	1,345	483	515	304	449	983
Applications of capital funding										
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	37	-	79	220	236	-	201	-	137	64
Capital expenditure to improve the level of service	150	307	472	1,483	1,518	922	769	789	810	1,506
Increase (decrease) in reserves	-	(40)	-	-	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	187	267	551	1,703	1,755	922	970	789	947	1,570
Surplus (deficit) of capital funding (C-D)	(291)	(311)	(369)	(386)	(410)	(439)	(455)	(485)	(498)	(587)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-

ROADING AND FOOTPATHS

Activities:

The Gore District roading network comprises 896 kilometres of roads, with 538 kilometres unsealed. All work is procured in accordance with the Council's New Zealand Transport Agency (NZTA) approved Procurement Strategy. Design and supervision of major work is generally undertaken by consultants. Professional assistance is also engaged for some aspects of our of asset data management.

The Council supports the objectives of the Regional Land Transport Strategy, Road Safety Strategy 2020 the New Zealand Transport Agency and the Government Policy Statement 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 through the development and implementation of the Road Safety Action Plan, which addresses issues such as excessive speed, drink driving campaigns, developing and promoting safety management systems.

NZTA's "One Network Road Classification" heavily influences the maintenance priorities we place on the roads across the network.

The Council compiles a triennial land transport programme to give it access to government partnership finance. The programme takes into consideration the changing demands of the network like 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.

Rationale:

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.

The Council Community Outcomes to which this group of activities contributes are:

Outcome 4: We have a quality infrastructure with potential for growth.

Significant Negative Effects

Despite the benefits the Council's roading activities bring, in terms of providing transportation infrastructure that is needed to support the everyday lives and livelihoods of residents in the District, roading activities are inevitably associated with a number of negative effects.

These negative effects include crashes causing injuries or death, noise, congestion, stock truck effluent, flooding and vehicle emissions. The Council's asset management plan identifies a number of actions for managing these negative effects.

It is pertinent to note these negative effects are mostly caused by road users, and are not caused by a deficiency in the road network itself. The Council's policy is to monitor and maintain an on-going awareness of the possible risks and to ensure that mitigation measures are implemented to the extent appropriate.

Future Changes

The renewal of the Pyramid Bridge has been granted NZTA funding approval for the replacement of the existing bridge with a widened single-lane option. Since the collapse of the bridge on 2 February 2018 work has progressed with the final design and tender documentation. A two-lane bridge across the Mataura remains an option. However, this option sees the two Councils sharing the extra costs as NZTA's funding is limited to the cost of a widen single lane bridge.

The project is a joint venture with the Southland District Council (SDC) and has been costed around the \$4 million mark. NZTA will contribute 55% of the project's cost, and the remaining 45% would be split between the Gore District Council and SDC. This project will be funded from rural rates

The Council plans to spend \$300,000 a year over the next 10 years on footpath renewal in Gore and Mataura. This is in line with its commitment to ensuring all the town's footpaths meet current standards. It is intended 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 identified in the Council's Streetscape Strategy and recognises the District's ageing population. The work is funded by urban ratepayers.

Statement of Service Performance

Council Outcome	Customer Levels of Service	Performance Measures	Target 2019	Target 2020	Target 2021	Target 2022-2028
We have a quality infrastructure with potential for growth.	Maintain the road surfaces free of defects requiring evasive behaviour (eg; potholes, shoving, edgebreak, ponding, bumps).	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network attributable to a network deficiency, expressed as a number.	Number of Fatal and Serious Crashes 0	Number of Fatal and Serious Crashes 0	Number of Fatal and Serious Crashes 0	Number of Fatal and Serious Crashes 0
	An appropriate level of ride comfort is maintained.	The average quality of ride on a sealed local network, measured by smooth travel exposure using the National Association of Australian State Road Authorities (NAASRA) roughness count.	Urban: NAASRA count < 220 Rural: NAASRA count < 120	Urban: NAASRA count < 220 Rural: NAASRA count < 120	Urban: NAASRA count < 220 Rural: NAASRA count < 120	Urban: NAASRA count < 220 Rural: NAASRA count < 120
	The yearly resurfacing programme is at a rate that maintains the integrity of our sealed road asset.	The percentage of footpaths within the district that fall within the level of service standard for the condition of footpaths	4.4%	6.2%	6.5%	48.4% (total over 7 years)
	Footpath hazards (trip or surfacing) are identified and mitigated.	The percentage of footpaths within the district that fall within the level of service standard for the condition of footpaths *At the time of writing, the Council is undertaking an assessment of all the footpaths in the district to determine the level of compliance.	Increasing trend	Increasing trend	Increasing trend	Increasing trend
	We respond to all customer requests relating to footpath and roads in a timely and efficient manner.	The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the timeframe specified in the long term plan.	95%	95%	95%	95%
	Residents are satisfied with the metalled road network through the identification and mitigation of driver hazards.	The percentage of respondents to the Gore District Council annual resident survey within the range of neutral to very satisfied.	78%	78%	78%	85%

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Sources of operating funding

General rates, uniform annual general charge, rates penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	2,534	2,517	2,660	2,629	2,718	2,772	2,892	2,993	3,095	3,180	3,319								
Subsidies and grants for operating purposes	926	1,001	1,023	1,045	1,070	1,095	1,121	1,150	1,179	1,211	1,245								
Fees and charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	138	141	144	147	150	153	157	160	164	168	173								
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	225	201	205	207	209	209	217	221	225	229	233								

Total operating funding (A) 3,823 3,860 4,032 4,028 4,147 4,229 4,388 4,524 4,663 4,788 4,970

Applications of operating funding

Payments to staff and suppliers	2,289	2,373	2,424	2,477	2,533	2,593	2,655	2,720	2,790	2,865	2,944								
Finance costs	54	52	110	119	122	126	129	119	107	93	155								
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	513	494	504	510	518	520	541	552	563	575	587								

Total applications of operating funding (B) 2,856 2,919 3,038 3,106 3,174 3,239 3,325 3,391 3,461 3,533 3,687

Surplus (deficit) of operating funding (A-B)

966 942 994 922 973 991 1,063 1,132 1,203 1,256 1,283

Sources of capital funding

Subsidies and grants for capital expenditure	1,925	2,879	1,677	1,599	1,635	1,675	1,715	1,758	1,803	3,782	1,904								
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	294	1,153	79	64	64	64	(191)	(241)	(291)	1,257	(328)								
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Total sources of capital funding (C)

2,219 4,031 1,756 1,663 1,699 1,739 1,524 1,517 1,512 5,039 1,576

Applications of capital funding

Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	2,223	2,364	2,364	2,434	2,481	2,510	2,388	2,444	2,508	2,544	2,639								
Capital expenditure to improve the level of service	1,109	2,639	396	195	200	205	210	215	220	3,736	233								
Increase (decrease) in reserves	(147)	(30)	(10)	(45)	(9)	15	(10)	(10)	(13)	15	(12)								
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Total applications of capital funding (D)

3,185 4,973 2,749 2,585 2,673 2,729 2,587 2,649 2,715 6,294 2,860

Surplus (deficit) of capital funding (C-D)

(966) (942) (994) (922) (973) (991) (1,063) (1,132) (1,203) (1,256) (1,283)

Funding balance ((A-B)+(C-D))

- - - - - - - - - - -

PARKS, RESERVES, AQUATIC FACILITIES, CIVIC BUILDINGS AND RECREATION

Activities:

The Gore District has an excellent range of open spaces, and community facilities. The open spaces provide an assortment of recreation opportunities and the property and community facilities assets serve the community well.

Among the Parks, Property and Recreation portfolio, the Gore Gardens and Eastern Southland Gallery are nationally recognised; Dolamore Park, the MLT Events Centre and the Gore Multisports Complex are of regional benefit; and there are key facilities in the District such as the James Cumming Wing. These high profile sites are supplemented with a range of district and local parks and facilities.

The Council owns and manages property, parks and recreation assets with an insurance value at over \$40 million. Parks, property and recreational activities are provided for in Gore, Matakura, Waimumu, Waikaka, Pukerau, Mandeville and Kaiwera, and the surrounding areas.

Council buildings, public conveniences and recreation facilities are located within Gore and Matakura. Cemeteries are located at these two towns, as well as Waikaka and Pukerau. All four areas have recreation reserves. In addition to the parks and reserves, the Council maintains one public swimming pool, which provide recreational opportunities for the people in the District, and subsidised swimming programmes.

Assets provided within the network include:

- Buildings
- Public conveniences
- Playgrounds
- Cemeteries
- Recreation facilities
- Aquatic facilities
- MLT Event Centre

Rationale:

The Parks Property and Recreation activity is identified as a core service in terms of Section 11A of the Local Government Act 2012. The Parks Property and Recreation activity has many benefits for the community and provides opportunities for social interaction, and active and passive recreation. The activity also plays a major role in the appearance and attractiveness of the District. How residents feel about the District is heavily influenced by the activity, which is positive. In attracting people to the District, as visitors and residents, the provision of quality open spaces and recreation opportunities is a key determinant. This is an important consideration in terms of the manner in which Gore promotes itself and the lifestyle available.

Parks and reserves are provided by local government to ensure open spaces in urban areas, opportunities for recreation and sport, and to enhance community pride. Sports centres and parks provide opportunities for sports clubs and other recreation and community groups. Providing these services is believed to enhance the general health and wellbeing of the community where private enterprise may not be viable.

Community and civic buildings are provided to meet the operational need of the Council and provide the community with communal meeting spaces.

Public conveniences are an essential service and are utilised by both locals and visitors.

Councils are required to provide cemeteries by the Burial and Cremation Act 1964. Cemeteries are provided to protect public health and provide a location for bereavement within close proximity to the community.

The Local Government Act 2002 permits the Council to make bylaws for the protection of public health. It requires the Council to present reports from time to time to provide the Medical Officer of Health with an understanding of diseases, drinking water and sanitary conditions within the District.

The Council Community Outcomes to which this group of activities contributes are:

Outcome 3: We have a choice of quality places to go and things to do.

Significant Negative Effects

The Council acknowledges that some adverse impacts are possible as a result of operations to provide the services for the local community. However, these relatively minimal impacts are outweighed by the public good that is served by the benefits of providing safe areas for passive and active recreation that are accessible throughout the year.

To mitigate the potentially negative effects of necessary maintenance operations, contractors applying herbicides are GROWSAFE® certified, earthworks operations are carried out during the summer months and appropriate erosion and sediment control measures are in place. Noise restrictions and working hour restrictions are also enforced to mitigate potential effects on local residents. Upgrade works on sports fields and re-vegetation in passive reserves are carried out to industry best-practice standards.

As per the requirements of the Resource Management Act, local Iwi are consulted during resource consenting processes for works not considered to be permitted activities in parks and reserves.

The Council's central administration activities are delivered, in the main, from the Civic Centre offices in Bowler Avenue. This building is subject to an earthquake risk assessment. Notwithstanding the outcome of this assessment, the Council has flagged the need for a major upgrade and will be progressing this project within the first few years of this Long Term Plan. This project is profiled in the 10Year Plan 2018-28 Consultation Document.

Future Changes

To meet the requests of the community and expectations for prudent financial management, the Gore Aquatic Centre's debt will be the subject of a proactive debt retirement plan through a gradual year on year increase in loan repayments. This will see aquatic centre's debt, which presently sits at \$2.2 million, repaid in 11 years.

There is a programmed shutdown of the aquatic centre in 2022/23. The Council has budgeted \$236,000 for this work, which will be paid for by all ratepayers.

The Tulloch Park redevelopment project is scheduled to progress in the 2018/19 year. Stage one will include development of a walking jogging track, fitness stations, pump track, upgraded playground paths and hard landscaping at a cost of \$606,320. This funding is in hand or committed by the Council. Overall redevelopment plan project costs are estimated to be \$1.5m and contestable third party funding to complete the project will be sought from various community funders.

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 estimated cost for the first year is \$189,260, which will be paid by all ratepayers.

Statement of Service Performance

Council Outcome	Customer Levels of Service	Performance Measures	Target 2019	Target 2020	Target 2021	Target 2022-2028
We have a choice of quality places to go and things to do	To provide safe, quality, accessible swimming pools with good opportunities for learning	Five key technical measures that reflect the core values This includes: <ul style="list-style-type: none"> Pool availability - measured by facility records Customer satisfaction - measured by the annual resident survey Swimming course enrolments - measured by enrolment records Health and safety incidents - measured by the number of incidents Pool safe accreditation - measured by maintaining accreditation 	5/5 Indicators achieved	5/5 Indicators achieved	5/5 Indicators achieved	5/5 Indicators achieved
We have a choice of quality places to go and things to do	Parks, reserves and cemeteries provide a sense of place; active recreation spaces, as well as opportunities to interact with and beautify urban environments; facilities are safe, well-maintained and appropriate for their use with high levels of public satisfaction	Percentage of community that are satisfied across the range of property and recreation criteria surveyed This includes: satisfaction levels for: <ul style="list-style-type: none"> Parks and Reserves/Sportsgrounds Playgrounds Cemeteries Public conveniences The provision of community buildings or halls 	> 90% average across the 5 criteria surveyed	> 90% average across the 5 criteria surveyed	> 90% average across the 5 criteria surveyed	> 90% average across the 5 criteria surveyed

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Sources of operating funding

General rates, uniform annual general charge, rates penalties	1,467	1,591	1,596	1,777	1,918	2,223	2,311	2,323	2,243	2,331	2,323	2,243	2,331	2,370
Targeted rates	2,877	3,068	3,183	3,303	3,444	3,617	3,572	3,644	3,616	3,724	3,644	3,616	3,724	3,839
Subsidies and grants for operating purposes	94	96	98	100	102	104	107	109	112	114	109	112	114	117
Fees and charges	783	799	815	832	849	868	888	908	930	953	908	930	953	977
Local authorities fuel tax, fines, infringement fees, and other receipts	-	711	1,423	711	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	1,367	1,370	1,401	1,429	1,269	1,589	1,626	1,605	1,587	1,623	1,605	1,587	1,623	1,658
Total operating funding (A)	6,588	7,636	8,515	8,152	7,582	8,401	8,504	8,589	8,487	8,746	8,589	8,487	8,746	8,961

Applications of operating funding

Payments to staff and suppliers	3,427	3,922	3,797	4,212	4,191	4,196	4,253	4,266	4,389	4,666	4,266	4,389	4,666	4,794
Finance costs	257	281	262	396	525	501	480	453	425	396	453	425	396	372
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	2,152	2,167	2,215	2,255	2,110	2,437	2,507	2,505	2,507	2,566	2,505	2,507	2,566	2,623
Total applications of operating funding (B)	5,835	6,371	6,274	6,864	6,826	7,135	7,240	7,225	7,321	7,628	7,225	7,321	7,628	7,789

Surplus (deficit) of operating funding (A-B)

	753	1,266	2,241	1,288	756	1,266	1,264	1,365	1,166	1,118	1,365	1,166	1,118	1,172
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Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,827	1,265	1,944	1,850	(476)	(441)	(533)	(577)	(562)	(489)	(577)	(562)	(489)	(564)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,827	1,265	1,944	1,850	(476)	(441)	(533)	(577)	(562)	(489)	(577)	(562)	(489)	(564)

Applications of capital funding

Capital expenditure to meet additional demand	553	1,765	689	24	25	25	26	26	27	28	26	27	28	28
Capital expenditure to replace existing assets	1,972	758	3,522	3,186	689	507	568	656	607	547	656	607	547	392
Capital expenditure to improve the level of service	-	81	20	20	20	20	20	20	20	20	20	20	20	20
Increase (decrease) in reserves	55	(73)	(47)	(92)	(454)	273	117	86	(50)	34	86	(50)	34	167
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	2,580	2,530	4,185	3,138	280	825	731	788	604	629	788	604	629	608

Surplus (deficit) of capital funding (C-D)

	(753)	(1,266)	(2,241)	(1,288)	(756)	(1,266)	(1,264)	(1,365)	(1,166)	(1,118)	(1,365)	(1,166)	(1,118)	(1,172)
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Funding balance ((A-B)+(C-D))

	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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OTHER DISTRICT ASSETS INCLUDING SOLID WASTE AND CIVIL DEFENCE

Activities:

The Gore District Council contributes to other significant activities for residents, namely solid waste service and Civil Defence.

Solid Waste

Responsibilities that fall under the solid waste management umbrella include:

- Kerbside recycling collection service delivery
- Kerbside residual waste collection service delivery
- Transfer Station service delivery
- Landfill operations

(Bond Contracting Ltd manage these tasks as part of the Southland-wide solid waste management contract they have with Wastenet)

- Recycling Management (Sorting of Kerbside collections)

(Southland Disability Enterprises undertake the above task as part of the Southland-wide Recycling management contract they have with Wastenet)

- Education and advocacy (waste minimisation)
- Waste Audits
- Management of the two waste contracts.

(The above tasks are carried out by Wastenet as a joint initiative of the three Southland Councils.)

The Council owns a transfer station in Gore and four closed landfill sites in Gore, Mataura, Waikaka and Pukerau. No Emission Trading Scheme effects are emanating from these sites.

The costs of maintenance, renewal or replacement are funded primarily through user fees and supplemented by rates contributions.

Civil Defence

The Council is part of a Shared Services for Civil Defence and Emergency Management, which is delivered through Emergency Management Southland (EMS). EMS was established in 2009 as a means to a more coordinated approach by the four Councils in Southland to Emergency Management. The Council provides staff for training and, in the event of an incident, the staff are deployed to support response and recovery.

Rationale:

The Gore District faces the challenges of using resources while ensuring that our environment and our health are not harmed, through inefficient use or by the waste generated. The disposal of solid waste in a way that protects the health of the community and the environment is a fundamental requirement for community wellbeing.

Under the Local Government Act 2002 and the Waste Minimisation Act 2008, the Council is required to encourage and promote effective and efficient waste management and minimisation within its district.

The Gore District Council maintains a “hands-on” approach to this activity because it considers that waste can be most effectively and efficiently managed by the Council, where long term benefits can be obtained for the community.

Regarding civil defence, a greater focus is being made on the reduction of risks and hazards affecting the safety and welfare of the District’s residents. Coordination of activities between civil defence and resource management as well as the identification of management of earthquake-prone buildings are key actions being undertaken over the next few years, with the aim of avoiding unnecessary risks and improving the quality and safety of the District’s building stock.

The Council Community Outcomes to which this group of activities contributes are:

Outcome 6: We value and respect our environment.

Significant Negative Effects

The Council recognises there are negative impacts associated with the collections and disposal of solid waste. At the same time, it needs to be recognised that it is essential to have efficient and effective means of disposing of solid waste. In short, any negative effects must be weighed against such need.

While there is a risk that leachate from closed landfills may leach into streams and the water table, such risks are mitigated by strict adherence to resource consent requirements pertaining to the landfills.

The Council also strives to minimise nuisances such as noise, dust and odour from transfer station operations by closely monitoring the operation of the transfer station. The nuisance caused by windblown litter from waste disposal areas is also mitigated by the installation of wind fencing.

With regard to the risk of vermin such as rats and seagulls, the Council conducts regular checks for vermin and lays bait to minimise colonisation in waste disposal areas or facilities by vermin. Council staff also make an effort to keep solid waste disposal areas clean and tidy.

Statement of Service Performance

Council Outcome	Customer Levels of Service	Performance Measures	Target 2019	Target 2020	Target 2021	Target 2022-2028
We value and respect our 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 as recorded in the regional landfill weighbridge records.	Material discarded < 650kg per capita (across Southland)	Material discarded < 650kg per capita (across Southland)	Material discarded < 650kg per capita (across Southland)	Material discarded < 650kg per capita (across Southland)

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

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Sources of operating funding

General rates, uniform annual general charge, rates penalties	271	271	276	283	289	293	309	323	337	352	357
Targeted rates	1,304	1,329	1,357	1,388	1,416	1,439	1,511	1,578	1,647	1,714	1,742
Subsidies and grants for operating purposes	46	47	48	49	50	51	52	53	54	56	57
Fees and charges	600	613	625	638	651	665	681	696	713	731	749
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	1,375	1,317	1,347	1,395	1,442	1,446	1,492	1,511	1,548	1,577	1,622
Total operating funding (A)	3,597	3,576	3,654	3,752	3,848	3,894	4,044	4,161	4,299	4,430	4,528

Applications of operating funding

Payments to staff and suppliers	2,542	2,635	2,687	2,766	2,846	2,890	2,965	3,022	3,098	3,171	3,259
Finance costs	102	86	94	97	95	93	91	87	79	70	58
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	709	704	720	736	754	759	786	800	819	837	858
Total applications of operating funding (B)	3,353	3,426	3,501	3,600	3,695	3,741	3,842	3,908	3,997	4,077	4,175

Surplus (deficit) of operating funding (A-B)

	244	151	153	153	153	153	203	253	303	353	353
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Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(38)	62	(40)	(40)	(40)	(40)	(90)	(140)	(190)	(240)	(240)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(38)	62	(40)	(40)	(40)	(40)	(90)	(140)	(190)	(240)	(240)

Applications of capital funding

Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	202	332	170	76	44	22	83	139	40	179	73
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	3	(119)	(58)	36	69	91	30	(27)	73	(66)	40
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	205	212	112	112	112	112	112	112	112	112	112

Surplus (deficit) of capital funding (C-D)

	(244)	(151)	(153)	(153)	(153)	(153)	(203)	(253)	(303)	(353)	(353)
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Funding balance ((A-B)+(C-D))

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

Activities:

The Gore District hosts a significant range of award-winning cultural facilities, museums and collections. These have, in no small way, made Gore a destination in its own right for aficionados of arts. It is also the key to some of the District's main promotions and events.

The Council sees the development of heritage tourism as one of the key drivers of economic development in the District and, looking into the future, believes it can build on successes to date. Such successes include the Matura Museum upgrade winning a major national award.

The appointment of an events and promotions coordinator is also expected to play a key role in ensuring locals and overseas visitors, as well as the rest of New Zealand, are aware of the opportunities offered in the Gore District.

The Council arts and heritage department manages, in partnership with key public providers, cultural property and programmes for the benefit of the people of District, and visitors to the area. The department is also a pivotal link between local cultural interests and public sector agencies that govern policy surrounding the management and funding of cultural property and related infrastructures.

Staff in 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.

The heritage precinct is home to much of the District's heritage facilities, namely:

- The Hokonui Heritage Centre – containing the Hokonui Moonshine Museum, Gore Historical Museum, Hokonui Heritage Research Centre and Fishing Museum
- The Eastern Southland Gallery – containing the John Money Wing, the Ralph Hotere Collection and the Gallery exhibition space.

Other facilities or areas where the department offers support include the Matura Museum, Croydon Aviation Heritage Centre, the East Gore arts centre and Hokonui Pioneer Park.

The heritage precinct is also home to the Gore Visitor Centre and Gore Library.

The visitor 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. It also serves as a front of house for the moonshiners' museum.

Gore Libraries offer a wide range of books, magazines, DVDs and other resources. They provide free use of internet computers and 24/7 Wi-Fi. Ancestry.com is available for tracing family history. For children Encyclopedia Britannica Online and TumbleBooks are available for visual/auditory learning and reading experiences.

Gore Library is open 50.75 hours per week and Matura Library and Service Centre 35 hours per week. The libraries have a total of 5,350 members, equating to 43% of residents. This figure is conservative since families often share one membership card. Annual visitors number 82,540, and the issues per population are 10.6 per annum (in 2016-17 there were 131,932 issues). The libraries hold 53,000 physical items, most of which can be borrowed.

Children's areas are customised to be especially welcoming to children. A number of children's activities and programmes support literacy development and reading enjoyment. A community outreach schedule reaches some who may not be able to visit the library.

Matura Library and Service Centre is a branch library that offers Council services, including rates payments, dog registration, information about Council facilities and faults reporting. It is also the booking agent for the Matura Community Centre and Elderly Citizens Centre.

The Council provides grants to selected organisations to assist with the provision of economic, social (health and recreation), and cultural services to the community.

The provision of grants to organisations assists in providing valuable community services which are not provided by the Council or Central Government, and/or where there are significant gaps in service delivery.

Rationale:

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 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 an events and promotions role compliments the tourism support services delivered via the visitor centre. The combination assists in developing the arts and heritage profile of the District and encourages visitor, residential and commercial growth.

The library service directly contributes to the Council's aspiration to provide opportunities for creativity, leisure, diversity and being involved. It is also a part of the aspiration to welcome newcomers as it is often one of the first places visited by new residents.

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 lifelong learning and the development of literacy and information skills
- maintaining relationships with the community

The Council Community Outcomes to which this group of activities contributes are:

Outcome 1: We value our history and heritage.

