

Gore District Council

# ANNUAL PLAN 2020/21



**RURAL CITY LIVING**

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# MAYORAL AND EXECUTIVE FOREWORD

We are pleased to be able to provide a brief foreword to the Gore District Council's 2020/21 Annual Plan. This plan covers Year 3 of our 10 Year Plan 2018-28. Whilst the plan is substantially in line with the expectations set out in the 10 Year Plan (10YP), it needs to be emphasised the forecast of the 10YP was made about two-and-a-half years ago. Therefore, this elapse of time does place pressure on the accuracy of what was forecast to occur in the coming financial year. Key changes to what was forecast in the 10YP are set out below.

## COVID-19 and resulting recessionary impact

A dark cloud hanging over New Zealand and the entire globe in recent months has been the outbreak of the COVID-19 pandemic. The remarkable pace the pandemic spread around the globe and forced New Zealand to shut its borders and place all except essential workers in a five-week lockdown, has caused financial and emotional stress on many sectors of the community. This in turn led the Council to critically review its expenditure levels to minimise, as far as possible, the financial burden being placed on households and businesses.

At the same time, the Council is cognisant of needing to operate a full range of activities and services for the community to use and enjoy, along with completing long-planned and essential capital works. In finalising its budget, the Council also endeavoured to strike a balance between minimising expenditure now, but not to the extent that it would cause a spike in rates levels further down the track. This objective was kept foremost in mind given previous recessions the country has endured have tended to be at least a couple of years before green shoots of recovery become apparent.

## Financials

The Council will collect \$17.821m in rates this year. This means a district-wide average rate increase of 2.84%, compared to an increase of 4.53% forecast in the 10YP. We also expect to collect \$7.287m in other revenue such as subsidies and fees and charges.

On the other side of the ledger, we have budgeted for \$25.838m in operational expenditure and \$19.1m in capital expenditure. Our capital expenditure has increased by \$6.1m over what was forecast in the 10YP. This increase relates to projects that have taken longer than anticipated in the planning process, together with an increase in costs in the Gore Water Treatment Plant upgrade. This means there is a concentration of capital expenditure in the forthcoming year. These projects are profiled in the next section.

## What's coming up

From an operational viewpoint, there is not much change from year one and year two of the 10YP. However, there are a few significant projects that will make their presence felt during the next year:

- **Upgrade of the Civic Administration Building**

An upgrade of the civic administration building to improve earthquake resistance, provide a more functional layout, and additional floor space to repatriate some activities that have been located in the James Cumming Wing, has been on the Council books for 10 years. In recent times the need to remove asbestos from the building has also become a factor. Work on a comprehensive \$6m upgrade of the building commenced in January 2020 and is expected to continue for the duration of the calendar year. Approximately 50 percent of the capital expenditure for this project will be spent in the forthcoming financial year.

- **Gore Water Treatment Plant Upgrade**

This project was supposed to be advanced in the 2018/19 year, but was put on hold to undertake further analysis of options to ensure the plant provides drinking water to Gore residents that is compliant with New Zealand Drinking Water Standards. As stated in last year's annual plan, this is a multimillion dollar project the Council wants to step through cautiously in order the correct option is selected. There are a number of options the Council can choose both in terms of the method the treatment plant at East Gore is upgraded, and the type and location of the bridge structure to carry the water supply over the Mataura River. This, along with the availability of central government funding for pedestrian and cyclist safety, and the need to reach agreement with landowners for the installation of the water pipes, has delayed this project further.

While the strategy to upgrade the Gore water supply is now settled, costs have risen appreciably since the original estimate was prepared in 2018 without the benefit of an established strategy. With a tender having been accepted for the installation of a new membrane plant at East Gore and an estimate of cost for a new bridge structure over the Mataura River, the estimated costs of this project are now on a far firmer footing. At the time of writing, the Council was in the throes of lodging a resource consent application for the construction of a new bridge over the Mataura River. Subject to receipt of the resource consent, the new bridge and supporting pipeline are expected to be accomplished in the 2021 calendar year. The estimated cost of this multi-dimensional project is now approximately \$10.8m.

• **Stormwater separation**

A sum of \$2.66m has been set aside in regard to making provision for a separate stormwater main in Elizabeth Street, Gore. This project responds directly to drainage problems experienced in Elizabeth Street during rainfall events. The Council has a large proportion of combined wastewater/stormwater mains it needs to progressively separate. This is a long-term project, which will take several decades to complete. However, the Elizabeth Street section will provide the opportunity for the Council to pilot its approach and, if necessary, make any modifications to how it rolls out this programme in future.

## What's the difference

As would be expected there are a few changes to our 10YP. Changes allowed for in the Annual Plan and included in the overall average rates increase of 2.84% are:

- An increase of \$110,000 in the budget for contribution to the new Southland Regional Development Agency known as Great South. This increase is part of an agreement reached with the other councils in Southland.
- An increase in the Council budget of \$97,000 in regard to notified insurance premium rises.
- The provision of \$67,000 to enable the Council to employ a Community Strategy Manager. This position will act as the primary advisor to the Council's recently formed Community Strategy Committee.
- A funding provision to enable the new revitalised Tussock Country Music Festival to employ a coordinator. An allowance of \$25,000 being a part-time salary for a period of six months, has been included in the Annual Plan.

Overall, the Council is pleased it has been able to continue with its strategic direction, invest in key community initiatives and assets, but also apply a frugal attitude to its normal operating environment.



Tracy Hicks JP  
**MAYOR**



Stephen Parry  
**CHIEF EXECUTIVE**



# ANNUAL PLAN READER'S GUIDE

The purpose of the Plan is to identify any differences between what was proposed in the 10 Year Plan and what is now planned for the 2020/2021 year. This means that you will have to refer to the Council's 2018-28 10 Year Plan for information about our Community Outcomes, intended levels of service and also how Council anticipates carrying out its responsibilities and duties. The 10 Year Plan is available on Council's website [www.goredc.govt.nz](http://www.goredc.govt.nz) or for reference at the Gore Library, Mataura Library and Service Centre, or the Council's offices.

This Annual Plan will only present information where there is a difference from what was included in the 10 Year Plan.

## VARIATIONS FROM THE LONG TERM PLAN

The 2018-28 10 Year Plan forecast a District-wide average rates increase of 4.53%. However, the major changes summarised below has enabled the Council to deliver an average rates increase of 2.84%:

Activities affected	Proposed change	Impact on Level of service
All activities	Reduction in interest costs of \$472,000, due to borrowing levels being lower than forecast, along with decreasing interest rates	Nil
All activities	Overall increase in wages budgets due to structural changes. \$319,000	Nil
All activities	Reduction in travel and accommodation expenses as a result of predicted reduction in travel for conferences and training	Nil
All Activities	Increase in Insurance premiums \$164,000	Nil
Aquatic Services and Event Centre	Predicted decline in activity and grants no longer available in the short term has resulted in an overall increase of \$60,000	Expected restrictions as a result of Covid-19
Community Grants	Increase in Eastern Hockey and Eastern Southland Gallery Grants, \$10,000 each	Nil
Community Grants	Under spent Event grant funding has been carried over to help reduce the overall rates increase \$40,000	Nil

Variations From The Long Term Plan *continued ...*

Activities affected	Proposed change	Impact on Level of service
Corporate Services	Addition of \$67,000 to fund Community Strategy Manager	Nil
Democracy Services	Increased budget for contribution to the Southland Regional Development Agency \$110,000 as per the agreement reached with other Southland Council's	The new regional agency is tasked with working on regional initiatives and attracting 10,000 more people to live in Southland by 2025
IT	Additional licence fees for applications \$38,000	Nil
Library	Library Book budget decreased by \$20,000	Nil
Visitor Services	Addition of \$25,000 to fund the new Tussock Country Event Co-ordinator	Nil

In addition to the above, the Council has also added the following projects to be financed by loans:

Activities affected	Proposed change	Impact on Level of service
Regulatory and Planning	District Plan consultancy costs of \$422,000	The community will benefit from being able to access District Plan information online in an easily understood format
Water	Increase in loan funding for Water Treatment Plant Upgrade \$5,000,000	The community will benefit from being supplied water that meets New Zealand Drinking Water Standards

# 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.



**Gore District Councillors 2019 from left:** Crs Neville Phillips, Cliff Bolger, Glenys Dickson, Bret Highsted, Bronwyn Reid, John Gardyne, Mayor Tracy Hicks, Crs Richard McPhail, Nicky Davis, Doug Grant, Nick Grant and Stewart MacDonell.



# ANNUAL PLAN

## DISCLOSURE STATEMENT FOR

### YEAR ENDING 30 JUNE 2021

#### What is the purpose of this statement?

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

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

Benchmark		Planned	Met
Rates affordability benchmark:			
Income	< \$25 million	\$17.821 million	Yes
Increases	5%	2.84%	Yes
Debt affordability benchmark:	Debt to revenue is less than 175%	152%	Yes
Balanced budget benchmark:	100%	97%	No
Essential services benchmark:	100%	326%	Yes
Debt servicing benchmark:	10%	4%	Yes

Notes

#### 1. Rates affordability benchmark

(1) For this benchmark, -

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

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

- (a) its planned rates income for the year equals or is less than each quantified limit on rates; and
- (b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

#### 2. Debt affordability benchmark

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

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

### 3. Balanced budget benchmark

- (1) For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- (2) The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

### 4. Essential services benchmark

- (1) For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- (2) The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

### 5. Debt servicing benchmark

- (1) For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- (2) Because Statistics New Zealand projects that the Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

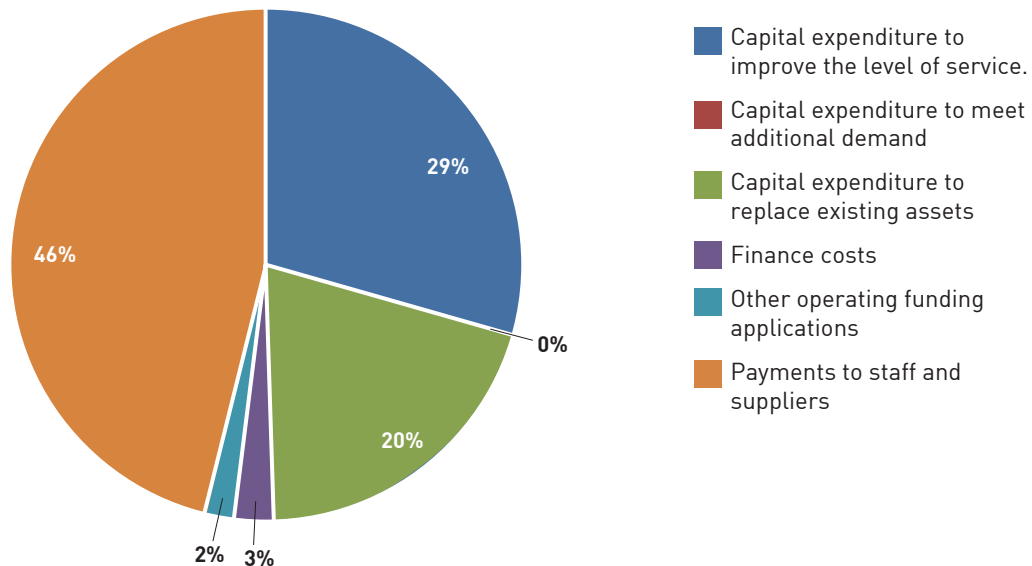


# FINANCIAL OVERVIEW

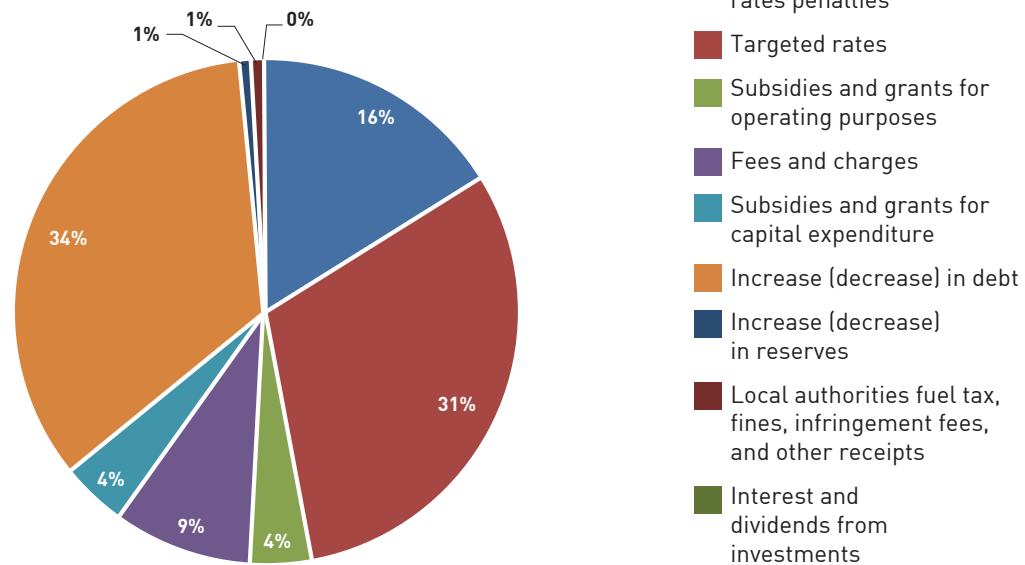
The average increase in rates across the District for 2020/21 is 2.84%. The impact of the increase will vary among the sectors of Residential, Commercial, Rural and Industry.