Outcome 2: We live in a creative place.

Outcome 3: We have a choice of quality places to go and things to do.

Significant Negative Effects

The Council has not identified any negative effects from these activities.

Future Changes

The precinct's development has been on the Council's books for some time, starting with a Special Consultative Procedure in 2007 and the strategic acquisition of 28 Irwell Street in 2008. The vision for 28 Irwell Street is to incorporate it within the wider Arts & Heritage Precinct development and this building will assist greatly in maximising the potential of:

- an expanded Hokonui Moonshine Museum
- an operative distillery
- an expanded Gore Visitor Centre as well as providing greater public exhibition/information space.

The vacant space created by this development will provide new collection storage facility in the existing Win Hamilton Wing, and allow for the relocation of the busy Hokonui Heritage Research Centre to a more publically accessible ground floor area. Upgraded and expanded Gore Historical Museum displays will greatly enhance public access to the district's significant heritage collections.

Creating a more pedestrian friendly streetscape and a makeover for precinct signage are also included in the plans. In 2015/16 a concept plan was developed to give a firm direction and timeline, as well as something tangible to share the vision.

The total cost of the project is estimated to be \$2.2 million, of which the Council has already pledged \$1 million. 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, \$500,000 was spent on purchasing the Irwell Street building and a further \$500,000 has been tagged for expenditure over the next six years. It will be used as seed funding for a staged development, starting with the concept plan.

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

A replacement roof for the Gore Library is planned to eliminate ongoing roof leaks. These leaks are being caused by the shape of the original roof, and maintenance has proved inadequate to prevent substantive damage. This work has been identified as critical to maintaining the integrity of the building for the future. Positioned in the Precinct, Gore Library is an integral structural and community element in the planned Precinct redevelopment.

Schedule of grants

Amenity Hire Refunds.....	3,500
Children's Day.....	500
Clematis Cottage	2,00
Community Networking Trust	10,000
Country Music & Songwriters	5,000
Croydon Aviation Heritage Trust	6,000
Croydon Aviation Heritage Trust - annual loan reduction.....	3,000
Cycle Tour Southland	1,000
Eastern Southland Art Gallery	10,000
Emergency Housing.....	2,500
Enviro Schools	5,000
Free Swim School for Primary Schools	28,832
Gold Guitar Awards.....	5,000
Gore A & P Association.....	80,889
Gore Counselling Centre	1,500
Gore Hospice (Rates assistance).....	1,000
Gore Museum	7,500
Gore SPCA.....	2,500
Healthy Homes initiative.....	15,000
Heartland Education Trust	2,500
Hokonui Bikers	30,000
Hokonui Fashion Design Awards.....	9,104
Hokonui Heritage Centre Trust	6,500
Hokonui Pioneer Park	5,000
Hospice Southland (Transfer station fees).....	1,000
Hospital Incentives	2,000
John Money Wing.....	10,000
Mataura Community Garden	1,000
Mataura Heritage Centre.....	7,500
Mataura School free swimming lesson transport	4,000
Moonshine Committee.....	4,500
Pakeke Lions Recycling Services.....	25,282
Rural Halls.....	17,357
Salvation Army.....	2,000
Scholarships \$750	1,500
Southland Regional Heritage Trust (\$178,000 is returned by the Trust to the Gore District ouncil to fund local heritage organisations)	199,864
Total Mobility	23,618
Venture Southland	58,410
Waikaka Domain Board	12,500

Total 614,356

Statement of Service Performance

Council Outcome	Customer Levels Levels of Service	Performance Measures	Target 2019	Target 2020	Target 2021	Target 2022-2028
We value our history and heritage. We live in a creative place.	Educating the public about arts & heritage contributes to the Council outcome of valuing our history and heritage.	The public appreciates the services and assets of arts and heritage as recorded in the annual resident survey.	90% satisfaction rate	90% satisfaction rate	90% satisfaction rate	90% satisfaction rate
We have a choice of quality places to go and things to do.	Residents and visitors have valued library experiences. Friendly, knowledgeable staff ensure the libraries are a positive choice in terms of quality places to go & things to do.	Survey of residents and library users indicates a quality service is provided as indicated in the annual resident survey and targeted library surveys.	90% of surveyed residents or users are satisfied with the quality of library service	90% of surveyed residents or users are satisfied with the quality of library service	90% of surveyed residents or users are satisfied with the quality of library service	90% of surveyed residents or users are satisfied with the quality of library service
	The library service is accessible to residents and visitors, including children, young adults, adults, the elderly, housebound, people who work business hours	Library opening hours per week Gore 50.75 Mataura 35	95% of opening hours are achieved.	95% of opening hours are achieved.	95% of opening hours are achieved.	95% of opening hours are achieved.

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

2017/18

Annual

Plan	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	1,604	1,778	1,880	1,960	2,023	2,044	2,088	2,117	2,152	2,242	2,328
Targeted rates	581	593	644	663	678	690	713	723	740	759	774
Subsidies and grants for operating purposes	209	212	216	221	226	231	236	242	247	253	259
Fees and charges	117	120	122	109	111	113	116	118	121	124	127
Local authorities fuel tax, fines, infringement fees, and other receipts	7	7	7	7	7	8	8	8	8	8	9
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	2,518	2,709	2,870	2,959	3,045	3,086	3,161	3,208	3,269	3,387	3,497
Applications of operating funding											
Payments to staff and suppliers	1,208	1,360	1,392	1,434	1,475	1,506	1,553	1,577	1,616	1,660	1,698
Finance costs	25	28	125	149	146	142	139	135	131	127	120
Other operating funding applications	613	640	617	631	641	648	655	665	674	684	694
Internal charges and overheads applied	542	550	563	571	581	586	608	622	636	651	667
Total applications of operating funding (B)	2,389	2,577	2,697	2,785	2,843	2,883	2,954	2,999	3,057	3,122	3,179
Surplus (deficit) of operating funding (A-B)	129	132	172	175	201	204	206	209	212	265	318
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	2,000	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	94	2,019	347	(53)	(78)	(78)	(78)	(78)	(78)	(128)	(178)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	94	2,019	347	1,947	(78)	(78)	(78)	(78)	(78)	(128)	(178)
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	130	2,066	104	140	109	111	149	116	119	160	125
Capital expenditure to improve the level of service	108	70	400	2,000	-	-	-	-	-	-	-
Increase (decrease) in reserves	(15)	15	15	(18)	15	15	(20)	15	15	(23)	15
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	223	2,151	519	2,122	124	126	129	131	134	137	140
Surplus (deficit) of capital funding (C-D)	(129)	(132)	(172)	(175)	(201)	(204)	(206)	(209)	(212)	(265)	(318)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

REGULATORY AND PLANNING

Activities:

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 and Supply of Alcohol Act 2012
• 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.

The work undertaken in this area includes, but is not limited to

- Providing Land Information Memoranda in accordance with the requirements of the Local Government Official Information and Meetings Act 1987;
- Keeping property files up to date and available for public enquiries;
- Providing advice on planning matters to prospective applicants, affected neighbours and other agencies;
- Promoting the sustainable management of natural and physical resources in the Gore District via the District Plan;
- Processing resource consent applications for land use and subdivision;
- Reviewing and developing appropriate bylaws relating to public nuisances and the management/use of public land;
- Providing advice and administering the Building Act 2004, including checking that buildings comply with the New Zealand Building Code;
- Issuing building warrants of fitness and compliance schedules;
- Investigating complaints related to unauthorised building work;
- Responding to noise complaints;
- Controlling the sale and supply of liquor via the Sale and Supply of Alcohol Act 2012;
- Processing applications for on, off club and special licenses, processing manager’s certificates and renewals, and monitoring licensed premises for compliance;
- Responding to and managing animal related dangers and nuisance in relation to stock on public roads and under the Dog Control Act 1996.

Rationale

The provision of these activities is required under the legislation listed above and provides for the protection and safety of the people and resources that make up the Gore District.

The Council is charged with providing the activities in this group to ensure public health and safety, and economic activity and development occurs in a way that does not place people or the environment at risk. This activity group makes a primary contribution to the community outcomes of a safe and supportive community and a sustainable environment.

The Council Community Outcomes to which this group of activities contributes are: Outcome 6: We value and respect our environment.

Significant Negative Effects

The Council has not identified any significant negative effects resulting from this activity.

Statement of Service Performance

Council Outcome	Customer Levels of Service	Performance Measures	Target 2019	Target 2020	Target 2021	Target 2022-2028
We value and respect our environment.	The Council provides a timely resource consent processing service.	Percentage of resource consent applications processed in accordance with statutory timeframes (within 20 days of filing).	100%	100%	100%	100%
A key objective under this outcome is to maintain a regulatory culture that places an emphasis on education, empowerment and collaboration over rigid application of rules and implementation of sanctions.	The Council ensures the objectives of the District Plan are being met. The Council processes, inspects and certifies building work in the Gore District.	Percentage of land use consent holders complying with consent conditions. Based on a monitoring programme sampling 50% of land use consents each year. The Gore District Council maintains its processes so that it meets Building Control Authority accreditation every two years. (IANZ accreditation certificate)	50%	80%	90%	90%

Funding Impact Statement - Regulatory and Planning

2017/18

Annual

Plan

LTP 2019 LTP 2020 LTP 2021 LTP 2022 LTP 2023 LTP 2024 LTP 2025 LTP 2026 LTP 2027 LTP 2028

	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
Sources of operating funding										
General rates, uniform annual general charge, rates penalties	590	628	663	697	715	753	692	703	714	726
Targeted rates	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
Fees and charges	941	961	980	1,000	1,021	1,043	1,067	1,092	1,118	1,146
Local authorities fuel tax, fines, infringement fees, and other receipts	51	52	53	55	56	57	58	60	61	62
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	350	379	364	370	407	387	426	444	451
Total operating funding (A)	1,582	1,992	2,075	2,115	2,162	2,261	2,205	2,280	2,337	2,386
Applications of operating funding										
Payments to staff and suppliers	1,115	1,309	1,198	1,312	1,285	1,313	1,297	1,327	1,358	1,392
Finance costs	15	11	17	21	22	20	17	15	13	11
Other operating funding applications	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	371	727	764	755	768	809	804	852	879	897
Total applications of operating funding (B)	1,501	2,047	1,979	2,088	2,075	2,141	2,118	2,193	2,250	2,299
Surplus (deficit) of operating funding (A-B)	81	(56)	97	27	87	120	87	87	87	124
Sources of capital funding										
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(31)	109	266	11	(49)	(49)	(49)	(49)	(49)	(49)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(31)	109	266	11	(49)	(49)	(49)	(49)	(49)	(49)
Applications of capital funding										
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	-	15	348	-	75	58	-	-	26	-
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	50	38	15	38	(38)	13	38	38	11	38
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	50	53	363	38	38	71	38	38	38	75
Surplus (deficit) of capital funding (C-D)	(81)	56	(97)	(27)	(87)	(120)	(87)	(87)	(87)	(124)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-

DEMOCRACY AND ADMINISTRATION

Activities:

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.

The Gore District has one community board, that being the Mataura Community Board. It comprises a chairman and four members, as well as the Council's Mataura ward elected representative.

Councillors oversee the performance of activities and assets to ensure that it represents the best operation, maintenance and use of community resources. This and other important decision-making takes place at Council and committee meetings.

Councillors are representatives of their communities and an important part of their role is communicating with residents, informing them of the reasons for Council decisions and advocating on their behalf.

The Council is required to review its representation structure at six yearly intervals under Section 19 of the Local Electoral Amendment Act 2002. The Council's representation arrangements were reviewed and completed in 2018.

The next triennial elections are due to be held in 2019.

No other significant changes are anticipated for the democracy activity over the next 10 years.

The administrative activities of the 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.

Rationale

Councillors and community board members provide leadership for the District. They have a major role in helping the District and its communities develop and move forward. Decisions are made in the interests of the entire district with current and future generations in mind.

They set priorities and make decisions on the scope and levels of services, as well as how to spread the cost of these services and activities as equitably as practicable.

The Council Community Outcomes to which this group of activities contributes are:

Outcome 5: We live in a compassionate and caring community.

Significant Negative Effects

The Council has not identified any significant negative effects resulting from this activity.

Statement of Service Performance

Council Outcome	Customer Levels of Service	Performance Measures	Target 2019	Target 2020	Target 2021	Target 2022-2028
We live in a compassionate, caring community.	Direction is set to determine what activities the Council should engage in.	Percentage of residents and ratepayers satisfied with the Council's decisions and actions. As measured the annual resident survey within the range of neutral to very satisfied.	80%	80%	80%	80%

Funding Impact Statement - Democracy and Administration

2017/18

Annual

Plan

LTP 2019 LTP 2020 LTP 2021 LTP 2022 LTP 2023 LTP 2024 LTP 2025 LTP 2026 LTP 2027 LTP 2028

Sources of operating funding

General rates, uniform annual general charge, rates penalties	985	1,064	1,096	1,013	1,032	1,047	1,078	1,101	1,121	1,148	1,176
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	4	4	4	4	4	4	4	4	4	4	4
Fees and charges	23	24	24	25	25	26	27	27	28	28	29
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	98	100	102	104	106	109	111	114	116	119	122
Internal charges and overheads recovered	2,836	2,880	2,944	2,988	3,041	3,066	3,184	3,254	3,328	3,407	3,488
Total operating funding (A)	3,946	4,072	4,170	4,133	4,209	4,252	4,403	4,500	4,598	4,707	4,820

Applications of operating funding

Payments to staff and suppliers	3,274	3,448	3,538	3,496	3,570	3,649	3,733	3,819	3,910	4,008	4,108
Finance costs	15	11	9	7	5	3	3	2	2	2	2
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	419	426	435	442	450	453	471	481	492	504	516
Total applications of operating funding (B)	3,708	3,884	3,982	3,945	4,025	4,105	4,206	4,302	4,405	4,514	4,626

Surplus (deficit) of operating funding (A-B)

	238	187	188	188	183	147	197	197	193	193	193
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Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(46)	(46)	(46)	(46)	(42)	(5)	(5)	(5)	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(46)	(46)	(46)	(46)	(42)	(5)	(5)	(5)	-	-	-

Applications of capital funding

Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	134	41	136	154	68	144	67	46	168	100	96
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	57	100	5	(13)	74	(2)	125	146	25	94	97
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	191	141	141	141	142	142	192	193	193	193	193

Surplus (deficit) of capital funding (C-D)

	(238)	(187)	(188)	(188)	(183)	(147)	(197)	(197)	(193)	(193)	(193)
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Funding balance ((A-B)-(C-D))

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PROSPECTIVE FINANCIAL STATEMENTS

GORE DISTRICT COUNCIL PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE 30 June 2018 - 2028

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue											
Rates	15,554	16,507	17,252	18,035	18,883	19,739	20,393	21,055	21,683	22,410	23,191
Subsidies and grants	3,203	4,238	3,065	5,017	3,086	3,160	3,235	3,315	3,400	5,421	3,587
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Other revenue	3,348	4,469	5,251	4,594	3,959	4,040	4,127	4,217	4,311	4,413	4,516
Other gains/ (losses)	-	-	-	-	-	-	-	-	-	-	-
Total revenue	22,105	25,214	25,568	27,646	25,928	26,939	27,755	28,587	29,394	32,244	31,294
Expenditure											
Employee benefits expense	5,843	6,155	6,302	6,506	6,696	6,844	6,956	7,116	7,286	7,468	7,655
Depreciation and amortisation expense	5,069	5,442	5,675	5,847	6,118	6,435	6,558	6,703	7,087	7,230	7,381
Finance costs	901	833	1,093	1,467	1,730	1,757	1,775	1,769	1,729	1,727	1,685
Other expenses	9,830	10,868	10,672	11,276	11,362	11,501	11,740	11,903	12,212	12,681	13,014
Total expense	21,643	23,298	23,742	25,096	25,906	26,537	27,029	27,491	28,314	29,106	29,735
Surplus / (deficit)	462	1,916	1,826	2,550	22	402	726	1,096	1,080	3,138	1,559
Other comprehensive revenue and expense											
<i>Items that will not be reclassified to surplus / (deficit)</i>											
Gain / (loss) on property, plant and equipment revaluation	-	31,602	-	-	41,568	-	-	49,230	-	-	59,288
Other comprehensive revenue and expense	-	31,602	-	-	41,568	-	-	49,230	-	-	59,288
Total comprehensive revenue and expense	462	33,518	1,826	2,550	41,590	402	726	50,326	1,080	3,138	60,847

PROSPECTIVE FINANCIAL STATEMENTS

GORE DISTRICT COUNCIL NOTE TO PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from non-exchange transactions											
Rates	15,554	16,507	17,252	18,035	18,883	19,739	20,393	21,055	21,683	22,410	23,191
Subsidies and grants	3,203	4,238	3,065	5,017	3,086	3,160	3,235	3,315	3,400	5,421	3,587
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Other revenue	3,204	4,322	5,101	4,441	3,803	3,881	3,964	4,050	4,140	4,237	4,337
Total revenue from non-exchange transactions	21,961	25,067	25,418	27,493	25,772	26,779	27,592	28,420	29,223	32,068	31,115
Revenue from exchange transactions											
Interest	98	100	102	104	106	109	111	114	116	119	122
Other revenue	46	47	48	49	50	51	52	53	55	56	58
Total revenue from exchange transactions	144	147	150	153	156	160	163	167	171	175	180
Total revenue	22,105	25,214	25,568	27,646	25,928	26,939	27,755	28,587	29,394	32,244	31,294

GORE DISTRICT COUNCIL PROSPECTIVE STATEMENT OF CHANGES IN EQUITY 30 June 2018 - 2028

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Equity at beginning of year	382,199	382,661	416,179	418,004	420,554	462,144	462,546	463,272	513,598	514,678	517,817
Total Comprehensive revenue and expense	462	33,518	1,826	2,550	41,590	402	726	50,326	1,080	3,138	60,847
Equity at end of year	382,661	416,179	418,004	420,554	462,144	462,546	463,272	513,598	514,678	517,817	578,663

The opening equity balance for the 2018 year has been adjusted to more accurately reflect the current financial position of the Gore District Council.

PROSPECTIVE FINANCIAL STATEMENTS

GORE DISTRICT COUNCIL PROSPECTIVE STATEMENT OF FINANCIAL POSITION 30 June 2018 - 2028

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets											
Cash and cash equivalents	3,231	3,069	3,049	2,956	2,852	3,252	3,543	3,800	3,897	3,857	4,262
Receivables	1,766	2,014	2,034	2,196	2,064	2,147	2,211	2,278	2,346	2,582	2,503
Inventories	139	139	139	139	139	139	139	139	139	139	139
Other financial assets	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682
Other current assets	173	173	173	173	173	173	173	173	173	173	173
Total current assets	6,991	7,077	7,077	7,146	6,910	7,393	7,748	8,071	8,237	8,433	8,759
Non-current assets											
Other financial assets	339	339	339	339	339	339	339	339	339	339	339
Property, plant and equipment	396,596	436,671	444,688	451,855	494,289	494,610	494,928	544,181	545,150	547,344	606,173
Total non-current assets	396,935	437,010	445,027	452,194	494,628	494,949	495,267	544,520	545,489	547,683	606,512
Total assets	403,926	444,087	452,104	459,340	501,538	502,342	503,015	552,592	553,726	556,116	615,271
Current liabilities											
Payables	2,486	2,686	2,740	2,904	2,991	3,051	3,112	3,174	3,270	3,367	3,435
Employee entitlements	569	569	569	569	569	569	569	569	569	569	569
Borrowings	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Other financial liabilities	11	11	11	11	11	11	11	11	11	11	11
Total current liabilities	9,066	9,266	9,320	9,484	9,571	9,631	9,692	9,754	9,850	9,947	10,015

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current liabilities											
Borrowings	11,339	17,785	23,926	28,451	28,975	29,320	29,209	28,401	28,362	27,519	25,763
Provisions	91	88	85	82	79	76	73	70	67	64	61
Other financial liabilities	769	769	769	769	769	769	769	769	769	769	769
Total non-current liabilities	12,199	18,642	24,780	29,302	29,823	30,165	30,051	29,240	29,198	28,352	26,593
Total liabilities	21,265	27,908	34,100	38,786	39,394	39,796	39,743	38,994	39,048	38,299	36,608
Net assets	382,661	416,179	418,004	420,554	462,144	462,546	463,272	513,598	514,678	517,817	578,663
Equity											
Reserves	247,194	278,685	278,635	278,543	319,790	320,216	320,514	370,008	370,081	370,181	429,732
Retained earnings	135,466	137,493	139,369	142,011	142,353	142,329	142,758	143,590	144,597	147,635	148,931
	382,661	416,179	418,004	420,554	462,144	462,546	463,272	513,598	514,678	517,817	578,663

The opening balances for the 2018 year have been adjusted to more accurately reflect the current financial position of the Gore District Council.

PROSPECTIVE CASH FLOW STATEMENT 30 June 2018 - 2028

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities											
Receipts from rates revenue	15,554	16,383	17,242	17,953	18,949	19,697	20,360	21,022	21,649	22,293	23,230
Receipts from other revenue	3,250	4,247	5,139	4,410	3,919	3,891	3,985	4,070	4,161	4,176	4,434
Subsidies and grants	3,203	4,238	3,065	5,017	3,086	3,160	3,235	3,315	3,400	5,421	3,587
Interest received	98	100	102	104	106	109	111	114	116	119	122
Payments to suppliers and employees	(15,673)	(16,826)	(16,924)	(17,621)	(17,975)	(18,289)	(18,638)	(18,960)	(19,406)	(20,053)	(20,605)
Finance costs	(901)	(833)	(1,093)	(1,467)	(1,730)	(1,757)	(1,775)	(1,769)	(1,729)	(1,727)	(1,685)
Net cash inflow/ (outflow) from operating activities	5,531	7,307	7,531	8,396	6,356	6,811	7,278	7,792	8,191	10,229	9,081
Cash flows from investing activities											
Receipts from maturity of other financial assets	-	-	-	-	-	-	-	-	-	-	-
Receipts from sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment	(9,013)	(13,915)	(13,692)	(13,014)	(6,984)	(6,756)	(6,876)	(6,727)	(8,055)	(9,425)	(6,921)
Purchase of other financial assets	-	-	-	-	-	-	-	-	-	-	-
Net cash inflow/ (outflow) from investing activities	(9,013)	(13,915)	(13,692)	(13,014)	(6,984)	(6,756)	(6,876)	(6,727)	(8,055)	(9,425)	(6,921)
Cash flows from financing activities											
Proceeds from borrowings	4,148	8,434	9,115	6,491	2,210	1,917	2,193	1,771	3,391	2,575	2,146
Repayment of borrowings	(636)	(2,007)	(2,974)	(1,966)	(1,686)	(1,572)	(2,304)	(2,579)	(3,430)	(3,418)	(3,902)
Net cash inflow / (outflow) from financing activities	3,512	6,446	6,141	4,525	524	345	(111)	(808)	(39)	(843)	(1,756)
Net increase (decrease) in Cash and cash equivalents	30	(162)	(20)	(93)	(104)	400	291	257	97	(39)	404
Cash and cash equivalents at the beginning of the financial year	3,201	3,231	3,069	3,049	2,956	2,852	3,252	3,543	3,800	3,897	3,858
Cash and cash equivalents at the end of the financial year	3,231	3,069	3,049	2,956	2,852	3,252	3,543	3,800	3,897	3,858	4,262

The opening cash balance for the 2018 year has been adjusted to more accurately reflect the current financial position of the Gore District Council.



RECONCILIATION BETWEEN ALL OF COUNCIL FUNDING IMPACT STATEMENT AND FINANCIAL STATEMENTS 30 June 2018 - 2028

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue											
Total operating revenue per Statement of comprehensive revenue and expense	22,105	25,214	25,568	27,646	25,928	26,939	27,755	28,587	29,395	32,244	31,294
Less											
NZTA Subsidy received for capital expenditure	(1,925)	(2,879)	(1,677)	(3,598)	(1,635)	(1,675)	(1,715)	(1,758)	(1,803)	(3,782)	(1,904)
Net change in fair value of financial assets carried at fair value through profit or loss (Interest rate swaps)	-	-	-	-	-	-	-	-	-	-	-
Net change in fair value of available for sale assets carried at fair value through profit or loss (Shares)	-	-	-	-	-	-	-	-	-	-	-
Assets vested in Council	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
	(1,925)	(2,879)	(1,677)	(3,598)	(1,635)	(1,675)	(1,715)	(1,758)	(1,803)	(3,782)	(1,904)
Total operating revenue per all of Council Funding Impact Statement	20,180	22,335	23,891	24,048	24,293	25,264	26,040	26,829	27,591	28,462	29,390
Expenditure											
Total operating expenditure per Statement of comprehensive revenue and expense	21,643	23,298	23,742	25,096	25,906	26,537	27,029	27,491	28,314	29,106	29,735
Less											
Depreciation	(5,069)	(5,442)	(5,675)	(5,847)	(6,118)	(6,435)	(6,558)	(6,703)	(7,086)	(7,231)	(7,380)
Decrease in investments	-	-	-	-	-	-	-	-	-	-	-
	(5,069)	(5,442)	(5,675)	(5,847)	(6,118)	(6,435)	(6,558)	(6,703)	(7,086)	(7,231)	(7,380)
Total operating expenditure per all of Council Funding Impact Statement	16,574	17,856	18,067	19,249	19,788	20,102	20,471	20,788	21,228	21,875	22,355

ANNUAL DEPRECIATION BY GROUP OF ACTIVITIES 30 June 2018 - 2028

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Water	529	534	525	598	649	685	694	703	749	757	765
Wastewater	717	1,048	1,090	1,100	1,120	1,198	1,212	1,245	1,333	1,384	1,395
Stormwater	350	351	369	378	386	410	439	455	485	498	514
Roading	2,232	2,281	2,403	2,466	2,530	2,698	2,760	2,851	3,060	3,123	3,229
Other district assets including Solid Waste and Civil Defence	166	170	172	172	172	172	172	172	172	172	172
Community services - Arts & Heritage, Libraries, Promotions and Grants	155	166	201	201	225	225	225	225	225	225	225
Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation	741	702	725	736	840	851	860	856	866	875	885
Regulatory and Planning	42	46	46	52	52	52	52	52	52	52	52
Democracy and Administration	137	144	144	144	144	144	144	144	144	144	144
Total annual depreciation	5,069	5,442	5,675	5,847	6,118	6,435	6,558	6,703	7,086	7,230	7,381

INTEREST RATE SENSITIVITY ANALYSIS 30 June 2018 - 2028

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impact on Finance costs if interest rates changed by 2%	347	476	599	689	699	699	706	704	688	687	670

Other Matters

The prospective financial statements were authorised for issue on 30 June 2018 by the Council of the Gore District Council with the sole purpose of preparing the 2018 Long Term Plan. These statements may not be appropriate for other purposes.

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

No actual financial results are incorporated and in the prospective financial statements. It is not intended to update the prospective financial statements subsequent to presentation. The prospective financial statements comply with PBE FRS 42.

Cautionary Note

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

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Gore District Council ("the Council" or "GDC") is a local territorial authority governed by the Local Government Act 2002 and the Local Government (Ratings) Act 2002. It is domiciled and operates in New Zealand. 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 (PBE) for the purposes of Financial Reporting.

Basis of Preparation

The preparation of financial statements in conformity with New Zealand equivalents to International Public Sector Accounting Standards (NZ IPSAS) requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods if the revision affects both current and future periods.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The financial statements are presented in New Zealand dollars, due to rounding to the nearest thousand dollars (\$000), the notes may not reconcile to the statements by \$1,000. New Zealand dollars are the Council's functional currency.

Comparative figures may be reclassified to reconcile with additional disclosures made in the current financial year.

Statement of Compliance

These financial statements of the Gore District Council have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The Council is a Tier 2 reporting entity but has elected to report under Tier 1.

These financial statements comply with PBE Standards.

Standards and Interpretations Effective in the Current Period

There were no new or revised Standards or Interpretations effective in the current period that had a material impact on this annual report.

Standards Issued and not yet Effective and not early Adopted

In January 2017 the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual period beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing the 30 June 2022 financial statements. The Council and Group have not yet assessed the effects of the new standard.

SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

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

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

Rates Revenue

Rates revenue is recognised when it is levied.

Other Revenue

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

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

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

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

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

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

Other Grants 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.

Revenue from exchange and non-exchange transactions

PBE standards distinguish between revenue from exchange and revenue from non-exchange transactions. These two types of revenue are accounted for under two different accounting standards. PBE IPSAS 9 provides guidance on accounting for revenue from exchange transactions, and PBE IPSAS 23 provides guidance on accounting for revenue from non-exchange transactions.

Professional judgement has been exercised in determining whether the substance of a transaction is that of a non-exchange or an exchange transaction.

The Council discloses the revenue from exchange transactions and revenue from non-exchange transactions separately. The Council has also disclosed separately the trade and other receivables and trade and other payables associated with exchange and non-exchange transactions.

The sale of goods and the rendering of services are normally classified as exchange transactions. If, however, the transaction is conducted at a subsidised price, that is, a price that is not approximately equal to the fair value of the goods or services sold, that transaction falls within the definition of a non-exchange transaction.

Fees received from the following activities are recognised as revenue from exchange transactions:

- Airport lease revenue
- Resource consent revenue

Non-exchange revenue from grants is deferred and recognised as a liability if there is a condition attached to the grant that requires the Council to use the grant as specified by the grantor or return of the cash (or other resources transferred under the grant) if the entity does not perform as specified.

Other Gains and Losses

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Grant Expenditure

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Leasing

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

Leases where the lessor effectively substantially retains 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 recognised in surplus as a reduction or rental expense over the lease term.

Borrowing costs

All borrowing costs are recognised in the statement of comprehensive revenue and expense in the period in which they are incurred.

Taxation

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

Goods and services tax

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

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

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

Cash and cash equivalents

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

Financial instruments

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

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

(i) Financial assets

Financial Assets are classified into the following specified categories: financial assets 'at fair value through surplus or deficit', '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 surplus or deficit

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

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

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

Held to maturity investments

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

Available for sale financial assets

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

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

Loans and receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. An allowance for doubtful debts is established when there is

objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is expensed in the surplus for the period.

Loans, including loans to community organisations made by Council at nil, or below market interest rates are initially recognised at the present value of their expected future cash flows and discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus for the period as a grant.

Short-term deposits are included within this classification.

Impairment of financial assets

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

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

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

(ii) Financial liabilities

Trade and other payables

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

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

Borrowings

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

(iii) Derivative financial instruments

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

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

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

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

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

Fair value estimation

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

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

Embedded derivatives

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

Inventories

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

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

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

Property, plant and equipment

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

(a) Operational Assets

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

(b) Infrastructural Assets

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

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

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

Cost/valuation

Property, plant and equipment, are 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 at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

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

Revaluation

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

- Land and buildings have been valued by Quotable Value Limited (Registered Valuers) at market value or depreciated replacement cost as at 30 June 2016. Subsequent additions are recognised at cost. Land and buildings are re-valued every three years.
- Infrastructural assets (except for land under roads) have all been valued at depreciated replacement cost by Opus International Consultants Limited as at 30 June 2016. Subsequent additions are recognised at cost. Infrastructural assets are re-valued every 3 years.

All valuations are carried out or reviewed by independently 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 to 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 revenue and expense) for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus for the period.

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

Depreciation

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

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

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

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

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

Disposal

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

Any gain or loss arising on 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 or deficit for the period in the period the asset is derecognised.

Impairment of non-financial assets

At each reporting date, the Council reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent of 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. The value in use is depreciated replacement cost of an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

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

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

SUPERANNUATION SCHEMES

Defined Contribution Schemes

Contributions to defined contribution superannuation schemes are expensed when incurred.

Provisions

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

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

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

Landfill Post Closure Costs

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

The provision is measured based on the future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with the landfill closure.

Amounts provided for the landfill post-closure are capitalised to the landfill asset. Components of this are depreciated over their useful lives.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

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 the Council and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the Council.

Equity

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

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

The components of equity are:

- Retained earnings
- Available for sale revaluation reserve
- Asset revaluation reserve
- Restricted reserves
- Council created reserves

Reserves

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

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

Budget figures

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

Allocation of overheads

Corporate overheads for central and engineering administration have been allocated to the other significant activities in the funding impact statements and statement of comprehensive revenue and expense. 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:

- Infrastructural Assets

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

- The physical deterioration and condition of an asset, for example, the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example, stormwater, wastewater and water supply pipes that are underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates of 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 underestimating the annual depreciation charge recognised as an expense in the Statement of comprehensive revenue and expense. 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 2017:

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.

Significant Forecasting Assumptions

Schedule 10 (Section 17) of the Local Government Act 2002 Amendment Act 2010 contains provisions relating to significant forecasting assumptions. The Act requires that the Council identifies the significant forecasting assumptions and risks underlying the financial estimates. Where there is a high level of uncertainty, the Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions.

The Council has made a number of assumptions in preparing this 10 Year Plan. These assumptions are necessary as the planning term for the 10 Year Plan is 10 years and the assumptions ensure that all estimates and forecasts are made on the same basis.

If these assumptions are not accurate they may lead to a material departure from the information in the prospective financial statements.

SIGNIFICANT ASSUMPTIONS

Stated Assumption	Risk	Level of uncertainty (June 2018)	Financial materiality	Potential Impact/ Consequence if Assumption wrong
<p>Inflation – The prospective financial information is based on the following adjustments for inflation. The Council has used the BERL forecasts of price level changes to calculate the inflation rate for each year of the plan. Note - the rate differs slightly for each core activity within the following ranges:</p> <p>Year 1 1.6% - 2.3%</p> <p>Year 2 1.6% - 2.5%</p> <p>Year 3 1.6% - 2.3%</p> <p>Year 4 1.7% - 2.4%</p> <p>Year 5 1.8% - 2.4%</p> <p>Year 6 1.8% - 2.5%</p> <p>Year 7 1.9% - 2.6%</p> <p>Year 8 1.9% - 2.6%</p> <p>Year 9 2.0% - 2.7%</p> <p>Year 10 2.1% - 2.8%</p>	<p>That actual inflation will be significantly different from assumed inflation.</p>	<p>Low Years (1-3)</p> <p>Medium Years (4-10)</p>	<p>Low Years (1-3)</p> <p>Medium Years (4-10)</p>	<p>Inflation is affected by external economic factors.</p> <p>The Council's costs and the income required to fund those costs will increase by the rate of inflation unless efficiency gains can be made.</p> <p>While individual cost indices will at times vary from what has been included in this plan, the Council has relied on the Reserve Bank use of monetary controls to keep inflation within the 1.5 to 3% range.</p>
<p>Interest Expense – Interest on externally borrowed term debt is calculated as follows:</p> <p>Year 1 4.50%</p> <p>Year 2 4.75%</p> <p>Year 3-10 5.00%</p>	<p>That interest rates will change from those used in the calculations.</p> <p>A sensitivity analysis is included in the financial statements section.</p>	<p>High</p>	<p>Medium</p>	<p>Interest rates on borrowed funds are largely influenced by factors external to the New Zealand economy.</p> <p>The financial materiality is assessed as "Medium" due to interest and principal payments being calculated in unison i.e. if one component increases the other decreases accordingly.</p> <p>The impact of rates increasing/ decreasing 2% have been quantified as part of the notes to the prospective financial statements.</p>

Stated Assumption	Risk	Level of uncertainty (June 2015)	Financial materiality	Potential Impact/ Consequence if Assumption wrong
<p>Interest Received – Interest received has been factored into the plan as investments covering funds for selected special reserves. No other investments are anticipated with debt repayment the main priority.</p>	<p>That the banking institutions holding the investments do not maintain their liquidity.</p>	Low	Low	<p>Investments are held with reputable financial institutions which Council staff monitors regularly.</p> <p>The financial materiality is assessed as “Low” as the interest earned is retained with the core Special Reserve and is not used to fund ongoing operations.</p> <p>Funds are not locked in for long periods of time which allows greater flexibility to move funds across various institutions.</p> <p>Failure of a financial institution may result in the Council having to raise the funds to keep the special reserve funds intact.</p>
<p>Insurance - that an appropriate level of insurance will be secured by the Council. Underground assets will be insured by the Local Authority Protection Plan (LAPP) Sufficient emergency funding will be available from NZTA for damage to roading assets caused by extraordinary events.</p>	<p>The Local Government New Zealand –led review may change insurance arrangements</p>	Low	Low	<p>The Council’s assets may not be able to be insured in a similar manner to the current approach and different options will need to be considered. This may include establishing reserve funds and higher excess sums.</p>
<p>Insurance - that increases in Insurance Premiums will be similar to increases in inflation.</p>	<p>There is a risk that insurance premiums will rise more rapidly than expected</p>	Medium	Low	<p>Premiums will exceed to budget allocation and savings will be required in insurance policies or funds will need to be reallocated from other areas of expenditure.</p>
<p>Debt Repayment – Debt is repaid through scheduled repayments, and for infrastructure assets will also be repaid from surplus depreciation funds.</p> <p>In years 5 – 10, extra debt repayments will be made on loans for infrastructure.</p>	<p>That operating budgets are exceeded, leaving no funds for budgeted loan repayments.</p> <p>That the surpluses in depreciation funding do not occur as forecast to repay debt.</p>	Low	Medium	<p>If debt is not able to be repaid as forecast then the impact will be higher interest costs and extended loan terms.</p>

Stated Assumption	Risk	Level of uncertainty (June 2015)	Financial materiality	Potential Impact/ Consequence if Assumption wrong
<p>Revaluation -These projections include a three yearly estimate to reflect the change in asset valuations. The Council has assumed that asset values will increase at the rate of inflation projected in the BERL estimates.</p>	<p>There is a risk that there will be an increase (or decrease) in the value of assets beyond that expected.</p>	<p>Years 1 – 3 Low</p> <p>Years 4 -10 Medium</p>	<p>Years 1 – 3 Low</p> <p>Years 4 -10 Medium</p>	<p>The costs for funding depreciation will be greater (or less than) than that budgeted.</p>
<p>Depreciation on planned asset acquisitions – Depreciation rates are based on professional advice and calculated based on its useful life. Refer to the statement of accounting policies for further information.</p>	<p>There is a risk that there will be an increase (or decrease) in the value of assets beyond that expected.</p>	<p>Low</p>	<p>Low</p>	<p>The costs for funding depreciation will be greater (or less than) than that budgeted.</p>
<p>Sources of funds for future replacement of significant assets</p> <p>It is assumed that funding for the replacement of significant assets will be obtained from appropriate sources as set out in the Council’s Revenue and Financing Policy.</p>	<p>There is a risk that the Policy does not cover future circumstances adequately.</p>	<p>Low</p>	<p>Low</p>	<p>The costs for funding replacement of significant assets will be greater (or less than) than that budgeted.</p>
<p>New Zealand Transport Agency (NZTA) requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs. The NZTA subsidy the Council has used in the LTP is 55%. At the time of writing NZTA proposed that there may be additional funding for footpath works. However, as this funding has not been confirmed, this 10 Year Plan excludes any additional funding for footpath works from NZTA.</p>	<p>Changes in subsidy rate and variation in criteria for inclusion in subsidised works programme.</p>	<p>Years 1 – 3 Low</p> <p>Years 4 -10 Medium</p>	<p>Years 1 – 3 Low</p> <p>Years 4 -10 Medium</p>	<p>NZTA funding priorities may change.</p>

Stated Assumption	Risk	Level of uncertainty (June 2015)	Financial materiality	Potential Impact/ Consequence if Assumption wrong
Resource consents - Conditions of resource consents held by the Council will not be altered significantly.	There is a risk that existing consent conditions will be revised, or that the condition in new consents will be more onerous than expected	Moderate	Low	If conditions are more onerous greater costs may be involved in complying with conditions or obtaining consents.
Legislation - The Long Term Plan assumes that existing Legislation will remain in place and that the structure and responsibilities of the Council will remain the same over the period covered by the Long Term Plan.	There is a risk that legislative change will bring about changes to the responsibilities of the Council.	Moderate	Low	If legislative responsibilities change, it may increase or reduce the Council's expenditure and income and associated rate levels.
Earthquake Prone Building - Presently only the Gallery building and Civic Administration building require earthquake strengthening.	That other buildings may be assessed as earthquake prone and that addressing issuing arising from earthquake prone buildings may not be able to be addressed within normal resources.	Low	Moderate	The Council will require additional resources to undertake inspections; or will be required to upgrade buildings where upgrades were not forecast. The Council will have to borrow additional funds to finance the earthquake strengthening requirements.
External factors - There will be no unexpected changes to legislation or other external factors that alter the nature of services provided by the Council.	There is a risk that there will be changes to legislation affecting Local Government and/or Service Delivery	Medium	Low	Changes may require amendment to Council's Governance or Management regimes, or to the service delivery standards or mechanisms.
Effects of climate change - The Council will need to be flexible to respond either to an increasing or decreasing emphasis by Central Government on climate change. The Council assumes it will maintain its current responsibilities placed on it by Central Government in response to climate change.	There is a risk that there will be requirements placed on Local Governments' actions that were not anticipated.	Medium	Medium	There will be costs associated with ensuring infrastructure and service delivery is more adapted to climate change.
Sources of funds for future replacement of significant assets - It is assumed that funding for the replacement of significant assets will be obtained from the appropriate sources as set out in the Council's Revenue and Financing Policy.	The main risk is that budgets for some capital replacements may not have been included and sources may not meet requirements.	Low	Medium	There is little or no risk that sources of funds for replacement of significant assets will not be achieved. Funding of all asset replacements during the life of the ten year plan has been disclosed.

Stated Assumption	Risk	Level of uncertainty (June 2015)	Financial materiality	Potential Impact/ Consequence if Assumption wrong
<p>Emissions Trading Scheme (ETS) – The legislative requirement under the Climate Change Response Act is for landfill operators to report emissions from January 2013 and surrender units for period January-December 2013 in January 2014 (and yearly after that).</p> <p>The Gore District Council does not directly own the landfill used to dispose of local waste. This is owned and operated by an independent third party who charges the Council for the use of their facilities.</p> <p>With this in mind the Council has prepared this Long Term Plan under the assumption that the only effect that the above law will have on the Council's operations is an indirect increase in the costs for waste disposal to the landfill.</p>	<p>Government policy changes as the result of international protocols changing and placing more obligation on the Council beyond the current affordable level.</p>	<p>Low</p>	<p>Low</p>	<p>Financial impact which will be met by on-charging at the gate</p>
<p>Societal changes –The District will experience slight growth. Initiatives from the Southland Regional Development Strategy and industrial development such as the Mataura Valley Milk plant will continue to attract people to the district. The average age of the population will increase. The arrival of new migrants may create a more diverse society than at present, with more vibrancy, choice, and skill sets.</p> <p>The Council expects no change to level of service from this growth.</p>	<p>Major industry closes or does not perform well. Local young people keep leaving the District and immigration does not continue at the same rate, resulting in a hole in the population.</p>	<p>Low</p>	<p>Low</p>	<p>Population decline and the loss of the youth sector of the population.</p>

Stated Assumption	Risk	Level of uncertainty (June 2015)	Financial materiality	Potential Impact/ Consequence if Assumption wrong
No major adverse events - It assumed that there will be no major adverse events during the period covered by the Gore Long Term Plan, for example, earthquake, pandemic or flood. While events may occur at any time, the Council's planning will focus on operational resilience and supporting Emergency Management Southland.	There is a risk that a major adverse event will occur and result in damage to assets, the disablement of the Council's services, and additional costs to the Council.	High	High	Any major adverse event will have a significant impact on the Council and the community. The Council seeks to mitigate this risk through its Civil Defence, Risk Management and Insurance Policies.
Community Expectations - The expectations of the Gore community for the provision of services provided by the Council will remain similar to current levels	There is a risk of a change in expectation in the community for services and that the targeted level of service becomes inappropriate	Low	Moderate	If there is an increase or reduction in the service/level of service provision, the cost and delivery model may need to be revised.
External Funding - The Council will remain as a member of the Local Government Funding Agency. Existing external borrowing arrangements will continue to be renewed.	Loans would be required to be repaid or refinanced with other lending institutions, most likely at higher interest rates.	Low	High	The Council would need to seek finance from other external sources to finance its long term debt funding. Interest rates could increase by 1% or more.

STATEMENT CONCERNING BALANCING OF THE BUDGET

Section 100 of the Local Government Act 2002 requires Council to ensure that for every year of the 10 Year Plan, its projected operating revenues are set at a level that is sufficient to meet its projected operating expenditure. The Council may set projected operating revenues at a different level from that required, if the Council resolves that it is financially prudent to do so.

The 10 Year Plan meets this test in all ten financial years covered by the plan.

FUNDING IMPACT STATEMENT

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

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

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

The following definitions apply in this funding impact statement:

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

A **“separately used or inhabited part of a rating unit”** includes any portion inhabited or used by the owner or a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.

For the purpose of this definition, vacant land and vacant premises offered or intended for use of habitation by a person other than the owner and usually used as such are defined as ‘used’.

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

Examples of separately used or inhabited parts include:

- A residential, small holding or farmland property that contains two or more fully self-contained units, flats or houses each of which is used separately.
- A commercial premises that contain separate shops, kiosks, other retail or wholesale outlets, or offices, each of which exceeds 16m².

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

- A residential sleep-out or granny flat that is not fully self-contained
- A residential sleep-out or granny flat that is occupied by a family member
- A hotel or hotel room with or without kitchen facilities

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

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

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

A **“utilities”** rating unit is defined as a rating unit used for the provision of post-boxes, energy or telecommunications networks and supporting facilities as described by the category code in the rating information database.

A **“rural”** rating unit is defined as any rating unit outside the Gore or Mataura rating boundary (refer to maps) that is not defined as a utility (above).

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

A **“non-residential”** rating unit is defined as any rating unit that is not classified as residential.

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

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

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

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

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

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

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

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

“240 litre wheelie bins” are the large wheelie bins issued to a rating unit by default in the Gore and Mataura rating boundaries and is the standard collection service.

“80 litre wheelie bins” are the small wheelie bins that can be opted for instead of the 240 litre bins at the discretion of the owner of the rating unit.

The same sources of funding are to be used in all years covered by the 10 Year Plan.

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

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

1. GENERAL RATE

1.1 Value based general rate

The Council will set a general rate of \$0.000434 on all rateable land in the district based on the capital value of the land. The Council does not use differentials on the value based general rate.

1.2 Uniform Annual General Charge

The Council will set a uniform annual general charge on all rateable land in the district, of a fixed amount of \$701.59 per separately used or inhabited part of a rating unit. The Uniform Annual General Charge is calculated to fund that portion of the following activities not funded by the general rate on capital value. For 2018/19, this is:

80.80% of the Elected Members (democracy) activity	38.51% of the Public Conveniences activity
80.80% of the Arts & Heritage activity	80.80% of the Civic Buildings activity
80.80% of the Grants activity (excluding rural fire and Southland regional heritage trust)	80.80% of the Cemeteries activity
18.27% of the Solid Waste Activity	47.56% of the Aquatic facilities activity
47.56% of the MLT Events Centre Activity	80.80% of the Visitor Services activity
47.56% of the Libraries activity	

2. SOUTHLAND REGIONAL HERITAGE TRUST RATE

The Council will set a targeted rate on all rateable land in the district, of a fixed amount per separately used or inhabited part of a rating unit of \$35.61, to fund the Council's contribution to the Southland Regional Heritage Trust.

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

3. TARGETED RATE FOR VARIOUS SPECIFIED ACTIVITIES

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

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

The rate will be set differentially as follows:

Categories of rateable land	Factor(s) for calculating liability	Rate per \$ of capital value (GST inclusive)	Total revenue sought from this category (GST inclusive)
Gore, Residential	Capital value	0.001868	\$1,443,897
Gore, Commercial	Capital value	0.004625	\$802,502
Mataura, Residential	Capital value	0.000819	\$64,896
Mataura, Commercial	Capital value	0.005120	\$25,413
Rural	Capital value	0.000768	\$1,843,547
Heavy Industry 1	Capital value	0.064537	\$23,556
Heavy Industry 2	Capital value	0.012322	\$11,595
Heavy industry 3	Capital value	0.010739	\$217,813
Utilities	Capital value	0.000829	\$38,780

PARKS & RESERVES

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

3.1. Parks & Reserves – Residential

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Gore, Residential	Separately used or inhabited part of a rating unit	\$311.97	\$1,117,017
Mataura, Residential	Separately used or inhabited part of a rating unit	\$244.67	\$194,021

3.2. Parks & Reserves – Commercial

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Commercial, Capital value \$0 – 90,000	Per rating unit	\$450.00	\$29,700
Commercial, Capital value \$90,001 – \$901,000	Capital value	\$0.004938	\$491,499
Commercial, Capital value \$901,001 and above	Per rating unit	\$4,450.00	\$173,550

3.3. Parks & Reserves – Rural

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Rural, Capital value \$0 – \$149,000	Separately used or inhabited part of a rating unit	\$207.97	\$35,458
Rural, Capital value 149,001 and above	Separately used or inhabited part of a rating unit	\$349.79	\$503,172

4. URBAN WATER SUPPLY

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

4.1. Water rate

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Connected, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$325.44	\$1,587,167
Serviceable, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$162.72	\$32,707

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

5. ADDITIONAL WATER RATE

A targeted rate of \$325.44 will be set for all land defined as non-residential which is connected to the Gore or Mataura water scheme, of a fixed amount per connection after the first connection (i.e. for the second and each additional water connection).