Rates	Urban*	Rural	Industrial	Utilities	Total (incl GST)
2019/20	14,587,958	5,000,978	323,915	65,394	19,978,245
2020/21	14,887,287	5,249,677	333,114	73,890	20,543,968
% increase	2.05%	4.97%	2.84%	12.99%	2.84%

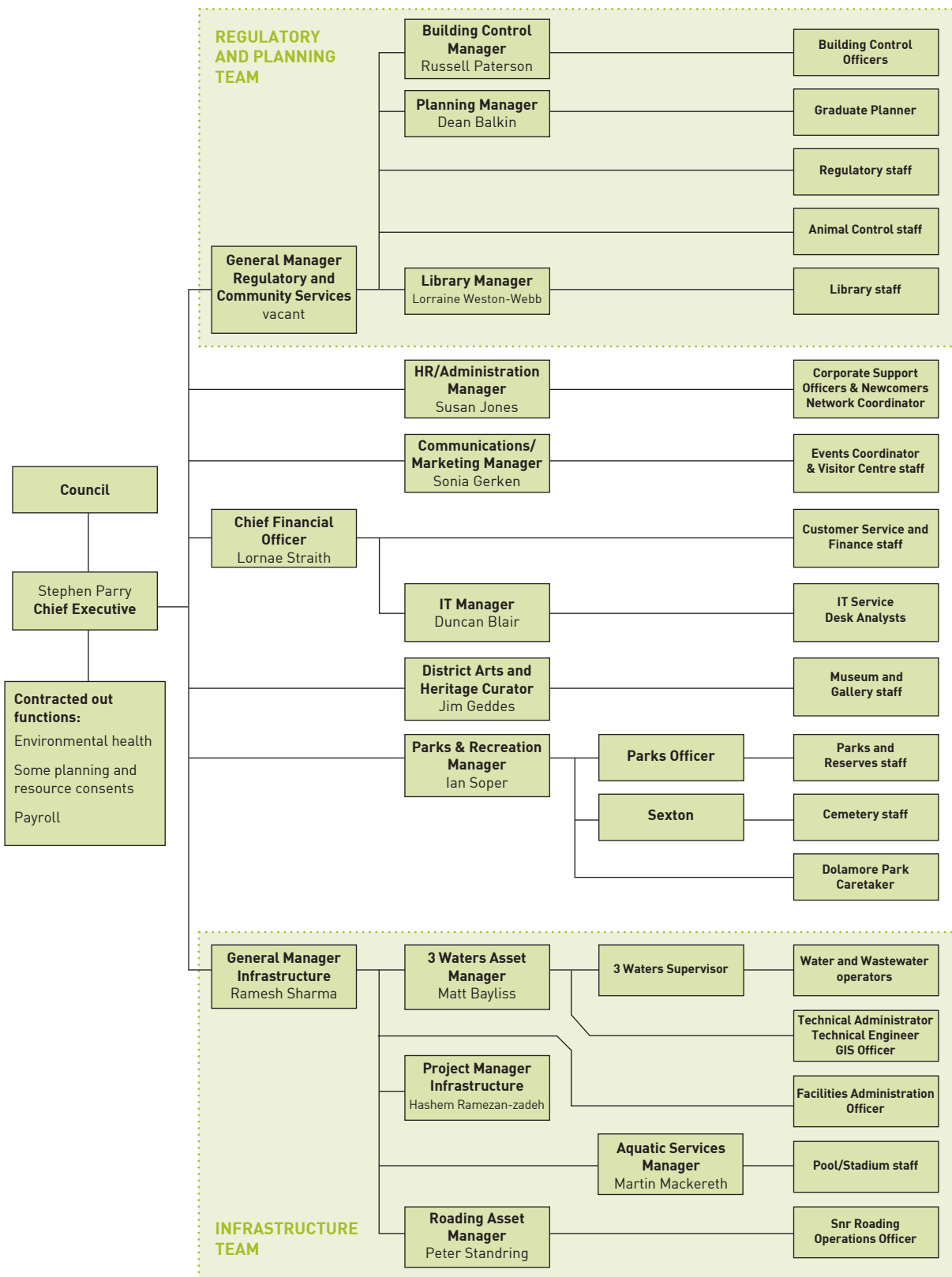
## What work do we plan to do?



## How do we plan to fund it?



# ORGANISATIONAL STRUCTURE



# GROUPS OF ACTIVITIES

The following pages contain each of the Council's activities and projects of significant community interest as set out in the 10 Year Plan.

It includes the Funding Impact Statement for each activity and also includes information for those activities that have changed as the result of adjustments made in the development of the 2020/21 Annual Plan.

Unless noted in the Annual Plan, the information contained in the 10 Year Plan is correct.



# WATER SUPPLY

*Refer to the 10 Year Plan page 69.*

## Non-financial information

There have been no changes to the non-financial information contained in the 2018-28 10 Year Plan.

## Levels of services

There have been no changes to the statement of service performance contained in the 2018-28 10 Year Plan.

## Future changes

Notable changes from the 2018-28 10 Year Plan are as follows:

- A revaluation of the Council's water supply assets was completed in June 2019. This determined the total value of the Council's water supply assets to be \$52.5 million. This is an increase of approximately 50% when compared to the 2016 valuation.
- Construction work for the combined Gore Water Treatment Plant upgrade, featuring a shared pathway (a roading project) is expected to start in the 2020/21 financial year and cost approximately \$10.8 million.
- The \$1.1 million Hilbre Avenue reservoir replacement has been deferred until completion of the Gore water treatment plant project. The exact timing of this project will be considered as part of the 2021-31 10 Year Plan.
- Part of the water pipe renewals budget for 2019/20 financial year will be used for the Elizabeth Street pipe upgrade project, planned for the 2020/21 financial year.
- Discussions regarding a potential joint water supply for Mataura, with the Alliance Group processing plant, are ongoing. Additionally, an application for funding assistance to install a pipeline to supply water to Mataura from the Gore water treatment plant has been submitted to Crown Infrastructure Partners Limited as part of the Government's "Shovel Ready" Project funding scheme. As a result of this, the \$1.3 million upgrade of the Mataura water treatment plant has been deferred. This project will be further considered as part of the 2021-31 10 Year Plan.
- A Local Member's Bill allowing the transfer of ownership of the Otama Rural Water Scheme to a private company has been passed. The scheme committee is working to meet the requirements of the enacted legislation including holding a referendum. A transfer of the ownership of the scheme could potentially occur in the next 12 months.
- Chlorine treatment has been installed for the Otama Rural Water Scheme allowing the 'permanent' boil water notice for the scheme to be removed. A decision regarding the preferred long term upgrade of the treatment plant is expected to be made in the next 12 months.
- In partnership with neighbouring local authorities, the Council has obtained funding from the Department of Internal Affairs to develop a business case for a collaborative working arrangement for 3 Waters service delivery. This measure is in response to government calls for a closer look at larger units for public delivery of water services, arising out of the inquiry in to the problems associated with the Havelock North water supply.

## FUNDING IMPACT STATEMENT - WATER

	Annual Plan 2020 \$'000	LTP 2021 \$'000	Annual Plan 2021 \$'000
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	1,744	2,100	1,893
Subsidies and grants for operating purposes	-	-	-
Fees and charges	334	341	341
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	-	-	-
<b>Total operating funding (A)</b>	<b>2,078</b>	<b>2,441</b>	<b>2,234</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	801	877	863
Finance costs	115	346	131
Other operating funding applications	-	-	-
Internal charges and overheads applied	647	628	649
<b>Total applications of operating funding (B)</b>	<b>1,562</b>	<b>1,851</b>	<b>1,643</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>516</b>	<b>590</b>	<b>591</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	3,993	2,532	10,825
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>3,993</b>	<b>2,532</b>	<b>10,825</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	414	499	499
Capital expenditure to improve the level of service	4,069	2,596	10,891
Increase (decrease) in reserves	26	27	26
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>4,509</b>	<b>3,121</b>	<b>11,416</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(516)</b>	<b>(590)</b>	<b>(591)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# WASTEWATER

Refer to the 10 Year Plan page 73.

## Non-financial information

There have been no changes to the non-financial information contained in the 2018-28 10 Year Plan.

## Levels of services

There have been no changes to the statement of service performance contained in the 2018-28 10 Year Plan.

## Future changes

Notable changes from the 2018-28 10 Year Plan are as follows:

- The 2018-2028 10 Year Plan assumed Gore's oxidation ponds would be desludged. This project has been put on hold while the Council determines the preferred long-term strategy for the wastewater treatment plant, as part of the resource consent renewal process. It is anticipated a consent application for both the Gore and Mataura wastewater discharges will be submitted to Environment Southland in late 2020.
- Part of the wastewater pipe renewals budget for 2019/20 financial year will be used for the Elizabeth Street pipe upgrade project, planned for the 2020/21 financial year.
- The Council plans to spend approximately \$400,000 undertaking an urgent renewal of a 120m section of wastewater trunk main in Wigan Street during the 2020/21 financial year. The work is required as a result of damage sustained in the February 2020, Southland Flooding event. This will be funded from the Council's wastewater reserves.
- In partnership with neighbouring local authorities. The Council has obtained funding from the Department of Internal Affairs to develop a business case for a collaborative working arrangement for 3 Waters service delivery. This measure is in response to government calls for a closer look at larger units for public delivery of water services, arising out of the inquiry in to the problems associated with the Havelock North water supply.





## FUNDING IMPACT STATEMENT - WASTEWATER

	Annual Plan 2020 \$'000	LTP 2021 \$'000	Annual Plan 2021 \$'000
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	1,663	1,716	1,630
Subsidies and grants for operating purposes	-	-	-
Fees and charges	521	526	526
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	-	-	-
<b>Total operating funding (A)</b>	<b>2,184</b>	<b>2,242</b>	<b>2,156</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	437	448	453
Finance costs	282	325	214
Other operating funding applications	-	-	-
Internal charges and overheads applied	402	391	404
<b>Total applications of operating funding (B)</b>	<b>1,121</b>	<b>1,164</b>	<b>1,071</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,064</b>	<b>1,079</b>	<b>1,085</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(153)	103	(233)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(153)</b>	<b>103</b>	<b>(233)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	451	874	875
Capital expenditure to improve the level of service	488	333	2
Increase (decrease) in reserves	(28)	(25)	(25)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>910</b>	<b>1,182</b>	<b>852</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,064)</b>	<b>(1,079)</b>	<b>(1,085)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# STORMWATER

Refer to the 10 Year Plan page 77.

## Non-financial information

There have been no changes to the non-financial information contained in the 2018-28 10 Year Plan.

## Levels of services

There have been no changes to the statement of service performance contained in the 2018-28 10 Year Plan.

## Future changes

Notable changes from the 2018-28 10 Year Plan are as follows:

- Part of the stormwater separation budget for 2019/20 financial year will be used for the Elizabeth Street pipe project planned for the 2020/21 financial year.
- In partnership with neighbouring local authorities, the Council has obtained funding from the Department of Internal Affairs to develop a business case for a collaborative working arrangement for 3 Waters service delivery.



## FUNDING IMPACT STATEMENT - STORMWATER

	Annual Plan 2020 \$'000	LTP 2021 \$'000	Annual Plan 2021 \$'000
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	593	608	630
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	-	-	-
<b>Total operating funding (A)</b>	<b>593</b>	<b>608</b>	<b>630</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	127	130	137
Finance costs	-	6	16
Other operating funding applications	-	-	-
Internal charges and overheads applied	97	94	97
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>224</b>	<b>230</b>	<b>250</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>369</b>	<b>378</b>	<b>380</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	401	105	(120)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>401</b>	<b>105</b>	<b>(120)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	79	-	-
Capital expenditure to improve the level of service	692	483	260
Increase (decrease) in reserves	-	-	-
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>771</b>	<b>483</b>	<b>260</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(369)</b>	<b>(378)</b>	<b>(380)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# ROADING AND FOOTPATHS

Refer to the 10 Year Plan page 81.

## Non-financial information

There have been no changes to the non-financial information contained in the 2018-28 10 Year Plan.

## Levels of services

There have been no changes to the statement of service performance contained in the 2018-28 10 Year Plan.

## Future changes

A collaborative Transportation and 3 Waters project has presented itself, in the form of a new bridge across the Mataura River. The proposed bridge will both carry water pipes for the upgraded water supply for Gore as well as provide a cycling and pedestrian pathway for residents and visitors.



## FUNDING IMPACT STATEMENT - ROADING

	Annual Plan 2020 \$'000	LTP 2021 \$'000	Annual Plan 2021 \$'000
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	2,573	2,629	2,528
Subsidies and grants for operating purposes	1,090	1,045	1,113
Fees and charges	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	144	147	146
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	214	207	176
<b>Total operating funding (A)</b>	<b>4,021</b>	<b>4,028</b>	<b>3,963</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	2,159	2,477	2,115
Finance costs	71	119	91
Other operating funding applications	-	-	-
Internal charges and overheads applied	532	510	504
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>2,762</b>	<b>3,106</b>	<b>2,710</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>1,260</b>	<b>922</b>	<b>1,253</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	4,142	1,599	1,634
Development and financial contributions	-	-	-
Increase (decrease) in debt	964	64	64
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>5,106</b>	<b>1,663</b>	<b>1,698</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	2,731	2,434	2,776
Capital expenditure to improve the level of service	3,684	195	195
Increase (decrease) in reserves	(49)	(45)	(20)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>6,366</b>	<b>2,585</b>	<b>2,951</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,260)</b>	<b>(922)</b>	<b>(1,253)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# PARKS, RESERVES, AQUATIC FACILITIES, CIVIC BUILDINGS AND RECREATION

Refer to the 10 Year Plan page 84.

## Non-financial information

There have been no changes to the non-financial information contained in the 2018-28 10 Year Plan.

## Levels of services

There have been no changes to the statement of service performance contained in the 2018-28 10 Year Plan.

## Future changes

The 2018-2028 10 Year Plan includes an upgrade for the civic administration building, scheduled to start in 2018/19. The work is necessary to complete earthquake strengthening of key parts of the building, remove asbestos and to modernise the layout of the building so it can be used efficiently and effectively. The work commenced at the beginning of the 2020 calendar year. Prior to Christmas 2019 all administration building staff relocated to the James Cumming Wing including a temporary Council Chamber set up in the lecture theatre where the floor has been levelled. In early 2020 the Covid-19 pandemic occurred and halted all construction work. It is expected there will be delays in the project timeline due to the national lockdown. At the time of writing, the quantum of the delay is yet to be determined.

The Aquatic and Event Centre budgets have been adjusted to reflect a possible decline in visitors for the first quarter of the Annual Plan 2021. Included in this adjustment was the removal of grant funding received from contribution partners.



## FUNDING IMPACT STATEMENT - PARKS, RESERVES, AQUATIC FACILITIES, CIVIC BUILDINGS & RECREATION

	Annual Plan 2020 \$'000	LTP 2021 \$'000	Annual Plan 2021 \$'000
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charge, rates penalties	1,627	1,777	1,769
Targeted rates	3,200	3,303	3,249
Subsidies and grants for operating purposes	98	100	19
Fees and charges	815	832	694
Local authorities fuel tax, fines, infringement fees, and other receipts	-	711	-
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	1,451	1,429	1,429
<b>Total operating funding (A)</b>	<b>7,191</b>	<b>8,152</b>	<b>7,160</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	3,812	4,212	4,039
Finance costs	280	396	329
Other operating funding applications	-	-	-
Internal charges and overheads applied	2,315	2,255	2,322
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>6,406</b>	<b>6,864</b>	<b>6,690</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>785</b>	<b>1,288</b>	<b>470</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,506	1,850	2,546
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>2,506</b>	<b>1,850</b>	<b>2,546</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure to meet additional demand	24	24	24
Capital expenditure to replace existing assets	3,295	3,186	3,186
Capital expenditure to improve the level of service	20	20	20
Increase (decrease) in reserves	(47)	(92)	(214)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,291</b>	<b>3,138</b>	<b>3,016</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(785)</b>	<b>(1,288)</b>	<b>(470)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# OTHER DISTRICT ASSETS INCLUDING SOLID WASTE AND CIVIL DEFENCE

Refer to the 10 Year Plan page 88.

## Non-financial information

There have been several changes to the non-financial information contained in the 2018-28 10 Year Plan.

The landfill operations contract with Bond Contracting Ltd has been renewed for a further eight years with a number of changes to how we manage our kerbside collection, the transfer station operations and where we transport our waste.

The sorting of our kerbside recycling has also changed with a move away from the Southland Disability Enterprises contract following its expiry on 30 June 2020. With changes in the contract model, difficulties with the procurement process and a hugely diminished recycle market, the Gore District Council decided to develop its own response to recycling.

## Levels of services

There have been changes to the statement of service performance contained in the 2018-28 10 Year Plan.

Although the Council is holding to its ethos of waste minimisation, levels of service have changed principally due to a collapse in recycling markets. While we maintain general waste collection there has been a drop in what is collected as recycling. Our yellow bin will now be for glass only with facilities around Gore and Matura to collect both cardboard and aluminium. Green waste will now be accepted for free at the transfer stations.

All changes will be managed within existing budgets.

## Future changes

There have been changes to the key projects contained in the 2018-28 10 Year Plan.

The Council will be closely monitoring the recycle markets into the future looking for opportunities to improve our existing response to the waste stream.



## FUNDING IMPACT STATEMENT - OTHER DISTRICT ASSETS INCLUDING SOLID WASTE AND CIVIL DEFENCE

	Annual Plan 2020 \$'000	LTP 2021 \$'000	Annual Plan 2021 \$'000
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charge, rates penalties	280	283	275
Targeted rates	1,372	1,388	1,352
Subsidies and grants for operating purposes	48	49	49
Fees and charges	625	638	718
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	1,437	1,395	1,442
<b>Total operating funding (A)</b>	<b>3,761</b>	<b>3,752</b>	<b>3,836</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	2,750	2,766	2,851
Finance costs	94	97	75
Other operating funding applications	-	-	-
Internal charges and overheads applied	765	736	783
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>3,609</b>	<b>3,600</b>	<b>3,709</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>153</b>	<b>153</b>	<b>127</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(40)	(40)	(40)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(40)</b>	<b>(40)</b>	<b>(40)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	170	76	76
Capital expenditure to improve the level of service	-	-	-
Increase (decrease) in reserves	(58)	36	11
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>112</b>	<b>112</b>	<b>87</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(153)</b>	<b>(153)</b>	<b>(127)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# COMMUNITY SERVICES: ARTS & HERITAGE, LIBRARIES, PROMOTIONS AND GRANTS

Refer to the 10 Year Plan page 92.

## Non-financial information

In May 2019 the Council relocated the Gore Library to the James Cumming Wing Hall due to the presence of black mould in the Norfolk Street building. The mould could not be addressed while the library was in-situ due to the presence of asbestos materials in the building.

With the library operating from its temporary location, the Council investigated the full extent of the building problems and considered options for the future of the library service in Gore.

There have been no other changes to the non-financial information contained in the 2018-28 10 Year Plan.

## Levels of services

There have been no changes to the statement of service performance contained in the 2018-28 10 Year Plan.

## Future changes

The 2018-2028 10 Year Plan included \$1.1 million to upgrade the library roof in 2018/19. Due to the presence of black mould, asbestos and the inherent roof design causing ongoing problems with water entry, the preferred option for the future of the library is yet to be confirmed by Council, and the project has been further delayed.

Future options for the library are likely to form a prominent part of the draft 2021-31 10 Year Plan.

The 10 Year Plan also included \$800,000 to complete earthquake strengthening work at the Eastern Southland Gallery. This was started in early 2020.

The 10 Year Plan included grant funding and capital expenditure of \$2m for the Murauwai Project. An application to the Provincial Growth Fund was prepared and approval was anticipated at the time the 10 Year Plan was created. After the project received approval from the Provincial Growth Fund the corresponding budget was removed as the Hokonui Moonshine Trust has taken full ownership of the project and funding received.

This annual plan also includes increased grant funding for the Eastern Southland Gallery, the Hokonui Moonshine Museum, and the Gore Historical Museum. These heritage organisations work closely with the Council's Arts & Heritage department and while their operating expenses have increased over the years, grant funding has not been adjusted accordingly.

An allowance has been made to include a Tussock Country Event Co-ordinator to facilitate and promote the new community event, held in conjunction with the New Zealand Country Music Awards and NZ Gold Guitar Awards.

There have been no changes to the key projects contained in the 2018-28 10 Year Plan.

## Schedule of grants

The schedule of grants for the 2020/21 year is as follows:

Amenity Hire Refunds	3,000
Children's Day	2,265
Community Networking Trust	10,000
Country Music & Songwriters	5,000
Croydon Aviation annual loan write off	3,000
Croydon Aviation Heritage Trust	6,000
Cycle Tour Southland	1,000
Eastern Southland Hockey Grant	10,000
Eastern Southland Art Gallery	40,000
Emergency Housing	2,500
Enviro Schools	5,000
Free Swim School - Primary School	28,832
Gold Guitar Awards	5,000
Gore A & P Association	85,316
Gore Hospice Rates grant	1,000
Gore Museum	11,000
Healthy Homes initiative	15,000
Heartland Life Education Trust	2,500
Hokonui Fashion Design Awards Grant *1	
Hokonui Heritage Centre Trust	6,500
Hokonui Pioneer Park	5,000
Hospice Southland (Transfer station fees)	1,000
Hospital Incentives	2,000
Mataura Heritage Centre	9,500
Mataura School Bus for swim lessons	4,000
Moonshine Committee	24,500
Pakeke Lions Recycling Services	25,282
Rural Halls	18,058
Safe in the South operational grant	8,000
Scholarships x2	2,000
Southland Regional Heritage Trust*	22,792
Sth Regional Cataloguing project	6,336
Total Mobility	18,118
Waikaka Domain Board	12,688
<b>Total</b>	<b>402,187</b>

\* Net amount shown.

\*1 This event budget is held in the year of the event being held. Due to Covid-19 the next grant will be available in 2021/2022.

## FUNDING IMPACT STATEMENT - ARTS & HERITAGE, LIBRARIES, PROMOTIONS AND GRANTS

	Annual Plan 2020 \$'000	LTP 2021 \$'000	Annual Plan 2021 \$'000
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charge, rates penalties	1,972	1,960	2,110
Targeted rates	632	663	640
Subsidies and grants for operating purposes	216	221	310
Fees and charges	122	109	103
Local authorities fuel tax, fines, infringement fees, and other receipts	7	7	6
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	-	-	-
<b>Total operating funding (A)</b>	<b>2,949</b>	<b>2,959</b>	<b>3,169</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	1,595	1,434	1,743
Finance costs	29	149	76
Other operating funding applications	592	631	617
Internal charges and overheads applied	596	571	617
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>2,813</b>	<b>2,785</b>	<b>3,053</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>137</b>	<b>175</b>	<b>116</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	2,000	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,316	(53)	(59)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>2,316</b>	<b>1,947</b>	<b>(59)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	2,038	140	120
Capital expenditure to improve the level of service	400	2,000	-
Increase (decrease) in reserves	15	(18)	(63)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,453</b>	<b>2,122</b>	<b>57</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(137)</b>	<b>(175)</b>	<b>(116)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# REGULATORY AND PLANNING

Refer to the 10 Year Plan page 97.

## Non-financial information

There have been no changes to the other non-financial information contained in the 2018-28 10 Year Plan.

## Levels of services

There have been no changes to the statement of service performance contained in the 2018-28 10 Year Plan.

## Future changes

A project is underway to digitise all of the Council's property files. This commenced in December 2019. It is intended to have all files digitised by the end of the first quarter of 2020-21, with subsequent work to apply privacy and formatting standards to those electronic files. The project is funded by a \$400,000 10 year loan. Property files contain the building activity records for properties in the District. Having the file in a digital format reduces the risk of loss and also increases public access to the information. Once the project is complete, customers will be able to request property files and view them via the Council's website in a secure manner, with privacy protocols applied, without the need to make a trip to the Council's office.

This also incorporates work on the Council's digital records system, to ensure all records are classified and updated in real-time, and both confidential and public information is clearly and consistently identified.

The building control unit continues to implement an electronic building consent handling programme. This will mean customers can lodge building consents online and track their progress in real-time.

Work is underway on a review of the Gore District Plan. The current plan dates from 2006, and is in need of review. The review must be in a format specified by central government. A series of essential-to-consider issues have been identified, and a Council committee formed to oversee the project. It is intended to have a draft ready for statutory consultation with the public in calendar 2021.

There have been no changes to the other key projects contained in the 2018-28 10-Year Plan.



## FUNDING IMPACT STATEMENT - REGULATORY AND PLANNING

	Annual Plan 2020 \$'000	LTP 2021 \$'000	Annual Plan 2021 \$'000
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charge, rates penalties	688	697	733
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	988	1,000	1,025
Local authorities fuel tax, fines, infringement fees, and other receipts	73	55	75
Interest and dividends from investments	-	-	-
Internal charges and overheads recovered	620	364	515
<b>Total operating funding (A)</b>	<b>2,369</b>	<b>2,115</b>	<b>2,348</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	1,621	1,312	1,658
Finance costs	23	21	52
Other operating funding applications	-	-	-
Internal charges and overheads applied	1,029	755	938
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>2,673</b>	<b>2,088</b>	<b>2,648</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>(303)</b>	<b>27</b>	<b>(300)</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	746	11	342
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>746</b>	<b>11</b>	<b>342</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	388	-	-
Capital expenditure to improve the level of service	40	-	-
Increase (decrease) in reserves	15	38	42
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>443</b>	<b>38</b>	<b>42</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>303</b>	<b>(27)</b>	<b>300</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

# DEMOCRACY AND ADMINISTRATION

Refer to the 10 Year Plan page 100.

## Non-financial information

There have been no changes to the non-financial information contained in the 2018-28 10 Year Plan.

## Levels of services

There have been no changes to the statement of service performance contained in the 2018-28 10 Year Plan.

## Future changes

An allowance has been made for a full-time Community Strategy Manager and Human Resources officer.

There have been no other changes to the key projects contained in the 2018-28 10 Year Plan.