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

6. WASTEWATER AND STORMWATER

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

6.1. Wastewater and stormwater rate

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Connected, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$427.47	\$2,047,566
Serviceable, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$213.73	\$41,251
Connected, Waikaka scheme	Separately used or inhabited part of a rating unit	\$131.44	\$6,046
Serviceable, Waikaka scheme	Separately used or inhabited part of a rating unit	\$65.72	\$263
Connected, Pukerau scheme	Separately used or inhabited part of a rating unit	\$98.58	\$4,831

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

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

6.2. Additional wastewater and stormwater rate

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Connected, Gore or Mataura scheme, Short term accommodation	number of water closets or urinals after the first	\$213.73	\$18,809
Connected, Gore or Mataura scheme, Educational institutions	number of water closets or urinals after the first. The number of water closets or urinals will be assessed on the basis of 6.25% of the total number of staff and pupils at each establishment.	\$427.47	\$55,998
Connected, Gore or Mataura scheme, All other non-residential rating units (excluding educational institutions).	number of water closets or urinals after the first	\$427.47	\$342,828
Connected, Waikaka scheme, non-residential (excluding educational institutions).	number of water closets or urinals after the first	\$131.44	\$526

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

7. OTAMA WATER SCHEME

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

7.1. Water Unit

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

7.2. Water connection

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

8. SOLID WASTE RATE

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

Wheelie bin service area, Vacant land, (unserviced)	Separately used or inhabited part of a rating unit	\$71.81	\$12,997
Wheelie bin service area, Receiving 80ltr wheelie bins	Separately used or inhabited part of a rating unit	\$247.07	\$98,826
Wheelie bin service area, All other rating units (240ltr wheelie bins)	Separately used or inhabited part of a rating unit	\$293.77	\$1,280,522

9. COMMUNITY HALL RATE

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Brydone hall area	Separately used or inhabited part of a rating unit	\$24.22	\$509
Mandeville hall area	Separately used or inhabited part of a rating unit	\$46.00	\$1,380
Otama hall area	Rating unit	\$80.50	\$4,106
Pukerau hall area	Separately used or inhabited part of a rating unit	\$36.00	\$3,636
Tuturau hall area	Separately used or inhabited part of a rating unit	\$34.86	\$314
Waikaka hall area	Separately used or inhabited part of a rating unit	\$48.00	\$7,776
Knapdale hall area	Separately used or inhabited part of a rating unit	\$57.50	\$3,623

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

RATING COMPARISONS

Examples of 2018/19 Proposed Rates (GST Inclusive)

Category	Capital Value	UAGC	Regional Heritage	General Rate	Ward Rate	Parks & Reserves	Water	Solid Waste	Wastewater & Stormwater	Heavy Industry	Total Proposed Rates 2018/19	Total 2017/18	% Increase	Rates change \$ annually	Rates change \$ weekly
Gore Residential	50,000	702	36	22	93	312	325	294	427		\$ 2,211	\$ 2,093	5.62%	\$ 118	\$ 2
Gore Residential	150,000	702	36	65	280	312	325	294	427		\$ 2,441	\$ 2,311	5.65%	\$ 131	\$ 3
Gore Residential	250,000	702	36	108	467	312	325	294	427		\$ 2,671	\$ 2,528	5.67%	\$ 143	\$ 3
Gore Residential	375,000	702	36	163	701	312	325	294	427		\$ 2,969	\$ 2,800	5.70%	\$ 159	\$ 3
Gore Residential	500,000	702	36	217	934	312	325	294	427		\$ 3,247	\$ 3,071	5.72%	\$ 176	\$ 3
Gore Residential	650,000	702	36	282	1,214	312	325	294	427		\$ 3,592	\$ 3,397	5.74%	\$ 195	\$ 4
Mataura Residential	15,000	702	36	7	12	245	325	294	427		\$ 2,047	\$ 1,936	5.76%	\$ 112	\$ 2
Mataura Residential	45,000	702	36	20	37	245	325	294	427		\$ 2,085	\$ 1,971	5.79%	\$ 114	\$ 2
Mataura Residential	75,000	702	36	33	61	245	325	294	427		\$ 2,123	\$ 2,006	5.82%	\$ 117	\$ 2
Mataura Residential	140,000	702	36	61	115	245	325	294	427		\$ 2,204	\$ 2,082	5.87%	\$ 122	\$ 2
Mataura Residential	230,000	702	36	100	188	245	325	294	427		\$ 2,317	\$ 2,187	5.94%	\$ 130	\$ 2
Mataura Residential	340,000	702	36	148	279	245	325	294	427		\$ 2,455	\$ 2,316	6.01%	\$ 139	\$ 3
Gore Commercial	40,000	702	36	17	185	450	325	294	427		\$ 2,436	\$ 2,323	4.87%	\$ 113	\$ 2
Gore Commercial	150,000	702	36	65	694	741	325	294	427		\$ 3,283	\$ 3,113	5.46%	\$ 170	\$ 3
Gore Commercial	250,000	702	36	108	1,156	1,235	325	294	427		\$ 4,283	\$ 4,068	5.29%	\$ 215	\$ 4
Gore Commercial	400,000	702	36	174	1,850	1,975	325	294	427		\$ 5,783	\$ 5,500	5.14%	\$ 283	\$ 5
Gore Commercial	700,000	702	36	304	3,237	3,457	325	294	427		\$ 8,782	\$ 8,364	4.99%	\$ 418	\$ 8
Gore Commercial	1,400,000	702	36	608	6,475	4,450	325	294	427		\$ 13,316	\$ 12,847	3.66%	\$ 470	\$ 9
Mataura Commercial	15,000	702	36	7	77	450	325	294	427		\$ 2,317	\$ 2,206	5.04%	\$ 111	\$ 2
Mataura Commercial	45,000	702	36	20	230	450	325	294	427		\$ 2,484	\$ 2,356	5.43%	\$ 128	\$ 2
Mataura Commercial	95,000	702	36	41	486	469	325	294	427		\$ 2,781	\$ 2,606	6.68%	\$ 174	\$ 3
Mataura Commercial	165,000	702	36	72	845	815	325	294	427		\$ 3,515	\$ 3,288	6.90%	\$ 227	\$ 4
Mataura Commercial	380,000	702	36	165	1,946	1,876	325	294	427		\$ 5,771	\$ 5,382	7.22%	\$ 388	\$ 7
Mataura Commercial	600,000	702	36	260	3,072	2,963	325	294	427		\$ 8,079	\$ 7,525	7.36%	\$ 554	\$ 11

Examples of 2018/19 Proposed Rates (GST Inclusive) continued...

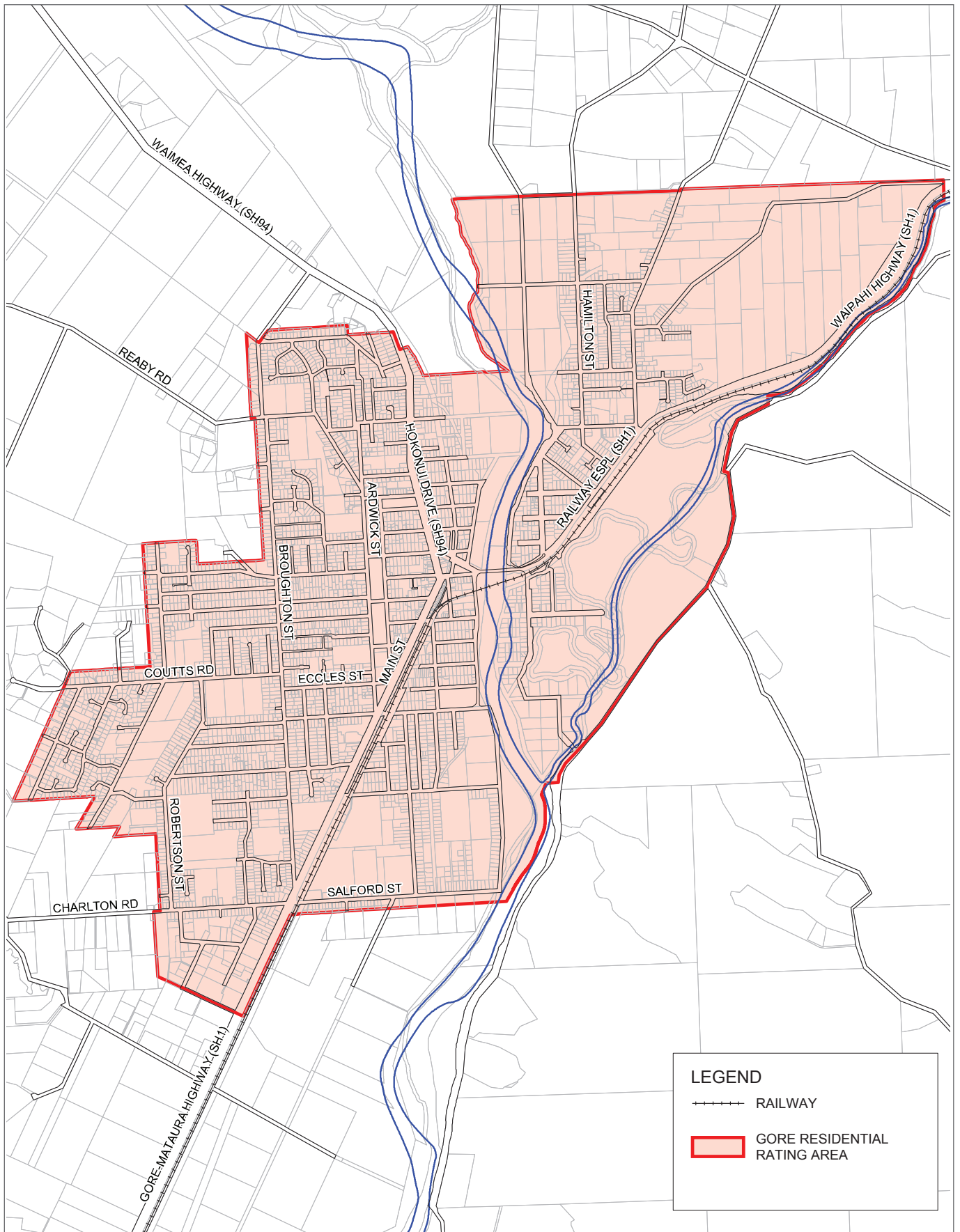
Category	Capital Value	UAGC	Regional Heritage	General Rate	Ward Rate	Parks & Reserves	Water	Solid Waste	Wastewater & Stormwater	Heavy Industry	Total Proposed Rates 2018/19	Total 2017/18	% Increase	Rates change \$ annually	Rates change \$ weekly
Rural	100,000	702	36	43	77	208	-	-	-	-	\$ 1,065	\$ 1,014	5.06%	\$ 51	\$ 1
Rural	400,000	702	36	174	307	346	-	-	-	-	\$ 1,564	\$ 1,502	4.17%	\$ 63	\$ 1
Rural	800,000	702	36	347	615	346	-	-	-	-	\$ 2,045	\$ 1,963	4.17%	\$ 82	\$ 2
Rural	1,650,000	702	36	716	1,268	346	-	-	-	-	\$ 3,067	\$ 2,944	4.17%	\$ 123	\$ 2
Rural	2,500,000	702	36	1,085	1,920	346	-	-	-	-	\$ 4,089	\$ 3,925	4.17%	\$ 164	\$ 3
Rural	3,500,000	702	36	1,519	2,689	346	-	-	-	-	\$ 5,291	\$ 5,079	4.17%	\$ 212	\$ 4
Rural	5,500,000	702	36	2,387	4,225	346	-	-	-	-	\$ 7,695	\$ 7,388	4.17%	\$ 308	\$ 6
Rural	7,500,000	702	36	3,255	5,761	346	-	-	-	-	\$ 10,100	\$ 9,696	4.17%	\$ 404	\$ 8
Rural	9,000,000	702	36	3,906	6,914	346	-	-	-	-	\$ 11,903	\$ 11,427	4.17%	\$ 476	\$ 9
Heavy Industry 1	365,000	702	36	158	-	-	325	294	855	23,556	\$ 25,926	\$ 24,424	6.15%	\$ 1,502	\$ 29
Heavy Industry 2	941,000	702	36	408	-	-	976	294	1,282	11,595	\$ 15,293	\$ 14,407	6.15%	\$ 886	\$ 17
Heavy Industry 3	20,283,000	2,806	142	8,803	-	-	1,627	1,175	35,052	217,813	\$ 267,419	\$ 251,925	6.15%	\$ 15,493	\$ 298

Funding Impact Statement - Council Wide

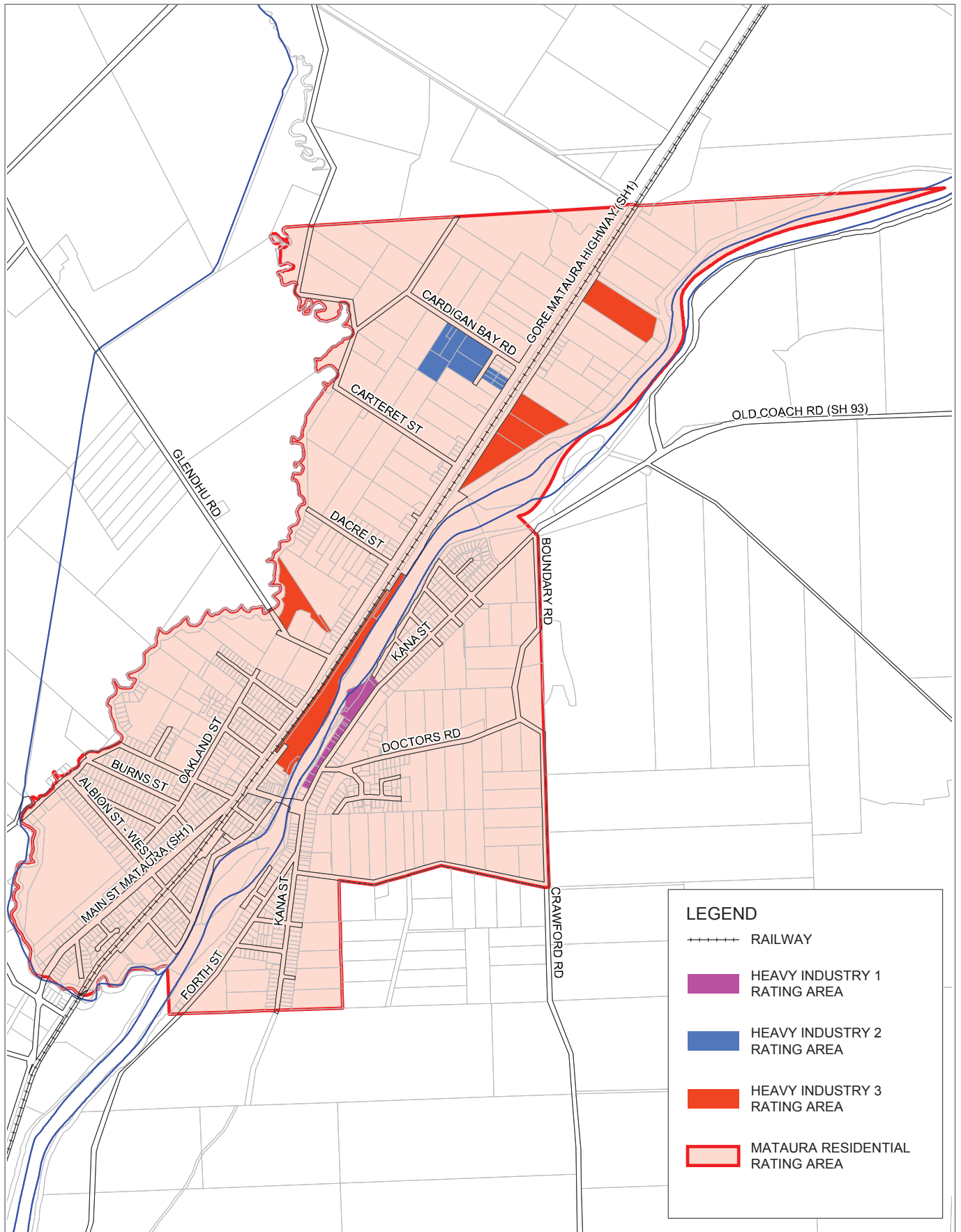
2017/18
Annual
Plan

	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
Sources of operating funding										
General rates, uniform annual general charge, rates penalties	4,917	5,332	5,510	5,729	6,361	6,478	6,567	6,568	6,799	7,007
Targeted rates	10,732	11,272	11,841	12,407	13,483	14,023	14,599	15,227	15,727	16,303
Subsidies and grants for operating purposes	1,278	1,359	1,389	1,419	1,485	1,520	1,558	1,597	1,639	1,683
Fees and charges	2,959	3,360	3,422	3,469	3,609	3,686	3,765	3,849	3,938	4,030
Local authorities fuel tax, fines, infringement fees, and other receipts	196	912	1,627	920	218	223	228	233	239	245
Interest and dividends from investments	98	100	102	104	109	111	114	116	119	122
Total operating funding (A)	20,180	22,335	23,891	24,048	25,264	26,040	26,829	27,591	28,462	29,390
Applications of operating funding										
Payments to staff and suppliers	15,060	16,383	16,357	17,151	17,697	18,042	18,354	18,824	19,464	19,975
Finance costs	901	833	1,093	1,467	1,757	1,775	1,769	1,729	1,727	1,685
Other operating funding applications	613	640	617	631	648	655	665	674	684	694
Total applications of operating funding (B)	16,574	17,856	18,067	19,249	20,102	20,471	20,788	21,228	21,875	22,355
Surplus (deficit) of operating funding (A-B)	3,606	4,479	5,824	4,798	5,162	5,569	6,041	6,364	6,586	7,036
Sources of capital funding										
Subsidies and grants for capital expenditure	1,925	2,879	1,677	3,599	1,675	1,715	1,758	1,803	3,782	1,904
Development and financial contributions	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	3,512	6,446	6,141	4,524	345	(111)	(808)	(39)	(843)	(1,756)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	5,437	9,325	7,818	8,123	2,020	1,604	949	1,765	2,939	148
Applications of capital funding										
Capital expenditure to meet additional demand	553	1,969	689	24	25	26	26	27	28	28
Capital expenditure to replace existing assets	5,009	6,630	7,589	7,363	4,752	4,407	4,679	4,341	4,720	4,347
Capital expenditure to improve the level of service	3,451	5,317	5,414	5,626	1,979	2,443	2,021	3,687	4,678	2,546
Increase (decrease) in reserves	30	(111)	(50)	(92)	426	298	264	73	100	263
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	9,043	13,804	13,642	12,921	7,182	7,173	6,990	8,128	9,525	7,184
Surplus (deficit) of capital funding (C-D)	(3,606)	(4,479)	(5,824)	(4,798)	(5,162)	(5,569)	(6,041)	(6,364)	(6,586)	(7,036)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-