## FUNDING IMPACT STATEMENT - DEMOCRACY AND ADMINISTRATION

	Annual Plan 2020 \$'000	LTP 2021 \$'000	Annual Plan 2021 \$'000
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charge, rates penalties	1,325	1,013	1,377
Targeted rates	-	-	-
Subsidies and grants for operating purposes	44	4	34
Fees and charges	24	25	25
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Interest and dividends from investments	102	104	104
Internal charges and overheads recovered	3,121	2,988	3,231
<b>Total operating funding (A)</b>	<b>4,616</b>	<b>4,133</b>	<b>4,771</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	3,957	3,496	4,089
Finance costs	9	7	18
Other operating funding applications	-	-	-
Internal charges and overheads applied	462	442	478
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>4,428</b>	<b>3,945</b>	<b>4,585</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>188</b>	<b>188</b>	<b>186</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	254	(46)	(19)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>254</b>	<b>(46)</b>	<b>(19)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to replace existing assets	436	154	180
Capital expenditure to improve the level of service	-	-	-
Increase (decrease) in reserves	5	(13)	(13)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>441</b>	<b>141</b>	<b>167</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(188)</b>	<b>(188)</b>	<b>(186)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>



# PROSPECTIVE FINANCIAL STATEMENTS

## GORE DISTRICT COUNCIL

### PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

30 June 2021

	AP 2020 \$'000	LTP 2021 \$'000	AP 2021 \$'000
<b>REVENUE</b>			
Rates	17,329	18,035	17,821
Subsidies and grants	5,638	5,017	3,159
Development and financial contributions	-	-	-
Other revenue	4,095	4,594	4,128
Other gains/ (losses)	-	-	-
<b>Total revenue</b>	<b>27,062</b>	<b>27,646</b>	<b>25,108</b>
<b>EXPENDITURE</b>			
Employee benefits expense	7,102	6,506	7,336
Depreciation and amortisation expense	5,615	5,847	6,272
Finance costs	902	1,467	1,002
Other expenses	10,749	11,276	11,228
<b>Total expense</b>	<b>24,368</b>	<b>25,096</b>	<b>25,838</b>
<b>Surplus / (deficit)</b>	<b>2,694</b>	<b>2,550</b>	<b>(730)</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>			
<i>Items that will not be reclassified to surplus / (deficit)</i>			
Gain / (loss) on property, plant and equipment revaluation	-	-	-
<b>Other comprehensive revenue and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive revenue and expense</b>	<b>2,694</b>	<b>2,550</b>	<b>(730)</b>

## NOTE TO PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	AP 2020 \$'000	LTP 2021 \$'000	AP 2021 \$'000
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>			
Rates	17,329	18,035	17,821
Subsidies and grants	5,638	5,017	3,159
Development and financial contributions	-	-	-
Other revenue	3,915	4,441	3,945
<b>Total revenue from non-exchange transactions</b>	<b>26,883</b>	<b>27,493</b>	<b>24,925</b>

### REVENUE FROM EXCHANGE TRANSACTIONS

Interest	102	104	104
Other revenue	77	49	79
<b>Total revenue from exchange transactions</b>	<b>179</b>	<b>153</b>	<b>183</b>
<b>Total revenue</b>	<b>27,062</b>	<b>27,646</b>	<b>25,108</b>

## GORE DISTRICT COUNCIL PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

30 June 2021

	AP 2020 \$'000	LTP 2021 \$'000	AP 2021 \$'000
Equity at beginning of year	414,771	418,004	433,140
Total Comprehensive revenue and expense	2,694	2,550	(730)
<b>Equity at end of year</b>	<b>417,466</b>	<b>420,554</b>	<b>432,410</b>

The opening equity balance for the 2021 year has been adjusted to more accurately reflect the current financial position of the Gore District Council.

## ANNUAL DEPRECIATION BY GROUP OF ACTIVITIES

	AP 2020 \$'000	LTP 2021 \$'000	AP 2021 \$'000
Water	525	598	740
Wastewater	1,090	1,100	1,033
Stormwater	369	378	532
Roading	2,378	2,466	2,444
Other district assets including Solid Waste and Civil Defence	172	172	220
Community services - Arts & Heritage, Libraries, Promotions and Grants	166	201	174
Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation	725	736	857
Regulatory and Planning	46	52	46
Democracy and Administration	144	144	226
<b>Total annual depreciation</b>	<b>5,615</b>	<b>5,847</b>	<b>6,272</b>



**GORE DISTRICT COUNCIL**  
**PROSPECTIVE STATEMENT OF FINANCIAL POSITION**

30 June 2021

	AP 2020 \$'000	LTP 2021 \$'000	AP 2021 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2,926	2,956	2,962
Receivables	2,193	2,196	2,023
Inventories	139	139	232
Other financial assets	1,682	1,682	1,682
Other current assets	173	173	391
<b>Total current assets</b>	<b>7,114</b>	<b>7,146</b>	<b>7,290</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	339	339	339
Property, plant and equipment	445,146	451,855	468,681
<b>Total non-current assets</b>	<b>445,485</b>	<b>452,194</b>	<b>469,020</b>
<b>Total assets</b>	<b>452,598</b>	<b>459,340</b>	<b>476,310</b>
<b>CURRENT LIABILITIES</b>			
Payables	2,847	2,904	3,017
Employee entitlements	569	569	572
Borrowings	6,000	6,000	6,000
Provisions	-	-	55
Other financial liabilities	11	11	-
<b>Total current liabilities</b>	<b>9,427</b>	<b>9,484</b>	<b>9,644</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	24,852	28,451	32,170
Provisions	85	82	84
Other financial liabilities	769	769	2,002
<b>Total non-current liabilities</b>	<b>25,706</b>	<b>29,302</b>	<b>34,256</b>
<b>Total liabilities</b>	<b>35,133</b>	<b>38,786</b>	<b>43,900</b>
<b>Net assets</b>	<b>417,465</b>	<b>420,554</b>	<b>432,410</b>
<b>EQUITY</b>			
Reserves	278,564	278,543	296,671
Retained earnings	138,901	142,011	135,739
<b>Total Equity</b>	<b>417,465</b>	<b>420,554</b>	<b>432,410</b>

The opening balances for the 2021 year have been adjusted to more accurately reflect the current financial position of the Gore District Council.

**GORE DISTRICT COUNCIL**  
**PROSPECTIVE CASH FLOW STATEMENT**

30 June 2021

	AP 2020 \$'000	LTP 2021 \$'000	AP 2021 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from rates revenue	17,186	17,953	17,909
Receipts from other revenue	3,850	4,410	4,110
Subsidies and grants	5,638	5,017	3,159
Interest received	102	104	104
Payments to suppliers and employees	(17,692)	(17,621)	(18,446)
Finance costs	(902)	(1,467)	(1,002)
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>8,181</b>	<b>8,396</b>	<b>5,834</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipts from maturity of other financial assets	-	-	-
Receipts from sale of property, plant and equipment	-	-	-
Purchase of property, plant and equipment	(19,417)	(13,014)	(19,103)
Purchase of other financial assets	-	-	-
<b>Net cash inflow/ (outflow) from investing activities</b>	<b>(19,417)</b>	<b>(13,014)</b>	<b>(19,103)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	12,485	6,491	15,320
Repayment of borrowings	(1,498)	(1,966)	(2,014)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>10,988</b>	<b>4,525</b>	<b>13,306</b>
<b>Net increase (decrease) in Cash and cash equivalents</b>	<b>(249)</b>	<b>(93)</b>	<b>37</b>
Cash and cash equivalents at the beginning of the financial year	3,175	3,049	2,926
Cash and cash equivalents at the end of the financial year	2,926	2,956	2,963

The opening cash balance for the 2021 year has been adjusted to more accurately reflect the current financial position of the Gore District Council.

**GORE DISTRICT COUNCIL**  
**RECONCILIATION BETWEEN ALL OF COUNCIL FUNDING IMPACT**  
**STATEMENT AND FINANCIAL STATEMENTS**

30 June 2021

	AP 2020 \$'000	LTP 2021 \$'000	AP 2021 \$'000
<b>REVENUE</b>			
Total operating revenue per Statement of comprehensive revenue and expense	27,062	27,646	25,108
Less			
NZTA Subsidy received for capital expenditure	(4,142)	(3,598)	(1,634)
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	-	-	-
	<b>(4,142)</b>	<b>(3,598)</b>	<b>(1,634)</b>
<b>Total operating revenue per all of Council Funding Impact Statement</b>	<b>22,919</b>	<b>24,048</b>	<b>23,474</b>
<b>EXPENDITURE</b>			
Total operating expenditure per Statement of comprehensive revenue and expense	24,368	25,096	25,838
Less			
Depreciation	(5,615)	(5,847)	(6,272)
Decrease in investments	-	-	-
	<b>(5,615)</b>	<b>(5,847)</b>	<b>(6,272)</b>
<b>Total operating expenditure per all of Council Funding Impact Statement</b>	<b>18,753</b>	<b>19,249</b>	<b>19,566</b>

## Other Matters

The prospective financial statements were authorised for issue on 7 July 2020 by the Council of the Gore District Council.

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

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

## Cautionary Note

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

# STATEMENT OF ACCOUNTING POLICIES

## SUMMARY 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

Standards and amendments, issued by the New Zealand Accounting Standards Board, but not yet effective and that have not been early adopted, and which are relevant to the Council are:

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 has not yet assessed the effects of the new standard.

PBE IPSAS 39 Employee Benefits was issued in May 2017. This incorporates amendments to 31 January 2018. PBE IPSAS 29, when applied, supersedes PBE IPSAS 25 Employee Benefits and is effective for annual reporting periods beginning on or after 1 January 2019, with early application permitted. The Council has not yet assessed the effects of this 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 gains and losses

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



## 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.

## 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 is 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 2019. 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 2019. 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:

	<b>Life (years)</b>
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 - 20
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 2019: Nil

## Classification of property

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

# FUNDING IMPACT STATEMENT

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

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

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

The following definitions apply in this funding impact statement:

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, the Pukerau stormwater scheme and the Gore and Mataura wheelie bin service areas 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 16m<sup>2</sup>.

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 provisions 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 within the Gore or Mataura rating boundaries (refer maps) that is not classified as residential.

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

**Heavy Industry 1** – applies to 65-121 Kana St 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 metres of the applicable reticulation network (eg water, wastewater) and therefore has the ability to be connected. Serviceable rating units pay half the rate of a connected rating unit.

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

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

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

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

The same sources of funding are to be used in all years covered by the 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 \$0.000503 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 \$747.88 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 2020/21, this is:

76.88% of the Elected Members (democracy) activity	38.51% of the Public Conveniences activity
76.88% of the Arts & Heritage activity	76.88% of the Civic Buildings activity
76.88% of the Grants activity (excluding rural fire and Southland regional heritage trust)	76.88% 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	76.88% 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 \$38.07, 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	0.001561	\$1,472,681
Gore, Commercial	Capital value	0.004076	\$819,507
Mataura, Residential	Capital value	0.000501	\$54,072
Mataura, Commercial	Capital value	0.003537	\$21,636
Rural	Capital value	0.000763	\$1,899,752
Heavy Industry 1	Capital value	0.063564	\$25,425
Heavy Industry 2	Capital value	0.011330	\$12,372
Heavy industry 3	Capital value	0.012318	\$236,638
Utilities	Capital value	0.000861	\$44,149



## 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	\$328.17	\$1,179,784
Mataura, Residential	Separately used or inhabited part of a rating unit	\$257.77	\$204,923

### 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 – 98,000	Per rating unit	\$450.00	\$24,750
Commercial, Capital value \$98,001 – \$955,000	Capital value	\$0.004503	\$477,713
Commercial, Capital value \$955,001 and above	Per rating unit	\$4,450.00	\$231,400

### 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 – \$175,000	Separately used or inhabited part of a rating unit	\$219.10	\$36,809
Rural, Capital value 175,001 and above	Separately used or inhabited part of a rating unit	\$355.20	\$532,088

## 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	\$394.84	\$1,940,624
Serviceable, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$197.42	\$40,076

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

## 5. Additional water rate

A targeted rate of \$394.84 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	\$439.38	\$2,119,590
Serviceable, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$219.69	\$43,499
Connected, Waikaka scheme	Separately used or inhabited part of a rating unit	\$135.70	\$6,107
Serviceable, Waikaka scheme	Separately used or inhabited part of a rating unit	\$67.85	\$271
Connected, Pukerau scheme	Separately used or inhabited part of a rating unit	\$101.78	\$4,783

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	\$219.69	\$18,454
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.	\$439.38	\$57,999
Connected, Gore or Mataura scheme, All other non-residential rating units (excluding educational institutions).	number of water closets or urinals after the first	\$439.38	\$348,432
Connected, Waikaka scheme, non-residential (excluding educational institutions).	number of water closets or urinals after the first	\$135.70	\$543

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

## 7. Otama water scheme

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

### 7.1. Water Unit

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

### 7.2. Water connection

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



## 8. Solid waste rate

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Wheelie bin service area, Vacant land, (unserviced)	Separately used or inhabited part of a rating unit	\$73.02	\$13,435
Wheelie bin service area, Receiving 80ltr wheelie bins	Separately used or inhabited part of a rating unit	\$251.23	\$101,497
Wheelie bin service area, All other rating units (240ltr wheelie bins)	Separately used or inhabited part of a rating unit	\$295.86	\$1,300,889

## 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	\$436
Mandeville hall area	Separately used or inhabited part of a rating unit	\$46.00	\$1,426
Otama hall area	Rating unit	\$80.50	\$4,428
Pukerau hall area	Separately used or inhabited part of a rating unit	\$36.00	\$3,672
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	\$50.00	\$8,400
Knapdale hall area	Separately used or inhabited part of a rating unit	\$57.50	\$3,795

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

# RATING EXAMPLES

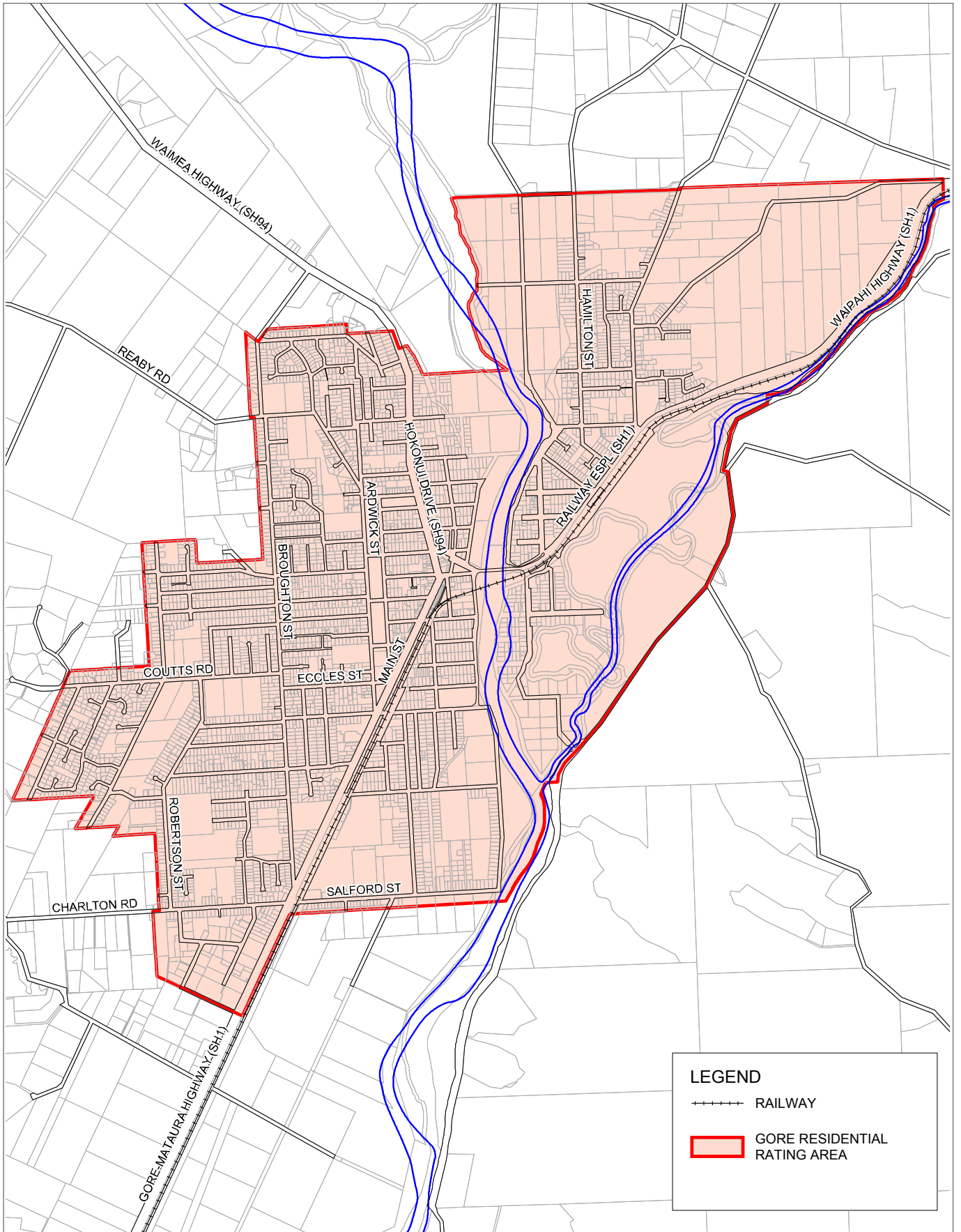
Category	Capital Value	UAGC	Regional Heritage	General Rate	Ward Rate	Parks & Reserves	Water	Solid Waste	Wastewater & Stormwater	Heavy Industry	Proposed Rates 2020/21	Total 2019/20	% Increase	Rates change \$ annually	Rates change \$ weekly
Gore Residential	50,000	748	38	25	78	328	395	296	439		\$ 2,347	\$ 2,273	3.26%	\$ 74	\$ 1
Gore Residential	150,000	748	38	75	234	328	395	296	439		\$ 2,554	\$ 2,478	3.07%	\$ 76	\$ 1
Gore Residential	250,000	748	38	126	390	328	395	296	439		\$ 2,760	\$ 2,682	2.91%	\$ 78	\$ 1
Gore Residential	375,000	748	38	189	585	328	395	296	439		\$ 3,018	\$ 2,971	1.59%	\$ 47	\$ 1
Gore Residential	500,000	748	38	251	781	328	395	296	439		\$ 3,276	\$ 3,248	0.88%	\$ 29	\$ 1
Gore Residential	650,000	748	38	327	1,015	328	395	296	439		\$ 3,586	\$ 3,645	-1.61%	\$ -59	\$ -1
Mataura Residential	14,000	748	38	7	7	258	395	296	439		\$ 2,188	\$ 2,136	2.45%	\$ 52	\$ 1
Mataura Residential	50,000	748	38	25	25	258	395	296	439		\$ 2,224	\$ 2,178	2.09%	\$ 46	\$ 1
Mataura Residential	75,000	748	38	38	38	258	395	296	439		\$ 2,249	\$ 2,190	2.68%	\$ 59	\$ 1
Mataura Residential	150,000	748	38	75	75	258	395	296	439		\$ 2,324	\$ 2,281	1.89%	\$ 43	\$ 1
Mataura Residential	250,000	748	38	126	125	258	395	296	439		\$ 2,425	\$ 2,400	1.03%	\$ 25	\$ 0
Mataura Residential	340,000	748	38	171	171	258	395	296	439		\$ 2,515	\$ 2,492	0.91%	\$ 23	\$ 0
Gore Commercial	40,000	748	38	20	163	450	395	296	439		\$ 2,549	\$ 2,453	3.92%	\$ 96	\$ 2
Gore Commercial	150,000	748	38	75	611	676	395	296	439		\$ 3,278	\$ 3,296	-0.53%	\$ -17	\$ -0
Gore Commercial	250,000	748	38	126	1,019	1,126	395	296	439		\$ 4,187	\$ 4,087	2.44%	\$ 100	\$ 2
Gore Commercial	400,000	748	38	201	1,630	1,801	395	296	439		\$ 5,549	\$ 5,986	-7.30%	\$ -437	\$ -8
Gore Commercial	700,000	748	38	352	2,853	3,152	395	296	439		\$ 8,273	\$ 7,885	4.92%	\$ 388	\$ 7
Gore Commercial	1,300,000	748	38	654	5,298	4,450	395	296	439		\$ 12,318	\$ 13,066	-5.72%	\$ -748	\$ -14
Mataura Commercial	15,000	748	38	8	53	450	395	296	439		\$ 2,427	\$ 2,401	1.05%	\$ 25	\$ 0
Mataura Commercial	45,000	748	38	23	159	450	395	296	439		\$ 2,548	\$ 2,561	-0.53%	\$ -14	\$ -0
Mataura Commercial	100,000	748	38	50	354	450	395	296	439		\$ 2,770	\$ 2,870	-3.46%	\$ -99	\$ -2
Mataura Commercial	165,000	748	38	83	584	743	395	296	439		\$ 3,326	\$ 3,624	-8.22%	\$ -298	\$ -6
Mataura Commercial	370,000	748	38	186	1,309	1,666	395	296	439		\$ 5,077	\$ 5,641	-10.00%	\$ -564	\$ -11
Mataura Commercial	760,000	748	38	382	2,688	3,423	395	296	439		\$ 8,409	\$ 8,243	2.01%	\$ 166	\$ 3
Rural	100,000	748	38	50	76	219	-	-	-		\$ 1,132	\$ 1,090	3.82%	\$ 42	\$ 1
Rural	400,000	748	38	201	305	355	-	-	-		\$ 1,648	\$ 1,557	5.80%	\$ 90	\$ 2
Rural	800,000	748	38	402	611	355	-	-	-		\$ 2,154	\$ 1,985	8.52%	\$ 169	\$ 3
Rural	1,600,000	748	38	804	1,221	355	-	-	-		\$ 3,167	\$ 3,085	2.66%	\$ 82	\$ 2
Rural	2,500,000	748	38	1,257	1,909	355	-	-	-		\$ 4,307	\$ 4,160	3.51%	\$ 146	\$ 3
Rural	3,500,000	748	38	1,760	2,672	355	-	-	-		\$ 5,573	\$ 5,370	3.77%	\$ 202	\$ 4
Rural	5,500,000	748	38	2,765	4,199	355	-	-	-		\$ 8,105	\$ 7,851	3.23%	\$ 254	\$ 5
Rural	7,500,000	748	38	3,770	5,726	355	-	-	-		\$ 10,637	\$ 10,100	5.32%	\$ 537	\$ 10
Rural	9,000,000	748	38	4,525	6,871	355	-	-	-		\$ 12,536	\$ 12,129	3.36%	\$ 408	\$ 8
Heavy Industry 1	400,000	748	38	201	-	-	395	296	879	25,425	\$ 27,982	\$ 27,209	2.84%	\$ 773	\$ 15
Heavy Industry 2	1,092,000	748	38	549	-	-	1,185	296	1,318	12,372	\$ 16,506	\$ 16,050	2.84%	\$ 456	\$ 9
Heavy Industry 3	19,210,000	2,992	152	9,657	-	-	1,974	1,183	36,030	236,638	\$ 288,627	\$ 280,656	2.84%	\$ 7,971	\$ 153



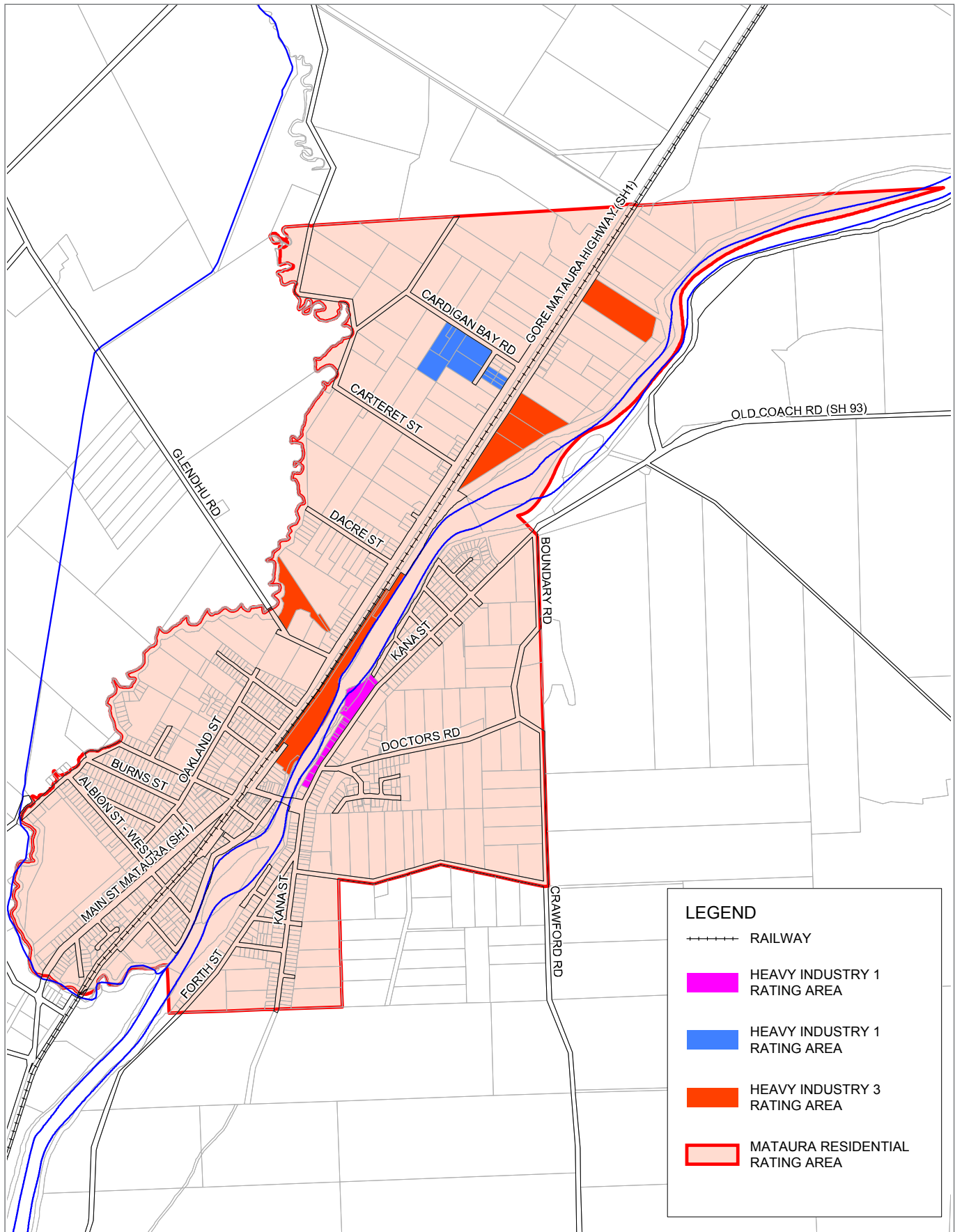
## FUNDING IMPACT STATEMENT - COUNCIL WIDE