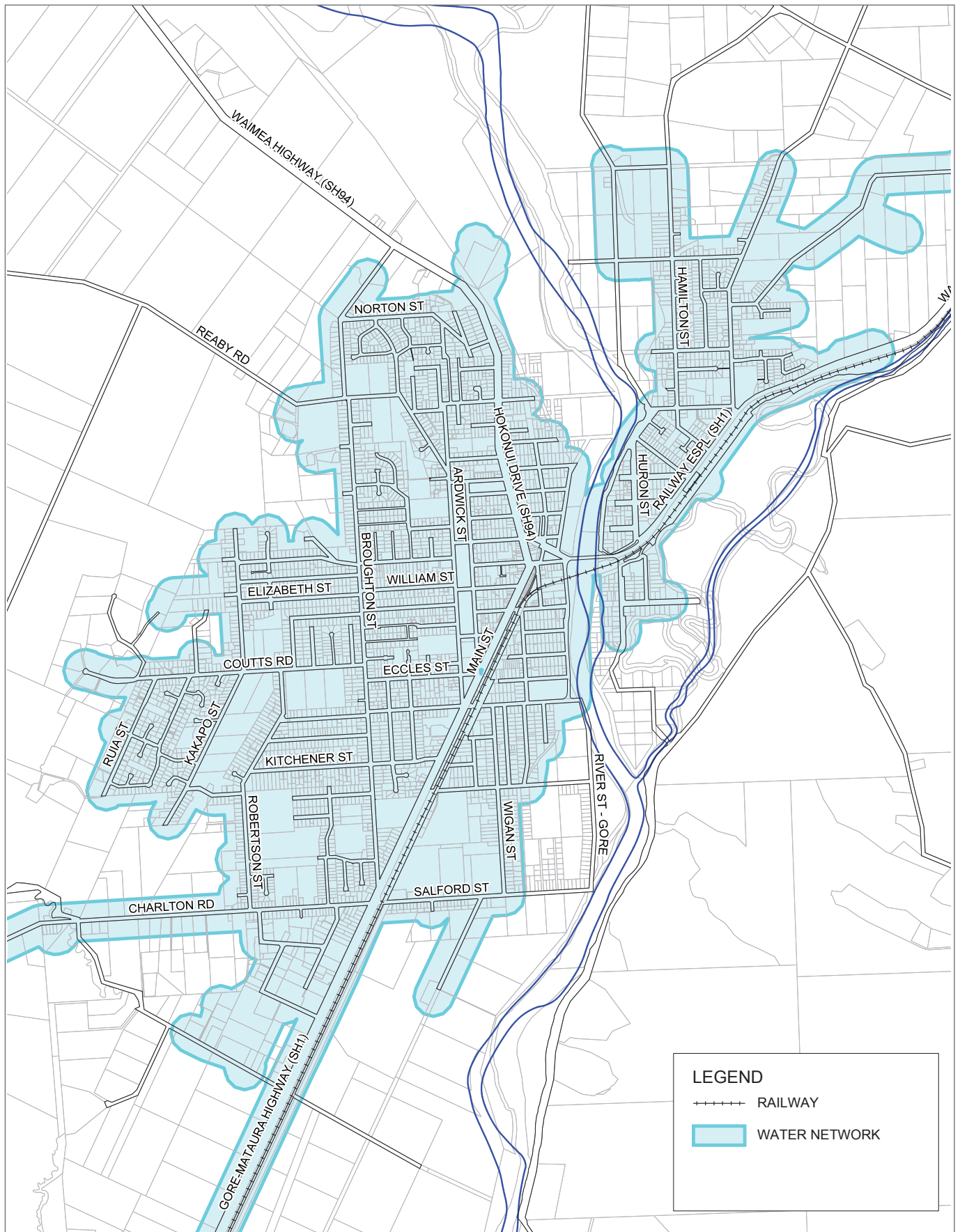
GORE RESIDENTIAL RATING AREA



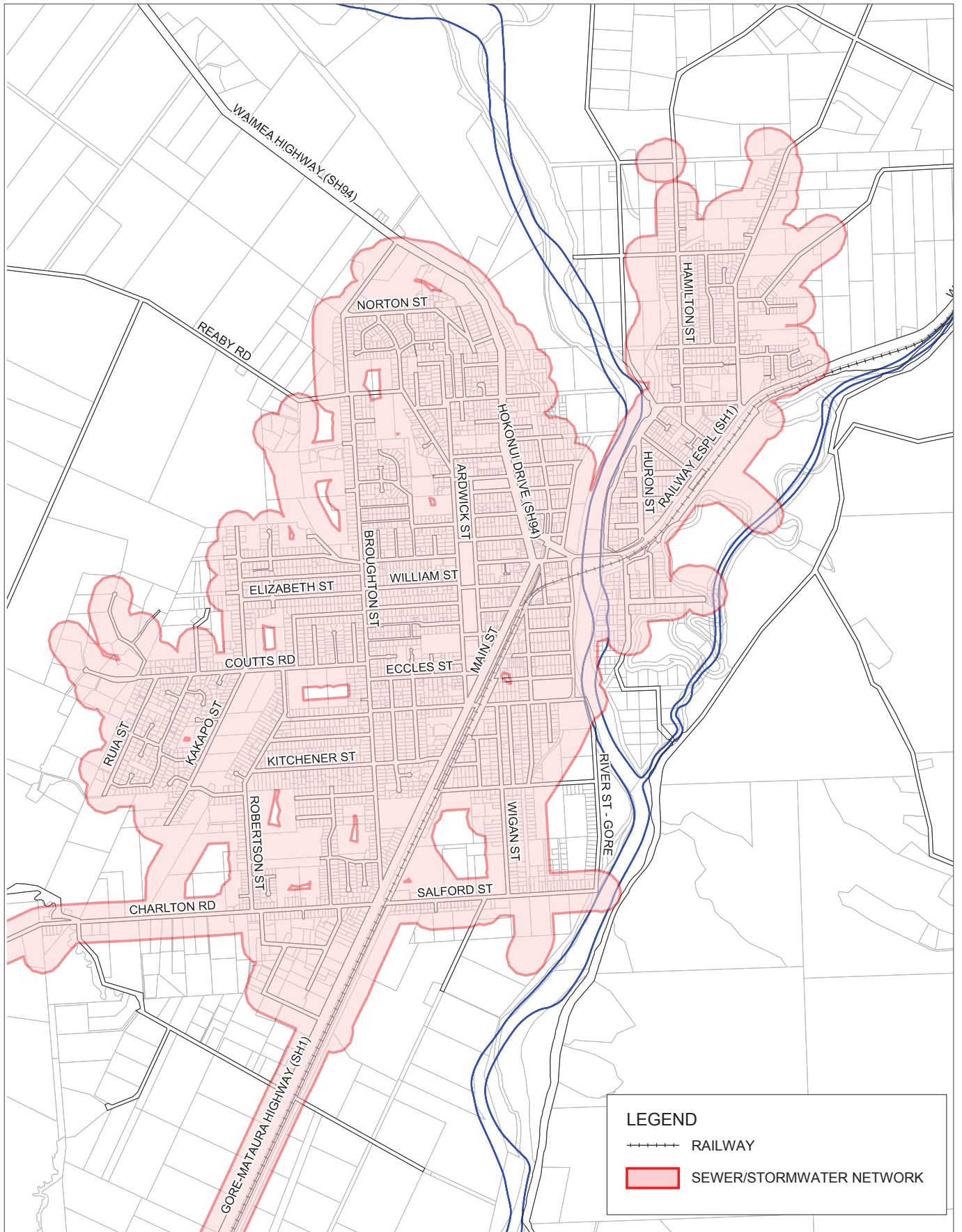
MATAURA RESIDENTIAL RATING ARE AND HEAVY INDUSTRIAL RATING AREA



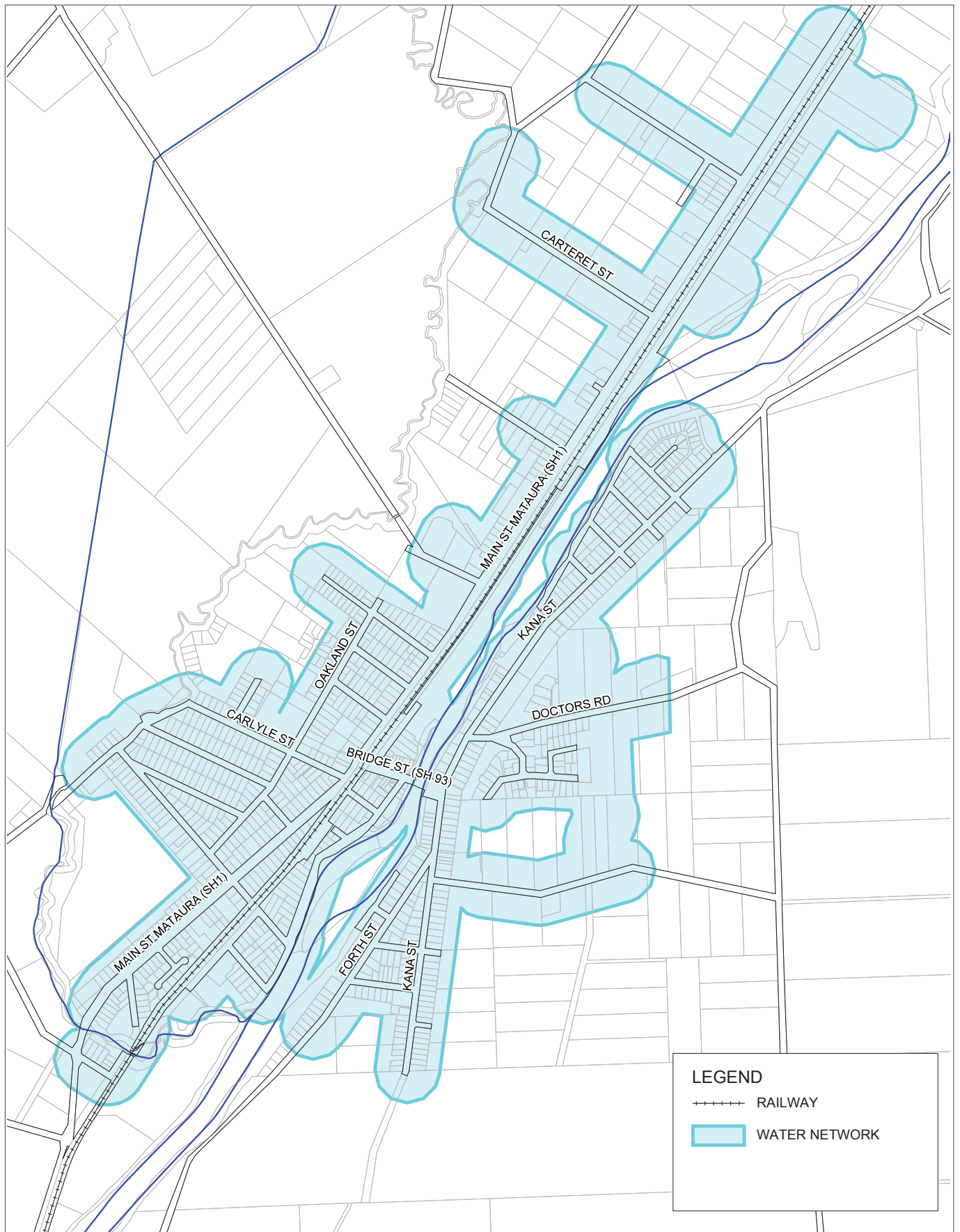
GORE WATER NETWORK



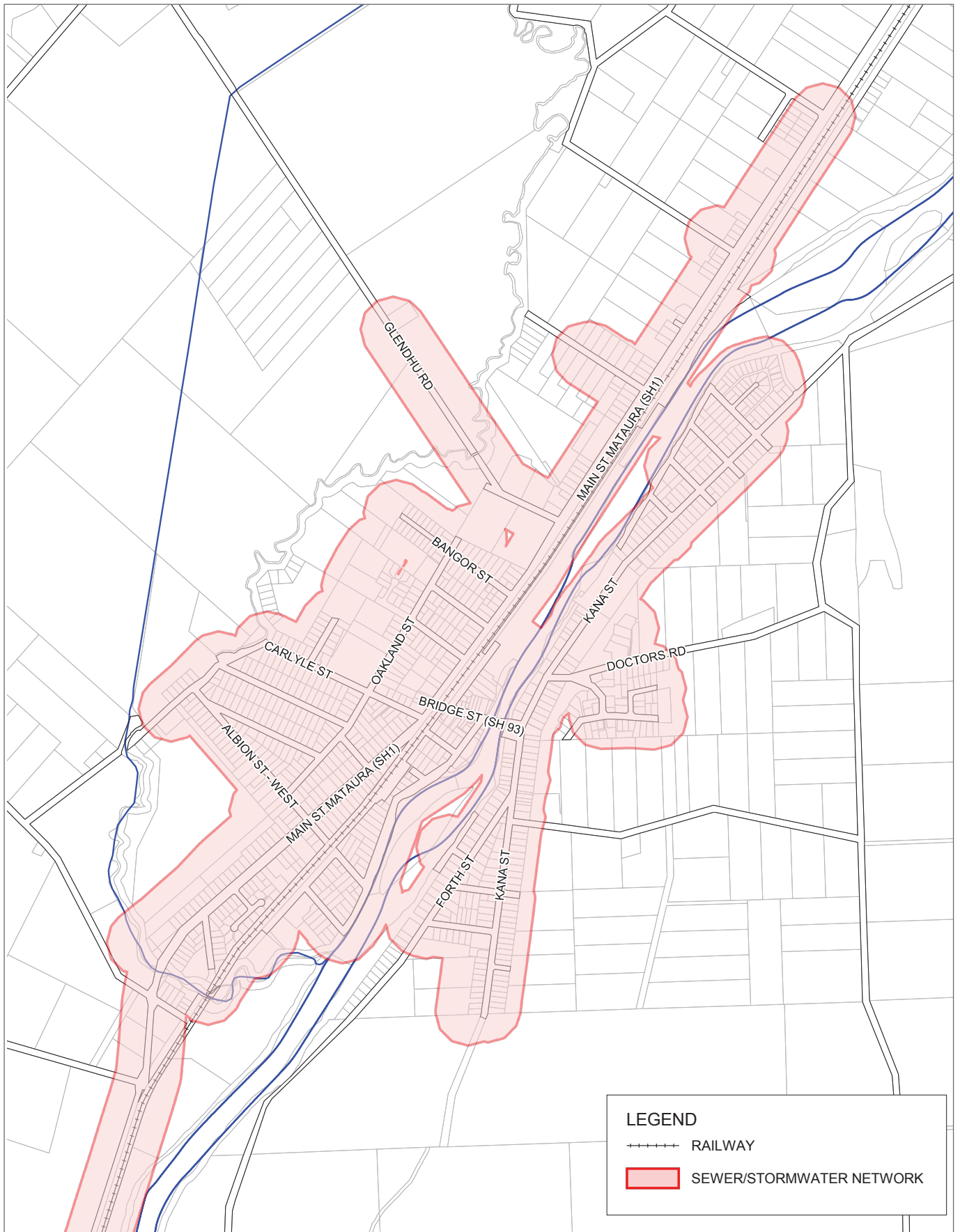
GORE WASTEWATER AND STORMWATER NETWORK



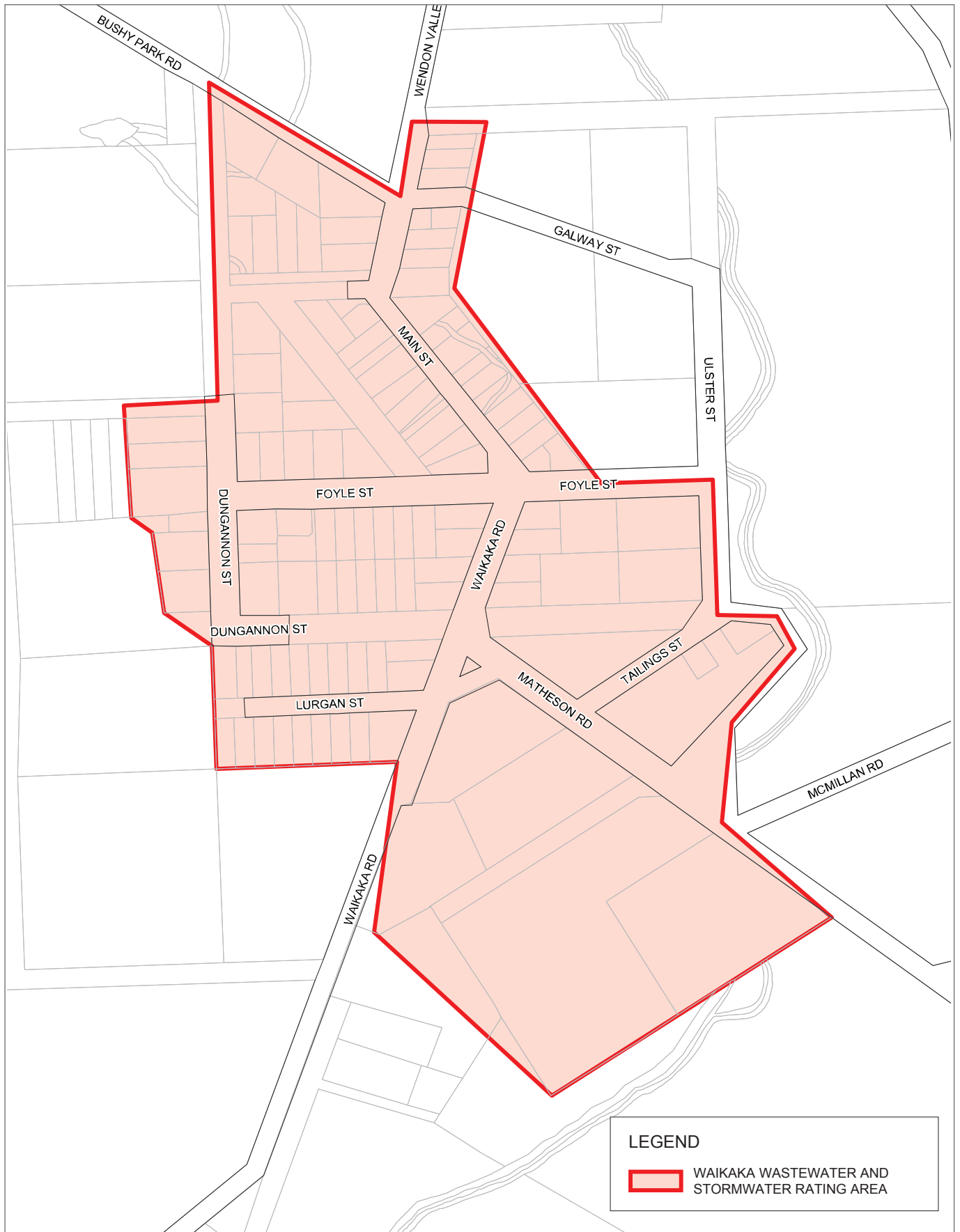
MATAURA WATER NETWORK



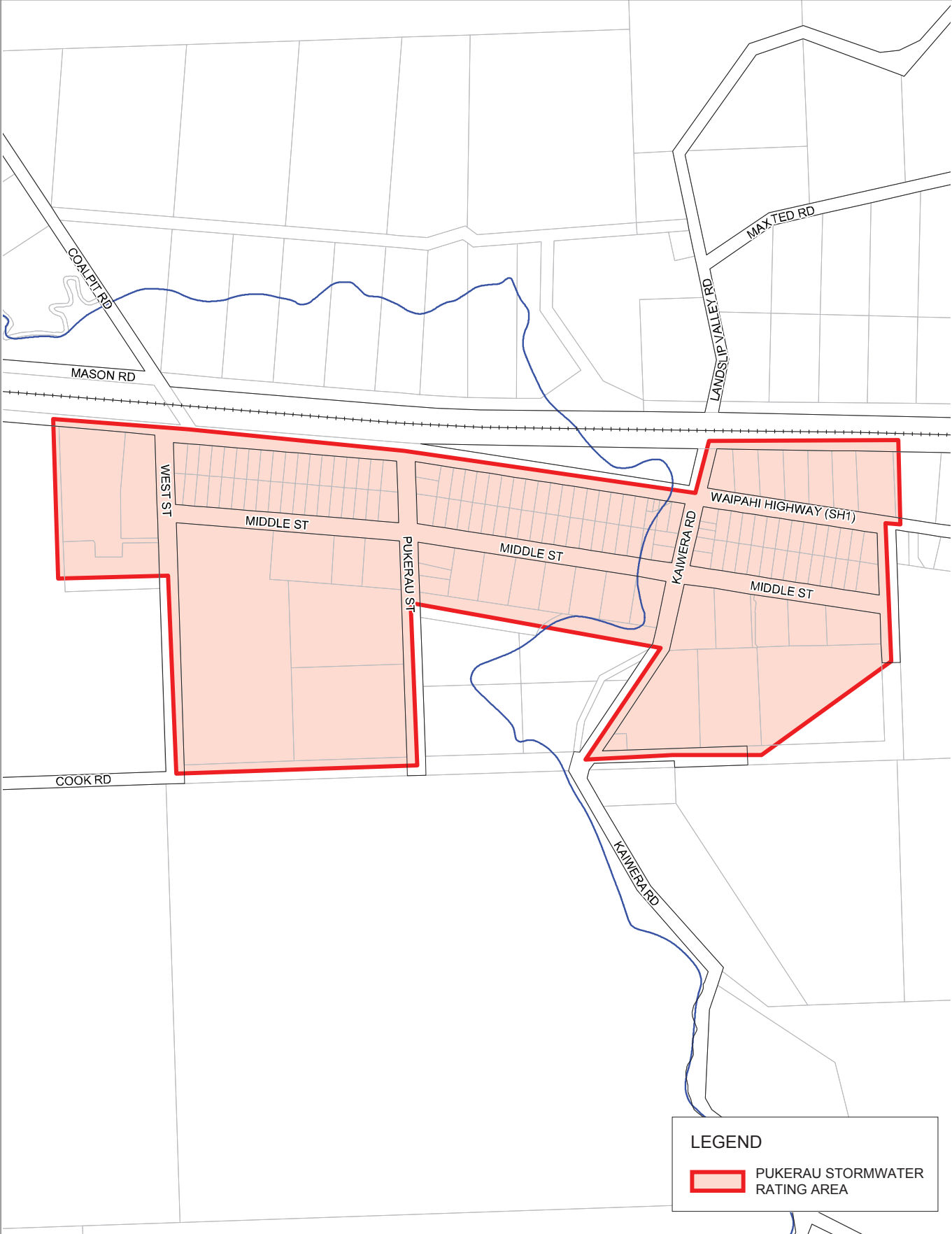
MATAURA WASTEWATER AND STORMWATER NETWORK



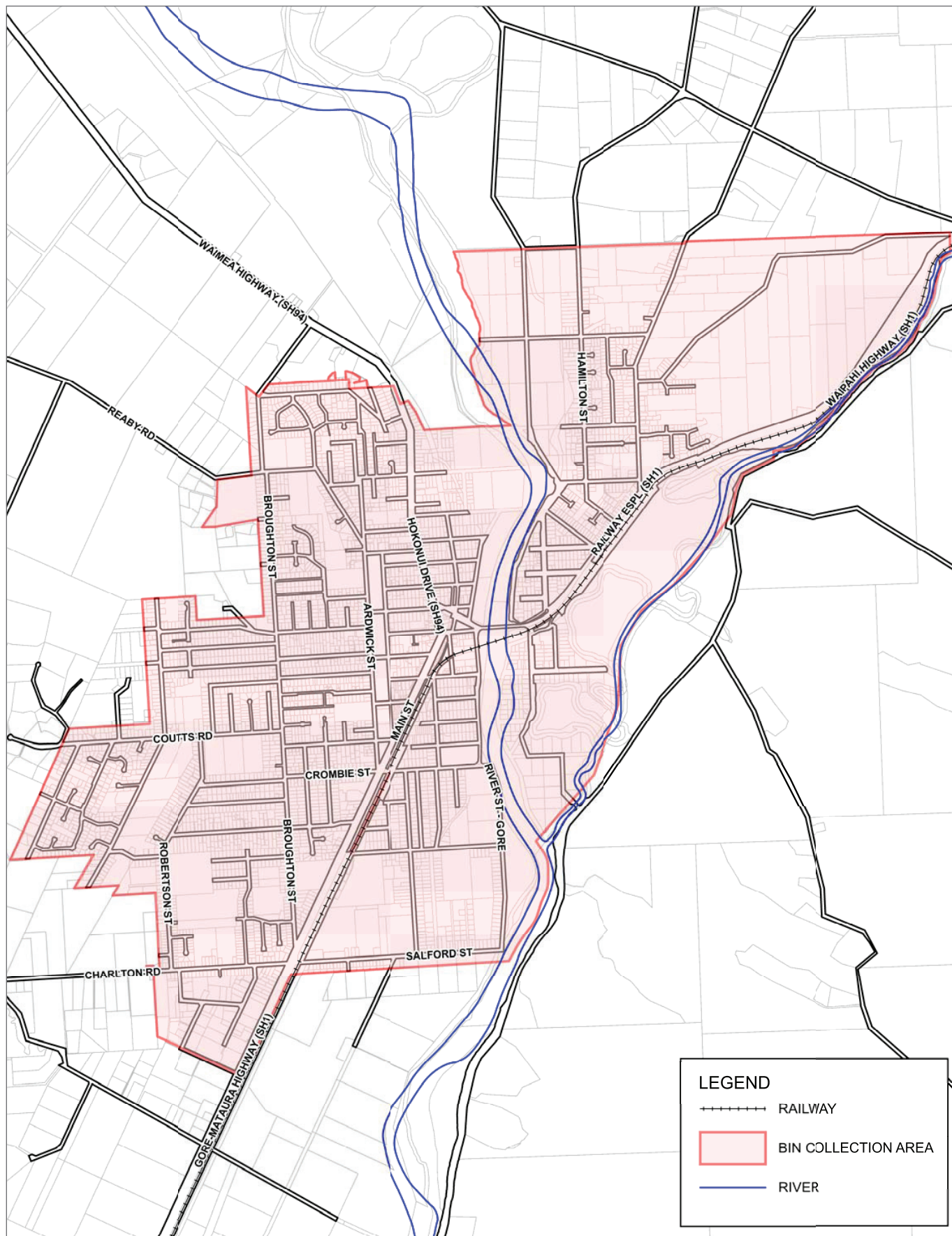
WAIKAKA WASTEWATER AND STORMWATER NETWORK



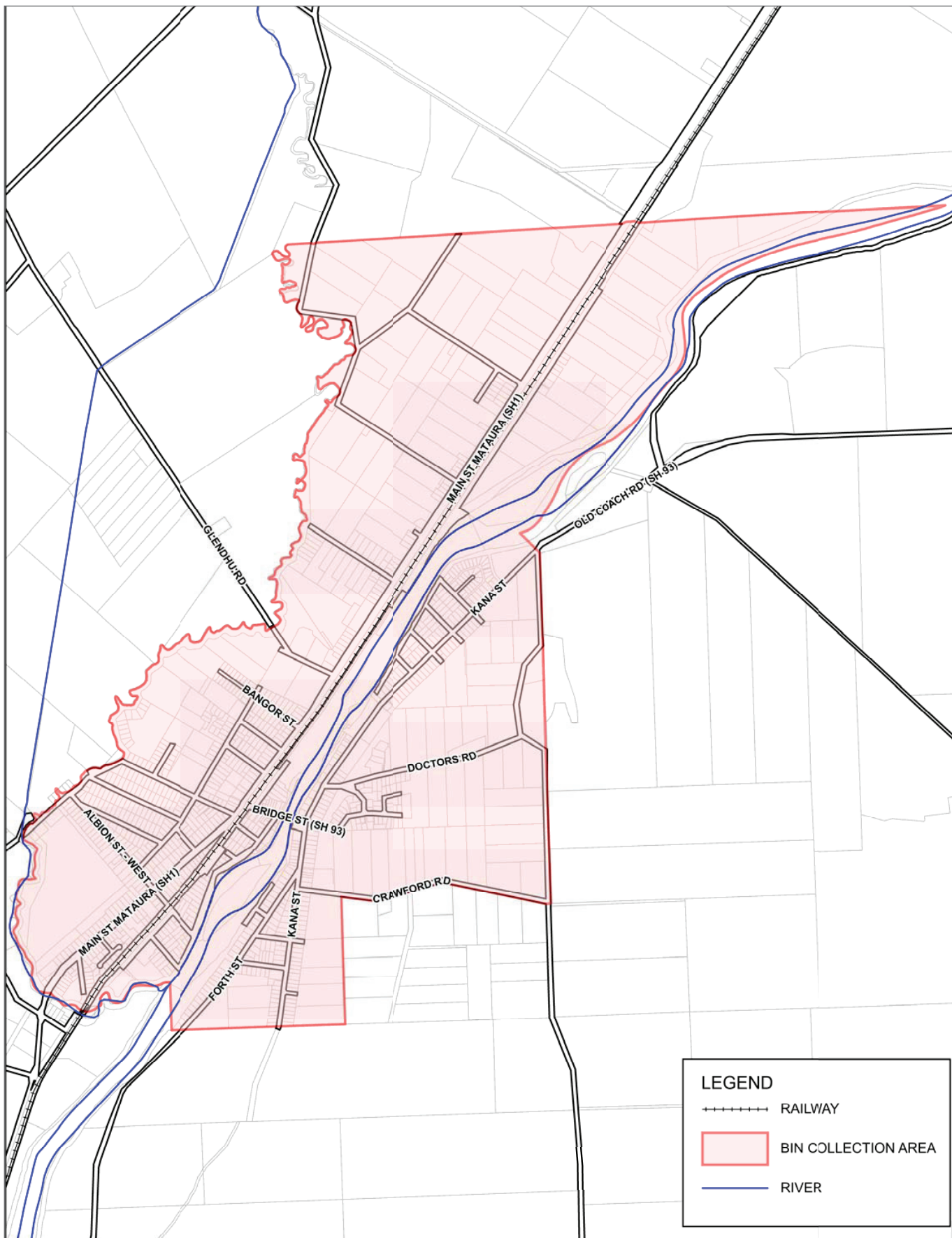
PUKERAU WASTEWATER AND STORMWATER NETWORK



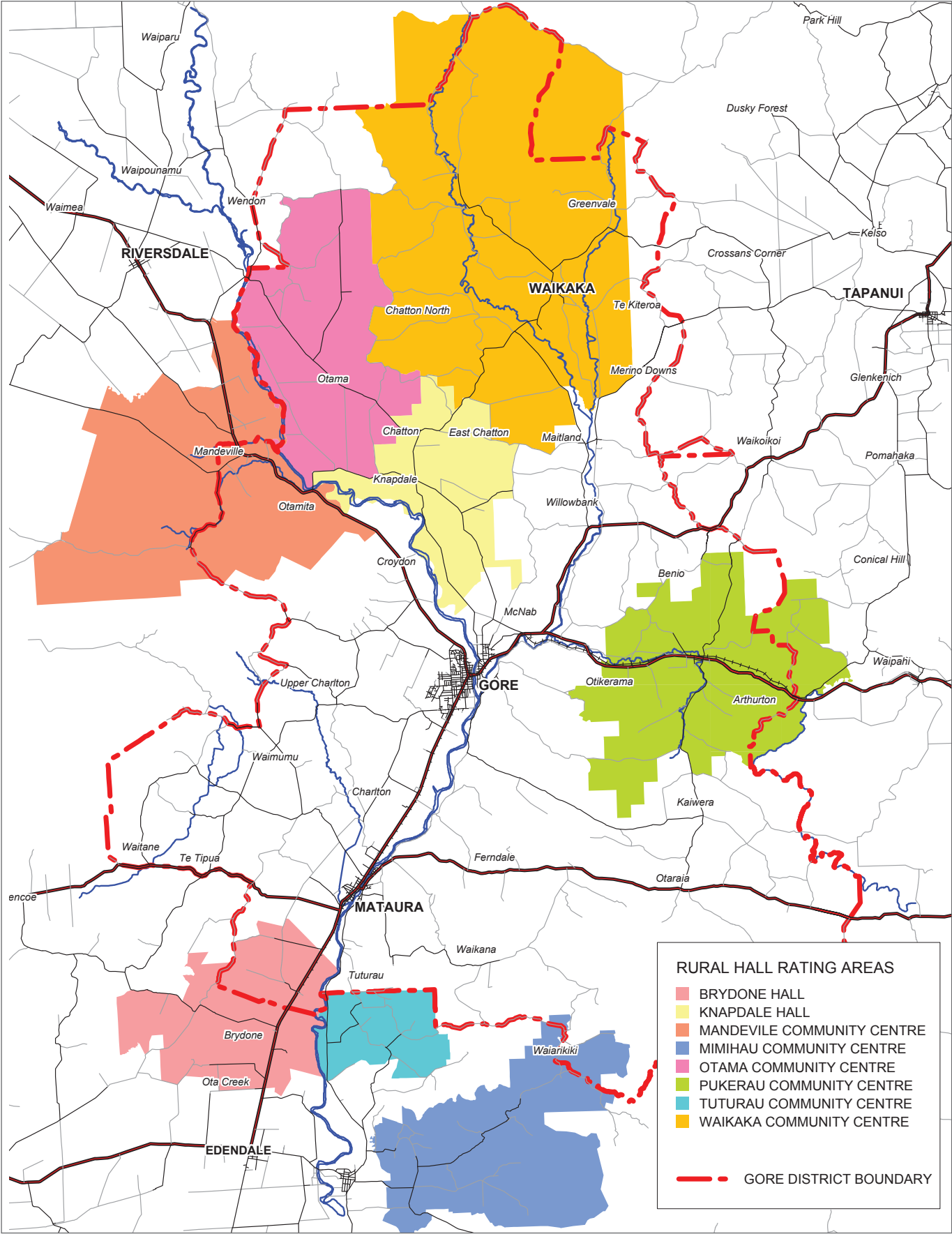
WHEELIE BIN SERVICE AREA GORE



WHEELIE BIN SERVICE AREA MATAURA

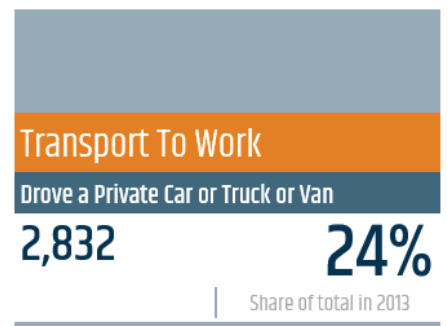
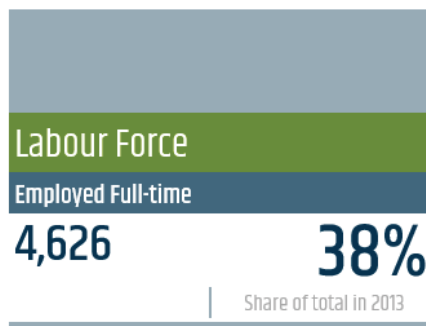
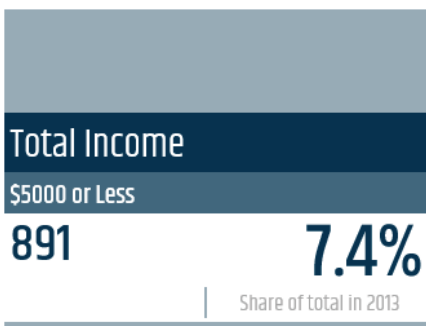
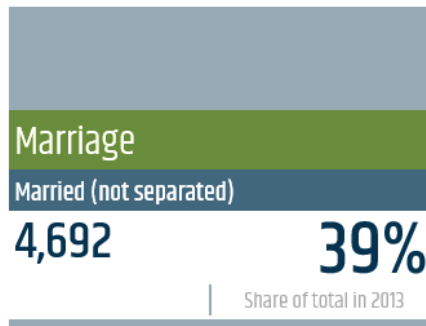
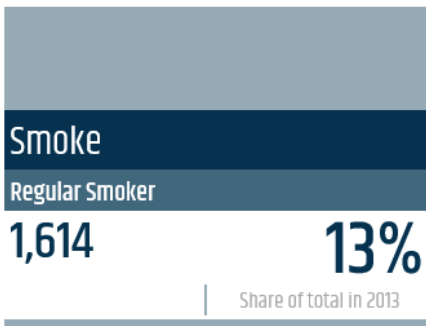
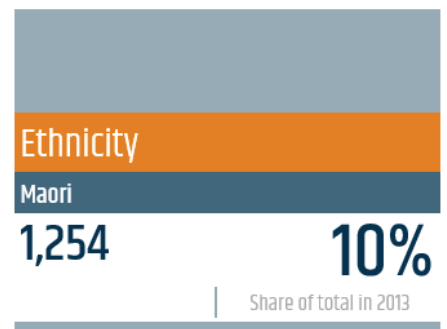
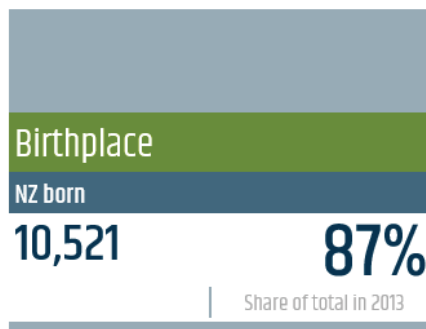
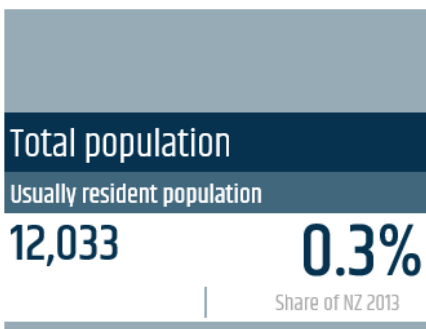


RURAL HALLS RATING AREAS



DISTRICT STATISTICS

POPULATION	
	Statistics NZ
Gore	7,350
Mataura	1,509
Rural	3,168
	12,033



RATING BASE INFORMATION

	Capital Value \$	Land Value \$	No. of Rating Units	No. of UAGC's	No. of Water Connections	No. of Wastewater & Stormwater Connections
Gore	946,335,050	316,356,050	3,813	3,996	4,161	4,934
Mataura	84,155,400	12,734,900	791	834	845	843
Rural	2,399,835,100	1,773,567,800	1,374	1,614	0	101
Heavy Industry	21,589,000	1,779,000	6	6	8	87
Utilities	46,798,000	-	5	5	-	-
Total	3,498,712,550	2,104,437,750	5,989	6,455	5,014	5,965

Projected number of rating units

2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
5,989	6,006	6,023	6,040	6,058	6,075	6,092	6,109	6,126	6,143	6,160

The average increase in rates across the District for 2018/19 is 6.15%. The impact of the increase will vary among the sectors of Residential, Commercial, Rural, Utilities and Industry.

Rates	Urban	Rural	Industrial	Utilities	Total (incl GST)
2018/19	13,839,150	4,826,561	308,638	62,802	19,037,151
2017/18	13,035,632	4,587,524	290,756	21,043	17,934,956
% increase	6.22%	4.95%	6.12%	197.08%	6.15%

SIGNIFICANCE AND ENGAGEMENT POLICY

Purpose

The Gore District Council has developed the Significance and Engagement Policy (the Policy) to let people know when and how they can expect to be involved in the Council's decision-making processes.

The aims are to:

- Ensure a clear and consistent approach to how we engage with residents, ratepayers and stakeholders
- Ensure residents, ratepayers and stakeholders get accurate information in a timely manner so they can make informed comment during the decision making process

This is also a guide to elected members and Council staff as to what level and form of engagement may be required from the start of a decision-making process.

The Policy replaces the existing Significance Policy and Consultation Policy.

Significance

The Policy shows how the Council will assess importance during a decision-making process, ie its level of significance. The level of significance is a guide to the degree of community engagement that may be required to gain an understanding of community views and preferences on an issue.

Approach to determining significance

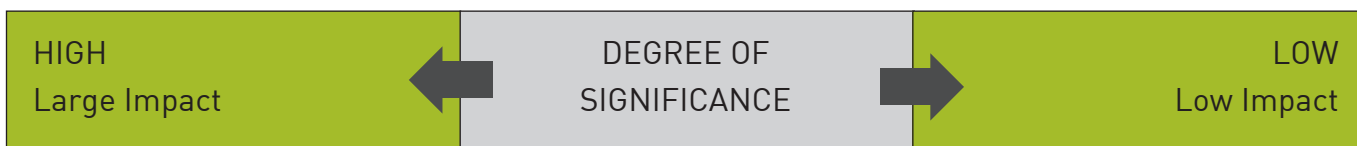
The decision on a matter's significance rests with the Council. It will evaluate significance on a case-by-case basis.

The Council will take into account the impact on or consequences for the District, affected parties, our community outcomes (10 Year Plan), benefits and costs, and the view of local iwi.

Decisions of low significance, including some decisions made under delegated authority, may not explicitly state the degree of significance.

Assessment of significance

The thresholds and criteria for determining significance:



Thresholds

- Expenditure of more than \$1 million;
- Community interest - taking into account the extent to which individuals, groups, organisations and sectors of the community will be affected by a Council decision;
- The impact on the Council's capacity and capability to carry out any activity identified in the 10 Year Plan, Annual Plan and Financial Strategy; and
- Inconsistency with existing policy and strategy.

Criteria

- Whether the asset is a strategic asset or listed in this policy;
- The extent to which there is, or is likely to be, a change in the level of service in carrying out any significant activity;
- The extent to which there is, or is likely to be, a change in the way in which any significant activity is carried out; and
- The extent to which there is, or is likely to be, a change in the capacity of the Council to provide any significant service or carry out any significant activity.

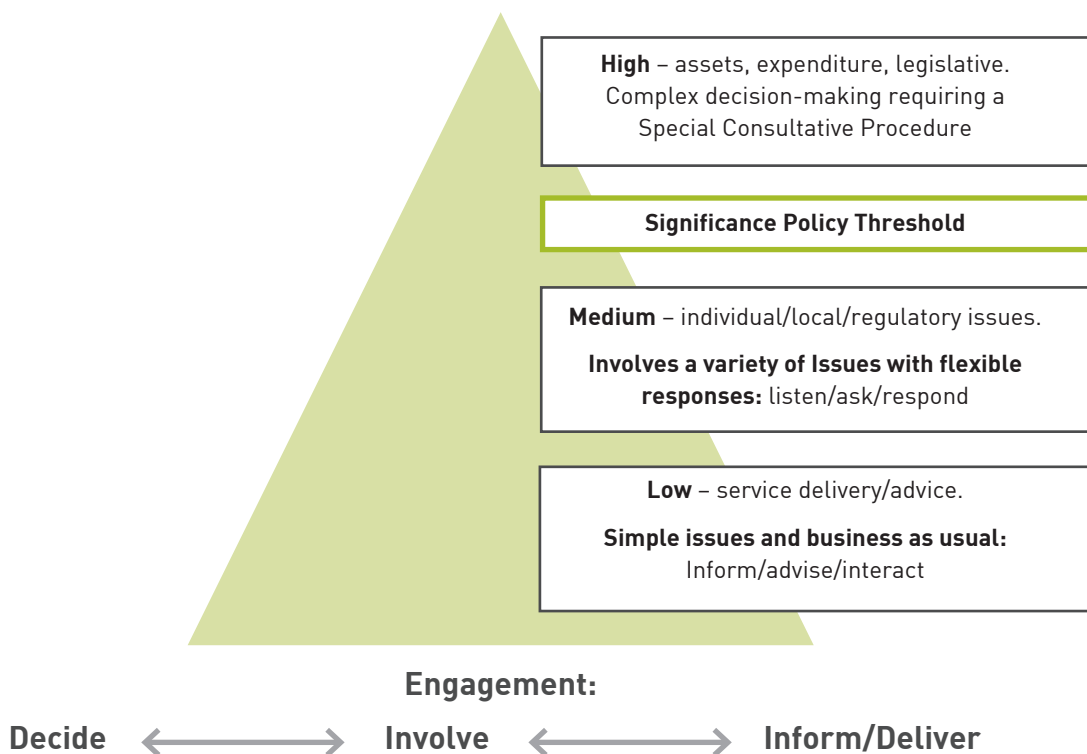
Council officers will need to take significance into consideration when making a recommendation to the Council. The final decision about the significance of any matter rests with elected members. Other factors may be taken into consideration when determining significance, such as urgency, commercial sensitivity or the public good.

Strategic Assets

Activity	Asset	Strategic Issues			
		Economic	Social	Cultural	Environmental
Water Supply	The water supply network, including reservoirs, treatment plants, pump stations and reticulation	✓	✓		✓
Community Services	The District's libraries		✓	✓	
	The reserves lands including land held under the Reserves Act and land used for parks, reserve, cemeteries, sports fields and recreation areas.	✓	✓	✓	✓
	The land and buildings used for the administration of the District	✓			
	The land, buildings and commercial operations of the Gore heritage precinct.	✓	✓	✓	
	The District's aquatic facilities		✓	✓	
	The land and buildings that make up our community halls, civic centres and community centres.	✓	✓	✓	
Roading	The Gore District roading network	✓	✓		✓
Land Drainage	The land drainage system including the stormwater pipe network, the open river system, waterways, wetlands and retention basins.	✓	✓	✓	✓
Wastewater	The wastewater collection, treatment and disposal system including the sewers, pump stations and the treatment works.	✓	✓	✓	✓

Engagement

Engagement occurs at all levels of the Council's interaction with the community, from the provision of services and information through to special consultation and significant decisions. What matters is the needs and expectations of the community are continually delivered in a cost-effective manner, and the level of engagement is appropriate to the issue in question.



The Council will not engage on every issue. We know 'consultation fatigue' or over consultation can cause people to tune out. Therefore we will concentrate on having the right conversations on the issues that are genuinely significant. Even when the Council does not consult, consideration will be given to the views and preferences of persons likely to be affected by, or have an interest in the matter. This will be in proportion to the significance of the matter.

Some of the things we may not ask about include:

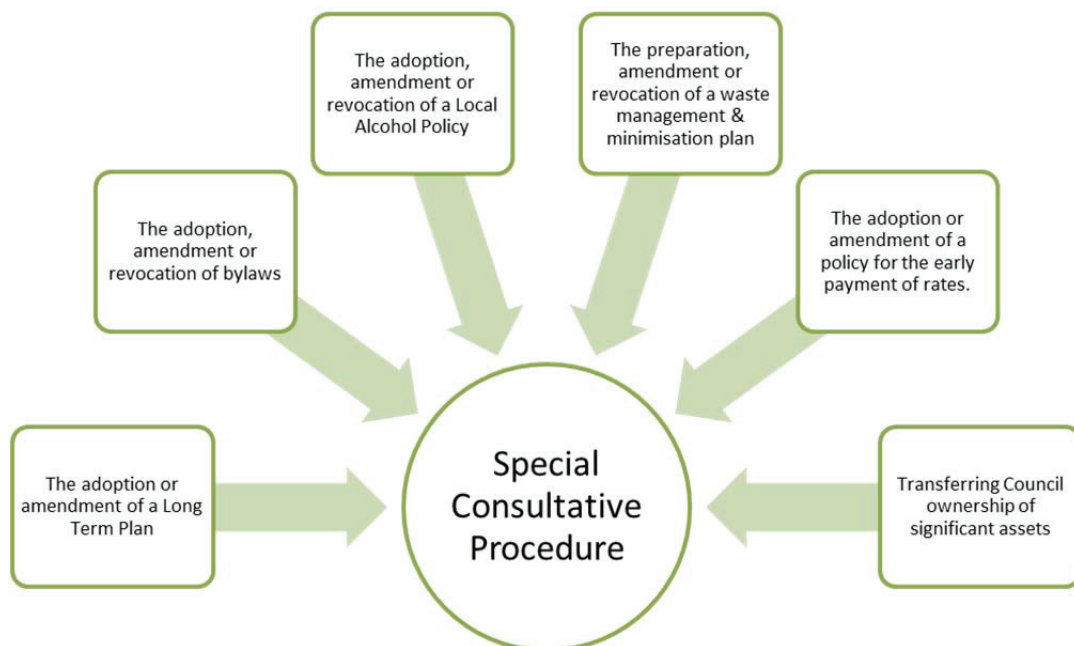
- Emergency management activities and during a state of emergency,
- When the matter has already been addressed by our policies or plans,
- There is a need for commercial sensitivity,
- Organisational decisions that do not materially reduce a level of service,