	AP 2020 \$'000	LTP 2021 \$'000	AP 2021 \$'000
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charge, rates penalties	5,891	5,729	6,265
Targeted rates	11,777	12,407	11,921
Subsidies and grants for operating purposes	1,496	1,419	1,525
Fees and charges	3,429	3,469	3,432
Local authorities fuel tax, fines, infringement fees, and other receipts	224	920	227
Interest and dividends from investments	102	104	104
<b>Total operating funding (A)</b>	<b>22,919</b>	<b>24,048</b>	<b>23,474</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	17,258	17,151	17,948
Finance costs	902	1,467	1,002
Other operating funding applications	592	631	616
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>18,753</b>	<b>19,249</b>	<b>19,566</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)</b>	<b>4,166</b>	<b>4,798</b>	<b>3,908</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	4,142	3,599	1,634
Development and financial contributions	-	-	-
Increase (decrease) in debt	10,988	4,524	13,306
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>15,130</b>	<b>8,123</b>	<b>14,940</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure to meet additional demand	24	24	24
Capital expenditure to replace existing assets	10,001	7,363	7,711
Capital expenditure to improve the level of service	9,392	5,626	11,369
Increase (decrease) in reserves	(121)	(92)	(256)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>19,296</b>	<b>12,921</b>	<b>18,848</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(4,166)</b>	<b>(4,798)</b>	<b>(3,908)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

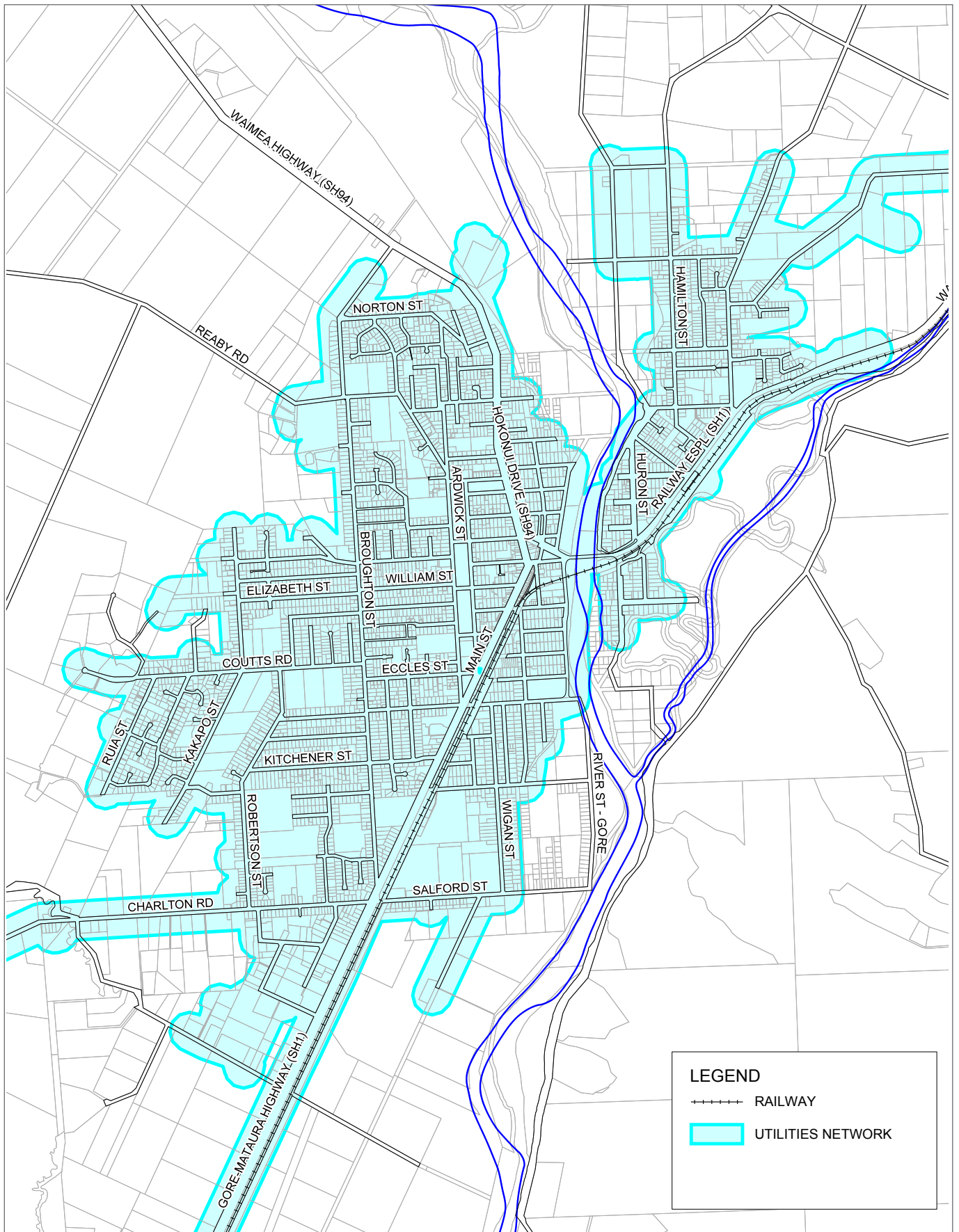
# GORE RESIDENTIAL RATING AREA



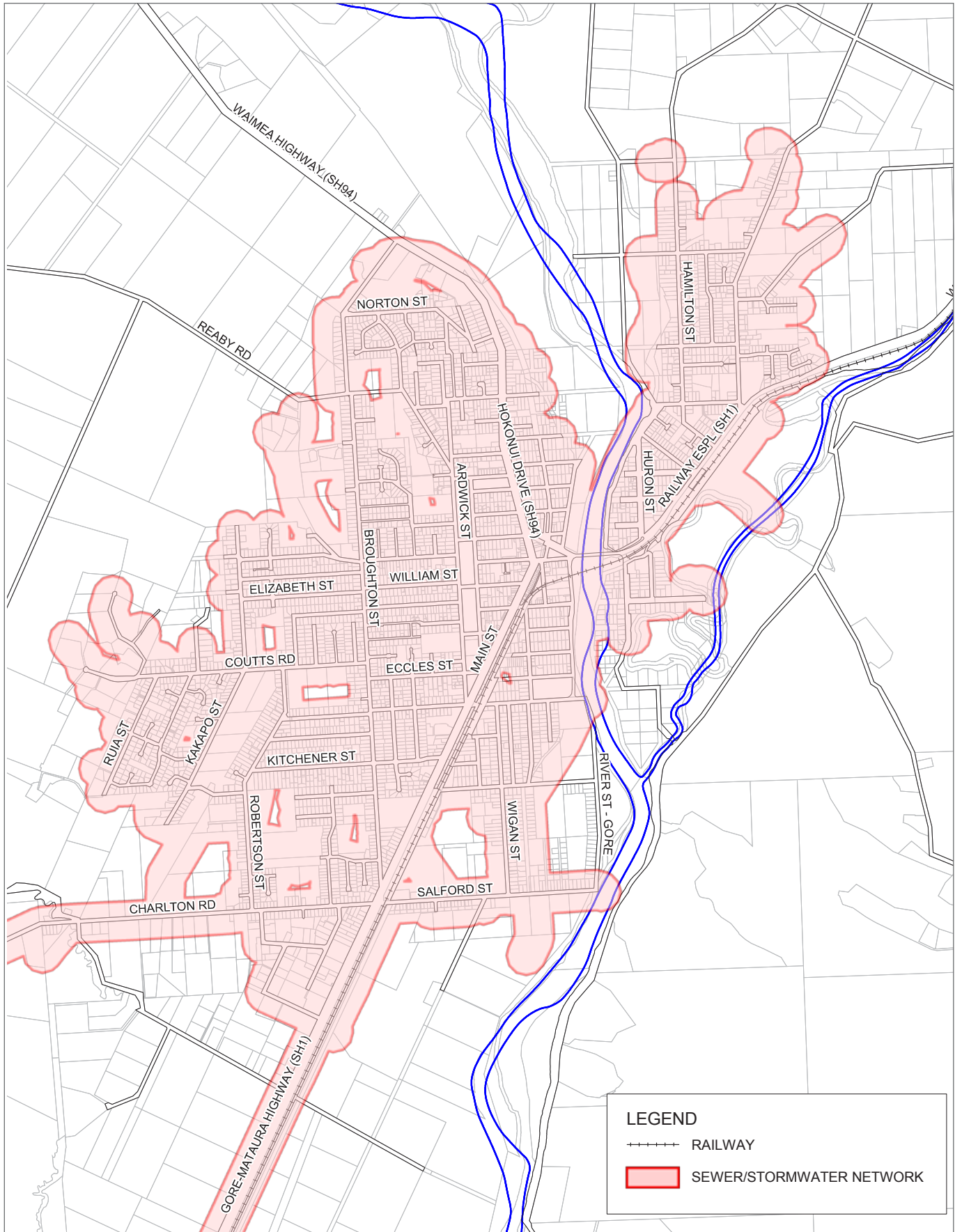
# MATAURA RESIDENTIAL RATING ARE AND HEAVY INDUSTRIAL RATING AREA



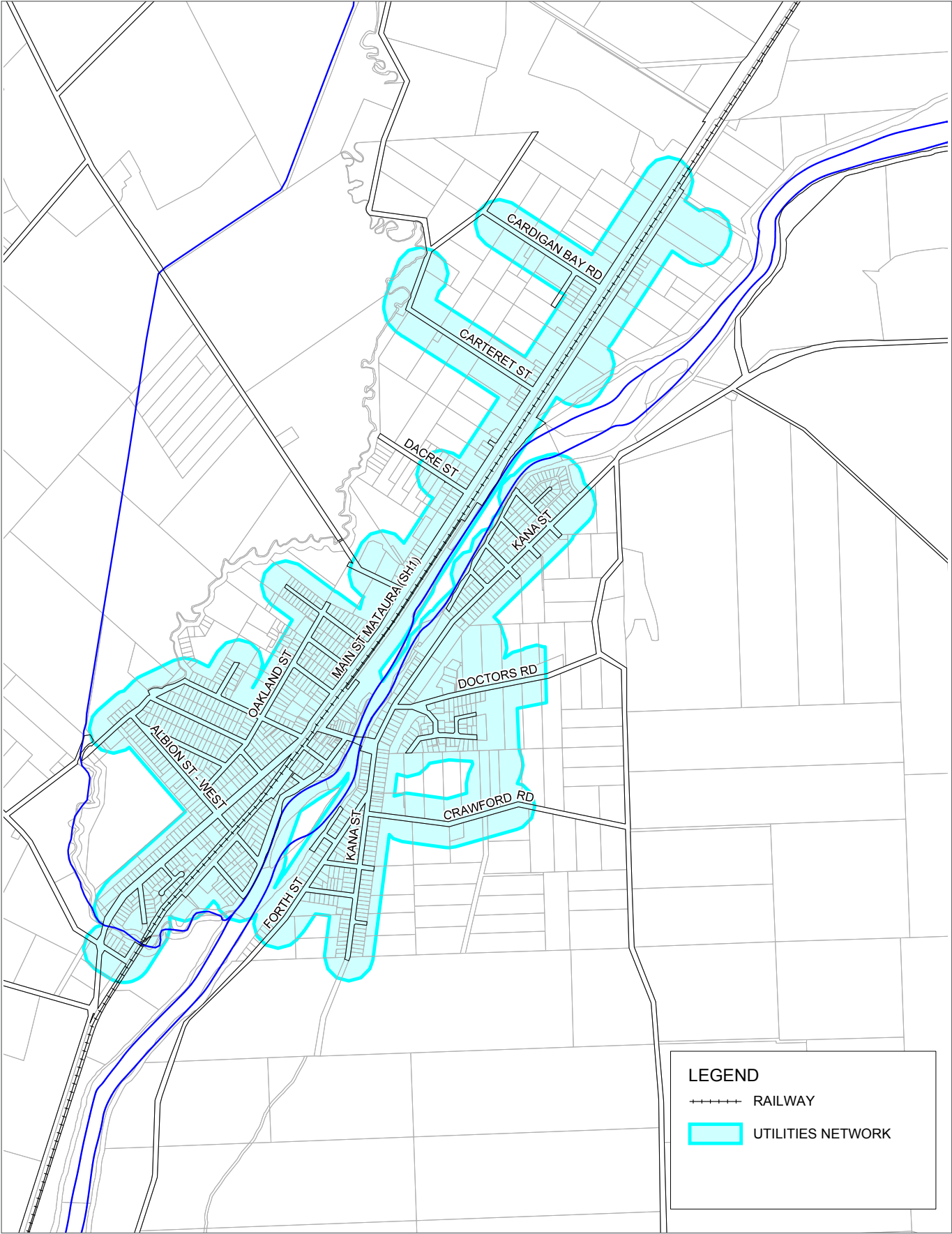
# GORE WATER NETWORK



# GORE WASTEWATER AND STORMWATER NETWORK

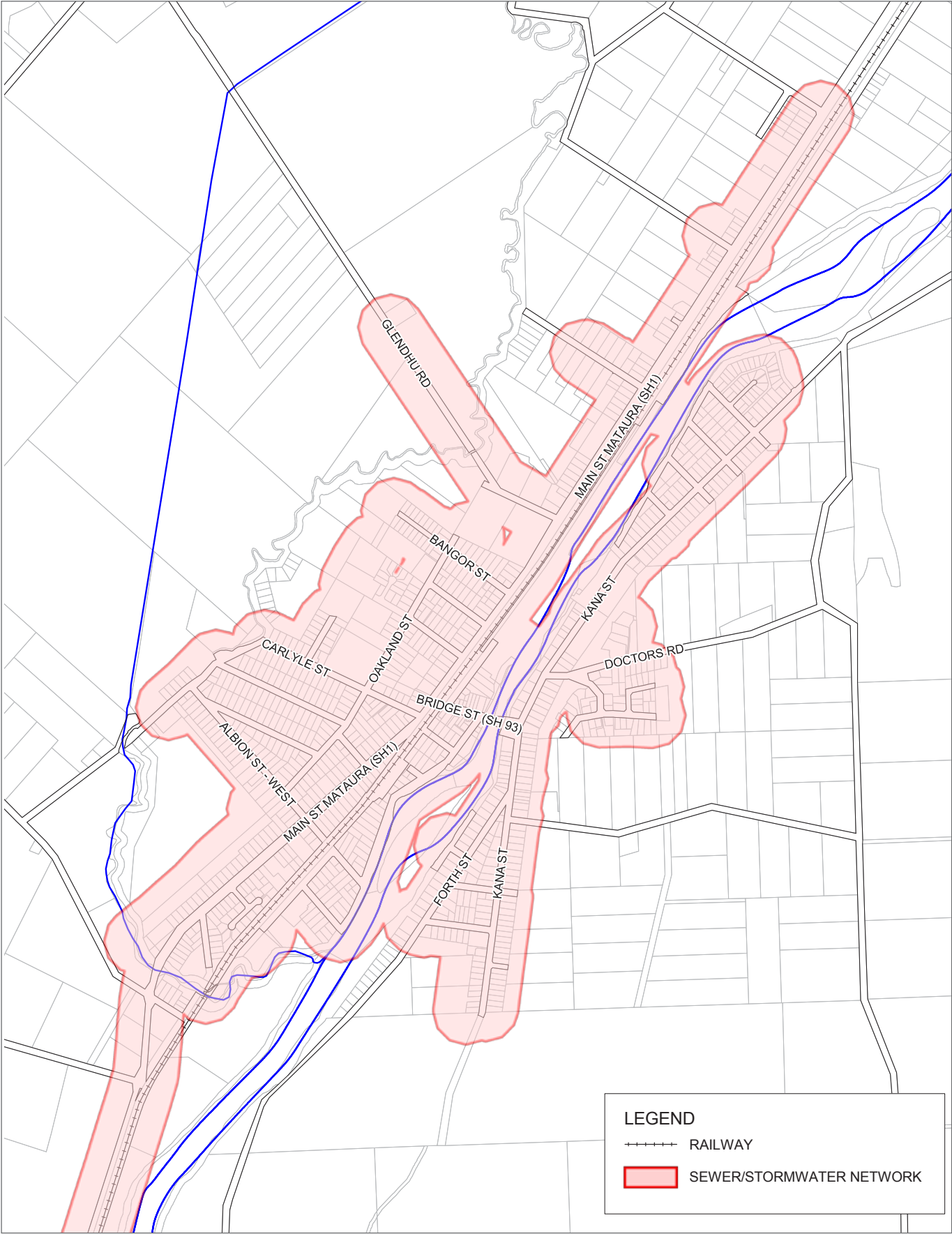


# MATAURA WATER NETWORK

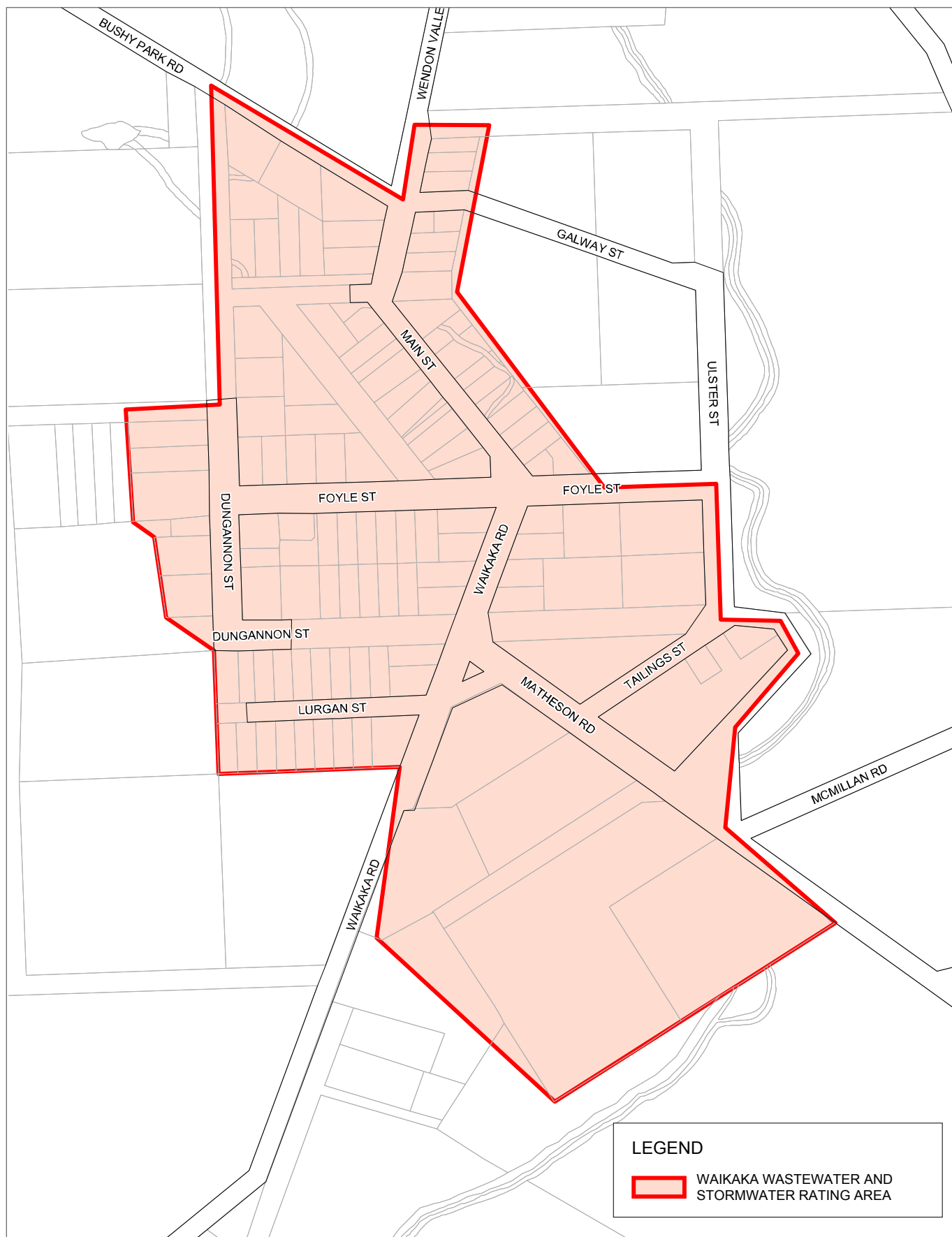




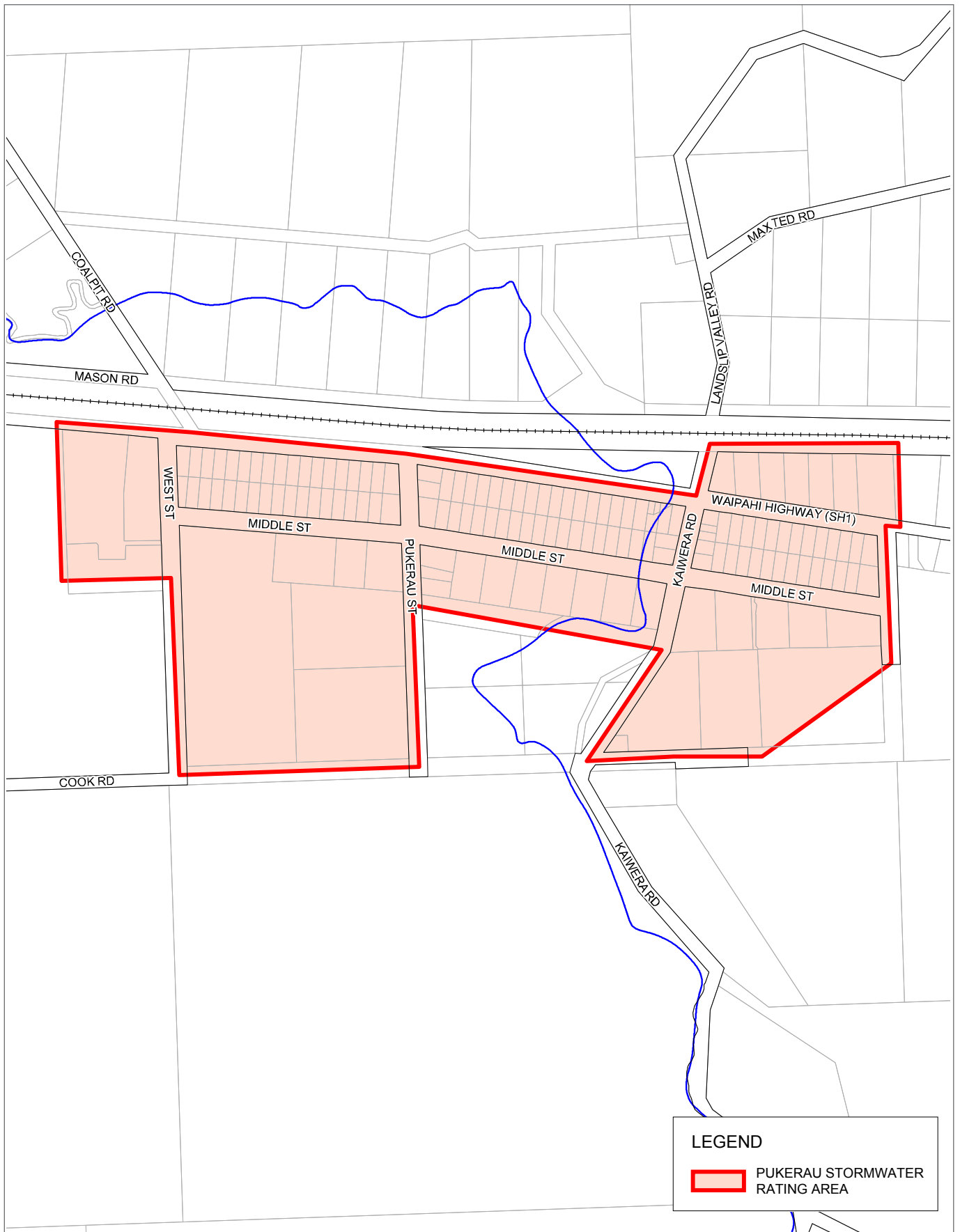
# MATAURA WASTEWATER AND STORMWATER NETWORK



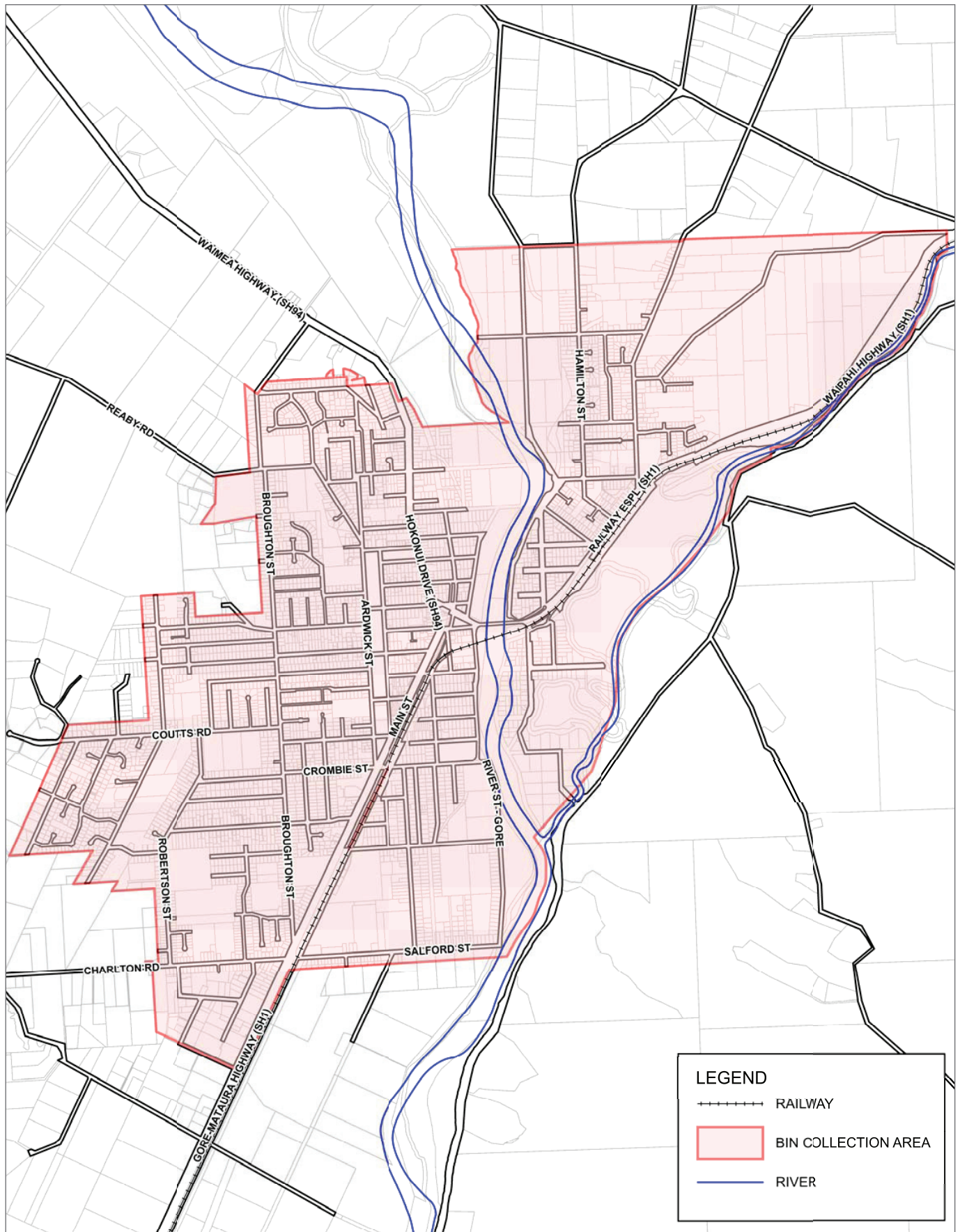
# WAIKAKA WASTEWATER AND STORMWATER NETWORK



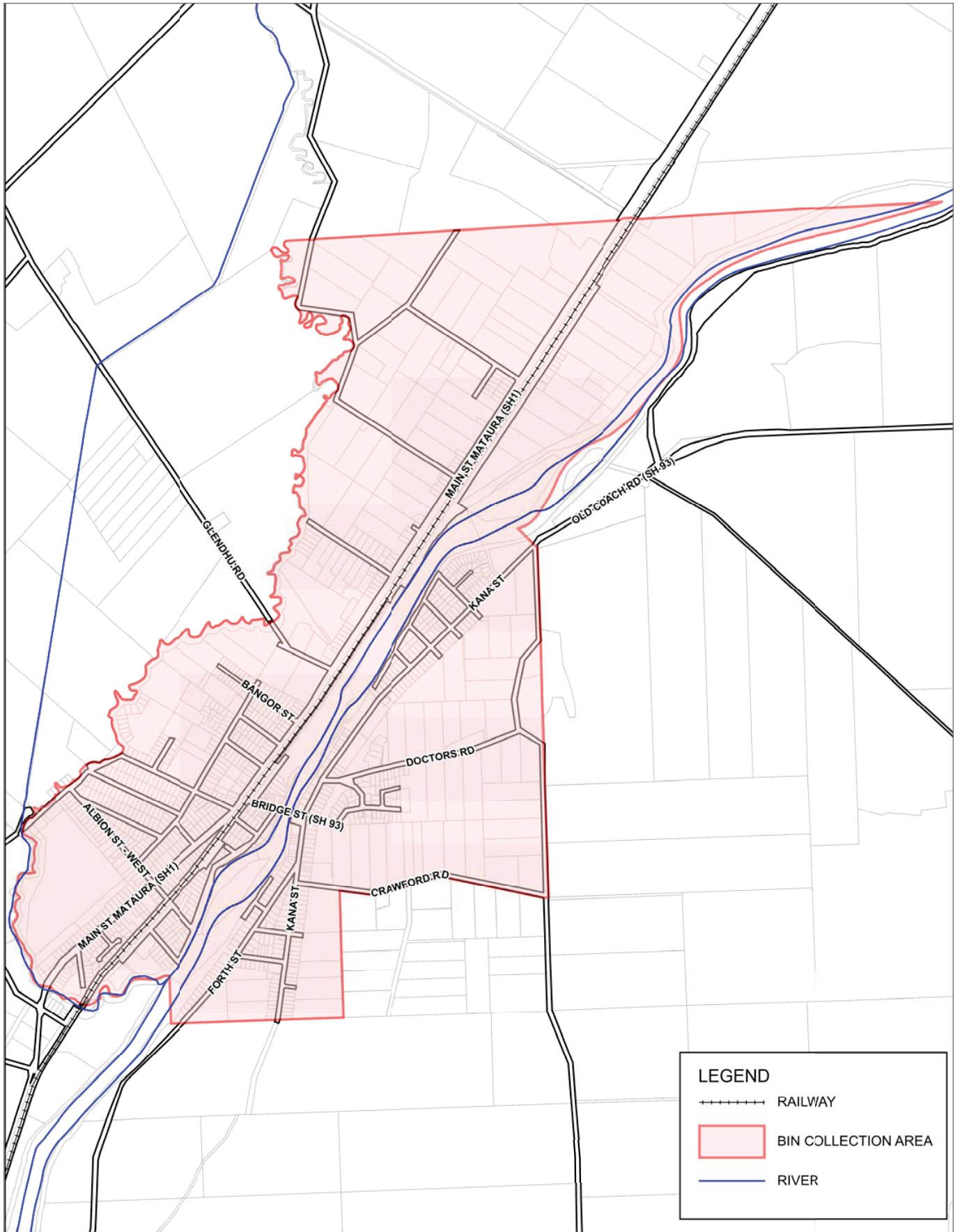
# PUKERAU WASTEWATER AND STORMWATER NETWORK



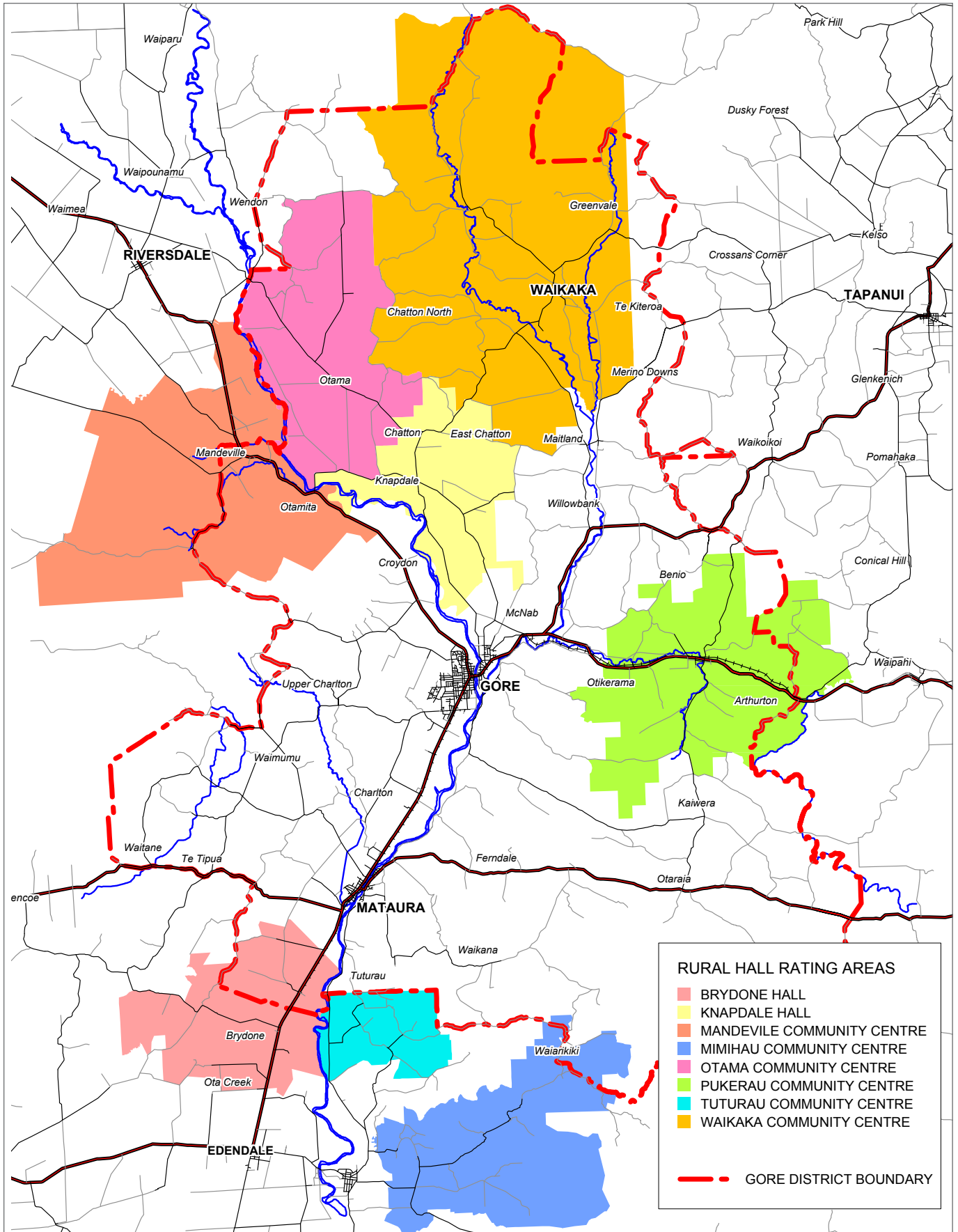
# GORE WHEELIE BIN SERVICE AREA



# MATAURA WHEELIE BIN SERVICE AREA



# RURAL HALL RATING AREA



# DISTRICT STATISTICS & RATING BASE INFORMATION

## POPULATION

	Statistics NZ
Gore	7,905
Mataura	1,629
Rural	2,862
	<b>Total 12,396</b>

	Capital Value \$	Land Value \$	No. of Rating Units	No. of UAGC's	No. of Water	No. of Connections Wastewater & Stormwater connections
Gore	1,144,379,400	317,864,050	3,828	4,015	4,202	4,961
Mataura	113,940,200	12,779,900	792	835	847	842
Rural	2,488,484,600	1,679,105,800	1,401	1,673	-	98
Heavy Industry	20,702,000	1,719,000	6	6	8	87
Utilities	51,285,000	-	5	5	-	-
<b>Total</b>	<b>3,818,791,200</b>	<b>2,011,468,750</b>	<b>6,032</b>	<b>6,534</b>	<b>5,057</b>	<b>5,988</b>



# FINANCIAL CONTRIBUTIONS

In December 2015 the Council placed the 3 Waters infrastructure and Reserves financial contributions policy, contained in its district plan, in abeyance with effect from 1 January 2016. This does not include financial contributions for parking as per rule 9.9 (1) of the District Plan.

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

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

Financial Contributions	2020/21
Parking (as per Rule 9.9 (1) of the District Plan)	