- Decisions in relation to regulatory and enforcement activities,
- Decisions to act where it is necessary to -
 - Comply with the law
 - Save or protect life, health or amenity
 - Prevent serious damage to property

Much of the Council's service delivery and regulatory work is provided to the community by Council staff who report on their activities to the Council. Issues of concern to individuals or groups requiring a decision by the Council may involve more complex engagement, including consultation, public forums, surveys and submissions.

Issues considered of high significance by meeting one or more of the thresholds and criteria set out in this policy will be dealt with by a Special Consultative Procedure.

What is the Special Consultative Procedure requirement?

A Special Consultative Procedure (SCP) is a more formal process than asking for feedback. The Council is required to give the community at least one month to make formal submissions on a proposal and make these submissions publicly available. It will be used when required by law, and when the Council considers there is a high degree of significance in the issue.



Consultation and Engagement Tools

The Council will use various media to ensure the community is provided with all details to make an informed decision and to effectively engage. When consultation and engagement takes place we will endeavour to let people know:

- What is proposed
- Why
- What options we have
- Our preferred option and why
- Costs and rating impact if any
- How the community can have a say
- The timeframe and process
- How we will communicate the outcome

We acknowledge the Council has a responsibility to provide opportunities to engage, just as the community has a responsibility to decide whether it wants to engage with the Council.

The mediums the Council may choose from to engage include:

- Emailing
- Online surveys
- Mainstream media (particularly community newspapers and radio)
- Our newsletter ChinWag
- Social Media – our Facebook page
- Our website
- Reaching out to where people are

Engagement Tools

The Council's toolkit may include but not be limited to the following:

Consultation – Length of Engagement as required under LGA or if not a requirement reflective of a 20 working day principle		
WHAT	HOW	WHEN
Special Consultative Procedure	Statutory Notice Advertising radio & newspaper ChinWag feedback form Website Press Releases Social Media Hard copies available at Council facilities Submissions Hearing Public decision Feedback to all submitters	10 Year Plan Changes to level of service Asset Management Plan Amending or revoking a bylaw Changes to financial policy Review of the Gambling Venue Policy Annual Plan (when there are significant and material differences from the 10 Year Plan)
Consultation (this is not to inform, this is to consult on options and consider feedback before making a decision)	Statutory Notice (if required) Advertising radio & newspaper ChinWag feedback form Website Press Releases Social Media Hard copies available at Council facilities Submissions Hearing Public decision Feedback to all submitters	Reserves Act <ul style="list-style-type: none"> • management plans Resource Management Act <ul style="list-style-type: none"> • project delivery • consents & licensing Local Government Act 1974 <ul style="list-style-type: none"> • Road closures Projects over \$1 million Minor bylaw changes that must be changed by publicly notified resolution

Engagement – if appropriate, period of notice will vary but where possible 20 working days		
WHAT	HOW	WHEN
<p>Information on projects (where the decision has been taken to undertake a project)</p> <p>Service Provision (eg facility promotion, event funding, libraries, sport)</p> <p>Education (eg community resilience)</p>	<p>Statutory notice if required</p> <p>Press Releases or advisory (as appropriate)</p> <p>Targeted information is any special interest groups or stakeholders, such as neighbours or businesses (email, letter, direct contact)</p> <p>Advertising</p> <p>Social Media</p> <p>Stakeholder database</p>	<p>Road works</p> <p>Street-scaping</p> <p>Trees</p> <p>Water, Wastewater, Stormwater</p> <p>Reserves/works</p> <p>Service disruptions eg water outage</p> <p>Civil defence preparedness</p> <p>Democratic process (Electoral Act)</p> <p>Mandatory requirement/ amendment (central Government)</p>
<p>Community</p>	<p>Targeted information is any special interest groups or stakeholders, such as neighbours or businesses (email, letter, direct contact)</p> <p>Press releases or advisory (as appropriate)</p> <p>Advertising</p> <p>Social Media</p> <p>Stakeholder database</p>	<p>Events</p> <p>Social issues</p> <p>Advocacy (central Government)</p> <p>Facilitation</p>

The Council will also use additional methods of consultation and engagement as it believes is appropriate. These may include:

- Community forums/workshops
- Resident and Ratepayer surveys
- Phone survey
- Street survey
- Posters
- Rates Notice
- Electronic newsletter
- Brochures
- Displays at Southern Field Days or pastoral shows

APPENDIX 1

Appendix 1 contains three relevant sections from the Local Government Act 2002 Amendment Bill (No 3) that relate to this policy being:

- 76AA Significance and Engagement Policy
- 83 Special Consultative Procedure
- 86 Use of special consultative procedure in relation to making, amending or revoking bylaws

76AA Significance and Engagement Policy

- (1) Every local authority must adopt a policy setting out —
- “(a) that local authority’s general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters; and
 - “(b) any criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences; and
 - “(c) how the local authority will respond to community preferences about engagement on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable; and
 - “(d) how the local authority will engage with communities on other matters.
- (2) The purpose of the policy is —
- “(a) to enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities; and
 - “(b) to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters; and
 - “(c) to inform the local authority from the beginning of a decision-making process about —
 - “(i) the extent of any public engagement that is expected before a particular decision is made; and
 - “(ii) the form or type of engagement required.
- (3) The policy adopted under subsection (1) must list the assets considered by the local authority to be strategic assets.
- (4) A policy adopted under subsection (1) may be amended from time to time.

83 Special Consultative Procedure

Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must —

- “(a) prepare and adopt —
 - “(i) a statement of proposal; and
 - “(ii) if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with Section 83AA); and
- “(b) ensure that the following is publicly available:
 - “(i) the statement of proposal; and
 - “(ii) a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with Section 82(1)(d); and
 - “(iii) a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and
- “(c) make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as reasonably practicable as a basis for consultation; and

- “(d) provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and
- “(e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d)—
 - “(i) is given a reasonable opportunity to do so; and
 - “(ii) is informed about how and when he or she may take up that opportunity.

“(2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audiovisual link.

“(3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal or both.

86 Use of special consultative procedure in relation to making, amending, or revoking bylaws

- “(1) This section applies if, in accordance with section 156(1)(a), the special consultative procedure is required to be used in relation to the making, amending, or revoking of a bylaw.
- “(2) The statement of proposal referred to in Section 83(1)(a) must include,—
 - “(a) as the case may be,—
 - “(i) a draft of the bylaw as proposed to be made or amended; or
 - “(ii) a statement that the bylaw is to be revoked; and
 - “(b) the reasons for the proposal; and
 - “(c) a report on any relevant determinations by the local authority under section 155.”

REVENUE AND FINANCING POLICY

Introduction

The Local Government Act 2002 requires all councils to adopt a Revenue and Financing Policy as part of a Long Term Plan. This policy is used to demonstrate how the council proposes to fund the operating and capital expenditure for its various activities. More importantly it describes the rationale behind funding choices for activities, and provides predictability and certainty for residents and ratepayers about how the Council funds its activities.

The Council has considered the requirements of Section 101(3) of the Local Government Act 2002 in relation to each of its activities. Specifically:

- (i) The community outcomes to which the activity primarily contributes; and
- (ii) The distribution of benefits between the community as a whole any identifiable part of the community and individuals; and
- (iii) The period in or over which those benefits are expected to occur; and
- (iv) The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- (v) The costs and benefits including consequences for transparency and accountability of funding the activity distinctly from other activities.

Following that process, the Council must then consider the overall impact of any allocation of liability for revenue needs on the community.

Philosophy

The aim of the policy is to promote consistent, prudent, effective and sustainable financial management of the Council, and to fund its activities from the most appropriate source after consideration of who benefits from each activity.

Historically, the Council has used a great deal of precision and a degree of innovation to align funding sources with areas of benefit. This has in turn led to a marked preference for high usage of the uniform annual general charge (UAGC) and fixed targeted rate as opposed to the application of a valuation-based general rate.

However, notwithstanding the absence of any legislative barrier in regard to placing limits in the use of targeted rates, the Council believes the valuation based general rate has its place and should not be banished to the margins of its revenue and financing policy.

The steady climb in the quantum of the uniform annual general charge seen over the past 15 years or so will be discontinued under this revised policy. Having regard for the overall impact required of the Council under Section 101(3)(b) of the Local Government Act 2002, the Council believes the very low usage of a valuation based general rate places an unreasonable and unfair rating burden on lower value properties, particularly in the urban rating area. Accordingly, the Council will raise 25% of its rates revenue from the uniform annual general charge and targeted rates that are set on a uniform basis.

Definitions of Funding Options for Council Services

General Rates

There are two types of general rate. The valuation based general rate and the uniform annual general charge.

Valuation based general rate

This rate is assessed on the entire rating base of the District. It is calculated on the basis of cents per dollar of capital value. The Council does not use differentials on its valuation based general rate.

Uniform Annual General Charge

This is a fixed charge set uniformly on every separately used or inhabited part of a rating unit in the District. As alluded to in the previous section, the level of the UAGC changes the incidence of value-based rates.

Under Section 21 of the Local Government (Rating) Act 2002, a Council cannot raise more than 30% of total rates revenue from the uniform annual general charge and targeted rates that are set on a uniform basis, though this does not apply to targeted rates that are set solely for water supply or wastewater disposal.

Targeted Rates

Targeted rates are used where it is appropriate for an identifiable group of ratepayers to pay for some or all of a particular service, for example water and wastewater.

The following activities are funded all or in part by targeted rates

- Civil Defence
- Wastewater and Stormwater
- Grants
- Libraries
- Property
- Parks and Reserves
- Roading
- Solid Waste
- Water
- Aquatic Facilities
- Arts & Heritage
- Cemeteries

Fees and Charges

User charges are direct charges to identifiable users or groups of users who use certain Council services such as dog control, swimming pools and building inspection. In these instances an identifiable benefit exists to clearly identifiable people and they are required to pay all or part of the cost of that service.

Lump Sum Contributions

The Council does not have a policy of utilising lump sum contributions as defined in Section 117A of the Local Government (Rating) Act 2002, from ratepayers to fund or partially fund capital projects.

Interest and Dividends from Investments

Where the Council earns interest specific investments, the income is dedicated to the respective investments funds concerned and therefore has no impact on the Council's general revenue requirements. The Council's Investment Management Policy sets out the parameters for managing investments.

Interest generated from the Council's operating cash flow is used to offset the Council's rate requirement.

Where an investment earns a dividend, the income is used to offset the Council's rate requirement or retire debt.

Borrowing

Borrowing is the raising of debt and is usually utilised to fund new assets with an expected long life. Borrowing in such instances allows for the recognition of the principle of intergenerational equity which means that one generation of ratepayers is not faced with the burden of fully funding an asset from which future generations of ratepayers will benefit.

The repayment and servicing of the debt is funded by rates, fees and charges and other sources. The actual borrowing is a mechanism only with the revenue and financing policy applying to repayment and servicing.

Proceeds from Asset Sales

Proceeds from asset sales such as the disposal of plant, vehicles, property or stopped roads, are used to retire debt or finance capital expenditure

Development Contributions

The Council does not have a policy of imposing development contributions under Section 198 of the Local Government Act 2002. However, over the next three years the Council aims to develop a policy.

Financial Contributions

Financial contributions are imposed under the Resource Management Act. The Council notes current legislation is phasing out financial contributions in 2020, after which they will not be able to be collected. The Council intends to formulate a development contributions policy over the next three years.

Financial contributions are contributions of money or land, or a combination of the two. The purpose of financial contributions is to avoid, remedy or mitigate adverse effects of an activity on the environment where that avoidance, remediation or mitigation cannot be achieved by another condition of consent or where imposition of a financial contribution is a more efficient and effective means to address that adverse effect. This includes contributing to the cost of providing and maintaining community recreational facilities and infrastructure. Financial contributions may also be required to ensure positive effects on the environment to offset any adverse effects of an activity.

The Council approves financial contributions in accordance with its financial contribution policy contained within the District Plan.

The deployment of funds collected from financial contributions is governed by the Council's District Plan and Commercial and Industrial Development Contribution Disbursement Policy.

Grants and Subsidies

Grants and subsidies apply to some activities when income from external agencies is received to support an activity. This is mostly made up from government subsidies such as NZ Transport Agency subsidies for roading services

Summary of Funding Options

General Rates	✓	✓
Targeted Rates	✓	✓
Other Revenue	✓	✓
NZ Transporting Agency subsidies	✓	✓
Investment Income	✓	✓
Debt	✓*	✓
Proceeds from Asset Sales		✓
Development Contributions		
Financial Contributions	✓	✓
Grants and Subsidies	✓	✓
Special Reserves		✓

*Short term loans may be used to fund large maintenance projects where no reserves funding is available.

The following table summarises the Council's funding needs analysis:

Summary of Operating funding sources

Activity	General Rates	Targeted Rates	Fees and Charges	Grants & Subsidies	Financial Contributions
Aquatic Facilities	20-39%	20-39%	20-39%	0 – 19%	-
Arts and Heritage	80 – 100%	-	0 – 19%	-	-
Building Control	20 – 39%	-	60 – 79%	-	-
Cemeteries	40 – 59%	-	40 – 59%	-	-
Civic Buildings	80 – 100%	-	0 – 19%	-	-
Civil Defence	-	80 – 100%	-	-	-
Democracy	80 – 100%	-	-	-	-
Grants	20 – 39%	20 – 39%	-	20 – 39%	-
Libraries	40 – 59%	40 – 59%	0 – 19%	-	-
Parks and Reserves	-	80 – 100%	0 – 19%	-	0 – 19%
Property	-	60 – 79%	40 – 59%	-	-
Public Conveniences	20 – 39%	60 – 79%		-	-
Regulatory Services	40 – 59%	-	40 – 59%	-	-
Roading	-	40 – 50%	40 – 50%	-	-
Solid Waste	0 – 19%	40 – 59%	20 – 39%	0 – 19%	-
Visitor Services and District promotions	80 – 100%	-	0 – 19%	0 – 19%	-
Wastewater and Stormwater	-	80 – 100%	0 – 19%	-	-
Water	-	80 – 100%	0 – 19%	-	-

The funding proportions cutlines in this table represent the Council's desired consolidation intention over the ten year forecasting period.

The Council's detailed funding needs analysis is included on the following pages.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Aquatic Facilities and stadium	We have a choice of quality places to go and things to do	The users of the facility benefit from personal fitness, water safety skills and competition. However, the community also benefits from having a choice of recreational activities and exercise, which promotes a healthy community.	The Gore Multisports Centre has a useful life of 45 years. The Council borrowed for the cost of the aquatic centre and is repaying the loan. The MLT Event Centre has a useful life of 67 years. The Centre was vested to the Council.	Anyone from the community and use the facilities as an individual or as a member of a sports team.	There is a large degree of private benefit for users of the facilities, so user fees can be charged. However, the activity requires funding from rates to keep fees at a level that accessible to the whole community.	<p><i>Operating</i> General Rates 20-39%</p> <p>Targeted Rates 20 – 39%</p> <p>Fees and Charges 20 – 39%</p> <p>Subsidies & grants 0 – 19%</p> <p><i>Capital</i> Building and plant improvements: Borrowing 100%</p> <p>All other capital: General Rates 20-39%</p> <p>Targeted Rates 20 – 39%</p> <p>Fees and Charges 20 – 39%</p>	<p>Although there is a large degree of private benefit, the need to keep the facility accessible to the whole community means rate funding is appropriate.</p> <p>To recognise that users who reside in urban areas can access the facilities more readily, rates funding is split between general and targeted rates.</p> <p>Subsidies and grants from community organisations are used for free swim lessons for primary school children.</p>

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Arts & Heritage	<p>We value our history and heritage.</p> <p>We live in a creative place.</p> <p>We have a choice of quality places to go and things to do.</p>	<p>The community benefits from the preservation and presentation of our history and heritage.</p> <p>The users of the facilities enjoy access to the arts.</p> <p>The whole community benefits from a choice of recreational activities which promote learning and creativity.</p>	<p>While the Gallery building has a useful life of 25 years, there are ongoing benefits from the history and arts which create an informed and creative community.</p>	<p>Anyone from the community and use the facilities.</p>	<p>There is some scope for charging access to special exhibitions.</p>	<p><i>Operating</i> General Rates 80 – 100%</p> <p>Fees and Charges 0 – 19%</p> <p><i>Capital</i> Replacement of assets: General Rates 80 – 100%</p> <p>Fees and Charges 0 – 19%</p> <p>Increased level of service or additional demand: Borrowing 100%</p>	<p>Although there is a degree of private benefit, due to market forces there is limited ability to charge users.</p> <p>The facilities are available to the whole community and the activity encompasses the heritage and history of the district as a whole.</p>
Building control	<p>We value our history and heritage.</p> <p>We value and respect our environment.</p>	<p>Primarily individual building owners benefit. Although potential purchasers and all the whole community receive assurance that buildings are constructed to the recognised standard.</p>	<p>Buildings have long lives (often 50 years or more), so the benefits are always ongoing.</p>	<p>Those constructing or renovating properties create the need, this is spread throughout the whole district.</p> <p>However, the Council is required to provide this activity under the Building Act 2004 and the Building Code.</p>	<p>Because of the large degree of private benefit to those involved user charging is feasible.</p>	<p><i>Operating</i> General rates 20 – 39%</p> <p>Fees and Charges 60 – 79%</p> <p><i>Capital</i> General rates 20 – 39%</p> <p>Fees and Charges 0 – 79%</p>	<p>Construction and renovation of buildings are undertaken throughout the whole district, and the whole community benefits from safe buildings.</p> <p>Those involved in the construction and renovation receive most of the benefit, so a high degree of user charges are acceptable.</p>

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Cemeteries	We live in a compassionate, caring community.	The estate and family of deceased persons benefit. However, the entire community benefits from respect for, and provision for the historical significance of those who have passed away.	The benefits of the historical value of cemeteries are ongoing, and the activity must be ongoing to ensure public health.	This activity is a requirement of the Burial and Cremation Act 1964. The whole community creates the need for cemeteries and related services	The users of cemeteries can be charged for some services	<p><i>Operating</i> General Rates 40-59% Fees and Charges 40-59%</p> <p><i>Capital</i> General Rates 40-59% Fees and Charges 40-59%</p>	While the users of the cemeteries can be charged for some services, there are ongoing benefits to the whole community from the activity. Because anyone in the community may use cemeteries, user charges must not be prohibitive.
Civic Buildings	We have a quality infrastructure with potential for growth.	Civic buildings allow easy access and delivery of local government services. All members of the community may interact with the Council at its premises. Those who hire meeting and conference facilities directly benefit.	The Civic Administration building and the James Cumming Wing has a useful life of 19 years. Other Council owned buildings have various useful lives, but generally these are long term assets and the benefits are ongoing.	Need is created by the entire community for access to local government services.	The users of hire facilities can be charged for services they use. However, this is only a small portion of the activity.	<p><i>Operating</i> General Rates 80 – 100% Fees and Charges 0 – 19 %</p> <p><i>Capital</i> Replacement of assets: General Rates 80 – 100% Fees and Charges 0 – 19 %</p> <p>Increased level of service or additional demand: Borrowing 100%</p>	While users of hire facilities can be charged for some services, the whole of the community benefits and creates the need for the activity, so the majority of the activity will be funded by general rates.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Civil Defence	We live in a compassionate, caring community	Those affected by a natural disaster will directly benefit. However, the entire community benefits from having appropriate planning and resources in place to deal with natural disasters and civil emergencies.	A natural disaster could occur at any time in the future, and the Council has a statutory obligation to provide Emergency Management services.	This activity is required under the Civil Defence and Emergency Management Act 2002. The whole community could be affected by a natural disaster, and there is a need to ensure the effects are managed.	Due to the entire community obtaining benefit it is not feasible to identify a portion of the community who can be separately charged	<i>Operating</i> Targeted Rates 80 – 100% <i>Capital</i> 80- 100%	While the whole community benefits from appropriate planning and resources in times of Natural disasters, the Council recognises disasters potentially pose a higher risk to urban communities due to damage to buildings and infrastructure, so the activity will be funded by a targeted rate.
Democracy	We live in a compassionate, caring community.	The entire community benefits from the democratic process and has the ability to have input to establish the Council's policies.	Policy decisions often have long term benefits though there is an immediate benefit to individuals when they interact with the Council.	Much of this activity is required under the Local Government Act 2002. Need is created by the entire community for knowledge of and involvement in Council decisions.	It is not appropriate to fund this activity through user charges.	<i>Operating</i> General Rates 80 – 100% <i>Capital</i> General Rates 80 – 100%	The benefit and the need for the activity are distributed across the whole community.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Grants	We live in a caring, compassionate community.	Individual community groups directly benefit. However, The entire community benefits from enrichment these different community groups provide.	The period of benefit varies depending on the project or the organisation. There are ongoing benefits through having diverse community groups to help make the District a compassionate and caring community.	Need is created by the entire community to enhance the overall cultural, social and economic well-being of the District. Need is created by the entire community to enhance the overall cultural, social and economic well-being of the District.	Funding is received from the Southland Regional Heritage Committee to offset the Council's contribution to regional heritage initiatives. The contribution to regional heritage can be funded separately.	Operating General Rates 20 – 39% Targeted Rates 20 – 39% Subsidies and grants 20 – 39%	Because of the nature of this activity, separate funding cannot be obtained from those who create the need. Because the whole community indirectly benefits from and creates the need for assisting community organisations, this aspect of the activity is funded by general rates. A large portion of this activity involves regional heritage initiatives for which separate funding is available to offset the Councils contributions. Because of the importance of its own heritage assets, the contribution to regional heritage initiatives is funded separately through a targeted rate on all property.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Libraries	We have a choice of quality places to go and things to do	The users of the library benefit from this service. However, the whole community benefits from a choice of recreational activities and the opportunity to learn and be informed.	The life of books is often 10 – 20 years. There are long term benefits from an informed and creative population.	Library users create the need, though library facilities are available to the whole community.	Due to long-standing historical market prices in the form of modest fees, any funding from users via fees and charges can only represent a small percentage of revenue required.	<p><i>Operating</i> General Rates 40 – 59% Targeted Rates 40 – 59% Fees and Charges 0 – 19%</p> <p><i>Capital</i> Replacement of assets: General Rates 40 – 59% Targeted Rates 40 – 59% Fees and Charges 0 – 19%</p> <p>Increased level of service or additional demand: Borrowing 100%</p>	Although there is a large degree of private benefit to library users, there is a need for libraries to be accessible to the whole community which means rate funding is appropriate. To recognise that users who reside in urban areas can access the libraries more readily, rates funding is split between general and targeted rates.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Parks and Reserves	We value and respect our environment	Users of the parks and reserves directly benefit from the service. The entire community benefits from the availability of parks and reserves to create a pleasant environment in which to live and work. The Districts parks and reserves are also a tourist attraction and tourists and business benefit in this regard	The life of a park or reserve is extensive, though the gardens and/or playground equipment require regular maintenance.	This activity is required under the Reserves Act 1977. There is widespread demand from across the community for the provision of open spaces and reserves. A number of user groups and individuals can be seen as having a particular interest in the activity.	A user pays system is not feasible for general users. However, some charges are feasible for leases, hire and camping fees. Some funding is received through financial contributions, though is a small portion of the total funding required.	<p><i>Operating</i> Targeted Rates 80 – 100% Fees And Charges 0 – 19% Financial Contributions 0 – 19%</p> <p><i>Capital</i> Replacement of assets: Targeted Rates 80 – 100% Fees And Charges 0 – 19% Financial Contributions 0 – 19%</p> <p>Increased level of service or additional demand: Borrowing 100%</p>	Our Parks and reserves are the point of difference for the district and are of high importance to the community. To recognise that users who reside in urban areas can access parks and reserves more readily, rates funding is targeted to various communities.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Property	We have a choice of quality places to go and things to do. We live in a caring, compassionate community.	The entire community benefits from the availability of community halls and buildings to provide places for meeting and socialising. Individual tenants benefit from community housing and property rental.	Council owned properties generally are long term assets and the benefits are ongoing. The Council has a long term lease for the property it makes available for community housing.	Need is created by the entire community to have access to halls and buildings. Need is created by those in the community looking for affordable housing.	Rates for halls can be targeted to various communities. Tenants can be charged for the use of the land or community housing.	<i>Operating</i> Targeted Rates 60 – 79% Fees and Charges 40 – 59% <i>Capital</i> Replacement of assets: Targeted Rates 80 – 100% Fees And Charges 0 – 19% Financial Contributions 0 – 19% Increased level of service or additional demand: Borrowing 100%	Users of leases or hired property are able to be charged. However, in the case of community housing specifically, the income is not set at market rates. Not all Council property is leased, but various communities will have a greater degree of access to property in their area. So rates funding is targeted to various communities.
Public Conveniences	We have a quality infrastructure with potential for growth. Those who use the facilities directly benefit be they members of the community or visitors.	The whole community benefits from the availability of hygienic and well maintained public conveniences.	The Council's various public conveniences have a useful life of between 12 and 50 years.	Visitors to the District along with the public when travelling within the District create the need.	User pays public toilet systems have their difficulties and accordingly fees and charges are not an appropriate funding source.	<i>Operating</i> General Rates 20 – 39% Targeted Rates 60 – 79% <i>Capital</i> Borrowing 100%	Because there is some benefit to the whole community, a portion will be funded by the general rate. To recognise that users who reside in urban areas can access public conveniences more readily, rates funding is targeted to various communities.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Regulatory Services	We value and respect our environment.	The benefits are shared between the user who can proceed with their activity and the community who is assured the environment is managed, and the community is safe from safe.	Benefits of regulation, in general, are ongoing even though the specific regulations may change over time.	Need is created by the entire community for structure, consistency and certainty. Need is created by Council for rules to protect its position and manage its risk exposure.	Users can be charged fees for applications, licenses and registrations. Not entirely. A large proportion can be funded from	<p><i>Operating</i></p> <p>General Rates 40 – 59%</p> <p>Fees and Charges 40 – 59%</p> <p><i>Capital</i></p> <p>General Rates 40 – 59%</p> <p>Fees and Charges 40 – 59%</p>	While a large portion of the activity can be funded application fees and license fees, there is still a residual public good. Because the whole community benefits from the regulatory process and framework, this is funded by general rates.
Roading	We have a quality infrastructure with potential for growth.	The whole community benefits from roads which provide access throughout the District.	The Council's roading assets have various useful lives. However, in general, these are long term assets lasting from 10 – 100 years.	The whole community needs roads for transport of goods and people.	It is not feasible to use fees and charges for public roads. Central Government funding is available through the New Zealand Transport Agency for operating and capital expenditure.	<p><i>Operating</i></p> <p>Targeted Rates 40 – 50%</p> <p>Grants & Subsidies NZ Transport Agency & local fuel taxes 40 – 50%</p> <p><i>Capital</i></p> <p>Replacement of subsidised assets: Targeted Rates 40 – 50%</p> <p>Grants & Subsidies NZ Transport Agency & local fuel taxes 40 – 50%</p> <p>Replacement of non-subsidised assets: Targeted Rates 40 – 50%</p> <p>Borrowing 40 – 50%</p> <p>Increased level of service or additional demand:</p> <p>Borrowing 100%</p>	Users tend to use roads in the vicinity of their immediate community. As such the portion of the activity funded by rates is targeted to various communities.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Solid Waste	We value and respect our environment.	Users of the transfer station and the Council's kerbside waste and recycling service directly benefit. The whole community benefits from the safe and efficient disposal of solid waste.	The Gore Transfer Station has a 50-year useful life, and the kerbside wheelie bins have a 15 years life. The benefits will be ongoing during this time.	All residents and visitors create the need for this service. There is also a legal requirement to provide this activity (Health Act 1956, Resource Management Act 1991, Local Government Act 2002, Waste Minimisation Act 2008).	Those using the transfer station can be charged fees for the disposal of refuse. Those able to use the Council's kerbside waste collection and recycling service can be rated separately. Users of the transfer Not entirely.	<p><i>Operating</i></p> <p>General Rates 0 – 19%</p> <p>Targeted Rates 40 – 59%</p> <p>Fees and Charges 20 – 39%</p> <p>Grants & subsidies 0 – 19%</p> <p><i>Capital</i></p> <p>Replacement of assets: General Rates 0 – 19%</p> <p>Targeted Rates 40 – 59%</p> <p>Fees and Charges 20 – 39%</p> <p>Grants & subsidies 0 – 19%</p> <p>Increased level of service or additional demand: Borrowing 100%</p>	A large proportion can be funded from rates targeted to beneficiaries of kerbside waste collection and recycling service or fees at the refuse transfer station. However, gate charges at the refuse transfer station cannot be raised too high as adverse effects such as “fly-tipping” can occur as a result. Accordingly, some community funding via general rates is therefore necessary.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Visitor Services and District Promotion	We have a choice of quality places to go and things to do	The whole community benefits from the District's vibrant image and attraction of visitors. The entire community benefits from improved economic activity and positive outlook/attitudes. Businesses may benefit directly from various initiatives.	Many promotional activities have an ongoing benefit with respect to the District image, promotion and diversity	Need is created by entire community to promote the District as a place to visit, live, work and do business	Users of visitor services and those attending events can be charged fees.	<p><i>Operating</i></p> <p>General Rates 80 – 100%</p> <p>Fees and Charges 0 – 19%</p> <p>Grants & subsidies 0 – 19%</p> <p><i>Capital</i></p> <p>Replacement of assets:</p> <p>General Rates 80 – 100%</p> <p>Fees and Charges 0 – 19%</p> <p>Grants & subsidies 0 – 19%</p> <p>Increased level of service or additional demand:</p> <p>Borrowing 100%</p>	Due to the large public benefit, the majority of this activity is funded by general rates with some funding from user fees and charges from those who directly use the service or attend events.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Waste and Stormwater	We have a quality infrastructure with potential for growth. We value and respect our environment.	The entire community benefits from the safe and efficient discharge of waste and stormwater. Commercial and industrial businesses benefit specifically from wastewater services. Direct benefit to owners of property receiving services.	The components of the Councils wastewater and stormwater infrastructure have various useful lives. However, in general, these are long term assets lasting from 10 – 80 years.	The whole community creates the need for a safe urban environment where waste and stormwater discharges are adequately dealt with. Commercial and industrial enterprise create the need for wastewater services applicable to their business.	Funding can be obtained from those who directly receive the benefit of wastewater and stormwater disposal through fees and charges and targeted rates.	Operating Targeted Rates 80 – 100% Fees and Charges 0 – 19% Capital Replacement of assets: Targeted Rates 80 – 100% Fees and Charges 0 – 19% Increased level of service or additional demand: Borrowing 100%	Due to the large degree of private benefit and creation of need from those who use the service, it will be funded from user charges and targeted rates.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Water	We have a quality infrastructure with potential for growth. We value and respect our environment.	There is a direct benefit to owners of property receiving safe and efficient provision of drinking water. The entire community benefits from the provision of water services for firefighting to maintain community safety services.	The components of the Councils water infrastructure have various useful lives. However, in general, these are long term assets lasting from 10 – 80 years.	The whole community creates the need for a safe environment where water services are adequately provided and health standards maintained. Commercial, farming and industrial enterprise create the need for water services applicable to their business. Firefighting services create the need for water services to carry out their job.	Funding can be obtained from those who directly receive the benefit of treated water through targeted rates and	<p><i>Operating</i> Targeted Rates 80 – 100% Fees and Charges 0 – 19%</p> <p>Capital Replacement of assets: Targeted Rates 80 – 100% Fees and Charges 0 – 19%</p> <p>Increased level of service or additional demand: Borrowing 100%</p>	Due to the large degree of private benefit and creation of need from those who use the service, it will be funded from user charges and targeted rates.