Construction and Marking Cost per parking space	\$2,096
For Water reticulation within Gore and Mataura	\$2,421
For Sewerage reticulation within Gore, Mataura	\$4,070
For Sewerage reticulation within Waikaka	\$4,070





# SCHEDULE OF SPECIAL RESERVE FUND MOVEMENTS

		30 June 2020 \$'000	Additions \$'000	Withdrawals \$'000	30 June 2021 \$'000
<b>(a) Special bequests</b>					
A M A Dolamore	Maintenance and improvement of Dolamore Park	67	2	-	69
C A Coster	Provision or extension of amenities in Matura area	100	3	-	103
Dolamore Trust	Purchase of Library Books	5		-	5
Dorothy Newman Trust	Maintenance and improvement of Gore Parks and Reserves	18	1	-	19
J H Dolamore	Maintenance and improvement of Gore Parks and Reserves	41	1	-	42
<b>(a) Special bequests Total</b>		<b>232</b>	<b>7</b>	<b>-</b>	<b>238</b>
<b>(b) Council created reserves</b>					
Airport reserve	funding future operations	7	-	-	7
Council wide asset replacement and maintenance reserves	Funding long term maintenance and replacement of Council assets	5,733	649	(1,106)	5,276
Creative New Zealand	Funding of cultural activities	2	-	-	2
Drainage contributions reserve	Funding additional connections to drainage network	62	-	-	62
Insurance excess reserve	Funding for self insurance of below ground assets	51	-	-	51
Matura Initiatives Reserve	Funding future initiatives in Matura	11	-	-	11
Otama Water Scheme	Funding capital works on Otama Water Scheme	405	60	(23)	442
Parks and Reserves development reserve	Funding future development requirements	101	-	-	101
Rural Halls Reserve	Funding future maintenance costs of rural halls	1	-	-	1
Rural Special Fund	Provision of amenities in rural areas of the District	514	15	-	529
Rural Roading reserve	Funding future roading works	219	-	(35)	184
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
<b>(b) Council created reserves Total</b>		<b>7,128</b>	<b>724</b>	<b>(1,164)</b>	<b>6,688</b>
<b>Grand Total</b>		<b>7,359</b>	<b>730</b>	<b>(1,164)</b>	<b>6,926</b>