INVESTMENT POLICY

1. Purpose

The 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 financial strategy or LTP.

This Investment Policy details how these investments are to be managed.

2. Local Government Act 2002 Requirements

Section 105 of the Local Government Act 2002 requires each local authority to have an investment policy that includes:

- the objectives under which investments are to be managed.
- the mix of investments
- the acquisition of new investments.
- an outline of the procedures by which investments are to be managed and reported to the Council.
- an outline of how risks associated with investments are to be assessed and managed.

3. Objectives

The objectives of this Investment Policy are consistent with corporate best practice and will take into account the requirements of the Council's annual and strategic plans and its long-term financial strategy or LTP.

The key objectives of the Council's investment policy are to:

- Ensure the protection of ratepayers capital takes precedence over income generation
- Ensure that the Council has funds available to meet its liabilities as they fall due.
- Safeguard GDC's financial market investments by establishing and regularly reviewing investment parameters and ensuring that all investment activities are carried out within these parameters.
- Produce accurate and timely information that can be relied on by senior management and the Council for control and exposure monitoring purposes in relation to the investment activities of the Council.
- Maintain operational controls and procedures to protect the Council against financial loss, opportunity cost and other inefficiencies.

4. Investments Defined

The Council's investments may include:

- cash
- company shares
- property
- financial assets held in or on behalf of Trusts or reserve funds
- investment portfolios as part of an investment strategy, or for Debt Repayment or debt mitigation purposes
- shareholdings in Council Controlled Organisations,

Loans to community organisations have social considerations and are not considered investments for the purposes of this policy.

5. Concurrent Policies

This Investment Policy should be read in conjunction with the Council's Liability Management Policy.

6. Investment Mix

The Council holds fixed interest investments sufficient to match the funds of selected Trusts and reserves accounts. Fixed interest investments may also be set up for working capital management.

The Council may also hold money market and fixed interest investments in investment portfolios as part of an investment strategy or for debt repayment or debt mitigation purposes. The investment parameters for the money market and fixed interest activities are contained in Appendix 1.

Property and shares may be held as primary functions of the Council contributing to the achievement of the Council's annual and strategic plans. The Council may hold property and shares in perpetual or externally managed investment portfolios as part of an investment strategy.

The mix of investments may vary from time to time to meet the Council's functional and expenditure and investment management requirements.

7. Investment Revenue

Interest on funds invested on behalf of Trusts and selected reserves is credited to the relevant Trust/reserve. Interest on other funds is taken into the consolidated revenue of the Council.

Where deposits have been set up to offset actual debt, interest earned on the deposit is applied to the interest incurred on that debt.

Other revenues must be used to meet the objectives of the function from which the revenue was derived, unless otherwise authorised by the Council.

8. Asset Sale Proceeds

Funds released on the maturity of an investment or as the proceeds of an asset sale may be used as follows:

- debt reduction
- reinvested
- as per the terms of the relevant Trust deeds
- to the function from which they were derived
- any other purpose approved by the Council.

9. Investment Risk

The specific risks associated with each investment will be identified and assessed against the benefits available. Where Council is able to, investment risk will be managed in accordance with the overall objectives of this policy.

10. Local Government Funding Agency

Despite anything earlier in this Investment policy, the Council may invest in shares and other financial instruments of the New Zealand LGFA, and may borrow to fund that investment. The Council's objective in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

Appendix 1: Authorised Investment Criteria – Money Market and Fixed Interest Investment Portfolio

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor’s (or Moody’s or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	<ul style="list-style-type: none"> Government Stock Treasury Bills 	Not Applicable	Unlimited
Rated Local Authorities	70%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$3.0 million \$2.0 million \$3.0 million \$5.0 million
Local Authorities where rates are used as security	60%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Not Applicable	\$2.0 million \$2.0 million
New Zealand Registered Banks	100%	<ul style="list-style-type: none"> Call/Term Deposits/Bank Bills/Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better	\$10.0 million \$3.0 million \$5.0 million
State Owned Enterprises	70%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of BBB+ or better Long term S&P rating of A+ or better	\$3.0 million \$1.0 million \$3.0 million
Corporates ⁴	60%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$2.0 million \$1.0 million \$2.0 million \$3.0 million
Financials ¹	30%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$2.0 million \$1.0 million \$2.0 million \$3.0 million
Building Societies	20%	<ul style="list-style-type: none"> Call and Term Deposits 	To be individually approved by the Council	\$3.0 million

³ Term deposits may be placed with SBS Bank by resolution of the Council.

⁴ The combined holding of Corporates and Financials shall not exceed 70% of the portfolio.

LIABILITY MANAGEMENT POLICY

1. LOCAL GOVERNMENT ACT 2002 REQUIREMENTS

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

2. OBJECTIVES

The objectives of the Liability Management Policy (“LMP”) are consistent with corporate best practice and will take into account the Council’s annual and strategic plans and its long-term financial strategy.

The key objectives of the Council’s Liability Management policy are to:

- ensure that the Council has an ongoing ability to meet its debts in an orderly manner as and when they fall due in both the short and long term, through appropriate liquidity and funding risk management.
- arrange appropriate funding facilities for the Council, ensuring they are at market related margins utilising the Local Government Funding Agency (“LGFA”), bank debt facilities and/or capital markets as appropriate.
- maintain lender relationships and the Council’s general borrowing profile in the local debt and, if applicable, capital markets, so that the Council is able to fund itself appropriately at all times.
- control the cost of borrowing through the effective management of its interest rate risks, within the interest rate risk management limits established by the LMP.
- ensure compliance with any financing/borrowing covenants and ratios.
- maintain adequate internal controls to mitigate operational risks.
- produce accurate and timely reports that can be relied on by senior management and the Council for control and exposure monitoring purposes in relation to the debt raising activities of the Council.
- prudently manage the Council’s borrowing activities.
- borrow only under the Council’s approved facilities and as permitted by this policy.
- maintain operational controls and procedures to protect the Council against financial loss, opportunity cost and other inefficiencies.

3. CONCURRENT POLICIES

The Council has an Investment Policy, and a funding policy for capital expenditure which should be read in conjunction with this policy.

4. BORROWING MANAGEMENT

The Council raises loans for the following primary purposes:

- specific debt associated with projects and capital expenditure.
- finance leases for fixed asset purchases.
- to fund assets with intergenerational qualities.
- general debt to help fund working capital.

When evaluating new borrowings (in relation to source, term, size, and pricing) the following factors will be considered:

- the size and the economic life of the project.
- earnings, if any, flowing from the project.
- the impact of the new debt on the borrowing limits
- relevant margins under each borrowing source.
- the overall cashflow requirements of the Council.
- the Council's overall debt maturity profile.
- prevailing interest rates and credit spreads relative to term for LGFA and capital markets sourced debt and bank borrowing and an assessment of future credit spreads and interest rate movements.
- available terms for LGFA, capital markets and bank debt.
- legal documentation and financial covenants.

4.1 Borrowing Authority

It is intended that all borrowings will be identified in the Long Term Plan ("LTP") or Annual Plan. The authority to carry out such borrowings may be exercised by any person with the delegated authority to do so.

Borrowings not in accordance with the LTP or Annual Plan must be authorised by resolution of the Council.

Borrowings raised on behalf of Council Controlled Organisations and for commercial activities will be assessed on the individual case basis. These borrowings must be authorised by the relevant Board (if applicable) and by the Council.

4.2 Borrowing Facilities

The Council may borrow from any New Zealand Registered Bank with a Standard and Poors short term rating of 'A-1' and a minimum long term rating of 'A'. There will be no limit set on the amount of funds which any of the authorised banks may lend the Council.

The Council may also authorise the issue of local authority bonds and debt sourced from the LGFA.

All borrowing facilities must be denominated in New Zealand dollars.

4.3 Borrowing Limits

The Council will adhere to the following limits (based on the Council's latest core financial statements):

- Net debt as a percentage of total revenue shall be less than 175%.
- Net interest as a percentage of total revenue shall be less than 20%.
- Net interest as a percentage of rates shall be less than 25%.

5. DEBT REPAYMENT POLICY

The Council's policy on debt repayment is to ensure that the Council is able to repay debt on maturity with minimum impact on the Council's operations.

Repayment of debt (interest and principal) is governed by the:

- Affordability of debt servicing costs.
- Sustainability of debt over the long term.
- Maintenance of prudent levels of debt at all times.
- Preservation of flexibility in borrowing capacity to deal with community and Infrastructural needs which will arise in the future.
- Intergenerational equity principles (past, present and future).

The application of surplus cash will have the following priority:

1. Repayment of debt
2. Priority projects
3. Investment

6. SECURITY POLICY

The Council policy on security is to ensure that the Council is able to provide suitable security to investors, whilst retaining maximum flexibility and control over assets.

The security for most of the Council's debt will be the ability to levy rates. The Council may offer assets or rates as security for its borrowing.

The Local Government Act requires this security to be registered under the Companies Act. This registration is available for public inspection.

7. INTEREST RATE EXPOSURE

7.1 Objectives

The key objectives of interest rate management are to:

- Prudently manage the Council's interest rate exposures.
- Maintain interest rate profiles as required by this policy.

7.2 Interest Rate Management

The Council's borrowing gives rise to direct exposure to interest rate movements. It is the responsibility of the Chief Financial Officer to implement an interest rate risk management strategy in accordance with the parameters detailed in this policy taking account of the following:

- Future debt requirements.
- Permissible Interest rate risk management products available to convert floating rate borrowing into fixed or hedged borrowing and fixed rate debt into a floating rate.

The following interest rate risk management and debt instruments may be used to comply with the Fixed Rate Hedging Percentages detailed in this section:

- Forward rate agreements.
- Spot and forward starting interest rate swaps.
- Swaptions.
- Interest rate options, including collar type structures but only in a ratio of 1:1.
- Fixed Rate Bonds.
- Fixed Rate Term Loans.

Selling interest rate options for the primary purpose of generating premium income is not permitted because of its speculative nature.

The use of futures contracts is not permitted.

Interest rate hedging transactions shall only be transacted with New Zealand registered banks which have S&P Global Rating equal or higher than A- or Moody's Investors Service or Fitch rating equivalents.

The interest rate exposures of the Council shall be managed according to the hedging parameters detailed in the following table:

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 – 2 years	50%	100%
2 – 5 years	25%	80%
5 – 10 years	0%	60%

The hedging parameters shall apply to the projected core debt of the Council. Core debt is defined as that contained in the Long Term Plan, Annual Plan or as otherwise determined by the Chief Financial Officer.

The hedging bands are cumulative, i.e. a 10 year swap falls within the 0-2 years, 2-5 years and 5-10 years bands, whereas a 5 year swap only falls within the 0-2 years and 2-5 years bands.

Fixed rate hedging in excess of 10 years is permissible provided that it is carried out in conjunction with, or aligns with, an underlying debt instrument

Any hedging arrangements outside of these parameters shall be approved by resolution of the Council.

Borrowing Mechanisms

It is the responsibility of the Chief Financial Officer to manage the Borrowing, Liquidity Risk Management and Funding Risk Management activities of the Council.

The Council may use the following external borrowing mechanisms.

- Bank sourced debt available under a committed facility.
- Commercial Paper.
- Floating Rate Notes
- Fixed Rate Bonds

8. LIQUIDITY

8.1 Objectives

The key Liquidity Management objectives are to:

- Manage short-term cash flows in an efficient and prudent manner.
- Maintain a level of liquidity sufficient to meet both planned and unforeseen cash requirements.
- Maintain accurate cash flow forecasts to increase efficiency in the Council's investment and borrowing decision making.

8.2 Liquidity and Funding Risk Management

The Chief Financial Officer is responsible for monitoring and managing liquidity by:

- Forecasting, monitoring and managing daily cash activities.
- Ensuring liquidity to meet unexpected cash expenditure or revenue shortfalls.
- Arranging debt facilities and/or maintaining financial assets which can be readily converted to cash within a suitable time period.
- Having in place contingency plans to meet worst case scenarios.

To manage liquidity and funding risk the following shall apply:

- To avoid a concentration of debt maturity dates the Council will, where practicable, aim to have no more than 50% of debt subject to refinancing in any rolling twelve month period.'
- the Council shall aim to maintain committed funding lines of not less than 110% of projected core debt' for the coming year. Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Chief Financial Officer.

9. CREDIT EXPOSURE

9.1 Objectives

The key credit management objectives are to:

- Prudently manage the Council's credit exposures.
- Only borrow, invest and otherwise transact with approved parties with pre-determined limits as permitted by this policy.

9.2 Credit Management

Prudent credit management can reduce the risk of loss due to a party failing to meet its obligations.

- The Council will only place investments with parties who have, at a minimum, a S&P Global Ratings ("S&P short term rating of 'A-1' and long term rating of 'A' rating or Moody's Investors Service or Fitch rating equivalents.
- Financial derivative contracts will only be held with registered banks with a minimum S&P, or other equivalent agency rating, short term rating of 'A-1' and long term rating of 'A' or Moody's Investors Service or Fitch rating equivalents.

10. OTHER LIABILITIES

10.1 Current Liabilities

Current liabilities reflect those obligations, expressed in monetary terms, which the Council has to meet within the next twelve months. For day to day obligations for its operational and capital expenditure, the Council's policy is to pay such in full (or to the full extent of any contractual obligations) by due date. This eliminates any credit exposure or risk.

10.2 Contingent Liabilities

The Council does not provide financial guarantees. However, other contingent liabilities may arise due to legal processes. These will be reported to the Council as soon as they become apparent. Provision for the likely financial implications of these liabilities will be made in accordance with the Council's policy.

11. DELEGATIONS

The delegated authority in respect of Liability Management Policies is as follows:

Approvals required from the Council

- Adoption of policies
- Amendments to policies in the case of identification of any material error or proposed changes that are significant rather than of a technical or typographical nature.

Day to day management of the policy is delegated as per the Councils Delegation Register.

12. REVIEW

The Council will regularly review the LMP. The maximum time between reviews will be three years.

13. REPORTING

A quarterly report should be compiled which contains the following key details of the Council's debt and hedging profile.

- Total current debt.
- Interest rate hedging profile against percentage hedging limits (graphically illustrated).
- Details of all interest rate derivative transactions.
- Details of current funding tranches and maturity profile (graphically illustrated).
- Weighted average cost of funds.
- A statement of policy compliance.
- Details of any exception reports including remedial action taken or intended to be taken.

14. LOCAL GOVERNMENT FUNDING AGENCY

Despite anything earlier in this Liability Management Policy, the Council may borrow from the New Zealand LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- Subscribe for shares and uncalled capital in the LGFA; and
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

15. TREASURY ADVICE

The Council will retain the services of an independent treasury advisor to assist with the management of this policy.

REMISSION OF RATES

This policy is prepared pursuant to Section 109 of the Local Government Act 2002.

All land detailed in Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 will be treated as non-rateable.

A 50% remission of general rates will be applied to all land qualifying under Part 2 of Schedule 1 of the Local Government (Rating) Act 2002

In addition to these, the Gore District Council has remission policies for:

1. Community and Sporting organisations
2. Economic Development
3. Penalties
4. Mixed Residential/Commercial use properties where the owner/operator resides on the property

This policy will be reviewed at least every three years.

REMISSIONS FOR COMMUNITY AND SPORTING ORGANISATIONS

Objectives of the Policy

- To facilitate the ongoing provision of non-commercial (non-business) community services that meet the needs of Gore District residents.
- To facilitate the ongoing provision of non-commercial (non-business) recreational opportunities for Gore District residents.
- Assist the organisation's survival; and
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and Criteria

The Council may remit rates where the applications meet the following criteria:

1. The policy will apply to land owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
2. The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
3. The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.
4. No remission of rates will be granted to organisations that receive a grant from the Council, nor will a remission be granted for premises that hold either a liquor or gambling licence.
5. The application for rate remission must be made to the Council prior to the commencement of each rating year; applications received and approved during a rating year will be applicable from the commencement of the following rating year. No approvals will be backdated.

6. Organisations making an application should include the following documents in support of their application:
 - a. Statement of objectives;
 - b. Full financial accounts;
 - c. Information on activities and programmes;
 - d. Details of membership or clients
7. Organisations that meet the criteria will be entitled to a 50% remission of all rates except for targeted rates for water, wastewater, and solid waste.

Notwithstanding the above, groups whose primary purpose is to provide recreational, sporting or community services for children (under 18 years) may apply for a 100% remission of all rates except for targeted rates for water, wastewater, and solid waste.
8. Gore and Districts Health will receive a 100% remission of rates on land that it owns or occupies and from which it provides health or related services. Any remission will apply to all rates except for targeted rates for water, wastewater, and solid waste.

ECONOMIC DEVELOPMENT RATING INCENTIVE

Objectives of the Policy

The Gore District Council offers a rate remission as an encouragement for business development and growth.

Conditions and Criteria

- The incentive will be made available, on application, for new business initiatives and for expansion of existing businesses that meet the following criteria.
- The Council must be sure that it is not providing an advantage to one business over another when there is competition between two or more business enterprises.
- Council support will only be given to well-planned developments from applicants who can show a good track record of success.
- No incentives will be given as a subsidy to 'stay alive.'
- Incentives will be relative to employment opportunity and the creation of full time positions or full time equivalent positions (fte). Each fte is required to have a value of \$10,000 or more and must be resident within the Gore District.
- The scale of incentives will be –
 - 10 ftes = reduction of 10.0%
 - 20 ftes = reduction of 10.0%
 - 50 ftes = reduction of 10.0%
 - 100 ftes = reduction of 20.0%
 - 150+ ftes = reduction of 25.0%
- The reductions will apply to all rates except for targeted rates for water, wastewater, and solid waste.
- Rates reductions will be paid retrospectively upon receipt of evidence that the employment opportunities have been created.
- The rate reductions will be available for up to three years
- All applications must comply with relevant legislation.
- The Council may apply additional conditions as it sees fit from time to time.
- The Council may cancel any remission granted in respect of the rating year in the event of non-compliance with any conditions imposed and if it does so, it may require full rates to be paid.
- The application of this policy will be at the sole discretion of the Council.

PENALTIES

Objective

- The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

Conditions and Criteria

The Council may remit the penalty rates where the applications meet the following criteria:

1. Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, as at the due date.
2. Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.
3. Where the circumstances are such that to not remit some or all of the penalty would be unfair or unreasonable and inconsistent with the criteria above.
4. The Council may remit small balances due to cash rounding.
5. Decisions on remission of penalties will be delegated to officers as set out in the Council's delegation manual.

MIXED RESIDENTIAL/COMMERCIAL USE PROPERTIES WHERE THE OWNER/ OPERATOR RESIDES ON THE PROPERTY

Objective

- The objective of the remission policy is to address the inequitable circumstance whereby a live in operator of a mixed use property is charged two sets of fixed charges, and one residential parks & reserves rate and one commercial parks & reserves rate as the property is divided into two separately used or inhabited parts (residential and commercial).
- A mixed use property is defined as a property where there is a commercial activity operating from within the residential dwelling. For example, a diary or a hairdressing business operating from the residential dwelling.
- This policy recognises that both parts are occupied by the same person and no separate party benefits from services provided by the Council

Conditions and Criteria

1. A mixed use property where the owner/operator of the commercial activity resides on the property, it is entitled to a remission of:
 - a. The second: UAGC, Wheelie bin rate (only one set of bins provided), Water rate and Wastewater and Stormwater rate on that property. It will not apply to the additional water rate and additional wastewater and stormwater rate.
 - b. Half the residential parks and reserves rate and half of the commercial parks and reserves rate on that property (where the part of the property valued commercial is in the 2nd or 3rd highest differential category for the parks and reserves commercial rate).
2. The live in owner/operator must sign an annual declaration confirming that they live on the property. This must be received by the Council prior to the commencement of the rating year.

REMISSION OF UNIFORM ANNUAL GENERAL CHARGE AND SOUTHLAND REGIONAL HERITAGE TRUST RATES WHERE A PROPERTY EXTENDS INTO A NEIGHBOURING DISTRICT

Objective

- In the rare case where a property extends into the territory of a neighbouring council, that property qualifies as a rating unit in both territories. This means the property will be charged fixed rates such as a Uniform Annual General Charge by both Councils. In essence this means the property pays rates on the same land twice.
- The objective of this policy is to apply a remission so property owners in this situation are not disadvantaged.

Conditions and Criteria

The Council will remit the Uniform Annual General Charge and the Southland Regional Heritage trust Rate from land that extends into a neighbouring district and that meets the following criteria:

- The remission will apply where the portion of the land in the Gore District is not used separately from the rest of the land, and there are no dwellings on the portion of the land in the Gore District.
- Where a dwelling or separately used part of a rating unit exists in the Gore District, the remission will not apply.

RATING OF MĀORI FREEHOLD LAND

Māori Freehold land will be rated in accordance with Part 4 of the Local Government (Rating) Act 2002 and the Gore District Council's rates remission and postponement policies. The Council does not have a rates remission or rates postponement policy specific to Maori Freehold land.

SCHEDULE OF SPECIAL RESERVE FUND MOVEMENTS

		30 June 2018	Additions \$,'000	Withdrawals \$,'000	30 June 2028
(a) Special bequests					
A M A Dolamore	Maintenance and improvement of Dolamore Park	61	22	-	82
C A Coster	Provision or extension of amenities in Maitara area	288	123	-	411
Dolamore Trust	Purchase of Library Books	4	2	-	6
Dorothy Newman Trust	Maintenance and improvement of Gore Parks and Reserves	16	6	-	22
J H Dolamore	Maintenance and improvement of Gore Parks and Reserves	37	13	-	49
Latham Trust	For the promotion of arts in Gore and the surrounding districts	-	-	-	-
(a) Special bequests Total		406	165	-	571
(b) Council created reserves					
Airport reserve	Funding future operations	6	5	-	11
Combined cycleways grant	Funding for combined cycleways group project	-	-	-	-
Council wide asset replacement and maintenance reserves	Funding long term maintenance and replacement of Council assets	4,231	7,432	(7,272)	4,391
Creative New Zealand	Funding of cultural activities	2	-	-	2
Drainage contributions reserve	Funding additional connections to drainage network	62	-	-	62
Water contributions reserve	Funding additional connections to water network	-	-	-	-
Insurance excess reserve	Funding for self insurance of below ground assets	51	-	-	51
Long Term Plan reserve	Funding future iterations of long term plan	20	-	-	20
Maitara Initiatives Reserve	Funding future initiatives in Maitara	11	-	-	11
Otama water scheme	Funding capital works on Otama Water Scheme	476	663	(314)	825
Parks and Reserves development reserve	Funding future development requirements	161	-	-	161
Rural Halls Reserve	Funding future maintenance costs of rural halls	1	-	-	1
Rural Special Fund	Provision of amenities in rural areas of the District	463	164	-	627
Rural Roding reserve	Funding future rural roding works	-	-	-	-
Sister City reserve	Funding future sister city initiatives	9	-	-	9
Website Reserve	Funding future development of the Council website	10	-	-	10
Young Ambassador reserve	Funding future young ambassador initiatives	1	-	-	1
Total		5,505	8,263	(7,585)	6,183
Grand Total		5,911	8,428	(7,585)	6,754

